

ANNUAL FINANCIAL REPORT
WARREN COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2018



DIVISION OF LOCAL GOVERNMENT AUDIT



ANNUAL FINANCIAL REPORT
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FOR THE YEAR ENDED JUNE 30, 2018

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

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

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Summary of Audit Findings

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

Scope

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

Results

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

Our audit resulted in one finding and recommendation, which we have reviewed with Warren County management. The detailed finding, recommendation, and management response are included in the Single Audit section of this report.

Findings

The following is a summary of the audit finding:

OFFICE OF FINANCE DIRECTOR

- ◆ General ledger payroll liability accounts were not reconciled.

INTRODUCTORY SECTION

Warren County Officials
June 30, 2018

Officials

Herschel Wells, County Executive
Levie Glenn, Superintendent of Roads
John Robert Cox, Director of Schools
Darlene Bryant, Trustee
Beth Martin, Assessor of Property
Lesa Scott, County Clerk
Bernadette Morris, Circuit, General Sessions, and Juvenile Courts Clerk
Myra Mara, Clerk and Master
Terry Smith, Register of Deeds
Jackie Matheny, Sheriff
Linda Hillis, Finance Director

Board of County Commissioners

Herschel Wells, County Executive, Chairman	
Terry Bell	Carolyn Miller
Morris Bond	Charles Morgan
Carl D. Bouldin	Gary Prater
Carl E. Bouldin	David Rhea
Teddy Boyd	Kenny Roberts
Carlene Brown	Scott Rubley
Wayne Copeland	Tommy Savage
Randy England	Tyrone Sparkman
Richard Grissom	Diane Starkey
Ronald Lee	Phillip Stout
Gary Martin	Blaine Wilcher
Michael Martin	Michael Wilcher

Board of Education

Helen Martin, Chairman	Linda Blair
James Bennett	Teddy Jones
Tanya Bess	William Zechman

Financial Management Committee

Herschel Wells, County Executive, Chairman	Gary Martin
Levie Glenn, Superintendent of Roads	Scott Rubley
John Robert Cox, Director of Schools	Tommy Savage
Terry Bell	

Audit Committee

Wayne Cantrell, Chairman
Emily Horton
Danny Martin

Randy England
Vacant

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

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

To the County Executive and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Warren County, Tennessee, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Warren County, Tennessee, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Ambulance Service, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

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

Emphasis of Matter

We draw attention to Note I.D.9. to the financial statements, which describes restatements increasing the beginning Governmental Activities net position of the Primary Government by \$146,628 and reducing the beginning net position of the discretely presented School Department by \$1,665,118 on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability and related ratios, schedules of county and school contributions, schedule of school's proportionate share of the net pension liability, and schedules of county and school changes in the total OPEB liability and related ratios on pages 99-107 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Warren County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Warren County School Department (a discretely presented component unit), miscellaneous schedules and the other information such as the introductory section and management's corrective action plan are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Warren County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison

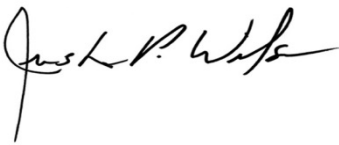
schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Warren County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and management's corrective action plan have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2018, on our consideration of Warren County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Warren County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Warren County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 3, 2018

JPW/kp

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	<u>Primary Governmental Activities</u>	<u>Component Unit Warren County School Department</u>
<u>ASSETS</u>		
Cash	\$ 225,423	\$ 473
Equity in Pooled Cash and Investments	30,062,090	12,139,034
Inventories	0	108,346
Accounts Receivable	2,256,801	7,879
Allowance for Uncollectibles	(514,930)	0
Due from Other Governments	1,177,169	3,301,596
Due from Component Units	133,445	0
Property Taxes Receivable	10,518,515	4,322,140
Allowance for Uncollectible Property Taxes	(367,766)	(151,118)
Notes Receivable - Current	442,167	0
Net Pension Asset - Agent Plan	802,491	600,710
Net Pension Asset - Teacher Retirement Plan	0	113,839
Net Pension Asset - Teacher Legacy Plan	0	215,657
Assets Not Depreciated:		
Land	1,982,773	1,931,306
Construction in Progress	905,402	72,257
Intangible Assets	6,201,919	0
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	7,411,558	42,786,389
Infrastructure	19,173,897	0
Other Capital Assets	3,606,313	851,737
Total Assets	<u>\$ 84,017,267</u>	<u>\$ 66,300,245</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension Changes in Experience	\$ 376,560	\$ 415,880
Pension Changes in Assumptions	620,864	2,301,259
Pension Changes in Investment Earnings	0	32,736
Pension Changes in Other Deferrals	0	156,450
Pension Changes in Contributions after Measurement Date	1,037,279	2,988,418
OPEB Changes in Contributions after Measurement Date	3,586	214,184
Total Deferred Outflows of Resources	<u>\$ 2,038,289</u>	<u>\$ 6,108,927</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 405,690	\$ 5,281
Accrued Payroll	455,969	0
Payroll Deductions Payable	104,545	1,164,973
Claims and Judgments Payable	1,397,581	0
Due to Primary Government	0	133,445
Due to Litigants, Heirs, and Others	10,126	0
Accrued Interest Payable	113,208	0
Noncurrent Liabilities:		
Due Within One Year	2,264,168	123,258
Due in More Than One Year	21,141,202	6,362,223
Total Liabilities	<u>\$ 25,892,489</u>	<u>\$ 7,789,180</u>

(Continued)

Exhibit A

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

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Warren County School Department</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Revenue - Current Property Taxes	\$ 9,862,146	\$ 4,052,433
Pension Changes in Experience	715,696	4,996,642
Pension Changes in Investment Earnings	11,129	14,456
Pension Other Deferrals	0	2,010
OPEB Changes in Assumptions	17,165	161,179
Total Deferred Inflows of Resources	<u>\$ 10,606,136</u>	<u>\$ 9,226,720</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 36,266,480	\$ 45,641,689
Restricted for:		
General Government	2,747,946	0
Administration of Justice	558,210	0
Public Safety	252,775	0
Public Health and Welfare	1,444,179	0
Social, Cultural, and Recreational Services	94,593	0
Highways/Public Works	673,434	0
Education	5,835,951	4,334,452
Debt Service	17,507	0
Pensions	802,491	930,206
Unrestricted	<u>863,365</u>	<u>4,486,925</u>
Total Net Position	<u>\$ 49,556,931</u>	<u>\$ 55,393,272</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, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Component Unit	
					Primary Government Total Governmental Activities	Warren County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 1,852,200	\$ 1,034,247	\$ 105,645	\$ 0	\$ (712,308)	\$ 0
Finance	1,606,887	711,721	0	0	(895,166)	0
Administration of Justice	1,763,930	1,107,855	143,931	0	(512,144)	0
Public Safety	7,674,302	1,133,757	591,749	0	(5,948,796)	0
Public Health and Welfare	5,438,818	2,394,139	1,207,743	0	(1,836,936)	0
Social, Cultural, and Recreational Services	132,502	0	127,852	115,374	110,724	0
Agriculture and Natural Resources	231,741	0	0	0	(231,741)	0
Highways/Public Works	3,954,668	0	2,309,563	0	(1,645,105)	0
Education	579,245	312,333	0	931,105	664,193	0
Interest on Long-term Debt	933,239	0	0	0	(933,239)	0
Total Primary Government	\$ 24,167,532	\$ 6,694,052	\$ 4,486,483	\$ 1,046,479	\$ (11,940,518)	\$ 0
Component Units:						
School Department	\$ 55,467,237	\$ 430,705	\$ 8,717,483	\$ 125,000	\$ 0	\$ (46,194,049)
Total Component Units	\$ 55,467,237	\$ 430,705	\$ 8,717,483	\$ 125,000	\$ 0	\$ (46,194,049)

(Continued)

Exhibit B

Warren County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Unit
					Government Total Governmental Activities	Warren County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 8,634,497	\$ 4,301,944
Property Taxes Levied for Debt Service					1,370,426	0
Local Option Sales Taxes					277,371	8,343,184
Wheel Tax					1,110,252	0
Litigation Taxes					314,966	0
Business Tax					370,889	0
Mixed Drink Tax					14,024	10,068
Wholesale Beer Tax					183,192	0
Hotel/Motel Tax					70,326	0
Mineral Severance Tax					22,715	0
Grants and Contributions Not Restricted to Specific Programs					1,349,573	37,914,476
Unrestricted Investment Earnings					495,319	26,061
Miscellaneous					33,700	26,635
Sale of Equipment					11,375	4,862
Special Item - Tax Credit on Bond Rebate					420,431	0
Total General Revenues					<u>\$ 14,679,056</u>	<u>\$ 50,627,230</u>
Insurance Recovery					<u>\$ 18,757</u>	<u>\$ 0</u>
Change in Net Position					\$ 2,757,295	\$ 4,433,181
Restatement See Note I.D.9.					146,628	(1,665,118)
Net Position, July 1, 2017					<u>46,653,008</u>	<u>52,625,209</u>
Net Position, June 30, 2018					<u>\$ 49,556,931</u>	<u>\$ 55,393,272</u>

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, 2018

	Major Funds				
	General	Ambulance Service	Highway / Public Works	General Debt Service	General Capital Projects
<u>ASSETS</u>					
Cash	\$ 325	\$ 0	\$ 0	\$ 0	0
Equity in Pooled Cash and Investments	6,253,001	1,371,707	1,633,696	8,513,874	5,812,850
Accounts Receivable	63,605	2,152,839	11	0	0
Allowance for Uncollectibles	0	(514,930)	0	0	0
Due from Other Governments	428,863	175	700,994	47,137	0
Due from Other Funds	1,980	0	0	0	0
Due from Component Units	133,445	0	0	0	0
Property Taxes Receivable	6,744,380	1,128,857	603,862	1,434,171	0
Allowance for Uncollectible Property Taxes	(235,808)	(38,275)	(21,113)	(50,144)	0
Notes Receivable - Current	0	0	0	442,167	0
Total Assets	<u>\$ 13,389,791</u>	<u>\$ 4,100,373</u>	<u>\$ 2,917,450</u>	<u>\$ 10,387,205</u>	<u>\$ 5,812,850</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 78,755	\$ 25,059	\$ 289,852	\$ 0	0
Accrued Payroll	356,916	82,429	0	0	0
Payroll Deductions Payable	71,788	17,666	12,081	0	0
Due to Other Funds	10,126	0	0	0	0
Total Liabilities	<u>\$ 517,585</u>	<u>\$ 125,154</u>	<u>\$ 301,933</u>	<u>\$ 0</u>	<u>0</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 6,323,522	\$ 1,061,587	\$ 566,180	\$ 1,344,677	0
Deferred Delinquent Property Taxes	143,714	22,518	12,867	30,560	0
Other Deferred/Unavailable Revenue	0	1,446,935	190,985	23,101	0
Total Deferred Inflows of Resources	<u>\$ 6,467,236</u>	<u>\$ 2,531,040</u>	<u>\$ 770,032</u>	<u>\$ 1,398,338</u>	<u>0</u>

(Continued)

Exhibit C-1

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

FUND BALANCES	Major Funds				
	General	Ambulance Service	Highway / Public Works	General Debt Service	General Capital Projects
Restricted:					
Restricted for General Government	\$ 2,747,946	\$ 0	\$ 0	\$ 0	\$ 0
Restricted for Administration of Justice	558,210	0	0	0	0
Restricted for Public Safety	0	0	0	0	0
Restricted for Social, Cultural, and Recreational Services	0	0	0	0	0
Restricted for Other Operations	9,278	0	0	0	0
Restricted for Highways/Public Works	0	0	482,449	0	0
Restricted for Education	0	0	0	0	5,812,850
Restricted for Debt Service	0	0	0	100,155	0
Committed:					
Committed for Finance	0	0	0	0	0
Committed for Administration of Justice	0	0	0	0	0
Committed for Public Safety	29,716	0	0	0	0
Committed for Public Health and Welfare	0	1,444,179	0	0	0
Committed for Highways/Public Works	0	0	718,320	0	0
Committed for Debt Service	0	0	0	8,888,712	0
Assigned:					
Assigned for General Government	94,924	0	0	0	0
Assigned for Highways/Public Works	0	0	644,716	0	0
Unassigned	2,964,896	0	0	0	0
Total Fund Balances	\$ 6,404,970	\$ 1,444,179	\$ 1,845,485	\$ 8,988,867	\$ 5,812,850
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 13,389,791	\$ 4,100,373	\$ 2,917,450	\$ 10,387,205	\$ 5,812,850

(Continued)

Exhibit C-1

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

	<u>Nonmajor Funds</u>		<u>Other Govern- mental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash	\$ 192,850	\$		193,175
Equity in Pooled Cash and Investments	1,138,555			24,723,683
Accounts Receivable	40,346			2,256,801
Allowance for Uncollectibles	0			(514,930)
Due from Other Governments	0			1,177,169
Due from Other Funds	0			1,980
Due from Component Units	0			133,445
Property Taxes Receivable	607,245			10,518,515
Allowance for Uncollectible Property Taxes	(22,426)			(367,766)
Notes Receivable - Current	0			442,167
	<hr/>			
Total Assets	\$ 1,956,570	\$		38,564,239
<hr/>				
<u>LIABILITIES</u>				
Accounts Payable	\$ 12,024	\$		405,690
Accrued Payroll	16,624			455,969
Payroll Deductions Payable	3,010			104,545
Due to Other Funds	1,638			11,764
Total Liabilities	\$ 33,296	\$		977,968
<hr/>				
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 566,180	\$		9,862,146
Deferred Delinquent Property Taxes	14,476			224,135
Other Deferred/Unavailable Revenue	0			1,661,021
Total Deferred Inflows of Resources	\$ 580,656	\$		11,747,302
<hr/>				

(Continued)

Exhibit C-1

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

<u>FUND BALANCES</u>	<u>Nonmajor Funds</u>	<u>Other Govern- mental Funds</u>	<u>Total Governmental Funds</u>
Restricted:			
Restricted for General Government	\$ 0	\$ 2,747,946	
Restricted for Administration of Justice	0	558,210	
Restricted for Public Safety	252,775	252,775	
Restricted for Social, Cultural, and Recreational Services	85,315	85,315	
Restricted for Other Operations	0	9,278	
Restricted for Highways/Public Works	0	482,449	
Restricted for Education	0	5,812,850	
Restricted for Debt Service	0	100,155	
Committed:			
Committed for Finance	128,145	128,145	
Committed for Administration of Justice	97,792	97,792	
Committed for Public Safety	0	29,716	
Committed for Public Health and Welfare	778,591	2,222,770	
Committed for Highways/Public Works	0	718,320	
Committed for Debt Service	0	8,888,712	
Assigned:			
Assigned for General Government	0	94,924	
Assigned for Highways/Public Works	0	644,716	
Unassigned	0	2,964,896	
Total Fund Balances	<u>\$ 1,342,618</u>	<u>\$ 25,838,969</u>	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,956,570</u>	<u>\$ 38,564,239</u>	

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 Position
June 30, 2018

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$	25,838,969
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,982,773	
Add: intangibles		6,201,919	
Add: construction in progress		905,402	
Add: buildings and improvements net of accumulated depreciation		7,411,558	
Add: infrastructure net of accumulated depreciation		19,173,897	
Add: other capital assets net of accumulated depreciation		<u>3,606,313</u>	39,281,862
(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 position.			3,972,732
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: bonds payable	\$	(22,554,581)	
Less: compensated absences payable		(307,404)	
Less: net OPEB liability		(348,100)	
Less: accrued interest payable on bonds		(113,208)	
Less: unamortized premium on debt		<u>(195,285)</u>	(23,518,578)
(4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.			
Add: deferred outflows of resources related to pensions	\$	2,034,703	
Less: deferred inflows of resources related to pensions		(726,825)	
Add: deferred outflows of resources related to OPEB		3,586	
Less: deferred inflows of resources related to OPEB		<u>(17,165)</u>	1,294,299
(5) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			802,491
(6) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,885,156</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>49,556,931</u></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, 2018

	Major Funds				
	General	Ambulance Service	Highway / Public Works	General Debt Service	General Capital Projects
<u>Revenues</u>					
Local Taxes	\$ 7,618,691	\$ 1,071,797	\$ 633,051	\$ 2,904,937	\$ 0
Licenses and Permits	275,784	0	0	0	0
Fines, Forfeitures, and Penalties	400,310	0	0	0	0
Charges for Current Services	158,102	2,170,186	0	0	0
Other Local Revenues	371,827	0	1,287	439,631	4,628
Fees Received From County Officials	627,015	0	0	0	0
State of Tennessee	1,984,914	11,783	3,256,555	13,819	0
Federal Government	1,078,506	22,350	0	0	0
Other Governments and Citizens Groups	566,854	0	0	0	0
Total Revenues	\$ 13,082,003	\$ 3,276,116	\$ 3,890,893	\$ 3,358,387	\$ 4,628
<u>Expenditures</u>					
Current:					
General Government	\$ 1,693,610	\$ 0	\$ 0	\$ 0	\$ 0
Finance	848,446	0	0	0	0
Administration of Justice	1,052,249	0	0	0	0
Public Safety	7,090,406	64,043	0	0	0
Public Health and Welfare	1,028,945	3,215,323	0	0	0
Social, Cultural, and Recreational Services	134,500	0	0	0	0
Agriculture and Natural Resources	221,748	0	0	0	0
Other Operations	1,256,590	0	0	0	0
Highways	0	0	3,840,240	0	0
Debt Service:					
Principal on Debt	0	0	0	2,084,107	0
Interest on Debt	0	0	0	924,340	0
Other Debt Service	0	0	0	62,892	164,606

(Continued)

Exhibit C-3

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

	Major Funds				
	General	Ambulance Service	Highway / Public Works	General Debt Service	General Capital Projects
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Capital Projects - Donated	0	0	0	0	89,990
Total Expenditures	<u>\$ 13,326,494</u>	<u>\$ 3,279,366</u>	<u>\$ 3,840,240</u>	<u>\$ 3,071,339</u>	<u>\$ 254,596</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (244,491)</u>	<u>\$ (3,250)</u>	<u>\$ 50,653</u>	<u>\$ 287,048</u>	<u>\$ (249,968)</u>
<u>Other Financing Sources (Uses)</u>					
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	6,000,000
Premiums on Debt Sold	0	0	0	0	62,818
Insurance Recovery	13,355	5,402	0	0	0
Total Other Financing Sources (Uses)	<u>\$ 13,355</u>	<u>\$ 5,402</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,062,818</u>
Net Change in Fund Balances	\$ (231,136)	\$ 2,152	\$ 50,653	\$ 287,048	\$ 5,812,850
Fund Balance, July 1, 2017	<u>6,636,106</u>	<u>1,442,027</u>	<u>1,794,832</u>	<u>8,701,819</u>	<u>0</u>
Fund Balance, June 30, 2018	<u>\$ 6,404,970</u>	<u>\$ 1,444,179</u>	<u>\$ 1,845,485</u>	<u>\$ 8,988,867</u>	<u>\$ 5,812,850</u>

(Continued)

Exhibit C-3

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
<hr/>			
<u>Revenues</u>			
Local Taxes	\$ 777,432	\$	13,005,908
Licenses and Permits	0		275,784
Fines, Forfeitures, and Penalties	107,076		507,386
Charges for Current Services	1,304,488		3,632,776
Other Local Revenues	79,475		896,848
Fees Received From County Officials	0		627,015
State of Tennessee	454,998		5,722,069
Federal Government	84,957		1,185,813
Other Governments and Citizens Groups	0		566,854
Total Revenues	<u>\$ 2,808,426</u>	<u>\$</u>	<u>26,420,453</u>
<u>Expenditures</u>			
Current:			
General Government	\$ 182,841	\$	1,876,451
Finance	587,498		1,435,944
Administration of Justice	507,525		1,559,774
Public Safety	93,747		7,248,196
Public Health and Welfare	1,225,122		5,469,390
Social, Cultural, and Recreational Services	0		134,500
Agriculture and Natural Resources	0		221,748
Other Operations	0		1,256,590
Highways	0		3,840,240
Debt Service:			
Principal on Debt		0	2,084,107
Interest on Debt		0	924,340
Other Debt Service		0	227,498

(Continued)

Exhibit C-3

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

	<u>Nonmajor Funds</u>		Total Governmental Funds
<hr/>			
<u>Expenditures (Cont.)</u>			
Capital Projects	\$ 84,957	\$	84,957
Capital Projects - Donated	0		89,990
Total Expenditures	<u>\$ 2,681,690</u>	<u>\$</u>	<u>26,453,725</u>
 Excess (Deficiency) of Revenues Over Expenditures	 \$ 126,736	 \$	 (33,272)
 <u>Other Financing Sources (Uses)</u>			
Bonds Issued	\$ 0	\$	6,000,000
Premiums on Debt Sold	0		62,818
Insurance Recovery	0		18,757
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$</u>	<u>6,081,575</u>
 Net Change in Fund Balances	 \$ 126,736	 \$	 6,048,303
Fund Balance, July 1, 2017	<u>1,215,882</u>		<u>19,790,666</u>
 Fund Balance, June 30, 2018	 <u>\$ 1,342,618</u>	 <u>\$</u>	 <u>25,838,969</u>

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, 2018

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ 6,048,303
(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	\$ 1,603,294	
Less: current-year depreciation expense	<u>(1,614,077)</u>	(10,783)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value of capital assets disposed		(1,750)
(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, 2018	\$ 1,885,156	
Less: deferred delinquent property taxes and other deferred June 30, 2017	<u>(1,779,037)</u>	106,119
(4) The issuance of long-term debt (e.g., bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Less: bond proceeds	\$ (6,000,000)	
Add: principal payments on bonds	2,020,306	
Add: principal payments on notes	63,801	
Less: change in premium on debt issuances	(35,921)	
Less: change in deferred amount on refunding	<u>(5,697)</u>	(3,957,511)
(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	\$ (8,899)	
Change in compensated absences payable	(25,728)	
Change in OPEB liability (Net of Restatement)	(23,465)	
Change in deferred outflows related to OPEB	3,586	
Change in deferred inflows related to OPEB	(17,165)	
Change in net pension liability/asset	250,481	
Change in deferred outflows related to pensions	(54,680)	
Change in deferred inflows related to pensions	<u>189,187</u>	313,317
(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>259,600</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 2,757,295</u>

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

Exhibit C-5

Warren County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2018

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 7,618,691	\$ 0	\$ 7,618,691	\$ 7,018,923	\$ 7,058,923	\$ 559,768
Licenses and Permits	275,784	0	275,784	199,500	199,500	76,284
Fines, Forfeitures, and Penalties	400,310	0	400,310	265,030	265,030	135,280
Charges for Current Services	158,102	0	158,102	109,350	115,560	42,542
Other Local Revenues	371,827	0	371,827	435,610	435,938	(64,111)
Fees Received From County Officials	627,015	0	627,015	682,000	682,000	(54,985)
State of Tennessee	1,984,914	0	1,984,914	3,106,880	3,179,009	(1,194,095)
Federal Government	1,078,506	0	1,078,506	1,085,142	1,128,037	(49,531)
Other Governments and Citizens Groups	566,854	0	566,854	500,000	557,000	9,854
Total Revenues	\$ 13,082,003	\$ 0	\$ 13,082,003	\$ 13,402,435	\$ 13,620,997	\$ (538,994)
<u>Expenditures</u>						
<u>General Government</u>						
County Commission	\$ 181,222	\$ 0	\$ 181,222	\$ 228,125	\$ 228,125	\$ 46,903
Board of Equalization	2,052	0	2,052	9,250	9,250	7,198
County Mayor/Executive	149,091	0	149,091	157,219	157,219	8,128
County Attorney	90,795	0	90,795	100,000	100,000	9,205
Election Commission	246,029	0	246,029	267,783	267,783	21,754
Register of Deeds	18,035	0	18,035	11,000	11,000	(7,035)
Development	0	0	0	500	500	500
Planning	15,396	0	15,396	16,980	16,980	1,584
Codes Compliance	54,792	0	54,792	59,713	59,713	4,921
County Buildings	207,909	0	207,909	234,954	269,316	61,407
Other Facilities	482,373	86,024	568,397	1,080,858	1,080,858	512,461
Other General Administration	245,916	0	245,916	337,500	337,500	91,584

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Finance</u>						
Accounting and Budgeting	\$ 489,188	\$ 0	\$ 489,188	\$ 501,821	\$ 501,821	\$ 12,633
Purchasing	3,719	0	3,719	8,000	8,000	4,281
Property Assessor's Office	336,543	0	336,543	361,673	361,673	25,130
County Trustee's Office	18,996	0	18,996	31,000	31,000	12,004
<u>Administration of Justice</u>						
Circuit Court	92,625	0	92,625	116,300	116,300	23,675
General Sessions Court	243,459	0	243,459	263,748	263,748	20,289
Drug Court	84,573	0	84,573	156,994	156,994	72,421
Chancery Court	256,367	0	256,367	268,884	268,884	12,517
Juvenile Court	167,591	0	167,591	219,387	219,387	51,796
District Attorney General	61,817	0	61,817	64,952	64,952	3,135
Judicial Commissioners	125,817	0	125,817	174,714	174,714	48,897
Victim Assistance Programs	20,000	0	20,000	0	20,000	0
<u>Public Safety</u>						
Sheriff's Department	3,189,269	0	3,189,269	3,209,304	3,279,659	90,390
Administration of the Sexual Offender Registry	4,785	0	4,785	5,000	6,000	1,215
Jail	3,357,991	0	3,357,991	3,533,149	3,573,149	215,158
Juvenile Services	8,802	0	8,802	80,000	80,000	71,198
Work Release Program	4,202	0	4,202	10,000	10,000	5,798
County Coroner/Medical Examiner	17,934	0	17,934	26,000	26,000	8,066
Public Safety Grants Program	320,423	0	320,423	348,142	348,142	27,719
Other Public Safety	187,000	0	187,000	189,000	189,000	2,000
<u>Public Health and Welfare</u>						
Local Health Center	88,247	0	88,247	79,696	175,133	86,886
Rabies and Animal Control	106,741	0	106,741	106,851	112,389	5,648

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Public Health and Welfare (Cont.)</u>						
Maternal and Child Health Services	\$ 25,165	\$ 0	\$ 25,165	\$ 21,503	\$ 25,165	\$ 0
Alcohol and Drug Programs	148,620	0	148,620	325,000	325,000	176,380
Other Local Health Services	544,127	0	544,127	680,100	687,100	142,973
Regional Mental Health Center	4,000	0	4,000	4,000	4,000	0
Appropriation to State	25,436	0	25,436	52,203	26,766	1,330
General Welfare Assistance	4,000	0	4,000	4,000	4,000	0
Other Local Welfare Services	10,000	0	10,000	10,000	10,000	0
Other Public Health and Welfare	72,609	0	72,609	75,800	75,800	3,191
<u>Social, Cultural, and Recreational Services</u>						
Senior Citizens Assistance	11,000	0	11,000	11,000	11,000	0
Libraries	116,000	0	116,000	116,000	116,000	0
Parks and Fair Boards	7,500	0	7,500	7,500	7,500	0
<u>Agriculture and Natural Resources</u>						
Agricultural Extension Service	124,351	0	124,351	132,341	132,341	7,990
Forest Service	2,000	0	2,000	2,000	2,000	0
Soil Conservation	95,397	0	95,397	96,474	96,474	1,077
<u>Other Operations</u>						
Tourism	4,000	0	4,000	4,000	4,000	0
Airport	498,113	0	498,113	1,885,508	1,885,508	1,387,395
Veterans' Services	15,642	0	15,642	24,955	24,955	9,313
Other Charges	444,914	0	444,914	585,000	585,000	140,086
Contributions to Other Agencies	5,500	0	5,500	5,500	5,500	0
Employee Benefits	263,421	0	263,421	343,000	343,000	79,579
Miscellaneous	25,000	0	25,000	68,500	68,500	43,500
Total Expenditures	\$ 13,326,494	\$ 86,024	\$ 13,412,518	\$ 16,712,881	\$ 16,964,798	\$ 3,552,280

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ (244,491)	\$ (86,024)	\$ (330,515)	\$ (3,310,446)	\$ (3,343,801)	\$ 3,013,286
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 13,355	\$ 0	\$ 13,355	\$ 0	\$ 13,355	\$ 0
Total Other Financing Sources	\$ 13,355	\$ 0	\$ 13,355	\$ 0	\$ 13,355	\$ 0
Net Change in Fund Balance	\$ (231,136)	\$ (86,024)	\$ (317,160)	\$ (3,310,446)	\$ (3,330,446)	\$ 3,013,286
Fund Balance, July 1, 2017	6,636,106	0	6,636,106	4,812,074	4,812,074	1,824,032
Fund Balance, June 30, 2018	\$ 6,404,970	\$ (86,024)	\$ 6,318,946	\$ 1,501,628	\$ 1,481,628	\$ 4,837,318

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

Exhibit C-6

Warren County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Ambulance Service Fund
For the Year Ended June 30, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,071,797	\$ 1,017,310	\$ 1,037,310	\$ 34,487
Charges for Current Services	2,170,186	1,900,000	2,040,000	130,186
State of Tennessee	11,783	0	0	11,783
Federal Government	22,350	22,350	22,350	0
Total Revenues	<u>\$ 3,276,116</u>	<u>\$ 2,939,660</u>	<u>\$ 3,099,660</u>	<u>\$ 176,456</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Civil Defense	\$ 44,043	\$ 65,916	\$ 65,916	\$ 21,873
Rescue Squad	20,000	20,000	20,000	0
<u>Public Health and Welfare</u>				
Ambulance/Emergency Medical Services	3,215,323	3,420,683	3,680,683	465,360
Total Expenditures	<u>\$ 3,279,366</u>	<u>\$ 3,506,599</u>	<u>\$ 3,766,599</u>	<u>\$ 487,233</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (3,250)</u>	<u>\$ (566,939)</u>	<u>\$ (666,939)</u>	<u>\$ 663,689</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 5,402	\$ 0	\$ 0	\$ 5,402
Total Other Financing Sources	<u>\$ 5,402</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,402</u>
Net Change in Fund Balance	\$ 2,152	\$ (566,939)	\$ (666,939)	\$ 669,091
Fund Balance, July 1, 2017	<u>1,442,027</u>	<u>1,179,405</u>	<u>1,179,405</u>	<u>262,622</u>
Fund Balance, June 30, 2018	<u>\$ 1,444,179</u>	<u>\$ 612,466</u>	<u>\$ 512,466</u>	<u>\$ 931,713</u>

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

Exhibit C-7

Warren County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 633,051	\$ 610,053	\$ 610,053	\$ 22,998
Other Local Revenues	1,287	1,500	1,500	(213)
State of Tennessee	3,256,555	3,421,148	3,421,148	(164,593)
Total Revenues	<u>\$ 3,890,893</u>	<u>\$ 4,032,701</u>	<u>\$ 4,032,701</u>	<u>\$ (141,808)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 184,062	\$ 231,956	\$ 231,956	\$ 47,894
Highway and Bridge Maintenance	2,394,894	2,275,830	2,495,830	100,936
Operation and Maintenance of Equipment	147,842	180,500	180,500	32,658
Other Charges	132,555	184,350	184,350	51,795
Employee Benefits	127,215	164,870	164,870	37,655
Capital Outlay	853,672	1,705,000	1,485,000	631,328
Total Expenditures	<u>\$ 3,840,240</u>	<u>\$ 4,742,506</u>	<u>\$ 4,742,506</u>	<u>\$ 902,266</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 50,653</u>	<u>\$ (709,805)</u>	<u>\$ (709,805)</u>	<u>\$ 760,458</u>
Net Change in Fund Balance	\$ 50,653	\$ (709,805)	\$ (709,805)	\$ 760,458
Fund Balance, July 1, 2017	<u>1,794,832</u>	<u>1,612,048</u>	<u>1,612,048</u>	<u>182,784</u>
Fund Balance, June 30, 2018	<u>\$ 1,845,485</u>	<u>\$ 902,243</u>	<u>\$ 902,243</u>	<u>\$ 943,242</u>

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

Exhibit D-1

Warren County, Tennessee
Statement of Net Position
Proprietary Fund
June 30, 2018

	Governmental Activities - Internal Service Fund	Self- Insurance Fund
	<hr/>	<hr/>
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 32,248	
Equity in Pooled Cash and Investments	5,338,407	
Total Assets	<hr/> \$ 5,370,655 <hr/>	
<u>LIABILITIES</u>		
Current Liabilities:		
Claims and Judgments Payable	\$ 1,397,581	
Due to Other Funds	342	
Total Liabilities	<hr/> \$ 1,397,923 <hr/>	
<u>NET POSITION</u>		
Unrestricted	<hr/> \$ 3,972,732 <hr/>	
Total Net Position	<hr/> \$ 3,972,732 <hr/> <hr/>	

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 Position
Proprietary Fund
For the Year Ended June 30, 2018

	Governmental Activities - Internal Service Fund <hr/> Self-Insurance Fund <hr/>
<u>Operating Revenues</u>	
Self-Insurance Premiums/Contributions	\$ 752,938
Total Operating Revenues	<hr/> \$ 752,938 <hr/>
<u>Operating Expenses</u>	
Other Contracted Services	\$ 108,200
Excess Liability Insurance	95,868
Vehicle and Equipment Insurance	152,062
Workers' Compensation Insurance	102,246
Other Self-Insured Claims	82,706
Total Operating Expenses	<hr/> \$ 541,082 <hr/>
Operating Income (Loss)	<hr/> \$ 211,856 <hr/>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 47,744
Total Nonoperating Revenue	<hr/> \$ 47,744 <hr/>
Change in Net Position	\$ 259,600
Net Position, July 1, 2017	<hr/> 3,713,132 <hr/>
Net Position, June 30, 2018	<hr/> \$ 3,972,732 <hr/>

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, 2018

	Governmental Activities - Internal Service Fund <hr/> Self-Insurance Fund
<u>Cash Flows from Operating Activities</u>	
Self-Insurance Premiums/Contributions	\$ 752,938
Other Contracted Services	(107,858)
Insurance Premiums	(350,176)
Other Self-Insured Claims	<u>(333,966)</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ (39,062)</u>
<u>Cash Flows from Investing Activities</u>	
Investment Income	\$ 47,744
Net Cash Provided By (Used In) Investing Activities	<u>\$ 47,744</u>
Net Increase (Decrease) in Cash	\$ 8,682
Cash, July 1, 2017	<u>5,361,973</u>
Cash, June 30, 2018	<u><u>\$ 5,370,655</u></u>
<u>Reconciliation of Net Operating Income to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 211,856
Adjustments to Reconcile Net Operating Income to Net Cash Provided By (Used In) Operating Activities:	
Change in Assets and Liabilities:	
Increase (Decrease) in Due to Other Funds	342
Increase (Decrease) in Claims and Judgments Payable	<u>(251,260)</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ (39,062)</u></u>
<u>Reconciliation of Cash With the Statement of Net Position</u>	
Cash Per Net Position	\$ 32,248
Equity in Pooled Cash and Investments Per Net Position	<u>5,338,407</u>
Cash, June 30, 2018	<u><u>\$ 5,370,655</u></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, 2018

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,034,695
Equity in Pooled Cash and Investments	57,631
Accounts Receivable	10,136
Due from Other Governments	<u>497,640</u>
Total Assets	<u>\$ 1,600,102</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 497,640
Due to Litigants, Heirs, and Others	1,085,826
Due to Joint Ventures	<u>16,636</u>
Total Liabilities	<u>\$ 1,600,102</u>

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

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

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 financial statements of the Warren County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of this omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

The 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, 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 material to the component units' opinion unit and therefore have been omitted from 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. 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 Builders Road
McMinnville, TN 37110

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of Warren County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The 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. General obligation bonds totaling \$6,000,000 were issued by the county to finance projects of the School Department during the year ended June 30, 2018. The bond proceeds are maintained in the General Capital Projects Fund and are contributed to the school's Education Capital Projects Fund as needed for construction costs. During the year ended June 30, 2018, \$89,990 of the bond proceeds were contributed to the School Department.

Separate financial statements are provided for governmental funds, the proprietary fund (internal service), 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, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. 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 special revenue fund accounts for transactions relating to the county-operated Ambulance Service. Property taxes and patient charges are the foundational revenues of this fund.

Highway/Public Works Fund – This special revenue fund accounts for transactions of the county’s Highway Department. Local and state gasoline/fuel taxes and property taxes are the foundational revenues of this fund.

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

General Capital Projects Fund – This fund is used to account for the receipt of debt issued by Warren County to be contributed to the School Department for building construction and renovations.

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 Judicial District Drug Task Force, and restricted revenues held for the benefit of the Office of District Attorney General. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented 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.

Central Cafeteria Fund – This special revenue fund is used to account for the cafeteria operations in each of the schools. Federal funds and lunch sales are the foundational revenues of this fund.

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

Capital Projects Fund – The Education Capital Projects Fund is used to account for construction projects for the School Department.

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.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Deposits and Investments

For purposes of the Statement of Cash Flows, cash includes demand deposits 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 position 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 are reported at cost. Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value.

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 1.65 percent of total taxes levied. Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is

referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as deferred inflow of resources as of June 30.

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

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

Most payables are disaggregated on the face of the financial statements. Claims and judgments payable totaling \$1,397,581 is discussed in Note V.A. Risk Management.

3. Inventories

Inventories of the discretely presented Warren County School Department are recorded at cost, determined on the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories are offset in the nonspendable fund balance account in governmental funds.

4. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the 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 acquisition value at the date of donation.

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

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

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

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

5. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are for pension changes in experience, pension changes in assumptions, pension changes in investment earnings, pension changes in proportionate share of contributions, and employer contributions made to the pension and other postemployment benefits plans after the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue, etc.) until that time. The government has items that qualify for reporting in this

category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension changes in experience, pension changes in investment earnings, pension changes in proportionate share of contributions, other postemployment benefits plan changes in assumptions, and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. 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 upon 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 allows for the accumulation of unlimited sick leave days based upon earning one day per month. Any unused accumulated sick leave would be paid to the employee when employment with the Highway Department ceases.

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.

All vacation pay is accrued when incurred in the government-wide financial statements for the county and the discretely presented Warren County School Department. A liability for vacation pay is recorded in the governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

7. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Debt premiums and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

8. Net Position and Fund Balance

In the government-wide financial statements and the proprietary fund in the fund financial statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of

other governments or (2) law through constitutional provisions or enabling legislation.

- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

As of June 30, 2018, Warren County had \$19,594,581 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 position with no corresponding increase in the county's capital assets.

It is the county's policy that restricted amounts would be reduced first followed by unrestricted amounts when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. Also, it is the county's policy that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the County Commission, the county's highest level of decision-making authority and the Board of Education, the School Department's highest level of decision-making authority, and shall remain binding unless removed in the same manner.

Assigned Fund Balance – includes amounts that are constrained by the county’s intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The County Commission has by resolution authorized the county’s Budget/Finance Committee to make assignments for the general government. The Board of Education makes assignments for the School Department.

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

9. Restatements

In prior years, the government was required to recognize a liability for its other postemployment benefits plans under Governmental Accounting Standards Board (GASB) Statement No. 45. As of July 1, 2017, Warren County has adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Restatements increasing the beginning net position of the Governmental Activities of the Primary Government by \$146,628 and reducing the beginning net position of the Discretely Presented Warren County School Department by \$1,665,118 have been recognized to account for the transitional requirements.

E. Pension Plans

Primary Government

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

Discretely Presented Warren County School Department

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension

expense, information about the fiduciary net position of the Teacher Retirement Plan and the Teacher Legacy Pension Plan in the Tennessee Consolidated Retirement System, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan and the Teacher Legacy Pension Plan. Investments are reported at fair value.

F. Other Postemployment Benefit (OPEB) Plans

Primary Government

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

Discretely Presented Warren County School Department

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented 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 Position.

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

Primary Government

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

Discretely Presented 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 position of governmental activities reported in the government-wide Statement of Activities.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

At June 30, 2018, the discretely presented Warren County School Department reported the following significant encumbrances:

<u>Funds</u>	<u>Amount</u>
Primary Government:	
General Fund	\$ 86,024
Discretely Presented School Department:	
General Purpose School	1,004,694
Central Cafeteria	112,670

B. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the Register of Deeds major appropriations category (the legal level of control) of the General Fund by \$7,035. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance in the General Fund.

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 position as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net position 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, 2018, Warren County had the following investments carried at amortized cost using a Stable Net Asset Value. 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.

Investment	Weighted Average Maturity (days)	Maturity	Amortized Cost
State Treasurer's Investment Pool	2 to 113	N/A	\$ 6,506,006
Infinex Financial Group: Various Certificates of Deposit	N/A	Various	5,073,501
Total			\$ 11,579,507

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, 2018, Warren County's investment in the State Treasurer's Investment Pool and Infinex Financial Group were unrated.

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 held by Infinex Financial Group. These investments are 43.82 percent of the county's total 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, 2018, the outstanding balance was \$442,167. This amount has been reflected in the financial statements of this report as Notes Receivable – Current in the General Debt Service Fund. No funds were remitted by the district during the year examined.

C. Capital Assets

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

Primary Government

Governmental Activities:

	Balance 7-1-17	Increases	Decreases	Balance 6-30-18
Capital Assets Not Depreciated:				
Land	\$ 1,982,773	\$ 0	\$ 0	\$ 1,982,773
Construction in Progress	0	905,402		905,402
Intangible Assets	6,201,919	0	0	6,201,919
Total Capital Assets Not Depreciated	<u>\$ 8,184,692</u>	<u>\$ 905,402</u>	<u>\$ 0</u>	<u>\$ 9,090,094</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 10,477,252	\$ 0	\$ 0	\$ 10,477,252
Roads and Bridges	40,996,098	0	0	40,996,098
Other Capital Assets	9,124,582	697,882	(35,000)	9,787,464
Total Capital Assets Depreciated	<u>\$ 60,597,932</u>	<u>\$ 697,882</u>	<u>\$ (35,000)</u>	<u>\$ 61,260,814</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 2,867,602	\$ 198,092	\$ 0	\$ 3,065,694
Roads and Bridges	20,952,710	869,491	0	21,822,201
Other Capital Assets	5,667,907	546,494	(33,250)	6,181,151
Total Accumulated Depreciation	<u>\$ 29,488,219</u>	<u>\$ 1,614,077</u>	<u>\$ (33,250)</u>	<u>\$ 31,069,046</u>
Total Capital Assets Depreciated, Net	<u>\$ 31,109,713</u>	<u>\$ (916,195)</u>	<u>\$ (1,750)</u>	<u>\$ 30,191,768</u>
Governmental Activities Capital Assets, Net	<u>\$ 39,294,405</u>	<u>\$ (10,793)</u>	<u>\$ (1,750)</u>	<u>\$ 39,281,862</u>

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

Governmental Activities:

General Government	\$	43,581
Administration of Justice		8,182
Public Safety		245,617
Public Health and Welfare		270,368
Social, Cultural and Recreational Services		55,959
Highways/Public Works		<u>990,370</u>
 Total Depreciation Expense - Governmental Activities	 \$	 <u>1,614,077</u>

Discretely Presented Warren County School Department**Governmental Activities:**

	Balance 7-1-17	Increases	Decreases	Balance 6-30-18
Capital Assets Not Depreciated:				
Land	\$ 1,938,806	\$ 0	\$ (7,500)	\$ 1,931,306
Construction in Progress	0	72,257	0	72,257
Total Capital Assets Not Depreciated	<u>\$ 1,938,806</u>	<u>\$ 72,257</u>	<u>\$ (7,500)</u>	<u>\$ 2,003,563</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 81,446,250	\$ 562,957	\$ 0	\$ 82,009,207
Other Capital Assets	3,929,145	467,440	(60,711)	4,335,874
Total Capital Assets Depreciated	<u>\$ 85,375,395</u>	<u>\$ 1,030,397</u>	<u>\$ (60,711)</u>	<u>\$ 86,345,081</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 37,551,213	\$ 1,671,605	\$ 0	\$ 39,222,818
Other Capital Assets	3,365,963	178,885	(60,711)	3,484,137
Total Accumulated Depreciation	<u>\$ 40,917,176</u>	<u>\$ 1,850,490</u>	<u>\$ (60,711)</u>	<u>\$ 42,706,955</u>
Total Capital Assets Depreciated, Net	<u>\$ 44,458,219</u>	<u>\$ (820,093)</u>	<u>\$ 0</u>	<u>\$ 43,638,126</u>
Governmental Activities Capital Assets, Net	<u>\$ 46,397,025</u>	<u>\$ (747,836)</u>	<u>\$ (7,500)</u>	<u>\$ 45,641,689</u>

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

Governmental Activities:

Instruction	\$ 1,527,496
Support Services	322,926
Operation of Non-Instructional Services	<u>68</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,850,490</u>

D. Construction Commitments

At June 30, 2018, the General Fund and the School Department had uncompleted construction contracts of approximately \$86,024 and \$2,825,970, respectively, for construction and renovation projects at the county administration building and various school buildings. Funding has been received for these future expenditures.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2018, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 1,980
Nonmajor fiduciary	General	10,126

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur and payments between funds are made. Of these amounts, \$242 is in transit from the nonmajor governmental funds to the General Fund at June 30, 2018.

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	\$ 133,445

The \$133,445 is to reimburse the General Fund for the salary and benefits of the school resource officers.

Discretely Presented Warren County School Department

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Component Unit:		
General Purpose School	Centralized Cafeteria	\$ 70

F. Long-term Obligations

Primary Government

General Obligation Bonds and Notes

Warren County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. In addition, general obligation bonds have been issued to refund other general obligation bonds 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 three 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, 2018, will be retired from the General Debt Service Fund.

General obligation bonds outstanding as of June 30, 2018, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-18
General Obligation Bonds	0 to 5.45 %	6-1-38	\$ 26,200,000	\$ 19,594,581
General Obligation Bonds Refunding	2 to 4	6-1-22	6,475,000	2,960,000

On October 7, 2010, Warren County entered into an agreement with the Tennessee State School Board Authority. Under this agreement, the authority loaned Warren County \$9,300,000 from Qualified School Construction Bonds, Series 2010 for school construction. This loan earns interest monthly based upon the local government investment pool rate, which is netted against the

annual principal payment. The county pays an annual administrative fee of \$7,440 under this agreement. The debt retirement schedule also includes equal monthly payments of interest of approximately 4.85 percent, which is offset by a federal interest rate subsidy.

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2019	\$ 2,065,305	\$ 1,067,143	\$ 3,132,448
2020	2,110,306	1,023,797	3,134,103
2021	2,165,305	970,383	3,135,688
2022	2,490,306	914,402	3,404,708
2023	1,740,305	842,690	2,582,995
2024-2028	7,123,054	3,233,290	10,356,344
2029-2033	2,755,000	587,789	3,342,789
2034-2038	2,105,000	212,110	2,317,110
Total	\$ 22,554,581	\$ 8,851,604	\$ 31,406,185

There is \$8,988,867 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$566, based on the 2010 federal census. Total debt per capita, including bonds and unamortized debt premiums, totaled \$571 based on the 2010 federal census.

Changes in Long-term Obligations

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

Governmental Activities:

	Bonds	Notes
Balance, July 1, 2017	\$ 18,574,887	\$ 63,801
Additions	6,000,000	0
Reductions	(2,020,306)	(63,801)
Balance, June 30, 2018	\$ 22,554,581	\$ 0
Balance Due Within One Year	\$ 2,065,305	\$ 0

	Compensated Absences	Other Postemployment Benefits *
Balance, July 1, 2017	\$ 281,676	\$ 324,635
Additions	420,922	40,630
Reductions	(395,194)	(17,165)
Balance, June 30, 2018	<u>\$ 307,404</u>	<u>\$ 348,100</u>
Balance Due Within One Year	<u>\$ 198,863</u>	<u>\$ 0</u>

* Restated Beginning Balance - See Note I.D.9.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2018	\$ 23,210,085
Less: Balance Due Within One Year	(2,264,168)
Add: Unamortized Premium on Debt	<u>195,285</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 21,141,202</u>

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

Discretely Presented Warren County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Warren County School Department for the year ended June 30, 2018, was as follows:

	Net Pension Liability - Legacy Plan #	Compensated Absences	Other Postemployment Benefits *
Balance, July 1, 2017	\$ 4,104,962	\$ 2,346,928	\$ 4,037,035
Additions	59,695	687,603	341,039
Reductions	(4,380,314)	(569,369)	(357,755)
Balance, June 30, 2018	<u>\$ (215,657)</u>	<u>\$ 2,465,162</u>	<u>\$ 4,020,319</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 123,258</u>	<u>\$ 0</u>

At June 30, 2018, the Teacher Legacy Plan had a net pension asset.

* Restated Beginning Balance - See Note I.D.9.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2018	\$ 6,485,481
Less: Balance Due Within One Year	<u>(123,258)</u>

Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 6,362,223</u>
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Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds.

G. On-Behalf Payments

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 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, 2018, were \$127,108 and \$64,075, 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 \$350,000. The county carries excess commercial coverage on buildings and contents totaling \$229,743,027. The county is self-insured up to the liability limits of \$300,000 per person, \$700,000 per occurrence for bodily injury, and \$100,000 for property damage. Warren County self-insures workers’ compensation losses of \$500,000 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 \$350,000 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
2016-2017	\$ 1,906,747	\$ 387,626	\$ (645,532)	\$ 1,648,841
2017-2018	1,648,841	82,706	(333,966)	1,397,581

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 (TCA)*, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the

state does not retain any risk for losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

Discretely Presented 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. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*; Statement No. 81, *Irrevocable Split-Interest Agreements*; Statement No. 85, *Omnibus 2017*; and Statement No. 86, *Certain Debt Extinguishment Issues* became effective for the year ended June 30, 2018.

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

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

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

GASB Statement No. 86, establishes guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources

other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also provides guidance for accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

C. Contingent Liabilities

The county and School Department are involved in several pending lawsuits. The county and school board attorneys estimate that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

D. 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, 2018, the county did not make a contribution 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, 2018, the county did not make a contribution to the Warren County Joint Economic and Community Development Board.

Warren County is a participant with Coffee, Cannon, and Rutherford counties in a multi-county Municipal Solid Waste Planning Region. This entity was created to promote the preparation of municipal solid waste regional plans to effectively and efficiently manage solid waste. This entity is governed by a 13-member board comprising appointees from Cannon County (2), Coffee County (2), Rutherford County (3), Warren County (2), the City of Manchester (1), the City of McMinnville (1), the City of Murfreesboro (1), and the City of Woodbury (1). Funding is provided from member contributions and grants. There are no separately issued financial statements for the Municipal Solid Waste Planning Region. Rutherford County has been designated as the fiscal agent for the Planning Region and accounts for its activities through the Joint Venture Fund (agency fund), which is included in the financial statements reflected in Rutherford County's comprehensive annual financial report.

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, the Warren County Joint Economic and Community Development Board, and the Municipal Solid Waste Planning Region 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

Municipal Solid Waste Planning Region
c/o Ernest Burgess, Rutherford County Mayor
County Courthouse, Room 101
Murfreesboro, TN 37130

E. 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.

F. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Warren County and non-certified employees of the discretely presented Warren County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 57.19 percent, the non-certified employees of the discretely presented School Department comprise 42.81 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS

Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

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

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

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	318
Inactive Employees Entitled to But Not Yet Receiving Benefits	371
Active Employees	549
Total	1,238

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the

Tennessee General Assembly. Employees are non-contributory. Warren County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2018, the employer contribution for Warren County was \$1,802,349 based on a rate of 10.53 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Warren County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Warren County's net pension liability (asset) was measured as of June 30, 2017, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and

inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major class are summarized in the following table:

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

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

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

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Warren County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2016	\$ 45,714,994	\$ 46,693,561	\$ (978,567)
Changes for the Year:			
Service Cost	\$ 1,411,085	\$ 0	\$ 1,411,085
Interest	3,462,540	0	3,462,540
Differences Between Expected and Actual Experience	790,123	0	790,123
Changes in Assumptions	1,302,741	0	1,302,741
Contributions-Employer	0	2,111,926	(2,111,926)
Contributions-Employees	0	0	0
Net Investment Income	0	5,301,280	(5,301,280)
Benefit Payments, Including Refunds of Employee Contributions	(1,917,766)	(1,917,766)	0
Administrative Expense	0	(45,649)	45,649
Other Changes	0	23,566	(23,566)
Net Changes	\$ 5,048,723	\$ 5,473,357	\$ (424,634)
Balance, June 30, 2017	\$ 50,763,717	\$ 52,166,918	\$ (1,403,201)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	57.19%	\$ 29,031,770	\$ 29,834,260	\$ (802,491)
School Department	42.81%	21,731,947	22,332,658	(600,710)
Total		\$ 50,763,717	\$ 52,166,918	\$ (1,403,201)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset)

of Warren County calculated using the discount rate of 7.25 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

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

Net Pension Liability \$ 5,417,199 \$ (1,403,201) \$ (7,046,946)

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

Pension Expense or Negative Pension Expense. For the year ended June 30, 2018, Warren County recognized pension expense of \$1,151,854.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, Warren County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 658,436	\$ 1,251,435
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	19,460
Changes in Assumptions Contributions Subsequent to the Measurement Date of June 30, 2017 (1)	1,085,617	0
	1,802,349	N/A
Total	<u>\$ 3,546,402</u>	<u>\$ 1,270,895</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2017,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 2,034,703	\$ 726,825
School Department	1,511,699	544,070
Total	<u>\$ 3,546,402</u>	<u>\$ 1,270,895</u>

Amounts reported as deferred outflows of resources, with the exception of contributions subsequent to the measurement date, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2019	\$ (235,384)
2020	445,672
2021	103,524
2022	(189,463)
2023	348,811
Thereafter	0

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

Discretely Presented Warren County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Warren County and non-certified employees of the discretely presented Warren County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 57.19 percent and the non-certified employees of the discretely presented School Department comprise 42.81 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Warren County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

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

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2018, to the Teacher Retirement Plan were \$151,823, which is four percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities (Assets). At June 30, 2018, the School Department reported a liability (asset) of (\$113,839) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2017, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The School Department's proportion of the net pension liability (asset) was based on the School Department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2017, the School Department's proportion was .431471 percent. The proportion as of June 30, 2016, was .512865 percent.

Pension Expense. For the year ended June 30, 2018, the School Department recognized pension expense of \$52,247.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, the School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 3,990	\$ 8,561
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	6,125
Changes in Assumptions	10,001	0
Changes in Proportion of Net Pension Liability (Asset)	9,012	294
LEA's Contributions Subsequent to the Measurement Date of June 30, 2017 (1)	151,823	N/A
Total	<u>\$ 174,826</u>	<u>\$ 14,980</u>

The School Department's employer contributions of \$151,823, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2019	\$ 69
2020	69
2021	(282)
2022	(1,858)
2023	1,031
Thereafter	8,991

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

Actuarial Assumptions. The total pension liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the School Department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability	\$ 22,712	\$ (113,839)	\$ (213,998)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the Warren County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

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

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Warren County School Department for the year ended June 30, 2018, to the Teacher Legacy Pension Plan were \$2,071,525, which is 9.01 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liability (Assets). At June 30, 2018, the School Department reported a liability (asset) of (\$215,657) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was

measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The School Department's proportion of the net pension liability (asset) was based on the School Department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2017, the School Department's proportion was .659138 percent. The proportion measured at June 30, 2016, was .656852 percent.

Pension Expense. For the year ended June 30, 2018, the School Department recognized pension expense of \$59,695.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, the School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 130,014	\$ 4,452,342
Changes in Assumptions	1,826,505	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	32,736	0
Changes in Proportion of Net Pension Liability (Asset)	147,438	1,716
LEA's Contributions Subsequent to the Measurement Date of June 30, 2017	<u>2,071,525</u>	N/A
Total	<u>\$ 4,208,218</u>	<u>\$ 4,454,058</u>

The School Department's employer contributions of \$2,071,525 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a decrease in net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2019	\$ (1,485,948)
2020	720,283
2021	(498,580)
2022	(1,053,121)
2023	0
Thereafter	0

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

Actuarial Assumptions. The total pension liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS

investment policy target asset allocation for each major class are summarized in the following table:

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

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

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

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all

periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the School Department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability	\$ 19,350,749	\$ (215,657)	\$ (16,388,585)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

2. Deferred Compensation

The primary government and the discretely presented Warren County School Department offer their employees a deferred compensation plan established pursuant to IRC Section 403(b). All costs of administering and funding the program are the responsibility of plan participants. The 403(b) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 403(b) establishes participation, contribution, and withdrawal provisions for the plan.

Teachers hired after July 1, 2014, by the School Department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state's 401 (K) plan and is managed by the employee. The defined contribution portion of the plan requires that the School Department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year the School Department contributed \$151,823 and teachers contributed \$189,775 to this deferred compensation pension plan.

G. Other Postemployment Benefits (OPEB)

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

OPEB Provided through State Administered Public Entity Risk Pools

Primary Government

Retirees of Warren County are provided healthcare under separate Local Government Plans (LGPs) until they reach Medicare eligibility. The primary government's LGPs are combined for presentation purposes.

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

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

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

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

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

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

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

Closed Local Government OPEB Plan (Primary Government)

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

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

policy related to direct subsidies provided for the retiree premiums. Warren County does not provide a direct subsidy and is only subject to the implicit subsidy.

Employees Covered by Benefit Terms

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

	<u>Warren County</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	0
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	212
Total	<u><u>212</u></u>

An insurance committee, created in accordance with *TCA 8-27-701*, establishes the required payments to the LGP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal year ended June 30, 2018, the county paid \$3,586 to the LGP for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2016	\$ 324,635
Changes for the Year:	
Service Cost	\$ 32,163
Interest	10,418
Changes in Benefit Terms	0
Difference between Expected and Actuarial Experience	0
Changes in Assumption and Other Inputs	(19,116)
Benefit Payments	0
Net Changes	<u>\$ 23,465</u>
Balance June 30, 2017	<u><u>\$ 348,100</u></u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, the county recognized OPEB expense of \$40,630. At June 30, 2018, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 0	\$ 0
Changes of Assumptions/Inputs	0	17,165
Net Difference Between Projected and Benefits paid after the measurement date	<u>3,586</u>	<u>0</u>
Total	<u><u>\$ 3,586</u></u>	<u><u>\$ 17,165</u></u>

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

Year Ending June 30	Total Amount
2019	\$ (1,951)
2020	(1,951)
2021	(1,951)
2022	(1,951)
2023	(1,951)
Thereafter	(7,410)

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

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

	1% Decrease 2.56%	Current Discount Rate 3.56%	1% Increase 4.56%
County	\$ 378,539	\$ 348,100	\$ 319,568
Total OPEB Liability	\$ 378,539	\$ 348,100	\$ 319,568

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

	1% Decrease 6 to 3.77%	Current Trend Rates 7 to 4.77%	1% Increase 8 to 5.77%
County	\$ 302,473	\$ 348,100	\$ 403,125
Total OPEB Liability	\$ 302,473	\$ 348,100	\$ 403,125

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

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

Benefits Provided. The Warren County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. Warren County does not provide a direct subsidy and is only subject to the implicit subsidy. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45%; 20 but less than 30 years, 35%; and less than 20 years, 20% of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

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

	<u>School Department</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	40
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	765
Total	<u><u>805</u></u>

A state insurance committee, created in accordance with *TCA 8-27-301*, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the School Department paid \$214,184 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	Share of Collective Liability		Total OPEB Liability
	Warren County School Department 65.48%	State of TN 34.52%	
Balance July 1, 2016	\$ 4,037,035	\$ 2,127,959	\$ 6,164,994
Changes for the Year:			
Service Cost	\$ 236,637	\$ 124,734	\$ 361,371
Interest	121,921	64,266	186,187
Changes in Benefit Terms	0	0	0
Difference between Expected and Actuarial Experience	0	0	0
Changes in Assumption and Other Inputs	(178,698)	(94,194)	(272,892)
Benefit Payments	(196,576)	(103,617)	(300,193)
Net Changes	\$ (16,716)	\$ (8,811)	\$ (25,527)
Balance June 30, 2017	\$ 4,020,319	\$ 2,119,148	\$ 6,139,467

The Warren County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Warren County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employers long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The School Department recognized \$179,765 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for School Department retirees.

During the year, the Warren County School Department's proportionate share of the collective OPEB liability was 65.48% and the State of Tennessee's share was 34.52%.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, the School Department recognized OPEB expense of \$520,804, including the state's share of the expense. At June 30, 2018, the School Department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 0
Changes of Assumptions/Inputs	0	161,179
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employee and Nonemployer Contributors As Benefits Came Due	0	0
Benefits Paid After the Measurement Date	<u>214,184</u>	<u>0</u>
Total	<u>\$ 214,184</u>	<u>\$ 161,179</u>

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

Year Ending June 30	School Department
2019	\$ (17,519)
2020	(17,519)
2021	(17,519)
2022	(17,519)
2023	(17,519)
Thereafter	(73,582)

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

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

<u>Discount Rate</u>	1% Decrease 2.56%	Current Discount Rate 3.56%	1% Increase 4.56%
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Proportionate Share of the Collective Total OPEB Liability	\$ 4,301,140	\$ 4,020,319	\$ 3,752,603
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Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the School Department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>	1% Decrease 6.5 to 2.71%	Current Rates 7.5 to 3.71%	1% Increase 8.5 to 4.71%
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Proportionate Share of the Collective Total OPEB Liability	\$ 3,582,346	\$ 4,020,319	\$ 4,540,775
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H. Office of Central Accounting, Budgeting, and Purchasing

Warren County operates under the provisions of the County Financial Management System of 1981. This act provides for a central system of accounting, budgeting, and purchasing for all county departments. The act also provides for the creation of a Finance Department operated under the direction of the finance director.

I. Purchasing Law

The County Financial Management System of 1981 provides for the finance director or a deputy appointed by her to serve as the county purchasing agent. The finance director serves as the purchasing agent for Warren County. All purchase orders are issued by the Finance Department. Purchases exceeding \$10,000 for the Office of County Executive and the discretely presented School Department and purchases exceeding \$10,000 for the Office of Superintendent of Roads are required to be competitively bid.

J. Subsequent Events

Circuit, General Sessions, and Juvenile Courts Clerk Bernadette Morris left office August 31, 2018, and was succeeded by Cassidy Cantrell.

Register of Deeds Terry Smith left office August 31, 2018, and was succeeded by Wes Williams.

Sheriff Jackie Matheny left office August 31, 2018, and was succeeded by Tommy Myers.

Finance Director Linda Hillis left office August 31, 2018, and was succeeded by Justin Cotton.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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

	2014	2015	2016	2017
Total Pension Liability				
Service Cost	\$ 1,195,950	\$ 1,232,571	\$ 1,253,434	\$ 1,411,085
Interest	3,021,859	3,193,451	3,327,666	3,462,540
Differences Between Actual and Expected Experience	(273,073)	(883,126)	(1,078,272)	790,123
Changes in Assumptions	0	0	0	1,302,741
Benefit Payments, Including Refunds of Employee Contributions	(1,645,032)	(1,741,886)	(1,806,564)	(1,917,766)
Net Change in Total Pension Liability	\$ 2,299,704	\$ 1,801,010	\$ 1,696,264	\$ 5,048,723
Total Pension Liability, Beginning	39,918,016	42,217,720	44,018,730	45,714,994
Total Pension Liability, Ending (a)	\$ 42,217,720	\$ 44,018,730	\$ 45,714,994	\$ 50,763,717
Plan Fiduciary Net Position				
Contributions - Employer				
Contributions - Employee	\$ 1,906,317	\$ 1,965,395	\$ 2,014,718	\$ 2,111,926
Net Investment Income	17,738	31,884	3,528	5,301,280
Benefit Payments, Including Refunds of Employee Contributions	6,210,115	1,350,602	1,204,367	(1,917,766)
Administrative Expense	(1,645,032)	(1,741,886)	(1,806,564)	(45,649)
Other	(19,978)	(26,248)	(39,691)	23,566
Net Change in Plan Fiduciary Net Position	\$ 6,469,160	\$ 1,579,747	\$ 1,376,358	\$ 5,473,357
Plan Fiduciary Net Position, Beginning	37,268,296	43,737,456	45,317,203	46,693,561
Plan Fiduciary Net Position, Ending (b)	\$ 43,737,456	\$ 45,317,203	\$ 46,693,561	\$ 52,166,918
Net Pension Liability (Asset), Ending (a - b)	\$ (1,519,736)	\$ (1,298,473)	\$ (978,567)	\$ (1,403,201)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	103.60%	102.95%	102.14%	102.76%
Covered Payroll	\$ 14,162,854	\$ 16,383,778	\$ 14,921,553	\$ 15,460,655
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(10.73)%	(7.93)%	(6.56)%	(9.08)%

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

Note: data presented includes primary government and non-certified employees of the discretely presented School Department.

Exhibit F-2

Warren County, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018
Actuarially Determined Contribution	\$ 1,906,317	\$ 1,965,395	\$ 2,014,718	\$ 2,111,926	\$ 1,802,349
Less Contributions in Relation to the Actuarially Determined Contribution	(1,906,317)	(1,965,395)	(2,014,718)	(2,111,926)	(1,802,349)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 14,162,854	\$ 14,385,152	\$ 14,921,553	\$ 15,460,655	\$ 17,119,488
Contributions as a Percentage of Covered Payroll	13.46%	13.66%	13.50%	13.66%	10.53%

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

Note: data presented includes primary government and non-certified employees of the discretely presented School Department.

Exhibit F-3

Warren County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Retirement Plan of TCRS
Discretely Presented Warren County School Department
For the Fiscal Year Ended June 30

	2015	2016	2017	2018
Contractually Required Contribution	\$ 42,552	\$ 90,265	\$ 113,276	\$ 151,823
Less Contributions in Relation to the Contractually Required Contribution	(42,552)	(90,265)	(113,276)	(151,823)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 1,063,803	\$ 2,256,618	\$ 2,893,621	\$ 3,795,520
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	3.91%	4.00%

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

Exhibit F-4

Warren County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Legacy Pension Plan of TCRS
Discretely Presented Warren County School Department
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018
Contractually Required Contribution	\$ 2,235,874	\$ 2,170,006	\$ 2,143,478	\$ 2,106,338	\$ 2,071,525
Less Contributions in Relation to the Contractually Required Contribution	(2,235,874)	(2,170,006)	(2,143,478)	(2,106,338)	(2,071,525)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 25,178,757	\$ 24,004,784	\$ 23,711,024	\$ 23,238,478	\$ 22,998,027
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.06%	9.01%

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

Exhibit F-5

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

	2016	2017	2018
School Department's Proportion of the Net Pension Liability/Asset	0.501428%	0.512865%	0.431471%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (20,597)	\$ (53,391)	\$ (113,839)
Covered Payroll	\$ 1,063,803	\$ 2,256,618	\$ 2,893,621
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(3.93)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%

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

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

Exhibit F-6

Warren County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Warren County School Department
For the Fiscal Year Ended June 30 *

	2015	2016	2017	2018
School Department's Proportion of the Net Pension Liability/Asset	0.641498%	0.641231%	0.656852%	0.659138%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (104,241)	\$ 262,670	\$ 4,104,962	\$ (215,657)
Covered Payroll	\$ 25,178,753	\$ 24,004,787	\$ 23,711,024	\$ 23,238,478
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41)%	1.09%	17.31%	(0.93)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%

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

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

Exhibit F-7

Warren County, Tennessee
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Government Plans
For the Fiscal Year Ended June 30 *

Warren County Plan

	<u>2018</u>
Total OPEB Liability	
Service Cost	\$ 32,163
Interest	10,418
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	0
Changes in Assumptions or Other Inputs	(19,116)
Benefit Payments	<u>0</u>
Net Change in Total OPEB Liability	\$ 23,465
Total OPEB Liability, Beginning	<u>324,635</u>
Total OPEB Liability, Ending	<u><u>\$ 348,100</u></u>
Covered Employee Payroll	\$ 9,980,291
Net OPEB Liability as a Percentage of Covered Employee Payroll	3.49%

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

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

2017	2.92%
2018	3.56%

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

Exhibit F-8

Warren County, Tennessee
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan
Discretely Presented Warren County School Department
For the Fiscal Year Ended June 30 *

	<u>2018</u>
Total OPEB Liability	
Service Cost	\$ 361,371
Interest	186,187
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	0
Changes in Assumptions or Other Inputs	(272,892)
Benefit Payments	<u>(300,193)</u>
Net Change in Total OPEB Liability	\$ (25,527)
Total OPEB Liability, Beginning	<u>6,164,994</u>
 Total OPEB Liability, Ending	 <u>\$ 6,139,467</u>
 Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	 \$ 2,119,148
Employer Proportionate Share of the Total OPEB Liability	4,020,319
 Covered Employee Payroll	 \$ 33,932,744
Net OPEB Liability as a Percentage of Covered Employee Payroll	18.09%

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

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

2017	2.92%
2018	3.56%

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

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

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation
Investment Rate of Return	7.5%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.5%

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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.

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

Capital Projects Funds

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

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

Other Capital Projects Fund #1 – The Other Capital Projects Fund #1 is used to account for transactions associated with HOME grant.

Exhibit G-1

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

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	Other Capital Projects	
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 192,850	\$ 192,850	\$ 0	\$ 192,850
Equity in Pooled Cash and Investments	800,357	252,883	0	1,053,240	85,315	1,138,555
Accounts Receivable	5,729	0	34,617	40,346	0	40,346
Property Taxes Receivable	607,245	0	0	607,245	0	607,245
Allowance for Uncollectible Property Taxes	(22,426)	0	0	(22,426)	0	(22,426)
Total Assets	\$ 1,390,905	\$ 252,883	\$ 227,467	\$ 1,871,255	\$ 85,315	\$ 1,956,570
<u>LIABILITIES</u>						
Accounts Payable	\$ 12,024	\$ 0	\$ 0	\$ 12,024	\$ 0	\$ 12,024
Accrued Payroll	16,624	0	0	16,624	0	16,624
Payroll Deductions Payable	3,010	0	0	3,010	0	3,010
Due to Other Funds	0	108	1,530	1,638	0	1,638
Total Liabilities	\$ 31,658	\$ 108	\$ 1,530	\$ 33,296	\$ 0	\$ 33,296
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 566,180	\$ 0	\$ 0	\$ 566,180	\$ 0	\$ 566,180
Deferred Delinquent Property Taxes	14,476	0	0	14,476	0	14,476
Total Deferred Inflows of Resources	\$ 580,656	\$ 0	\$ 0	\$ 580,656	\$ 0	\$ 580,656

(Continued)

Exhibit G-1

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

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	Other Capital Projects	
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 252,775	\$ 0	\$ 252,775	\$ 0	\$ 252,775
Restricted for Social, Cultural, and Recreational Services	0	0	0	0	85,315	85,315
Committed:						
Committed for Finance	0	0	128,145	128,145	0	128,145
Committed for Administration of Justice	0	0	97,792	97,792	0	97,792
Committed for Public Health and Welfare	778,591	0	0	778,591	0	778,591
Total Fund Balances	\$ 778,591	\$ 252,775	\$ 225,937	\$ 1,257,303	\$ 85,315	\$ 1,342,618
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,390,905	\$ 252,883	\$ 227,467	\$ 1,871,255	\$ 85,315	\$ 1,956,570

Exhibit G-2

Warren County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

	Special Revenue Funds				Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	Other Capital Projects -
<u>Revenues</u>					
Local Taxes	\$ 777,432	\$ 0	\$ 0	\$ 777,432	\$ 0
Fines, Forfeitures, and Penalties	0	107,076	0	107,076	0
Charges for Current Services	32,285	0	1,272,203	1,304,488	0
Other Local Revenues	78,328	200	0	78,528	0
State of Tennessee	454,998	0	0	454,998	0
Federal Government	0	0	0	0	84,957
Total Revenues	\$ 1,343,043	\$ 107,276	\$ 1,272,203	\$ 2,722,522	\$ 84,957
<u>Expenditures</u>					
Current:					
General Government	\$ 0	\$ 0	\$ 182,841	\$ 182,841	\$ 0
Finance	0	0	587,498	587,498	0
Administration of Justice	0	0	507,525	507,525	0
Public Safety	0	93,747	0	93,747	0
Public Health and Welfare	1,211,892	13,230	0	1,225,122	0
Capital Projects	0	0	0	0	84,957
Total Expenditures	\$ 1,211,892	\$ 106,977	\$ 1,277,864	\$ 2,596,733	\$ 84,957
Excess (Deficiency) of Revenues Over Expenditures	\$ 131,151	\$ 299	\$ (5,661)	\$ 125,789	\$ 0
Net Change in Fund Balances	\$ 131,151	\$ 299	\$ (5,661)	\$ 125,789	\$ 0
Fund Balance, July 1, 2017	647,440	252,476	231,598	1,131,514	0
Fund Balance, June 30, 2018	\$ 778,591	\$ 252,775	\$ 225,937	\$ 1,257,303	\$ 0

(Continued)

Exhibit G-2

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

	<u>Capital Projects Funds (Cont.)</u>		Total
	Other Capital Projects	Total	Nonmajor Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 0	\$ 0	\$ 777,432
Fines, Forfeitures, and Penalties	0	0	107,076
Charges for Current Services	0	0	1,304,488
Other Local Revenues	947	947	79,475
State of Tennessee	0	0	454,998
Federal Government	0	84,957	84,957
Total Revenues	<u>\$ 947</u>	<u>\$ 85,904</u>	<u>\$ 2,808,426</u>
<u>Expenditures</u>			
Current:			
General Government	\$ 0	\$ 0	\$ 182,841
Finance	0	0	587,498
Administration of Justice	0	0	507,525
Public Safety	0	0	93,747
Public Health and Welfare	0	0	1,225,122
Capital Projects	0	84,957	84,957
Total Expenditures	<u>\$ 0</u>	<u>\$ 84,957</u>	<u>\$ 2,681,690</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 947</u>	<u>\$ 947</u>	<u>\$ 126,736</u>
Net Change in Fund Balances	\$ 947	\$ 947	\$ 126,736
Fund Balance, July 1, 2017	<u>84,368</u>	<u>84,368</u>	<u>1,215,882</u>
Fund Balance, June 30, 2018	<u>\$ 85,315</u>	<u>\$ 85,315</u>	<u>\$ 1,342,618</u>

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, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 777,432	\$ 699,606	\$ 705,606	\$ 71,826
Charges for Current Services	32,285	4,000	4,000	28,285
Other Local Revenues	78,328	38,000	48,000	30,328
State of Tennessee	454,998	473,000	473,000	(18,002)
Total Revenues	<u>\$ 1,343,043</u>	<u>\$ 1,214,606</u>	<u>\$ 1,230,606</u>	<u>\$ 112,437</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Waste Pickup	\$ 440,446	\$ 561,072	\$ 561,072	\$ 120,626
Convenience Centers	738,070	885,389	895,389	157,319
Other Waste Disposal	33,376	46,000	52,000	18,624
Total Expenditures	<u>\$ 1,211,892</u>	<u>\$ 1,492,461</u>	<u>\$ 1,508,461</u>	<u>\$ 296,569</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 131,151</u>	<u>\$ (277,855)</u>	<u>\$ (277,855)</u>	<u>\$ 409,006</u>
Net Change in Fund Balance	\$ 131,151	\$ (277,855)	\$ (277,855)	\$ 409,006
Fund Balance, July 1, 2017	647,440	452,443	452,443	194,997
Fund Balance, June 30, 2018	<u>\$ 778,591</u>	<u>\$ 174,588</u>	<u>\$ 174,588</u>	<u>\$ 604,003</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, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 107,076	\$ 96,000	\$ 96,000	\$ 11,076
Other Local Revenues	200	0	0	200
Total Revenues	<u>\$ 107,276</u>	<u>\$ 96,000</u>	<u>\$ 96,000</u>	<u>\$ 11,276</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 93,747	\$ 118,069	\$ 118,069	\$ 24,322
<u>Public Health and Welfare</u>				
Alcohol and Drug Programs	13,230	15,300	15,300	2,070
Total Expenditures	<u>\$ 106,977</u>	<u>\$ 133,369</u>	<u>\$ 133,369</u>	<u>\$ 26,392</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 299</u>	<u>\$ (37,369)</u>	<u>\$ (37,369)</u>	<u>\$ 37,668</u>
Net Change in Fund Balance	\$ 299	\$ (37,369)	\$ (37,369)	\$ 37,668
Fund Balance, July 1, 2017	<u>252,476</u>	<u>216,865</u>	<u>216,865</u>	<u>35,611</u>
Fund Balance, June 30, 2018	<u>\$ 252,775</u>	<u>\$ 179,496</u>	<u>\$ 179,496</u>	<u>\$ 73,279</u>

Major Governmental Fund

General Debt Service Fund

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

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, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,904,937	\$ 2,566,713	\$ 2,566,713	\$ 338,224
Other Local Revenues	439,631	180,000	180,000	259,631
State of Tennessee	13,819	0	0	13,819
Total Revenues	\$ 3,358,387	\$ 2,746,713	\$ 2,746,713	\$ 611,674
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 733,801	\$ 734,000	\$ 734,000	\$ 199
Education	1,350,306	1,350,306	1,350,306	0
<u>Interest on Debt</u>				
General Government	143,040	145,850	145,750	2,710
Education	781,300	781,300	781,400	100
<u>Other Debt Service</u>				
General Government	55,452	125,000	125,000	69,548
Education	7,440	7,440	7,440	0
Total Expenditures	\$ 3,071,339	\$ 3,143,896	\$ 3,143,896	\$ 72,557
Excess (Deficiency) of Revenues Over Expenditures	\$ 287,048	\$ (397,183)	\$ (397,183)	\$ 684,231
Net Change in Fund Balance	\$ 287,048	\$ (397,183)	\$ (397,183)	\$ 684,231
Fund Balance, July 1, 2017	8,701,819	8,431,463	8,431,463	270,356
Fund Balance, June 30, 2018	\$ 8,988,867	\$ 8,034,280	\$ 8,034,280	\$ 954,587

Fiduciary Funds

Agency Funds are used to account for assets held by the county in a trustee capacity or 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.

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

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.

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

Exhibit I-1

Warren County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2018

	Agency Funds					Total
	Cities - Sales Tax	Constitu- tional Officers - Agency	Judicial District Drug	District Attorney General		
<u>ASSETS</u>						
Cash	\$ 0	\$ 1,034,695	\$ 0	\$ 0	\$ 0	1,034,695
Equity in Pooled Cash and Investments	0	0	16,636	40,995		57,631
Accounts Receivable	0	10,136	0	0		10
Due from Other Governments	497,640	0	0	0		497,640
Total Assets	\$ 497,640	\$ 1,044,831	\$ 16,636	\$ 40,995	\$ 0	\$ 1,600,102
<u>LIABILITIES</u>						
Due to Other Taxing Units	\$ 497,640	\$ 0	\$ 0	\$ 0	\$ 0	497,640
Due to Litigants, Heirs, and Others	0	1,044,831	0	40,995		1,085,826
Due to Joint Ventures	0	0	16,636	0		16,636
Total Liabilities	\$ 497,640	\$ 1,044,831	\$ 16,636	\$ 40,995	\$ 0	\$ 1,600,102

Exhibit I-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 2,838,813	\$ 2,838,813	\$ 0
Due from Other Governments	471,894	497,640	471,894	497,640
Total Assets	\$ 471,894	\$ 3,336,453	\$ 3,310,707	\$ 497,640
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 471,894	\$ 3,336,453	\$ 3,310,707	\$ 497,640
Total Liabilities	\$ 471,894	\$ 3,336,453	\$ 3,310,707	\$ 497,640
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,454,341	\$ 9,343,676	\$ 9,763,322	\$ 1,034,695
Accounts Receivable	190	10,126	180	10,136
Total Assets	\$ 1,454,531	\$ 9,353,802	\$ 9,763,502	\$ 1,044,831
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,454,531	\$ 9,353,802	\$ 9,763,502	\$ 1,044,831
Total Liabilities	\$ 1,454,531	\$ 9,353,802	\$ 9,763,502	\$ 1,044,831
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 21,551	\$ 14,652	\$ 19,567	\$ 16,636
Total Assets	\$ 21,551	\$ 14,652	\$ 19,567	\$ 16,636
<u>Liabilities</u>				
Due to Joint Ventures	\$ 21,551	\$ 14,652	\$ 19,567	\$ 16,636
Total Liabilities	\$ 21,551	\$ 14,652	\$ 19,567	\$ 16,636

(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>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 40,331	\$ 8,395	\$ 7,731	\$ 40,995
Total Assets	\$ 40,331	\$ 8,395	\$ 7,731	\$ 40,995
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 40,331	\$ 8,395	\$ 7,731	\$ 40,995
Total Liabilities	\$ 40,331	\$ 8,395	\$ 7,731	\$ 40,995
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,454,341	\$ 9,343,676	\$ 9,763,322	\$ 1,034,695
Equity in Pooled Cash and Investments	61,882	2,861,860	2,866,111	57,631
Accounts Receivable	190	10,126	180	10,136
Due from Other Governments	471,894	497,640	471,894	497,640
Total Assets	\$ 1,988,307	\$ 12,713,302	\$ 13,101,507	\$ 1,600,102
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 471,894	\$ 3,336,453	\$ 3,310,707	\$ 497,640
Due to Litigants, Heirs, and Others	1,494,862	9,362,197	9,771,233	1,085,826
Due to Joint Ventures	21,551	14,652	19,567	16,636
Total Liabilities	\$ 1,988,307	\$ 12,713,302	\$ 13,101,507	\$ 1,600,102

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, three Special Revenue Funds, and a Capital Projects Fund.

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

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

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

Schoolwide Consolidation Fund – The Schoolwide Consolidation Fund is used to account for federal funds consolidated from various federal grants and used for schoolwide programs in designated county schools.

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

Exhibit J-1

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 33,623,376	\$ 282,370	\$ 3,185,720	\$ 125,000	\$ (30,030,286)
Support Services	17,490,274	0	340,029	0	(17,150,245)
Operation of Non-instructional Services	4,353,587	148,335	5,191,734	0	986,482
Total Governmental Activities	\$ 55,467,237	\$ 430,705	\$ 8,717,483	\$ 125,000	\$ (46,194,049)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 4,301,944
Local Option Sales Taxes					8,343,184
Mixed Drink Tax					10,068
Grants and Contributions Not Restricted to Specific Programs					37,914,476
Unrestricted Investment Earnings					26,061
Miscellaneous					4,862
Sale of Equipment					26,635
Total General Revenues					\$ 50,627,230
Change in Net Position					\$ 4,433,181
Net Position, July 1, 2017					52,625,209
Restatement - Pension Liability (see Note I.D.9)					(1,665,118)
Net Position, June 30, 2018					\$ 55,393,272

Exhibit J-2

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

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General Purpose School</u>	<u>Central Cafeteria</u>	<u>Funds Other Governmental Funds</u>	
<u>ASSETS</u>				
Cash	\$ 0	\$ 473	\$ 0	\$ 473
Equity in Pooled Cash and Investments	8,292,893	3,710,203	135,938	12,139,034
Inventories	0	108,346	0	108,346
Accounts Receivable	7,509	370	0	7,879
Due from Other Governments	2,643,682	429,317	228,597	3,301,596
Due from Other Funds	70	0	0	70
Property Taxes Receivable	4,322,140	0	0	4,322,140
Allowance for Uncollectible Property Taxes	(151,118)	0	0	(151,118)
Total Assets	<u>\$ 15,115,176</u>	<u>\$ 4,248,709</u>	<u>\$ 364,535</u>	<u>\$ 19,728,420</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 5,045	\$ 236	\$ 0	\$ 5,281
Payroll Deductions Payable	1,033,993	18,077	112,903	1,164,973
Due to Other Funds	0	70	0	70
Due to Primary Government	133,445	0	0	133,445
Total Liabilities	<u>\$ 1,172,483</u>	<u>\$ 18,383</u>	<u>\$ 112,903</u>	<u>\$ 1,303,769</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 4,052,433	\$ 0	\$ 0	\$ 4,052,433
Deferred Delinquent Property Taxes	92,099	0	0	92,099
Other Deferred/Unavailable Revenue	694,616	0	0	694,616
Total Deferred Inflows of Resources	<u>\$ 4,839,148</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,839,148</u>

(Continued)

Exhibit J-2

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

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General Purpose School</u>	<u>Central Cafeteria</u>	<u>Other Governmental Funds</u>	
<u>FUND BALANCES</u>				
Nonspendable:				
Inventory	\$ 0	\$ 108,346	\$ 0	\$ 108,346
Restricted:				
Restricted for Education	110,840	4,121,980	101,632	4,334,452
Committed:				
Committed for Education	0	0	150,000	150,000
Assigned:				
Assigned for Education	6,088,669	0	0	6,088,669
Unassigned	2,904,036	0	0	2,904,036
Total Fund Balances	<u>\$ 9,103,545</u>	<u>\$ 4,230,326</u>	<u>\$ 251,632</u>	<u>\$ 13,585,503</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 15,115,176</u>	<u>\$ 4,248,709</u>	<u>\$ 364,535</u>	<u>\$ 19,728,420</u>

Exhibit J-3

Warren County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Warren County School Department
June 30, 2018

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$	13,585,503
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,931,306	
Add: construction in progress		72,257	
Add: buildings and improvements net of accumulated depreciation		42,786,389	
Add: other capital assets net of accumulated depreciation		<u>851,737</u>	45,641,689
(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	\$	(2,465,162)	
Less: net OPEB liability		<u>(4,020,319)</u>	(6,485,481)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:			
Add: deferred outflows of resources related to OPEB	\$	214,184	
Less: deferred inflows of resources related to OPEB		(161,179)	
Add: deferred outflows of resources related to pensions		5,894,743	
Less: deferred inflows of resources related to pensions		<u>(5,013,108)</u>	934,640
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension assets - agent plan	\$	600,710	
Add: net pension assets - teacher retirement plan		113,839	
Add: net pension assets - teacher legacy plan		<u>215,657</u>	930,206
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>786,715</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>55,393,272</u></u>

Exhibit J-4

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

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Central</u>	<u>Funds</u>	
	<u>Purpose</u>	<u>Cafeteria</u>	<u>Other</u>	<u>Governmental</u>
	<u>School</u>		<u>Governmental</u>	<u>Funds</u>
			<u>Funds</u>	<u>Funds</u>
<u>Revenues</u>				
Local Taxes	\$ 12,704,763	\$ 0	\$ 0	\$ 12,704,763
Charges for Current Services	282,370	148,335	0	430,705
Other Local Revenues	401,486	31,180	0	432,666
State of Tennessee	37,238,325	37,706	0	37,276,031
Federal Government	75,489	4,430,974	4,478,547	8,985,010
Other Governments and Citizens Groups	0	0	89,990	89,990
Total Revenues	<u>\$ 50,702,433</u>	<u>\$ 4,648,195</u>	<u>\$ 4,568,537</u>	<u>\$ 59,919,165</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 30,475,518	\$ 0	\$ 3,386,221	\$ 33,861,739
Support Services	16,753,793	0	781,223	17,535,016
Operation of Non-Instructional Services	908,710	3,473,842	317,699	4,700,251
Capital Outlay	962,511	0	0	962,511
Total Expenditures	<u>\$ 49,100,532</u>	<u>\$ 3,473,842</u>	<u>\$ 4,485,143</u>	<u>\$ 57,059,517</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>\$ 1,601,901</u>	<u>\$ 1,174,353</u>	<u>\$ 83,394</u>	<u>\$ 2,859,648</u>
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Capital Assets	\$ 820	\$ 0	\$ 0	\$ 820
Total Other Financing Sources (Uses)	<u>\$ 820</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 820</u>

(Continued)

Exhibit J-4

Warren County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented School Department (Cont.)

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Central</u>	<u>Funds</u>	
	<u>Purpose</u>	<u>Cafeteria</u>	<u>Other</u>	<u>Governmental</u>
	<u>School</u>		<u>Governmental</u>	<u>Funds</u>
			<u>Funds</u>	
Net Change in Fund Balances	\$ 1,602,721	\$ 1,174,353	\$ 83,394	\$ 2,860,468
Fund Balance, July 1, 2017	7,500,824	3,055,973	168,238	10,725,035
Fund Balance, June 30, 2018	\$ 9,103,545	\$ 4,230,326	\$ 251,632	\$ 13,585,503

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, 2018

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

Net change in fund balances - total governmental funds (Exhibit J-4)		\$ 2,860,468
<p>(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:</p>		
Add: capital assets purchased in the current period	\$ 1,102,654	
Less: current-year depreciation expense	<u>(1,850,490)</u>	(747,836)
<p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.</p>		
Less: book value of capital assets disposed		(7,500)
<p>(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2018	\$ 786,715	
Less: deferred delinquent property taxes and other deferred June 30, 2017	<u>(795,462)</u>	(8,747)
<p>(4) 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.</p>		
Change in compensated absences payable	\$ (118,234)	
Change in OPEB liability	16,716	
Change in deferred outflows related to OPEB	214,184	
Change in deferred inflows related to OPEB	(161,179)	
Change in net pension asset - agent plan	174,153	
Change in net pension asset - teacher retirement plan	60,448	
Change in net pension asset - teacher legacy plan	4,320,619	
Change in deferred outflows related to pensions	(2,843,152)	
Change in deferred inflows related to pensions	<u>673,241</u>	<u>2,336,796</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 4,433,181</u>

Exhibit J-6

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

	<u>Special Revenue Funds</u>			<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Total</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
	<u>School</u> <u>Federal</u> <u>Projects</u>	<u>Schoolwide</u> <u>Consolidation</u>	<u>Total</u>	<u>Education</u> <u>Capital</u> <u>Projects</u>	
<u>ASSETS</u>					
Equity in Pooled Cash and Investments	\$ 24,848	\$ 9,458	\$ 34,306	\$ 101,632	\$ 135,938
Due from Other Governments	228,320	277	228,597	0	228,597
Total Assets	<u>\$ 253,168</u>	<u>\$ 9,735</u>	<u>\$ 262,903</u>	<u>\$ 101,632</u>	<u>\$ 364,535</u>
<u>LIABILITIES</u>					
Payroll Deductions Payable	\$ 108,168	\$ 4,735	\$ 112,903	\$ 0	\$ 112,903
Total Liabilities	<u>\$ 108,168</u>	<u>\$ 4,735</u>	<u>\$ 112,903</u>	<u>\$ 0</u>	<u>\$ 112,903</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Education	\$ 0	\$ 0	\$ 0	\$ 101,632	\$ 101,632
Committed:					
Committed for Education	145,000	5,000	150,000	0	150,000
Total Fund Balances	<u>\$ 145,000</u>	<u>\$ 5,000</u>	<u>\$ 150,000</u>	<u>\$ 101,632</u>	<u>\$ 251,632</u>
Total Liabilities and Fund Balances	<u>\$ 253,168</u>	<u>\$ 9,735</u>	<u>\$ 262,903</u>	<u>\$ 101,632</u>	<u>\$ 364,535</u>

Exhibit J-7

Warren County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented School Department
For the Year Ended June 30, 2018

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>School</u>	<u>Schoolwide</u>	<u>Total</u>	<u>Projects</u>	
	<u>Federal</u>	<u>Consolidation</u>		<u>Education</u>	<u>Nonmajor</u>
	<u>Projects</u>			<u>Capital</u>	<u>Governmental</u>
				<u>Projects</u>	<u>Funds</u>
<u>Revenues</u>					
Federal Government	\$ 4,353,903	\$ 124,644	\$ 4,478,547	\$ 0	\$ 4,478,547
Other Governments and Citizens Groups	0	0	0	89,990	89,990
Total Revenues	<u>\$ 4,353,903</u>	<u>\$ 124,644</u>	<u>\$ 4,478,547</u>	<u>\$ 89,990</u>	<u>\$ 4,568,537</u>
<u>Expenditures</u>					
Current:					
Instruction	\$ 3,261,577	\$ 124,644	\$ 3,386,221	\$ 0	\$ 3,386,221
Support Services	781,223	0	781,223	0	781,223
Operation of Non-Instructional Services	317,699	0	317,699	0	317,699
Total Expenditures	<u>\$ 4,360,499</u>	<u>\$ 124,644</u>	<u>\$ 4,485,143</u>	<u>\$ 0</u>	<u>\$ 4,485,143</u>
Excess (Deficiency) of Revenues					
Over Expenditures	\$ (6,596)	\$ 0	\$ (6,596)	\$ 89,990	\$ 83,394
Net Change in Fund Balances	\$ (6,596)	\$ 0	\$ (6,596)	\$ 89,990	\$ 83,394
Fund Balance, July 1, 2017	151,596	5,000	156,596	11,642	168,238
Fund Balance, June 30, 2018	<u>\$ 145,000</u>	<u>\$ 5,000</u>	<u>\$ 150,000</u>	<u>\$ 101,632</u>	<u>\$ 251,632</u>

Exhibit J-8

Warren County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Discretely Presented School Department
 General Purpose School Fund
 For the Year Ended June 30, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 12,704,763	\$ 0	\$ 0	\$ 12,704,763	\$ 12,267,766	\$ 12,267,766	\$ 436,997
Charges for Current Services	282,370	0	0	282,370	205,800	209,829	72,541
Other Local Revenues	401,486	0	0	401,486	459,200	584,023	(182,537)
State of Tennessee	37,238,325	0	0	37,238,325	36,602,600	36,948,573	289,752
Federal Government	75,489	0	0	75,489	602,400	602,400	(526,911)
Total Revenues	\$ 50,702,433	\$ 0	\$ 0	\$ 50,702,433	\$ 50,137,766	\$ 50,612,591	\$ 89,842
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 24,750,711	\$ (180,750)	\$ 222,560	\$ 24,792,521	\$ 25,086,500	\$ 25,462,045	\$ 669,524
Alternative Instruction Program	441,409	0	0	441,409	489,600	489,600	48,191
Special Education Program	3,687,265	(248)	468	3,687,485	3,739,900	3,739,900	52,415
Career and Technical Education Program	1,596,133	(7,037)	9,914	1,599,010	1,648,000	1,773,000	173,990
<u>Support Services</u>							
Attendance	508,164	0	17,027	525,191	625,800	625,800	100,609
Health Services	953,879	(2,998)	4,325	955,206	1,042,800	1,066,542	111,336
Other Student Support	1,887,707	(83,469)	56,714	1,860,952	2,128,300	2,098,300	237,348
Regular Instruction Program	1,114,949	(5,079)	0	1,109,870	1,215,700	1,200,700	90,830
Alternative Instruction Program	110,087	0	0	110,087	121,700	121,700	11,613
Special Education Program	503,169	0	0	503,169	522,600	522,600	19,431
Career and Technical Education Program	118,739	(10,426)	708	109,021	125,100	125,100	16,079
Technology	733,756	0	45,201	778,957	821,400	821,400	42,443
Other Programs	191,183	0	0	191,183	0	191,183	0
Board of Education	658,366	(8,778)	10,982	660,570	878,800	878,800	218,230
Director of Schools	186,233	(50)	50	186,233	214,900	214,900	28,667
Office of the Principal	2,247,340	(29,099)	0	2,218,241	2,373,300	2,343,975	125,734
Fiscal Services	321,054	(749)	1,350	321,655	334,500	334,500	12,845
Operation of Plant	3,566,734	(15,756)	36,831	3,587,809	4,083,600	4,083,600	495,791
Maintenance of Plant	1,734,801	(208,642)	152,235	1,678,394	1,787,800	1,813,800	135,406

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Transportation	\$ 1,917,632	\$ (27,919)	\$ 0	\$ 1,889,713	\$ 1,895,200	\$ 2,105,700	\$ 215,987
<u>Operation of Non-Instructional Services</u>							
Community Services	80,421	0	0	80,421	633,300	633,300	552,879
Early Childhood Education	828,289	0	0	828,289	854,800	854,800	26,511
<u>Capital Outlay</u>							
Regular Capital Outlay	962,511	(509,774)	446,329	899,066	900,000	1,106,900	207,834
Total Expenditures	<u>\$ 49,100,532</u>	<u>\$ (1,090,774)</u>	<u>\$ 1,004,694</u>	<u>\$ 49,014,452</u>	<u>\$ 51,523,600</u>	<u>\$ 52,608,145</u>	<u>\$ 3,593,693</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,601,901</u>	<u>\$ 1,090,774</u>	<u>\$ (1,004,694)</u>	<u>\$ 1,687,981</u>	<u>\$ (1,385,834)</u>	<u>\$ (1,995,554)</u>	<u>\$ 3,683,535</u>
<u>Other Financing Sources (Uses)</u>							
Proceeds from Sale of Capital Assets	\$ 820	\$ 0	\$ 0	\$ 820	\$ 0	\$ 820	\$ 0
Total Other Financing Sources	<u>\$ 820</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 820</u>	<u>\$ 0</u>	<u>\$ 820</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 1,602,721	\$ 1,090,774	\$ (1,004,694)	\$ 1,688,801	\$ (1,385,834)	\$ (1,994,734)	\$ 3,683,535
Fund Balance, July 1, 2017	<u>7,500,824</u>	<u>(1,090,774)</u>	<u>0</u>	<u>6,410,050</u>	<u>5,492,661</u>	<u>5,492,661</u>	<u>917,389</u>
Fund Balance, June 30, 2018	<u>\$ 9,103,545</u>	<u>\$ 0</u>	<u>\$ (1,004,694)</u>	<u>\$ 8,098,851</u>	<u>\$ 4,106,827</u>	<u>\$ 3,497,927</u>	<u>\$ 4,600,924</u>

Exhibit J-9

Warren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented School Department
School Federal Projects Fund
For the Year Ended June 30, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 4,353,903	\$ 0	\$ 4,353,903	\$ 4,595,825	\$ 6,407,723	\$ (2,053,820)
Total Revenues	\$ 4,353,903	\$ 0	\$ 4,353,903	\$ 4,595,825	\$ 6,407,723	\$ (2,053,820)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 1,885,753	\$ (2,133)	\$ 1,883,620	\$ 1,701,172	\$ 2,488,296	\$ 604,676
Special Education Program	1,194,549	0	1,194,549	1,297,750	1,672,509	477,960
Career and Technical Education Program	181,275	0	181,275	185,185	188,605	7,330
<u>Support Services</u>						
Other Student Support	113,799	0	113,799	134,553	164,236	50,437
Regular Instruction Program	236,787	0	236,787	264,670	329,052	92,265
Special Education Program	340,029	0	340,029	419,998	1,089,365	749,336
Career and Technical Education Program	10,085	0	10,085	9,207	10,085	0
Technology	72,602	0	72,602	115,862	115,862	43,260
Board of Education	555	0	555	0	561	6
Transportation	7,366	0	7,366	11,000	29,560	22,194
<u>Operation of Non-Instructional Services</u>						
Food Service	89	0	89	0	89	0
Community Services	317,610	0	317,610	453,047	319,503	1,893
Total Expenditures	\$ 4,360,499	\$ (2,133)	\$ 4,358,366	\$ 4,592,444	\$ 6,407,723	\$ 2,049,357
Excess (Deficiency) of Revenues Over Expenditures	\$ (6,596)	\$ 2,133	\$ (4,463)	\$ 3,381	\$ 0	\$ (4,463)

(Continued)

Exhibit J-9

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ 0	\$ 0	\$ 0	(3,384)	\$ 0	\$ 0
Total Other Financing Sources	\$ 0	\$ 0	\$ 0	(3,384)	\$ 0	\$ 0
Net Change in Fund Balance	\$ (6,596)	\$ 2,133	\$ (4,463)	(3)	\$ 0	\$ (4,463)
Fund Balance, July 1, 2017	151,596	(2,133)	149,463	0	0	149,463
Fund Balance, June 30, 2018	\$ 145,000	\$ 0	\$ 145,000	(3)	\$ 0	\$ 145,000

Exhibit J-10

Warren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented School Department
Central Cafeteria Fund
For the Year Ended June 30, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 148,335	\$ 0	\$ 0	\$ 148,335	\$ 104,000	\$ 104,000	\$ 44,335
Other Local Revenues	31,180	0	0	31,180	306,000	6,000	25,180
State of Tennessee	37,706	0	0	37,706	36,000	36,000	1,706
Federal Government	4,430,974	0	0	4,430,974	3,800,000	4,100,000	330,974
Total Revenues	\$ 4,648,195	\$ 0	\$ 0	\$ 4,648,195	\$ 4,246,000	\$ 4,246,000	\$ 402,195
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Food Service	\$ 3,473,842	\$ (54,356)	\$ 112,670	\$ 3,532,156	\$ 4,938,500	\$ 4,938,500	\$ 1,406,344
Total Expenditures	\$ 3,473,842	\$ (54,356)	\$ 112,670	\$ 3,532,156	\$ 4,938,500	\$ 4,938,500	\$ 1,406,344
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,174,353	\$ 54,356	\$ (112,670)	\$ 1,116,039	\$ (692,500)	\$ (692,500)	\$ 1,808,539
Net Change in Fund Balance	\$ 1,174,353	\$ 54,356	\$ (112,670)	\$ 1,116,039	\$ (692,500)	\$ (692,500)	\$ 1,808,539
Fund Balance, July 1, 2017	3,055,973	(54,356)	0	3,001,617	3,080,478	3,080,478	(78,861)
Fund Balance, June 30, 2018	\$ 4,230,326	\$ 0	\$ (112,670)	\$ 4,117,656	\$ 2,387,978	\$ 2,387,978	\$ 1,729,678

Exhibit J-11

Warren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented School Department
Schoolwide Consolidation Fund
For the Year Ended June 30, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 124,644	\$ 121,299	\$ 170,992	\$ (46,348)
Total Revenues	\$ 124,644	\$ 121,299	\$ 170,992	\$ (46,348)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 124,644	\$ 121,299	\$ 170,992	\$ 46,348
Total Expenditures	\$ 124,644	\$ 121,299	\$ 170,992	\$ 46,348
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance, July 1, 2017	5,000	0	0	5,000
Fund Balance, June 30, 2018	\$ 5,000	\$ 0	\$ 0	\$ 5,000

MISCELLANEOUS SCHEDULES

Exhibit K-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-17	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-18
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
General Obligation School, Series 2014	\$ 4,900,000	2 to 2.5	% 10-30-14	6-1-25	\$ 3,975,000	\$ 0	\$ 465,000	\$ 3,510,000
General Obligation School, Series 2018	6,000,000	3.27	6-15-18	6-1-38	0	6,000,000	0	6,000,000
Build America Bonds, Series 2010B	6,000,000	2.35 to 5.45	4-15-10	6-1-30	5,055,000	0	305,000	4,750,000
Qualified School Construction, Series 2010	9,300,000	0	(1) 10-7-10	9-15-27	5,914,887	0	580,306	5,334,581
General Obligation Refunding, Series 2010	6,475,000	2 to 4	2-10-10	6-1-22	3,630,000	0	670,000	2,960,000
Total Bonds Payable					<u>\$ 18,574,887</u>	<u>\$ 6,000,000</u>	<u>\$ 2,020,306</u>	<u>\$ 22,554,581</u>
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Sheriff Vehicles	125,000	1.86	6-21-16	6-30-18	\$ 41,666 (2)	\$ 0	\$ 41,666	\$ 0
Warren Health Department HVAC	66,405	1.86	6-21-16	6-30-18	22,135 (2)	0	22,135	0
Total Notes Payable					<u>\$ 63,801</u>	<u>\$ 0</u>	<u>\$ 63,801</u>	<u>\$ 0</u>

(1) Interest rate of approximately 4.85 percent is offset by a federal interest rate subsidy.

(2) The June 30, 2017, individual balances of these notes were incorrect in the prior-year report. The total notes payable balance was correct. The balance are restated correctly above.

Exhibit K-2

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

Year Ending June 30	Bonds		Total
	Principal	Interest	
2019	\$ 2,065,305	\$ 1,067,143	\$ 3,132,448
2020	2,110,306	1,023,797	3,134,103
2021	2,165,305	970,383	3,135,688
2022	2,490,306	914,402	3,404,708
2023	1,740,305	842,690	2,582,995
2024	1,775,306	806,700	2,582,006
2025	1,815,305	762,020	2,577,325
2026	1,305,306	721,183	2,026,489
2027	1,392,429	690,925	2,083,354
2028	834,708	252,462	1,087,170
2029	810,000	174,533	984,533
2030	835,000	139,188	974,188
2031	360,000	102,256	462,256
2032	370,000	91,456	461,456
2033	380,000	80,356	460,356
2034	395,000	68,481	463,481
2035	405,000	56,138	461,138
2036	420,000	42,975	462,975
2037	435,000	29,325	464,325
2038	450,000	15,191	465,191
Total	\$ 22,554,581	\$ 8,851,604	\$ 31,406,185

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, 2018

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Executive	Section 8-24-102, <i>TCA</i>	\$ 86,941	\$ 100,000	Cincinnati Insurance Company
Superintendent of Roads	Section 8-24-102, <i>TCA</i>	82,802	100,000	"
Director of Schools	State Board of Education and County Board of Education	106,184 (1)	100,000	"
Trustee	Section 8-24-102, <i>TCA</i>	75,274	1,643,997	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	75,274	50,000	"
Finance Director	County Commission	66,976	100,000	Auto-Owners Mutual Insurance Company
County Clerk	Section 8-24-102, <i>TCA</i>	75,274	100,000	Cincinnati Insurance Company
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i>	75,274	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> , and Chancery Court Judge	75,274 (2)	100,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	75,274	100,000	"
Sheriff	Section 8-24-102, <i>TCA</i>	82,802 (3)	100,000	Western Surety Company
Employee Dishonesty Bond Coverage:				
County Employees			150,000	"

(1) Does not include a chief executive officer training supplement of \$1,000.

(2) Does not include special commissioner fees of \$250.

(3) Does not include a law enforcement training supplement of \$600.

Exhibit K-4

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitu - tional Officers - Fees
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 6,052,682	\$ 608,366	\$ 948,080	\$ 0	0
Discount on Property Taxes	(69,116)	(2,095)	(9,735)	0	0
Trustee's Collections - Prior Year	295,755	12,163	50,273	0	0
Trustee's Collections - Bankruptcy	3,911	210	611	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	86,836	2,682	12,394	0	0
Interest and Penalty	50,424	1,601	4,972	0	0
Payments in-Lieu-of Taxes - T.V.A.	16,998	1,602	2,639	0	0
Payments in-Lieu-of Taxes - Local Utilities	58,118	5,094	8,936	0	0
Payments in-Lieu-of Taxes - Other	295,394	29,754	46,285	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	0	0
Hotel/Motel Tax	0	0	0	0	0
Wheel Tax	0	0	0	0	0
Litigation Tax - General	108,721	0	0	0	0
Litigation Tax - Special Purpose	10,038	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	121,526	0	0	0	0
Litigation Tax - Courthouse Security	74,681	0	0	0	0
Business Tax	380,746	0	0	0	0
Mixed Drink Tax	15,265	0	0	0	0
Mineral Severance Tax	0	0	0	0	0
Other County Local Option Taxes	99	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	46,855	4,720	7,342	0	0
Wholesale Beer Tax	69,758	113,335	0	0	0
Total Local Taxes	\$ 7,618,691	\$ 777,432	\$ 1,071,797	\$ 0	0

(Continued)

Exhibit K-4

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitutional Officers - Fees
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 2,936	\$ 0	\$ 0	\$ 0	0
Cable TV Franchise	220,087	0	0	0	0
<u>Permits</u>					
Beer Permits	2,106	0	0	0	0
Building Permits	45,700	0	0	0	0
Other Permits	4,955	0	0	0	0
Total Licenses and Permits	\$ 275,784	\$ 0	\$ 0	\$ 0	0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 5,241	\$ 0	\$ 0	\$ 0	0
Officers Costs	18,045	0	0	0	0
Drug Control Fines	0	0	0	31,067	0
Drug Court Fees	27,415	0	0	0	0
Jail Fees	11,841	0	0	0	0
DUI Treatment Fines	1,845	0	0	0	0
Data Entry Fee - Circuit Court	3,516	0	0	0	0
Courtroom Security Fee	55	0	0	0	0
Victims Assistance Assessments	8,310	0	0	0	0
<u>General Sessions Court</u>					
Fines	45,692	0	0	0	0
Fines for Littering	48	0	0	0	0
Officers Costs	84,940	0	0	0	0
Game and Fish Fines	554	0	0	0	0
Drug Control Fines	0	0	0	13,309	0

(Continued)

Exhibit K-4

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitutional Officers - Fees
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>General Sessions Court (Cont.)</u>					
Drug Court Fees	\$ 35,763	\$ 0	\$ 0	\$ 0	0
Jail Fees	35,400	0	0	0	0
Interpreter Fee	3,410	0	0	0	0
DUI Treatment Fines	8,558	0	0	0	0
Data Entry Fee - General Sessions Court	17,644	0	0	0	0
Courtroom Security Fee	6	0	0	0	0
Victims Assistance Assessments	29,833	0	0	0	0
<u>Juvenile Court</u>					
Fines	6,934	0	0	0	0
Officers Costs	7,086	0	0	0	0
Jail Fees	4,462	0	0	0	0
Data Entry Fee - Juvenile Court	1,176	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	2,396	0	0	0	0
Data Entry Fee - Chancery Court	3,358	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0	62,700	0
Other Fines, Forfeitures, and Penalties	36,782	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 400,310	\$ 0	\$ 0	\$ 107,076	\$ 0
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Tipping Fees	\$ 8,833	\$ 0	\$ 0	\$ 0	0
Surcharge - Waste Tire Disposal	0	32,285	0	0	0
Patient Charges	0	0	2,170,186	0	0
Other General Service Charges	17,527	0	0	0	0

(Continued)

Exhibit K-4

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitu - tional Officers - Fees
<u>Charges for Current Services (Cont.)</u>					
<u>Fees</u>					
Engineer Review Fees	\$ 1,800	\$ 0	\$ 0	\$ 0	0
Copy Fees	1,081	0	0	0	0
Greenbelt Late Application Fee	350	0	0	0	0
Telephone Commissions	100,699	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	1,272,203
Data Processing Fee - Register	11,400	0	0	0	0
Probation Fees	4,500	0	0	0	0
Data Processing Fee - Sheriff	5,794	0	0	0	0
Sexual Offender Registration Fee - Sheriff	3,450	0	0	0	0
Data Processing Fee - County Clerk	2,398	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	270	0	0	0	0
Total Charges for Current Services	\$ 158,102	\$ 32,285	\$ 2,170,186	\$ 0	\$ 1,272,203
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 2,369	\$ 0	\$ 0	\$ 0	0
Lease/Rentals	93,812	0	0	0	0
Sale of Materials and Supplies	36	0	0	0	0
Commissary Sales	110,345	0	0	0	0
Sale of Gasoline	115,460	0	0	0	0
Sale of Recycled Materials	0	78,328	0	0	0
Sale of Animals/Livestock	7,061	0	0	0	0
Miscellaneous Refunds	5,516	0	0	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	8,851	0	0	0	0

(Continued)

Exhibit K-4

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitu - tional Officers - Fees
<u>Other Local Revenues (Cont.)</u>					
<u>Nonrecurring Items (Cont.)</u>					
Sale of Property	\$ 10,000	\$ 0	\$ 0	\$ 0	0
Damages Recovered from Individuals	603	0	0	0	0
Contributions and Gifts	17,774	0	0	200	0
Total Other Local Revenues	\$ 371,827	\$ 78,328	\$ 0	\$ 200	0
<u>Fees Received From County Officials</u>					
<u>Excess Fees</u>					
County Clerk	\$ 54,984	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	33,875	0	0	0	0
Trustee	422,252	0	0	0	0
<u>Fees In-Lieu-of Salary</u>					
Clerk and Master	100,802	0	0	0	0
Sheriff	15,102	0	0	0	0
Total Fees Received From County Officials	\$ 627,015	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	0
Airport Maintenance Program	115,374	0	0	0	0
<u>Public Safety Grants</u>					
Other Public Safety Grants	70,000	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	548,642	0	0	0	0
Other Health and Welfare Grants	540	0	0	0	0

(Continued)

Exhibit K-4

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitu - tional Officers - Fees
<u>State of Tennessee (Cont.)</u>					
<u>Public Works Grants</u>					
Bridge Program	\$ 0	\$ 0	\$ 0	\$ 0	0
Litter Program	48,157	0	0	0	0
<u>Other State Revenues</u>					
Income Tax	52,939	0	0	0	0
Vehicle Certificate of Title Fees	9,796	0	0	0	0
Alcoholic Beverage Tax	81,457	0	0	0	0
State Revenue Sharing - T.V.A.	0	448,452	0	0	0
State Revenue Sharing - Telecommunications	64,571	6,546	10,183	0	0
Contracted Prisoner Boarding	898,367	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0
Registrar's Salary Supplement	18,955	0	0	0	0
Other State Grants	34,361	0	0	0	0
Other State Revenues	32,755	0	1,600	0	0
Total State of Tennessee	\$ 1,984,914	\$ 454,998	\$ 11,783	\$ 0	0
<u>Federal Government</u>					
<u>Federal Through State</u>					
Homeland Security Grants	\$ 0	\$ 0	22,350	\$ 0	0
Law Enforcement Grants	17,233	0	0	0	0
Other Federal through State	107,826	0	0	0	0
<u>Direct Federal Revenue</u>					
Medicare	21,200	0	0	0	0
Tax Credit Bond Rebate	420,431	0	0	0	0
Other Direct Federal Revenue	511,816	0	0	0	0
Total Federal Government	\$ 1,078,506	\$ 0	\$ 22,350	\$ 0	0

(Continued)

Exhibit K-4

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitu - tional Officers - Fees
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 566,854	\$ 0	\$ 0	\$ 0	0
Total Other Governments and Citizens Groups	\$ 566,854	\$ 0	\$ 0	\$ 0	0
 Total	 \$ 13,082,003	 \$ 1,343,043	 \$ 3,276,116	 \$ 107,276	 \$ 1,272,203

(Continued)

Exhibit K-4

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

	Special	Debt Service	Capital Projects Funds			Total
	Revenue Fund	Fund	General Capital Projects	Other Capital Projects -	Other Capital Projects	
	Highway / Public Works	General Debt Service				
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 541,756	\$ 1,285,943	\$ 0	\$ 0	\$ 0	\$ 9,436,827
Discount on Property Taxes	(5,559)	(10,439)	0	0	0	(96,944)
Trustee's Collections - Prior Year	25,696	67,957	0	0	0	451,844
Trustee's Collections - Bankruptcy	330	702	0	0	0	5,764
Circuit Clerk/Clerk and Master Collections - Prior Years	7,030	13,505	0	0	0	122,447
Interest and Penalty	3,826	1,486	0	0	0	62,309
Payments in-Lieu-of Taxes - T.V.A.	1,508	3,518	0	0	0	26,265
Payments in-Lieu-of Taxes - Local Utilities	5,106	11,694	0	0	0	88,948
Payments in-Lieu-of Taxes - Other	26,448	62,815	0	0	0	460,696
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	277,214	0	0	0	277,214
Hotel/Motel Tax	0	70,326	0	0	0	70,326
Wheel Tax	0	1,110,252	0	0	0	1,110,252
Litigation Tax - General	0	0	0	0	0	108,721
Litigation Tax - Special Purpose	0	0	0	0	0	10,038
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	121,526
Litigation Tax - Courthouse Security	0	0	0	0	0	74,681
Business Tax	0	0	0	0	0	380,746
Mixed Drink Tax	0	0	0	0	0	15,265
Mineral Severance Tax	22,715	0	0	0	0	22,715
Other County Local Option Taxes	0	0	0	0	0	99
<u>Statutory Local Taxes</u>						
Bank Excise Tax	4,195	9,964	0	0	0	73,076
Wholesale Beer Tax	0	0	0	0	0	183,093
Total Local Taxes	\$ 633,051	\$ 2,904,937	\$ 0	\$ 0	\$ 0	\$ 13,005,908

(Continued)

Exhibit K-4

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

	Special	Debt Service	Capital Projects Funds			Total
	Revenue Fund	Fund	General Capital Projects	Other Capital Projects -	Other Capital Projects	
	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects -	Other Capital Projects	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	2,936
Cable TV Franchise	0	0	0	0	0	220,087
<u>Permits</u>						
Beer Permits	0	0	0	0	0	2,106
Building Permits	0	0	0	0	0	45,700
Other Permits	0	0	0	0	0	4,955
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	275,784
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	5,241
Officers Costs	0	0	0	0	0	18,045
Drug Control Fines	0	0	0	0	0	31,067
Drug Court Fees	0	0	0	0	0	27,415
Jail Fees	0	0	0	0	0	11,841
DUI Treatment Fines	0	0	0	0	0	1,845
Data Entry Fee - Circuit Court	0	0	0	0	0	3,516
Courtroom Security Fee	0	0	0	0	0	55
Victims Assistance Assessments	0	0	0	0	0	8,310
<u>General Sessions Court</u>						
Fines	0	0	0	0	0	45,692
Fines for Littering	0	0	0	0	0	48
Officers Costs	0	0	0	0	0	84,940
Game and Fish Fines	0	0	0	0	0	554
Drug Control Fines	0	0	0	0	0	13,309

(Continued)

Exhibit K-4

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

	Special	Debt Service	Capital Projects Funds			Total	
	Revenue Fund	Fund	Highway / Public Works	General Debt Service	General Capital Projects		Other Capital Projects -
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>General Sessions Court (Cont.)</u>							
Drug Court Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	35,763
Jail Fees	0	0	0	0	0	0	35,400
Interpreter Fee	0	0	0	0	0	0	3,410
DUI Treatment Fines	0	0	0	0	0	0	8,558
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	17,644
Courtroom Security Fee	0	0	0	0	0	0	6
Victims Assistance Assessments	0	0	0	0	0	0	29,833
<u>Juvenile Court</u>							
Fines	0	0	0	0	0	0	6,934
Officers Costs	0	0	0	0	0	0	7,086
Jail Fees	0	0	0	0	0	0	4,462
Data Entry Fee - Juvenile Court	0	0	0	0	0	0	1,176
<u>Chancery Court</u>							
Officers Costs	0	0	0	0	0	0	2,396
Data Entry Fee - Chancery Court	0	0	0	0	0	0	3,358
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	0	0	0	0	62,700
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	0	36,782
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	507,386
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Tipping Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	8,833
Surcharge - Waste Tire Disposal	0	0	0	0	0	0	32,285
Patient Charges	0	0	0	0	0	0	2,170,186
Other General Service Charges	0	0	0	0	0	0	17,527

(Continued)

Exhibit K-4

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

	Special	Debt Service	Capital Projects Funds			Total
	Revenue Fund	Fund	General Capital Projects	Other Capital Projects -	Other Capital Projects	
	Highway / Public Works	General Debt Service				
<u>Charges for Current Services (Cont.)</u>						
<u>Fees</u>						
Engineer Review Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,800
Copy Fees	0	0	0	0	0	1,081
Greenbelt Late Application Fee	0	0	0	0	0	350
Telephone Commissions	0	0	0	0	0	100,699
Constitutional Officers' Fees and Commissions	0	0	0	0	0	1,272,203
Data Processing Fee - Register	0	0	0	0	0	11,400
Probation Fees	0	0	0	0	0	4,500
Data Processing Fee - Sheriff	0	0	0	0	0	5,794
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0	3,450
Data Processing Fee - County Clerk	0	0	0	0	0	2,398
Vehicle Insurance Coverage and Reinstatement Fees	0	0	0	0	0	270
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	3,632,776
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 439,631	\$ 4,628	\$ 0	\$ 947	447,575
Lease/Rentals	0	0	0	0	0	93,812
Sale of Materials and Supplies	0	0	0	0	0	36
Commissary Sales	0	0	0	0	0	110,345
Sale of Gasoline	0	0	0	0	0	115,460
Sale of Recycled Materials	0	0	0	0	0	78,328
Sale of Animals/Livestock	0	0	0	0	0	7,061
Miscellaneous Refunds	1,287	0	0	0	0	6,803
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	0	0	0	8,851

(Continued)

Exhibit K-4

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

	Special	Debt Service	Capital Projects Funds			Total
	Revenue Fund	Fund	General Capital Projects	Other Capital Projects -	Other Capital Projects	
	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects -	Other Capital Projects	
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items (Cont.)</u>						
Sale of Property	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	10,000
Damages Recovered from Individuals	0	0	0	0	0	603
Contributions and Gifts	0	0	0	0	0	17,974
Total Other Local Revenues	\$ 1,287	\$ 439,631	\$ 4,628	\$ 0	\$ 947	\$ 896,848
<u>Fees Received From County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	54,984
Circuit Court Clerk	0	0	0	0	0	33,875
Trustee	0	0	0	0	0	422,252
<u>Fees In-Lieu-of Salary</u>						
Clerk and Master	0	0	0	0	0	100,802
Sheriff	0	0	0	0	0	15,102
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 627,015
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	9,000
Airport Maintenance Program	0	0	0	0	0	115,374
<u>Public Safety Grants</u>						
Other Public Safety Grants	0	0	0	0	0	70,000
<u>Health and Welfare Grants</u>						
Health Department Programs	0	0	0	0	0	548,642
Other Health and Welfare Grants	0	0	0	0	0	540

(Continued)

Exhibit K-4

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

	Special	Debt Service	Capital Projects Funds			Total
	Revenue Fund	Fund	General Capital Projects	Other Capital Projects -	Other Capital Projects	
	Highway / Public Works	General Debt Service				
<u>State of Tennessee (Cont.)</u>						
<u>Public Works Grants</u>						
Bridge Program	\$ 931,105	\$ 0	\$ 0	\$ 0	\$ 0	\$ 931,105
Litter Program	0	0	0	0	0	48,157
<u>Other State Revenues</u>						
Income Tax	0	0	0	0	0	52,939
Vehicle Certificate of Title Fees	0	0	0	0	0	9,796
Alcoholic Beverage Tax	0	0	0	0	0	81,457
State Revenue Sharing - T.V.A.	27,814	0	0	0	0	476,266
State Revenue Sharing - Telecommunications	5,819	13,819	0	0	0	100,938
Contracted Prisoner Boarding	0	0	0	0	0	898,367
Gasoline and Motor Fuel Tax	2,263,071	0	0	0	0	2,263,071
Petroleum Special Tax	28,746	0	0	0	0	28,746
Registrar's Salary Supplement	0	0	0	0	0	18,955
Other State Grants	0	0	0	0	0	34,361
Other State Revenues	0	0	0	0	0	34,355
Total State of Tennessee	\$ 3,256,555	\$ 13,819	\$ 0	\$ 0	\$ 0	\$ 5,722,069
<u>Federal Government</u>						
<u>Federal Through State</u>						
Homeland Security Grants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	22,350
Law Enforcement Grants	0	0	0	0	0	17,233
Other Federal through State	0	0	0	84,957	0	192,783
<u>Direct Federal Revenue</u>						
Medicare	0	0	0	0	0	21,200
Tax Credit Bond Rebate	0	0	0	0	0	420,431
Other Direct Federal Revenue	0	0	0	0	0	511,816
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 84,957	\$ 0	\$ 1,185,813

(Continued)

Exhibit K-4

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds			Total
	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects -	Other Capital Projects	
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	566,854
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	566,854
 Total	 \$ 3,890,893	 \$ 3,358,387	 \$ 4,628	 \$ 84,957	 \$ 947	 \$ 26,420,453

Exhibit K-5

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

	Special Revenue Funds				Capital Projects Fund	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Schoolwide Consolidation	Education Capital Projects	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 3,877,655	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,877,655
Discount on Property Taxes	(39,826)	0	0	0	0	(39,826)
Trustee's Collections - Prior Year	183,925	0	0	0	0	183,925
Trustee's Collections - Bankruptcy	2,362	0	0	0	0	2,362
Circuit Clerk/Clerk and Master Collections - Prior Years	50,314	0	0	0	0	50,314
Interest and Penalty	27,410	0	0	0	0	27,410
Payments in-Lieu-of Taxes - T.V.A.	10,793	0	0	0	0	10,793
Payments in-Lieu-of Taxes - Local Utilities	36,549	0	0	0	0	36,549
Payments in-Lieu-of Taxes - Other	189,304	0	0	0	0	189,304
<u>County Local Option Taxes</u>						
Local Option Sales Tax	8,325,340	0	0	0	0	8,325,340
Mixed Drink Tax	10,910	0	0	0	0	10,910
<u>Statutory Local Taxes</u>						
Bank Excise Tax	30,027	0	0	0	0	30,027
Total Local Taxes	\$ 12,704,763	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,704,763
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Other	\$ 91,067	\$ 0	\$ 0	\$ 0	\$ 0	\$ 91,067
Lunch Payments - Children	0	0	6,399	0	0	6,399
Lunch Payments - Adults	0	0	50,211	0	0	50,211
A la Carte Sales	0	0	91,725	0	0	91,725
Receipts from Individual Schools	191,303	0	0	0	0	191,303
Total Charges for Current Services	\$ 282,370	\$ 0	\$ 148,335	\$ 0	\$ 0	\$ 430,705

(Continued)

Exhibit K-5

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

	Special Revenue Funds				Capital Projects Fund	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Schoolwide Consolidation	Education Capital Projects	
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 26,061	\$ 0	\$ 0	\$ 26,061
E-Rate Funding	24,270	0	0	0	0	24,270
Miscellaneous Refunds	22,457	0	4,178	0	0	26,635
<u>Nonrecurring Items</u>						
Sale of Equipment	13,921	0	941	0	0	14,862
Contributions and Gifts	340,838	0	0	0	0	340,838
Total Other Local Revenues	\$ 401,486	\$ 0	\$ 31,180	\$ 0	\$ 0	\$ 432,666
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 191,183	\$ 0	\$ 0	\$ 0	\$ 0	\$ 191,183
<u>State Education Funds</u>						
Basic Education Program	35,422,778	0	0	0	0	35,422,778
Early Childhood Education	723,054	0	0	0	0	723,054
School Food Service	0	0	37,706	0	0	37,706
Driver Education	20,573	0	0	0	0	20,573
Other State Education Funds	297,387	0	0	0	0	297,387
Career Ladder Program	134,593	0	0	0	0	134,593
Vocational Equipment	125,000	0	0	0	0	125,000
<u>Other State Revenues</u>						
State Revenue Sharing - T.V.A.	282,111	0	0	0	0	282,111
State Revenue Sharing - Telecommunications	41,646	0	0	0	0	41,646
Total State of Tennessee	\$ 37,238,325	\$ 0	\$ 37,706	\$ 0	\$ 0	\$ 37,276,031

(Continued)

Exhibit K-5

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

	Special Revenue Funds				Capital Projects Fund	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Schoolwide Consolidation	Education Capital Projects	
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,205,109	\$ 0	\$ 0	\$ 2,205,109
USDA - Commodities	0	0	312,817	0	0	312,817
Breakfast	0	0	914,771	0	0	914,771
USDA - Other	0	0	998,277	0	0	998,277
Vocational Education - Basic Grants to States	0	144,448	0	0	0	144,448
Other Vocational	0	86,049	0	0	0	86,049
Title I Grants to Local Education Agencies	0	1,549,349	0	119,906	0	1,669,255
Innovative Education Program Strategies	0	2,768	0	0	0	2,768
Special Education - Grants to States	0	1,547,028	0	4,738	0	1,551,766
Special Education Preschool Grants	0	58,177	0	0	0	58,177
English Language Acquisition Grants	0	47,133	0	0	0	47,133
Safe and Drug-free Schools - State Grants	0	35,919	0	0	0	35,919
Rural Education	0	89,923	0	0	0	89,923
Education for Homeless Children and Youth	0	39,747	0	0	0	39,747
Eisenhower Professional Development State Grants	0	324,499	0	0	0	324,499
Other Federal through State	0	428,863	0	0	0	428,863
<u>Direct Federal Revenue</u>						
ROTC Reimbursement	75,489	0	0	0	0	75,489
Total Federal Government	\$ 75,489	\$ 4,353,903	\$ 4,430,974	\$ 124,644	\$ 0	\$ 8,985,010
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 89,990	\$ 89,990
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 89,990	\$ 89,990
Total	\$ 50,702,433	\$ 4,353,903	\$ 4,648,195	\$ 124,644	\$ 89,990	\$ 59,919,165

Exhibit K-6

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

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	86,569	
Social Security		4,895	
Pensions		7,610	
Life Insurance		592	
Medical Insurance		19,260	
Audit Services		36,895	
Dues and Memberships		25,385	
Other Charges		16	
Total County Commission			\$ 181,222

Board of Equalization

Board and Committee Members Fees	\$	1,680	
Social Security		129	
Travel		243	
Total Board of Equalization			2,052

County Mayor/Executive

County Official/Administrative Officer	\$	86,941	
Secretary(ies)		35,954	
Social Security		8,718	
Pensions		13,518	
Life Insurance		49	
Medical Insurance		3,852	
Unemployment Compensation		42	
Travel		17	
Total County Mayor/Executive			149,091

County Attorney

Legal Services	\$	90,795	
Total County Attorney			90,795

Election Commission

County Official/Administrative Officer	\$	67,747	
Secretary(ies)		62,243	
Other Salaries and Wages		13,845	
Election Commission		6,004	
Election Workers		12,460	
Social Security		11,118	
Pensions		13,186	
Life Insurance		100	
Medical Insurance		7,704	
Unemployment Compensation		187	
Communication		1,904	
Data Processing Services		2,300	
Dues and Memberships		250	
Legal Notices, Recording, and Court Costs		5,372	
Maintenance Agreements		21,823	

(Continued)

Exhibit K-6

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Maintenance and Repair Services - Office Equipment	\$	187	
Postal Charges		2,738	
Printing, Stationery, and Forms		1,929	
Rentals		785	
Travel		8,864	
Office Supplies		2,566	
Other Supplies and Materials		1,147	
Data Processing Equipment		1,570	
Total Election Commission			\$ 246,029

Register of Deeds

Other Contracted Services	\$	1,500	
Data Processing Supplies		6,409	
Constitutional Officers' Operating Expenses		10,126	
Total Register of Deeds			18,035

Planning

Board and Committee Members Fees	\$	1,527	
Social Security		119	
Contracts with Government Agencies		13,750	
Total Planning			15,396

Codes Compliance

County Official/Administrative Officer	\$	36,098	
In-service Training		520	
Social Security		2,078	
Pensions		3,971	
Life Insurance		34	
Medical Insurance		3,852	
Unemployment Compensation		42	
Communication		2,032	
Maintenance and Repair Services - Vehicles		1,114	
Postal Charges		49	
Other Contracted Services		3,230	
Gasoline		913	
Office Supplies		859	
Total Codes Compliance			54,792

County Buildings

Custodial Personnel	\$	37,422	
Social Security		2,624	
Pensions		4,116	
Life Insurance		20	
Medical Insurance		3,852	
Unemployment Compensation		84	
Maintenance and Repair Services - Buildings		63,847	
Custodial Supplies		9,109	

(Continued)

Exhibit K-6

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Utilities	\$ 85,259	
Other Supplies and Materials	1,576	
Total County Buildings		\$ 207,909

Other Facilities

Maintenance Personnel	\$ 38,914	
Social Security	2,373	
Pensions	4,280	
Life Insurance	34	
Medical Insurance	3,692	
Unemployment Compensation	42	
Architects	78,265	
Maintenance and Repair Services - Buildings	181,297	
Building Improvements	173,476	
Total Other Facilities		482,373

Other General Administration

Communication	\$ 39,688	
Data Processing Services	114,226	
Legal Notices, Recording, and Court Costs	1,177	
Maintenance Agreements	5,417	
Maintenance and Repair Services - Office Equipment	126	
Postal Charges	19,610	
Printing, Stationery, and Forms	13,113	
Office Supplies	35,931	
Premiums on Corporate Surety Bonds	453	
Data Processing Equipment	16,175	
Total Other General Administration		245,916

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$ 66,976	
Assistant(s)	47,304	
Accountants/Bookkeepers	273,196	
Social Security	27,485	
Pensions	42,623	
Life Insurance	320	
Medical Insurance	30,816	
Unemployment Compensation	420	
Travel	48	
Total Accounting and Budgeting		489,188

Purchasing

Legal Notices, Recording, and Court Costs	\$ 3,719	
Total Purchasing		3,719

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office

County Official/Administrative Officer	\$	75,274	
Assistant(s)		160,426	
In-service Training		623	
Social Security		15,392	
Pensions		25,927	
Life Insurance		207	
Medical Insurance		23,112	
Unemployment Compensation		210	
Data Processing Services		19,939	
Dues and Memberships		1,700	
Legal Services		1,697	
Legal Notices, Recording, and Court Costs		63	
Maintenance and Repair Services - Vehicles		405	
Postal Charges		2,890	
Gasoline		1,029	
Other Supplies and Materials		3,991	
Other Charges		3,658	
Total Property Assessor's Office			\$ 336,543

County Trustee's Office

Legal Notices, Recording, and Court Costs	\$	408	
Postal Charges		8,789	
Printing, Stationery, and Forms		4,699	
Data Processing Equipment		5,100	
Total County Trustee's Office			18,996

Administration of Justice

Circuit Court

Jury and Witness Expense	\$	20,593	
Other Charges		63,032	
Office Equipment		9,000	
Total Circuit Court			92,625

General Sessions Court

Judge(s)	\$	155,142	
Secretary(ies)		37,397	
Other Per Diem and Fees		2,600	
Social Security		13,044	
Pensions		21,179	
Life Insurance		54	
Medical Insurance		3,852	
Unemployment Compensation		42	
Communication		3,862	
Postal Charges		74	
Travel		1,926	
Other Contracted Services		3,350	
Office Supplies		214	

(Continued)

Exhibit K-6

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Other Charges	\$	688	
Data Processing Equipment		35	
Total General Sessions Court			\$ 243,459

Drug Court

Probation Officer(s)	\$	61,111	
Social Security		4,168	
Pensions		8,928	
Life Insurance		69	
Medical Insurance		3,852	
Unemployment Compensation		42	
Communication		2,035	
Evaluation and Testing		2,323	
Postal Charges		98	
Travel		847	
Other Supplies and Materials		1,100	
Total Drug Court			84,573

Chancery Court

County Official/Administrative Officer	\$	75,274	
Clerical Personnel		119,256	
In-service Training		735	
Social Security		14,182	
Pensions		18,840	
Life Insurance		138	
Medical Insurance		11,556	
Unemployment Compensation		210	
Communication		2,405	
Postal Charges		2,624	
Office Supplies		10,921	
Other Supplies and Materials		96	
Other Charges		130	
Total Chancery Court			256,367

Juvenile Court

Youth Service Officer(s)	\$	84,350	
Overtime Pay		10,450	
Other Salaries and Wages		32,531	
Other Per Diem and Fees		2,600	
Social Security		9,697	
Pensions		10,428	
Life Insurance		117	
Unemployment Compensation		225	
Communication		1,969	
Postal Charges		894	
Travel		3,857	
Office Supplies		975	

(Continued)

Exhibit K-6

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Other Supplies and Materials	\$	9,108	
Data Processing Equipment		390	
Total Juvenile Court			\$ 167,591

District Attorney General

Other Salaries and Wages	\$	46,202	
In-service Training		2,263	
Social Security		3,347	
Pensions		5,082	
Life Insurance		34	
Medical Insurance		3,852	
Unemployment Compensation		42	
Travel		425	
Office Supplies		570	
Total District Attorney General			61,817

Judicial Commissioners

County Official/Administrative Officer	\$	103,800	
In-service Training		600	
Social Security		7,131	
Pensions		6,461	
Life Insurance		103	
Medical Insurance		6,099	
Unemployment Compensation		331	
Office Supplies		1,292	
Total Judicial Commissioners			125,817

Victim Assistance Programs

Remittance of Revenue Collected	\$	20,000	
Total Victim Assistance Programs			20,000

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	82,802	
Deputy(ies)		1,486,883	
Investigator(s)		279,290	
Lieutenant(s)		172,905	
Salary Supplements		27,000	
Clerical Personnel		111,209	
Overtime Pay		60,615	
Other Salaries and Wages		42,291	
In-service Training		10,262	
Social Security		166,280	
Pensions		238,394	
Life Insurance		3,072	
Medical Insurance		95,350	
Unemployment Compensation		2,232	

(Continued)

Exhibit K-6

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

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

Communication	\$	11,518	
Data Processing Services		1,509	
Maintenance and Repair Services - Office Equipment		3,839	
Maintenance and Repair Services - Vehicles		54,037	
Medical and Dental Services		9,109	
Postal Charges		779	
Printing, Stationery, and Forms		1,884	
Travel		1,389	
Gasoline		104,944	
Law Enforcement Supplies		3,025	
Office Supplies		3,571	
Tires and Tubes		18,055	
Uniforms		14,505	
Communication Equipment		10,451	
Furniture and Fixtures		870	
Law Enforcement Equipment		11,860	
Motor Vehicles		<u>159,339</u>	
Total Sheriff's Department	\$		3,189,269

Administration of the Sexual Offender Registry

Other Contracted Services	\$	<u>4,785</u>	
Total Administration of the Sexual Offender Registry			4,785

Jail

Supervisor/Director	\$	47,113	
Medical Personnel		150,257	
Guards		1,481,999	
Clerical Personnel		41,888	
Overtime Pay		14,263	
Other Salaries and Wages		40,177	
Social Security		130,229	
Pensions		159,891	
Medical Insurance		98,213	
Unemployment Compensation		2,939	
Contracts with Government Agencies		640	
Evaluation and Testing		3,736	
Maintenance and Repair Services - Equipment		14,073	
Medical and Dental Services		301,337	
Pest Control		1,200	
Printing, Stationery, and Forms		986	
Custodial Supplies		46,095	
Food Preparation Supplies		12,849	
Food Supplies		536,857	
Law Enforcement Supplies		2,123	
Prisoners Clothing		7,310	
Utilities		208,612	
Other Supplies and Materials		19,487	

(Continued)

Exhibit K-6

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Law Enforcement Equipment	\$	32,637	
Office Equipment		<u>3,080</u>	
Total Jail			\$ 3,357,991

Juvenile Services

Other Charges	\$	<u>8,802</u>	
Total Juvenile Services			8,802

Work Release Program

Other Contracted Services	\$	<u>4,202</u>	
Total Work Release Program			4,202

County Coroner/Medical Examiner

Other Per Diem and Fees	\$	14,900	
Communication		361	
Utilities		1,615	
Other Supplies and Materials		<u>1,058</u>	
Total County Coroner/Medical Examiner			17,934

Public Safety Grants Program

Probation Officer(s)	\$	38,745	
Social Security		2,970	
Medical Insurance		3,852	
Unemployment Compensation		54	
Communication		373	
Contracts with Private Agencies		212,670	
Travel		4,388	
Other Supplies and Materials		1,775	
Other Charges		<u>55,596</u>	
Total Public Safety Grants Program			320,423

Other Public Safety

Contributions	\$	<u>187,000</u>	
Total Other Public Safety			187,000

Public Health and Welfare

Local Health Center

Communication	\$	7,279	
Janitorial Services		24,440	
Utilities		20,237	
Other Charges		19,658	
Office Equipment		<u>16,633</u>	
Total Local Health Center			88,247

Rabies and Animal Control

Supervisor/Director	\$	28,746	
Other Salaries and Wages		25,249	

(Continued)

Exhibit K-6

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.)

Social Security	\$	3,974	
Pensions		3,162	
Life Insurance		34	
Medical Insurance		3,852	
Unemployment Compensation		141	
Communication		1,800	
Licenses		110	
Maintenance and Repair Services - Buildings		4,630	
Maintenance and Repair Services - Vehicles		3,442	
Veterinary Services		10,301	
Other Contracted Services		716	
Animal Food and Supplies		8,074	
Custodial Supplies		991	
Drugs and Medical Supplies		2,349	
Gasoline		1,323	
Office Supplies		408	
Utilities		6,525	
Other Supplies and Materials		366	
Data Processing Equipment		548	
Total Rabies and Animal Control			\$ 106,741

Maternal and Child Health Services

Other Charges	\$	25,165	
Total Maternal and Child Health Services			25,165

Alcohol and Drug Programs

Probation Officer(s)	\$	55,934	
Social Security		4,255	
Unemployment Compensation		236	
Communication		1,176	
Contracts with Private Agencies		49,149	
Rentals		6,000	
Travel		6,909	
Other Supplies and Materials		24,961	
Total Alcohol and Drug Programs			148,620

Other Local Health Services

Other Salaries and Wages	\$	437,150	
Social Security		32,207	
Pensions		36,860	
Life Insurance		432	
Medical Insurance		21,804	
Unemployment Compensation		719	
Communication		1,497	
Travel		11,535	
Other Supplies and Materials		1,923	
Total Other Local Health Services			544,127

(Continued)

Exhibit K-6

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Regional Mental Health Center

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

Appropriation to State

Contributions	\$ 25,436	
Total Appropriation to State		25,436

General Welfare Assistance

Other Charges	\$ 4,000	
Total General Welfare Assistance		4,000

Other Local Welfare Services

Other Supplies and Materials	\$ 10,000	
Total Other Local Welfare Services		10,000

Other Public Health and Welfare

Social Security	\$ 1,333	
Pensions	748	
Life Insurance	11	
Unemployment Compensation	88	
Contracts with Government Agencies	44,929	
Contributions	25,500	
Total Other Public Health and Welfare		72,609

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$ 11,000	
Total Senior Citizens Assistance		11,000

Libraries

Contributions	\$ 116,000	
Total Libraries		116,000

Parks and Fair Boards

Contributions	\$ 7,500	
Total Parks and Fair Boards		7,500

Agriculture and Natural Resources

Agricultural Extension Service

Part-time Personnel	\$ 17,479	
Board and Committee Members Fees	525	
Social Security	1,337	
Unemployment Compensation	50	
Communication	2,137	
Contributions	81,282	
Travel	1,277	
Other Contracted Services	15,318	
Office Supplies	4,946	
Total Agricultural Extension Service		124,351

(Continued)

Exhibit K-6

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Forest Service

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

Soil Conservation

Clerical Personnel	\$ 36,260	
Other Salaries and Wages	33,468	
Social Security	4,932	
Pensions	7,670	
Life Insurance	69	
Medical Insurance	7,704	
Unemployment Compensation	84	
Contributions	4,000	
Dues and Memberships	1,210	
Total Soil Conservation		95,397

Other Operations

Tourism

Other Charges	\$ 4,000	
Total Tourism		4,000

Airport

County Official/Administrative Officer	\$ 55,439	
Other Salaries and Wages	99,368	
Social Security	11,672	
Pensions	11,559	
Life Insurance	103	
Medical Insurance	3,852	
Unemployment Compensation	258	
Communication	7,234	
Travel	1,580	
Gasoline	135,448	
Utilities	27,621	
Other Supplies and Materials	43,791	
Liability Insurance	9,647	
Other Charges	11,119	
Airport Improvement	79,422	
Total Airport		498,113

Veterans' Services

Supervisor/Director	\$ 12,630	
Social Security	183	
Unemployment Compensation	51	
Communication	878	
Other Charges	1,900	
Total Veterans' Services		15,642

(Continued)

Exhibit K-6

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

General Fund (Cont.)

Other Operations (Cont.)

Other Charges

Building and Contents Insurance	\$	14,811	
Liability Insurance		61,474	
Trustee's Commission		159,760	
Workers' Compensation Insurance		208,869	
Total Other Charges			\$ 444,914

Contributions to Other Agencies

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

Employee Benefits

Social Security	\$	83,125	
Pensions		114,999	
Life Insurance		816	
Medical Insurance		63,237	
Unemployment Compensation		1,244	
Total Employee Benefits			263,421

Miscellaneous

Rentals	\$	22,500	
Other Charges		1,517	
Right-of-Way		983	
Total Miscellaneous			25,000

Total General Fund \$ 13,326,494

Solid Waste/Sanitation Fund

Public Health and Welfare

Waste Pickup

Supervisor/Director	\$	53,481	
Truck Drivers		80,216	
Social Security		8,925	
Pensions		11,164	
Life Insurance		157	
Medical Insurance		11,556	
Unemployment Compensation		204	
Communication		374	
Contracts with Government Agencies		49,891	
Laundry Service		3,139	
Maintenance and Repair Services - Equipment		3,385	
Maintenance and Repair Services - Vehicles		18,450	
Postal Charges		99	
Travel		137	
Diesel Fuel		25,252	
Gasoline		2,214	
Lubricants		215	
Tires and Tubes		5,146	

(Continued)

Exhibit K-6

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.)

Utilities	\$	1,879	
Workers' Compensation Insurance		13,342	
Motor Vehicles		151,220	
Total Waste Pickup			\$ 440,446

Convenience Centers

Other Salaries and Wages	\$	241,386	
Social Security		18,011	
Pensions		5,175	
Life Insurance		40	
Medical Insurance		7,704	
Unemployment Compensation		1,067	
Communication		5,995	
Contracts with Private Agencies		385,904	
Legal Notices, Recording, and Court Costs		196	
Maintenance and Repair Services - Equipment		525	
Rentals		8,160	
Utilities		11,070	
Workers' Compensation Insurance		22,717	
Site Development		423	
Solid Waste Equipment		27,012	
Other Equipment		2,685	
Total Convenience Centers			738,070

Other Waste Disposal

Liability Insurance	\$	6,903	
Trustee's Commission		20,402	
Other Charges		6,071	
Total Other Waste Disposal			33,376

Total Solid Waste/Sanitation Fund \$ 1,211,892

Ambulance Service Fund

Public Safety

Civil Defense

Assistant(s)	\$	4,240	
Supervisor/Director		28,438	
In-service Training		290	
Social Security		2,500	
Pensions		3,128	
Life Insurance		21	
Unemployment Compensation		67	
Communication		2,585	
Maintenance and Repair Services - Vehicles		787	
Other Contracted Services		1,238	
Gasoline		590	
Office Supplies		129	
Other Supplies and Materials		30	
Total Civil Defense			\$ 44,043

(Continued)

Exhibit K-6

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

Ambulance Service Fund (Cont.)

Public Safety (Cont.)

Rescue Squad

Contributions	\$ 20,000	
Total Rescue Squad		\$ 20,000

Public Health and Welfare

Ambulance/Emergency Medical Services

Supervisor/Director	\$ 61,788	
Accountants/Bookkeepers	75,849	
Medical Personnel	1,730,757	
In-service Training	5,074	
Social Security	136,524	
Pensions	188,992	
Life Insurance	1,195	
Medical Insurance	103,362	
Unemployment Compensation	2,039	
Communication	16,995	
Data Processing Services	113,200	
Licenses	2,668	
Maintenance and Repair Services - Buildings	4,589	
Maintenance and Repair Services - Equipment	5,288	
Maintenance and Repair Services - Vehicles	33,124	
Postal Charges	783	
Printing, Stationery, and Forms	1,027	
Travel	618	
Other Contracted Services	7,678	
Custodial Supplies	6,242	
Diesel Fuel	67,436	
Drugs and Medical Supplies	90,439	
Gasoline	6,326	
Lubricants	6,018	
Office Supplies	2,982	
Tires and Tubes	10,492	
Uniforms	11,595	
Utilities	15,897	
Other Supplies and Materials	103	
Building and Contents Insurance	467	
Liability Insurance	84,398	
Refunds	20,790	
Trustee's Commission	42,941	
Workers' Compensation Insurance	88,856	
Fines, Assessments, and Penalties	41,249	
Other Charges	754	
Data Processing Equipment	902	
Furniture and Fixtures	1,670	
Motor Vehicles	219,888	
Health Equipment	4,328	
Total Ambulance/Emergency Medical Services		<u>3,215,323</u>

Total Ambulance Service Fund \$ 3,279,366

(Continued)

Exhibit K-6

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

Drug Control Fund

Public Safety

Drug Enforcement

Investigator(s)	\$	48,982	
Social Security		3,747	
Pensions		5,388	
Life Insurance		32	
Medical Insurance		3,852	
Unemployment Compensation		48	
Confidential Drug Enforcement Payments		15,000	
Other Supplies and Materials		10,796	
Trustee's Commission		1,045	
Other Charges		4,857	
Total Drug Enforcement			\$ 93,747

Public Health and Welfare

Alcohol and Drug Programs

Other Supplies and Materials	\$	13,230	
Total Alcohol and Drug Programs			13,230

Total Drug Control Fund \$ 106,977

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$	182,841	
Total Register of Deeds			\$ 182,841

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	239,295	
Total County Trustee's Office			239,295

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	348,203	
Total County Clerk's Office			348,203

Administration of Justice

Circuit Court

Constitutional Officers' Operating Expenses	\$	204,383	
Total Circuit Court			204,383

General Sessions Court

Constitutional Officers' Operating Expenses	\$	302,108	
Total General Sessions Court			302,108

Chancery Court

Constitutional Officers' Operating Expenses	\$	306	
Total Chancery Court			306

(Continued)

Exhibit K-6

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

Constitutional Officers - Fees Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court

Constitutional Officers' Operating Expenses	\$ 728	
Total Juvenile Court		\$ 728

Total Constitutional Officers - Fees Fund \$ 1,277,864

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 82,802	
Supervisor/Director	40,799	
Accountants/Bookkeepers	40,799	
Medical Insurance	12,038	
Advertising	931	
Dues and Memberships	4,392	
Postal Charges	338	
Printing, Stationery, and Forms	77	
Travel	1,059	
Office Supplies	537	
Other Charges	81	
Office Equipment	209	
Total Administration		\$ 184,062

Highway and Bridge Maintenance

Equipment Operators	\$ 330,199	
Truck Drivers	39,712	
Laborers	99,272	
Medical Insurance	41,088	
Rentals	1,118	
Other Contracted Services	1,708,201	
Asphalt - Liquid	70,586	
Concrete	3,654	
Crushed Stone	47,504	
Other Road Materials	1,253	
Pipe	719	
Pipe - Metal	17,364	
Road Signs	15,004	
Salt	19,220	
Total Highway and Bridge Maintenance		2,394,894

Operation and Maintenance of Equipment

Maintenance and Repair Services - Equipment	\$ 14,111	
Towing Services	475	
Diesel Fuel	41,798	
Equipment and Machinery Parts	44,730	
Garage Supplies	5,868	
Gasoline	16,576	
Lubricants	6,624	
Tires and Tubes	17,660	
Total Operation and Maintenance of Equipment		147,842

(Continued)

Exhibit K-6

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges

Communication	\$	4,959	
Contributions		4,000	
Janitorial Services		2,924	
Maintenance and Repair Services - Buildings		480	
Custodial Supplies		249	
Drugs and Medical Supplies		186	
Electricity		6,133	
Food Supplies		221	
Natural Gas		6,329	
Water and Sewer		773	
Building and Contents Insurance		1,922	
Liability Insurance		14,587	
Trustee's Commission		34,956	
Vehicle and Equipment Insurance		7,228	
Workers' Compensation Insurance		46,849	
Other Charges		<u>759</u>	
Total Other Charges			\$ 132,555

Employee Benefits

Social Security	\$	45,532	
Pensions		68,950	
Life Insurance		657	
Unemployment Compensation		2,410	
Uniforms		<u>9,666</u>	
Total Employee Benefits			127,215

Capital Outlay

Consultants	\$	11,015	
Engineering Services		43,613	
Bridge Construction		739,172	
Communication Equipment		382	
Highway Equipment		<u>59,490</u>	
Total Capital Outlay			<u>853,672</u>

Total Highway/Public Works Fund \$ 3,840,240

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	670,000	
Principal on Notes		<u>63,801</u>	
Total General Government			\$ 733,801

Education

Principal on Bonds	\$	<u>1,350,306</u>	
Total Education			1,350,306

(Continued)

Exhibit K-7

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 17,075,990	
Career Ladder Program	91,275	
Homebound Teachers	21,820	
Salary Supplements	382,094	
Educational Assistants	858,765	
Other Salaries and Wages	265,798	
Certified Substitute Teachers	6,048	
Social Security	1,073,839	
Pensions	1,687,714	
Medical Insurance	1,573,788	
Unemployment Compensation	18,598	
Employer Medicare	252,251	
Contracts for Substitute Teachers - Certified	315,756	
Contracts for Substitute Teachers - Non-certified	10,185	
Instructional Supplies and Materials	157,562	
Textbooks - Bound	340,310	
Other Supplies and Materials	18,148	
Other Charges	119,416	
Regular Instruction Equipment	481,354	
Total Regular Instruction Program		\$ 24,750,711

Alternative Instruction Program

Teachers	\$ 281,208	
Educational Assistants	64,580	
Social Security	19,517	
Pensions	30,976	
Medical Insurance	40,181	
Unemployment Compensation	383	
Employer Medicare	4,564	
Total Alternative Instruction Program		441,409

Special Education Program

Teachers	\$ 2,031,802	
Career Ladder Program	6,500	
Homebound Teachers	13,740	
Educational Assistants	520,757	
Speech Pathologist	253,247	
Social Security	160,836	
Pensions	257,011	
Medical Insurance	309,086	
Unemployment Compensation	3,124	
Employer Medicare	37,625	
Contracts for Substitute Teachers - Certified	27,000	
Contracts for Substitute Teachers - Non-certified	20,634	
Instructional Supplies and Materials	41,831	
Special Education Equipment	4,072	
Total Special Education Program		3,687,265

(Continued)

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program

Teachers	\$	1,078,080	
Career Ladder Program		2,000	
Other Salaries and Wages		39,205	
Social Security		63,485	
Pensions		102,255	
Medical Insurance		113,732	
Unemployment Compensation		1,044	
Employer Medicare		14,847	
Contracts for Substitute Teachers - Certified		17,172	
Instructional Supplies and Materials		31,343	
T&I Construction Materials		1,581	
Vocational Instruction Equipment		131,389	
Total Career and Technical Education Program	\$		1,596,133

Support Services

Attendance

Supervisor/Director	\$	71,440	
Career Ladder Program		1,000	
Clerical Personnel		31,989	
Other Salaries and Wages		281,724	
Social Security		22,553	
Pensions		40,895	
Medical Insurance		8,447	
Unemployment Compensation		619	
Employer Medicare		5,275	
Travel		1,836	
Other Contracted Services		19,429	
Other Supplies and Materials		11,910	
Attendance Equipment		11,047	
Total Attendance			508,164

Health Services

Medical Personnel	\$	486,493	
Other Salaries and Wages		233,449	
Social Security		42,884	
Pensions		63,832	
Medical Insurance		21,592	
Unemployment Compensation		806	
Employer Medicare		10,029	
Travel		17,235	
Other Contracted Services		6,385	
Drugs and Medical Supplies		1,468	
Other Supplies and Materials		13,440	
Other Charges		27,479	
Health Equipment		28,787	
Total Health Services			953,879

(Continued)

Exhibit K-7

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support

Career Ladder Program	\$	2,000	
Guidance Personnel		685,629	
Other Salaries and Wages		104,611	
Social Security		41,355	
Pensions		63,883	
Medical Insurance		58,150	
Unemployment Compensation		738	
Employer Medicare		10,794	
Contracts with Government Agencies		571,109	
Evaluation and Testing		47,629	
Other Contracted Services		138,505	
Other Charges		68,316	
Other Equipment		94,988	
Total Other Student Support			\$ 1,887,707

Regular Instruction Program

Supervisor/Director	\$	330,575	
Career Ladder Program		3,000	
Librarians		416,116	
Other Salaries and Wages		30,750	
Social Security		45,195	
Pensions		69,999	
Medical Insurance		61,012	
Unemployment Compensation		690	
Employer Medicare		10,570	
Travel		31,222	
Library Books/Media		68,150	
Other Supplies and Materials		2,242	
In Service/Staff Development		21,646	
Other Charges		23,300	
Other Equipment		482	
Total Regular Instruction Program			1,114,949

Alternative Instruction Program

Supervisor/Director	\$	72,176	
Secretary(ies)		21,598	
Social Security		5,814	
Pensions		8,929	
Unemployment Compensation		79	
Employer Medicare		1,360	
Other Supplies and Materials		131	
Total Alternative Instruction Program			110,087

Special Education Program

Supervisor/Director	\$	69,999	
Career Ladder Program		1,000	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Psychological Personnel	\$	239,872	
Other Salaries and Wages		58,880	
Social Security		21,302	
Pensions		34,549	
Medical Insurance		38,764	
Unemployment Compensation		226	
Employer Medicare		4,982	
Travel		13,544	
Other Contracted Services		16,948	
In Service/Staff Development		96	
Other Equipment		3,007	
Total Special Education Program	\$		503,169

Career and Technical Education Program

Supervisor/Director	\$	75,844	
Career Ladder Program		1,000	
Social Security		4,548	
Pensions		6,977	
Medical Insurance		4,335	
Unemployment Compensation		41	
Employer Medicare		1,064	
Travel		126	
Other Charges		19,031	
Other Equipment		5,773	
Total Career and Technical Education Program			118,739

Technology

Supervisor/Director	\$	81,737	
Other Salaries and Wages		208,778	
Social Security		17,188	
Pensions		29,698	
Medical Insurance		2,685	
Unemployment Compensation		380	
Employer Medicare		4,020	
Internet Connectivity		99,472	
Travel		3,356	
Other Contracted Services		4,250	
Other Supplies and Materials		4,298	
In Service/Staff Development		1,248	
Other Equipment		276,646	
Total Technology			733,756

Other Programs

On-behalf Payments to OPEB	\$	191,183	
Total Other Programs			191,183

(Continued)

Exhibit K-7

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education

Secretary to Board	\$	36,150	
Other Salaries and Wages		68,763	
Board and Committee Members Fees		19,346	
Social Security		7,365	
Pensions		13,339	
Medical Insurance		8,430	
Unemployment Compensation		83	
Employer Medicare		1,770	
Audit Services		7,000	
Dues and Memberships		12,613	
Legal Services		6,054	
Travel		20,262	
Liability Insurance		32,006	
Premiums on Corporate Surety Bonds		1,369	
Trustee's Commission		316,906	
Workers' Compensation Insurance		96,068	
Other Charges		8,118	
Administration Equipment		2,724	
Total Board of Education			\$ 658,366

Director of Schools

County Official/Administrative Officer	\$	106,184	
Career Ladder Program		1,000	
Social Security		6,087	
Pensions		9,687	
Medical Insurance		9,323	
Unemployment Compensation		41	
Employer Medicare		1,424	
Communication		36,870	
Dues and Memberships		3,750	
Postal Charges		4,466	
Travel		7,183	
Other Charges		218	
Total Director of Schools			186,233

Office of the Principal

Principals	\$	718,078	
Career Ladder Program		7,000	
Assistant Principals		422,168	
Secretary(ies)		446,233	
Other Salaries and Wages		2,220	
Social Security		93,559	
Pensions		152,082	
Medical Insurance		103,288	
Unemployment Compensation		1,507	
Employer Medicare		21,881	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Communication	\$	246,936	
Other Supplies and Materials		2,450	
Administration Equipment		29,938	
Total Office of the Principal			\$ 2,247,340

Fiscal Services

Internal Audit Personnel	\$	229,031	
Social Security		13,063	
Pensions		22,851	
Medical Insurance		9,583	
Unemployment Compensation		285	
Employer Medicare		3,166	
Travel		1,374	
Other Contracted Services		21,986	
Office Supplies		6,868	
Other Charges		500	
Administration Equipment		12,347	
Total Fiscal Services			321,054

Operation of Plant

Supervisor/Director	\$	112,925	
Custodial Personnel		1,041,304	
Other Salaries and Wages		856	
Social Security		67,885	
Pensions		113,561	
Medical Insurance		126,885	
Unemployment Compensation		2,454	
Employer Medicare		15,969	
Other Contracted Services		26,714	
Custodial Supplies		149,012	
Electricity		1,407,144	
Natural Gas		212,550	
Water and Sewer		120,308	
Other Supplies and Materials		40,835	
Building and Contents Insurance		127,634	
Other Charges		698	
Total Operation of Plant			3,566,734

Maintenance of Plant

Supervisor/Director	\$	80,997	
Secretary(ies)		31,760	
Other Salaries and Wages		466,970	
Social Security		34,048	
Pensions		63,778	
Medical Insurance		44,862	
Unemployment Compensation		594	

(Continued)

Exhibit K-7

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Employer Medicare	\$	7,963	
Other Contracted Services		480,713	
Gasoline		34,515	
Other Supplies and Materials		354,065	
Other Charges		6,341	
Administration Equipment		68,729	
Maintenance Equipment		59,466	
Total Maintenance of Plant			\$ 1,734,801

Transportation

Contracts with Private Agencies	\$	1,917,632	
Total Transportation			1,917,632

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$	64,896	
Social Security		3,771	
Unemployment Compensation		277	
Employer Medicare		941	
Travel		1,307	
Other Supplies and Materials		9,229	
Total Community Services			80,421

Early Childhood Education

Supervisor/Director	\$	40,567	
Teachers		364,847	
Educational Assistants		140,218	
Other Salaries and Wages		1,000	
Social Security		30,312	
Pensions		51,318	
Medical Insurance		68,255	
Unemployment Compensation		643	
Employer Medicare		7,114	
Travel		19,546	
Instructional Supplies and Materials		59,743	
In Service/Staff Development		943	
Other Charges		30,545	
Other Equipment		13,238	
Total Early Childhood Education			828,289

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	962,511	
Total Regular Capital Outlay			962,511

Total General Purpose School Fund \$ 49,100,532

(Continued)

Exhibit K-7

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

School Federal Projects Fund

Instruction

Regular Instruction Program

Supervisor/Director	\$	2,000	
Teachers		1,120,762	
Educational Assistants		110,538	
Other Salaries and Wages		6,920	
Social Security		71,392	
Pensions		112,023	
Medical Insurance		100,452	
Unemployment Compensation		831	
Employer Medicare		16,863	
Contracts for Substitute Teachers - Certified		19,211	
Other Contracted Services		5,073	
Instructional Supplies and Materials		124,391	
Other Supplies and Materials		1,043	
Other Charges		569	
Regular Instruction Equipment		193,685	
Total Regular Instruction Program			\$ 1,885,753

Special Education Program

Teachers	\$	376,966	
Clerical Personnel		22,891	
Educational Assistants		463,379	
Speech Pathologist		4,756	
Social Security		49,375	
Pensions		82,105	
Medical Insurance		56,832	
Unemployment Compensation		1,078	
Employer Medicare		11,972	
Evaluation and Testing		5,000	
Contracts for Substitute Teachers - Certified		7,163	
Contracts for Substitute Teachers - Non-certified		24,954	
Instructional Supplies and Materials		55,761	
Other Charges		2,243	
Special Education Equipment		30,074	
Total Special Education Program			1,194,549

Career and Technical Education Program

Teachers	\$	38,620	
Clerical Personnel		720	
Other Salaries and Wages		1,120	
Social Security		2,311	
Pensions		3,502	
Medical Insurance		4,338	
Unemployment Compensation		29	
Employer Medicare		541	
Maintenance and Repair Services - Equipment		4,204	
Instructional Supplies and Materials		16,984	

(Continued)

Exhibit K-7

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program (Cont.)

Other Supplies and Materials	\$	6,760	
Other Charges		800	
Vocational Instruction Equipment		101,346	
Total Career and Technical Education Program			\$ 181,275

Support Services

Other Student Support

Guidance Personnel	\$	2,000	
Other Salaries and Wages		43,335	
Social Security		2,634	
Pensions		4,311	
Medical Insurance		3,077	
Unemployment Compensation		57	
Employer Medicare		616	
Evaluation and Testing		1,219	
Travel		17,869	
Other Contracted Services		5,462	
Other Supplies and Materials		15,450	
In Service/Staff Development		12,009	
Other Charges		5,760	
Total Other Student Support			113,799

Regular Instruction Program

Supervisor/Director	\$	76,480	
Clerical Personnel		2,000	
Other Salaries and Wages		1,500	
Social Security		4,563	
Pensions		7,329	
Medical Insurance		7,472	
Unemployment Compensation		29	
Employer Medicare		1,067	
Consultants		8,500	
Travel		19,579	
Other Supplies and Materials		19,644	
In Service/Staff Development		87,771	
Other Charges		853	
Total Regular Instruction Program			236,787

Special Education Program

Psychological Personnel	\$	44,054	
Secretary(ies)		27,996	
Other Salaries and Wages		82,131	
Social Security		8,789	
Pensions		15,977	
Medical Insurance		13,402	
Unemployment Compensation		115	

(Continued)

Exhibit K-7

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Employer Medicare	\$	2,055	
Other Contracted Services		92,966	
Other Supplies and Materials		6,911	
In Service/Staff Development		39,827	
Other Charges		1,561	
Other Equipment		4,245	
Total Special Education Program			\$ 340,029

Career and Technical Education Program

Travel	\$	5,600	
In Service/Staff Development		4,485	
Total Career and Technical Education Program			10,085

Technology

Other Salaries and Wages	\$	57,554	
Social Security		3,483	
Pensions		6,331	
Medical Insurance		4,353	
Unemployment Compensation		66	
Employer Medicare		815	
Total Technology			72,602

Board of Education

Criminal Investigation of Applicants - TBI	\$	555	
Total Board of Education			555

Transportation

Contracts with Private Agencies	\$	6,991	
Vehicle Parts		375	
Total Transportation			7,366

Operation of Non-Instructional Services

Food Service

Food Supplies	\$	89	
Total Food Service			89

Community Services

Supervisor/Director	\$	33,252	
Teachers		220,276	
Clerical Personnel		6,330	
Social Security		15,831	
Pensions		22,874	
Employer Medicare		3,741	
Instructional Supplies and Materials		8,396	
Other Supplies and Materials		750	
Other Charges		6,160	
Total Community Services			317,610

Total School Federal Projects Fund			\$ 4,360,499
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(Continued)

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

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	77,973	
Cafeteria Personnel		948,804	
Other Salaries and Wages		125,427	
In-service Training		4,589	
Social Security		68,033	
Pensions		88,816	
Medical Insurance		101,634	
Unemployment Compensation		3,454	
Employer Medicare		15,991	
Communication		6,693	
Maintenance and Repair Services - Equipment		50,250	
Travel		792	
Other Contracted Services		30,046	
Food Preparation Supplies		18,401	
Food Supplies		1,440,444	
Office Supplies		3,980	
USDA - Commodities		312,817	
Other Supplies and Materials		4,968	
In Service/Staff Development		1,445	
Other Charges		6,250	
Food Service Equipment		163,035	
Total Food Service			\$ 3,473,842

Total Central Cafeteria Fund

\$ 3,473,842

Schoolwide Consolidation Fund

Instruction

Regular Instruction Program

Teachers	\$	56,798	
Educational Assistants		15,502	
Social Security		3,992	
Pensions		6,717	
Medical Insurance		11,437	
Unemployment Compensation		57	
Employer Medicare		934	
Contracts for Substitute Teachers - Certified		612	
Instructional Supplies and Materials		15,222	
Regular Instruction Equipment		13,373	
Total Regular Instruction Program			\$ 124,644

Total Schoolwide Consolidation Fund

124,644

Total Governmental Funds - School Department

\$ 57,059,517

Exhibit K-8

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

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 2,838,813
Total Cash Receipts	<u>\$ 2,838,813</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 2,782,040
Trustee's Commission	56,773
Total Cash Disbursements	<u>\$ 2,838,813</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2017	<u>0</u>
 Cash Balance, June 30, 2018	 <u>\$ 0</u>

SINGLE AUDIT SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

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

To the County Executive and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Warren County, Tennessee, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Warren County's basic financial statements, and have issued our report thereon dated December 3, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Warren County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Warren County's internal control. Accordingly, we do not express an opinion on the effectiveness of Warren County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify one deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be a significant deficiency: 2018-001.

Compliance and Other Matters

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

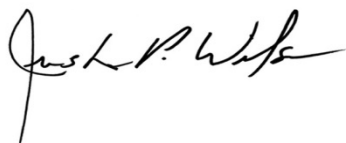
Warren County's Response to the Finding

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Warren County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 3, 2018

JPW/kp



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

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

Independent Auditor's Report

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

To the County Executive and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Warren County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Warren County's major federal programs for the year ended June 30, 2018. 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.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Warren County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Warren County's compliance.

Opinion on Each Major Federal Program

In our opinion, Warren County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of Warren County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Warren County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

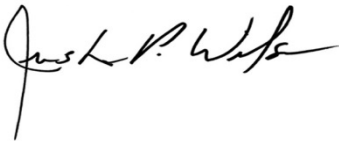
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on

the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Warren County, Tennessee, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Warren County's basic financial statements. We issued our report thereon dated December 3, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 3, 2018

JPW/kp

Warren County, Tennessee, and the Warren County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2)
For the Year Ended June 30, 2018

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 312,817 (5)
Passed-through State Department of Education:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	914,771
National School Lunch Program	10.555	N/A	2,205,109 (5)
Fresh Fruit and Vegetable Program	10.582	N/A	22,550
Passed-through East Tennessee Human Resource Agency:			
Child and Adult Care Food Program	10.558	N/A	942,983
Child Nutrition Cluster: (4)			
Summer Food Service Program for Children	10.559	N/A	32,744
Total U.S. Department of Agriculture			<u>\$ 4,430,974</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Housing Development Agency:			
Home Investment Partnership Program	14.239	N/A	<u>\$ 84,957</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention Allocation to States	16.540	(3)	\$ 945
Passed-through State Office of Criminal Justice Programs:			
Crime Victim Assistance	16.575	(3)	63,986
Total U.S. Department of Justice			<u>\$ 64,931</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Airport Improvement Program	20.106	(7)	\$ 42,895
Alcohol Open Container Requirements	20.607	(8)	17,233
Total U.S. Department of Transportation			<u>\$ 60,128</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 1,671,327
Special Education Cluster: (4)			
Special Education - Grants to States	84.027	N/A	1,461,341
Special Education - Preschool Grants	84.173	N/A	58,178
Career and Technical Education - Basic Grants to States	84.048	N/A	197,254 (6)
Education for Homeless Children and Youth	84.196	N/A	39,747
Twenty-first Century Community Learning Centers	84.287	N/A	317,609
Rural Education	84.358	N/A	92,731
English Language Acquisition Grants	84.365	N/A	47,133
Improving Teacher Quality State Grants	84.367	N/A	324,500
Student Support and Academic Enrichment Program	84.424	N/A	35,919
Passed-through Putnam County, Tennessee Board of Education:			
Career and Technical Education - Basic Grants to States	84.048	N/A	33,243 (6)
Passed-through State Department of Human Services:			
Rehabilitation Services Vocational - Rehabilitation Grants to States	84.126	N/A	92,775
Total U.S. Department of Education			<u>\$ 4,371,757</u>
U.S. Department of Health and Human Services:			
Direct Program:			
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	N/A	\$ 511,435
Passed-through State Department of Education:			
CCDF Cluster:			
Child Care and Development Block Grant	93.575	N/A	113,386
Total U.S. Department of Health and Human Services			<u>\$ 624,821</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grant	97.042	(3)	\$ 22,350
Total Expenditures of Federal Awards			<u>\$ 9,659,918</u>

(Continued)

Warren County, Tennessee, and the Warren County School Department
Schedule of Expenditures of Federal Awards and State Grants (1)(2) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
State Certified Recovery Court Program - State Department of Mental Health and Substance Abuse Services	N/A	N/A	\$ 70,000
State Supplement Juvenile Court Improvement Funds - State Department of Children's Services	N/A	N/A	9,000
Litter Program - State Department of Transportation	N/A	N/A	48,157
Rural Local Health Services - State Department of Health	N/A	N/A	548,642
Court Security Grant - Supreme Court of TN Administrative Office of the Courts	N/A	N/A	34,361
Exhibit A Property Map Grant - State Department of Transportation	N/A	89-555-0164-16	1,500
Airport Maintenance Grant - State Department of Transportation	N/A	N/A	19,308
Airport Obstruction Removal Grant - State Department of Transportation	N/A	N/A	11,300
Airport Grounds Equipment Grant - State Department of Transportation	N/A	N/A	80,000
Fuel Farm Grant - State Department of Transportation	N/A	89-555-0159-17	3,266
Animal Friendly Spay/Neuter Grant - State Department of Health	N/A	N/A	540
CTE Equipment Grant - State Department of Education	N/A	N/A	125,000
Coordinated School Health Improvement Act of 2000 - State Department of Education	N/A	N/A	170,000
Project Diabetes Initiative Services - State Department of Health	N/A	N/A	24,810
Read to Be Ready Coaching Network - State Department of Education	N/A	N/A	10,600
Family Resource Center - State Department of Education	N/A	N/A	29,612
Safe Schools Act - State Department of Education	N/A	N/A	35,790
ConnecTenn - State Department of Education	N/A	N/A	17,075
Early Childhood Education - State Department of Education	N/A	N/A	723,054
Total State Grants			\$ 1,962,015

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) Warren County elected not to use the 10% de minimus cost rate permitted in the Uniform Guidance.
- (3) Information not available.
- (4) Child Nutrition Cluster total \$3,465,411; Special Education Cluster total \$1,519,519.
- (5) Total for CFDA No. 10.555 is \$2,517,926.
- (6) Total for CFDA No. 84.048 is \$230,497.
- (7) 89-555-0164-16: \$13,500; 89-555-0159-17: \$29,395.
- (8) Z17THS360: \$1,122; Z18THS378: \$16,111.

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

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Warren County, Tennessee, for the year ended June 30, 2018.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
<u>OFFICE OF FINANCE DIRECTOR</u>					
2017	185	2017-001	Expenditures exceeded appropriations	N/A	Corrected
2017	186	2017-002	General ledger payroll liability accounts were not reconciled	N/A	Not corrected - See explanation on Corrective Action Plan

Prior-year Federal Awards Findings

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

WARREN COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2018

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

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

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of major federal programs:
 - * CFDA Numbers: 10.553, 10.555, and 10.559 Nutrition Cluster: School Breakfast Program, National School Lunch Program, Summer Food Service Program for Children
 - * CFDA Number: 10.558 Child and Adult Care Food Program
8. Dollar threshold used to distinguish between type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

A finding and recommendation, as a result of our audit, are presented below. We reviewed this finding and recommendation with management to provide an opportunity for their response. A written response for the finding is paraphrased and presented following the finding and recommendation. Management's corrective action plan, whether related to the financial statements or federal awards, is presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

OFFICE OF FINANCE DIRECTOR

FINDING 2018-001

GENERAL LEDGER PAYROLL LIABILITY ACCOUNTS WERE NOT RECONCILED

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

General ledger payroll liability accounts were not reconciled with subsidiary payroll records and payments in the General Purpose School (\$81,172), School Federal Projects (\$28,953), and Schoolwide Consolidation (\$3,412) funds. As a result, unidentified balances accumulated in the liability accounts for several payroll deductions. These errors were not corrected in the financial statements of this report; however, we do not consider the uncorrected amounts to be material to the financial statements. Sound business practices dictate that payroll liability accounts should be reconciled with subsidiary payroll records and payments monthly. The failure to regularly reconcile payroll liability accounts is a significant deficiency that increases the risks that errors will not be discovered and corrected in a timely manner. This deficiency is the result of a lack of management oversight, management's failure to correct the finding noted in the prior-year audit report, and the failure to implement their corrective action plan.

RECOMMENDATION

General ledger payroll liability accounts should be reconciled monthly with subsidiary payroll reports and payments, and any errors discovered should be corrected promptly.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

The Finance Department will work directly with compliance personnel at the Warren County Board of Education to identify discrepancies and reconcile payroll liabilities in order to prevent the accumulation of balances in general ledger payroll liability accounts. Compliance personnel will audit deductions to insure further accumulation does not occur and will notify the Finance Department of any discrepancies that are found, and Finance will make the adjustments that are needed on a monthly basis. Finance and the Board of Education will ask for a review quarterly, for the remainder of the fiscal year, from Local Government Audit in order to insure we are reconciling to their standards.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2018.

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

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Management's corrective action plans for all financial statement findings and federal award findings are presented in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted.

Finding Number	Title of Finding	Corrective Action Plan Page Number
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OFFICE OF FINANCE DIRECTOR

2018-001	General ledger payroll liability accounts were not reconciled.	203
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WARREN COUNTY, TENNESSEE

OFFICE of the COUNTY EXECUTIVE

201 Locust St., Suite 1 • McMinnville, Tennessee 37110

Phone (931) 473-2505 • Fax (931) 473-0635
Corrective Action Plan

FINDING: 2018-001

**GENERAL LEDGER PAYROLL LIABILITY ACCOUNTS
WERE NOT RECONCILED**

(Internal Control – Significant Deficiency Under *Governmental
Auditing Standards*)

Response and Corrective Action Plan Prepared by:

Justin Cotten, Warren County Finance Director

Person Responsible for Implementing the Corrective Action:

Justin Cotten, Warren County Finance Director

Anticipated Completion Date of Corrective Action:

January 15, 2019

Repeat Finding:

Yes

Reason Corrective Action was Not Taken in the Prior Year:

Due to a lack of communication between the Finance Department and Warren County Board of Education personnel in regards to who was to reconcile, how the procedures for the reconciliation were to be done, and the scope of the reconciliation.

Planned Corrective Action:

The Finance Department will work directly with compliance personnel at the Warren County Board of Education to identify discrepancies and reconcile payroll liabilities in order to prevent the accumulation of balances in general ledger payroll liability accounts. Compliance personnel will audit deductions to insure further accumulation does not occur and will notify the Finance Department of any discrepancies that are found, and Finance will make the adjustments that are needed on a monthly basis. Finance and B.O.E. will ask for a review quarterly, for the remainder of the fiscal year, from *Local Government Audit* in order to insure we are reconciling to their standards.

Handwritten signature of Justin Cotten in black ink.

Justin Cotten, Warren County Finance Director

11/25/18

Date