

ANNUAL FINANCIAL REPORT
WAYNE COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2018



DIVISION OF LOCAL GOVERNMENT AUDIT



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FOR THE YEAR ENDED JUNE 30, 2018

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
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This financial report is available at www.comptroller.tn.gov

WAYNE COUNTY, TENNESSEE

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Summary of Audit Findings

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

Scope

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

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY EXECUTIVE

- ◆ The office had deficiencies in budget operations.
 - ◆ Revenues unrelated to operations were allocated to the Public Utility Fund.
-

OFFICE OF COMMISSIONER OF HIGHWAYS

- ◆ Material audit adjustments were required for proper financial statement presentation.
 - ◆ Wayne County Highway Department has a material recurring audit finding.
 - ◆ The Commissioner of Highways pled guilty to charges of official misconduct and permitting jail inmates to work for the benefit or gain of a private citizen.
-

OFFICE OF TRUSTEE

- ◆ Revenues were not prorated accurately.
-

**OFFICES OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS
CLERK AND CLERK AND MASTER**

- ◆ Multiple employees operated from the same cash drawer.
-

OFFICES OF COUNTY EXECUTIVE AND TRUSTEE

- ◆ Duties were not segregated adequately.

INTRODUCTORY SECTION

Wayne County Officials
June 30, 2018

Officials

Jim Mangubat, County Executive
Charles Moser, Commissioner of Highways
Marlon Davis, Director of Schools
Janice Smith, Trustee
Dustin White, Assessor of Property
Stan Horton, County Clerk
Bill Crews, Circuit, General Sessions, and Juvenile Courts Clerk
Carolyn Mathis, Clerk and Master
Ruth Butler, Register of Deeds
Ric Wilson, Sheriff

Board of County Commissioners

Jim Mangubat, County Executive, Chairman	Herbert Brewer
O.C. Berry, Jr.	Brent Gobbell
Joe Hanback	Tom Mathis, Jr.
Stan Hanback	John McDonald
David Martin	Steve Anderson
Rickey Kelley	Phillip Casteel
Joe Hall	Tim Powell
Stephen Pevahouse	

Board of Education

Barry Hanback, Chairman	Charity Horton
Andy Yarbrough	Pat Brown
Dwight Bumphus	Sherman Martin
Greg Eaton	

Audit Committee

John McDonald, Chairman
Tim Powell
Regina Tesnow
Sarah Cook

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

Independent Auditor's Report

Wayne County Executive and
Board of County Commissioners
Wayne 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wayne 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wayne County, Tennessee, as of June 30, 2018, and the respective changes in financial position and the respective budgetary comparison for the General, Solid Waste/Sanitation, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note V.B., Wayne 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.8. to the financial statements, which describes a restatement reducing the beginning net position of the discretely presented Wayne County School Department by \$57,712, on the Government-wide Statement of Activities. This restatement was 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 this matter.

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 (asset) and related ratios, schedules of county and school contributions, schedule of school's proportionate share of the net pension liability (asset),

and schedule of changes in the school's total OPEB liability and related ratios on pages 99-106 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 Wayne County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service and General Capital Projects funds, combining and individual fund financial statements of the Wayne County School Department (a discretely presented component unit), miscellaneous schedules and the other information such as the introductory section and management's corrective action plans 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.

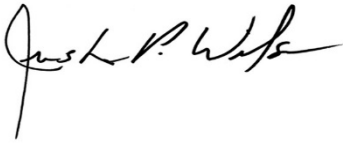
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service and General Capital Projects funds, combining and individual fund financial statements of the Wayne County School Department (a discretely presented 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 and General Capital Projects funds, combining and individual fund financial statements of the Wayne 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 plans 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 18, 2018, on our consideration of Wayne 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 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 Wayne 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 Wayne County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 18, 2018

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government			Component
	Governmental	Business-type	Total	Unit
	Activities	Activities		Wayne County School Department
<u>ASSETS</u>				
Cash	\$ 100	\$ 0	\$ 100	\$ 555
Equity in Pooled Cash and Investments	7,057,263	430,170	7,487,433	2,334,684
Accounts Receivable	178,775	11,407	190,182	0
Due from Other Governments	830,613	0	830,613	1,136,191
Due from Component Units	1,144,711	0	1,144,711	0
Property Taxes Receivable	4,947,591	0	4,947,591	2,076,766
Allowance for Uncollectible Property Taxes	(152,617)	0	(152,617)	(64,062)
Net Pension Asset - Agent Plan	1,304,258	0	1,304,258	810,884
Net Pension Asset - Teacher Retirement Plan	0	0	0	27,075
Net Pension Asset - Teacher Legacy Pension Plan	0	0	0	94,492
Capital Assets:				
Assets Not Depreciated:				
Land	865,360	0	865,360	513,517
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	9,410,393	0	9,410,393	10,155,931
Infrastructure	13,709,522	5,252,980	18,962,502	0
Other Capital Assets	2,166,864	0	2,166,864	1,320,389
Total Assets	\$ 41,462,833	\$ 5,694,557	\$ 47,157,390	\$ 18,406,422
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pension Changes in Experience	\$ 0	\$ 0	\$ 0	\$ 57,915
Pension Changes in Assumptions	261,579	0	261,579	965,299
Pension Change in Proportionate Share of NPL	0	0	0	119,426
Pension Changes in Investment Earnings	0	0	0	14,344
Pension Contributions After Measurement Date	242,018	0	242,018	1,091,423
OPEB Changes in Benefits Paid After Measurement Date	0	0	0	226,461
Total Deferred Outflows of Resources	\$ 503,597	\$ 0	\$ 503,597	\$ 2,474,868
<u>LIABILITIES</u>				
Accounts Payable	\$ 49,148	\$ 0	\$ 49,148	\$ 0
Accrued Payroll	544	0	544	0
Payroll Deductions Payable	65,328	0	65,328	537,389
Due to Primary Government	0	0	0	781,717
Due to State of Tennessee	4,406	0	4,406	3,866
Accrued Interest Payable	61,977	0	61,977	0
Customer Deposits Payable	0	10,250	10,250	0
Noncurrent Liabilities:				
Due Within One Year	2,343,674	26,060	2,369,734	62,582
Due in More Than One Year	20,631,424	1,387,801	22,019,225	4,377,956
Total Liabilities	\$ 23,156,501	\$ 1,424,111	\$ 24,580,612	\$ 5,763,510

(Continued)

Exhibit A

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

	Primary Government			Component
	Governmental	Business-type	Total	Unit
	Activities	Activities		Wayne County School Department
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	\$ 4,538,599	\$ 0	\$ 4,538,599	\$ 1,905,091
OPEB Changes in Assumptions	0	0	0	181,379
Pension Changes in Investment Earnings	327	0	327	1,660
Pension Changes in Experience	416,430	0	416,430	2,211,753
Pension Changes in Proportionate Share of NPL	0	0	0	36,284
Total Deferred Inflows of Resources	<u>\$ 4,955,356</u>	<u>\$ 0</u>	<u>\$ 4,955,356</u>	<u>\$ 4,336,167</u>
NET POSITION				
Net Investment in Capital Assets	\$ 15,451,038	\$ 3,839,119	\$ 19,290,157	\$ 11,989,837
Restricted for:				
General Government	56,916	0	56,916	0
Administration of Justice	23,991	0	23,991	0
Public Safety	462,680	0	462,680	0
Social, Cultural, and Recreational Services	65,661	0	65,661	0
Highway/Public Works	1,850,529	0	1,850,529	0
Education	0	0	0	340,734
Pensions	1,304,258	0	1,304,258	932,451
Capital Outlay	207,285	0	207,285	177,861
Unrestricted	<u>(5,567,785)</u>	<u>431,327</u>	<u>(5,136,458)</u>	<u>(2,659,270)</u>
Total Net Position	<u>\$ 13,854,573</u>	<u>\$ 4,270,446</u>	<u>\$ 18,125,019</u>	<u>\$ 10,781,613</u>

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

Exhibit B

Wayne County, Tennessee
 Statement of Activities
 For the Year Ended June 30, 2018

Functions/Programs	Net (Expense) Revenue and Changes in Net Position							
	Expenses	Program Revenues			Primary Government			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Wayne County School Department
Primary Government:								
Governmental Activities:								
General Government	\$ 1,508,782	\$ 142,285	\$ 787,495	\$ 0	\$ (579,002)	\$ 0	\$ (579,002)	\$ 0
Finance	439,492	448,437	0	0	8,945	0	8,945	0
Administration of Justice	745,155	363,216	9,000	0	(372,939)	0	(372,939)	0
Public Safety	3,336,253	1,209,919	36,139	0	(2,090,195)	0	(2,090,195)	0
Public Health and Welfare	1,344,890	47,242	149,988	0	(1,147,660)	0	(1,147,660)	0
Social, Cultural, and Recreational Services	510,796	5,373	0	0	(505,423)	0	(505,423)	0
Agriculture and Natural Resources	107,218	0	0	0	(107,218)	0	(107,218)	0
Highways/Public Works	2,646,238	46,614	2,544,475	837,267	782,118	0	782,118	0
Interest on Long-term Debt	709,974	0	0	0	(709,974)	0	(709,974)	0
Total Governmental Activities	\$ 11,348,798	\$ 2,263,086	\$ 3,527,097	\$ 837,267	\$ (4,721,348)	\$ 0	\$ (4,721,348)	\$ 0
Business-type Activities								
Public Utilities	\$ 453,975	\$ 148,587	\$ 0	\$ 0	\$ 0	\$ (305,388)	\$ 0	\$ 0
Total Business-type Activities	\$ 453,975	\$ 148,587	\$ 0	\$ 0	\$ 0	\$ (305,388)	\$ 0	\$ 0
Total Primary Government	\$ 11,802,773	\$ 2,411,673	\$ 3,527,097	\$ 837,267	\$ (4,721,348)	\$ (305,388)	\$ (4,721,348)	\$ 0
Component Unit:								
Wayne County School Department	\$ 21,544,110	\$ 364,502	\$ 3,315,646	\$ 75,242	\$ 0	\$ 0	\$ 0	\$ (17,788,720)
Total Component Unit	\$ 21,544,110	\$ 364,502	\$ 3,315,646	\$ 75,242	\$ 0	\$ 0	\$ 0	\$ (17,788,720)

(Continued)

Exhibit B

Wayne County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Wayne County School Department
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					\$ 3,863,619	\$ 0	\$ 3,863,619	\$ 2,036,224
Property Taxes Levied for Debt Service					1,027,225	0	1,027,225	0
Local Option Sales Tax					1,060,259	0	1,060,259	735,756
Wheel Tax					851,172	0	851,172	0
Litigation Tax					146,074	0	146,074	0
Business Tax					94,710	0	94,710	0
Mineral Severance Tax					91,838	0	91,838	0
Wholesale Beer Tax					68,708	0	68,708	0
Other Local Taxes					48,296	23,398	71,694	29,647
Grants and Contributions Not Restricted to Specific Programs					1,133,744	83,615	1,217,359	15,327,329
Unrestricted Investment Earnings					90,092	0	90,092	0
E-Rate Funding					0	0	0	15,419
Miscellaneous					144,531	0	144,531	44,965
Total General Revenues					\$ 8,620,268	\$ 107,013	\$ 8,727,281	\$ 18,189,340
Change in Net Position								
Net Position, July 1, 2017					\$ 3,898,920	\$ (198,375)	\$ 3,700,545	\$ 400,620
Restatement - See Note I.D.8.					9,955,653	4,468,821	14,424,474	10,438,705
					0	0	0	(57,712)
Net Position, June 30, 2018					\$ 13,854,573	\$ 4,270,446	\$ 18,125,019	\$ 10,781,613

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

Exhibit C-1

Wayne County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2018

	Major Funds				
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	General Capital Projects
<u>ASSETS</u>					
Cash	\$ 100	\$ 0	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	1,822,656	481,636	767,949	1,664,970	1,451,674
Accounts Receivable	61,208	0	82,677	34,890	0
Due from Other Governments	188,986	0	449,523	192,104	0
Due from Component Units	362,994	0	0	0	0
Property Taxes Receivable	2,779,201	855,139	0	1,191,087	91,623
Allowance for Uncollectible Property Taxes	(85,729)	(26,379)	0	(36,741)	(2,826)
Total Assets	<u>\$ 5,129,416</u>	<u>\$ 1,310,396</u>	<u>\$ 1,300,149</u>	<u>\$ 3,046,310</u>	<u>\$ 1,540,471</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 0	\$ 49,148	\$ 0	\$ 0
Accrued Payroll	0	0	544	0	0
Payroll Deductions Payable	51,514	3,076	8,408	0	0
Due to State of Tennessee	1,320	159	2,915	0	0
Total Liabilities	<u>\$ 52,834</u>	<u>\$ 3,235</u>	<u>\$ 61,015</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 2,549,459	\$ 784,449	\$ 0	\$ 1,092,626	\$ 84,049
Deferred Delinquent Property Taxes	135,792	41,782	0	58,197	4,477
Other Deferred/Unavailable Revenue	80,808	0	220,452	100,638	0
Total Deferred Inflows of Resources	<u>\$ 2,766,059</u>	<u>\$ 826,231</u>	<u>\$ 220,452</u>	<u>\$ 1,251,461</u>	<u>\$ 88,526</u>

(Continued)

Exhibit C-1

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

	Major Funds				
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	General Capital Projects
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 56,916	\$ 0	\$ 0	\$ 0	\$ 0
Restricted for Administration of Justice	23,991	0	0	0	0
Restricted for Public Safety	325,142	0	0	0	0
Restricted for Social, Cultural, and Recreational Services	0	0	0	0	0
Restricted for Highways/Public Works	0	0	1,018,682	0	0
Restricted for Capital Outlay	0	0	0	0	815,587
Committed:					
Committed for Public Health and Welfare	15,394	480,930	0	0	0
Committed for Debt Service	0	0	0	1,794,849	0
Assigned:					
Assigned for General Government	23,571	0	0	0	0
Assigned for Public Safety	144,598	0	0	0	134,435
Assigned for Public Health and Welfare	0	0	0	0	501,923
Assigned for Social, Cultural, and Recreational Services	38,025	0	0	0	0
Unassigned	1,682,886	0	0	0	0
Total Fund Balances	<u>\$ 2,310,523</u>	<u>\$ 480,930</u>	<u>\$ 1,018,682</u>	<u>\$ 1,794,849</u>	<u>\$ 1,451,945</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,129,416</u>	<u>\$ 1,310,396</u>	<u>\$ 1,300,149</u>	<u>\$ 3,046,310</u>	<u>\$ 1,540,471</u>

(Continued)

Exhibit C-1

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$	0	\$ 100
Equity in Pooled Cash and Investments		868,378	7,057,263
Accounts Receivable		0	178,775
Due from Other Governments		0	830,613
Due from Component Units		0	362,994
Property Taxes Receivable		30,541	4,947,591
Allowance for Uncollectible Property Taxes		(942)	(152,617)
Total Assets	\$	897,977	\$ 13,224,719
<u>LIABILITIES</u>			
Accounts Payable	\$	0	\$ 49,148
Accrued Payroll		0	544
Payroll Deductions Payable		2,330	65,328
Due to State of Tennessee		12	4,406
Total Liabilities	\$	2,342	\$ 119,426
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$	28,016	\$ 4,538,599
Deferred Delinquent Property Taxes		1,493	241,741
Other Deferred/Unavailable Revenue		0	401,898
Total Deferred Inflows of Resources	\$	29,509	\$ 5,182,238

(Continued)

Exhibit C-1

Wayne 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	\$ 56,916
Restricted for Administration of Justice		0	23,991
Restricted for Public Safety		137,538	462,680
Restricted for Social, Cultural, and Recreational Services		65,661	65,661
Restricted for Highways/Public Works		633,946	1,652,628
Restricted for Capital Outlay		28,981	844,568
Committed:			
Committed for Public Health and Welfare		0	496,324
Committed for Debt Service		0	1,794,849
Assigned:			
Assigned for General Government		0	23,571
Assigned for Public Safety		0	279,033
Assigned for Public Health and Welfare		0	501,923
Assigned for Social, Cultural, and Recreational Services		0	38,025
Unassigned		0	1,682,886
Total Fund Balances	\$	866,126	\$ 7,923,055
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$	897,977	\$ 13,224,719

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

Exhibit C-2

Wayne 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)		\$ 7,923,055
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 865,360	
Add: buildings and improvements net of accumulated depreciation	9,410,393	
Add: infrastructure net of accumulated depreciation	13,709,522	
Add: other capital assets net of accumulated depreciation	<u>2,166,864</u>	26,152,139
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (21,290,000)	
Less: notes payable	(361,332)	
Less: other loans payable	(781,717)	
Add: debt to be contributed by the School Department	781,717	
Less: compensated absences payable	(142,387)	
Less: accrued interest on bonds, notes, and other loans	(61,977)	
Less: unamortized premium on debt	<u>(399,662)</u>	(22,255,358)
(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 pensions	\$ 503,597	
Less: deferred inflows of resources related to pensions	<u>(416,757)</u>	86,840
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		1,304,258
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>643,639</u>
Net position of governmental activities (Exhibit A)		<u>\$ 13,854,573</u>

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

Exhibit C-3

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

	Major Funds				
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	General Capital Projects
<u>Revenues</u>					
Local Taxes	\$ 3,216,035	\$ 860,475	\$ 283,454	\$ 2,666,574	\$ 88,630
Licenses and Permits	6,155	0	0	0	0
Fines, Forfeitures, and Penalties	143,458	0	0	0	0
Charges for Current Services	79,675	0	0	0	0
Other Local Revenues	260,043	48,053	85,509	50,000	990
Fees Received From County Officials	710,657	0	0	0	0
State of Tennessee	2,587,034	53,276	3,349,895	0	0
Federal Government	39,430	0	0	0	0
Other Governments and Citizens Groups	4,511	0	40,800	100,000	0
Total Revenues	<u>\$ 7,046,998</u>	<u>\$ 961,804</u>	<u>\$ 3,759,658</u>	<u>\$ 2,816,574</u>	<u>\$ 89,620</u>
<u>Expenditures</u>					
Current:					
General Government	\$ 1,522,292	\$ 0	\$ 0	\$ 0	\$ 25,220
Finance	447,741	0	0	0	0
Administration of Justice	657,993	0	0	0	0
Public Safety	3,106,471	0	0	0	0
Public Health and Welfare	170,478	1,028,980	0	0	0
Social, Cultural, and Recreational Services	235,964	0	0	0	0
Agriculture and Natural Resources	113,571	0	0	0	0
Other Operations	395,539	0	0	0	0
Highways	43,671	0	3,308,143	0	0
Support Services	7,012	0	0	0	0
Debt Service:					
Principal on Debt	0	0	0	2,029,504	0
Interest on Debt	0	0	0	717,796	0

(Continued)

Exhibit C-3

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

	Major Funds				
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	General Capital Projects
<u>Expenditures (Cont.)</u>					
Debt Service (Cont.)					
Other Debt Service	\$ 0	\$ 0	\$ 0	\$ 55,025	\$ 0
Capital Projects	0	0	0	0	88,153
Total Expenditures	<u>\$ 6,700,732</u>	<u>\$ 1,028,980</u>	<u>\$ 3,308,143</u>	<u>\$ 2,802,325</u>	<u>\$ 113,373</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 346,266</u>	<u>\$ (67,176)</u>	<u>\$ 451,515</u>	<u>\$ 14,249</u>	<u>\$ (23,753)</u>
<u>Other Financing Sources (Uses)</u>					
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Insurance Recovery	41,144	0	61,339	0	0
Transfers In	0	0	0	103,212	0
Transfers Out	0	0	(103,212)	0	0
Total Other Financing Sources (Uses)	<u>\$ 41,144</u>	<u>\$ 0</u>	<u>\$ (41,873)</u>	<u>\$ 103,212</u>	<u>\$ 0</u>
Net Change in Fund Balances	<u>\$ 387,410</u>	<u>\$ (67,176)</u>	<u>\$ 409,642</u>	<u>\$ 117,461</u>	<u>\$ (23,753)</u>
Fund Balance, July 1, 2017	<u>1,923,113</u>	<u>548,106</u>	<u>609,040</u>	<u>1,677,388</u>	<u>1,475,698</u>
Fund Balance, June 30, 2018	<u><u>\$ 2,310,523</u></u>	<u><u>\$ 480,930</u></u>	<u><u>\$ 1,018,682</u></u>	<u><u>\$ 1,794,849</u></u>	<u><u>\$ 1,451,945</u></u>

(Continued)

Exhibit C-3

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

	Nonmajor Funds		Total Governmental Funds
	Other Govern- mental Funds		
<u>Revenues</u>			
Local Taxes	\$ 98,278	\$	7,213,446
Licenses and Permits	0		6,155
Fines, Forfeitures, and Penalties	15,123		158,581
Charges for Current Services	6,798		86,473
Other Local Revenues	5,000		449,595
Fees Received From County Officials	0		710,657
State of Tennessee	186,788		6,176,993
Federal Government	0		39,430
Other Governments and Citizens Groups	40,000		185,311
Total Revenues	<u>\$ 351,987</u>	\$	<u>15,026,641</u>
<u>Expenditures</u>			
Current:			
General Government	\$ 589	\$	1,548,101
Finance	0		447,741
Administration of Justice	6,798		664,791
Public Safety	151		3,106,622
Public Health and Welfare	0		1,199,458
Social, Cultural, and Recreational Services	0		235,964
Agriculture and Natural Resources	0		113,571
Other Operations	229,493		625,032
Highways	0		3,351,814
Support Services	0		7,012
Debt Service:			
Principal on Debt	0		2,029,504
Interest on Debt	0		717,796

(Continued)

Exhibit C-3

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

	<u>Nonmajor Funds</u>		Total Governmental Funds
	Other Govern- mental Funds		
<hr/>			
<u>Expenditures (Cont.)</u>			
Debt Service (Cont.)			
Other Debt Service	\$	0	\$ 55,025
Capital Projects		782,404	870,557
Total Expenditures	<u>\$</u>	<u>1,019,435</u>	<u>\$ 14,972,988</u>
 Excess (Deficiency) of Revenues Over Expenditures	 <u>\$</u>	 <u>(667,448)</u>	 <u>\$ 53,653</u>
 <u>Other Financing Sources (Uses)</u>			
Other Loans Issued	\$	781,717	\$ 781,717
Insurance Recovery		0	102,483
Transfers In		0	103,212
Transfers Out		0	(103,212)
Total Other Financing Sources (Uses)	<u>\$</u>	<u>781,717</u>	<u>\$ 884,200</u>
 Net Change in Fund Balances	 <u>\$</u>	 <u>114,269</u>	 <u>\$ 937,853</u>
Fund Balance, July 1, 2017		<u>751,857</u>	<u>6,985,202</u>
 Fund Balance, June 30, 2018	 <u>\$</u>	 <u>866,126</u>	 <u>\$ 7,923,055</u>

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

Exhibit C-4

Wayne 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)		\$ 937,853
(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	\$ 1,484,140	
Less: current-year depreciation expense	<u>(1,145,090)</u>	339,050
(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		(81,911)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2017	\$ (486,595)	
Add: deferred delinquent property taxes and other deferred June 30, 2018	<u>643,639</u>	157,044
(4) The issuance of long-term debt (e.g., bonds, notes, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Less: other loans proceeds	\$ (781,717)	
Add: other loans proceeds contributed to the School Department	781,717	
Add: change in premium on debt issuances	64,033	
Add: principal payments on bonds	1,825,000	
Add: principal payments on notes	<u>204,504</u>	2,093,537
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 7,822	
Change in compensated absences payable	(2,694)	
Change in net pension asset	365,414	
Change in deferred outflows of resources related to pensions	(173,574)	
Change in deferred inflows of resources related to pensions	<u>256,379</u>	453,347
Change in net position of governmental activities (Exhibit B)		<u>\$ 3,898,920</u>

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

Exhibit C-5

Wayne 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)	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	
Revenues							
Local Taxes	\$ 3,216,035	\$ 0	\$ 0	\$ 3,216,035	\$ 3,238,166	\$ 3,371,345	\$ (155,310)
Licenses and Permits	6,155	0	0	6,155	4,235	4,235	1,920
Fines, Forfeitures, and Penalties	143,458	0	0	143,458	149,370	149,370	(5,912)
Charges for Current Services	79,675	0	0	79,675	34,330	68,330	11,345
Other Local Revenues	260,043	0	0	260,043	102,300	227,675	32,368
Fees Received From County Officials	710,657	0	0	710,657	641,675	654,175	56,482
State of Tennessee	2,587,034	0	0	2,587,034	2,223,364	2,629,308	(42,274)
Federal Government	39,430	0	0	39,430	25,000	25,000	14,430
Other Governments and Citizens Groups	4,511	0	0	4,511	0	0	4,511
Total Revenues	\$ 7,046,998	\$ 0	\$ 0	\$ 7,046,998	\$ 6,418,440	\$ 7,129,438	\$ (82,440)
Expenditures							
General Government							
County Commission	\$ 61,571	\$ (1,000)	\$ 1,536	\$ 62,107	\$ 94,729	\$ 89,198	\$ 27,091
County Mayor/Executive	194,162	0	1,450	195,612	186,605	195,630	18
Election Commission	110,954	0	307	111,261	125,642	125,642	14,381
Register of Deeds	122,843	(228)	312	122,927	132,910	132,910	9,983
County Buildings	992,649	(21,797)	893	971,745	362,234	757,203	(214,542)
Other General Administration	40,113	(208)	126	40,031	72,629	72,629	32,598
Finance							
Property Assessor's Office	140,820	0	175	140,995	152,929	152,928	11,933
Reappraisal Program	11,844	0	0	11,844	15,598	15,598	3,754
County Trustee's Office	151,668	0	207	151,875	158,956	158,956	7,081
County Clerk's Office	143,409	(40)	150	143,519	155,600	155,599	12,080
Administration of Justice							
Circuit Court	148,589	(100)	350	148,839	194,752	194,752	45,913
General Sessions Court	232,686	(40)	326	232,972	224,707	232,582	(390)
Drug Court	6,369	0	0	6,369	8,200	8,200	1,831
Chancery Court	124,077	(40)	329	124,366	131,242	131,242	6,876
Juvenile Court	61,209	0	0	61,209	69,022	69,167	7,958

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	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>Administration of Justice (Cont.)</u>							
Judicial Commissioners	\$ 58,757	\$ 0	\$ 0	\$ 58,757	\$ 64,320	\$ 61,826	\$ 3,069
Courtroom Security	26,306	0	0	26,306	27,155	50,410	24,104
<u>Public Safety</u>							
Sheriff's Department	1,232,551	(5,373)	47,222	1,274,400	1,186,312	1,337,026	62,626
Jail	1,713,413	(34,221)	81,087	1,760,279	1,476,032	1,584,667	(175,612)
Rural Fire Protection	84,914	(2,899)	582	82,597	89,225	89,225	6,628
Civil Defense	6,138	0	3,500	9,638	10,000	10,000	362
Other Emergency Management	38,568	(344)	3,281	41,505	58,116	58,115	16,610
County Coroner/Medical Examiner	26,425	0	0	26,425	30,166	30,166	3,741
Public Safety Grants Program	3,348	0	0	3,348	0	3,348	0
Other Public Safety	1,114	0	100	1,214	1,500	1,500	286
<u>Public Health and Welfare</u>							
Local Health Center	51,653	(160)	21,075	72,568	59,892	77,920	5,352
Nursing Home	0	0	0	0	316,968	28,021	28,021
Alcohol and Drug Programs	2,500	0	0	2,500	2,500	2,500	0
Other Local Health Services	103,325	0	0	103,325	109,300	116,622	13,297
Regional Mental Health Center	9,000	0	0	9,000	9,000	9,000	0
Other Local Welfare Services	4,000	0	0	4,000	11,000	11,000	7,000
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	36,000	0	0	36,000	36,000	36,000	0
Libraries	182,756	(4,335)	596	179,017	165,179	180,093	1,076
Other Social, Cultural, and Recreational	17,208	0	125	17,333	18,750	18,750	1,417
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	70,496	0	125	70,621	61,337	62,871	(7,750)
Forest Service	2,000	0	0	2,000	2,000	2,000	0
Soil Conservation	41,075	0	75	41,150	45,824	46,517	5,367
<u>Other Operations</u>							
Other Economic and Community Development	33,458	0	1,110	34,568	48,855	48,855	14,287
Veterans' Services	16,092	(2,200)	30	13,922	16,605	18,605	4,683

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	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>Other Operations (Cont.)</u>							
Other Charges	\$ 218,704	\$ 0	\$ 0	\$ 218,704	\$ 400,000	\$ 400,000	\$ 181,296
Contributions to Other Agencies	1,635	0	0	1,635	1,635	1,635	0
Employee Benefits	49,271	0	0	49,271	111,500	111,941	62,670
Miscellaneous	76,379	0	0	76,379	81,293	81,293	4,914
<u>Highways</u>							
Litter and Trash Collection	43,671	(68)	3,100	46,703	49,204	50,204	3,501
<u>Support Services</u>							
Other Programs	7,012	0	0	7,012	9,753	9,753	2,741
Total Expenditures	<u>\$ 6,700,732</u>	<u>\$ (73,053)</u>	<u>\$ 168,169</u>	<u>\$ 6,795,848</u>	<u>\$ 6,585,176</u>	<u>\$ 7,032,099</u>	<u>\$ 236,251</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 346,266	\$ 73,053	\$ (168,169)	\$ 251,150	\$ (166,736)	\$ 97,339	\$ 153,811
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 41,144	\$ 0	\$ 0	\$ 41,144	\$ 0	\$ 4,278	\$ 36,866
Transfers In	0	0	0	0	407,000	118,493	(118,493)
Total Other Financing Sources	<u>\$ 41,144</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 41,144</u>	<u>\$ 407,000</u>	<u>\$ 122,771</u>	<u>\$ (81,627)</u>
Net Change in Fund Balance	\$ 387,410	\$ 73,053	\$ (168,169)	\$ 292,294	\$ 240,264	\$ 220,110	\$ 72,184
Fund Balance, July 1, 2017	1,923,113	(73,053)	0	1,850,060	1,538,416	1,538,416	311,644
Fund Balance, June 30, 2018	<u>\$ 2,310,523</u>	<u>\$ 0</u>	<u>\$ (168,169)</u>	<u>\$ 2,142,354</u>	<u>\$ 1,778,680</u>	<u>\$ 1,758,526</u>	<u>\$ 383,828</u>

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

Exhibit C-6

Wayne County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation 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	\$ 860,475	\$ 0	\$ 0	\$ 860,475	\$ 886,004	\$ 886,004	\$ (25,529)
Other Local Revenues	48,053	0	0	48,053	30,000	31,040	17,013
State of Tennessee	53,276	0	0	53,276	0	0	53,276
Total Revenues	\$ 961,804	\$ 0	\$ 0	\$ 961,804	\$ 916,004	\$ 917,044	\$ 44,760
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Other Waste Collection	\$ 15,573	\$ 0	\$ 0	\$ 15,573	\$ 0	\$ 15,573	\$ 0
Other Waste Disposal	1,013,407	(106,498)	13,465	920,374	961,884	966,784	46,410
Total Expenditures	\$ 1,028,980	\$ (106,498)	\$ 13,465	\$ 935,947	\$ 961,884	\$ 982,357	\$ 46,410
Excess (Deficiency) of Revenues Over Expenditures	\$ (67,176)	\$ 106,498	\$ (13,465)	\$ 25,857	\$ (45,880)	\$ (65,313)	\$ 91,170
Net Change in Fund Balance	\$ (67,176)	\$ 106,498	\$ (13,465)	\$ 25,857	\$ (45,880)	\$ (65,313)	\$ 91,170
Fund Balance, July 1, 2017	548,106	(106,498)	0	441,608	300,583	300,583	141,025
Fund Balance, June 30, 2018	\$ 480,930	\$ 0	\$ (13,465)	\$ 467,465	\$ 254,703	\$ 235,270	\$ 232,195

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

Exhibit C-7

Wayne County, Tennessee
 Statement of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Highway/Public Works Fund
 For the Year Ended June 30, 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	\$ 283,454	\$ 0	\$ 283,454	\$ 250,000	\$ 250,000	\$ 33,454
Other Local Revenues	85,509	0	85,509	6,000	6,000	79,509
State of Tennessee	3,349,895	0	3,349,895	3,444,326	3,444,326	(94,431)
Federal Government	0	0	0	707,196	707,196	(707,196)
Other Governments and Citizens Groups	40,800	0	40,800	40,225	40,225	575
Total Revenues	<u>\$ 3,759,658</u>	<u>\$ 0</u>	<u>\$ 3,759,658</u>	<u>\$ 4,447,747</u>	<u>\$ 4,447,747</u>	<u>\$ (688,089)</u>
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 204,397	\$ 661	\$ 205,058	\$ 228,910	\$ 229,954	\$ 24,896
Highway and Bridge Maintenance	1,860,323	20,400	1,880,723	2,037,660	2,313,890	433,167
Operation and Maintenance of Equipment	654,685	40,062	694,747	857,771	867,866	173,119
Other Charges	219,759	1,100	220,859	131,600	245,157	24,298
Employee Benefits	7,336	0	7,336	46,800	7,336	0
Capital Outlay	361,643	0	361,643	1,394,258	930,128	568,485
Total Expenditures	<u>\$ 3,308,143</u>	<u>\$ 62,223</u>	<u>\$ 3,370,366</u>	<u>\$ 4,696,999</u>	<u>\$ 4,594,331</u>	<u>\$ 1,223,965</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 451,515</u>	<u>\$ (62,223)</u>	<u>\$ 389,292</u>	<u>\$ (249,252)</u>	<u>\$ (146,584)</u>	<u>\$ 535,876</u>
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 61,339	\$ 0	\$ 61,339	\$ 0	\$ 0	\$ 61,339
Transfers Out	(103,212)	0	(103,212)	0	(103,212)	0
Total Other Financing Sources	<u>\$ (41,873)</u>	<u>\$ 0</u>	<u>\$ (41,873)</u>	<u>\$ 0</u>	<u>\$ (103,212)</u>	<u>\$ 61,339</u>

(Continued)

Exhibit C-7

Wayne County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works 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	
Net Change in Fund Balance	\$ 409,642	\$ (62,223)	\$ 347,419	\$ (249,252)	\$ (249,796)	\$ 597,215
Fund Balance, July 1, 2017	609,040	0	609,040	418,385	418,385	190,655
Fund Balance, June 30, 2018	\$ 1,018,682	\$ (62,223)	\$ 956,459	\$ 169,133	\$ 168,589	\$ 787,870

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

Exhibit D-1

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

	Business-type Activities
	Major Enterprise Fund
	Public Utility Fund
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Cash and Investments	\$ 430,170
Accounts Receivable	11,407
Total Current Assets	<u>\$ 441,577</u>
Noncurrent Assets:	
Capital Assets:	
Assets Net of Accumulated Depreciation:	
Infrastructure	\$ 5,252,980
Total Noncurrent Assets	<u>\$ 5,252,980</u>
Total Assets	<u>\$ 5,694,557</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Customer Deposits	\$ 10,250
Total Current Liabilities	<u>\$ 10,250</u>
Noncurrent Liabilities:	
Due Within One Year	\$ 26,060
Due In More Than One Year	1,387,801
Total Noncurrent Liabilities	<u>\$ 1,413,861</u>
Total Liabilities	<u>\$ 1,424,111</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	\$ 3,839,119
Unrestricted	<u>431,327</u>
Total Net Position	<u>\$ 4,270,446</u>

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

Exhibit D-2

Wayne County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2018

	Business-type Activities
	Major Enterprise Fund
	Public Utility Fund
<u>Operating Revenues</u>	
Charges for Current Services	\$ 143,487
Total Operating Revenues	<u>\$ 143,487</u>
<u>Operating Expenses</u>	
Other Economic and Community Development	\$ 181,151
Depreciation	229,171
Total Operating Expenses	<u>\$ 410,322</u>
Operating Income (Loss)	<u>\$ (266,835)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Local Taxes	\$ 23,398
Contribution and Gifts	8,615
State Revenue Sharing - TVA	75,000
Interest Expense	(43,653)
Total Nonoperating Revenues (Expenses)	<u>\$ 63,360</u>
Income (Loss) Before Capital Contributions	\$ (203,475)
Capital Contributions	<u>5,100</u>
Change in Net Position	\$ (198,375)
Net Position, July 1, 2017	<u>4,468,821</u>
Net Position, June 30, 2018	<u><u>\$ 4,270,446</u></u>

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

Exhibit D-3

Wayne County, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2018

	Business-type Activities
	Major Enterprise Fund
	Public Utility Fund
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 141,448
Payments to Vendors	(175,071)
Payments to Employees	(4,186)
Payments for Fringe Benefits	(511)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (38,320)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Acquisition and Construction of Capital Assets	\$ (122,971)
Capital Contributions	5,100
Principal Paid on Bonds	(25,275)
Interest Paid on Bonds	(43,653)
Proceeds from Capital Grants	209,720
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ 22,921</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Contributions and Gifts	\$ 8,615
State Sharing Revenue - TVA	75,000
Hotel/Motel Tax	23,398
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 107,013</u>
Increase (Decrease) In Cash	\$ 91,614
Cash, July 1, 2017	<u>338,556</u>
Cash, June 30, 2018	<u><u>\$ 430,170</u></u>

(Continued)

Exhibit D-3

Wayne County, Tennessee
Statement of Cash Flows
Proprietary Funds (Cont.)

	Business-type Activities
	Major Enterprise Fund
	Public Utility Fund
<u>Reconciliation of Net Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (266,835)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	229,171
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(2,039)
Increase (Decrease) in Due to State of Tennessee	(17)
Increase (Decrease) in Customer Deposits	1,400
Net Cash Provided By (Used In) Operating Activities	<u>\$ (38,320)</u>

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

Exhibit E

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 288,527
Accounts Receivable	96
Due from Other Governments	<u>93,669</u>
Total Assets	<u>\$ 382,292</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 93,669
Due to Litigants, Heirs, and Others	<u>288,623</u>
Total Liabilities	<u>\$ 382,292</u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Wayne 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 Wayne County:

A. Reporting Entity

Wayne County is a public municipal corporation governed by an elected 14-member board. As required by GAAP, these financial statements present Wayne County (the primary government) and its component units. Although required by GAAP, the financial statements of the Wayne County Assisted Living Facility and the Wayne County Emergency Communications District, component units requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of their 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 Wayne County School Department operates the public school system in the county, and the voters of Wayne 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 Wayne County General Hospital Board of Trustees operates the Wayne County Assisted Living Facility. The board provides health care to the citizens of Wayne County, and the Wayne County Commission appoints the board. Patient charges provide the majority of revenues for the board. Before the issuance of debt instruments, the board must obtain the County Commission's approval. The financial statements of the Wayne County Assisted Living Facility were not material to the component units' opinion unit and therefore have been omitted from this report.

The Wayne County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number

for the residents of Wayne County, and the Wayne 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 Wayne County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Wayne 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 Wayne County Assisted Living Facility and the Wayne County Emergency Communications District can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Wayne County Assisted Living Facility
210 Fairlane Drive
Waynesboro, TN 38485

Wayne County Emergency Communications District
911 Andrew Jackson Drive
P.O. Box 911
Waynesboro, TN 38485

Related Organization – The Wayne County Industrial Development Board is a related organization of Wayne County. The county commission appoints its board members, but the county's accountability for the organization does not extend beyond making the appointments.

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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Wayne 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.

Wayne County issues all debt for the discretely presented Wayne County School Department. Net debt issues totaling \$781,717 were contributed by the county to the School Department during the year ended June 30, 2018.

Separate financial statements are provided for governmental funds, proprietary funds (enterprise), and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and the major enterprise fund 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 Wayne 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. Wayne County only reports one proprietary fund, an enterprise fund. It has no internal service funds to report.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and the major enterprise fund 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 fiduciary funds in total are reported in a single column.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Wayne 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 funds and fiduciary fund 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.

Wayne County reports the following major governmental funds:

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

Solid Waste/Sanitation Fund – This special revenue fund accounts for transactions related to the solid waste transfer station. Local taxes are the foundational revenues of this fund.

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

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

General Capital Projects Fund – This fund accounts for various capital projects and capital outlay of the general government.

Wayne County reports the following major propriety fund:

Public Utility Fund – This fund accounts for water distribution services to areas of the county not served by existing municipal systems.

Additionally, Wayne County reports the following fund type:

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in Wayne County. 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 Wayne County School Department reports the following major governmental fund:

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

Additionally, the Wayne County School Department reports the following fund types:

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

Capital Projects Fund – The Education Capital Projects Fund accounts for the receipt of debt issued by Wayne County and contributed to the School Department for building construction and renovations.

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 enterprise fund used to account for the operations of the Wayne County Rural Water Board. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations.

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 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 Wayne County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Fund. Wayne 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. No investments required to be reported at fair value were held at the balance sheet date.

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 property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to two percent of total taxes levied.

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

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

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

Most payables are disaggregated on the face of the financial statements.

3. 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 and business-type columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$10,000 or more and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

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

4. 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 proportionate share of net pension liability, pension changes in investment earnings, pension changes in employer contributions made to the pension plan after the measurement date, and OPEB changes in benefits paid 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) 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 revenues are from the following sources: current and delinquent property taxes, OPEB changes in assumptions, pension changes in investment earnings, pension changes in experience, pension changes in the proportionate share of net pension liability, 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.

5. Compensated Absences

Primary Government

It is the county's policy to permit employees to accumulate earned but unused vacation, sick leave, and compensatory time benefits. There is no liability for unpaid accumulated vacation and sick leave since Wayne County does not have a policy to pay any amounts when employees separate from service with the government. Payments are made for accumulated balances for compensatory time in excess of 240 hours. A liability for compensated absences is reported in governmental funds only if amounts have matured.

Discretely Presented Wayne County School Department

The School Department does not have a policy to permit employees to accumulate earned but unused vacation leave. General policy of the School Department for all professional personnel (teachers) permits the unlimited accumulation (maximum of 20 days for support personnel) of unused sick leave days. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

6. Long-term Obligations

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

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

the actual debt proceeds received, are reported as debt service expenditures.

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

7. 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, Wayne County had \$10,675,992 in outstanding debt for capital purposes for the discretely presented Wayne County School Department. This debt is a liability of Wayne County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Wayne 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.

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

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

8. **Restatement**

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, Wayne County has adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. A restatement reducing the beginning net position of the Governmental Activities of the discretely presented Wayne County School Department by \$57,712 has 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 Wayne County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Wayne 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 Wayne 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 Benefits (OPEB) Plan

Discretely Presented Wayne 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 Wayne 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 Wayne 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 Wayne 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 (except for the budgeted General Capital Projects Fund), 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, County Mayor/Executive, Election Commission, Register of Deeds, 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, Wayne County and the Wayne County School Department reported the following significant encumbrances:

Opinion Unit	Amount
Primary Government:	
General	\$ 168,169
Solid Waste/Sanitation	13,465
Highway/Public Works	62,223
General Capital Projects	636,358
School Department:	
General Purpose School	708,384
Nonmajor Governmental	57,896

B. Cash Shortage – Prior Year

On October 3, 2016, a special investigation of the Office of Sheriff was released, which revealed a cash shortage of \$7,723. The results of that investigation are published under a separate cover and are available at <http://comptroller.tn.gov>. On November 28, 2016, the office received insurance recovery of \$6,623, and the remaining \$1,100 was received through court ordered restitution during the fiscal year ending June 30, 2018.

C. Expenditures Exceeded Appropriations

Expenditures exceeded total appropriations in the Other Special Revenue Fund by \$26,912. Expenditures exceeded appropriations approved by the county commission in the following major appropriation categories (the legal

level of control) of the General Fund and General Debt Service Fund as reflected in the following table:

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
General:	
County Buildings	\$ 214,542
General Sessions Court	390
Jail	175,612
Agricultural Extension Service	7,750
General Debt Service:	
General Government	1,093

Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by greater than anticipated revenues in the Other Special Revenue and General Debt Service funds and by available fund balance in the General Fund.

D. Indictment

The Commissioner of Highways was indicted and pled guilty to charges of official misconduct and permitting jail inmates to work for the benefit or gain of a private citizen. Details of this indictment are discussed in the Schedule of Findings and Questioned Costs section of this report.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Wayne County and the Wayne 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, Wayne County had the following investments carried at amortized cost using a Stable Net Asset Value. All investments are in the county trustee’s investment pool. Separate disclosures concerning pooled investments cannot be made for Wayne County and the discretely presented Wayne County School Department since both pool their deposits and investments through the county trustee.

<u>Investment</u>	<u>Weighted Average Maturity (days)</u>	<u>Amortized Cost</u>
State Treasurer's Investment Pool	2 to 113	\$ 241,638

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. Wayne 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. Wayne County has no investment policy that would further limit its investment choices. As of June 30, 2018, Wayne County's investment in the State Treasurer's Investment Pool was unrated.

B. 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	\$ 864,832	\$ 528	\$ 0	\$ 865,360
Total Capital Assets Not Depreciated	\$ 864,832	\$ 528	\$ 0	\$ 865,360
Capital Assets Depreciated:				
Buildings and Improvements	\$ 15,398,070	\$ 19,500	\$ 0	\$ 15,417,570
Infrastructure	15,756,074	1,217,433	0	16,973,507
Other Capital Assets	5,394,029	246,679	(217,553)	5,423,155
Total Capital Assets Depreciated	\$ 36,548,173	\$ 1,483,612	\$ (217,553)	\$ 37,814,232
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 5,641,797	\$ 365,380	\$ 0	\$ 6,007,177
Infrastructure	2,811,327	452,658	0	3,263,985
Other Capital Assets	3,064,881	327,052	(135,642)	3,256,291
Total Accumulated Depreciation	\$ 11,518,005	\$ 1,145,090	\$ (135,642)	\$ 12,527,453
Total Capital Assets Depreciated, Net	\$ 25,030,168	\$ 338,522	\$ (81,911)	\$ 25,286,779
Governmental Activities Capital Assets, Net	\$ 25,895,000	\$ 339,050	\$ (81,911)	\$ 26,152,139

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

Governmental Activities:

General Government	\$ 16,197
Finance	580
Administration of Justice	85,852
Public Safety	314,168
Public Health and Welfare	81,857
Social, Cultural, and Recreational Services	3,349
Agriculture and Natural Resources	298
Highway/Public Works	<u>642,789</u>
 Total Depreciation Expense - Governmental Activities	 <u>\$ 1,145,090</u>

Business-type Activities:

	Balance 7-1-17	Increases	Decreases	Balance 6-30-18
Capital Assets Not Depreciated:				
Construction in Progress	\$ 733,871	\$ 0	\$ (733,871)	\$ 0
Total Capital Assets Not Depreciated	<u>\$ 733,871</u>	<u>\$ 0</u>	<u>\$ (733,871)</u>	<u>\$ 0</u>
Capital Assets Depreciated:				
Infrastructure	\$ 5,668,097	\$ 733,871	\$ 0	\$ 6,401,968
Total Capital Assets Depreciated	<u>\$ 5,668,097</u>	<u>\$ 733,871</u>	<u>\$ 0</u>	<u>\$ 6,401,968</u>
Less Accumulated Depreciation for:				
Buildings and Infrastructure	\$ 919,817	\$ 229,171	\$ 0	\$ 1,148,988
Total Accumulated Depreciation	<u>\$ 919,817</u>	<u>\$ 229,171</u>	<u>\$ 0</u>	<u>\$ 1,148,988</u>
Total Capital Assets Depreciated, Net	<u>\$ 4,748,280</u>	<u>\$ 504,700</u>	<u>\$ 0</u>	<u>\$ 5,252,980</u>
Governmental Activities Capital Assets, Net	<u>\$ 5,482,151</u>	<u>\$ 504,700</u>	<u>\$ (733,871)</u>	<u>\$ 5,252,980</u>

Depreciation expense totaled \$229,171 during the year ended June 30, 2018.

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

	Balance 7-1-17	Increases	Decreases	Balance 6-30-18
Capital Assets Not Depreciated:				
Land	\$ 513,517	\$ 0	\$ 0	\$ 513,517
Total Capital Assets Not Depreciated	<u>\$ 513,517</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 513,517</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 27,385,162	\$ 0	\$ 0	\$ 27,385,162
Other Capital Assets	3,987,158	231,926	(162,944)	4,056,140
Total Capital Assets Depreciated	<u>\$ 31,372,320</u>	<u>\$ 231,926</u>	<u>\$ (162,944)</u>	<u>\$ 31,441,302</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 16,578,049	\$ 651,182	\$ 0	\$ 17,229,231
Other Capital Assets	2,723,890	169,222	(157,361)	2,735,751
Total Accumulated Depreciation	<u>\$ 19,301,939</u>	<u>\$ 820,404</u>	<u>\$ (157,361)</u>	<u>\$ 19,964,982</u>
Total Capital Assets Depreciated, Net	<u>\$ 12,070,381</u>	<u>\$ (588,478)</u>	<u>\$ (5,583)</u>	<u>\$ 11,476,320</u>
Governmental Activities Capital Assets, Net	<u>\$ 12,583,898</u>	<u>\$ (588,478)</u>	<u>\$ (5,583)</u>	<u>\$ 11,989,837</u>

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

Governmental Activities:

Instruction	\$ 6,958
Support Services	780,107
Operation of Non-instructional Services	<u>33,339</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 820,404</u>

C. **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>
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	\$ 82,759

These balances resulted from the time lag between the dates that reimbursable expenditures occurred and payments between funds were made.

Due to/from Primary Government and Component Units:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government: Governmental Activities	Component Units: School Department	\$ 781,717
General	Wayne County Assisted Living Facility	<u>362,994</u>
Total		<u>\$ 1,144,711</u>

The Due to Primary Government from the School Department is the balance of another loan issued by the county for the School Department. The School Department has agreed to contribute the funds necessary to retire the debt. This debt is reflected in the government-wide financial statements.

The Due to Primary Government from the Wayne County Assisted Living Facility is the balance of a repayment agreement wherein Wayne County has provided funds for operating purposes and the Assisted Living has agreed to reimburse the county.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2018, consisted of the following amount:

Primary Government

Transfer Out	Transfer In General Debt Service Fund
Highway/Public Works Fund	\$ 103,212

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

D. Long-term Obligations

Primary Government

General Obligation Bonds, Notes, and Other Loans

Wayne County issues general obligation bonds and other loans 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. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds outstanding were issued for original terms of up to 25 years for bonds, up to three years for notes, and up to six years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, notes, and other loans included in long-term debt as of June 30, 2018, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2018, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Amount of Issue	Balance 6-30-18
General Obligation Bonds	2.5 to 4.13 %	12-1-34	\$ 10,500,000	\$ 8,550,000
General Obligation Bonds - Refunding	2.5 to 3.72	12-1-30	16,900,000	12,740,000
Capital Outlay Notes	2.17 to 2.20	3-1-20	614,380	361,332
Other Loans	0.75	2-1-24	781,717	781,717

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2019	\$ 1,880,000	\$ 647,337	\$ 2,527,337
2020	1,945,000	584,863	2,529,863
2021	2,020,000	520,013	2,540,013
2022	2,095,000	452,607	2,547,607
2023	2,170,000	382,338	2,552,338
2024-2028	6,305,000	1,175,673	7,480,673
2029-2033	4,080,000	444,493	4,524,493
2034-2035	795,000	35,109	830,109
Total	<u>\$ 21,290,000</u>	<u>\$ 4,242,433</u>	<u>\$ 25,532,433</u>

Year Ending June 30	Notes		
	Principal	Interest	Total
2019	\$ 205,877	\$ 6,892	\$ 212,769
2020	155,455	2,609	158,064
Total	<u>\$ 361,332</u>	<u>\$ 9,501</u>	<u>\$ 370,833</u>

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2019	\$ 115,410	\$ 5,710	\$ 121,120
2020	140,832	4,512	145,344
2021	141,888	3,456	145,344
2022	142,956	2,388	145,344
2023	144,036	1,308	145,344
2024	96,595	234	96,829
Total	<u>\$ 781,717</u>	<u>\$ 17,608</u>	<u>\$ 799,325</u>

There is \$1,794,849 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,251, based on the 2010 federal census. Total debt per capita, including bonds, notes, other loans, and unamortized debt premiums, totaled \$1,341, based on the 2010 federal census. The School Department is currently contributing funds to service some of the debt issued on its behalf by the primary government as noted in the table

below. This debt is reflected in the government-wide financial statements as Due to Primary Government in the financial statements of the School Department and as Due from Component Units in the financial statements of the primary government.

<u>Description of Indebtedness</u>	<u>Outstanding 6-30-18</u>
<u>Other Loans Payable</u>	
<u>Contributions from the General Purpose School Fund</u>	
Energy Efficient Projects	\$ 781,717

Changes in Long-term Obligations

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

	<u>Bonds</u>	<u>Notes</u>
Balance, July 1, 2017	\$ 23,115,000	\$ 565,836
Additions	0	0
Reductions	(1,825,000)	(204,504)
Balance, June 30, 2018	<u>\$ 21,290,000</u>	<u>\$ 361,332</u>
Balance Due Within One Year	<u>\$ 1,880,000</u>	<u>\$ 205,877</u>

	<u>Other Loans</u>	<u>Compensated Absences</u>
Balance, July 1, 2017	\$ 0	\$ 139,693
Additions	781,717	277,267
Reductions	0	(274,573)
Balance, June 30, 2018	<u>\$ 781,717</u>	<u>\$ 142,387</u>
Balance Due Within One Year	<u>\$ 115,410</u>	<u>\$ 142,387</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2018	\$ 22,575,436
Less: Due Within One Year	(2,343,674)
Add: Unamortized Premium on Debt	<u>399,662</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u><u>\$ 20,631,424</u></u>

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

Wayne County Public Utility Fund (enterprise fund)

Revenue Bonds

Revenue bonds outstanding were issued for original terms up to 38 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2018, will be retired from the Public Utility Fund.

Revenue bonds outstanding as of June 30, 2018, for business-type activities are as follows:

<u>Type</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Original Amount of Issue</u>	<u>Balance 6-30-18</u>
Water Revenue and Tax Bonds	2.75 to 4.25 %	3-12-52	\$ 1,539,000	\$ 1,413,861

The annual requirements to amortize all revenue 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	\$ 26,060	\$ 42,868	\$ 68,928
2020	26,871	42,057	68,928
2021	27,707	41,221	68,928
2022	28,572	40,356	68,928
2023	29,464	39,464	68,928
2024-2028	161,751	182,889	344,640
2029-2033	188,856	155,784	344,640
2034-2038	220,728	123,912	344,640
2039-2043	258,252	86,388	344,640
2044-2048	265,764	43,572	309,336
2049-2052	179,836	9,494	189,330
Total	<u>\$ 1,413,861</u>	<u>\$ 808,005</u>	<u>\$ 2,221,866</u>

Changes in Long-term Obligations

Long-term obligations activity for the Public Utility Fund (enterprise fund) for the year ended June 30, 2018, was as follows:

Business-type Activities:

	<u>Bonds</u>
Balance, July 1, 2017	\$ 1,439,136
Additions	0
Reductions	<u>(25,275)</u>
Balance, June 30, 2018	<u>\$ 1,413,861</u>
Balance Due Within One Year	<u>\$ 26,060</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2018	\$ 1,413,861
Less: Due Within One Year	<u>(26,060)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 1,387,801</u>

Discretely Presented Wayne County School Department

Changes in Long-term Obligations

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

Governmental Activities:

	Termination Benefits	Other Postemployment Benefits*
Balance, July 1, 2017	\$ 206,035	\$ 4,354,750
Additions	39,458	312,760
Reductions	(72,400)	(400,065)
Balance, June 30, 2018	<u>\$ 173,093</u>	<u>\$ 4,267,445</u>
Balance Due Within One Year	<u>\$ 62,582</u>	<u>\$ 0</u>

* OPEB balance at July 1, 2017, was restated. See Note I.D.8.

	Net Pension Liability - Teacher Legacy Pension Plan**
Balance, July 1, 2017	\$ 1,734,252
Additions	1,262,999
Reductions	(3,091,743)
Balance, June 30, 2018	<u>\$ (94,492)</u>
Balance Due Within One Year	<u>\$ 0</u>

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

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2018	\$ 4,440,538
Less: Due Within One Year	<u>(62,582)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 4,377,956</u>

Termination and other postemployment benefits will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds.

E. On-Behalf Payments – Discretely Presented Wayne County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Wayne County School Department. These payments are made by the state to the Local Education Group Insurance Plan. The plan is 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 for the year ended June 30, 2018, were \$94,628. 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

It is the policy of the county to purchase commercial insurance for the risks of losses to which it is exposed. These risks include general liability, property, casualty, workers' compensation, and employee health and accident. Settled claims have not exceeded this commercial coverage during this fiscal year. Pre-65 age retirees are not allowed to participate in the employee health and accident insurance program.

Discretely Presented Wayne County School Department

The discretely presented Wayne County School Department participates in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The School Department pays an annual premium to the TN-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

The discretely presented Wayne County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *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 is involved in several pending lawsuits. The county attorney estimates that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

D. Joint Ventures

The Joint Economic and Community Development Board is a joint venture between Wayne County and the cities of Clifton, Collinwood, and Waynesboro. The board comprises 11 members as follows: Wayne County executive; mayors of the cities of Waynesboro, Clifton, and Collinwood; and seven appointed members from the private sector. The purpose of the board is to expand and diversify the economy of the cities and county. The cities and county provide the majority of funding for the board based on the percentage of their population compared to the total census of the county. Wayne County made no contributions to the operations of the Joint Economic and Community Development Board during the year ended June 30, 2018.

The Twenty-second Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-second Judicial District, Lawrence, Wayne, Maury, and Wayne counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Wayne County did not contribute any funds to the DTF for the year ended June 30, 2018.

Wayne County does not have an equity interest in the above-noted joint venture. Complete financial statements for the Joint Economic and Community Development Board and the Twenty-second Judicial District DTF can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Joint Economic and Community Development Board
Wayne County Executive
P.O. Box 848
Waynesboro, TN 38485

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

E. Jointly Governed Organization

The South Central Tennessee Railroad Authority (SCTRA) was created by Wayne County in conjunction with Hickman, Lewis, and Perry counties and the cities of Centerville, Linden, Hohenwald, and Waynesboro. The SCTRA's board comprises 16 members, who are the elected county executive or city mayor and an appointed member of the county commission or city council from each of the respective counties or cities. Wayne County did not appropriate any funds for this operation during the year, and the county does not have any ongoing financial interest or responsibility for the entity. Funding sources for the SCTRA are lease payments, switching fees, interest earned, and grants.

F. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Wayne County, non-certified employees of the discretely presented Wayne County School Department, and employees of the discretely presented Wayne County Assisted Living 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 60.22 percent, the non-certified employees of the discretely presented School Department comprise 37.44 percent, and the employees of the discretely presented Wayne County Assisted Living comprise 2.34 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	196
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	472
Active Employees	291
 Total	 <hr/> <u>959</u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Wayne 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 Wayne County was \$392,320 based on a rate of 6.05 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Wayne 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)

Wayne 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 Wayne 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	Plan	Net Pension
	Pension	Fiduciary	Liability
	Liability	Net Position	(Asset)
	(a)	(b)	(a)-(b)
Balance, July 1, 2016	\$ 21,373,856	\$ 22,943,567	\$ (1,569,711)
Changes for the Year:			
Service Cost	\$ 542,888	\$ 0	\$ 542,888
Interest	1,600,813	0	1,600,813
Differences Between Expected and Actual Experience	(19,020)	0	(19,020)
Changes in Assumptions	542,965	0	542,965
Contributions-Employer	0	376,406	(376,406)
Contributions-Employees	0	337,314	(337,314)
Net Investment Income	0	2,574,287	(2,574,287)
Benefit Payments, Including Refunds of Employee Contributions	(1,145,145)	(1,145,145)	0
Administrative Expense	0	(24,250)	24,250
Other Changes	0	0	0
Net Changes	<u>\$ 1,522,501</u>	<u>\$ 2,118,612</u>	<u>\$ (596,111)</u>
Balance, June 30, 2017	<u>\$ 22,896,357</u>	<u>\$ 25,062,179</u>	<u>\$ (2,165,822)</u>

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

		Total	Plan	Net
		Pension	Fiduciary	Pension
		Liability	Net	Liability
			Position	(Asset)
Primary Government	60.22%	\$ 13,788,186	\$ 15,092,444	\$ (1,304,258)
Assisted Living	2.34%	535,775	586,455	(50,680)
School Department	37.44%	<u>8,572,396</u>	<u>9,383,280</u>	<u>(810,884)</u>
Total		<u>\$ 22,896,357</u>	<u>\$ 25,062,179</u>	<u>\$ (2,165,822)</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Wayne 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 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability	\$ 532,658	\$ (2,165,822)	\$ (4,410,369)

Pension Expense (Negative Pension Expense) 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, Wayne County recognized negative pension expense of (\$335,203).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, Wayne 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	\$ 0	\$ 691,514
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	543
Changes in Assumptions	434,372	0
Contributions Subsequent to the Measurement Date of June 30, 2017 (1)	392,320	N/A
Total	<u>\$ 826,692</u>	<u>\$ 692,057</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	\$ 503,597	\$ 416,757
Assisted Living	22,303	16,194
School Department	<u>300,792</u>	<u>259,106</u>
Total	<u>\$ 826,692</u>	<u>\$ 692,057</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	\$ (462,160)
2020	230,782
2021	43,028
2022	(69,332)
2023	0
Thereafter	0

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

Discretely Presented Wayne County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Wayne County, non-certified employees of the discretely presented Wayne County School Department, and employees of the discretely presented Wayne County Assisted Living 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 60.22 percent, the non-certified employees of the discretely presented School Department

comprise 37.44 percent, and the employees of the discretely presented Wayne County Assisted Living comprise 2.34 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Wayne 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 \$36,235, 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 (\$27,075) 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 .102623 percent. The proportion as of June 30, 2016, was .139005 percent.

Pension Expense. For the year ended June 30, 2018, the School Department recognized pension expense of \$12,670.

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
	<u>Resources</u>	<u>Resources</u>
Difference Between Expected and Actual Experience	\$ 949	\$ 2,036
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	1,457
Changes in Assumptions	2,379	0
Changes in Proportion of Net Pension Liability (Asset)	5,036	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2017 (1)	<u>36,235</u>	<u>N/A</u>
Total	<u>\$ 44,599</u>	<u>\$ 3,493</u>

The School Department's employer contributions of \$36,235, 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	<u>Amount</u>
2019	\$ 260
2020	260
2021	177
2022	(198)
2023	489
Thereafter	3,887

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 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	Current Discount Rate	1% Increase
	6.25%	7.25%	8.25%
Net Pension Liability	\$ 5,402	\$ (27,075)	\$ (50,898)

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 Wayne 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 Wayne County School Department for the year ended June 30, 2018, to the Teacher Legacy Pension Plan were \$917,025, which is 9.07 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 (\$94,492) 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 .288804 percent. The proportion measured at June 30, 2016, was .277505 percent.

Pension Expense. For the year ended June 30, 2018, the School Department recognized pension expense of \$25,276.

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
	<u> </u>	<u> </u>
Difference Between Expected and Actual Experience	\$ 56,966	\$ 1,950,814
Changes in Assumptions	800,291	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	14,344	0
Changes in Proportion of Net Pension Liability (Asset)	114,390	36,284
LEA's Contributions Subsequent to the Measurement Date of June 30, 2017	<u>917,025</u>	<u>N/A</u>
Total	<u>\$ 1,903,016</u>	<u>\$ 1,987,098</u>

The School Department's employer contributions of \$917,025 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	\$ (651,955)
2020	314,716
2021	(219,335)
2022	(444,532)
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	Current Discount Rate	1% Increase
	6.25%	7.25%	8.25%
Net Pension Liability	\$ 8,478,617	\$ (94,492)	\$ (7,180,732)

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

Wayne County and the Wayne County School Department offer their employees a deferred compensation plan established pursuant to IRC Section 457. All costs of administering and funding this program are the responsibility of plan participants. The Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 457 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 \$40,850 and teachers contributed \$16,339 to this deferred compensation pension plan.

G. Other Postemployment Benefits (OPEB)

Discretely Presented Wayne County School Department

Wayne County School Department provides OPEB benefits to its certified retirees through a state administered public entity risk pool. For reporting purposes the plan is considered a single employer defined benefit OPEB plan based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). The plan is 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 a State Administered Public Entity Risk Pool

Retirees of Wayne County School Department are provided healthcare under the Local Education Plan (LEP) until they reach Medicare eligibility. The both certified and noncertified of the School Department may then join the Tennessee Plan - Medicare (TNM) which provides supplemental medical insurance for retirees with Medicare. However, the School Department does not provide any subsidy (direct or indirect) to this plan and therefore does not recognize any OPEB liability associated with the TNM.

The School Department's total OPEB liability for the 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 the 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	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 Education (LEP) OPEB Plan (Discretely Presented School Department)

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

Benefits Provided. The Wayne 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. With at least 25 years of service with the Wayne County School Department or at age 60, retired teachers are eligible to receive a monthly direct subsidy toward the cost of their insurance premiums after age 53 with 30 years of service or after age 60 with 25 years of service. The monthly subsidy for certified teachers ranges from \$245 to \$1,114 based on years of service and the insurance plan selected by the retiree. 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 by the state 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	22
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	285
Total	<u>307</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 \$226,461 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	<u>Wayne County School Department 65.4862%</u>	<u>State of TN 34.5138%</u>	<u>Total OPEB Liability</u>
Balance July 1, 2016	\$ 4,354,750	\$ 2,295,125	\$ 6,649,875
Changes for the Year:			
Service Cost	\$ 183,158	\$ 96,532	\$ 279,690
Interest	129,602	68,305	197,907
Changes in Benefit Terms	0	0	0
Difference between Expected and Actuarial Experience	0	0	0
Changes in Assumption and Other Inputs	(201,094)	(105,985)	(307,079)
Benefit Payments	(198,971)	(104,866)	(303,837)
Net Changes	\$ (87,305)	\$ (46,014)	\$ (133,319)
Balance June 30, 2017	\$ 4,267,445	\$ 2,249,111	\$ 6,516,556

The Wayne 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 Wayne County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The School Department recognized \$154,446 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for School Department retirees.

During the year, the Wayne County School Department's proportionate share of the collective OPEB liability was 65.4862% and the State of Tennessee's share was 34.5138%.

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 \$447,491, 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	181,379
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>226,461</u>	<u>0</u>
Total	<u>\$ 226,461</u>	<u>\$ 181,379</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	\$ (19,715)
2020	(19,715)
2021	(19,715)
2022	(19,715)
2023	(19,715)
Thereafter	(82,804)

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	Current Discount Rate	1% Increase
	2.56%	3.56%	4.56%

Proportionate Share of the Collective Total OPEB Liability	\$ 4,584,049	\$ 4,267,445	\$ 3,965,829
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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	Current Rate	1% Increase
	6.5 to 2.71%	7.5 to 3.71%	8.5 to 4.71%

Proportionate Share of the Collective Total OPEB Liability	\$ 3,803,134	\$ 4,267,445	\$ 4,812,174
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H. Termination Benefits

The discretely presented Wayne County School Department offers a voluntary termination benefit for employees who retire with 30 years of experience in the Wayne County School System or have reached 60 years of age and are eligible for full retirement with the Tennessee Consolidated Retirement System. The employees must also have accumulated sick leave and not be retired from another school system. This incentive consists of a cash payment equivalent to 50 percent of the regular daily salary for each day of accumulated sick leave at the retirement date, to be paid out at \$6,000 per year. Currently, 12 school employees have accepted the board's offer. The estimated cost of the cash payment reported in the government-wide Statement of Net Position is \$173,093. The estimated cost did not include a discounted rate because the School Department felt its effects were immaterial. The effects to the School Department's actuarial accrued liability for pension benefits for current, terminated, and retired employees could not be determined.

I. Pollution Remediation

Approximately 40 years ago, Wayne County Highway Department purchased salvaged steel from a Wayne County scrap vendor for the construction of approximately 60 county bridges.

In 2009, mercury was discovered in Beech Creek, and it was determined that the source of the mercury was one of the bridges constructed from the salvaged steel. The ensuing investigation traced the source of the steel to Occidental Chemical Company in Muscle Shoals, Alabama. The steel beams were originally used as troughs in a chemical process to manufacture sodium hydroxide. The steel was coated in a layer of mercury, which was then coated in granite. When the steel was scrapped, the granite and mercury layers were not removed. When Wayne County constructed bridges from the steel, the granite and mercury layers, which were mistaken for concrete, were left on the steel and installed facing downward. Over time, the mercury has leached out of the mixture and dripped into the waterway.

Occidental Chemical Company is owned by Glen Springs Holding Company. Glen Springs has agreed to take all responsibility for the cleanup operation. All of the approximately 60 bridges that have been identified as constructed with the salvaged steel will be removed and replaced with new bridges. The steel will be transported to a landfill in Texas designed to accept this type of hazardous material. Glen Springs will bear the full cost of removal, cleanup, disposal, and replacement of the bridges. Additionally, they have agreed to bear the cost of dredging the creek beds if that process is determined to be necessary. This agreement between Glen Springs and Wayne County is documented by a Memorandum of Understanding, a copy of which is available in the Wayne County Executive's Office.

Based on the limited information available at June 30, 2018, future remediation costs could not be reasonably determined.

J. Purchasing Laws

Office of County Executive

Purchasing procedures for the Office of County Executive are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-207, *Tennessee Code Annotated (TCA)*, which provide for all purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Commissioner of Highways

Purchasing procedures for the Highway Department are governed by Chapter 66, Private Acts of 2008, and provisions of the Uniform Road Law,

Section 54-7-113, *TCA*, which provides for purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Director of Schools

Purchasing procedures for the School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires that competitive bids be solicited through newspaper advertisement on all purchases exceeding \$10,000.

K. Subsequent Events

On August 31, 2018, Ruth Butler left the Office of Register of Deeds and was succeeded by Tyler Strait, and Ric Wilson left the Office of Sheriff and was succeeded by Shane Fisher.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Wayne 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	\$ 765,019	\$ 658,463	\$ 535,471	\$ 542,888
Interest	1,599,409	1,535,111	1,571,018	1,600,813
Differences Between Actual and Expected Experience	(1,644,371)	(67,153)	(534,271)	(19,020)
Change of Assumptions	0	0	0	542,965
Benefit Payments, Including Refunds of Employee Contributions	(1,111,913)	(1,829,720)	(1,219,608)	(1,145,145)
Net Change in Total Pension Liability	\$ (391,856)	\$ 296,701	\$ 352,610	\$ 1,522,501
Total Pension Liability, Beginning	21,116,401	20,724,545	21,021,246	21,373,856
Total Pension Liability, Ending (a)	\$ 20,724,545	\$ 21,021,246	\$ 21,373,856	\$ 22,896,357
Plan Fiduciary Net Position				
Contributions - Employer	\$ 575,164	\$ 386,342	\$ 388,590	\$ 376,406
Contributions - Employee	452,687	294,312	296,016	337,314
Net Investment Income	3,325,792	701,603	600,070	2,574,287
Benefit Payments, Including Refunds of Employee Contributions	(1,111,913)	(1,829,720)	(1,219,608)	(1,145,145)
Administrative Expense	(15,136)	(14,578)	(21,298)	(24,250)
Other	0	0	12,957	0
Net Change in Plan Fiduciary Net Position	\$ 3,226,594	\$ (462,041)	\$ 56,727	\$ 2,118,612
Plan Fiduciary Net Position, Beginning	20,122,287	23,348,881	22,886,840	22,943,567
Plan Fiduciary Net Position, Ending (b)	\$ 23,348,881	\$ 22,886,840	\$ 22,943,567	\$ 25,062,179
Net Pension Liability (Asset), Ending (a - b)	\$ (2,624,336)	\$ (1,865,594)	\$ (1,569,711)	\$ (2,165,822)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	112.66%	108.87%	107.34%	109.46%
Covered Payroll	\$ 9,043,479	\$ 5,889,360	\$ 5,922,393	\$ 6,221,581
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(29.02)%	(31.68)%	(26.50)%	(34.81)%

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

Note: data presented includes primary government, non-certified employees of the discretely presented School Department, and the discretely presented Wayne County Assisted Living Facility.

Exhibit F-2

Wayne 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	\$ 575,164	\$ 386,342	\$ 388,590	\$ 376,406	\$ 392,320
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(575,164)</u>	<u>(386,342)</u>	<u>(388,590)</u>	<u>(376,406)</u>	<u>(392,320)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 9,043,479	\$ 5,889,360	\$ 5,922,393	\$ 6,221,581	\$ 6,484,628
Contributions as a Percentage of Covered Payroll	6.36%	6.56%	6.56%	6.05%	6.05%

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

Note: data presented includes primary government, non-certified employees of the discretely presented School Department, and the discretely presented Wayne County Assisted Living Facility.

Exhibit F-3

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually Required Contribution	\$ 15,124	\$ 24,465	\$ 26,942	\$ 36,235
Less Contributions in Relation to the Contractually Required Contribution	<u>(15,124)</u>	<u>(24,465)</u>	<u>(26,942)</u>	<u>(36,235)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 378,090	\$ 611,628	\$ 698,049	\$ 905,875
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	3.86%	4.00%

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

Exhibit F-4

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

	2014	2015	2016	2017	2018
Contractually Required Contribution	\$ 946,200	\$ 908,461	\$ 905,570	\$ 922,902	\$ 917,025
Less Contributions in Relation to the Contractually Required Contribution	(946,200)	(908,461)	(905,570)	(922,902)	(917,025)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 10,655,401	\$ 10,049,387	\$ 10,017,358	\$ 10,198,149	\$ 10,110,295
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.05%	9.07%

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

Exhibit F-5

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>
School Department's Proportion of the Net Pension Liability/Asset	0.178217%	0.139005%	0.102623%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (7,321)	\$ (14,471)	\$ (27,075)
Covered Payroll	\$ 378,090	\$ 611,628	\$ 698,049
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(3.88)%
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

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

	2015	2016	2017	2018
School Department's Proportion of the Net Pension Liability/Asset	0.271476%	0.268448%	0.277505%	0.288804%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (44,114)	\$ 109,965	\$ 1,734,252	\$ (94,492)
Covered Payroll	\$ 10,655,401	\$ 10,049,387	\$ 10,017,358	\$ 10,198,149
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

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

	<u>2017</u>
Total OPEB Liability	
Service Cost	\$ 279,690
Interest	197,907
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	0
Changes in Assumptions or Other Inputs	(307,079)
Benefit Payments	<u>(303,837)</u>
Net Change in Total OPEB Liability	\$ (133,319)
Total OPEB Liability, Beginning	<u>6,649,875</u>
 Total OPEB Liability, Ending	 <u>\$ 6,516,556</u>
 Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	 \$ 2,249,111
Employer Proportionate Share of the Total OPEB Liability	4,267,445
 Covered Employee Payroll	 \$ 13,690,249
Net OPEB Liability as a Percentage of Covered Employee Payroll	31.17%

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.

WAYNE 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 Adjustments	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 specified purposes other than debt service or capital projects.

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

Other Special Revenue Fund – The Other Special Revenue Fund is used to account for revenues generated by the Tennessee River Resort Act and expended for tourism.

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.

Community Development/Industrial Park Fund – The Community Development/Industrial Park Fund is used to account for revenues provided for community development and industrial park projects.

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

Education Capital Projects Fund – The Education Capital Projects Fund accounts for debt issued by Wayne County that is subsequently contributed to the discretely presented Wayne County School Department for general capital expenditures of the school department.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for various capital projects and capital outlay for the county.

Exhibit G-1

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

	<u>Special Revenue Funds</u>			<u>Capital Projects Funds</u>
	<u>Drug Control</u>	<u>Other Special Revenue</u>	<u>Total</u>	<u>Highway Capital Projects</u>
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 137,538	\$ 68,003	\$ 205,541	\$ 633,946
Property Taxes Receivable	0	0	0	0
Allowance for Uncollectible Property Taxes	0	0	0	0
Total Assets	\$ 137,538	\$ 68,003	\$ 205,541	\$ 633,946
<u>LIABILITIES</u>				
Payroll Deductions Payable	\$ 0	\$ 2,330	\$ 2,330	\$ 0
Due to State of Tennessee	0	12	12	0
Total Liabilities	\$ 0	\$ 2,342	\$ 2,342	\$ 0
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Deferred Delinquent Property Taxes	0	0	0	0
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 0	\$ 0
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Public Safety	\$ 137,538	\$ 0	\$ 137,538	\$ 0
Restricted for Social, Cultural, and Recreational Services	0	65,661	65,661	0
Restricted for Highways/Public Works	0	0	0	633,946

(Continued)

Exhibit G-1

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

FUND BALANCES (Cont.)

Restricted (Cont.):

 Restricted for Capital Outlay

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

<u>Special Revenue Funds</u>			<u>Capital Projects Funds</u>
<u>Drug Control</u>	<u>Other Special Revenue</u>	<u>Total</u>	<u>Highway Capital Projects</u>
\$ 0	\$ 0	\$ 0	0
\$ 137,538	\$ 65,661	\$ 203,199	\$ 633,946
\$ 137,538	\$ 68,003	\$ 205,541	\$ 633,946

(Continued)

Exhibit G-1

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

	<u>Capital Projects Funds (Cont.)</u>		Total
	<u>Other</u>	<u>Total</u>	<u>Nonmajor</u>
	<u>Capital</u>		<u>Governmental</u>
	<u>Projects</u>		<u>Funds</u>
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 28,891	\$ 662,837	\$ 868,378
Property Taxes Receivable	30,541	30,541	30,541
Allowance for Uncollectible Property Taxes	(942)	(942)	(942)
Total Assets	<u>\$ 58,490</u>	<u>\$ 692,436</u>	<u>\$ 897,977</u>
<u>LIABILITIES</u>			
Payroll Deductions Payable	\$ 0	\$ 0	\$ 2,330
Due to State of Tennessee	0	0	12
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,342</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 28,016	\$ 28,016	\$ 28,016
Deferred Delinquent Property Taxes	1,493	1,493	1,493
Total Deferred Inflows of Resources	<u>\$ 29,509</u>	<u>\$ 29,509</u>	<u>\$ 29,509</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Public Safety	\$ 0	\$ 0	\$ 137,538
Restricted for Social, Cultural, and Recreational Services	0	0	65,661
Restricted for Highways/Public Works	0	633,946	633,946

(Continued)

Exhibit G-1

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

FUND BALANCES (Cont.)

Restricted (Cont.):

 Restricted for Capital Outlay
Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

<u>Capital Projects Funds (Cont.)</u>			Total
<u>Other</u>			<u>Nonmajor</u>
<u>Capital</u>			<u>Governmental</u>
<u>Projects</u>	<u>Total</u>		<u>Funds</u>
\$ 28,981	\$ 28,981	\$	28,981
\$ 28,981	\$ 662,927	\$	866,126
\$ 58,490	\$ 692,436	\$	897,977

Exhibit G-2

Wayne 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	
	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Total	Highway Capital Projects	Education Capital Projects
<u>Revenues</u>						
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 68,708	\$ 0
Fines, Forfeitures, and Penalties	15,123	0	0	15,123	0	0
Charges for Current Services	0	0	6,798	6,798	0	0
Other Local Revenues	0	5,000	0	5,000	0	0
State of Tennessee	0	186,788	0	186,788	0	0
Other Governments and Citizens Groups	0	40,000	0	40,000	0	0
Total Revenues	\$ 15,123	\$ 231,788	\$ 6,798	\$ 253,709	\$ 68,708	\$ 0
<u>Expenditures</u>						
Current:						
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Administration of Justice	0	0	6,798	6,798	0	0
Public Safety	151	0	0	151	0	0
Other Operations	0	229,493	0	229,493	0	0
Capital Projects	0	0	0	0	687	781,717
Total Expenditures	\$ 151	\$ 229,493	\$ 6,798	\$ 236,442	\$ 687	\$ 781,717
Excess (Deficiency) of Revenues Over Expenditures	\$ 14,972	\$ 2,295	\$ 0	\$ 17,267	\$ 68,021	\$ (781,717)
<u>Other Financing Sources (Uses)</u>						
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 781,717
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 781,717

(Continued)

Exhibit G-2

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

	Special Revenue Funds				Capital Projects Funds	
	Drug Control	Other Special Revenue	Constitu - tional Officers - Fees	Total	Highway Capital Projects	Education Capital Projects
Net Change in Fund Balances	\$ 14,972	\$ 2,295	\$ 0	\$ 17,267	\$ 68,021	\$ 0
Fund Balance, July 1, 2017	122,566	63,366	0	185,932	565,925	0
Fund Balance, June 30, 2018	\$ 137,538	\$ 65,661	\$ 0	\$ 203,199	\$ 633,946	\$ 0

(Continued)

Exhibit G-2

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

	<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
	Other Capital Projects	Total	
<u>Revenues</u>			
Local Taxes	\$ 29,570	\$ 98,278	\$ 98,278
Fines, Forfeitures, and Penalties	0	0	15,123
Charges for Current Services	0	0	6,798
Other Local Revenues	0	0	5,000
State of Tennessee	0	0	186,788
Other Governments and Citizens Groups	0	0	40,000
Total Revenues	<u>\$ 29,570</u>	<u>\$ 98,278</u>	<u>\$ 351,987</u>
<u>Expenditures</u>			
Current:			
General Government	\$ 589	\$ 589	\$ 589
Administration of Justice	0	0	6,798
Public Safety	0	0	151
Other Operations	0	0	229,493
Capital Projects	0	782,404	782,404
Total Expenditures	<u>\$ 589</u>	<u>\$ 782,993</u>	<u>\$ 1,019,435</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 28,981</u>	<u>\$ (684,715)</u>	<u>\$ (667,448)</u>
<u>Other Financing Sources (Uses)</u>			
Other Loans Issued	\$ 0	\$ 781,717	\$ 781,717
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 781,717</u>	<u>\$ 781,717</u>
Net Change in Fund Balances	\$ 28,981	\$ 97,002	\$ 114,269
Fund Balance, July 1, 2017	0	565,925	751,857
Fund Balance, June 30, 2018	<u>\$ 28,981</u>	<u>\$ 662,927</u>	<u>\$ 866,126</u>

Exhibit G-3

Wayne 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	\$ 15,123	\$ 16,905	\$ 16,905	\$ (1,782)
Total Revenues	\$ 15,123	\$ 16,905	\$ 16,905	\$ (1,782)
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 151	\$ 62,321	\$ 62,321	\$ 62,170
Total Expenditures	\$ 151	\$ 62,321	\$ 62,321	\$ 62,170
Excess (Deficiency) of Revenues Over Expenditures	\$ 14,972	\$ (45,416)	\$ (45,416)	\$ 60,388
Net Change in Fund Balance	\$ 14,972	\$ (45,416)	\$ (45,416)	\$ 60,388
Fund Balance, July 1, 2017	122,566	75,566	75,566	47,000
Fund Balance, June 30, 2018	\$ 137,538	\$ 30,150	\$ 30,150	\$ 107,388

Exhibit G-4

Wayne County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Other Special Revenue 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>						
Other Local Revenues	\$ 5,000	\$ 0	\$ 5,000	\$ 0	\$ 5,000	\$ 0
State of Tennessee	186,788	0	186,788	105,000	139,840	46,948
Other Governments and Citizens Groups	40,000	0	40,000	40,000	57,767	(17,767)
Total Revenues	\$ 231,788	\$ 0	\$ 231,788	\$ 145,000	\$ 202,607	\$ 29,181
<u>Expenditures</u>						
<u>Other Operations</u>						
Tourism	\$ 159,587	\$ (400)	\$ 159,187	\$ 81,573	\$ 139,181	\$ (20,006)
Tourism - Resort District	69,906	0	69,906	63,000	63,000	(6,906)
Total Expenditures	\$ 229,493	\$ (400)	\$ 229,093	\$ 144,573	\$ 202,181	\$ (26,912)
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,295	\$ 400	\$ 2,695	\$ 427	\$ 426	\$ 2,269
Net Change in Fund Balance	\$ 2,295	\$ 400	\$ 2,695	\$ 427	\$ 426	\$ 2,269
Fund Balance, July 1, 2017	63,366	(400)	62,966	71,380	71,380	(8,414)
Fund Balance, June 30, 2018	\$ 65,661	\$ 0	\$ 65,661	\$ 71,807	\$ 71,806	\$ (6,145)

Exhibit G-5

Wayne County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other Capital Projects Fund
For the Year Ended June 30, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 29,570	\$ 27,843	\$ 27,843	\$ 1,727
Total Revenues	\$ 29,570	\$ 27,843	\$ 27,843	\$ 1,727
<u>Expenditures</u>				
<u>General Government</u>				
County Buildings	\$ 589	\$ 589	\$ 589	\$ 0
Total Expenditures	\$ 589	\$ 589	\$ 589	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 28,981	\$ 27,254	\$ 27,254	\$ 1,727
Net Change in Fund Balance	\$ 28,981	\$ 27,254	\$ 27,254	\$ 1,727
Fund Balance, July 1, 2017	0	0	0	0
Fund Balance, June 30, 2018	\$ 28,981	\$ 27,254	\$ 27,254	\$ 1,727

Major Governmental Funds

General Debt Service Fund

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

General Capital Projects Fund

The General Capital Projects Fund is used to account for various capital projects and capital outlay of the general government.

Exhibit H-1

Wayne 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	\$ 2,666,574	\$ 2,636,780	\$ 2,636,780	\$ 29,794
Other Local Revenues	50,000	0	0	50,000
Other Governments and Citizens Groups	100,000	203,212	100,000	0
Total Revenues	<u>\$ 2,816,574</u>	<u>\$ 2,839,992</u>	<u>\$ 2,736,780</u>	<u>\$ 79,794</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 611,600	\$ 472,250	\$ 611,600	\$ 0
Highways and Streets	262,404	343,204	262,404	0
Education	1,155,500	1,214,050	1,155,500	0
<u>Interest on Debt</u>				
General Government	317,976	331,861	317,976	0
Highways and Streets	59,880	39,792	59,880	0
Education	339,940	346,143	339,940	0
<u>Other Debt Service</u>				
General Government	45,025	43,932	43,932	(1,093)
Highways and Streets	5,000	5,000	5,000	0
Education	5,000	6,500	6,500	1,500
Total Expenditures	<u>\$ 2,802,325</u>	<u>\$ 2,802,732</u>	<u>\$ 2,802,732</u>	<u>\$ 407</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 14,249</u>	<u>\$ 37,260</u>	<u>\$ (65,952)</u>	<u>\$ 80,201</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 103,212	\$ 0	\$ 103,212	\$ 0
Total Other Financing Sources	<u>\$ 103,212</u>	<u>\$ 0</u>	<u>\$ 103,212</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 117,461	\$ 37,260	\$ 37,260	\$ 80,201
Fund Balance, July 1, 2017	<u>1,677,388</u>	<u>1,598,863</u>	<u>1,598,863</u>	<u>78,525</u>
Fund Balance, June 30, 2018	<u>\$ 1,794,849</u>	<u>\$ 1,636,123</u>	<u>\$ 1,636,123</u>	<u>\$ 158,726</u>

Exhibit H-2

Wayne County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Capital Projects 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	\$ 88,630	\$ 0	\$ 0	\$ 88,630	\$ 90,445	\$ 90,445	\$ (1,815)
Other Local Revenues	990	0	0	990	0	0	990
Total Revenues	\$ 89,620	\$ 0	\$ 0	\$ 89,620	\$ 90,445	\$ 90,445	\$ (825)
<u>Expenditures</u>							
<u>General Government</u>							
County Buildings	\$ 25,220	\$ 0	\$ 0	\$ 25,220	\$ 0	\$ 25,220	\$ 0
<u>Capital Projects</u>							
General Administration Projects	66,711	(48,974)	0	17,737	71,904	71,904	54,167
Public Safety Projects	8,810	0	134,435	143,245	15,000	143,245	0
Public Health and Welfare Projects	12,632	0	501,923	514,555	1,387,097	1,233,632	719,077
Total Expenditures	\$ 113,373	\$ (48,974)	\$ 636,358	\$ 700,757	\$ 1,474,001	\$ 1,474,001	\$ 773,244
Excess (Deficiency) of Revenues Over Expenditures	\$ (23,753)	\$ 48,974	\$ (636,358)	\$ (611,137)	\$ (1,383,556)	\$ (1,383,556)	\$ 772,419
Net Change in Fund Balance	\$ (23,753)	\$ 48,974	\$ (636,358)	\$ (611,137)	\$ (1,383,556)	\$ (1,383,556)	\$ 772,419
Fund Balance, July 1, 2017	1,475,698	(48,974)	0	1,426,724	1,545,421	1,545,421	(118,697)
Fund Balance, June 30, 2018	\$ 1,451,945	\$ 0	\$ (636,358)	\$ 815,587	\$ 161,865	\$ 161,865	\$ 653,722

Fiduciary Funds

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

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

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.

Exhibit I-1

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

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 288,527	\$ 288,527
Accounts Receivable	0	96	96
Due from Other Governments	93,669	0	93,669
Total Assets	<u>\$ 93,669</u>	<u>\$ 288,623</u>	<u>\$ 382,292</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 93,669	\$ 0	\$ 93,669
Due to Litigants, Heirs, and Others	0	288,623	288,623
Total Liabilities	<u>\$ 93,669</u>	<u>\$ 288,623</u>	<u>\$ 382,292</u>

Exhibit I-2

Wayne 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	\$ 564,849	\$ 564,849	\$ 0
Due from Other Governments	126,691	93,669	126,691	93,669
Total Assets	\$ 126,691	\$ 658,518	\$ 691,540	\$ 93,669
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 126,691	\$ 658,518	\$ 691,540	\$ 93,669
Total Liabilities	\$ 126,691	\$ 658,518	\$ 691,540	\$ 93,669
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 209,035	\$ 4,436,471	\$ 4,356,979	\$ 288,527
Accounts Receivable	36	96	36	96
Cash Shortage	1,100	0	1,100	0
Total Assets	\$ 210,171	\$ 4,436,567	\$ 4,358,115	\$ 288,623
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 210,171	\$ 4,436,567	\$ 4,358,115	\$ 288,623
Total Liabilities	\$ 210,171	\$ 4,436,567	\$ 4,358,115	\$ 288,623
<u>Total - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 209,035	\$ 4,436,471	\$ 4,356,979	\$ 288,527
Equity in Pooled Cash and Investments	0	564,849	564,849	0
Accounts Receivable	36	96	36	96
Cash Shortage	1,100	0	1,100	0
Due from Other Governments	126,691	93,669	126,691	93,669
Total Assets	\$ 336,862	\$ 5,095,085	\$ 5,049,655	\$ 382,292
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 126,691	\$ 658,518	\$ 691,540	\$ 93,669
Due to Litigants, Heirs, and Others	210,171	4,436,567	4,358,115	288,623
Total Liabilities	\$ 336,862	\$ 5,095,085	\$ 5,049,655	\$ 382,292

Wayne County School Department

This section presents fund financial statements for the Wayne County School Department, a discretely presented component unit. The School Department uses a General Fund, two Special Revenue Funds, and one Capital Projects Fund.

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

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

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

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for School Department construction, renovation projects, and other capital purchases.

Exhibit J-1

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

Functions/Programs	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:					
Instruction	\$ 11,693,185	\$ 0	\$ 2,142,413	\$ 0	\$ (9,550,772)
Support Services	7,695,608	49,602	1,035,113	75,242	(6,535,651)
Operation of Non-instructional Services	2,155,317	314,900	138,120	0	(1,702,297)
Total Governmental Activities	\$ 21,544,110	\$ 364,502	\$ 3,315,646	\$ 75,242	\$ (17,788,720)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 2,036,224
Local Option Sales Tax					735,756
Other Local Taxes					29,647
Grants and Contributions Not Restricted to Specific Programs					15,327,329
E-Rate Funding					15,419
Miscellaneous					44,965
Total General Revenues					\$ 18,189,340
Change in Net Position					\$ 400,620
Net Position, July 1, 2017					10,438,705
Restatement See Note I.D.8.					(57,712)
Net Position, June 30, 2018					\$ 10,781,613

Exhibit J-2

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

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	<u>General</u>	<u>Other</u>	<u>Total</u>
	<u>Purpose</u>	<u>Govern-</u>	<u>Governmental</u>
	<u>School</u>	<u>mental</u>	<u>Funds</u>
	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>
<u>ASSETS</u>			
Cash	\$ 0	\$ 555	\$ 555
Equity in Pooled Cash and Investments	1,742,292	592,392	2,334,684
Due from Other Governments	1,035,004	101,187	1,136,191
Due from Other Funds	82,759	0	82,759
Property Taxes Receivable	2,076,766	0	2,076,766
Allowance for Uncollectible Property Taxes	(64,062)	0	(64,062)
Total Assets	<u>\$ 4,872,759</u>	<u>\$ 694,134</u>	<u>\$ 5,566,893</u>
<u>LIABILITIES</u>			
Payroll Deductions Payable	\$ 480,649	\$ 56,740	\$ 537,389
Due to Other Funds	0	82,759	82,759
Due to State of Tennessee	2,806	1,060	3,866
Total Liabilities	<u>\$ 483,455</u>	<u>\$ 140,559</u>	<u>\$ 624,014</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 1,905,091	\$ 0	\$ 1,905,091
Deferred Delinquent Property Taxes	101,471	0	101,471
Other Deferred/Unavailable Revenue	70,219	0	70,219
Total Deferred Inflows of Resources	<u>\$ 2,076,781</u>	<u>\$ 0</u>	<u>\$ 2,076,781</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 10,020	\$ 330,714	\$ 340,734
Restricted for Capital Outlay	0	177,861	177,861
Committed:			
Committed for Education	0	45,000	45,000
Assigned:			
Assigned for Education	708,384	0	708,384
Unassigned	1,594,119	0	1,594,119
Total Fund Balances	<u>\$ 2,312,523</u>	<u>\$ 553,575</u>	<u>\$ 2,866,098</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,872,759</u>	<u>\$ 694,134</u>	<u>\$ 5,566,893</u>

Exhibit J-3

Wayne County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Wayne 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)		\$	2,866,098
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	513,517	
Add: buildings and improvements net of accumulated depreciation		10,155,931	
Add: other capital assets net of accumulated depreciation		<u>1,320,389</u>	11,989,837
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: termination benefits liability	\$	(173,093)	
Less: contributions due on primary government debt for other loans		(781,717)	
Less: other postemployment benefits liability		<u>(4,267,445)</u>	(5,222,255)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.			
Add: deferred outflows of resources related to pensions	\$	2,248,407	
Less: deferred inflows of resources related to pensions		(2,249,697)	
Add: deferred outflows of resources related to OPEB		226,461	
Less: deferred inflows of resources related to OPEB		<u>(181,379)</u>	43,792
(4) Net pension assets of the agent, teacher retirement, and teacher legacy pension plans are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$	810,884	
Add: net pension asset - teacher retirement plan		27,075	
Add: net pension asset - teacher legacy retirement plan		<u>94,492</u>	932,451
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>171,690</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>10,781,613</u></u>

Exhibit J-4

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

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General	Other	Total
	Purpose	Govern- mental	Governmental
	School	Funds	Funds
<u>Revenues</u>			
Local Taxes	\$ 2,768,465	\$ 0	\$ 2,768,465
Licenses and Permits	456	0	456
Charges for Current Services	49,652	314,900	364,552
Other Local Revenues	59,964	405	60,369
State of Tennessee	15,925,739	10,757	15,936,496
Federal Government	251,043	2,530,187	2,781,230
Other Governments and Citizens Groups	0	781,717	781,717
Total Revenues	<u>\$ 19,055,319</u>	<u>\$ 3,637,966</u>	<u>\$ 22,693,285</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 11,348,646	\$ 1,081,239	\$ 12,429,885
Support Services	6,120,906	499,253	6,620,159
Operation of Non-Instructional Services	1,019,117	1,180,994	2,200,111
Debt Service:			
Other Debt Service	100,000	0	100,000
Capital Projects	0	786,169	786,169
Total Expenditures	<u>\$ 18,588,669</u>	<u>\$ 3,547,655</u>	<u>\$ 22,136,324</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 466,650</u>	<u>\$ 90,311</u>	<u>\$ 556,961</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 47,566	\$ 0	\$ 47,566
Total Other Financing Sources (Uses)	<u>\$ 47,566</u>	<u>\$ 0</u>	<u>\$ 47,566</u>
Net Change in Fund Balances	\$ 514,216	\$ 90,311	\$ 604,527
Fund Balance, July 1, 2017	<u>1,798,307</u>	<u>463,264</u>	<u>2,261,571</u>
Fund Balance, June 30, 2018	<u>\$ 2,312,523</u>	<u>\$ 553,575</u>	<u>\$ 2,866,098</u>

Exhibit J-5

Wayne County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Discretely Presented Wayne 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)		\$	604,527
(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	\$	231,926	
Less: current-year depreciation expense		<u>(820,404)</u>	(588,478)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.			(5,583)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Less: deferred delinquent property taxes and other deferred June 30, 2017	\$	(138,528)	
Add: deferred delinquent property taxes and other deferred June 30, 2018		<u>171,690</u>	33,162
(4) The contributions of long-term debt (e.g., notes, bonds, leases) by the primary government provide current financial resources to governmental funds, while the contributions by the School Department of the principal of long-term debt consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.			
Less: note proceeds contributed from primary government			(781,717)
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in other postemployment benefits liability (net of restatement)	\$	87,305	
Change in deferred outflows of resources related to OPEB (net of restatement)		27,490	
Change in deferred inflows of resources related to OPEB		(181,379)	
Change in net pension asset - agent plan		210,470	
Change in net pension asset - teacher retirement plan		12,604	
Change in net pension asset - teacher legacy pension plan		1,828,744	
Change in deferred outflows of resources related to pensions		(1,209,907)	
Change in deferred inflows of resources related to pensions		330,440	
Change in termination benefits liability		<u>32,942</u>	<u>1,138,709</u>
Change in net position of governmental activities (Exhibit B)			<u>\$ 400,620</u>

Exhibit J-6

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

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Total</u>	<u>Projects Fund</u>	
	<u>Federal</u>	<u>Cafeteria</u>		<u>Education</u>	<u>Nonmajor</u>
	<u>Projects</u>			<u>Capital</u>	<u>Governmental</u>
				<u>Projects</u>	<u>Funds</u>
<u>ASSETS</u>					
Cash	\$ 0	\$ 555	\$ 555	\$ 0	\$ 555
Equity in Pooled Cash and Investments	107,884	306,647	414,531	177,861	592,392
Due from Other Governments	101,187	0	101,187	0	101,187
Total Assets	\$ 209,071	\$ 307,202	\$ 516,273	\$ 177,861	\$ 694,134
<u>LIABILITIES</u>					
Payroll Deductions Payable	\$ 46,587	\$ 10,153	\$ 56,740	\$ 0	\$ 56,740
Due to Other Funds	82,759	0	82,759	0	82,759
Due to State of Tennessee	453	607	1,060	0	1,060
Total Liabilities	\$ 129,799	\$ 10,760	\$ 140,559	\$ 0	\$ 140,559
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Education	\$ 34,272	\$ 296,442	\$ 330,714	\$ 0	\$ 330,714
Restricted for Capital Outlay	0	0	0	177,861	177,861
Committed:					
Committed for Education	45,000	0	45,000	0	45,000
Total Fund Balances	\$ 79,272	\$ 296,442	\$ 375,714	\$ 177,861	\$ 553,575
Total Liabilities and Fund Balances	\$ 209,071	\$ 307,202	\$ 516,273	\$ 177,861	\$ 694,134

Exhibit J-7

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

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	
<u>Revenues</u>					
Charges for Current Services	\$ 0	\$ 314,900	\$ 314,900	\$ 0	\$ 314,900
Other Local Revenues	0	405	405	0	405
State of Tennessee	0	10,757	10,757	0	10,757
Federal Government	1,621,107	909,080	2,530,187	0	2,530,187
Other Governments and Citizens Groups	0	0	0	781,717	781,717
Total Revenues	\$ 1,621,107	\$ 1,235,142	\$ 2,856,249	\$ 781,717	\$ 3,637,966
<u>Expenditures</u>					
Current:					
Instruction	\$ 1,081,239	\$ 0	\$ 1,081,239	\$ 0	\$ 1,081,239
Support Services	499,253	0	499,253	0	499,253
Operation of Non-Instructional Services	7,149	1,173,845	1,180,994	0	1,180,994
Capital Projects	0	0	0	786,169	786,169
Total Expenditures	\$ 1,587,641	\$ 1,173,845	\$ 2,761,486	\$ 786,169	\$ 3,547,655
Excess (Deficiency) of Revenues Over Expenditures	\$ 33,466	\$ 61,297	\$ 94,763	\$ (4,452)	\$ 90,311
Net Change in Fund Balances	\$ 33,466	\$ 61,297	\$ 94,763	\$ (4,452)	\$ 90,311
Fund Balance, July 1, 2017	45,806	235,145	280,951	182,313	463,264
Fund Balance, June 30, 2018	\$ 79,272	\$ 296,442	\$ 375,714	\$ 177,861	\$ 553,575

Exhibit J-8

Wayne County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Wayne County 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	
Revenues							
Local Taxes	\$ 2,768,465	\$ 0	\$ 0	\$ 2,768,465	\$ 2,716,527	\$ 2,716,527	\$ 51,938
Licenses and Permits	456	0	0	456	400	400	56
Charges for Current Services	49,652	0	0	49,652	60,000	60,000	(10,348)
Other Local Revenues	59,964	0	0	59,964	124,000	128,120	(68,156)
State of Tennessee	15,925,739	0	0	15,925,739	15,817,018	15,920,127	5,612
Federal Government	251,043	0	0	251,043	118,884	254,566	(3,523)
Total Revenues	\$ 19,055,319	\$ 0	\$ 0	\$ 19,055,319	\$ 18,836,829	\$ 19,079,740	\$ (24,421)
Expenditures							
Instruction							
Regular Instruction Program	\$ 9,323,687	\$ (19,314)	\$ 192,460	\$ 9,496,833	\$ 9,406,953	\$ 9,503,595	\$ 6,762
Alternative Instruction Program	92,664	0	0	92,664	103,672	92,702	38
Special Education Program	1,311,737	(2,895)	571	1,309,413	1,394,074	1,309,498	85
Career and Technical Education Program	620,558	(3,671)	0	616,887	480,472	618,242	1,355
Support Services							
Attendance	39,099	0	0	39,099	40,264	39,134	35
Health Services	320,843	(2,500)	85,126	403,469	400,309	403,469	0
Other Student Support	559,071	(646)	25,065	583,490	526,606	586,305	2,815
Regular Instruction Program	469,232	(128)	6,096	475,200	562,268	477,048	1,848
Special Education Program	279,271	(2,694)	0	276,577	321,070	278,770	2,193
Career and Technical Education Program	120,851	0	0	120,851	129,558	120,908	57
Technology	133,969	(1,101)	112,095	244,963	239,948	244,978	15
Other Programs	94,628	0	0	94,628	0	94,628	0
Board of Education	214,903	0	14,667	229,570	235,905	229,570	0
Director of Schools	174,335	(174)	0	174,161	174,843	174,223	62
Office of the Principal	732,614	0	0	732,614	731,230	732,660	46
Fiscal Services	64,130	(4,477)	16,774	76,427	75,490	78,935	2,508
Operation of Plant	1,444,525	(6,189)	4,054	1,442,390	1,410,066	1,445,476	3,086
Maintenance of Plant	330,351	(7,037)	19,251	342,565	313,355	347,011	4,446

(Continued)

Exhibit J-8

Wayne County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Wayne County 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	\$ 1,143,084	\$ (3,837)	\$ 221,941	\$ 1,361,188	\$ 1,009,584	\$ 1,362,060	\$ 872
<u>Operation of Non-Instructional Services</u>							
Community Services	108,713	0	0	108,713	134,033	110,602	1,889
Early Childhood Education	910,404	(5,684)	10,284	915,004	1,047,129	920,536	5,532
<u>Other Debt Service</u>							
Education	100,000	0	0	100,000	100,000	100,000	0
Total Expenditures	\$ 18,588,669	\$ (60,347)	\$ 708,384	\$ 19,236,706	\$ 18,836,829	\$ 19,270,350	\$ 33,644
Excess (Deficiency) of Revenues Over Expenditures	\$ 466,650	\$ 60,347	\$ (708,384)	\$ (181,387)	\$ 0	\$ (190,610)	\$ 9,223
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 47,566	\$ 0	\$ 0	\$ 47,566	\$ 0	\$ 64,310	\$ (16,744)
Total Other Financing Sources	\$ 47,566	\$ 0	\$ 0	\$ 47,566	\$ 0	\$ 64,310	\$ (16,744)
Net Change in Fund Balance	\$ 514,216	\$ 60,347	\$ (708,384)	\$ (133,821)	\$ 0	\$ (126,300)	\$ (7,521)
Fund Balance, July 1, 2017	1,798,307	(60,347)	0	1,737,960	1,091,042	1,091,042	646,918
Fund Balance, June 30, 2018	\$ 2,312,523	\$ 0	\$ (708,384)	\$ 1,604,139	\$ 1,091,042	\$ 964,742	\$ 639,397

Exhibit J-9

Wayne County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Wayne County School Department
School Federal Projects 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>							
Federal Government	\$ 1,621,107	\$ 0	\$ 0	\$ 1,621,107	\$ 1,563,232	\$ 1,813,610	\$ (192,503)
Total Revenues	\$ 1,621,107	\$ 0	\$ 0	\$ 1,621,107	\$ 1,563,232	\$ 1,813,610	\$ (192,503)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 678,085	\$ 0	\$ 18,330	\$ 696,415	\$ 593,245	\$ 727,753	\$ 31,338
Special Education Program	383,831	0	846	384,677	402,038	430,600	45,923
Career and Technical Education Program	19,323	(42)	3,511	22,792	22,337	26,125	3,333
<u>Support Services</u>							
Health Services	362	0	0	362	1,600	1,600	1,238
Other Student Support	67,399	0	2,000	69,399	99,680	107,131	37,732
Regular Instruction Program	208,577	0	4,600	213,177	253,855	248,361	35,184
Special Education Program	188,525	0	128	188,653	138,674	215,674	27,021
Career and Technical Education Program	1,081	0	0	1,081	1,887	1,081	0
Technology	3,069	0	1,000	4,069	6,766	6,766	2,697
Transportation	30,240	0	0	30,240	38,138	41,138	10,898
<u>Operation of Non-Instructional Services</u>							
Food Service	7,149	0	0	7,149	5,015	7,379	230
Total Expenditures	\$ 1,587,641	\$ (42)	\$ 30,415	\$ 1,618,014	\$ 1,563,235	\$ 1,813,608	\$ 195,594
Excess (Deficiency) of Revenues Over Expenditures	\$ 33,466	\$ 42	\$ (30,415)	\$ 3,093	\$ (3)	\$ 2	\$ 3,091
Net Change in Fund Balance	\$ 33,466	\$ 42	\$ (30,415)	\$ 3,093	\$ (3)	\$ 2	\$ 3,091
Fund Balance, July 1, 2017	45,806	(42)	0	45,764	45,000	45,000	764
Fund Balance, June 30, 2018	\$ 79,272	\$ 0	\$ (30,415)	\$ 48,857	\$ 44,997	\$ 45,002	\$ 3,855

Exhibit J-10

Wayne County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Wayne County 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	\$ 314,900	\$ 0	\$ 0	\$ 314,900	\$ 449,999	\$ 449,999	\$ (135,099)
Other Local Revenues	405	0	0	405	500	500	(95)
State of Tennessee	10,757	0	0	10,757	0	0	10,757
Federal Government	909,080	0	0	909,080	838,500	938,500	(29,420)
Total Revenues	\$ 1,235,142	\$ 0	\$ 0	\$ 1,235,142	\$ 1,288,999	\$ 1,388,999	\$ (153,857)
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Food Service	\$ 1,173,845	\$ (5,992)	\$ 27,481	\$ 1,195,334	\$ 1,288,999	\$ 1,388,999	\$ 193,665
Total Expenditures	\$ 1,173,845	\$ (5,992)	\$ 27,481	\$ 1,195,334	\$ 1,288,999	\$ 1,388,999	\$ 193,665
Excess (Deficiency) of Revenues Over Expenditures	\$ 61,297	\$ 5,992	\$ (27,481)	\$ 39,808	\$ 0	\$ 0	\$ 39,808
Net Change in Fund Balance	\$ 61,297	\$ 5,992	\$ (27,481)	\$ 39,808	\$ 0	\$ 0	\$ 39,808
Fund Balance, July 1, 2017	235,145	(5,992)	0	229,153	328,201	328,201	(99,048)
Fund Balance, June 30, 2018	\$ 296,442	\$ 0	\$ (27,481)	\$ 268,961	\$ 328,201	\$ 328,201	\$ (59,240)

MISCELLANEOUS SCHEDULES

Exhibit K-1

Wayne County, Tennessee
Schedule of Changes in Long-term Bonds, Notes, and Other Loans
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>GOVERNMENTAL ACTIVITIES:</u>								
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
School Refunding Bonds	\$ 9,495,000	3.72 %	6-3-03	12-1-23	\$ 6,720,000	\$ 0	\$ 850,000	\$ 5,870,000
General Obligation Bond Series 2009	6,500,000	4.13	6-3-09	12-1-34	5,220,000	0	205,000	5,015,000
General Obligation Bond Series 2015	4,000,000	2.50	11-5-15	5-1-31	3,770,000	0	235,000	3,535,000
Refunding General Obligation Bond Series 2016	7,405,000	2.50	10-20-16	12-1-30	7,405,000	0	535,000	6,870,000
Total Bonds Payable					<u>\$ 23,115,000</u>	<u>\$ 0</u>	<u>\$ 1,825,000</u>	<u>\$ 21,290,000</u>
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Capital Outlay Note, Series 2016	299,380	2.20	12-29-16	12-29-19	\$ 250,836	\$ 0	\$ 99,504	\$ 151,332
Capital Outlay Note, Series 2017	315,000	2.17	3-30-17	3-1-20	315,000	0	105,000	210,000
Total Notes Payable					<u>\$ 565,836</u>	<u>\$ 0</u>	<u>\$ 204,504</u>	<u>\$ 361,332</u>
<u>OTHER LOANS PAYABLE</u>								
<u>Contributions Due by the School Department from the General Purpose School Fund to the General Debt Service Fund</u>								
EESI - Energy Efficient School Initiative	781,717	0.75	3-8-18	2-1-24	\$ 0	\$ 781,717	\$ 0	\$ 781,717
Total Other Loans Payable					<u>\$ 0</u>	<u>\$ 781,717</u>	<u>\$ 0</u>	<u>\$ 781,717</u>
<u>BUSINESS-TYPE ACTIVITIES:</u>								
<u>BONDS PAYABLE</u>								
<u>Payable through Public Utility Fund</u>								
Water Revenue and Tax Bond Series 2008	332,000	4.25	6-25-08	6-28-46	\$ 293,540	\$ 0	\$ 5,252	\$ 288,288
Water Revenue and Tax Bond Series 2012	1,207,000	2.75	3-12-14	3-12-52	1,145,596	0	20,023	1,125,573
Total Bonds Payable					<u>\$ 1,439,136</u>	<u>\$ 0</u>	<u>\$ 25,275</u>	<u>\$ 1,413,861</u>

Exhibit K-2

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

GOVERNMENTAL ACTIVITIES

Year Ending June 30	Bonds		
	Principal	Interest	Total
2019	\$ 1,880,000	\$ 647,337	\$ 2,527,337
2020	1,945,000	584,863	2,529,863
2021	2,020,000	520,013	2,540,013
2022	2,095,000	452,607	2,547,607
2023	2,170,000	382,338	2,552,338
2024	2,230,000	309,474	2,539,474
2025	975,000	257,941	1,232,941
2026	1,005,000	230,369	1,235,369
2027	1,035,000	203,266	1,238,266
2028	1,060,000	174,623	1,234,623
2029	1,090,000	145,127	1,235,127
2030	1,115,000	114,789	1,229,789
2031	1,150,000	82,968	1,232,968
2032	355,000	58,734	413,734
2033	370,000	42,875	412,875
2034	390,000	26,250	416,250
2035	405,000	8,859	413,859
Total	\$ 21,290,000	\$ 4,242,433	\$ 25,532,433

Year Ending June 30	Notes		
	Principal	Interest	Total
2019	\$ 205,877	\$ 6,892	\$ 212,769
2020	155,455	2,609	158,064
Total	\$ 361,332	\$ 9,501	\$ 370,833

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2019	\$ 115,410	\$ 5,710	\$ 121,120
2020	140,832	4,512	145,344
2021	141,888	3,456	145,344
2022	142,956	2,388	145,344
2023	144,036	1,308	145,344
2024	96,595	234	96,829
Total	\$ 781,717	\$ 17,608	\$ 799,325

(Continued)

Exhibit K-2

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

BUSINESS-TYPE ACTIVITIES

Year Ending June 30	Bonds		
	Principal	Interest	Total
2019	\$ 26,060	\$ 42,868	\$ 68,928
2020	26,871	42,057	68,928
2021	27,707	41,221	68,928
2022	28,572	40,356	68,928
2023	29,464	39,464	68,928
2024	30,385	38,543	68,928
2025	31,336	37,592	68,928
2026	32,318	36,610	68,928
2027	33,332	35,596	68,928
2028	34,380	34,548	68,928
2029	35,462	33,466	68,928
2030	36,579	32,349	68,928
2031	37,733	31,195	68,928
2032	38,925	30,003	68,928
2033	40,157	28,771	68,928
2034	41,429	27,499	68,928
2035	42,742	26,186	68,928
2036	44,101	24,827	68,928
2037	45,503	23,425	68,928
2038	46,953	21,975	68,928
2039	48,450	20,478	68,928
2040	49,997	18,931	68,928
2041	51,597	17,331	68,928
2042	53,250	15,678	68,928
2043	54,958	13,970	68,928
2044	56,723	12,205	68,928
2045	58,548	10,380	68,928
2046	60,434	8,494	68,928
2047	44,411	6,865	51,276
2048	45,648	5,628	51,276
2049	46,919	4,357	51,276
2050	48,226	3,050	51,276
2051	49,569	1,707	51,276
2052	35,122	380	35,502
Total	\$ 1,413,861	\$ 808,005	\$ 2,221,866

Exhibit K-3

Wayne County, Tennessee
Schedule of Transfers
For the Year Ended June 30, 2018

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
Highway/Public Works	General Debt Service	To retire debt	<u>\$ 103,212</u>
Total Transfers			<u><u>\$ 103,212</u></u>

Exhibit K-4

Wayne County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Wayne County School Department
For the Year Ended June 30, 2018

Official	Authorization for Salary	Salary Paid During Period	Bond/ Insurance	Surety
County Executive	Section 8-24-102, <i>TCA</i>	\$ 79,435	\$ 100,000	Auto Owners Mutual Insurance Company
Commissioner of Highways	Section 8-24-102, <i>TCA</i>	75,654	100,000	State Automobile Mutual Insurance Company
Director of Schools	State Board of Education and County Board of Education	104,206 (1)	400,000	Tennessee Risk Management Trust
Trustee	Section 8-24-102, <i>TCA</i>	68,776	726,194	State Automobile Mutual Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	68,776	50,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	68,776	150,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i>	68,776	100,000	Auto Owners Mutual Insurance Company
Clerk and Master	Section 8-24-102, <i>TCA</i>	68,776 (2)	110,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	68,776	100,000	State Automobile Mutual Insurance Company
Sheriff	Section 8-24-102, <i>TCA</i>	75,652 (3)	100,000	Auto Owners Mutual Insurance Company
Employee Insurance Policies:				
Employee Fidelity - County Departments			150,000	One Beacon Insurance Group LLC
Employee Fidelity - School Department			400,000	Tennessee Risk Management Trust

(1) Includes a chief executive officer training supplement of \$1,700 and a Tennessee Executive Development Program supplement of \$1,000.

(2) Does not include special commissioner fees of \$6,798.

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

Exhibit K-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitutional Officers - Fees
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 2,545,939	\$ 783,363	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	92,130	27,772	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	46,188	10,971	0	0	0
Interest and Penalty	16,712	5,146	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	17,814	190	0	0	0
Payments in-Lieu-of Taxes - Other	6,880	0	0	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	112	0	0	0	0
Wheel Tax	142,132	0	0	0	0
Litigation Tax - General	42,694	0	0	0	0
Litigation Tax - Special Purpose	13,273	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	8,430	0	0	0	0
Litigation Tax - Victim-Offender Mediation Center	2,781	0	0	0	0
Litigation Tax - Courthouse Security	35,024	0	0	0	0
Business Tax	94,710	0	0	0	0
Mineral Severance Tax	0	0	0	0	0
Other County Local Option Taxes	35,267	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	44,115	0	0	0	0
Wholesale Beer Tax	58,805	33,033	0	0	0
Interstate Telecommunications Tax	13,029	0	0	0	0
Total Local Taxes	\$ 3,216,035	\$ 860,475	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit K-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitutional Officers - Fees
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 456	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	3,751	0	0	0	0
<u>Permits</u>					
Beer Permits	1,948	0	0	0	0
Total Licenses and Permits	<u>\$ 6,155</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 1,469	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	2,388	0	0	0	0
Drug Control Fines	9,355	0	11,680	0	0
Drug Court Fees	1,159	0	0	0	0
Jail Fees	1,477	0	0	0	0
DUI Treatment Fines	570	0	0	0	0
Data Entry Fee - Circuit Court	592	0	0	0	0
<u>Criminal Court</u>					
DUI Treatment Fines	238	0	0	0	0
<u>General Sessions Court</u>					
Fines	13,679	0	0	0	0
Fines for Littering	380	0	0	0	0
Officers Costs	19,700	0	0	0	0
Game and Fish Fines	648	0	0	0	0
Drug Control Fines	3,683	0	3,397	0	0
Drug Court Fees	9,320	0	0	0	0
Jail Fees	11,834	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitutional Officers - Fees
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>General Sessions Court (Cont.)</u>					
Interpreter Fee	\$ 37,470	\$ 0	\$ 0	\$ 0	\$ 0
DUI Treatment Fines	3,269	0	0	0	0
Data Entry Fee - General Sessions Court	5,753	0	0	0	0
<u>Juvenile Court</u>					
Fines	228	0	0	0	0
Officers Costs	988	0	0	0	0
Interpreter Fee	1,600	0	0	0	0
Data Entry Fee - Juvenile Court	212	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	2,888	0	0	0	0
Data Entry Fee - Chancery Court	2,153	0	0	0	0
<u>Other Courts - In-county</u>					
Interpreter Fee	12,405	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	46	0	0
Total Fines, Forfeitures, and Penalties	\$ 143,458	\$ 0	\$ 15,123	\$ 0	\$ 0
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Other Employee Benefit Charges/Contributions	\$ 5,726	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fees</u>					
Library Fees	5,373	0	0	0	0
Greenbelt Late Application Fee	700	0	0	0	0
Telephone Commissions	47,394	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	6,798

(Continued)

Exhibit K-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitutional Officers - Fees
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Data Processing Fee - Register	\$ 18,229	\$ 0	\$ 0	\$ 0	\$ 0
Data Processing Fee - Sheriff	1,342	0	0	0	0
Sexual Offender Registration Fee - Sheriff	830	0	0	0	0
Data Processing Fee - County Clerk	81	0	0	0	0
Total Charges for Current Services	\$ 79,675	\$ 0	\$ 0	\$ 0	\$ 6,798
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 90,092	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	19,200	0	0	0	0
Commissary Sales	98,442	0	0	0	0
Sale of Recycled Materials	0	47,242	0	0	0
E-Rate Funding	3,638	0	0	0	0
Miscellaneous Refunds	42,078	0	0	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0	0	0
Damages Recovered from Individuals	58	811	0	0	0
Contributions and Gifts	6,500	0	0	5,000	0
<u>Other Local Revenues</u>					
Other Local Revenues	35	0	0	0	0
Total Other Local Revenues	\$ 260,043	\$ 48,053	\$ 0	\$ 5,000	\$ 0
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 187,089	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					Constitu - tional Officers - Fees
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue		
<u>Fees Received From County Officials (Cont.)</u>						
<u>Fees In-Lieu-of Salary (Cont.)</u>						
Circuit Court Clerk	\$ 33,656	\$ 0	\$ 0	\$ 0	\$ 0	0
General Sessions Court Clerk	96,679	0	0	0	0	0
Clerk and Master	54,171	0	0	0	0	0
Juvenile Court Clerk	13,377	0	0	0	0	0
Register	48,457	0	0	0	0	0
Sheriff	16,417	0	0	0	0	0
Trustee	260,811	0	0	0	0	0
Total Fees Received From County Officials	\$ 710,657	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	7,800	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	107,266	0	0	0	0	0
Other Health and Welfare Grants	7,000	0	0	0	0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	0	0
Litter Program	35,722	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	23,273	0	0	0	0	0
Resort District Sales Tax	70,576	0	0	82,788	0	0
Beer Tax	17,839	0	0	0	0	0
Alcoholic Beverage Tax	87,269	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitutional Officers - Fees
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
State Revenue Sharing - T.V.A.	\$ 721,901	\$ 0	\$ 0	\$ 60,000	\$ 0
State Revenue Sharing - Telecommunications	834	0	0	0	0
Prisoner Transportation	2,400	0	0	0	0
Contracted Prisoner Boarding	1,027,970	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	11,373	0	0	0	0
Other State Grants	434,541	47,132	0	44,000	0
Other State Revenues	22,270	6,144	0	0	0
Total State of Tennessee	\$ 2,587,034	\$ 53,276	\$ 0	\$ 186,788	\$ 0
<u>Federal Government</u>					
<u>Federal Through State</u>					
Homeland Security Grants	\$ 23,428	\$ 0	\$ 0	\$ 0	\$ 0
Other Federal through State	16,002	0	0	0	0
Total Federal Government	\$ 39,430	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 2,511	\$ 0	\$ 0	\$ 0	\$ 0
Paving and Maintenance	0	0	0	0	0
Contributions	2,000	0	0	40,000	0
<u>Citizens Groups</u>					
Donations	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 4,511	\$ 0	\$ 0	\$ 40,000	\$ 0
Total	\$ 7,046,998	\$ 961,804	\$ 15,123	\$ 231,788	\$ 6,798

(Continued)

Exhibit K-5

Wayne 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	Highway Capital Projects	Other Capital Projects	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 0	\$ 1,091,112	\$ 83,931	\$ 0	\$ 27,977	\$ 4,532,322
Trustee's Collections - Prior Year	0	39,055	2,973	0	1,086	163,016
Circuit Clerk/Clerk and Master Collections - Prior Years	0	15,010	1,175	0	324	73,668
Interest and Penalty	0	7,165	551	0	183	29,757
Payments in-Lieu-of Taxes - T.V.A.	0	265	0	0	0	18,269
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	6,880
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	1,044,509	0	0	0	1,044,621
Wheel Tax	283,454	425,586	0	0	0	851,172
Litigation Tax - General	0	0	0	0	0	42,694
Litigation Tax - Special Purpose	0	0	0	0	0	13,273
Litigation Tax - Jail, Workhouse, or Courthouse	0	43,872	0	0	0	52,302
Litigation Tax - Victim-Offender Mediation Center	0	0	0	0	0	2,781
Litigation Tax - Courthouse Security	0	0	0	0	0	35,024
Business Tax	0	0	0	0	0	94,710
Mineral Severance Tax	0	0	0	68,708	0	68,708
Other County Local Option Taxes	0	0	0	0	0	35,267
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	0	0	0	0	44,115
Wholesale Beer Tax	0	0	0	0	0	91,838
Interstate Telecommunications Tax	0	0	0	0	0	13,029
Total Local Taxes	\$ 283,454	\$ 2,666,574	\$ 88,630	\$ 68,708	\$ 29,570	\$ 7,213,446

(Continued)

Exhibit K-5

Wayne 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	Highway Capital Projects	Other Capital Projects	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	456
Cable TV Franchise	0	0	0	0	0	3,751
<u>Permits</u>						
Beer Permits	0	0	0	0	0	1,948
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	6,155
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,469
Officers Costs	0	0	0	0	0	2,388
Drug Control Fines	0	0	0	0	0	21,035
Drug Court Fees	0	0	0	0	0	1,159
Jail Fees	0	0	0	0	0	1,477
DUI Treatment Fines	0	0	0	0	0	570
Data Entry Fee - Circuit Court	0	0	0	0	0	592
<u>Criminal Court</u>						
DUI Treatment Fines	0	0	0	0	0	238
<u>General Sessions Court</u>						
Fines	0	0	0	0	0	13,679
Fines for Littering	0	0	0	0	0	380
Officers Costs	0	0	0	0	0	19,700
Game and Fish Fines	0	0	0	0	0	648
Drug Control Fines	0	0	0	0	0	7,080
Drug Court Fees	0	0	0	0	0	9,320
Jail Fees	0	0	0	0	0	11,834

(Continued)

Exhibit K-5

Wayne 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	Highway Capital Projects	Other Capital Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>General Sessions Court (Cont.)</u>						
Interpreter Fee	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	37,470
DUI Treatment Fines	0	0	0	0	0	3,269
Data Entry Fee - General Sessions Court	0	0	0	0	0	5,753
<u>Juvenile Court</u>						
Fines	0	0	0	0	0	228
Officers Costs	0	0	0	0	0	988
Interpreter Fee	0	0	0	0	0	1,600
Data Entry Fee - Juvenile Court	0	0	0	0	0	212
<u>Chancery Court</u>						
Officers Costs	0	0	0	0	0	2,888
Data Entry Fee - Chancery Court	0	0	0	0	0	2,153
<u>Other Courts - In-county</u>						
Interpreter Fee	0	0	0	0	0	12,405
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	0	46
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	158,581
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Other Employee Benefit Charges/Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	5,726
<u>Fees</u>						
Library Fees	0	0	0	0	0	5,373
Greenbelt Late Application Fee	0	0	0	0	0	700
Telephone Commissions	0	0	0	0	0	47,394
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	6,798

(Continued)

Exhibit K-5

Wayne 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	Highway Capital Projects	Other Capital Projects	
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Data Processing Fee - Register	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	18,229
Data Processing Fee - Sheriff	0	0	0	0	0	1,342
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0	830
Data Processing Fee - County Clerk	0	0	0	0	0	81
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	86,473
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	90,092
Lease/Rentals	0	50,000	0	0	0	69,200
Commissary Sales	0	0	0	0	0	98,442
Sale of Recycled Materials	6,414	0	0	0	0	53,656
E-Rate Funding	0	0	0	0	0	3,638
Miscellaneous Refunds	1,172	0	990	0	0	44,240
<u>Nonrecurring Items</u>						
Sale of Equipment	74,912	0	0	0	0	74,912
Damages Recovered from Individuals	3,011	0	0	0	0	3,880
Contributions and Gifts	0	0	0	0	0	11,500
<u>Other Local Revenues</u>						
Other Local Revenues	0	0	0	0	0	35
Total Other Local Revenues	\$ 85,509	\$ 50,000	\$ 990	\$ 0	\$ 0	449,595
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	187,089

(Continued)

Exhibit K-5

Wayne 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	Highway Capital Projects	Other Capital Projects	
<u>Fees Received From County Officials (Cont.)</u>						
<u>Fees In-Lieu-of Salary (Cont.)</u>						
Circuit Court Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	33,656
General Sessions Court Clerk	0	0	0	0	0	96,679
Clerk and Master	0	0	0	0	0	54,171
Juvenile Court Clerk	0	0	0	0	0	13,377
Register	0	0	0	0	0	48,457
Sheriff	0	0	0	0	0	16,417
Trustee	0	0	0	0	0	260,811
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	710,657
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	9,000
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	0	0	0	0	0	7,800
<u>Health and Welfare Grants</u>						
Health Department Programs	0	0	0	0	0	107,266
Other Health and Welfare Grants	0	0	0	0	0	7,000
<u>Public Works Grants</u>						
State Aid Program	837,267	0	0	0	0	837,267
Litter Program	0	0	0	0	0	35,722
<u>Other State Revenues</u>						
Income Tax	0	0	0	0	0	23,273
Resort District Sales Tax	0	0	0	0	0	153,364
Beer Tax	0	0	0	0	0	17,839
Alcoholic Beverage Tax	0	0	0	0	0	87,269

(Continued)

Exhibit K-5

Wayne 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	Highway Capital Projects	Other Capital Projects	
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
State Revenue Sharing - T.V.A.	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	781,901
State Revenue Sharing - Telecommunications	0	0	0	0	0	834
Prisoner Transportation	0	0	0	0	0	2,400
Contracted Prisoner Boarding	0	0	0	0	0	1,027,970
Gasoline and Motor Fuel Tax	2,500,346	0	0	0	0	2,500,346
Petroleum Special Tax	12,282	0	0	0	0	12,282
Registrar's Salary Supplement	0	0	0	0	0	11,373
Other State Grants	0	0	0	0	0	525,673
Other State Revenues	0	0	0	0	0	28,414
Total State of Tennessee	\$ 3,349,895	\$ 0	\$ 0	\$ 0	\$ 0	6,176,993
<u>Federal Government</u>						
<u>Federal Through State</u>						
Homeland Security Grants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	23,428
Other Federal through State	0	0	0	0	0	16,002
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	39,430
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	2,511
Paving and Maintenance	40,200	0	0	0	0	40,200
Contributions	0	100,000	0	0	0	142,000
<u>Citizens Groups</u>						
Donations	600	0	0	0	0	600
Total Other Governments and Citizens Groups	\$ 40,800	\$ 100,000	\$ 0	\$ 0	\$ 0	185,311
Total	\$ 3,759,658	\$ 2,816,574	\$ 89,620	\$ 68,708	\$ 29,570	15,026,641

Exhibit K-6

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

	Special Revenue Funds			Capital Projects Fund	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 1,896,313	\$ 0	\$ 0	\$ 0	\$ 1,896,313
Trustee's Collections - Prior Year	73,586	0	0	0	73,586
Circuit Clerk/Clerk and Master Collections - Prior Years	26,643	0	0	0	26,643
Interest and Penalty	12,499	0	0	0	12,499
<u>County Local Option Taxes</u>					
Local Option Sales Tax	729,777	0	0	0	729,777
Litigation Tax - General	936	0	0	0	936
Other County Local Option Taxes	2,852	0	0	0	2,852
<u>Statutory Local Taxes</u>					
Coal Severance Tax	23,090	0	0	0	23,090
Interstate Telecommunications Tax	2,769	0	0	0	2,769
Total Local Taxes	\$ 2,768,465	\$ 0	\$ 0	\$ 0	\$ 2,768,465
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 456	\$ 0	\$ 0	\$ 0	\$ 456
Total Licenses and Permits	\$ 456	\$ 0	\$ 0	\$ 0	\$ 456
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Lunch Payments - Children	\$ 0	\$ 0	\$ 158,210	\$ 0	\$ 158,210
Lunch Payments - Adults	0	0	30,258	0	30,258
Income from Breakfast	0	0	47,224	0	47,224
Special Milk Sales	0	0	5,313	0	5,313

(Continued)

Exhibit K-6

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

	<u>Special Revenue Funds</u>			<u>Capital Projects Fund</u>	<u>Total</u>
	<u>General Purpose School</u>	<u>School Federal Projects</u>	<u>Central Cafeteria</u>	<u>Education Capital Projects</u>	
<u>Charges for Current Services (Cont.)</u>					
<u>Education Charges (Cont.)</u>					
A la Carte Sales	\$ 0	\$ 0	\$ 73,895	\$ 0	\$ 73,895
Receipts from Individual Schools	49,602	0	0	0	49,602
Other Charges for Services	50	0	0	0	50
Total Charges for Current Services	\$ 49,652	\$ 0	\$ 314,900	\$ 0	\$ 364,552
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 112	\$ 0	\$ 112
Lease/Rentals	1,784	0	0	0	1,784
Sale of Materials and Supplies	90	0	0	0	90
E-Rate Funding	15,419	0	0	0	15,419
Miscellaneous Refunds	38,416	0	293	0	38,709
<u>Nonrecurring Items</u>					
Sale of Property	3,620	0	0	0	3,620
Contributions and Gifts	600	0	0	0	600
<u>Other Local Revenues</u>					
Other Local Revenues	35	0	0	0	35
Total Other Local Revenues	\$ 59,964	\$ 0	\$ 405	\$ 0	\$ 60,369
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 94,628	\$ 0	\$ 0	\$ 0	\$ 94,628
<u>Health and Welfare Grants</u>					
Other Health and Welfare Grants	163,396	0	0	0	163,396

(Continued)

Exhibit K-6

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

	Special Revenue Funds			Capital Projects Fund	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds</u>					
Basic Education Program	\$ 14,403,642	\$ 0	\$ 0	\$ 0	\$ 14,403,642
Early Childhood Education	845,996	0	0	0	845,996
School Food Service	0	0	10,757	0	10,757
Driver Education	11,949	0	0	0	11,949
Other State Education Funds	204,217	0	0	0	204,217
Coordinated School Health	90,000	0	0	0	90,000
Family Resource Centers	29,612	0	0	0	29,612
Career Ladder Program	67,989	0	0	0	67,989
<u>Other State Revenues</u>					
Safe Schools	14,310	0	0	0	14,310
Total State of Tennessee	\$ 15,925,739	\$ 0	\$ 10,757	\$ 0	\$ 15,936,496
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 545,827	\$ 0	\$ 545,827
USDA - Commodities	0	0	102,920	0	102,920
Breakfast	0	0	256,940	0	256,940
USDA - Other	0	0	3,393	0	3,393
Vocational Education - Basic Grants to States	0	40,651	0	0	40,651
Community Based Organizations	74,540	0	0	0	74,540
Title I Grants to Local Education Agencies	0	754,063	0	0	754,063
Special Education - Grants to States	3,514	583,993	0	0	587,507
Special Education Preschool Grants	0	17,954	0	0	17,954
Rural Education	0	37,332	0	0	37,332

(Continued)

Exhibit K-6

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

	<u>Special Revenue Funds</u>			<u>Capital Projects Fund</u>	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
Eisenhower Professional Development State Grants	\$ 0	\$ 89,037	\$ 0	\$ 0	\$ 89,037
Other Federal through State	172,989	98,077	0	0	271,066
Total Federal Government	\$ 251,043	\$ 1,621,107	\$ 909,080	\$ 0	\$ 2,781,230
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 0	\$ 0	\$ 781,717	\$ 781,717
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 781,717	\$ 781,717
Total	\$ 19,055,319	\$ 1,621,107	\$ 1,235,142	\$ 781,717	\$ 22,693,285

Exhibit K-7

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

General Fund

General Government

County Commission

Other Salaries and Wages	\$	4,004	
Board and Committee Members Fees		9,070	
Social Security		811	
Pensions		242	
Unemployment Compensation		35	
Employer Medicare		190	
Advertising		1,490	
Audit Services		6,298	
Contributions		250	
Dues and Memberships		20	
Legal Services		17,032	
Postal Charges		15,580	
Travel		1,803	
Other Charges		4,746	
Total County Commission			\$ 61,571

County Mayor/Executive

County Official/Administrative Officer	\$	79,435	
Accountants/Bookkeepers		26,699	
Purchasing Personnel		22,241	
Longevity Pay		100	
In-service Training		985	
Social Security		7,965	
Pensions		7,785	
Employee and Dependent Insurance		345	
Unemployment Compensation		98	
Employer Medicare		1,863	
Communication		16,363	
Data Processing Services		23,251	
Dues and Memberships		1,550	
Printing, Stationery, and Forms		496	
Rentals		162	
Travel		1,442	
Gasoline		1,081	
Periodicals		32	
Other Supplies and Materials		97	
Other Charges		183	
Office Equipment		1,989	
Total County Mayor/Executive			194,162

Election Commission

County Official/Administrative Officer	\$	61,712	
Part-time Personnel		12,452	
Longevity Pay		250	
Election Commission		1,950	
In-service Training		2,875	
Social Security		4,614	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Pensions	\$	3,734	
Employee and Dependent Insurance		180	
Unemployment Compensation		94	
Employer Medicare		1,079	
Advertising		967	
Communication		1,153	
Data Processing Services		15,845	
Dues and Memberships		200	
Maintenance and Repair Services - Equipment		467	
Printing, Stationery, and Forms		471	
Rentals		56	
Travel		2,832	
Other Charges		23	
Total Election Commission			\$ 110,954

Register of Deeds

County Official/Administrative Officer	\$	68,776	
Clerical Personnel		20,883	
Part-time Personnel		4,688	
Longevity Pay		150	
Social Security		5,788	
Pensions		5,434	
Employee and Dependent Insurance		345	
Unemployment Compensation		71	
Employer Medicare		1,354	
Advertising		215	
Communication		1,457	
Dues and Memberships		622	
Maintenance Agreements		2,500	
Printing, Stationery, and Forms		2,224	
Rentals		172	
Other Contracted Services		5,300	
Other Charges		64	
Office Equipment		2,800	
Total Register of Deeds			122,843

County Buildings

Supervisor/Director	\$	30,859	
Custodial Personnel		20,883	
Maintenance Personnel		6,578	
Longevity Pay		450	
Social Security		3,553	
Pensions		3,163	
Employee and Dependent Insurance		165	
Unemployment Compensation		115	
Employer Medicare		831	
Communication		297	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Contracts with Private Agencies	\$	7,493	
Maintenance and Repair Services - Buildings		29,783	
Maintenance and Repair Services - Equipment		11,296	
Maintenance and Repair Services - Vehicles		2,095	
Custodial Supplies		2,651	
Electricity		155,156	
Gasoline		1,589	
Utilities		85,086	
Other Supplies and Materials		316	
Other Charges		607	
Building Improvements		600,530	
Other Capital Outlay		29,153	
Total County Buildings			\$ 992,649

Other General Administration

Part-time Personnel	\$	12,925	
Social Security		774	
Pensions		782	
Unemployment Compensation		10	
Employer Medicare		181	
Dues and Memberships		3,493	
Maintenance and Repair Services - Office Equipment		1,437	
Travel		178	
Office Supplies		19,793	
Other Supplies and Materials		540	
Total Other General Administration			40,113

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	68,776	
Clerical Personnel		35,011	
Part-time Personnel		29	
Longevity Pay		450	
Board and Committee Members Fees		800	
Social Security		6,318	
Pensions		5,966	
Employee and Dependent Insurance		180	
Unemployment Compensation		140	
Employer Medicare		1,478	
Advertising		58	
Communication		1,801	
Contracts with Government Agencies		8,473	
Contracts with Private Agencies		5,630	
Rentals		56	
Travel		176	
Gasoline		50	
Other Charges		154	
Other Equipment		5,274	
Total Property Assessor's Office			140,820

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program

Contracts with Private Agencies	\$ 7,704	
Data Processing Services	4,140	
Total Reappraisal Program		\$ 11,844

County Trustee's Office

County Official/Administrative Officer	\$ 68,776	
Clerical Personnel	41,671	
Longevity Pay	400	
Social Security	6,780	
Pensions	5,668	
Employee and Dependent Insurance	360	
Unemployment Compensation	125	
Employer Medicare	1,586	
Advertising	2,118	
Communication	1,497	
Data Processing Services	10,534	
Dues and Memberships	120	
Printing, Stationery, and Forms	7,723	
Rentals	137	
Travel	92	
Premiums on Corporate Surety Bonds	3,881	
Office Equipment	200	
Total County Trustee's Office		151,668

County Clerk's Office

County Official/Administrative Officer	\$ 68,776	
Deputy(ies)	42,805	
Longevity Pay	100	
Social Security	6,811	
Pensions	6,757	
Employee and Dependent Insurance	435	
Unemployment Compensation	91	
Employer Medicare	1,593	
Communication	1,531	
Dues and Memberships	607	
Maintenance Agreements	12,140	
Printing, Stationery, and Forms	758	
Rentals	111	
Other Supplies and Materials	498	
Other Charges	396	
Total County Clerk's Office		143,409

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$ 68,776
Deputy(ies)	20,885
Part-time Personnel	15,568

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Longevity Pay	\$	500	
Jury and Witness Expense		7,100	
Social Security		6,540	
Pensions		5,549	
Employee and Dependent Insurance		165	
Unemployment Compensation		137	
Employer Medicare		1,530	
Communication		3,699	
Contracts with Other Public Agencies		2,781	
Data Processing Services		8,664	
Printing, Stationery, and Forms		2,503	
Rentals		92	
Other Contracted Services		2,374	
Other Supplies and Materials		1,726	
Total Circuit Court			\$ 148,589

General Sessions Court

Judge(s)	\$	93,606	
Secretary(ies)		25,251	
Attendants		31,989	
Longevity Pay		950	
Other Salaries and Wages		39,173	
In-service Training		350	
Social Security		11,812	
Pensions		9,612	
Employee and Dependent Insurance		197	
Unemployment Compensation		124	
Employer Medicare		2,762	
Communication		2,118	
Contracts with Private Agencies		673	
Data Processing Services		4,094	
Printing, Stationery, and Forms		451	
Rentals		96	
Custodial Supplies		964	
Other Supplies and Materials		264	
In Service/Staff Development		1,735	
Other Charges		5,969	
Office Equipment		496	
Total General Sessions Court			232,686

Drug Court

Remittance of Revenue Collected	\$	6,369	
Total Drug Court			6,369

Chancery Court

County Official/Administrative Officer	\$	68,776	
Deputy(ies)		20,883	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Part-time Personnel	\$	3,591	
Longevity Pay		1,875	
Social Security		5,848	
Pensions		5,476	
Employee and Dependent Insurance		345	
Unemployment Compensation		108	
Employer Medicare		1,368	
Advertising		544	
Communication		2,433	
Data Processing Services		10,705	
Dues and Memberships		60	
Printing, Stationery, and Forms		782	
Rentals		90	
Other Contracted Services		500	
Other Charges		693	
Total Chancery Court			\$ 124,077

Juvenile Court

Youth Service Officer(s)	\$	23,836	
Clerical Personnel		20,883	
Longevity Pay		250	
In-service Training		510	
Social Security		2,755	
Pensions		1,996	
Unemployment Compensation		78	
Employer Medicare		644	
Contracts with Private Agencies		4,060	
Data Processing Services		4,603	
Travel		1,594	
Total Juvenile Court			61,209

Judicial Commissioners

County Official/Administrative Officer	\$	50,407	
Longevity Pay		975	
Social Security		3,191	
Pensions		3,114	
Employee and Dependent Insurance		90	
Unemployment Compensation		84	
Employer Medicare		746	
Dues and Memberships		150	
Total Judicial Commissioners			58,757

Courtroom Security

Deputy(ies)	\$	23,133	
Social Security		1,426	
Pensions		1,394	
Unemployment Compensation		20	
Employer Medicare		333	
Total Courtroom Security			26,306

(Continued)

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

General Fund (Cont.)

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	75,652	
Supervisor/Director		47,838	
Deputy(ies)		301,009	
Investigator(s)		78,928	
Lieutenant(s)		47,741	
Sergeant(s)		42,350	
Teachers		660	
Salary Supplements		7,800	
Dispatchers/Radio Operators		135,534	
Temporary Personnel		41,941	
Longevity Pay		3,000	
In-service Training		8,183	
Social Security		48,797	
Pensions		45,142	
Employee and Dependent Insurance		705	
Unemployment Compensation		1,059	
Employer Medicare		11,412	
Advertising		1,344	
Communication		20,467	
Data Processing Services		1,639	
Dues and Memberships		2,115	
Maintenance Agreements		6,406	
Maintenance and Repair Services - Buildings		582	
Maintenance and Repair Services - Equipment		12,224	
Maintenance and Repair Services - Office Equipment		2,525	
Maintenance and Repair Services - Vehicles		51,847	
Printing, Stationery, and Forms		848	
Travel		3,705	
Veterinary Services		321	
Data Processing Supplies		632	
Gasoline		64,729	
Law Enforcement Supplies		319	
Office Supplies		6,759	
Uniforms		20,980	
Other Supplies and Materials		309	
Other Charges		18,671	
Data Processing Equipment		1,117	
Law Enforcement Equipment		1,682	
Motor Vehicles		111,789	
Other Equipment		3,790	
Total Sheriff's Department			\$ 1,232,551

Jail

Assistant(s)	\$	32,178
Supervisor/Director		37,748
Lieutenant(s)		66,869
Sergeant(s)		89,384

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Teachers	\$	4,290	
Dispatchers/Radio Operators		24,585	
Guards		474,759	
Clerical Personnel		24,049	
Educational Incentive - Other County Employees		1,147	
Longevity Pay		4,000	
In-service Training		6,268	
Social Security		46,583	
Pensions		37,813	
Employee and Dependent Insurance		1,272	
Unemployment Compensation		1,609	
Employer Medicare		10,894	
Communication		29,564	
Contracts with Private Agencies		3,933	
Dues and Memberships		100	
Evaluation and Testing		990	
Maintenance Agreements		4,292	
Maintenance and Repair Services - Buildings		40,140	
Maintenance and Repair Services - Equipment		20,931	
Maintenance and Repair Services - Vehicles		164	
Medical and Dental Services		474,997	
Printing, Stationery, and Forms		134	
Transportation - Other than Students		11,004	
Travel		5,133	
Other Contracted Services		177,687	
Custodial Supplies		24,432	
Data Processing Supplies		5,196	
Drugs and Medical Supplies		6,754	
Electricity		374	
Food Supplies		1,519	
Fuel Oil		298	
Office Supplies		6,132	
Prisoners Clothing		5,441	
Uniforms		1,130	
Other Supplies and Materials		9,988	
Other Charges		7,090	
Other Equipment		12,542	
Total Jail			\$ 1,713,413

Rural Fire Protection

Maintenance and Repair Services - Equipment	\$	214	
Maintenance and Repair Services - Vehicles		13,718	
Fuel Oil		1,998	
Gasoline		5,942	
Liability Insurance		47,592	
Other Equipment		15,450	
Total Rural Fire Protection			84,914

(Continued)

Exhibit K-7

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

General Fund (Cont.)Public Safety (Cont.)Civil Defense

Other Equipment	\$ 6,138	
Total Civil Defense		\$ 6,138

Other Emergency Management

Longevity Pay	\$ 475	
Other Salaries and Wages	17,238	
Social Security	1,078	
Pensions	1,072	
Employee and Dependent Insurance	180	
Unemployment Compensation	42	
Employer Medicare	252	
Communication	8,195	
Other Contracted Services	250	
Electricity	2,915	
Utilities	694	
Other Charges	6,177	
Total Other Emergency Management		38,568

County Coroner/Medical Examiner

Social Security	\$ 163	
Unemployment Compensation	18	
Employer Medicare	38	
Medical and Dental Services	26,206	
Total County Coroner/Medical Examiner		26,425

Public Safety Grants Program

Deputy(ies)	\$ 2,990	
Social Security	184	
Pensions	127	
Unemployment Compensation	4	
Employer Medicare	43	
Total Public Safety Grants Program		3,348

Other Public Safety

Communication	\$ 1,114	
Total Other Public Safety		1,114

Public Health and WelfareLocal Health Center

Custodial Personnel	\$ 8,600	
Longevity Pay	775	
Social Security	581	
Unemployment Compensation	51	
Employer Medicare	136	
Advertising	306	
Communication	2,113	
Contracts with Government Agencies	4,825	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Dues and Memberships	\$	200	
Maintenance and Repair Services - Buildings		290	
Pest Control		340	
Electricity		7,532	
Utilities		4,441	
Other Supplies and Materials		562	
Other Charges		15,708	
Other Construction		5,193	
Total Local Health Center			\$ 51,653

Alcohol and Drug Programs

Contributions	\$	2,500	
Total Alcohol and Drug Programs			2,500

Other Local Health Services

Longevity Pay	\$	1,200	
Other Salaries and Wages		79,375	
Social Security		4,927	
Pensions		4,875	
Employee and Dependent Insurance		204	
Unemployment Compensation		126	
Employer Medicare		1,152	
Travel		3,632	
Other Supplies and Materials		512	
Other Charges		7,322	
Total Other Local Health Services			103,325

Regional Mental Health Center

Contributions	\$	9,000	
Total Regional Mental Health Center			9,000

Other Local Welfare Services

Contributions	\$	4,000	
Total Other Local Welfare Services			4,000

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	36,000	
Total Senior Citizens Assistance			36,000

Libraries

Supervisor/Director	\$	35,935	
Deputy(ies)		19,512	
Part-time Personnel		59,418	
Longevity Pay		2,550	
In-service Training		150	
Social Security		7,223	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Pensions	\$	4,713	
Employee and Dependent Insurance		525	
Unemployment Compensation		291	
Employer Medicare		1,689	
Communication		6,803	
Data Processing Services		1,155	
Dues and Memberships		100	
Maintenance and Repair Services - Buildings		500	
Maintenance and Repair Services - Office Equipment		60	
Printing, Stationery, and Forms		742	
Rentals		92	
Travel		1,862	
Electricity		4,268	
Library Books/Media		28,337	
Periodicals		164	
Utilities		62	
Water and Sewer		988	
Other Supplies and Materials		1,808	
Other Charges		486	
Data Processing Equipment		2,876	
Office Equipment		412	
Other Equipment		35	
Total Libraries			\$ 182,756

Other Social, Cultural, and Recreational

Communication	\$	1,208	
Contributions		16,000	
Total Other Social, Cultural, and Recreational			17,208

Agriculture and Natural Resources

Agricultural Extension Service

Custodial Personnel	\$	2,894	
Longevity Pay		1,050	
Other Salaries and Wages		36,230	
Social Security		1,921	
Pensions		1,589	
Unemployment Compensation		25	
Employer Medicare		996	
Other Fringe Benefits		12,084	
Communication		1,208	
Dues and Memberships		275	
Other Supplies and Materials		12,224	
Total Agricultural Extension Service			70,496

Forest Service

Forest Resource Services	\$	2,000	
Total Forest Service			2,000

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation

Clerical Personnel	\$	35,500	
Longevity Pay		50	
Social Security		2,204	
Pensions		2,151	
Unemployment Compensation		42	
Employer Medicare		515	
Communication		613	
Total Soil Conservation			\$ 41,075

Other Operations

Other Economic and Community Development

Supervisor/Director	\$	21,500	
Secretary(ies)		8,622	
Social Security		529	
Pensions		522	
Unemployment Compensation		10	
Employer Medicare		124	
Communication		1,263	
Other Supplies and Materials		888	
Total Other Economic and Community Development			33,458

Veterans' Services

Supervisor/Director	\$	9,939	
Longevity Pay		225	
Social Security		630	
Unemployment Compensation		16	
Employer Medicare		147	
Communication		316	
Maintenance and Repair Services - Vehicles		2,805	
Gasoline		1,229	
Other Charges		785	
Total Veterans' Services			16,092

Other Charges

Liability Insurance	\$	151,645	
Workers' Compensation Insurance		67,059	
Total Other Charges			218,704

Contributions to Other Agencies

Contributions	\$	1,635	
Total Contributions to Other Agencies			1,635

Employee Benefits

Medical Insurance	\$	49,271	
Total Employee Benefits			49,271

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous

Other Contracted Services	\$	1,516	
Trustee's Commission		74,863	
Total Miscellaneous			\$ 76,379

Highways

Litter and Trash Collection

Foremen	\$	18,209	
Social Security		1,409	
Handling Charges and Administrative Costs		2,000	
Pensions		1,375	
Unemployment Compensation		20	
Employer Medicare		330	
Maintenance and Repair Services - Vehicles		1,320	
Travel		99	
Gasoline		5,964	
Instructional Supplies and Materials		10,832	
Other Supplies and Materials		2,113	
Total Litter and Trash Collection			43,671

Support Services

Other Programs

Teachers	\$	6,500	
Social Security		403	
Unemployment Compensation		15	
Employer Medicare		94	
Total Other Programs			7,012

Total General Fund \$ 6,700,732

Solid Waste/Sanitation Fund

Public Health and Welfare

Other Waste Collection

Truck Drivers	\$	6,243	
Laborers		6,105	
Longevity Pay		1,500	
Social Security		848	
Pensions		633	
Unemployment Compensation		46	
Employer Medicare		198	
Total Other Waste Collection			\$ 15,573

Other Waste Disposal

Supervisor/Director	\$	31,201	
Salary Supplements		2,000	
Educational Incentive - Other County Employees		1,147	
Longevity Pay		3,475	
Overtime Pay		10,021	

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Other Waste Disposal (Cont.)

Other Salaries and Wages	\$	227,569	
In-service Training		760	
Other Per Diem and Fees		1,996	
Social Security		16,853	
Pensions		14,249	
Employee and Dependent Insurance		1,475	
Unemployment Compensation		627	
Employer Medicare		3,941	
Advertising		877	
Communication		2,539	
Contracts with Government Agencies		681	
Contracts with Private Agencies		552,532	
Dues and Memberships		312	
Evaluation and Testing		1,558	
Maintenance and Repair Services - Buildings		3,367	
Maintenance and Repair Services - Equipment		24,522	
Maintenance and Repair Services - Vehicles		30,966	
Pest Control		820	
Travel		504	
Disposal Fees		198	
Permits		1,800	
Custodial Supplies		1,626	
Electricity		12,154	
Fuel Oil		2,661	
Gasoline		19,773	
Lubricants		165	
Office Supplies		362	
Uniforms		16,650	
Water and Sewer		956	
Other Supplies and Materials		5,162	
Trustee's Commission		16,835	
Other Charges		1,073	
Total Other Waste Disposal			\$ 1,013,407
Total Solid Waste/Sanitation Fund			\$ 1,028,980

Drug Control Fund

Public Safety

Drug Enforcement

Trustee's Commission	\$	151	
Total Drug Enforcement			\$ 151

Total Drug Control Fund 151

(Continued)

Exhibit K-7

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

Other Special Revenue Fund

Other Operations

Tourism

Supervisor/Director	\$	46,716	
Longevity Pay		450	
Other Salaries and Wages		23,161	
Social Security		4,274	
Pensions		3,118	
Employee and Dependent Insurance		215	
Unemployment Compensation		140	
Employer Medicare		1,000	
Advertising		200	
Communication		595	
Contributions		8,368	
Dues and Memberships		500	
Utilities		5,205	
Other Supplies and Materials		46	
Trustee's Commission		1,490	
Other Charges		64,109	
Total Tourism			\$ 159,587

Tourism - Resort District

Contributions	\$	69,906	
Total Tourism - Resort District			69,906

Total Other Special Revenue Fund \$ 229,493

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	6,798	
Total Chancery Court			\$ 6,798

Total Constitutional Officers - Fees Fund 6,798

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	75,654	
Secretary(ies)		75,106	
Social Security		9,400	
Pensions		9,030	
Unemployment Compensation		785	
Employer Medicare		2,198	
Dues and Memberships		300	
Freight Expenses		49	
Legal Notices, Recording, and Court Costs		541	
Maintenance and Repair Services - Buildings		4,294	
Maintenance and Repair Services - Office Equipment		379	
Postal Charges		500	

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Printing, Stationery, and Forms	\$	242	
Travel		439	
Other Contracted Services		19,118	
Custodial Supplies		1,411	
Office Supplies		977	
Other Supplies and Materials		523	
Other Charges		783	
Data Processing Equipment		2,049	
Other Equipment		619	
Total Administration			\$ 204,397

Highway and Bridge Maintenance

Foremen	\$	84,615	
Equipment Operators		308,348	
Truck Drivers		238,368	
Laborers		242,049	
Social Security		54,023	
Pensions		43,309	
Unemployment Compensation		9,577	
Employer Medicare		12,634	
Asphalt - Cold Mix		17,955	
Asphalt - Liquid		566,083	
Concrete		1,704	
Crushed Stone		188,974	
General Construction Materials		270	
Pipe		65,389	
Pipe - Metal		2,798	
Road Signs		11,465	
Small Tools		1,307	
Structural Steel		100	
Wood Products		7,464	
Other Supplies and Materials		3,394	
Other Charges		497	
Total Highway and Bridge Maintenance			1,860,323

Operation and Maintenance of Equipment

Foremen	\$	36,000
Mechanic(s)		117,042
Social Security		9,419
Pensions		6,914
Unemployment Compensation		1,876
Employer Medicare		2,203
Freight Expenses		332
Maintenance and Repair Services - Equipment		10,129
Maintenance and Repair Services - Vehicles		2,847
Diesel Fuel		170,329
Equipment Parts - Light		10,570

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Equipment and Machinery Parts	\$	166,647	
Garage Supplies		16,002	
Gasoline		40,078	
Lubricants		16,478	
Small Tools		755	
Tires and Tubes		34,379	
Uniforms		9,022	
Other Supplies and Materials		2,869	
Other Charges		794	
Total Operation and Maintenance of Equipment			\$ 654,685

Other Charges

Communication	\$	14,170	
Electricity		13,706	
Food Supplies		14,087	
Utilities		1,893	
Water and Sewer		981	
Trustee's Commission		28,811	
Vehicle and Equipment Insurance		60,776	
Workers' Compensation Insurance		76,122	
Liability Claims		1,818	
Other Charges		7,395	
Total Other Charges			219,759

Employee Benefits

Employee and Dependent Insurance	\$	7,336	
Total Employee Benefits			7,336

Capital Outlay

Engineering Services	\$	92,683	
Bridge Construction		125,918	
Communication Equipment		1,589	
Highway Equipment		123,953	
Motor Vehicles		17,500	
Total Capital Outlay			361,643

Total Highway/Public Works Fund \$ 3,308,143

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	506,600	
Principal on Notes		105,000	
Total General Government			\$ 611,600

Highways and Streets

Principal on Bonds	\$	162,900	
Principal on Notes		99,504	
Total Highways and Streets			262,404

(Continued)

Exhibit K-7

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

General Debt Service Fund (Cont.)

Principal on Debt (Cont.)

Education

Principal on Bonds	\$ 1,155,500	
Total Education		\$ 1,155,500

Interest on Debt

General Government

Interest on Bonds	\$ 311,691	
Interest on Notes	6,285	
Total General Government		317,976

Highways and Streets

Interest on Bonds	\$ 56,172	
Interest on Notes	3,708	
Total Highways and Streets		59,880

Education

Interest on Bonds	\$ 339,940	
Total Education		339,940

Other Debt Service

General Government

Fiscal Agent Charges	\$ 5,000	
Trustee's Commission	38,375	
Other Debt Service	1,650	
Total General Government		45,025

Highways and Streets

Fiscal Agent Charges	\$ 5,000	
Total Highways and Streets		5,000

Education

Fiscal Agent Charges	\$ 5,000	
Total Education		5,000

Total General Debt Service Fund \$ 2,802,325

General Capital Projects Fund

General Government

County Buildings

Building Construction	\$ 19,500	
Building Improvements	5,720	
Total County Buildings		\$ 25,220

Capital Projects

General Administration Projects

Trustee's Commission	\$ 1,769	
Building Construction	39,411	
Building Improvements	25,531	
Total General Administration Projects		66,711

(Continued)

Exhibit K-7

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

<u>General Capital Projects Fund (Cont.)</u>			
<u>Capital Projects (Cont.)</u>			
<u>Public Safety Projects</u>			
Communication Equipment	\$	4,310	
Other Equipment		<u>4,500</u>	
Total Public Safety Projects	\$		8,810
<u>Public Health and Welfare Projects</u>			
Other Construction	\$	<u>12,632</u>	
Total Public Health and Welfare Projects			<u>12,632</u>
Total General Capital Projects Fund			\$ 113,373
<u>Highway Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Highway and Street Capital Projects</u>			
Trustee's Commission	\$	<u>687</u>	
Total Highway and Street Capital Projects			<u>\$ 687</u>
Total Highway Capital Projects Fund			687
<u>Education Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Contributions	\$	<u>781,717</u>	
Total Education Capital Projects			<u>\$ 781,717</u>
Total Education Capital Projects Fund			781,717
<u>Other Capital Projects Fund</u>			
<u>General Government</u>			
<u>County Buildings</u>			
Trustee's Commission	\$	<u>589</u>	
Total County Buildings			<u>\$ 589</u>
Total Other Capital Projects Fund			<u>589</u>
Total Governmental Funds - Primary Government			<u>\$ 14,972,988</u>

Exhibit K-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	6,549,969	
Career Ladder Program		64,855	
Career Ladder Extended Contracts		630	
Homebound Teachers		7,058	
Educational Assistants		227,568	
Other Salaries and Wages		278,990	
Certified Substitute Teachers		49,604	
Non-certified Substitute Teachers		93,706	
Social Security		416,223	
Pensions		612,009	
Medical Insurance		669,487	
Dental Insurance		6,402	
Disability Insurance		19,500	
Unemployment Compensation		8,474	
Employer Medicare		96,400	
Other Contracted Services		41,447	
Instructional Supplies and Materials		39,362	
Textbooks - Bound		16,841	
Other Supplies and Materials		35,262	
Other Charges		9,786	
Regular Instruction Equipment		80,114	
Total Regular Instruction Program			\$ 9,323,687

Alternative Instruction Program

Teachers	\$	75,988	
Social Security		4,307	
Pensions		6,900	
Medical Insurance		3,989	
Unemployment Compensation		62	
Employer Medicare		1,007	
Instructional Supplies and Materials		211	
Other Supplies and Materials		200	
Total Alternative Instruction Program			92,664

Special Education Program

Teachers	\$	826,156	
Homebound Teachers		9,600	
Educational Assistants		75,858	
Speech Pathologist		48,665	
Certified Substitute Teachers		8,142	
Non-certified Substitute Teachers		17,680	
Social Security		56,297	
Pensions		83,672	
Medical Insurance		72,859	
Dental Insurance		1,508	
Disability Insurance		2,317	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Unemployment Compensation	\$	1,288	
Employer Medicare		13,093	
Other Contracted Services		87,272	
Instructional Supplies and Materials		7,295	
Other Supplies and Materials		35	
Total Special Education Program			\$ 1,311,737

Career and Technical Education Program

Teachers	\$	354,570	
Certified Substitute Teachers		8,879	
Non-certified Substitute Teachers		11,095	
Social Security		19,578	
Pensions		30,790	
Medical Insurance		37,721	
Dental Insurance		17	
Disability Insurance		1,100	
Unemployment Compensation		428	
Employer Medicare		4,581	
Instructional Supplies and Materials		13,644	
Other Supplies and Materials		1,600	
Vocational Instruction Equipment		136,555	
Total Career and Technical Education Program			620,558

Support Services

Attendance

Supervisor/Director	\$	29,357	
Social Security		1,525	
Pensions		2,666	
Medical Insurance		4,090	
Unemployment Compensation		19	
Employer Medicare		357	
Travel		1,085	
Total Attendance			39,099

Health Services

Supervisor/Director	\$	53,376	
Medical Personnel		40,392	
Other Salaries and Wages		107,869	
Social Security		10,884	
Pensions		15,433	
Medical Insurance		14,829	
Disability Insurance		1,070	
Unemployment Compensation		385	
Employer Medicare		2,483	
Postal Charges		9	
Travel		5,456	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Other Contracted Services	\$	1,345	
Drugs and Medical Supplies		3,060	
Other Supplies and Materials		9,063	
Other Charges		2,530	
Health Equipment		52,659	
Total Health Services			\$ 320,843

Other Student Support

Guidance Personnel	\$	307,779	
Social Workers		14,971	
Other Salaries and Wages		45,713	
Social Security		20,642	
Pensions		33,479	
Medical Insurance		30,862	
Dental Insurance		551	
Unemployment Compensation		299	
Employer Medicare		4,827	
Evaluation and Testing		16,170	
Travel		23,888	
Other Contracted Services		913	
Instructional Supplies and Materials		194	
Textbooks - Electronic		375	
Other Supplies and Materials		58,110	
Other Charges		298	
Total Other Student Support			559,071

Regular Instruction Program

Supervisor/Director	\$	76,423	
Librarians		290,858	
Other Salaries and Wages		605	
Non-certified Substitute Teachers		263	
Social Security		21,110	
Pensions		29,763	
Medical Insurance		21,827	
Dental Insurance		1,066	
Disability Insurance		1,054	
Unemployment Compensation		359	
Employer Medicare		4,938	
Travel		1,332	
Library Books/Media		16,654	
In Service/Staff Development		2,980	
Total Regular Instruction Program			469,232

Special Education Program

Supervisor/Director	\$	76,423	
Psychological Personnel		61,083	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Assessment Personnel	\$	78,517	
Other Salaries and Wages		3,000	
Social Security		13,161	
Pensions		16,615	
Medical Insurance		3,272	
Dental Insurance		1,009	
Disability Insurance		611	
Unemployment Compensation		168	
Employer Medicare		3,078	
Travel		799	
Other Contracted Services		17,653	
Other Supplies and Materials		2,748	
In Service/Staff Development		289	
Other Equipment		845	
Total Special Education Program			\$ 279,271

Career and Technical Education Program

Supervisor/Director	\$	72,539	
Secretary(ies)		2,650	
Other Salaries and Wages		25,007	
Social Security		5,831	
Pensions		8,161	
Medical Insurance		1,134	
Dental Insurance		550	
Unemployment Compensation		103	
Employer Medicare		1,364	
Travel		2,111	
Other Charges		1,401	
Total Career and Technical Education Program			120,851

Technology

Supervisor/Director	\$	61,029	
Social Security		3,349	
Pensions		5,541	
Medical Insurance		6,097	
Unemployment Compensation		36	
Employer Medicare		783	
Other Contracted Services		28,114	
Other Charges		8,104	
Other Equipment		20,916	
Total Technology			133,969

Other Programs

On-behalf Payments to OPEB	\$	94,628	
Total Other Programs			94,628

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education

Other Salaries and Wages	\$	2,714	
Board and Committee Members Fees		8,400	
Social Security		873	
Unemployment Compensation		67	
Employer Medicare		147	
Audit Services		19,000	
Dues and Memberships		10,401	
Legal Services		1,361	
Travel		658	
Trustee's Commission		77,077	
Workers' Compensation Insurance		80,105	
In Service/Staff Development		231	
Other Charges		13,869	
Total Board of Education			\$ 214,903

Director of Schools

County Official/Administrative Officer	\$	104,206	
Secretary(ies)		22,495	
Social Security		6,777	
Pensions		10,578	
Medical Insurance		12,911	
Dental Insurance		114	
Unemployment Compensation		93	
Employer Medicare		1,585	
Communication		6,689	
Dues and Memberships		1,675	
Maintenance and Repair Services - Equipment		199	
Postal Charges		1,694	
Travel		1,816	
Other Contracted Services		1,804	
Office Supplies		247	
Other Supplies and Materials		1,452	
Total Director of Schools			174,335

Office of the Principal

Principals	\$	470,351	
Secretary(ies)		118,566	
Social Security		33,732	
Pensions		49,510	
Medical Insurance		37,494	
Dental Insurance		2,105	
Disability Insurance		1,114	
Unemployment Compensation		792	
Employer Medicare		7,889	
Communication		11,061	
Total Office of the Principal			732,614

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services

Accountants/Bookkeepers	\$	42,016	
Social Security		2,521	
Pensions		2,542	
Unemployment Compensation		42	
Employer Medicare		589	
Data Processing Services		12,125	
Data Processing Supplies		2,270	
Office Supplies		1,830	
Administration Equipment		195	
Total Fiscal Services			\$ 64,130

Operation of Plant

Custodial Personnel	\$	308,450	
Other Salaries and Wages		1,331	
Social Security		17,307	
Pensions		16,276	
Medical Insurance		31,470	
Dental Insurance		1,579	
Disability Insurance		1,605	
Unemployment Compensation		1,256	
Employer Medicare		4,061	
Maintenance and Repair Services - Buildings		258	
Other Contracted Services		89,486	
Custodial Supplies		53,876	
Electricity		553,269	
Natural Gas		139,627	
Water and Sewer		76,310	
Building and Contents Insurance		148,364	
Total Operation of Plant			1,444,525

Maintenance of Plant

Maintenance Personnel	\$	125,575	
Social Security		7,186	
Pensions		6,973	
Medical Insurance		8,921	
Disability Insurance		686	
Unemployment Compensation		255	
Employer Medicare		1,681	
Maintenance and Repair Services - Buildings		121,632	
Maintenance and Repair Services - Equipment		37,644	
Maintenance and Repair Services - Vehicles		351	
Other Contracted Services		10,657	
Other Supplies and Materials		193	
Other Charges		8,597	
Total Maintenance of Plant			330,351

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation

Supervisor/Director	\$	35,880	
Mechanic(s)		103,036	
Bus Drivers		406,786	
Other Salaries and Wages		3,958	
Social Security		31,802	
Pensions		34,016	
Medical Insurance		26,749	
Dental Insurance		2,800	
Disability Insurance		5,396	
Unemployment Compensation		1,597	
Employer Medicare		7,437	
Maintenance and Repair Services - Vehicles		952	
Medical and Dental Services		1,755	
Other Contracted Services		24,767	
Diesel Fuel		127,635	
Garage Supplies		3,161	
Gasoline		16,523	
Lubricants		7,148	
Tires and Tubes		6,566	
Vehicle Parts		80,641	
Other Supplies and Materials		1,161	
In Service/Staff Development		304	
Other Charges		8,353	
Transportation Equipment		204,661	
Total Transportation			\$ 1,143,084

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	16,000	
Teachers		47,025	
Other Salaries and Wages		26,514	
Social Security		5,015	
Pensions		7,645	
Medical Insurance		4,640	
Unemployment Compensation		26	
Employer Medicare		1,173	
Travel		315	
Other Charges		360	
Total Community Services			108,713

Early Childhood Education

Supervisor/Director	\$	35,718	
Teachers		356,474	
Clerical Personnel		3,144	
Educational Assistants		213,712	
Other Salaries and Wages		78,518	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Certified Substitute Teachers	\$	1,300	
Non-certified Substitute Teachers		15,198	
Social Security		40,938	
Pensions		54,969	
Medical Insurance		47,824	
Dental Insurance		1,515	
Unemployment Compensation		1,376	
Employer Medicare		9,579	
Other Fringe Benefits		7,459	
Travel		1,044	
Instructional Supplies and Materials		16,645	
In Service/Staff Development		14,546	
Other Charges		10,445	
Total Early Childhood Education			\$ 910,404

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	100,000	
Total Education			100,000

Total General Purpose School Fund \$ 18,588,669

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	488,864	
Educational Assistants		27,900	
Non-certified Substitute Teachers		841	
Social Security		28,381	
Pensions		45,895	
Life Insurance		2,925	
Medical Insurance		37,806	
Dental Insurance		50	
Unemployment Compensation		486	
Employer Medicare		6,638	
Other Contracted Services		6,459	
Instructional Supplies and Materials		22,350	
Regular Instruction Equipment		9,490	
Total Regular Instruction Program			\$ 678,085

Special Education Program

Teachers	\$	40,378	
Educational Assistants		245,132	
Non-certified Substitute Teachers		1,618	
Social Security		15,331	
Pensions		17,151	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Life Insurance	\$	2,475	
Medical Insurance		34,093	
Dental Insurance		1,232	
Unemployment Compensation		969	
Employer Medicare		3,585	
Instructional Supplies and Materials		3,300	
Other Supplies and Materials		11,831	
Special Education Equipment		6,736	
Total Special Education Program			\$ 383,831

Career and Technical Education Program

Other Salaries and Wages	\$	794	
Social Security		49	
Unemployment Compensation		5	
Employer Medicare		12	
Other Supplies and Materials		1,709	
Vocational Instruction Equipment		16,754	
Total Career and Technical Education Program			19,323

Support Services

Health Services

Other Charges	\$	362	
Total Health Services			362

Other Student Support

Bus Drivers	\$	458	
Other Salaries and Wages		5,800	
Social Security		387	
Pensions		433	
Unemployment Compensation		8	
Employer Medicare		90	
Travel		5,123	
Other Contracted Services		47,576	
Other Supplies and Materials		700	
In Service/Staff Development		4,718	
Other Charges		2,106	
Total Other Student Support			67,399

Regular Instruction Program

Supervisor/Director	\$	38,202	
Secretary(ies)		20,434	
Other Salaries and Wages		110,723	
Social Security		10,245	
Pensions		14,646	
Life Insurance		29	
Unemployment Compensation		181	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Employer Medicare	\$	2,396	
Travel		87	
Other Supplies and Materials		1,857	
In Service/Staff Development		9,377	
Other Equipment		400	
Total Regular Instruction Program			\$ 208,577

Special Education Program

Assessment Personnel	\$	63,052	
Secretary(ies)		13,276	
Social Security		4,258	
Pensions		6,088	
Life Insurance		576	
Medical Insurance		3,707	
Dental Insurance		41	
Unemployment Compensation		105	
Employer Medicare		996	
Communication		908	
Postal Charges		520	
Travel		6,575	
Other Contracted Services		65,620	
Other Supplies and Materials		12,014	
In Service/Staff Development		10,789	
Total Special Education Program			188,525

Career and Technical Education Program

In Service/Staff Development	\$	1,081	
Total Career and Technical Education Program			1,081

Technology

In Service/Staff Development	\$	3,069	
Total Technology			3,069

Transportation

Bus Drivers	\$	23,460	
Social Security		1,406	
Pensions		728	
Dental Insurance		96	
Unemployment Compensation		83	
Employer Medicare		330	
Contracts with Parents		1,378	
Vehicle Parts		2,759	
Total Transportation			30,240

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	4,200	
Social Security		260	
Pensions		254	
Employer Medicare		61	
Food Supplies		2,374	
Total Food Service			\$ 7,149

Total School Federal Projects Fund \$ 1,587,641

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	41,946	
Cafeteria Personnel		351,967	
Social Security		22,449	
Pensions		23,766	
Medical Insurance		22,902	
Dental Insurance		812	
Disability Insurance		5,666	
Unemployment Compensation		1,725	
Employer Medicare		5,250	
Communication		2,300	
Maintenance and Repair Services - Equipment		8,217	
Travel		5,354	
Other Contracted Services		26,308	
Food Preparation Supplies		24,491	
Food Supplies		519,971	
Office Supplies		1,989	
USDA - Commodities		102,920	
Other Supplies and Materials		1,503	
Other Charges		3,562	
Food Service Equipment		747	
Total Food Service			\$ 1,173,845

Total Central Cafeteria Fund 1,173,845

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Building Construction	\$	4,452	
Building Improvements		781,717	
Total Education Capital Projects			\$ 786,169

Total Education Capital Projects Fund 786,169

Total Governmental Funds - Wayne County School Department \$ 22,136,324

Exhibit K-9

Wayne County, Tennessee
 Statement of Detailed Revenues and Expenses
 Proprietary Fund
 For the Year Ended June 30, 2018

	Primary Government Business-type Activities Enterprise Fund Public Utility Fund
<u>Revenues</u>	
<u>Operating Revenues</u>	
<u>Charges for Current Services</u>	
<u>General Service Charges</u>	
Water Sales	\$ 138,137
Water Tap Sales	5,350
Total Charges for Current Services	<u>\$ 143,487</u>
 Total Operating Revenues	 <u>\$ 143,487</u>
<u>Nonoperating Revenues</u>	
Hotel/Motel Tax	\$ 23,398
Contribution and Gifts	8,615
State Revenue Sharing - TVA	75,000
Total Nonoperating Revenues	<u>\$ 107,013</u>
 Total Revenues	 <u><u>\$ 250,500</u></u>
<u>Expenses</u>	
<u>Operating Expenses</u>	
<u>Other Economic and Community Development</u>	
Secretary	\$ 4,186
Social Security	259
Unemployment Compensation	20
Pensions	154
Employer Medicare	61
Audit Services	468
Advertising	2,450
Contracts with Government Agencies	72,551
Data Processing Services	3,468
Dues and Memberships	1,200
Evaluation and Testing	4,030
Maintenance and Repair Services - Equipment	7,429
Postal Charges	378
Other Contracted Services	33,924
Electricity	2,202
Utilities	35,389
Office Supplies	402
Indirect Cost	11,287
Refunds	136
Trustee's Commission	985
Depreciation	229,171
Other Charges	172
Total Other Economic and Community Development	<u>\$ 410,322</u>
Total Operating Expenses	<u>\$ 410,322</u>
<u>Nonoperating Expenses</u>	
<u>General Government Debt Service</u>	
Interest on Bonds	\$ 43,653
Total Nonoperating Expenses	<u>\$ 43,653</u>
 Total Expenses	 <u><u>\$ 453,975</u></u>

Exhibit K-10

Wayne 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	\$ 564,849
Total Cash Receipts	<u>\$ 564,849</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 559,200
Trustee's Commission	5,649
Total Cash Disbursements	<u>\$ 564,849</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash, July 1, 2017	<u>0</u>
 Cash, June 30, 2018	 <u>\$ 0</u>

STATUTORY SECTION

This part of Wayne County’s annual financial report presents detailed information required by state statute for the Wayne County Rural Water Board. This information is presented solely for the purposes of statutory compliance and additional analysis and is not a required part of the financial statements. This information is unaudited. It has not been subjected to any auditing procedures.

	Table(s)	Page(s)
Demographic and Economic Information:		
These schedules offer water rates and water loss reports required by state statute to help the reader understand how well the utility is performing.	1-5	193-201

Sources: Wayne County Rural Water Board Management.

Table 1

Wayne County, Tennessee
Schedule of Utility Rates
Proprietary Fund
For the Year Ended June 30, 2018

Utility Rates in Effect for PWSID 0934 (Hwy 69)

First 2,000 gallons	\$	17.00 minimum
Over 2,001 to 5,000 gallons		5.50 per 1,000 gallons
Over 5,001 to 10,000 gallons		4.50 per 1,000 gallons
All over 10,001 gallons		3.50 per 1,000 gallons
Number of Customers		42

Utility Rates in Effect for PWSID 8275 (Hwy 13 N. and Natural Bridge Rd.)

First 2,000 gallons	\$	28.40 minimum
Over 2,001 to 5,000 gallons		6.50 per 1,000 gallons
Over 5,001 to 10,000 gallons		5.50 per 1,000 gallons
All over 10,001 gallons		4.50 per 1,000 gallons
Number of Customers		52

Utility Rates in Effect for PWSID 8276 (Beech Creek and Hwy 64 W.)

First 2,000 gallons	\$	28.16 minimum
Over 2,001 to 5,000 gallons		9.80 per 1,000 gallons
Over 5,001 to 10,000 gallons		8.40 per 1,000 gallons
Over 10,001 to 20,000 gallons		6.40 per 1,000 gallons
Over 20,001 to 100,000 gallons		6.00 per 1,000 gallons
All over 100,001 gallons		5.00 per 1,000 gallons
Number of Customers		37

Utility Rates in Effect for PWSID 8282 (Hwy 13 S. and Eagle Truss)

First 2,000 gallons	\$	28.16 minimum
Over 2,001 to 5,000 gallons		9.80 per 1,000 gallons
Over 5,001 to 10,000 gallons		8.40 per 1,000 gallons
Over 10,001 to 20,000 gallons		6.40 per 1,000 gallons
Over 20,001 to 100,000 gallons		6.00 per 1,000 gallons
All over 100,001 gallons		5.00 per 1,000 gallons
Number of Customers		147

Wayne County, Tennessee
Schedule of Unaccounted for Water - PWSID 0934
Proprietary Fund
For the Year Ended June 30, 2018

AWWA Free Water Audit Software:
Reporting Worksheet

WAS v5.0
American Water Works Association
Copyright © 2014. All Rights Reserved.

Water Audit Report for: **Wayne County Rural Water Committee (TN PWSID 0000934 #3)**
 Reporting Year: **2017-2018** / 7/2017 - 6/2018

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

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

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

WATER SUPPLIED

Volume from own sources: MG/Yr
 Water imported: MG/Yr
 Water exported: MG/Yr

WATER SUPPLIED: 1.950 MG/Yr

AUTHORIZED CONSUMPTION

Billed metered: MG/Yr
 Billed unmetered: MG/Yr
 Unbilled metered: MG/Yr
 Unbilled unmetered: MG/Yr

AUTHORIZED CONSUMPTION: 1.654 MG/Yr

WATER LOSSES (Water Supplied - Authorized Consumption) 0.296 MG/Yr

Apparent Losses

Unauthorized consumption: MG/Yr
 Customer metering inaccuracies: MG/Yr
 Systematic data handling errors: MG/Yr

Apparent Losses: 0.009 MG/Yr

Real Losses (Current Annual Real Losses or CARL)

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

WATER LOSSES: 0.296 MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: 0.320 MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains: miles
 Number of active AND inactive service connections:
 Service connection density: conn./mile main

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

Average operating pressure: 60.0 psi

COST DATA

Total annual cost of operating water system: \$13,564 \$/Year
 Customer retail unit cost (applied to Apparent Losses): \$8.50 \$/1000 gallons (US)
 Variable production cost (applied to Real Losses): \$2,000.00 \$/Million gallons Use Customer Retail Unit Cost to value real losses

WATER AUDIT DATA VALIDITY SCORE:

***** YOUR SCORE IS: 62 out of 100 *****

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

PRIORITY AREAS FOR ATTENTION:

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

1: Water imported

2: Customer metering inaccuracies

3: Unauthorized consumption

Master Meter and Supply Error Adjustments

Pcnt: Value: MG/Yr

Pcnt: Value: MG/Yr

Pcnt: Value: MG/Yr

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

Click here: for help using option buttons below

Pcnt: Value: MG/Yr

Use buttons to select percentage of water supplied OR value

Pcnt: Value: MG/Yr

Wayne County, Tennessee
Schedule of Unaccounted for Water - PWSID 0934
Proprietary Fund
For the Year Ended June 30, 2018

AWWA Free Water Audit Software:		WAS v5.0
System Attributes and Performance Indicators		
Water Audit Report for: Wayne County Rural Water Committee (TN PWSID 0000934 #3)		
Reporting Year: 2017-2018 7/2017 - 6/2018		
*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 62 out of 100 ***		
System Attributes:		
	Apparent Losses:	0.009 MG/Yr
+	Real Losses:	0.287 MG/Yr
=	Water Losses:	0.296 MG/Yr
?	Unavoidable Annual Real Losses (UARL):	See limits in definition MG/Yr
	Annual cost of Apparent Losses:	\$76
	Annual cost of Real Losses:	\$2,437 Valued at Customer Retail Unit Cost
Return to Reporting Worksheet to change this assumption		
Performance Indicators:		
Financial:	Non-revenue water as percent by volume of Water Supplied:	16.4%
	Non-revenue water as percent by cost of operating system:	20.1% Real Losses valued at Customer Retail Unit Cost
Operational Efficiency:	Apparent Losses per service connection per day:	0.58 gallons/connection/day
	Real Losses per service connection per day:	N/A gallons/connection/day
	Real Losses per length of main per day*:	231.00 gallons/mile/day
	Real Losses per service connection per day per psi pressure:	N/A gallons/connection/day/psi
	From Above, Real Losses = Current Annual Real Losses (CARL):	0.29 million gallons/year
?	Infrastructure Leakage Index (ILI) [CARL/UARL]:	
* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline		

Table 3

Wayne County, Tennessee
Schedule of Unaccounted for Water - PWSID 8275
Proprietary Fund
For the Year Ended June 30, 2018

**AWWA Free Water Audit Software:
Reporting Worksheet**

WAS v5.0
American Water Works Association
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Water Audit Report for: **Wayne County Rural Water Committee (TN 0008275 #1)**

Reporting Year: **17-18** / **7/2017 - 6/2018**

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

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

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

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

WATER SUPPLIED

Volume from own sources:	+ ?	n/a		MG/Yr			
Water imported:	+ ?	5	5.600	MG/Yr	+ ?	2	5.00%
Water exported:	+ ?	n/a		MG/Yr	+ ?		

Pcnt: Value:

Master Meter and Supply Error Adjustments

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

AUTHORIZED CONSUMPTION

Billed metered:	+ ?	5	3.800	MG/Yr			
Billed unmetered:	+ ?	n/a		MG/Yr	+ ?		
Unbilled metered:	+ ?	1	0.002	MG/Yr	+ ?		
Unbilled unmetered:	+ ?		0.067	MG/Yr	+ ?		

Default option selected for Unbilled unmetered - a grading of 5 is applied but not displayed

Pcnt: Value:

Click here: ? for help using option buttons below

Use buttons to select percentage of water supplied OR value

WATER LOSSES (Water Supplied - Authorized Consumption)

1.465 MG/Yr

Apparent Losses

Unauthorized consumption:	+ ?		0.013	MG/Yr			
Customer metering inaccuracies:	+ ?	2	0.000	MG/Yr	+ ?		
Systematic data handling errors:	+ ?		0.010	MG/Yr	+ ?		

Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed

Pcnt: Value:

OR value

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: 1.442 MG/Yr

WATER LOSSES: 1.465 MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: 1.533 MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	+ ?	6	13.0	miles			
Number of active AND inactive service connections:	+ ?	8	52	conn./mile main	+ ?		
Service connection density:	+ ?		4	conn./mile main	+ ?		

Are customer meters typically located at the curbstop or property line? Yes (length of service line, beyond the property boundary, that is the responsibility of the utility)

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

Average operating pressure: 5 50.0 psi

COST DATA

Total annual cost of operating water system:	+ ?	7	\$104,983	\$/Year			
Customer retail unit cost (applied to Apparent Losses):	+ ?	7	\$14.20	\$/1000 gallons (US)	+ ?		
Variable production cost (applied to Real Losses):	+ ?	7	\$142.00	\$/Million gallons	+ ?		

Use Customer Retail Unit Cost to value real losses

WATER AUDIT DATA VALIDITY SCORE:

*** YOUR SCORE IS: 50 out of 100 ***

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


PRIORITY AREAS FOR ATTENTION:

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

- 1: Water imported
- 2: Unbilled metered
- 3: Customer metering inaccuracies

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Wayne County, Tennessee
Schedule of Unaccounted for Water - PWSID 8275
Proprietary Fund
For the Year Ended June 30, 2018



AWWA Free Water Audit Software:
System Attributes and Performance Indicators

WAS v5.0
 American Water Works Association.
 Copyright © 2014, All Rights Reserved.

Water Audit Report for: Wayne County Rural Water Committee (TN 0008275 #1)

Reporting Year: 17-18 7/2017 - 6/2018

*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 50 out of 100 ***

System Attributes:

	Apparent Losses:	0.023	MG/Yr
	+ Real Losses:	1.442	MG/Yr
	= Water Losses:	1.465	MG/Yr
<div style="display: flex; align-items: center;"> ? Unavoidable Annual Real Losses (UARL): See limits in definition MG/Yr </div>			
	Annual cost of Apparent Losses:	\$324	
	Annual cost of Real Losses:	\$20,474	Valued at Customer Retail Unit Cost
			Return to Reporting Worksheet to change this assumption

Performance Indicators:

Financial:	{	Non-revenue water as percent by volume of Water Supplied:	28.8%	
		Non-revenue water as percent by cost of operating system:	20.7%	Real Losses valued at Customer Retail Unit Cost
Operational Efficiency:	{	Apparent Losses per service connection per day:	1.20	gallons/connection/day
		Real Losses per service connection per day:	N/A	gallons/connection/day
		Real Losses per length of main per day*:	303.86	gallons/mile/day
		Real Losses per service connection per day per psi pressure:	N/A	gallons/connection/day/psi
		From Above, Real Losses = Current Annual Real Losses (CARL):	1.44	million gallons/year
		? Infrastructure Leakage Index (ILI) [CARL/UARL]:		

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

Wayne County, Tennessee
 Schedule of Unaccounted for Water - PWSID 8276
 Proprietary Fund
 For the Year Ended June 30, 2018

AWWA Free Water Audit Software: Reporting Worksheet

WAS v5.0
 American Water Works Association
 Copyright © 2014, All Rights Reserved.

Water Audit Report for: **Wayne County Rural Water Committee (TN PWSID 0008276 #2)**
 Reporting Year: **2017-2018** 7/2017 - 6/2018

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

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

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

WATER SUPPLIED

Volume from own sources: MG/Yr
 Water imported: MG/Yr
 Water exported: MG/Yr

WATER SUPPLIED: MG/Yr

Master Meter and Supply Error Adjustments

Pcnt: Value: MG/Yr
 Enter negative % or value for under-registration
 Enter positive % or value for over-registration

AUTHORIZED CONSUMPTION

Billed metered: MG/Yr
 Billed unmetered: MG/Yr
 Unbilled metered: MG/Yr
 Unbilled unmetered: MG/Yr

Default option selected for Unbilled unmetered - a grading of 5 is applied but not displayed

AUTHORIZED CONSUMPTION: MG/Yr

Check input values; WATER SUPPLIED should be greater than AUTHORIZED CONSUMPTION

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

Apparent Losses

Unauthorized consumption: MG/Yr
 Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed

Customer metering inaccuracies: MG/Yr
 Systematic data handling errors: MG/Yr

Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed

Apparent Losses: MG/Yr

Check input values; APPARENT LOSSES should be less than WATER LOSSES

Real Losses (Current Annual Real Losses or CARL)

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

WATER LOSSES: MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: MG/Yr
 = Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains: miles
 Number of active AND inactive service connections:
 Service connection density: conn./mile main

Are customer meters typically located at the curbstop or property line? (length of service line, beyond the property boundary, that is the responsibility of the utility)

Average length of customer service line: (length of service line, beyond the property boundary, that is the responsibility of the utility)
 Average length of customer service line has been set to zero and a data grading score of 10 has been applied

Average operating pressure: psi

COST DATA

Total annual cost of operating water system: \$/Year
 Customer retail unit cost (applied to Apparent Losses): \$/1000 gallons (US)
 Variable production cost (applied to Real Losses): \$/Million gallons Use Customer Retail Unit Cost to value real losses

WATER AUDIT DATA VALIDITY SCORE:

***** YOUR SCORE IS: 55 out of 100 *****

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

PRIORITY AREAS FOR ATTENTION:


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

- 1: Total annual cost of operating water system
- 2: Water imported
- 3: Billed metered

Wayne County, Tennessee
Schedule of Unaccounted for Water - PWSID 8276
Proprietary Fund
For the Year Ended June 30, 2018

AWWA Free Water Audit Software:		WAS v5.0
System Attributes and Performance Indicators		
Water Audit Report for: Wayne County Rural Water Committee (TN PWSID 0008276 #2)		
Reporting Year: 2017-2018 7/2017 - 6/2018		
*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 55 out of 100 ***		
System Attributes:		
	Apparent Losses:	<input type="text" value="0.004"/> MG/Yr
+	Real Losses:	<input type="text" value="(0.074)"/> MG/Yr
=	Water Losses:	<input type="text" value="(0.070)"/> MG/Yr
<input style="background-color: #cccccc;" type="button" value="?"/>	Unavoidable Annual Real Losses (UARL):	<input type="text" value="See limits in definition"/> MG/Yr
	Annual cost of Apparent Losses:	<input type="text" value="\$15"/>
	Annual cost of Real Losses:	<input type="text" value="-\$308"/> Valued at Customer Retail Unit Cost
<small>Return to Reporting Worksheet to change this assumption</small>		
Performance Indicators:		
Financial:	Non-revenue water as percent by volume of Water Supplied:	<input type="text" value="-9.1%"/>
	Non-revenue water as percent by cost of operating system:	<input type="text" value="-0.4%"/> Real Losses valued at Customer Retail Unit Cost
Operational Efficiency:	Apparent Losses per service connection per day:	<input type="text" value="0.26"/> gallons/connection/day
	Real Losses per service connection per day:	<input type="text" value="N/A"/> gallons/connection/day
	Real Losses per length of main per day*:	<input type="text" value="-22.45"/> gallons/mile/day
	Real Losses per service connection per day per psi pressure:	<input type="text" value="N/A"/> gallons/connection/day/psi
	From Above, Real Losses = Current Annual Real Losses (CARL):	<input type="text" value="-0.07"/> million gallons/year
<input style="background-color: #cccccc;" type="button" value="?"/>	Infrastructure Leakage Index (ILI) [CARL/UARL]:	<input type="text" value=""/>
<small>* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline</small>		

Wayne County, Tennessee
Schedule of Unaccounted for Water - PWSID 8282
Proprietary Fund
For the Year Ended June 30, 2018



AWWA Free Water Audit Software:
System Attributes and Performance Indicators

WAS v5.0
 American Water Works Association
 Copyright © 2014. All Rights Reserved.

Water Audit Report for: Wayne County Rural Water Committee (TN PWSID 0008282 #4)

Reporting Year: 2017-2018 | 7/2017 - 6/2018

*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 62 out of 100 ***

System Attributes:

	Apparent Losses:	0.025	MGYr	
	+ Real Losses:	0.410	MGYr	
	= Water Losses:	0.435	MGYr	
? Unavoidable Annual Real Losses (UARL): See limits in definition MGYr				
Annual cost of Apparent Losses: \$348				
Annual cost of Real Losses: \$5,776 Valued at Customer Retail Unit Cost <small>Return to Reporting Worksheet to change this assumption</small>				

Performance Indicators:

Financial:	{	Non-revenue water as percent by volume of Water Supplied:	9.6%	
		Non-revenue water as percent by cost of operating system:	3.1%	Real Losses valued at Customer Retail Unit Cost
Operational Efficiency:	{	Apparent Losses per service connection per day:	0.46	gallons/connection/day
		Real Losses per service connection per day:	N/A	gallons/connection/day
		Real Losses per length of main per day*:	91.38	gallons/mile/day
		Real Losses per service connection per day per psi pressure:	N/A	gallons/connection/day/psi
From Above, Real Losses = Current Annual Real Losses (CARL): 0.41 million gallons/year				
? Infrastructure Leakage Index (ILI) [CARL/UARL]: 				

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

SINGLE AUDIT SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

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

Independent Auditor's Report

Wayne County Executive and
Board of County Commissioners
Wayne 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wayne County, Tennessee, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Wayne County's basic financial statements, and have issued our report thereon dated December 18, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Wayne 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 Wayne County's internal control. Accordingly, we do not express an opinion on the effectiveness of Wayne County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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. We consider the following deficiencies, described in the accompanying Schedule of Findings and Questioned Costs, to be material weaknesses: 2018-003 and 2018-004.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies, described in the accompanying Schedule of Findings and Questioned Costs, to be significant deficiencies: 2018-007 and 2018-008.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wayne 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2018-001, 2018-002, 2018-005, and 2018-006.

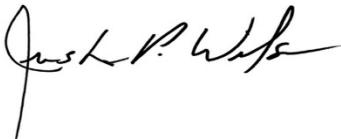
Wayne County's Response to the Findings

Wayne County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Wayne County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 Wayne 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 18, 2018

JPW/kp



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

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

Independent Auditor's Report

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

To the County Executive and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Wayne 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 Wayne County's major federal programs for the year ended June 30, 2018. Wayne 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 Wayne 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 Wayne 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 Wayne County's compliance.

Opinion on Each Major Federal Program

In our opinion, Wayne 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 Wayne 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 Wayne 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 Wayne 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.

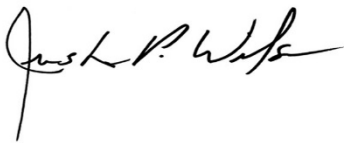
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wayne County, Tennessee, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Wayne County's basic financial statements. We issued our report thereon dated December 18, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on 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.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 18, 2018

JPW/kp

Wayne County, Tennessee, and the Wayne 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:			
Rural Business Development Grant	10.351	(3)	\$ 5,336
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	102,920 (5)
Passed-through State Department of Education:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	256,940
National School Lunch Program	10.555	N/A	545,827 (5)
Passed-through State Department of Human Services:			
Child Nutrition Cluster: (4)			
Summer Food Service Program for Children	10.559	N/A	3,393
Total U.S. Department of Agriculture			<u>\$ 914,416</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Safety Cluster:			
National Priority Safety Programs	20.616	Z-18-THS383	\$ 10,666
Total U.S. Department of Transportation			<u>\$ 10,666</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 753,520
Special Education Cluster (IDEA): (4)			
Special Education - Grants to States	84.027	N/A	587,468
Special Education - Preschool Grants	84.173	N/A	17,049
Career and Technical Education - Basic Grants to States	84.048	N/A	37,458
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	(3)	162,267
Rural Education	84.358	N/A	12,401
Supporting Effective Instruction State Grant	84.367	N/A	88,441
Student Support and Academic Enrichment Program	84.424	N/A	9,957
Total U.S. Department of Education			<u>\$ 1,668,561</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Human Services:			
CCDF Cluster:			
Child Care and Development Block Grant	93.575	(3)	\$ 97,842
Total U.S. Department of Health and Human Services			<u>\$ 97,842</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Homeland Security Grant Program	97.067	(3)	\$ 23,428
Total U.S. Department of Homeland Security			<u>\$ 23,428</u>
Total Expenditures of Federal Awards			<u>\$ 2,714,913</u>

(Continued)

Wayne County, Tennessee, and the Wayne 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>			
Access to Health and Healthy Active Built Environments - State Department of Health	N/A	(3)	\$ 7,000
Coordinated School Health - State Department of Education	N/A	(3)	90,000
ConnectTN - State Department of Education	N/A	(3)	5,712
CTE Equipment Grant - State Department of Education	N/A	(3)	125,000
Asset Based Enhancement Grant - State Department of Economic and Community Development	N/A	(3)	28,986
Debris Removal Grant - State Department of Military	N/A	(3)	34,500
Early Childhood Education - State Department of Education	N/A	(3)	845,996
Family Resource Center Grant - State Department of Education	N/A	(3)	29,612
Juvenile Justice and Delinquency Prevention - State Commission on Children and Youth	N/A	(3)	9,000
Downtown Enhancement Grant - State Department of Transportation	N/A	(3)	434,541
Litter Program - State Department of Transportation	N/A	(3)	35,722
Used Oil Grant - State Department of Environment and Conservation	N/A	(3)	12,632
Lottery for Education Afterschool Program - State Department of Education	N/A	(3)	73,505
Project Diabetes Initiative Services - State Department of Education	N/A	GG-14-38555-00	163,396
Rural Local Health Services - State Department of Health	N/A	(3)	107,266
Safe Schools Act - State Department of Education	N/A	(3)	14,310
Three Star Economic Development Projects - State Department of Economic and Community Development	N/A	(3)	<u>15,014</u>
Total State Grants			<u>\$ 2,032,192</u>

CFDA - Catalog of Federal Domestic Assistance
N/A - Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Wayne County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) Information not available.
- (4) Child Nutrition Cluster total \$909,080; Special Education Cluster total \$604,517.
- (5) Total for CFDA No. 10.555 is \$648,747.

Wayne 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 Wayne 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 COUNTY EXECUTIVE</u>					
2017	207	2017-001	Material Audit Adjustments were Required for Proper Financial Statement Presentation	N/A	Corrected
2017	208	2017-002	Wayne County has a Material Recurring Audit Finding	N/A	Corrected
2017	208	2017-003	The Public Utility Fund had Operating Deficiencies - Part A	N/A	Corrected
2017	208-209	2017-003	The Public Utility Fund had Operating Deficiencies - Part B	N/A	Not Corrected - See Explanation on Corrective Action Plan
2017	209	2017-004	Written Agreements do not Exist to Document Loans to the Wayne County Assisted Living Facility	N/A	Corrected
<u>OFFICE OF COMMISSIONER OF HIGHWAYS</u>					
2017	209-210	2017-005	Material Audit Adjustments were Required for Proper Financial Statement Presentation	N/A	Not Corrected - See Explanation on Corrective Action Plan
2017	210	2017-006	Expenditures Exceeded Appropriations	N/A	Corrected

OFFICE OF TRUSTEE

2017	211	2017-007	Revenues were not Prorated Accurately	N/A	Not Corrected - See Explanation on Corrective Action Plan
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OFFICES OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK AND CLERK AND MASTER

2017	212	2017-008	Multiple Employees Operated from the Same Cash Drawer	N/A	Not Corrected - See Explanation on Corrective Action Plan
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OFFICES OF COUNTY EXECUTIVE AND TRUSTEE

2017	213	2017-009	Duties were not Segregated Adequately	N/A	Not Corrected - See Explanation on Corrective Action Plan
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Prior-year Federal Awards Findings

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

WAYNE 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 Wayne County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **YES**
 - * Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **YES**

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; and Summer Food Service Program for Children
 - * CFDA Number: 84.010 Title I Grants to Local Educational Agencies
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **NO**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF COUNTY EXECUTIVE

FINDING 2018-001 **THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS**
 (Material Noncompliance Under *Government Auditing Standards*)

Our examination revealed the following deficiencies in budget operations:

- A. Total expenditures of the Other Special Revenue Fund exceeded total appropriations approved by the county commission by \$26,912.
- B. Expenditures exceeded appropriations approved by the county commission in four of 45 major appropriation categories (the legal level of control) of the General Fund and in one of nine major appropriation categories of the General Debt Service Fund. These over expenditures are reflected in the following table:

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
General:	
County Buildings	\$ 214,542
General Sessions Court	390
Jail	175,612
Agricultural Extension Service	7,750
General Debt Service:	
General Government	1,093

Section 5-9-401, *Tennessee Code Annotated*, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies.” These deficiencies exist because management failed to hold spending to the limits authorized by the county commission, which resulted in unauthorized expenditures.

RECOMMENDATION

Expenditures should be held within appropriations approved by the county commission.

MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE

Current management concurs with this finding; however, these were grant funds spent during the 2017-18 budget year, but not reimbursed at year-end. There should have been budget amendments approved by the County Commission to cover these over expenditures even though they were booked as receivables.

FINDING 2018-002

REVENUES UNRELATED TO OPERATIONS WERE ALLOCATED TO THE PUBLIC UTILITY FUND
(Material Noncompliance Under *Government Auditing Standards*)

Wayne County allocated revenues (\$107,013) to the Public Utility Fund, which were unrelated to the utility's operations, to provide cash flow for operating expenses. Section 7-34-115, *Tennessee Code Annotated*, requires water systems to "...be operated on sound business principles as self-sufficient entities." This deficiency resulted from a lack of oversight by management, management's failure to correct the finding noted in prior-year audit reports, and management's failure to implement their corrective action plan.

RECOMMENDATION

Wayne County should not allocate revenues to the Public Utility Fund, which are unrelated to the utility's operation. The Public Utility Fund should adjust its charges accordingly to enable the fund to be self-sufficient.

MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE

Current management concurs with this finding. We now have an active board for this utility, which is in the process of adopting policies to correct these deficiencies.

OFFICE OF COMMISSIONER OF HIGHWAYS

FINDING 2018-003

MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED FOR PROPER FINANCIAL STATEMENT PRESENTATION
(Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2018, certain general ledger account balances in the Highway/Public Works Fund were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year-end. Audit adjustments were required to increase receivables by \$343,595. Generally accepted accounting principles require the Highway

Department to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the department's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the department has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. 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 management's failure to implement their corrective action plan. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

Management should have appropriate processes in place to ensure its general ledgers are materially correct.

MANAGEMENT'S RESPONSE – COMMISSIONER OF HIGHWAYS

We had the county to give the Highway Department funds for the first time in this administration, and this was received under the wrong fund account. This was not intended to misrepresent or misclassify any financial records. This has been addressed, and the administrative employees are going to correct this issue and, in the future, will know the proper fund account to receive this type of funds.

FINDING 2018-004 **WAYNE COUNTY HIGHWAY DEPARTMENT HAS A MATERIAL RECURRING AUDIT FINDING**
 (Internal Control – Material Weakness Under *Government Auditing Standards*)

Wayne County Highway Department has a material audit finding that has been reported in its annual financial report for three or more consecutive years. This recurring material finding is listed below:

<u>Finding Numbers</u>	<u>Description</u>
2016-006, 2017-005, 2018-003	Material audit adjustments were required for proper financial statement presentation

The recurring nature of the above-noted finding indicates that management is either unwilling or unable to address the deficiency. Wayne County appointed an Audit Committee on April 21, 2014, to address financial and other reporting practices, internal control, compliance with laws and regulation, and ethics.

RECOMMENDATION

Wayne County Highway Department should work with its Audit Committee to correct the above-noted weakness in internal control.

FINDING 2018-005

THE COMMISSIONER OF HIGHWAYS PLED GUILTY TO CHARGES OF OFFICIAL MISCONDUCT AND PERMITTING JAIL INMATES TO WORK FOR THE BENEFIT OR GAIN OF A PRIVATE CITIZEN

(Noncompliance Under *Government Auditing Standards*)

On October 6, 2017, the Commissioner of Highways was indicted by the Wayne County Grand Jury on three separate counts: (1) private use of equipment and materials prohibited; (2) theft by the chief administrator officer over \$10,000; and (3) permitting jail inmates to work for the benefit or gain of a private citizen. On March 23, 2018, the Commissioner of Highways appeared in court and pled guilty to the lesser charges of official misconduct and permitting jail inmates to work for the benefit or gain of a private citizen and was ordered to pay restitution of \$3,011 to the Wayne County Road Department. The court ordered restitution was paid in full on April 9, 2018.

MANAGEMENT'S RESPONSE – COMMISSIONER OF HIGHWAYS

I want to take this opportunity to explain the charges against me. In March 2017, I received a phone call from a gentleman in the southern part of Wayne County about a ditch in front of their church that was eroding back underneath the parking lot. We were working in the area, and he told us he had asked other agencies several times, but they had not fixed the problem, so since we were in the area, would we? I told him we would. We used an estimated six to ten tons of mixed rock from the scrap pile at our shop.

A few weeks later I received several calls from a home health care organization. Apparently, an ambulance had fallen through a bridge while trying to get one of their patients, which was an 80-year-old man that was bedridden. They asked if we could please help these folks. We also received a call from the man's son asking us to fix the bridge.

This bridge was about ten to 12 feet off the road right-of-way. I called a contact in Nashville at the Highway Officials Association, and he said he thought we could, but he would check. A day or so later the calls kept coming from the home health ladies. One of them said if we would furnish some material, her husband and some of the men from the church would build the bridge.

The son of the elderly gentleman called back saying since the county Highway Department had built this bridge in 1982, refloored it in 1989, reworked it again in 1999 with wooden beams underneath it, which is why the ambulance broke through it, and was refloored again in 2008 with a crew of inmates, if something happened to his dad then the Highway Department and the county could expect a lawsuit.

I sent an employee out to check the bridge. He witnessed the home health care nurses wadding through the creek to see their 80-year-old patient. The employee came back and said he felt they desperately needed help so that is when I decided we would assist them in getting to the patient. Sadly, that man has since passed away.

We had some used beams from an old bridge the state had condemned, and a contractor had time off to build the new one. These beams were bent, crooked, had holes cut in them, and had been welded on in multiple places. We dug two out of the scrap pile and gave the beams to them. I had one of the employees and two inmates gather up some old bridge timber (31 boards) that had been there for about a year, and that is what we gave them to build the bridge.

All the material was left laying on the road right-of-way. We did lay the beams across the branch with the backhoe. I want to say that I take full responsibility for these actions. Those employees that worked on these two projects would not have been there if I had not sent them.

Therefore, I accepted the plea and plead guilty to official misconduct for knowingly performing or ordering an unauthorized act and use of inmates on private property. I have also agreed to pay \$3,011 plus \$620 court costs, this covers the cost of scrap beams, lumber, rock, and labor for both projects.

I want to say I disagree with a law that says, you cannot help people with documented medical needs or a place of worship.

I did not do these things for personal gain, money, or any other recognition. I did this to simply help a family that was desperately in need and to help a church. I hope the citizens of Wayne County understand why I did what I did.

OFFICE OF TRUSTEE

FINDING 2018-006

REVENUES WERE NOT PRORATED ACCURATELY (Noncompliance Under *Government Auditing Standards*)

During the fiscal year, the trustee did not accurately prorate wheel tax revenue according to allocations in the budget resolution approved by the county commission. The budget resolution approved by the county commission allocated the wheel tax revenue to the General, Highway/Public Works, and General Debt Service funds; however, the trustee failed to prorate this revenue properly, resulting in a \$59,184 understatement of revenue in the General Fund and an overstatement of revenues in the General Debt Service and Highway/Public Works funds. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report. This deficiency is the result of a lack of management oversight. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report and management's failure to implement their corrective action plan.

RECOMMENDATION

The trustee should accurately prorate revenues according to allocations in the budget resolution approved by the county commission.

MANAGEMENT'S RESPONSE – TRUSTEE

After this finding was brought to my attention, I corrected the revenue that was prorated inaccurately as soon as possible. Since, I have checked monthly the receipting by deputy trustees of the said revenue to make sure it was receipted correctly and according to the budget.

OFFICES OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK AND CLERK AND MASTER

FINDING 2018-007

MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER

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

All employees operated from the same cash drawer in the Offices of Circuit, General Sessions, and Juvenile Courts Clerk and the Clerk and Master. Good internal controls dictate that each employee have their own cash drawer, start the day with a standard fixed amount of cash, and remove all but that beginning amount at the end of the day. This amount should be verified to the employee's receipts at the end of each day. Failure to adhere to this control regimen greatly increases the risk that a cash shortage may not be detected in a timely manner. Furthermore, in the event of a cash shortage, the official would not be able to determine who was responsible for the shortage because multiple employees were working from one cash drawer. This deficiency in internal controls was the result of a lack of management oversight over risks related to safeguarding assets and management's failure to correct the finding noted in the prior-year audit report. Also, this deficiency is the result of the clerk and master's failure to implement her corrective action plan.

RECOMMENDATION

Officials should assign each employee their own cash drawer.

MANAGEMENT'S RESPONSE – CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

This office only has two full-time employees and two part-time employees. Our office is not set up for the public to come to each one of our desks, we must go the window to wait on the public. One cash drawer is our answer.

MANAGEMENT'S RESPONSE – CLERK AND MASTER

I concur with this finding. The Clerk and Master's Office has two employees. The clerk and master and a deputy clerk and master. It is almost impossible for each one to have a separate cash drawer.

OFFICES OF COUNTY EXECUTIVE AND TRUSTEE

FINDING 2018-008

DUTIES WERE NOT SEGREGATED ADEQUATELY

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

Duties were not segregated adequately among the officials and employees in the Offices of County Executive and Trustee. Employees responsible for maintaining the accounting records in the offices were also involved in receipting, depositing, and/or disbursing funds. Sound business practices dictate that management is responsible for designing internal controls to give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report, and management's failure to implement their corrective action plan.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE

Current management concurs with this finding. The small staff in our office makes it difficult to comply with this recommendation; however, we are working to devise a solution.

MANAGEMENT'S RESPONSE – TRUSTEE

As trustee I concur with this finding. However, with limited employees this is almost impossible. Before the next fiscal year, I will try to implement corrected actions to the best of my ability.

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.

Wayne 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
<u>OFFICE OF COUNTY EXECUTIVE</u>		
2018-001	The Office had Deficiencies in Budget Operations	222
2018-002	Revenues Unrelated to Operations were Allocated to the Public Utility Fund	222
2018-008	Duties were not Segregated Adequately	223
<u>OFFICE OF COMMISSIONER OF HIGHWAYS</u>		
2018-003	Material Audit Adjustments were Required for Proper Financial Statement Presentation	224
2018-004	Wayne County Highway Department has a Material Recurring Audit Finding	224
<u>OFFICE OF TRUSTEE</u>		
2018-006	Revenues were not Prorated Accurately	226
2018-008	Duties were not Segregated Adequately	226
<u>OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK</u>		
2018-007	Multiple Employees Operated from the Same Cash Drawer	228
<u>OFFICE OF CLERK AND MASTER</u>		
2018-007	Multiple Employees Operated from the Same Cash Drawer	229

WAYNE COUNTY COURTHOUSE
JIM MANGUBAT, COUNTY EXECUTIVE
100 COURT CIRCLE, SUITE 300
WAYNESBORO, TN 38485
931-722-3653

Corrective Action Plan

FINDING: THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS

Response and Corrective Action Plan Prepared by:
Jim Mangubat, County Executive

Person Responsible for Implementing the Corrective Action:
Jim Mangubat, County Executive

Anticipated Completion Date of Corrective Action:
June 30, 2019

Repeat Finding:
No

Planned Corrective Action:
We will review expenditures as compared to the budget and make amendments as necessary.

FINDING: REVENUES UNRELATED TO OPERATIONS WERE ALLOCATED TO THE PUBLIC UTILITY FUND

Response and Corrective Action Plan Prepared by:
Jim Mangubat, County Executive

Person Responsible for Implementing the Corrective Action:
Jim Mangubat, County Executive

Anticipated Completion Date of Corrective Action:
To be determined

WAYNE COUNTY COURTHOUSE
JIM MANGUBAT, COUNTY EXECUTIVE
100 COURT CIRCLE, SUITE 300
WAYNESBORO, TN 38485
931-722-3653

Repeat Finding:

Yes

Reason Corrective Action was Not Taken in the Prior Year:

Nonoperating revenues were necessary to provide cash flow for the operations of the Public Utility while officials evaluate customer water rates.

Planned Corrective Action:

The Wayne County Rural Water Board will evaluate customer water rates to determine the need for necessary rate increases to cover operation expenses.

FINDING: DUTIES WERE NOT SEGREGATED ADEQUATELY

Response and Corrective Action Plan Prepared by:

Jim Mangubat, County Executive

Person Responsible for Implementing the Corrective Action:

Jim Mangubat, County Executive

Anticipated Completion Date of Corrective Action:

June 30, 2019

Repeat Finding:

Yes

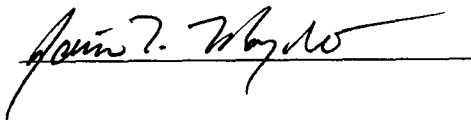
Reason Corrective Action was Not Taken in the Prior Year:

Part-time help was acquired to assist with the billing and collections responsibilities of the Public Utility; however, a full-time position could not be provided.

Planned Corrective Action:

With the addition of new personnel, we will utilize the segregation of duties checklist on the Division of Local Government Audit's website as a guide for how to adequately segregate duties in small offices.

Signature: _____



WAYNE COUNTY HIGHWAY DEPARTMENT
P.O. BOX 472
WAYNESBORO, TN 38485

CHUCK MOSER
HIGHWAY COMMISSIONER

OFFICE: (931)722-5556
FAX: (931)722-7812

Corrective Action Plan

FINDING: MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED FOR PROPER FINANCIAL STATEMENT PRESENTATION

Response and Corrective Action Plan Prepared by:
Chuck Moser, Commissioner of Highways

Person Responsible for Implementing the Corrective Action:
Chuck Moser, Commissioner of Highways

Anticipated Completion Date of Corrective Action:
June 30, 2019

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
Current office personnel were not aware that the previous changes had not been corrected.

Planned Corrective Action:
Going forward, it is the goal of this office to operate in a more efficient and timely manner to ensure that all records are properly maintained and up to date. Current office personnel will implement a plan to ensure that all receivables, etc. are accounted for before closing year end.

FINDING: WAYNE COUNTY HIGHWAY DEPARTMENT HAS A MATERIAL RECURRING AUDIT FINDING

Response and Corrective Action Plan Prepared by:
Chuck Moser, Commissioner of Highways

Person Responsible for Implementing the Corrective Action:
Chuck Moser, Commissioner of Highways

Anticipated Completion Date of Corrective Action:
June 30, 2019

Repeat Finding: No

WAYNE COUNTY HIGHWAY DEPARTMENT
P.O. BOX 472
WAYNESBORO, TN 38485

CHUCK MOSER
HIGHWAY COMMISSIONER

OFFICE: (931)722-5556
FAX: (931)722-7812

Planned Corrective Action:

Going forward, it is the goal of this office to operate in a more efficient and timely manner to ensure that all records are properly maintained and up to date. Current office personnel will implement a plan to ensure that all receivables, etc. are accounted for before closing year end.

Signature:

A handwritten signature in black ink, appearing to read "Chuck Moser", written over a horizontal line.

Janice Smith
Wayne County Trustee
100 Court Circle – Box 4
Waynesboro, TN 38485
Phone: 931-722-3269

Corrective Action Plan

FINDING: REVENUES WERE NOT PRORATED ACCURATELY

Response and Corrective Action Plan Prepared by:
Janice Smith, Trustee

Person Responsible for Implementing the Corrective Action:
Janice Smith, Trustee

Anticipated Completion Date of Corrective Action:
Immediately

Repeat Finding:
Yes

Planned Corrective Action:
I will review month end reports to ensure all revenues were prorated accurately.

FINDING: DUTIES WERE NOT SEGREGATED ADEQUATELY

Response and Corrective Action Plan Prepared by:
Janice Smith, Trustee

Person Responsible for Implementing the Corrective Action:
Janice Smith, Trustee

Anticipated Completion Date of Corrective Action:
June 30, 2019

Repeat Finding:
Yes

Janice Smith
Wayne County Trustee
100 Court Circle – Box 4
Waynesboro, TN 38485
Phone: 931-722-3269

Reason Corrective Action was Not Taken in the Prior Year:

I did not have the resources to correct this finding.

Planned Corrective Action:

I will segregate the duties in my office to the best of my ability.

Signature: Janice Smith 12-18-18

Wayne County Circuit Court Clerk
P.O. Box 869
1016 Andrew Jackson Drive
Waynesboro, Tn. 38485
931-722-5519
Fax (931)-722-9949

Corrective Action Plan

FINDING: MULTIPLE EMPLOYEES WORK FROM THE SAME CASH DRAWER

Response and Corrective Action Plan Prepared by:
Bill Crews Circuit Court Clerk

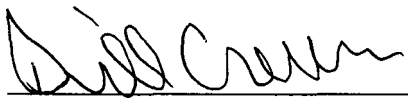
Person Responsible for Implementing the Corrective Action:
Bill Crews Circuit Court Clerk

Anticipated Completion Date of Corrective Action:
Unknown

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
This office only has two full time employees and two part time employees. Our office isn't set up for the public to come to each one of our desks, we have to go to the window to wait on the public. One drawer located at the window is the answer.

Planned Corrective Action:
To keep this office running as effective and safely as I can.

Signature: 

Wayne County Chancery Court

WAYNE COUNTY CRIMINAL JUSTICE CENTER

JUDGE DAVID L. ALLEN
Division I
JUDGE J. RUSSELL PARKES
Division II
JUDGE ROBERT L. JONES
Division III
JUDGE STELLA L. HARGROVE
Division IV

CAROLYN MATHIS, CLERK AND MASTER
P.O. BOX 101
TELEPHONE (931) 722-5517
FAX (931) 722-5758

JANET K. STAGGS
Deputy Clerk & Mast
CIRCUIT & CHANCERY CLERK
22nd Judicial District

WAYNESBORO, TENNESSEE 38485

Corrective Action Plan

FINDING: MULTIPLE EMPLOYEES WORK FROM THE SAME CASH DRAWER

Response and Corrective Action Plan Prepared by:
Carolyn Mathis, Clerk and Master

Person Responsible for Implementing the Corrective Action:
Carolyn Mathis, Clerk and Master

Anticipated Completion Date of Corrective Action:
February 2, 2019

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
I concur with this finding and as stated before, we have two clerks in this office with one cash drawer that has \$50.00 for making change. It is not feasible for this office.

Planned Corrective Action:
I will be retiring on February 1, 2019, and will recommend the following to the new clerk: Additional training be conducted for accounting personnel. Deposits continue to be made daily. The chief deputy should be responsible for ensuring deposits be made within three days of collection.

Signature: Carolyn Mathis, Clerk and Master

Date: 12-17-2018

BEST PRACTICE

Accounting literature describes a best practice as a recommended policy, procedure, or technique that aids management in improving financial performance. Historically, a best practice has consistently shown superior results over conventional methods.

The Division of Local Government Audit strongly believes that the item noted below is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Wayne County.

WAYNE COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING

Wayne County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Wayne County. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.