

ANNUAL FINANCIAL REPORT
WARREN COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2015



DIVISION OF LOCAL GOVERNMENT AUDIT



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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

WARREN COUNTY, TENNESSEE

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Summary of Audit Findings

Annual Financial Report
Warren County, Tennessee
For the Year Ended June 30, 2015

Scope

We have audited the basic financial statements of Warren County as of and for the year ended June 30, 2015.

Results

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

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

Finding

The following is a summary of the audit finding:

OFFICES OF COUNTY EXECUTIVE AND FINANCE DIRECTOR

- ◆ An investigation of the operations of the Warren County EMS-Rescue Service resulted in findings and recommendations related to compliance and internal control issues.

INTRODUCTORY SECTION

Warren County Officials
June 30, 2015

Officials

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

Board of County Commissioners

Herschel Wells, County Executive, Chairman	
Terry Bell	Michael Martin
Morris Bond	Carolyn Miller
Carl D. Bouldin	Charles Morgan
Carl E. Bouldin	Gary Prater
Teddy Boyd	David Rhea
Charlene Brown	Kenny Roberts
Wayne Copeland	Scott Rubley
Randy England	Tommy Savage
Billy Earl Jones	Diane Starkey
Ronald Lee	Blaine Wilcher
Gary Martin	Michael Wilcher
Ken Martin	Melissa Yancy

Board of Education

Linda Blair, Chairman	Scott Holmes
James Bennett	Helen Martin
Tanya Bess	William Zechman

Financial Management Committee

Terry Bell, Chairman	Wayne Copeland
Herschel Wells, County Executive	Billy Earl Jones
Levie Glenn, Superintendent of Roads	Tommy Savage
John Robert Cox, Director of Schools	

Audit Committee

Wayne Cantrell, Chairman
Emily Horton
Danny Martin

Ken Martin
Randy England

FINANCIAL SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
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JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
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Independent Auditor's Report

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

To the County Executive and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Warren County, Tennessee, as of and for the year ended June 30, 2015, 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 did not audit the financial statements of the Warren County Emergency Communications District, which represent 2.2 percent, 2.30 percent, and 1.72 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Warren County Emergency Communications District, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally

accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Warren County, Tennessee, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Ambulance Service, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note V.B., Warren County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*; GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*; and GASB Statement No. 71 *Pension Transition for Contributions made Subsequent to the Measurement Date*. Our opinion is not modified with respect to these matters.

Emphasis of Matter

We draw attention to Note I.D.9. to the financial statements, which describes a restatement decreasing the beginning Governmental Activities net position by \$333,118 and the discretely presented Warren County School Department's net position by \$8,636,329 on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 15-23 and the schedule of changes in the county's net pension liability and related ratios, schedule of county and school contributions, schedule of school's proportionate share of the net pension liability, and schedule of funding progress – other postemployment benefits plan on pages 105-111 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Warren County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Warren County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Warren County School Department (a discretely presented component unit), and 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 by us. In our opinion, based on our audit and the procedures performed as described above, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Warren County School Department

(a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2016, on our consideration of Warren County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Warren County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

January 8, 2016

JPW/kp

**Warren County, Tennessee
Management's Discussion and Analysis
For the Year Ended June 30, 2015**

As management of Warren County, we offer readers of the Warren County financial statements this narrative overview and analysis of the financial activities of the county for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our financial report.

Financial Highlights

Primary Government

- The assets and deferred outflows of resources of Warren County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$40,025,196 (net position).
- The Primary Government's total net position decreased by \$4,383,877.
- As of the close of the fiscal year, Warren County's governmental funds reported combined ending fund balances of \$18,021,908. At the end of the fiscal year, unassigned fund balance for the General Fund was \$2,523,042 or 21 percent of total General Fund expenditures.
- Warren County's total long-term debt increased by \$3,315,268. during the fiscal year due primarily to a new bond issuance to provide funding for three school construction/renovation projects for Warren County Schools.

Discretely Presented Component Unit – Warren County School Department

- The assets of the Warren County School Department exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$48,148,425. (net position).
- As of the close of the fiscal year, the School Department's combined ending fund balances totaled \$14,168,748. The Education Department of the State of Tennessee places restrictions on how fund balances may be used, generally limiting the use of unassigned fund balance to capital purchases and other non-recurring expenditures.

Overview of the Financial Statements

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

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

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

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

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

The government-wide financial statements include not only Warren County (known as the primary government), but also the legally separate Warren County School Department (a discretely presented component unit) for which Warren County is financially accountable. The Warren County Emergency Communications District also meets the criteria for a discretely presented component unit. The financial statements for the Warren County Emergency Communications District are included within the government-wide statements.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the

long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Warren County and the Warren County School Department maintain a multitude of individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Ambulance Service, Highway/Public Works, and General Debt Service funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Warren County adopts an annual appropriated budget for its General, Ambulance Service, Highway/Public Works, Solid Waste/Sanitation, Drug Control, General Debt Service, General Purpose School, School Federal Projects, and the Central Cafeteria funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the budgets.

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

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

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The information included in this section is stipulated by the Governmental Accounting Standards Board.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Warren County, the Primary Government's assets and deferred outflows exceeded liabilities and deferred inflows by \$40,025,196, and the discretely presented Warren County School Department's assets exceeded liabilities and deferred inflows by \$48,148,425 at the close of the fiscal year.

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

As of June 30, 2015, Warren County had outstanding debt totaling \$17,689,925 for capital purposes for the Warren County Board of Education, with the capital assets being reported in the financial statements of the Warren County Board of Education. However, Warren County has incurred the related liability, significantly decreasing its unrestricted net position without a corresponding increase in the county's capital assets.

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

The following schedules provide a summary of Warren County's and the Warren County School Department's Net Position and Statement of Activities for the fiscal year ending June 30, 2015:

Table 1

WARREN COUNTY, TENNESSEE NET POSITION					
	Warren County Primary Government		Component Unit Warren County School Department		
	June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015	
	Current and Other Assets	\$ 35,466,795	\$ 36,803,070	\$ 14,730,355	
Capital Assets	41,656,798	40,941,226	45,444,396	43,675,850	
Total Assets	<u>\$ 77,123,593</u>	<u>\$ 77,744,296</u>	<u>\$ 60,174,751</u>	<u>\$ 65,072,521</u>	
Deferred Charge on Refunding	\$ 12,737	\$ 10,155	\$ -	\$ -	
Pension Changes in Experience	-	-	-	253,070	
Pension Changes in Other Deferrals	-	-	-	81,256	
Pension Changes in Contributions after Measurement Date	-	1,133,718	-	3,045,974	
Total Deferred Outflows of Resources	<u>\$ 12,737</u>	<u>\$ 1,143,873</u>	<u>\$ -</u>	<u>\$ 3,380,300</u>	
Long-term Liabilities	\$ 18,294,387	\$ 21,250,596	\$ 4,293,826	\$ 4,572,934	
Other Liabilities	4,798,439	6,474,201	937,099	1,480,360	
Total Liabilities	<u>\$ 23,092,826</u>	<u>\$ 27,724,797</u>	<u>\$ 5,230,925</u>	<u>\$ 6,053,294</u>	
Deferred Revenue-Current Property Tax	\$ 9,634,431	\$ 9,815,482	\$ 3,879,990	\$ 4,033,258	
Deferred Changes in Experience	-	101,970	-	125,591	
Deferred Changes in Investment Earnings	-	1,220,724	-	10,092,253	
Total Deferred Inflows of Resources	<u>\$ 9,634,431</u>	<u>\$ 11,138,176</u>	<u>\$ 3,879,990</u>	<u>\$ 14,251,102</u>	

Table 1 (Cont.):

	Warren County		Component Unit	
	Primary Government		Warren County School Department	
	June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015
Net Position:				
Invested in Capital Assets,				
Net of Related Debt	\$ 35,994,616	\$ 35,943,244	\$ 45,444,396	\$ 43,675,850
Restricted	6,087,857	7,209,143	1,696,618	6,829,484
Unrestricted	2,326,600	(3,127,191)	3,922,822	(2,356,909)
Total Net Position	\$ 44,409,073	\$ 40,025,196	\$ 51,063,836	\$ 48,148,425

Table 2

WARREN COUNTY, TENNESSEE
STATEMENT OF ACTIVITIES

	Warren County		Component Unit	
	Primary Government		Warren County School Department	
	June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015
Revenues:				
Program Revenues:				
Charges for Services	\$ 6,250,951	\$ 6,157,952	\$ 793,207	\$ 480,901
Operating Grants and Contributions	3,826,535	3,662,017	6,630,669	6,297,488
Capital Grants and Contributions	0	395,474	253,282	4,901,817
General Revenues:				
Property Taxes	9,573,546	9,841,773	3,845,442	4,207,633
Other Taxes	2,077,262	2,174,671	7,705,223	7,990,409
Grants and Contributions Not				
Restricted for Specific Purposes	1,334,391	1,309,155	35,320,261	34,535,625
Miscellaneous	71,735	42,760	63,041	91,864
Gain on Disposal of Capital Assets	0	57,891	0	46,218
Special Item - Tax Credit Bond Rebate	415,020	391,153	0	0
Unrestricted Investment Earnings	248,082	234,725	4,549	5,459
Pension Income	0	0	0	75,857
Total General Revenues	\$ 23,797,522	\$ 24,267,571	\$ 54,615,674	\$ 58,633,271

Table 2 (Cont.):

	Warren County Primary Government		Component Unit	
			Warren County School Department	
	June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015
Expenses:				
General Government	\$ 2,363,529	\$ 2,124,228	\$ 0	\$ 0
Finance	1,453,396	1,408,531	0	0
Administration of Justice	1,580,517	1,434,916	0	0
Public Safety	6,357,980	7,115,195	0	0
Public Health and Welfare	5,447,896	5,001,268	0	0
Social, Cultural, and Recreational	174,871	203,603	0	0
Agriculture and Natural Resources	195,877	189,103	0	0
Highways/Public Works	3,234,668	4,340,408	0	0
Education	0	97,060	0	0
Education (Self-Insurance)	377,776	512,681	0	0
Education (Contributions to Component Units)	253,282	4,901,816	0	0
Education	0	0	54,566,091	52,912,353
Interest on Long-term Debt	965,938	989,521	0	0
Total Expenses	<u>\$ 22,405,730</u>	<u>\$ 28,318,330</u>	<u>\$ 54,566,091</u>	<u>\$ 52,912,353</u>
Change in Net Position	\$ 1,391,792	\$ (4,050,759)	\$ 49,583	\$ 5,720,918
Restatement - Pension Liability	0	(333,118)	0	(8,636,329)
Prior-Period Adjustment	1,694,950	0		0
Net Position, July 1	<u>41,322,331</u>	<u>44,409,073</u>	<u>51,014,253</u>	<u>51,063,836</u>
Net Position, June 30	<u>\$ 44,409,073</u>	<u>\$ 40,025,196</u>	<u>\$ 51,063,836</u>	<u>\$ 48,148,425</u>

A portion of Warren County's and the discretely presented Warren County School Department's net position represents resources that are subject to restrictions on how they may be used. The remaining balances of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

Financial Analysis of the Government's Funds

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

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

As of the end of the fiscal year, Warren County's governmental funds reported combined ending fund balances of \$18,021,908. Classifications of fund balance may consist of the following: Nonspendable, Restricted, Committed, Assigned, or Unassigned.

The General Fund is the chief operating fund of Warren County. At the end of the fiscal year, unassigned fund balance of the General Fund was \$2,523,042 while total fund balance was \$4,876,853. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 21 percent of total General Fund expenditures, while total fund balance represents 41 percent of that same amount.

The fund balance of Warren County's General Fund decreased by \$370,326 during the fiscal year.

The General Debt Service Fund has a total fund balance of \$8,786,843, all of which is restricted or committed for the payment of debt service.

General Fund Budgetary Highlights

The difference between the original budget expenditures and the final amended budget expenditures in the General Fund was an \$820,722 net increase in appropriations and can be briefly summarized as follows:

- \$ 84,136 in increases allocated to General Government
- \$ 24,000 in increases allocated to Finance
- \$ 34,013 in increases allocated to Administration of Justice
- \$646,512 in increases allocated to Public Safety
- \$ 64,430 in increases allocated to Public Health and Welfare
- \$ 32,370 in decreases allocated to Other General Government

The increase of \$820,722 in budgetary expenses was funded from miscellaneous increases in various revenue accounts, including but not limited to, local taxes, charges for services, state and federal grant proceeds; miscellaneous decreases in various expenditure accounts; and fund equity. During the year, revenues exceeded budgetary amounts and expenditures were less than budgetary estimates; therefore, the ending fund balance at June 30, 2015, exceeded the budgeted estimated fund balance.

Capital Assets and Debt Administration

Capital assets. The investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, roads, highways, and bridges. Warren County's investment in capital assets for its governmental activities as of June 30, 2015, totaled \$35,943,244 (net of accumulated depreciation and related debt). The Warren County School Department's investment in capital assets as of June 30, 2015, was \$43,675,850. The related debt for schools is carried in governmental activities.

Major capital assets events during fiscal year 2014-2015 included the following:

- Purchasing Four New Vehicles – Sheriff's Department - \$106,988
- Purchasing Eight New Cot Loading Systems – Ambulance Service - \$180,162

- Purchasing One New Ambulance – Ambulance Service - \$142,465.00
- Purchasing One New Ambulance Remount – Ambulance Service - \$126,845
- Purchasing One New Super Duty Truck – Highway Department - \$70,081
- Purchasing One New Tractor & Boom Mower – Highway Department - \$135,691
- Purchasing Softball Field House – BOE - \$77,107

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

Long-term Debt

At the end of the fiscal year, Warren County had total long-term debt outstanding of \$22,589,925. This amount comprises debt backed by the full faith and credit of the government. In addition to the debt, county long-term obligations include compensated absences and other postemployment benefits liability.

Warren County’s total debt increased by \$3,315,268 during fiscal year 2014-2015.

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

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

A schedule of all outstanding debt as of June 30, 2015, for Warren County follows:

Table 3

WARREN COUNTY, TENNESSEE
OUTSTANDING DEBT

Primary Government	June 30, 2014	June 30, 2015
2014 General Obligation Bonds	\$ 0	\$ 4,900,000
2010 Qualified School Construction Bonds	7,655,802	7,075,497
2010 Build America Bonds	5,900,000	5,630,000
2010 Series General Obligation Refunding Bonds	5,505,000	4,900,000
2014 Capital Outlay Notes	168,855	84,428
2013 Capital Outlay Notes	45,000	0
Total Outstanding Debt	\$ 19,274,657	\$ 22,589,925

Economic Factors and Next Year’s Budgets and Rates

On July 20, 2015, Warren County adopted a budget for the fiscal year ending June 30, 2016. Many factors were considered when adopting this budget including a continued elevated unemployment rate, limited interest earnings, the prolonged slow-down in the housing market, and the extended period of decreases in sales tax collections.

At the end of the 2014-2015 fiscal year, unassigned fund balance in the General Fund decreased to \$2,523,042 from unassigned fund balance of \$3,333,435 in fiscal year 2013-2014. The Warren County legislative body approved the tax rate of \$1.9661 in regular session on July 20, 2015, for fiscal year 2015-2016 allocated as follows:

<u>Fund</u>	<u>Tax Rate</u>
General	\$ 0.8935
Solid Waste/Sanitation	0.0400
Ambulance Service	0.1600
Highway/Public Works	0.0800
General Purpose School	0.5726
General Debt Service	<u>0.2200</u>
 Total	 <u>\$ 1.9661</u>

Request for Information

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

BASIC FINANCIAL STATEMENTS

Exhibit A

Warren County, Tennessee
Statement of Net Position
June 30, 2015

	Primary Governmental Activities	Component Units	
		Warren County School Department	Warren County Emergency Communications District
<u>ASSETS</u>			
Cash	\$ 264,332	\$ 63,440	\$ 117,282
Equity in Pooled Cash and Investments	23,027,523	14,397,947	0
Inventories	0	55,615	0
Accounts Receivable	1,673,358	10,904	14,256
Allowance for Uncollectibles	(357,384)	0	0
Due from Other Governments	813,556	1,755,444	0
Due from Component Units	102,734	0	0
Property Taxes Receivable	10,599,884	4,351,037	0
Allowance for Uncollectible Property Taxes	(444,094)	(180,699)	0
Notes Receivable - Current	442,167	0	0
Other Asset - Mapping Costs (less accumulated amortization)	0	0	6,185
Net Pension Asset - Agent Plan	680,994	838,742	114,073
Net Pension Asset - Cost-sharing Plan	0	104,241	0
Assets Not Depreciated:			
Land	2,043,085	1,926,806	78,072
Intangible Assets	6,201,919	0	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	7,858,348	40,945,159	868,903
Infrastructure	21,352,894	0	0
Other Capital Assets	3,484,980	803,885	267,548
Total Assets	<u>\$ 77,744,296</u>	<u>\$ 65,072,521</u>	<u>\$ 1,466,319</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Charge on Refunding	\$ 10,155	\$ 0	\$ 0
Pension Changes in Experience	0	253,070	34,012
Pension Changes in Other Deferrals	0	81,256	0
Pension Changes in Contributions after Measurement Date	1,133,718	3,045,974	6,540
Total Deferred Outflows of Resources	<u>\$ 1,143,873</u>	<u>\$ 3,380,300</u>	<u>\$ 40,552</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 349,243	\$ 483	\$ 6,696
Accrued Payroll	298,415	0	3,190
Payroll Deductions Payable	76,066	1,315,261	0
Contracts Payable	83,992	0	0
Claims and Judgments Payable	3,398,700	0	0
Due to Primary Government	0	102,734	0
Accrued Interest Payable	75,233	0	0
Noncurrent Liabilities:			
Due Within One Year	2,192,552	61,882	111,145
Due in More Than One Year (net of unamortized premium on debt)	21,250,596	4,572,934	217,195
Total Liabilities	<u>\$ 27,724,797</u>	<u>\$ 6,053,294</u>	<u>\$ 338,226</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Revenue - Current Property Taxes	\$ 9,815,482	\$ 4,033,258	\$ 0
Pension Changes in Experience	101,970	125,591	0
Pension Changes in Investment Earnings	1,220,724	10,092,253	34,393
Total Deferred Inflows of Resources	<u>\$ 11,138,176</u>	<u>\$ 14,251,102</u>	<u>\$ 34,393</u>

(Continued)

Exhibit A

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

	Primary Governmental Activities	Component Units	
		Warren County School Department	County Emergency Communications District
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 35,943,244	\$ 43,675,850	\$ 904,324
Restricted for:			
General Government	1,925,575	0	0
Administration of Justice	326,186	0	0
Public Safety	230,812	0	0
Public Health and Welfare	1,151,338	0	0
Social, Cultural, and Recreational Services	83,826	0	0
Highways/Public Works	1,037,138	0	0
Education	0	6,829,484	0
Debt Service	1,773,274	0	0
Other Purposes	680,994	0	114,073
Unrestricted	(3,127,191)	(2,356,909)	115,855
Total Net Position	<u>\$ 40,025,196</u>	<u>\$ 48,148,425</u>	<u>\$ 1,134,252</u>

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

Exhibit B

Warren County, Tennessee
Statement of Activities
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Component Units	
						Warren County School Department	Warren County Emergency Communications District
Primary Government:							
Governmental Activities:							
General Government	\$ 2,124,228	\$ 711,502	\$ 327,379	\$ 0	\$ (1,085,347)	\$ 0	\$ 0
Finance	1,408,531	1,035,123	0	0	(373,408)	0	0
Administration of Justice	1,434,916	945,656	3,110	0	(486,150)	0	0
Public Safety	7,115,195	1,025,413	74,305	0	(6,015,477)	0	0
Public Health and Welfare	5,001,268	2,066,760	1,425,265	0	(1,509,243)	0	0
Social, Cultural, and Recreational Services	203,603	150	0	0	(203,453)	0	0
Agriculture and Natural Resources	189,103	0	0	0	(189,103)	0	0
Highways/Public Works	4,340,408	0	1,831,958	395,474	(2,112,976)	0	0
Education	4,998,876	0	0	0	(4,998,876)	0	0
Education (Self-Insurance)	512,681	373,348	0	0	(139,333)	0	0
Interest on Long-term Debt	989,521	0	0	0	(989,521)	0	0
Total Primary Government	\$ 28,318,330	\$ 6,157,952	\$ 3,662,017	\$ 395,474	\$ (18,102,887)	\$ 0	\$ 0
Component Units:							
School Department	\$ 52,912,353	\$ 480,901	\$ 6,297,488	\$ 4,901,817	\$ 0	\$ (41,232,147)	\$ 0
Emergency Communications District	1,007,686	167,628	484,432	0	0	0	(355,626)
Total Component Units	\$ 53,920,039	\$ 648,529	\$ 6,781,920	\$ 4,901,817	\$ 0	\$ (41,232,147)	\$ (355,626)

(Continued)

Exhibit B

Warren County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Component Units	
						Warren County School Department	Warren County Emergency Communications District
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					\$ 8,324,375	\$ 4,207,633	\$ 0
Property Taxes Levied for Debt Service					1,517,398	0	0
Local Option Sales Taxes					255,193	7,980,442	0
Wheel Tax					1,068,582	0	0
Litigation Taxes					164,866	0	0
Business Tax					336,692	0	0
Mixed Drink Tax					55,691	9,967	0
Wholesale Beer Tax					193,879	0	0
Hotel/Motel Tax					44,562	0	0
Mineral Severance Tax					55,206	0	0
Grants and Contributions Not Restricted to Specific Programs					1,309,155	34,535,625	345,738
Unrestricted Investment Earnings					234,725	5,459	697
Miscellaneous					42,760	91,864	25,906
Gain on Disposal of Capital Assets					57,891	46,218	0
Special Item - Tax Credit on Bond Rebate					391,153	0	0
Pension Income					0	75,857	3,135
Total General Revenues					<u>\$ 14,052,128</u>	<u>\$ 46,953,065</u>	<u>\$ 375,476</u>
Change in Net Position					\$ (4,050,759)	\$ 5,720,918	\$ 19,850
Restatement - Pensions - See Note I.D.9					(333,118)	(8,636,329)	0
Restatement - Pensions					0	0	110,557
Net Position, July 1, 2014					<u>44,409,073</u>	<u>51,063,836</u>	<u>1,003,845</u>
Net Position, June 30, 2015					<u>\$ 40,025,196</u>	<u>\$ 48,148,425</u>	<u>\$ 1,134,252</u>

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

Exhibit C-1

Warren County, Tennessee
 Balance Sheet
 Governmental Funds
 June 30, 2015

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Ambulance Service	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>						
Cash	\$ 325	\$ 0	\$ 0	\$ 0	\$ 263,633	\$ 263,958
Equity in Pooled Cash and Investments	4,708,913	1,065,550	1,913,758	8,316,790	1,141,520	17,146,531
Accounts Receivable	74,212	1,586,908	0	0	12,238	1,673,358
Allowance for Uncollectibles	0	(357,384)	0	0	0	(357,384)
Due from Other Governments	404,045	0	338,835	41,191	29,485	813,556
Due from Other Funds	63,323	0	0	0	0	63,323
Due from Component Units	102,734	0	0	0	0	102,734
Property Taxes Receivable	6,772,084	1,231,516	607,877	1,672,647	315,760	10,599,884
Allowance for Uncollectible Property Taxes	(275,137)	(56,667)	(25,237)	(69,790)	(17,263)	(444,094)
Notes Receivable - Current	0	0	0	442,167	0	442,167
Total Assets	\$ 11,850,499	\$ 3,469,923	\$ 2,835,233	\$ 10,403,005	\$ 1,745,373	\$ 30,304,033
<u>LIABILITIES</u>						
Accounts Payable	\$ 132,171	\$ 12,356	\$ 198,949	\$ 0	\$ 5,767	\$ 349,243
Accrued Payroll	208,901	59,392	19,489	0	10,633	298,415
Payroll Deductions Payable	56,294	12,715	4,627	0	2,430	76,066
Contracts Payable	83,992	0	0	0	0	83,992
Due to Other Funds	0	0	0	0	63,323	63,323
Total Liabilities	\$ 481,358	\$ 84,463	\$ 223,065	\$ 0	\$ 82,153	\$ 871,039
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 6,293,601	\$ 1,127,002	\$ 563,501	\$ 1,549,628	\$ 281,750	\$ 9,815,482
Deferred Delinquent Property Taxes	169,833	39,961	15,984	44,456	13,986	284,220

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor	Total
	General	Ambulance Service	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>						
Other Deferred/Unavailable Revenue	\$ 28,854	\$ 1,088,345	\$ 172,107	\$ 22,078	\$ 0	\$ 1,311,384
Total Deferred Inflows of Resources	\$ 6,492,288	\$ 2,255,308	\$ 751,592	\$ 1,616,162	\$ 295,736	\$ 11,411,086
<u>FUND BALANCES</u>						
Restricted:						
Restricted for General Government	\$ 1,917,222	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,917,222
Restricted for Administration of Justice	326,186	0	0	0	0	326,186
Restricted for Public Safety	19,335	0	0	0	211,477	230,812
Restricted for Public Health and Welfare	21,186	0	0	0	0	21,186
Restricted for Social, Cultural, and Recreational Services	0	0	0	0	83,826	83,826
Restricted for Other Operations	8,353	0	0	0	0	8,353
Restricted for Highways/Public Works	0	0	849,047	0	0	849,047
Restricted for Debt Service	0	0	0	1,771,818	0	1,771,818
Committed:						
Committed for General Government	0	0	0	0	20,727	20,727
Committed for Finance	0	0	0	0	110,244	110,244
Committed for Administration of Justice	0	0	0	0	130,177	130,177
Committed for Public Safety	57,029	0	0	0	0	57,029
Committed for Public Health and Welfare	0	1,130,152	0	0	811,033	1,941,185
Committed for Highways/Public Works	0	0	469,461	0	0	469,461
Committed for Debt Service	0	0	0	7,015,025	0	7,015,025
Assigned:						
Assigned for General Government	4,500	0	0	0	0	4,500
Assigned for Highways/Public Works	0	0	542,068	0	0	542,068
Unassigned	2,523,042	0	0	0	0	2,523,042
Total Fund Balances	\$ 4,876,853	\$ 1,130,152	\$ 1,860,576	\$ 8,786,843	\$ 1,367,484	\$ 18,021,908
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 11,850,499	\$ 3,469,923	\$ 2,835,233	\$ 10,403,005	\$ 1,745,373	\$ 30,304,033

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

Exhibit C-2

Warren County, Tennessee
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
June 30, 2015

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)		\$ 18,021,908
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 2,043,085	
Add: intangibles	6,201,919	
Add: buildings and improvements net of accumulated depreciation	7,858,348	
Add: infrastructure net of accumulated depreciation	21,352,894	
Add: other capital assets net of accumulated depreciation	<u>3,484,980</u>	40,941,226
(2) The internal service fund is used by management to charge the cost of liability and workers' compensation insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		2,482,666
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (84,428)	
Less: bonds payable	(22,505,497)	
Add: deferred amount on refunding	10,155	
Less: compensated absences payable	(252,759)	
Less: other postemployment benefits liability	(397,082)	
Less: accrued interest payable on bonds	(75,233)	
Less: unamortized premium on debt	<u>(203,382)</u>	(23,508,226)
(4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 1,133,718	
Less: deferred inflows of resources related to pensions	<u>(1,322,694)</u>	(188,976)
(5) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		680,994
(6) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,595,604</u>
Net position of governmental activities (Exhibit A)		<u>\$ 40,025,196</u>

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

Exhibit C-3

Warren County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	Major Funds				
	General	Ambulance Service	Highway / Public Works	General Debt Service	Education Capital Projects
<u>Revenues</u>					
Local Taxes	\$ 6,906,650	\$ 1,469,996	\$ 642,942	\$ 2,959,059	\$ 0
Licenses and Permits	250,106	0	0	0	0
Fines, Forfeitures, and Penalties	322,444	0	0	0	0
Charges for Current Services	105,629	2,015,646	0	0	0
Other Local Revenues	430,971	0	1,017	198,000	3,101
Fees Received from County Officials	820,173	0	0	0	0
State of Tennessee	1,650,767	0	2,231,845	0	0
Federal Government	846,848	195,143	0	0	0
Other Governments and Citizens Groups	291,254	0	0	0	0
Total Revenues	\$ 11,624,842	\$ 3,680,785	\$ 2,875,804	\$ 3,157,059	\$ 3,101
<u>Expenditures</u>					
Current:					
General Government	\$ 1,332,858	\$ 0	\$ 0	\$ 0	\$ 0
Finance	824,346	0	0	0	0
Administration of Justice	904,256	0	0	0	0
Public Safety	6,026,809	73,298	0	0	0
Public Health and Welfare	1,158,174	3,248,935	0	0	0
Social, Cultural, and Recreational Services	131,500	0	0	0	0
Agriculture and Natural Resources	196,239	0	0	0	0
Other Operations	1,421,090	0	0	0	0
Highways	0	0	3,214,974	0	0
Debt Service:					
Principal on Debt	0	0	0	1,584,732	0
Interest on Debt	0	0	0	991,719	0
Other Debt Service	0	0	0	59,264	89,620

(Continued)

Exhibit C-3

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

	Major Funds				
	General	Ambulance Service	Highway / Public Works	General Debt Service	Education Capital Projects
<u>Expenditures (Cont.)</u>					
Capital Projects - Donated	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,901,816
Total Expenditures	\$ 11,995,272	\$ 3,322,233	\$ 3,214,974	\$ 2,635,715	\$ 4,991,436
Excess (Deficiency) of Revenues Over Expenditures	\$ (370,430)	\$ 358,552	\$ (339,170)	\$ 521,344	\$ (4,988,335)
<u>Other Financing Sources (Uses)</u>					
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,900,000
Premiums on Debt Issued	0	0	0	0	88,335
Transfers In	104	0	0	0	0
Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 104	\$ 0	\$ 0	\$ 0	\$ 4,988,335
Net Change in Fund Balances	\$ (370,326)	\$ 358,552	\$ (339,170)	\$ 521,344	\$ 0
Fund Balance, July 1, 2014	5,247,179	771,600	2,199,746	8,265,499	0
Fund Balance, June 30, 2015	\$ 4,876,853	\$ 1,130,152	\$ 1,860,576	\$ 8,786,843	\$ 0

(Continued)

Exhibit C-3

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 638,361		\$ 12,617,008
Licenses and Permits	0		250,106
Fines, Forfeitures, and Penalties	119,041		441,485
Charges for Current Services	982,467		3,103,742
Other Local Revenues	46,251		679,340
Fees Received from County Officials	0		820,173
State of Tennessee	502,897		4,385,509
Federal Government	0		1,041,991
Other Governments and Citizens Groups	0		291,254
Total Revenues	<u>\$ 2,289,017</u>		<u>\$ 23,630,608</u>
<u>Expenditures</u>			
Current:			
General Government	\$ 180,766		\$ 1,513,624
Finance	454,706		1,279,052
Administration of Justice	303,232		1,207,488
Public Safety	92,412		6,192,519
Public Health and Welfare	1,062,060		5,469,169
Social, Cultural, and Recreational Services	0		131,500
Agriculture and Natural Resources	0		196,239
Other Operations	0		1,421,090
Highways	0		3,214,974
Debt Service:			
Principal on Debt	0		1,584,732
Interest on Debt	0		991,719
Other Debt Service	0		148,884

(Continued)

Exhibit C-3

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
<hr/>			
<u>Expenditures (Cont.)</u>			
Capital Projects - Donated	\$	0	\$ 4,901,816
Total Expenditures	<u>\$</u>	<u>2,093,176</u>	<u>\$ 28,252,806</u>
 Excess (Deficiency) of Revenues Over Expenditures	 \$	 195,841	 \$ (4,622,198)
 <u>Other Financing Sources (Uses)</u>			
Bonds Issued	\$	0	\$ 4,900,000
Premiums on Debt Issued		0	88,335
Transfers In		0	104
Transfers Out		(104)	(104)
Total Other Financing Sources (Uses)	<u>\$</u>	<u>(104)</u>	<u>\$ 4,988,335</u>
 Net Change in Fund Balances	 \$	 195,737	 \$ 366,137
Fund Balance, July 1, 2014		1,171,747	17,655,771
 Fund Balance, June 30, 2015	 \$	 1,367,484	 \$ 18,021,908

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

Exhibit C-4

Warren County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2015

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)		\$ 366,137
(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	\$ 824,678	
Less: current-year depreciation expense	<u>(1,534,616)</u>	(709,938)
(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		(5,634)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2015	\$ 1,595,604	
Less: deferred delinquent property taxes and other deferred June 30, 2014	<u>(1,392,164)</u>	203,440
(4) The issuance of long-term debt (e.g., bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Less: bond proceeds	\$ (4,900,000)	
Less: change in premium on debt issuances	(55,248)	
Add: principal payments on notes	129,427	
Add: principal payments on bonds	1,455,305	
Less: change in deferred amount on refunding	<u>(2,582)</u>	(3,373,098)
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in accrued interest payable	\$ 2,198	
Change in compensated absences payable	(13,308)	
Change in other postemployment benefits liability	(24,562)	
Change in net pension liability/asset	1,014,112	
Change in deferred outflows related to pensions	1,133,718	
Change in deferred inflows related to pensions	<u>(1,322,694)</u>	789,464
(6) The internal service fund is used by management to charge the cost of liability and workers' compensation insurance to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities in the statement of activities.		<u>(1,321,130)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (4,050,759)</u>

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

Exhibit C-5

Warren County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 6,906,650	\$ 6,366,440	\$ 6,558,249	\$ 348,401
Licenses and Permits	250,106	181,500	181,500	68,606
Fines, Forfeitures, and Penalties	322,444	212,040	212,040	110,404
Charges for Current Services	105,629	93,900	93,950	11,679
Other Local Revenues	430,971	488,120	488,120	(57,149)
Fees Received from County Officials	820,173	599,000	621,000	199,173
State of Tennessee	1,650,767	2,349,067	2,407,543	(756,776)
Federal Government	846,848	730,142	1,059,951	(213,103)
Other Governments and Citizens Groups	291,254	220,000	220,000	71,254
Total Revenues	\$ 11,624,842	\$ 11,240,209	\$ 11,842,353	\$ (217,511)
Expenditures				
<u>General Government</u>				
County Commission	\$ 153,835	\$ 226,850	\$ 226,850	\$ 73,015
Board of Equalization	3,986	11,400	11,400	7,414
County Mayor/Executive	141,023	146,370	146,370	5,347
County Attorney	51,078	140,000	140,000	88,922
Election Commission	262,137	280,254	280,254	18,117
Register of Deeds	63,800	13,000	68,686	4,886
Development	379	500	500	121
Planning	15,123	16,980	16,980	1,857
Codes Compliance	57,634	51,206	63,206	5,572
County Buildings	162,253	190,262	190,262	28,009
Other Facilities	201,572	213,181	228,181	26,609
Other General Administration	219,990	295,500	296,900	76,910
Preservation of Records	48	0	50	2
<u>Finance</u>				
Accounting and Budgeting	454,421	464,793	464,793	10,372
Purchasing	5,434	4,500	6,500	1,066
Property Assessor's Office	321,116	370,306	370,306	49,190
County Trustee's Office	22,930	33,000	33,000	10,070
County Clerk's Office	20,445	0	22,000	1,555
<u>Administration of Justice</u>				
Circuit Court	73,550	109,300	109,300	35,750
General Sessions Court	247,432	252,720	255,420	7,988
Drug Court	85,984	124,224	125,537	39,553
Chancery Court	227,546	239,295	239,295	11,749
Juvenile Court	152,085	159,847	159,847	7,762
Judicial Commissioners	87,659	114,930	114,930	27,271
Victims Assistance Programs	30,000	0	30,000	0
<u>Public Safety</u>				
Sheriff's Department	2,721,025	2,746,656	2,746,656	25,631
Special Patrols	18,959	0	25,370	6,411
Administration of the Sexual Offender Registry	1,387	3,000	5,000	3,613
Jail	2,821,344	2,827,485	2,937,485	116,141
Juvenile Services	7,200	50,000	50,000	42,800
County Coroner/Medical Examiner	158,694	6,000	167,000	8,306
Public Safety Grants Program	132,200	0	348,142	215,942
Other Public Safety	166,000	168,000	168,000	2,000

(Continued)

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare</u>				
Local Health Center	\$ 68,355	\$ 91,196	\$ 91,196	\$ 22,841
Rabies and Animal Control	93,970	94,872	101,872	7,902
Maternal and Child Health Services	37,557	0	58,744	21,187
Alcohol and Drug Programs	48,898	51,667	50,354	1,456
Other Local Health Services	549,588	667,900	667,900	118,312
Regional Mental Health Center	5,000	5,000	5,000	0
Appropriation to State	52,203	52,203	52,203	0
General Welfare Assistance	2,289	3,000	3,000	711
Other Local Welfare Services	232,975	348,142	348,142	115,167
Other Public Health and Welfare	67,339	72,300	72,300	4,961
<u>Social, Cultural, and Recreational Services</u>				
Senior Citizens Assistance	10,500	10,500	10,500	0
Libraries	116,000	116,000	116,000	0
Parks and Fair Boards	5,000	5,000	5,000	0
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	106,250	117,823	117,823	11,573
Forest Service	2,000	2,000	2,000	0
Soil Conservation	87,989	88,466	88,466	477
<u>Other Operations</u>				
Tourism	5,500	5,500	5,500	0
Industrial Development	250,000	250,000	250,000	0
Airport	441,623	1,235,238	1,235,238	793,615
Veterans' Services	20,122	20,350	20,350	228
Other Charges	433,450	575,000	542,630	109,180
Contributions to Other Agencies	5,500	5,500	5,500	0
Employee Benefits	249,071	318,000	318,000	68,929
Miscellaneous	15,824	45,000	45,000	29,176
Total Expenditures	\$ 11,995,272	\$ 13,440,216	\$ 14,260,938	\$ 2,265,666
Excess (Deficiency) of Revenues Over Expenditures	\$ (370,430)	\$ (2,200,007)	\$ (2,418,585)	\$ 2,048,155
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 104	\$ 0	\$ 0	\$ 104
Total Other Financing Sources	\$ 104	\$ 0	\$ 0	\$ 104
Net Change in Fund Balance	\$ (370,326)	\$ (2,200,007)	\$ (2,418,585)	\$ 2,048,259
Fund Balance, July 1, 2014	5,247,179	3,381,176	3,381,176	1,866,003
Fund Balance, June 30, 2015	\$ 4,876,853	\$ 1,181,169	\$ 962,591	\$ 3,914,262

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

Exhibit C-6

Warren County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Ambulance Service Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,469,996	\$ 1,350,880	\$ 1,430,880	\$ 39,116
Charges for Current Services	2,015,646	1,600,000	1,634,000	381,646
Federal Government	195,143	217,350	217,350	(22,207)
Total Revenues	<u>\$ 3,680,785</u>	<u>\$ 3,168,230</u>	<u>\$ 3,282,230</u>	<u>\$ 398,555</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Civil Defense	\$ 47,388	\$ 63,108	\$ 63,108	\$ 15,720
Rescue Squad	25,910	25,910	25,910	0
<u>Public Health and Welfare</u>				
Ambulance/Emergency Medical Services	3,248,935	3,360,910	3,474,910	225,975
Total Expenditures	<u>\$ 3,322,233</u>	<u>\$ 3,449,928</u>	<u>\$ 3,563,928</u>	<u>\$ 241,695</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 358,552</u>	<u>\$ (281,698)</u>	<u>\$ (281,698)</u>	<u>\$ 640,250</u>
Net Change in Fund Balance	\$ 358,552	(281,698)	(281,698)	640,250
Fund Balance, July 1, 2014	771,600	471,087	471,087	300,513
Fund Balance, June 30, 2015	<u>\$ 1,130,152</u>	<u>\$ 189,389</u>	<u>\$ 189,389</u>	<u>\$ 940,763</u>

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

Exhibit C-7

Warren County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 642,942	\$ 627,951	\$ 627,951	\$ 14,991
Other Local Revenues	1,017	2,000	2,000	(983)
State of Tennessee	2,231,845	2,539,295	2,539,295	(307,450)
Total Revenues	\$ 2,875,804	\$ 3,169,246	\$ 3,169,246	\$ (293,442)
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 165,686	\$ 218,044	\$ 218,044	\$ 52,358
Highway and Bridge Maintenance	1,747,451	1,961,230	1,961,230	213,779
Operation and Maintenance of Equipment	155,471	215,500	215,500	60,029
Other Charges	143,187	175,850	175,850	32,663
Employee Benefits	118,240	152,100	152,100	33,860
Capital Outlay	884,939	1,416,000	1,536,100	651,161
Total Expenditures	\$ 3,214,974	\$ 4,138,724	\$ 4,258,824	\$ 1,043,850
Excess (Deficiency) of Revenues Over Expenditures	\$ (339,170)	\$ (969,478)	\$ (1,089,578)	\$ 750,408
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 0	\$ 0	\$ 27,602	\$ (27,602)
Total Other Financing Sources	\$ 0	\$ 0	\$ 27,602	\$ (27,602)
Net Change in Fund Balance	\$ (339,170)	\$ (969,478)	\$ (1,061,976)	\$ 722,806
Fund Balance, July 1, 2014	2,199,746	1,263,540	1,263,540	936,206
Fund Balance, June 30, 2015	\$ 1,860,576	\$ 294,062	\$ 201,564	\$ 1,659,012

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

Exhibit D-1

Warren County, Tennessee
Statement of Net Position
Proprietary Fund
June 30, 2015

	<u>Governmental Activities - Internal Service Fund Self-Insurance Fund</u>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 374
Equity in Pooled Cash and Investments	5,880,992
Total Assets	<u>\$ 5,881,366</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Claims and Judgments Payable	\$ 3,398,700
Total Liabilities	<u>\$ 3,398,700</u>
<u>NET POSITION</u>	
Unrestricted	<u>\$ 2,482,666</u>
Total Net Position	<u>\$ 2,482,666</u>

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

Exhibit D-2

Warren County, Tennessee
Statement of Revenues, Expenses, and
Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2015

	Governmental Activities - Internal Service Fund <u>Self-Insurance Fund</u>
<u>Operating Revenues</u>	
Self-Insurance Premiums/Contributions	\$ 953,694
Total Operating Revenues	<u>\$ 953,694</u>
<u>Operating Expenses</u>	
Other Contracted Services	\$ 111,120
Building and Contents Insurance	151,329
Excess Liability Insurance	84,531
Vehicle and Equipment Insurance	4,290
Workers' Compensation Insurance	93,261
Other Self-Insured Claims	1,858,949
Other Charges	4,875
Total Operating Expenses	<u>\$ 2,308,355</u>
Operating Income (Loss)	<u>\$ (1,354,661)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 33,531
Total Nonoperating Revenue	<u>\$ 33,531</u>
Change in Net Position	\$ (1,321,130)
Net Position, July 1, 2014	<u>3,803,796</u>
Net Position, June 30, 2015	<u>\$ 2,482,666</u>

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

Exhibit D-3

Warren County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2015

	Governmental Activities - Internal Service Fund
	<u>Self-Insurance Fund</u>
<u>Cash Flows from Operating Activities</u>	
Self-Insurance Premiums/Contributions	\$ 953,694
Other Contracted Services	(111,120)
Insurance Premiums	(333,411)
Other Self-Insured Claims	(597,872)
Other Charges	(4,875)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (93,584)</u>
<u>Cash Flows from Investing Activities</u>	
Investment Income	\$ 33,531
Net Cash Provided By (Used In) Investing Activities	<u>\$ 33,531</u>
Net Increase (Decrease) in Cash	\$ (60,053)
Cash, July 1, 2014	<u>5,941,419</u>
Cash, June 30, 2015	<u><u>\$ 5,881,366</u></u>
<u>Reconciliation of Net Operating Income to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (1,354,661)
Adjustments to Reconcile Net Operating Income to Net Cash Provided By (Used In) Operating Activities:	
Change in Assets and Liabilities:	
Increase (Decrease) in Claims and Judgments Payable	<u>1,261,077</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ (93,584)</u></u>
<u>Reconciliation of Cash With the Statement of Net Position</u>	
Cash Per Net Position	\$ 374
Equity in Pooled Cash and Investments Per Net Position	<u>5,880,992</u>
Cash, June 30, 2015	<u><u>\$ 5,881,366</u></u>

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

Exhibit E

Warren County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2015

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,975,590
Equity in Pooled Cash and Investments	72,855
Investments	91,148
Due from Other Governments	<u>426,463</u>
Total Assets	<u>\$ 2,566,056</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 426,463
Due to Litigants, Heirs, and Others	2,106,334
Due to State of Tennessee	522
Due to Joint Ventures	<u>32,737</u>
Total Liabilities	<u>\$ 2,566,056</u>

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

WARREN COUNTY, TENNESSEE
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WARREN COUNTY, TENNESSEE
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WARREN COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

The Warren County School Department operates the public school system in the county, and the voters of Warren County elect its board. The School Department is fiscally dependent on the county because it may not issue debt, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Warren County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Warren County, and the Warren County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval.

The Warren County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Complete financial statements of the Warren County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

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

B. Government-wide and Fund Financial Statements

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

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

Warren County issues all debt for the discretely presented Warren County School Department. Net debt issues of \$4,900,000 were contributed by the county to the School Department during the year ended June 30, 2015.

Separate financial statements are provided for governmental funds, the proprietary fund (internal service), and fiduciary funds. The internal service fund is reported with the governmental activities in the government-wide financial statements, and the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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

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

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

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

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to

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

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

Warren County reports the following major governmental funds:

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

Ambulance Service Fund – This special revenue fund accounts for transactions relating to the county-operated Ambulance Service. Property taxes and patient charges are the foundational revenues of this fund.

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

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

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

Additionally, Warren County reports the following fund types:

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

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Warren

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

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

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

Education Capital Projects Fund – This fund is used to account for the receipt of debt issued by Warren County and contributed to the School Department for the construction and renovation projects.

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

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

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

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

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

1. Deposits and Investments

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

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

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

2. Receivables and Payables

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

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

uncollectible property taxes is equal to 2.23 percent of total taxes levied.

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

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

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

Most payables are disaggregated on the face of the financial statements. Claims and judgments payable totaling \$3,398,700 is discussed in Note V.A., Risk Management.

3. Inventories

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

4. Capital Assets

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

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

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

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

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

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

5. 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. Deferred outflows of resources represent 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, changes in proportionate share of contributions, employer contributions made to the pension plan after the measurement date, and the deferred charge on refunding.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represents an acquisition of net position that

applies to a future period(s) and so will not be recognized as an inflow of resources (revenue, etc.) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension changes in experience, changes in investment earnings, and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Compensated Absences

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

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

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

7. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Debt premiums

and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

8. Net Position and Fund Balance

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

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

On the government-wide Statement of Net Position (Exhibit A), the account Restricted for Other Purposes for the primary government consists of pension obligations.

As of June 30, 2015, Warren County had \$17,689,925 in outstanding debt for capital purposes for the discretely presented Warren County School Department. This debt is a liability of Warren County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Warren County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The County Commission has by

resolution authorized the county's Budget/Finance Committee to make assignments for the general government. The Board of Education makes assignments for the School Department.

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

9. Restatement

In prior years, the government was not required to recognize a liability for its defined benefit pension plans. However, with the implementation of GASB Statement No. 68, government employers are required to recognize a net pension liability in their Statement of Net Position. Therefore, a restatement decreasing Warren County's and the Warren County School Departments' beginning net position has been recognized on the Statement of Activities totaling \$333,118 and \$8,636,329, respectively.

E. Pension Plans

Primary Government

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

Discretely Presented Warren County School Department

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan and the Teacher Legacy Pension Plan in the Tennessee Consolidated Retirement System, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the

benefit terms of the Teacher Retirement Plan and the Teacher Legacy Pension Plan. Investments are reported at fair value.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Warren County School Department

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

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

Primary Government

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

Discretely Presented Warren County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

At June 30, 2015, the discretely presented Warren County School Department reported the following significant encumbrances:

Funds	Description	Amount
Major Fund:		
General Purpose School	Vehicles	\$ 73,317
"	Learning Software	115,558
"	Buses	106,957
"	Books	296,748
"	Security Equipment	48,070
"	Art Building HVAC	42,606
Central Cafeteria	Janitorial Products	20,683

B. Cash Shortage - Prior Year

On September 11, 2012, the Comptroller's Division of Investigations, Financial and Compliance Unit issued an investigative report on the Warren County Memorial Airport for the period July 1, 2007, through September 30, 2011. This report disclosed receipts issued that were not deposited with the county trustee, unpaid hangar rentals, and the use of aircraft fuel used for personal benefit resulting in a cash shortage of \$20,791.67 as of September 30, 2011. On August 16, 2013, the former airport manager was indicted on one count of theft over \$10,000, 17 counts of forgery, and one count of official misconduct. On April 22, 2015, a plea agreement was entered into between the county and the defendant. This agreement included a \$3,313.22 reduction in the cash shortage amount leaving a remaining

balance of \$17,478.45. As of June 30, 2015, all costs, restitution, and fees have been paid.

C. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the Other Student Support major appropriations category (the legal level of control) of the General Purpose School Fund by \$6,782. Expenditures that exceed appropriations are a violation of state statutes. The expenditure in excess of appropriations was funded by available fund balance.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

Investments

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

Investment Balances. As of June 30, 2015, Warren County had the following investments carried at fair value. All investments are in the county trustee’s investment pool. Separate disclosures concerning pooled investments cannot be made for Warren County and the discretely presented Warren County School Department since both pool their deposits and investments through the county trustee.

Nonpooled investments in the Constitutional Officers – Agency Fund are by court order and at the request of a litigant. These investments do not expose the county to any risk; therefore, further disclosure is not required.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Pooled:			
State Treasurer's Investment Pool	3 to 139	N/A	<u>\$ 23,000,924</u>
Nonpooled:			
Constitutional Officers - Agency Fund:			
Clerk and Master:			
Edward Jones - Municipal Bonds	N/A	4-1-31 to 1-1-42	<u>\$ 91,148</u>

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

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Warren County has no investment policy that would further limit its investment choices. As of June 30, 2015, Warren County's investment in the State Treasurer's Investment Pool was unrated.

B. Notes Receivable

An agreement between Warren County and the West Warren-Viola Utility District requires the utility district to repay the county for principal and interest paid by the county on bonded debt for improvements made to water and sewer lines in the industrial park. The utility is required to remit 70 percent of certain industrial park revenues until this debt is repaid. As of June 30, 2015, the outstanding balance was \$442,167. This amount has been reflected in the financial statements of this report as Notes Receivable – Current in the General Debt Service Fund. No funds were remitted by the district during the year examined.

C. Capital Assets

Capital assets activity for the year ended June 30, 2015, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	\$ 2,044,877	\$ 0	\$ (1,792)	\$ 2,043,085
Intangible Assets	6,201,919	0	0	6,201,919
Total Capital Assets Not Depreciated	\$ 8,246,796	\$ 0	\$ (1,792)	\$ 8,245,004
Capital Assets Depreciated:				
Buildings and Improvements	\$ 10,329,762	\$ 0	\$ 0	\$ 10,329,762
Roads and Bridges	40,571,494	0	0	40,571,494
Other Capital Assets	7,737,302	824,678	(76,829)	8,485,151
Total Capital Assets Depreciated	\$ 58,638,558	\$ 824,678	\$ (76,829)	\$ 59,386,407

Governmental Activities (Continued):

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 2,276,085	\$ 195,329	\$ 0	\$ 2,471,414
Roads and Bridges	18,354,349	864,251	0	19,218,600
Other Capital Assets	4,598,122	475,036	(72,987)	5,000,171
Total Accumulated Depreciation	\$ 25,228,556	\$ 1,534,616	\$ (72,987)	\$ 26,690,185
Total Capital Assets Depreciated, Net	\$ 33,410,002	\$ (709,938)	\$ (3,842)	\$ 32,696,222
Governmental Activities Capital Assets, Net	\$ 41,656,798	\$ (709,938)	\$ (5,634)	\$ 40,941,226

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

Governmental Activities:

General Government	\$ 40,015
Administration of Justice	11,678
Public Safety	246,375
Public Health and Welfare	242,099
Social, Cultural and Recreational Services	47,265
Highways/Public Works	<u>947,184</u>
Total Depreciation Expense - Governmental Activities	\$ 1,534,616

Discretely Presented Warren County School Department

Governmental Activities:

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	\$ 1,929,936	\$ 0	\$ (3,130)	\$ 1,926,806
Total Capital Assets Not Depreciated	<u>\$ 1,929,936</u>	<u>\$ 0</u>	<u>\$ (3,130)</u>	<u>\$ 1,926,806</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 75,668,209	\$ 77,107	\$ (446,040)	\$ 75,299,276
Other Capital Assets	4,590,338	16,281	0	4,606,619
Total Capital Assets Depreciated	<u>\$ 80,258,547</u>	<u>\$ 93,388</u>	<u>\$ (446,040)</u>	<u>\$ 79,905,895</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 33,198,952	\$ 1,569,885	\$ (414,720)	\$ 34,354,117
Other Capital Assets	3,545,135	257,599	0	3,802,734
Total Accumulated Depreciation	<u>\$ 36,744,087</u>	<u>\$ 1,827,484</u>	<u>\$ (414,720)</u>	<u>\$ 38,156,851</u>
Total Capital Assets Depreciated, Net	<u>\$ 43,514,460</u>	<u>\$ (1,734,096)</u>	<u>\$ (31,320)</u>	<u>\$ 41,749,044</u>
Governmental Activities Capital Assets, Net	<u>\$ 45,444,396</u>	<u>\$ (1,734,096)</u>	<u>\$ (34,450)</u>	<u>\$ 43,675,850</u>

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

Governmental Activities:

Instruction	\$ 1,393,775
Support Services	<u>433,709</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,827,484</u>

D. Construction Commitments

At June 30, 2015, the School Department had uncompleted construction contracts of approximately \$5,987,200 for the construction and renovation projects at various schools. A portion of the funding for these future expenditures has been received from a contribution from the primary

government totaling \$4,900,000, and the remaining funds are expected from the general purpose school fund.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2015, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 63,323
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	66
Nonmajor governmental	General Purpose School	140

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

Due to/from Primary Government and Component Units:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Component Unit: General Purpose School	\$ 102,734

The \$102,734 is to reimburse the General Fund for the salary and benefits of the school resource officers.

Interfund Transfer:

Interfund transfer for the year ended June 30, 2015, consisted of the following amount:

Primary Government

Transfer Out	<u>Transfer In</u> General Fund
Nonmajor governmental funds	\$ 104

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.

F. Long-term Obligations

Primary Government

General Obligation Bonds and Notes

Warren County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. In addition, general obligation bonds have been issued to refund other general obligation bonds and other loans. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes outstanding were issued for original terms of up to 20 years for bonds and up to three years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and notes included in long-term debt as of June 30, 2015, will be retired from the General Debt Service Fund.

General obligation bonds and capital outlay notes outstanding as of June 30, 2015, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-15
General Obligation Bonds	0 to 5.45 %	6-1-30	\$ 20,200,000	\$ 17,605,497
General Obligation Bonds Refunding	2 to 4	6-1-22	6,475,000	4,900,000
Capital Outlay Notes	2.03	6-30-16	253,282	84,428

On October 7, 2010, Warren County entered into an agreement with the Tennessee State School Board Authority. Under this agreement, the authority loaned Warren County \$9,300,000 from Qualified School Construction Bonds, Series 2010 for school construction. This loan earns interest monthly based upon the local government investment pool rate, which is netted against the annual principal payment. The county pays an annual administrative fee of \$7,440 under this agreement. The debt retirement schedule also includes equal monthly payments of interest of approximately 4.85 percent, which is offset by a federal interest rate subsidy.

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2015, including interest payments, are presented in the following tables:

Year Ending June 30	Note		
	Principal	Interest	Total
2016	\$ 84,428	\$ 1,714	\$ 86,142
Total	\$ 84,428	\$ 1,714	\$ 86,142

Year Ending June 30	Bonds		
	Principal	Interest	Total
2016	\$ 1,945,306	\$ 1,003,425	\$ 2,948,731
2017	1,985,305	966,233	2,951,538
2018	2,020,306	923,150	2,943,456
2019	2,065,305	877,893	2,943,198
2020	2,110,306	826,892	2,937,198
2021-2025	8,851,527	3,382,714	12,234,241
2026-2030	3,527,442	1,315,511	4,842,953
Total	\$ 22,505,497	\$ 9,295,818	\$ 31,801,315

There is \$8,786,843 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds and a note totaled \$567, based on the 2010 federal census.

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2015, was as follows:

Governmental Activities:

	Bonds	Note
Balance, July 1, 2014	\$ 19,060,802	\$ 213,855
Additions	4,900,000	0
Reductions	(1,455,305)	(129,427)
Balance, June 30, 2015	\$ 22,505,497	\$ 84,428
Balance Due Within One Year	\$ 1,945,306	\$ 84,428

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2014	\$ 239,451	\$ 372,520
Additions	405,411	30,384
Reductions	(392,103)	(5,822)
Balance, June 30, 2015	<u>\$ 252,759</u>	<u>\$ 397,082</u>
Balance Due Within One Year	<u>\$ 162,818</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 23,239,766
Less: Balance Due Within One Year	(2,192,552)
Add: Unamortized Premium on Debt	<u>203,382</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 21,250,596</u>

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

Discretely Presented Warren County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Warren County School Department for the year ended June 30, 2015, was as follows:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2014	\$ 2,267,458	\$ 2,139,741
Additions	729,849	244,205
Reductions	(571,046)	(175,390)
Balance, June 30, 2015	<u>\$ 2,426,261</u>	<u>\$ 2,208,556</u>
Balance Due Within One Year	<u>\$ 61,882</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 4,634,816
Less: Balance Due Within One Year	<u>(61,882)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 4,572,934</u>

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

G. On-Behalf Payments – Primary Government and Discretely Presented Warren County School Department

Primary Government

The State of Tennessee pays health insurance premiums for retired employees on-behalf of Warren County. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Medicare Supplement Plan for the year ended June 30, 2015, were \$1,400. The county has recognized these on-behalf payments as revenues and expenditures in the General Fund.

Discretely Presented Warren County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Warren County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2015, were \$154,562 and \$56,400, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Primary Government

Warren County's risk of loss relating to property, general liability, automobile liability, and workers' compensation are covered through a self-insurance program, and by the purchase of commercial insurance to cover losses exceeding certain limits. The county is self-insured for individual

property losses up to \$350,000. The county carries excess commercial coverage on buildings and contents totaling \$212,517,984. The county is self-insured up to the liability limits of \$300,000 per person, \$700,000 per occurrence for bodily injury, and \$100,000 for property damage. Warren County self-insures workers' compensation losses of \$500,000 per accident or disease with an aggregate liability of \$1 million. The county carries commercial liability insurance coverage for losses up to \$10 million, with a \$350,000 deductible. Warren County maintains the Self-Insurance Fund, which is shown as an internal service fund, to account for transactions pertaining to the county's self-insured group liability and property plans. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The fund establishes the claims liabilities based on estimates of the ultimate cost of claims that have been incurred but not settled, and of claims that have been incurred but not reported. Claims liabilities include specific, incremental claim adjustment expenditures/expenses, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

	Beginning of Fiscal Year Liability	Prior- period Adjustment	Current- year Claims and Estimates	Payments	Balance at Fiscal Year-end
2013-2014	\$3,547,427	\$(1,694,950)	\$ 798,554	\$(513,408)	\$ 2,137,623
2014-2015	2,137,623	0	1,858,949	(597,872)	3,398,700

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

Discretely Presented Warren County School Department

The School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *Tennessee Code Annotated (TCA)*, all local education agencies are eligible to participate. The LEGIF is included in the

Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement No. 27*; Statement No. 69, *Government Combinations and Disposals of Government Operations*; and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an Amendment of GASB Statement No. 68* became effective for the year ended June 30, 2015.

GASB Statement No. 68, replaces the requirements of Statements No. 27 and No. 50 as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not covered by the scope of this statement. This statement establishes standards for measuring and recognizing liabilities, deferred outflows/inflows, and expenses/expenditures.

GASB Statement No. 69, establishes accounting and financial reporting standards related to government combinations and disposals of government operations such as mergers, acquisitions, and transfer of operations.

GASB Statement No. 71, addresses issues related to amounts of contributions made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

C. Contingent Liabilities

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

D. Change in Administration

On August 31, 2014, John Pelham left the Office of County Executive and was succeeded by Herschel Wells.

E. Joint Ventures

The Industrial Development Board of McMinnville-Warren County is a joint venture in which the county and the City of McMinnville participate for the purpose of industrial recruitment. The Industrial Development Board is governed by a nine-member board from the private sector appointed by the

participating governments. During the year ended June 30, 2015, the county paid \$250,000 to the Industrial Development Board of McMinnville-Warren County.

The Warren County Joint Economic and Community Development Board is a joint venture created by an interlocal agreement between Warren County, and the cities of McMinnville, Morrison, Centertown, and Viola to foster communication relative to economic and community development between and among governmental entities, industry, and private citizens. The board is governed by a 12-member board established by the interlocal agreement. During the year ended June 30, 2015, the county did not make a contribution to the Warren County Joint Economic and Community Development Board.

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

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

Administrative Offices:

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

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

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

F. Jointly Governed Organization

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

G. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Warren County and non-certified employees of the discretely presented Warren County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 44.81 percent and the non-certified employees of the discretely present School Department comprise 55.19 percent of the plan based on census 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 at age 55 and vested. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and

non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 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, 2014, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	285
Inactive Employees Entitled to But Not Yet Receiving Benefits	338
Active Employees	511
 Total	 <u><u>1,134</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees are non-contributory. Warren County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, employer contributions for Warren County were \$1,966,180 based on a rate of 13.04 percent of pensionable payroll. By law, employer contributions are required to be paid. The TCRS may intercept Warren County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Warren County's net pension liability (asset) was measured as of June 30, 2014, 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, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

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

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

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimate of arithmetic real rates of return for each major asset 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	6.46	%	33	%
International Equity Emerging Market	6.26		17	
International Equity Private Equity and Strategic Lending	6.40		5	
U.S. Fixed Income	4.61		8	
Real Estate	0.98		29	
Short-term Securities	4.73		7	
	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 7.5 percent based on a blending of the three factors described above.

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2013	\$ 39,918,016	\$ 37,268,296	\$ 2,649,720
Changes for the year:			
Service Cost	\$ 1,195,950	\$ 0	\$ 1,195,950
Interest	3,021,859	0	3,021,859
Differences Between Expected and Actual Experience	(273,073)	0	(273,073)
Contributions-Employer	0	1,906,317	(1,906,317)
Contributions-Employees	0	17,738	(17,738)
Net Investment Income	0	6,210,115	(6,210,115)
Benefit Payments, Including Refunds of Employee Contributions	(1,645,032)	(1,645,032)	0
Administrative Expense	0	(19,978)	19,978
Other Changes	0	0	0
Net Changes	<u>\$ 2,299,704</u>	<u>\$ 6,469,160</u>	<u>\$ (4,169,456)</u>
Balance, June 30, 2014	<u>\$ 42,217,720</u>	<u>\$ 43,737,456</u>	<u>\$ (1,519,736)</u>

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	44.81%	\$ 18,917,760	\$ 19,598,754	\$ (680,994)
School Department	55.19%	23,299,960	24,138,702	(838,742)
Total		<u>\$ 42,217,720</u>	<u>\$ 43,737,456</u>	<u>\$ (1,519,736)</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Warren County calculated using the discount rate of 7.5 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 (6.5%) or one percentage point higher (8.5%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
<u>Warren County</u>	<u>6.5%</u>	<u>7.5%</u>	<u>8.5%</u>

Net Pension Liability \$ 4,085,742 \$ (1,519,736) \$ (6,169,749)

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

Pension Expense. For the year ended June 30, 2015, Warren County recognized pension expense of \$688,645.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 0	\$ 227,561
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	2,724,223
Contributions Subsequent to the Measurement Date of June 30, 2014 (1)	<u>1,966,180</u>	<u>N/A</u>
Total	<u>\$ 1,966,180</u>	<u>\$ 2,951,784</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2014,” 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	\$ 1,133,718	\$ 1,322,694
School Department	832,462	1,629,090
Total	<u>\$ 1,966,180</u>	<u>\$ 2,951,784</u>

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

Year Ending June 30	Amount
2016	\$ (726,568)
2017	(726,568)
2018	(726,568)
2019	(726,568)
2020	(45,512)
Thereafter	0

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

Discretely Presented Warren County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Warren County and non-certified employees of the discretely presented Warren County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 44.81 percent and the non-certified employees of the discretely present School Department comprise 55.19 percent of the plan based on census data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Warren County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically 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 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. Members of the Teachers Retirement Plan are entitled to receive unreduced service retirement benefits, which are determined by a formula using the member's highest five consecutive year average compensation and the member's 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. 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. Teachers contribute five percent of salary. 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 for 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, 2015, to the Teacher Retirement Plan were \$43,129, which is four percent of pensionable 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. Since the measurement date is June 30, 2014, which is prior to the July 1, 2014, inception of the Teacher Retirement Plan, there is no net pension liability to report at June 30, 2015.

Pension Expense. Since the measurement date is June 30, 2014, the Warren County School Department did not recognize any pension expense at June 30, 2015.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, the Warren County School Department reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	\$ 43,129	N/A

The Warren County School Department's employer contributions of \$43,129 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction of net pension liability in the year ended June 30, 2016.

Teacher Legacy Pension Plan

General Information About the Pension Plan

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Warren County School Department for the year ended June 30, 2015, to the Teacher Legacy Pension Plan were \$2,170,383, which is 9.04 percent of pensionable 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 Assets. At June 30, 2015, the Warren County School Department reported an asset of \$104,241 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Warren County School Department's proportion of the net pension asset was based on the Warren County School Department's employer contributions to the pension plan during the year ended June 30, 2014, relative to the contributions of all LEAs for the year ended June 30, 2014. At June 30, 2014, measurement date, the Warren County School Department's proportion was .641498 percent. The proportion measured as of June 30, 2013, was .635738 percent.

Pension Income. For the year ended June 30, 2015, the Warren County School Department recognized a pension income of \$75,857.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, the Warren County 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
Differences Between Expected and Actual Experience	\$ 253,070	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	8,588,754
Changes in Proportion and Differences Between LEA's Contributions and Proportionate Share of Contributions LEA's Contributions Subsequent to the Measurement Date of June 30, 2014	81,256	0
	<u>2,170,383</u>	<u>N/A</u>
Total	<u>\$ 2,504,709</u>	<u>\$ 8,588,754</u>

The Warren County School Department's employer contributions of \$2,170,383 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2016. 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
2016	\$ (2,091,468)
2017	(2,091,468)
2018	(2,091,468)
2019	(2,091,468)
2020	55,721
Thereafter	55,721

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, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates are customized based on the June 30, 2012, actuarial experience study and some included adjustment for expected future improvement in life expectancy.

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

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

Asset Class	Percentage Long-term Expected Real Rate of Return	%	Percentage Target Allocations	%
U.S. Equity	6.46	%	33	%
Developed Market				
International Equity	6.26		17	
Emerging Market				
International Equity	6.40		5	
Private Equity and				
Strategic Lending	4.61		8	
U.S. Fixed Income	0.98		29	
Real Estate	4.73		7	
Short-term Securities	0.00		1	
			100	%
Total			100	%

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

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate 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 Warren County School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what Warren County School Department's proportionate share of the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
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Net Pension Liability \$ 17,581,340 \$ (104,241) \$ (14,745,984)

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

2. Deferred Compensation

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

Teachers hired after July 1, 2014, by the discretely presented Warren County School Department are required to participate in a hybrid pension plan administered by the Tennessee Consolidated Retirement System. This hybrid pension plan requires that these teachers contribute five percent of their salaries into a deferred compensation plan managed by the hybrid plan pursuant to IRC Section 401(k). As part of their employment package, the Warren County School Department has assumed all costs of funding this program on-behalf of the plan participants. The Section 401(k) plan assets remain the property of the participating teachers and are not presented in the accompanying financial statements. IRC Section 401(k), establishes participation, contribution, and withdrawal provisions for the plans. During the year, the Warren County School Department contributed \$55,165 to the 401(k) portion of the hybrid pension plan on-behalf of the plan participants.

H. Other Postemployment Benefits (OPEB)

Plan Description

Warren County and the Warren County School Department participate in the state-administered Local Government Group Insurance Plan and the Local Education Group Insurance Plan for health care benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-207, *Tennessee Code Annotated (TCA)*, for local governments and Section 8-27-302, *TCA*, for local education employees. Prior to reaching the

age of 65, all members have the option of choosing between standard or partnership preferred provider organization (PPO) plan for health care benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tn.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. During the year ended June 30, 2015, the county and the discretely presented School Department contributed \$5,822 and \$175,390, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Government Group Plan	Local Education Group Plan
ARC	\$ 30,000	\$ 242,000
Interest on the NOPEBO	14,901	85,590
Adjustment to the ARC	(14,517)	(83,385)
Annual OPEB cost	\$ 30,384	\$ 244,205
Amount of contribution	(5,822)	(175,390)
Increase/decrease in NOPEBO	\$ 24,562	\$ 68,815
Net OPEB obligation, 7-1-14	372,520	2,139,741
Net OPEB obligation, 6-30-15	\$ 397,082	\$ 2,208,556

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-13	Local Government Group	\$ 72,321	5 %	\$ 344,731
6-30-14	"	29,355	5	372,520
6-30-15	"	30,384	20	397,082
6-30-13	Local Education Group	643,130	23	2,070,522
6-30-14	"	236,133	71	2,139,741
6-30-15	"	244,205	72	2,208,556

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2013, was as follows:

	Local Government Group Plan	Local Education Group Plan
Actuarial valuation date	7-1-13	7-1-13
Actuarial accrued liability (AAL)	\$ 180,000	\$ 2,365,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 180,000	\$ 2,365,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 7,133,681	\$ 24,804,803
UAAL as a % of covered payroll	3%	10%

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

Actuarial Methods and Assumptions

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

In the July 1, 2013, actuarial valuation for the Local Government Plan and the Local Education Plan, the projected unit credit actuarial cost method was used, and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual health care cost trend rate of seven percent for fiscal year 2015. The trend rate will decrease to 6.5 percent in fiscal year 2016 and then will be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

I. Office of Central Accounting, Budgeting, and Purchasing

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

J. Purchasing Law

The County Financial Management System of 1981 provides for the finance director or a deputy appointed by her to serve as the county purchasing agent. The finance director serves as the purchasing agent for Warren County. All purchase orders are issued by the Finance Department. Purchases exceeding \$5,000 for the Office of County Executive and the discretely presented School Department and \$10,000 for the Office of Superintendent of Roads are required to be competitively bid.

VI. OTHER NOTES – DISCRETELY PRESENTED WARREN COUNTY EMERGENCY COMMUNICATIONS DISTRICT

A. Summary of Significant Accounting Policies

The financial statements of the Warren County Emergency Communication District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accounting and reporting framework and the more significant accounting policies are discussed in the subsequent subsections of this note.

1. Reporting Entity

The Warren County Emergency Communications District was established in October 1990 and began operations in February 1995. The district is to provide a simplified means of securing emergency services by telephone within Warren County, Tennessee. Members of the district's Board of Directors are appointed by the Warren County

Commission. In evaluating how to define the district, for financial reporting purposes, management has considered all potential component units. The criteria for including organizations within the reporting entity, as set forth in GASB No. 14, *The Financial Reporting Entity*, and GASB No 61, *The Financial Reporting Entity: Omnibus* (an amendment of GASB No. 14) is financial accountability. Financial accountability is defined as appointment of a voting majority of the component unit's board and either the ability to impose will by the primary government or the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. The district must obtain County Commission approval before the issuance of debt, and the County Commission has the ability to adjust the district's service charges. Based upon the application of these criteria, it was determined that the Warren County Emergency Communications District is a component unit of Warren County, Tennessee.

2. Measurement Focus and Basis of Accounting

The district uses the accrual basis of accounting, under which revenues are recognized when earned, and expenses are recognized when the liability is incurred.

The activities of the district are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are financed in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The accounting and financial reporting treatment applied to the district is determined by its measurement focus. The transactions of the district are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operations are included on the Statement of Net Position.

3. Cash and Cash Equivalents

The district considers all highly liquid investments (including restricted cash) with an original maturity of three months or less from date of purchase to be cash equivalents.

4. Capital Assets

Additions to property and equipment are recorded at cost or, if contributed property, at fair values at time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments

are capitalized. The sale or disposal of property and equipment is recorded by removing costs and accumulated depreciation from the accounts and charging the resulting gain or loss to income. The capitalization threshold is \$1,500.

Depreciation of all exhaustible capital assets is recorded in the Statement of Revenues, Expenses, and Changes in Net Position, with accumulated depreciation reflected in the Statement of Net Position. Depreciation and amortization are provided over the assets' useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

<u>Assets</u>	<u>Years</u>
Building and Improvements	10 - 40
Communication Equipment	5 - 10
Furniture and Fixtures	5 - 10

5. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

6. Capitalized Interest

Interest is capitalized in connection with the construction of major facilities. The construction period interest is recorded as part of the asset to which it relates and is amortized over the asset's estimated useful life.

7. Compensated Absences

The district provides vacation to full-time employees after one year of service. Full-time employees receive one week's vacation during the first two years of service, two weeks for three to five years of service, three weeks for six to ten years of service, and four weeks for over ten years of service. Any unused vacation benefit is payable upon termination of employment. Compensated absences are paid from the district's general revenues.

8. Operating Revenues and Expenses

Operating revenues and expenses are those that result from providing services and producing and delivering goods and/or services. It also includes all revenues and expenses not related to capital and related financing, noncapital financing, or investing activities.

9. Restricted and Unrestricted Resources

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

10. Equity Classifications

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 assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net assets that do not meet the definition of “restricted” or “net investment in capital assets.”

11. Budgetary Data

In accordance with the laws of the State of Tennessee, the district adopts a budget each year. The budget for the next year is usually presented to the board for their approval during the last month of the fiscal year. The budget must pass two readings before it is adopted. Once adopted the budget may be amended as the board deems necessary. The budgetary amounts in these statements are as adopted by the board. The budget is prepared in accordance with generally accepted accounting principles. The legal level of control over the budget is at the line-item level.

12. Advertising

It is the district's policy to expense advertising costs as incurred.

13. 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 future

period(s) and so will not be recognized as an outflow of resources (expense) until then.

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 future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

14. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Warren County emergency Communications District's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Warren county Emergency Communications District's fiduciary net position have been determine 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.

B. Credit Risks - Deposits

Various state statutes restrict the types of deposits available to the district. Deposits are limited to bank demand deposits, certificates of deposit, governmental overnight repurchase accounts and the state's Local Government Investment Pool.

C. Deposits

It is the district's policy for deposits to be 105 percent secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance. At year end, the district had bank balances totaling \$182,127 with a carrying amount of \$117,282. Of this amount, \$80,281 was invested in a certificate of deposit, which bears interest at .06 percent annually. All bank balances were covered by FDIC insurance.

D. Advertising Costs

The amount of advertising cost expensed for the year was \$0.

E. Capital Assets

	Balance 7-1-14	Increases	Balance 6-30-15
Capital Assets Not Depreciated:			
Land	\$ 78,072	\$ 0	\$ 78,072
Total Capital Assets Not Depreciated	\$ 78,072	\$ 0	\$ 78,072
Capital Assets Depreciated:			
Paving	\$ 9,883	\$ 0	\$ 9,883
Building	1,131,739	0	1,131,739
Communications Equipment	1,021,373	58,018	1,079,391
Office Furniture and Fixtures	19,516	0	19,516
Vehicles	22,715	0	22,715
Total Capital Assets Depreciated	\$ 2,205,226	\$ 58,018	\$ 2,263,244
Less Accumulated Depreciation For:			
Paving	\$ 9,883	\$ 0	\$ 9,883
Building	233,082	29,754	262,836
Communications Equipment	746,247	66,056	812,303
Office Furniture and Fixtures	18,284	772	19,056
Vehicles	22,715	0	22,715
Total Accumulated Depreciation	\$ 1,030,211	\$ 96,582	\$ 1,126,793
Total Capital Assets Depreciated, Net	\$ 1,175,015	\$ (38,564)	\$ 1,136,451
Governmental Activities Capital Assets, Net	\$ 1,253,087	\$ (38,564)	\$ 1,214,523

F. Mapping Costs

Mapping costs are recorded at cost. The monthly mapping maintenance fees are being expensed monthly since the service is in operation. The original cost of mapping the county was capitalized and is being amortized over a period of ten years by the straight line method. Amortization for the year totaled \$2,778.

G. Notes Payable

The district has a note payable at the end of the year with First National Bank. This note matures August 22, 2018, and bears interest at 4.5 percent. Principal and interest are paid in monthly payments of \$8,755. This note is secured by a Uniform Commercial Code on the revenues of the district. This note was used to finance the construction of a new building to house the

district's operations. The balance on this note at June 30, 2015, was \$310,199.

Governmental Activities:

	<u>Notes</u>
Balance, July 1, 2014	\$ 398,567
Reductions	<u>(88,368)</u>
Balance, June 30, 2015	<u>\$ 310,199</u>

Year Ending June 30	Notes		
	Principal	Interest	Total
2016	\$ 93,004	\$ 12,059	\$ 105,063
2017	97,308	7,755	105,063
2018	101,891	3,173	105,064
2019	17,996	810	18,806
Total	<u>\$ 310,199</u>	<u>\$ 23,797</u>	<u>\$ 333,996</u>

General Information About the Pension Plan

H. Employee Pension

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

Benefits Provided. 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 CPA is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

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

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	1
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	10
Active Employees	<u>17</u>
 Total	 <u><u>28</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees are non-contributory. Warren County Emergency Communications District makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, employer contributions for Warren County Emergency Communications District were \$6,540 based on a rate of 1.18 percent of pensionable payroll. By law, employer contributions are required to be paid. The TCRS may intercept Warren County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Warren County Emergency Communications District's net pension liability (asset) was measured as of June 30, 2014, 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, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

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

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

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimate of arithmetic real rates of return for each major asset 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	6.46	%	33	%
International Equity Emerging Market	6.26		17	
International Equity Private Equity and Strategic Lending	6.40		5	
U.S. Fixed Income Real Estate	4.61		8	
Real Estate	0.98		29	
Short-term Securities	4.73		7	
	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 7.5 percent based on a blending of the three factors described above.

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2013	\$ 350,555	\$ 449,685	\$ (99,130)
Changes for the year:			
Service Cost	\$ 37,942	\$ 0	\$ 37,942
Interest	29,064	0	29,064
Differences Between Expected and Actual Experience	38,264	0	38,264
Contributions-Employer	0	11,427	(11,427)
Contributions-Employees	0	31,162	(31,162)
Net Investment Income	0	78,219	(78,219)
Benefit Payments, Including Refunds of Employee Contributions	(1,964)	(1,964)	0
Administrative Expense	0	(595)	595
Net Changes	\$ 103,306	\$ 118,249	\$ (14,943)
Balance, June 30, 2014	\$ 453,861	\$ 567,934	\$ (114,073)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Warren County Emergency Communications District calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Warren County Emergency Communications District			
Net Pension Liability	\$ 168	\$ (114,073)	\$ (201,338)

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

Pension Income. For the year ended June 30, 2015, Warren County Emergency Communications District recognized pension income of \$3,135.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, Warren County Emergency Communications District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 34,012	\$ N/A
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	34,393
Contributions Subsequent to the Measurement Date of June 30, 2014 (1)	6,540	N/A
Total	<u>\$ 40,552</u>	<u>\$ 34,393</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2014,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

Year Ending June 30	Amount
2016	\$ (4,346)
2017	(4,346)
2018	(4,346)
2019	(4,346)
2020	4,252
Thereafter	12,756

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

Payable to Pension Plan. At June 30, 2015, Warren County Emergency Communications District reported a payable of \$3,939 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2015.

I. Lease

DTC Wireless leases tower space for \$750 per month, this five-year lease began March 1, 2003. Verizon Wireless also rents tower space. Tower rental income for the year was \$25,906.

J. Risk Financing Activities

It is the policy of the district to purchase commercial insurance for the risks of losses to which it is exposed. These risks include general liability, property and casualty, emergency service management liability, workers' compensation, and public officials' misconduct. Settled claims have not exceeded this commercial coverage since operations of the district began.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

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

	<u>2014</u>
Total Pension Liability (Asset)	
Service Cost	\$ 1,195,950
Interest	3,021,859
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	(273,073)
Changes in Assumptions	0
Benefit Payments, Including Refunds of Employee Contributions	(1,645,032)
Net Change in Total Pension Liability (Asset)	<u>\$ 2,299,704</u>
Total Pension Liability (Asset), Beginning	<u>39,918,016</u>
Total Pension Liability (Asset), Ending (a)	<u>\$ 42,217,720</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 1,906,317
Contributions - Employee	17,738
Net Investment Income	6,210,115
Benefit Payments, Including Refunds of Employee Contributions	(1,645,032)
Administrative Expense	(19,978)
Net Change in Plan Fiduciary Net Position	<u>\$ 6,469,160</u>
Plan Fiduciary Net Position, Beginning	<u>37,268,296</u>
Plan Fiduciary Net Position, Ending (b)	<u>\$ 43,737,456</u>
Net Pension Liability (Asset), Ending (a - b)	<u>\$ (1,519,736)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	103.60%
Covered Employee Payroll	\$ 14,162,854
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	10.73%

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

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

Exhibit F-2

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

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 1,906,317	\$ 1,966,180
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(1,906,317)</u>	<u>(1,966,180)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 14,162,854	\$ 14,753,544
Contributions as a Percentage of Covered Employee Payroll	13.46%	13.33%

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

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

Exhibit F-3

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

	<u>2015</u>
Actuarially Determined Contribution	\$ 26,956
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(43,129)</u>
Contribution Deficiency (Excess)	<u>\$ (16,173)</u>
Covered Employee Payroll	\$ 1,067,891
Contributions as a Percentage of Covered Employee Payroll	4.00%

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

Exhibit F-4

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

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 2,235,874	\$ 2,170,383
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(2,235,874)</u>	<u>(2,170,383)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 25,178,753	\$ 24,007,713
Contributions as a Percentage of Covered Employee Payroll	8.88%	9.04%

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

Exhibit F-5

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

	<u>2014</u>
School Department's Proportion of the Net Pension Asset	0.641498%
School Department's Proportionate Share of the Net Pension Asset	\$ 104,241
Covered Employee Payroll	\$ 25,178,753
School Department's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Employee Payroll	0.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%

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

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

Exhibit F-6

Warren County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plan
Discretely Presented Warren County School Department
June 30, 2015

(Dollar amounts in thousands)

Plan	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Local Government Group	7-1-10	\$ 0	\$ 620	\$ 620	0 %	\$ 3,857	16 %
"	7-1-11	0	455	455	0	7,165	6
"	7-1-13	0	180	180	0	7,134	3
Local Education Group	7-1-10	0	4,570	4,570	0	15,267	30
"	7-1-11	0	6,437	6,437	0	24,301	26
"	7-1-13	0	2,365	2,365	0	24,805	10

WARREN COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2015

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Frozen Initial Liability
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	3 Years
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, averaging 4.25%
Investment Rate of Return	7.5%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.5%

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

Capital Projects Funds

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

Education Capital Projects Fund - Morrison – The Education Capital Projects Fund - Morrison is used to account for debt issued by Warren County that was subsequently contributed to the discretely presented Warren County School Department for construction and renovation projects in prior years. This fund was closed during the year.

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

Exhibit G-1

Warren County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2015

	Special Revenue Funds				Capital	Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	Other Capital Projects	
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 263,633	\$ 263,633	\$ 0	\$ 263,633
Equity in Pooled Cash and Investments	795,304	262,390	0	1,057,694	83,826	1,141,520
Accounts Receivable	2,143	0	10,095	12,238	0	12,238
Due from Other Governments	29,485	0	0	29,485	0	29,485
Property Taxes Receivable	315,760	0	0	315,760	0	315,760
Allowance for Uncollectible Property Taxes	(17,263)	0	0	(17,263)	0	(17,263)
Total Assets	\$ 1,125,429	\$ 262,390	\$ 273,728	\$ 1,661,547	\$ 83,826	\$ 1,745,373
<u>LIABILITIES</u>						
Accounts Payable	\$ 5,597	\$ 170	\$ 0	\$ 5,767	\$ 0	\$ 5,767
Accrued Payroll	10,633	0	0	10,633	0	10,633
Payroll Deductions Payable	2,430	0	0	2,430	0	2,430
Due to Other Funds	0	50,743	12,580	63,323	0	63,323
Total Liabilities	\$ 18,660	\$ 50,913	\$ 12,580	\$ 82,153	\$ 0	\$ 82,153
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 281,750	\$ 0	\$ 0	\$ 281,750	\$ 0	\$ 281,750
Deferred Delinquent Property Taxes	13,986	0	0	13,986	0	13,986
Total Deferred Inflows of Resources	\$ 295,736	\$ 0	\$ 0	\$ 295,736	\$ 0	\$ 295,736

(Continued)

Exhibit G-1

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

	Special Revenue Funds				Capital	Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	Other Capital Projects	
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 211,477	\$ 0	\$ 211,477	\$ 0	\$ 211,477
Restricted for Social, Cultural, and Recreational Services	0	0	0	0	83,826	83,826
Committed:						
Committed for General Government	0	0	20,727	20,727	0	20,727
Committed for Finance	0	0	110,244	110,244	0	110,244
Committed for Administration of Justice	0	0	130,177	130,177	0	130,177
Committed for Public Health and Welfare	811,033	0	0	811,033	0	811,033
Total Fund Balances	\$ 811,033	\$ 211,477	\$ 261,148	\$ 1,283,658	\$ 83,826	\$ 1,367,484
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,125,429	\$ 262,390	\$ 273,728	\$ 1,661,547	\$ 83,826	\$ 1,745,373

Exhibit G-2

Warren County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2015

	Special Revenue Funds				Capital
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	Projects Funds Other Capital Projects - Morrison
<u>Revenues</u>					
Local Taxes	\$ 638,361	\$ 0	\$ 0	\$ 638,361	\$ 0
Fines, Forfeitures, and Penalties	0	119,041	0	119,041	0
Charges for Current Services	3,768	0	978,699	982,467	0
Other Local Revenues	46,189	0	0	46,189	0
State of Tennessee	502,897	0	0	502,897	0
Total Revenues	\$ 1,191,215	\$ 119,041	\$ 978,699	\$ 2,288,955	\$ 0
<u>Expenditures</u>					
Current:					
General Government	\$ 0	\$ 0	\$ 180,766	\$ 180,766	\$ 0
Finance	0	0	454,706	454,706	0
Administration of Justice	0	0	303,232	303,232	0
Public Safety	0	92,412	0	92,412	0
Public Health and Welfare	1,051,941	10,119	0	1,062,060	0
Total Expenditures	\$ 1,051,941	\$ 102,531	\$ 938,704	\$ 2,093,176	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 139,274	\$ 16,510	\$ 39,995	\$ 195,779	\$ 0
<u>Other Financing Sources (Uses)</u>					
Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ (104)
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (104)

(Continued)

Exhibit G-2

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

	Special Revenue Funds				Capital
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	Projects Funds Other Capital Projects - Morrison
Net Change in Fund Balances	\$ 139,274	\$ 16,510	\$ 39,995	\$ 195,779	\$ (104)
Fund Balance, July 1, 2014	671,759	194,967	221,153	1,087,879	104
Fund Balance, June 30, 2015	<u>\$ 811,033</u>	<u>\$ 211,477</u>	<u>\$ 261,148</u>	<u>\$ 1,283,658</u>	<u>\$ 0</u>

(Continued)

Exhibit G-2

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

	<u>Capital Projects Funds (Cont.)</u>		Total
	Other Capital Projects	Total	Nonmajor Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 0	\$ 0	\$ 638,361
Fines, Forfeitures, and Penalties	0	0	119,041
Charges for Current Services	0	0	982,467
Other Local Revenues	62	62	46,251
State of Tennessee	0	0	502,897
Total Revenues	<u>\$ 62</u>	<u>\$ 62</u>	<u>\$ 2,289,017</u>
<u>Expenditures</u>			
Current:			
General Government	\$ 0	\$ 0	\$ 180,766
Finance	0	0	454,706
Administration of Justice	0	0	303,232
Public Safety	0	0	92,412
Public Health and Welfare	0	0	1,062,060
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,093,176</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 62</u>	<u>\$ 62</u>	<u>\$ 195,841</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ 0	(104)	(104)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>(104)</u>	<u>(104)</u>

(Continued)

Exhibit G-2

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

	<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
	Other Capital Projects	Total	
Net Change in Fund Balances	\$ 62	\$ (42)	\$ 195,737
Fund Balance, July 1, 2014	83,764	83,868	1,171,747
Fund Balance, June 30, 2015	<u>\$ 83,826</u>	<u>\$ 83,826</u>	<u>\$ 1,367,484</u>

Exhibit G-3

Warren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 638,361	\$ 586,448	\$ 586,448	\$ 51,913
Charges for Current Services	3,768	2,000	2,000	1,768
Other Local Revenues	46,189	50,000	50,000	(3,811)
State of Tennessee	502,897	430,000	430,000	72,897
Total Revenues	<u>\$ 1,191,215</u>	<u>\$ 1,068,448</u>	<u>\$ 1,068,448</u>	<u>\$ 122,767</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Waste Pickup	\$ 348,755	\$ 454,222	\$ 454,222	\$ 105,467
Convenience Centers	668,913	776,771	776,771	107,858
Other Waste Disposal	34,273	46,000	46,000	11,727
Total Expenditures	<u>\$ 1,051,941</u>	<u>\$ 1,276,993</u>	<u>\$ 1,276,993</u>	<u>\$ 225,052</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 139,274</u>	<u>\$ (208,545)</u>	<u>\$ (208,545)</u>	<u>\$ 347,819</u>
Net Change in Fund Balance	\$ 139,274	\$ (208,545)	\$ (208,545)	\$ 347,819
Fund Balance, July 1, 2014	<u>671,759</u>	<u>502,634</u>	<u>502,634</u>	<u>169,125</u>
Fund Balance, June 30, 2015	<u>\$ 811,033</u>	<u>\$ 294,089</u>	<u>\$ 294,089</u>	<u>\$ 516,944</u>

Exhibit G-4

Warren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 119,041	\$ 95,000	\$ 95,000	\$ 24,041
Other Governments and Citizens Groups	0	2,000	2,000	(2,000)
Total Revenues	<u>\$ 119,041</u>	<u>\$ 97,000</u>	<u>\$ 97,000</u>	<u>\$ 22,041</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 92,412	\$ 96,377	\$ 96,377	\$ 3,965
<u>Public Health and Welfare</u>				
Alcohol and Drug Programs	10,119	16,500	16,500	6,381
Total Expenditures	<u>\$ 102,531</u>	<u>\$ 112,877</u>	<u>\$ 112,877</u>	<u>\$ 10,346</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 16,510</u>	<u>\$ (15,877)</u>	<u>\$ (15,877)</u>	<u>\$ 32,387</u>
Net Change in Fund Balance	\$ 16,510	\$ (15,877)	\$ (15,877)	\$ 32,387
Fund Balance, July 1, 2014	<u>194,967</u>	<u>165,294</u>	<u>165,294</u>	<u>29,673</u>
Fund Balance, June 30, 2015	<u><u>\$ 211,477</u></u>	<u><u>\$ 149,417</u></u>	<u><u>\$ 149,417</u></u>	<u><u>\$ 62,060</u></u>

Major Governmental Fund

General Debt Service Fund

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

Exhibit H

Warren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,959,059	\$ 2,696,249	\$ 2,756,249	\$ 202,810
Other Local Revenues	198,000	200,000	200,000	(2,000)
Other Governments and Citizens Groups	0	200,000	200,000	(200,000)
Total Revenues	<u>\$ 3,157,059</u>	<u>\$ 3,096,249</u>	<u>\$ 3,156,249</u>	<u>\$ 810</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 650,000	\$ 650,000	\$ 650,000	\$ 0
Education	934,732	934,740	934,740	8
<u>Interest on Debt</u>				
General Government	202,236	203,325	203,325	1,089
Education	789,483	741,340	793,900	4,417
<u>Other Debt Service</u>				
General Government	51,824	125,000	125,000	73,176
Education	7,440	0	7,440	0
Total Expenditures	<u>\$ 2,635,715</u>	<u>\$ 2,654,405</u>	<u>\$ 2,714,405</u>	<u>\$ 78,690</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 521,344</u>	<u>\$ 441,844</u>	<u>\$ 441,844</u>	<u>\$ 79,500</u>
Net Change in Fund Balance	\$ 521,344	\$ 441,844	\$ 441,844	\$ 79,500
Fund Balance, July 1, 2014	<u>8,265,499</u>	<u>8,457,179</u>	<u>8,457,179</u>	<u>(191,680)</u>
Fund Balance, June 30, 2015	<u>\$ 8,786,843</u>	<u>\$ 8,899,023</u>	<u>\$ 8,899,023</u>	<u>\$ (112,180)</u>

Fiduciary Funds

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

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

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

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

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

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

Exhibit I-1

Warren County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2015

	Agency Funds					
	Cities - Sales Tax	Community Develop- ment - Agency	Constitu- tional Officers - Agency	Judicial District Drug	District Attorney General	Total
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 1,975,590	\$ 0	\$ 0	\$ 1,975,590
Equity in Pooled Cash and Investments	0	522	0	32,737	39,596	72,855
Investments			91,148			91,148
Due from Other Governments	426,463	0	0	0	0	426,463
Total Assets	<u>\$ 426,463</u>	<u>\$ 522</u>	<u>\$ 2,066,738</u>	<u>\$ 32,737</u>	<u>\$ 39,596</u>	<u>\$ 2,566,056</u>
<u>LIABILITIES</u>						
Due to Other Taxing Units	\$ 426,463	\$ 0	\$ 0	\$ 0	\$ 0	\$ 426,463
Due to Litigants, Heirs, and Others	0	0	2,066,738	0	39,596	2,106,334
Due to State of Tennessee	0	522	0	0	0	522
Due to Joint Ventures	0	0	0	32,737	0	32,737
Total Liabilities	<u>\$ 426,463</u>	<u>\$ 522</u>	<u>\$ 2,066,738</u>	<u>\$ 32,737</u>	<u>\$ 39,596</u>	<u>\$ 2,566,056</u>

Exhibit I-2

Warren County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2015

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 2,401,474	\$ 2,401,474	\$ 0
Due from Other Governments	412,223	426,463	412,223	426,463
Total Assets	\$ 412,223	\$ 2,827,937	\$ 2,813,697	\$ 426,463
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 412,223	\$ 2,827,937	\$ 2,813,697	\$ 426,463
Total Liabilities	\$ 412,223	\$ 2,827,937	\$ 2,813,697	\$ 426,463
<u>Community Development - Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 522	\$ 0	\$ 0	\$ 522
Total Assets	\$ 522	\$ 0	\$ 0	\$ 522
<u>Liabilities</u>				
Due to State of Tennessee	\$ 522	\$ 0	\$ 0	\$ 522
Total Liabilities	\$ 522	\$ 0	\$ 0	\$ 522
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,728,320	\$ 9,577,079	\$ 9,329,809	\$ 1,975,590
Investments	0	91,148	0	91,148
Total Assets	\$ 1,728,320	\$ 9,668,227	\$ 9,329,809	\$ 2,066,738
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,728,320	\$ 9,668,227	\$ 9,329,809	\$ 2,066,738
Total Liabilities	\$ 1,728,320	\$ 9,668,227	\$ 9,329,809	\$ 2,066,738
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 27,622	\$ 19,822	\$ 14,707	\$ 32,737
Total Assets	\$ 27,622	\$ 19,822	\$ 14,707	\$ 32,737
<u>Liabilities</u>				
Due to Joint Ventures	\$ 27,622	\$ 19,822	\$ 14,707	\$ 32,737
Total Liabilities	\$ 27,622	\$ 19,822	\$ 14,707	\$ 32,737

(Continued)

Exhibit I-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 30,544	\$ 11,703	\$ 2,651	\$ 39,596
Total Assets	<u>\$ 30,544</u>	<u>\$ 11,703</u>	<u>\$ 2,651</u>	<u>\$ 39,596</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 30,544	\$ 11,703	\$ 2,651	\$ 39,596
Total Liabilities	<u>\$ 30,544</u>	<u>\$ 11,703</u>	<u>\$ 2,651</u>	<u>\$ 39,596</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,728,320	\$ 9,577,079	\$ 9,329,809	\$ 1,975,590
Equity in Pooled Cash and Investments	58,688	2,432,999	2,418,832	72,855
Investments	0	91,148	0	91,148
Due from Other Governments	412,223	426,463	412,223	426,463
Total Assets	<u>\$ 2,199,231</u>	<u>\$ 12,527,689</u>	<u>\$ 12,160,864</u>	<u>\$ 2,566,056</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 412,223	\$ 2,827,937	\$ 2,813,697	\$ 426,463
Due to Litigants, Heirs, and Others	1,758,864	9,679,930	9,332,460	2,106,334
Due to State of Tennessee	522	0	0	522
Due to Joint Ventures	27,622	19,822	14,707	32,737
Total Liabilities	<u>\$ 2,199,231</u>	<u>\$ 12,527,689</u>	<u>\$ 12,160,864</u>	<u>\$ 2,566,056</u>

Warren County School Department

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

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

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

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

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

Exhibit J-1

Warren County, Tennessee
Statement of Activities
Discretely Presented Warren County School Department
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:					
Instruction	\$ 33,228,243	\$ 221,786	\$ 3,309,722	\$ 4,901,817	\$ (24,794,918)
Support Services	15,817,023	0	0	0	(15,817,023)
Operation of Non-instructional Services	3,867,087	259,115	2,987,766	0	(620,206)
Total Governmental Activities	\$ 52,912,353	\$ 480,901	\$ 6,297,488	\$ 4,901,817	\$ (41,232,147)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 4,207,633
Local Option Sales Taxes					7,980,442
Mixed Drink Tax					9,967
Grants and Contributions Not Restricted to Specific Programs					34,535,625
Unrestricted Investment Earnings					5,459
Miscellaneous					91,864
Sale of Equipment					46,218
Pension Income					75,857
Total General Revenues					\$ 46,953,065
Change in Net Position					\$ 5,720,918
Net Position, July 1, 2014					51,063,836
Restatement - Pension Liability (see Note I.D.9)					(8,636,329)
Net Position, June 30, 2015					\$ 48,148,425

Exhibit J-2

Warren County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Warren County School Department
June 30, 2015

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	Education Capital Projects	Other Govern- mental Funds	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 63,440	\$ 63,440
Equity in Pooled Cash and Investments	7,861,674	4,901,817	1,634,456	14,397,947
Inventories	0	0	55,615	55,615
Accounts Receivable	10,904	0	0	10,904
Due from Other Governments	1,499,029	0	256,415	1,755,444
Due from Other Funds	66	0	140	206
Property Taxes Receivable	4,351,037	0	0	4,351,037
Allowance for Uncollectible Property Taxes	(180,699)	0	0	(180,699)
Total Assets	<u>\$ 13,542,011</u>	<u>\$ 4,901,817</u>	<u>\$ 2,010,066</u>	<u>\$ 20,453,894</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 446	\$ 0	\$ 37	\$ 483
Payroll Deductions Payable	1,238,180	0	77,081	1,315,261
Due to Other Funds	140	0	66	206
Due to Primary Government	102,734	0	0	102,734
Total Liabilities	<u>\$ 1,341,500</u>	<u>\$ 0</u>	<u>\$ 77,184</u>	<u>\$ 1,418,684</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 4,033,258	\$ 0	\$ 0	\$ 4,033,258
Deferred Delinquent Property Taxes	114,487	0	0	114,487
Other Deferred/Unavailable Revenue	718,717	0	0	718,717
Total Deferred Inflows of Resources	<u>\$ 4,866,462</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,866,462</u>

(Continued)

Exhibit J-2

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

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	Education Capital Projects	Other Govern- mental Funds	
<u>FUND BALANCES</u>				
Nonspendable:				
Inventory	\$ 0	\$ 0	\$ 55,615	\$ 55,615
Restricted:				
Restricted for Education	144,785	4,901,817	1,727,267	6,773,869
Committed:				
Committed for Education	4,213,974	0	150,000	4,363,974
Assigned:				
Assigned for Education	1,137,286	0	0	1,137,286
Unassigned	1,838,004	0	0	1,838,004
Total Fund Balances	<u>\$ 7,334,049</u>	<u>\$ 4,901,817</u>	<u>\$ 1,932,882</u>	<u>\$ 14,168,748</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 13,542,011</u>	<u>\$ 4,901,817</u>	<u>\$ 2,010,066</u>	<u>\$ 20,453,894</u>

Exhibit J-3

Warren County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Warren County School Department
June 30, 2015

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)		\$ 14,168,748
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,926,806	
Add: buildings and improvements net of accumulated depreciation	40,945,159	
Add: other capital assets net of accumulated depreciation	<u>803,885</u>	43,675,850
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: compensated absences payable	\$ (2,426,261)	
Less: other postemployment benefits liability	<u>(2,208,556)</u>	(4,634,817)
(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	\$ 3,380,300	
Less: deferred inflows of resources related to pensions	<u>(10,217,844)</u>	(6,837,544)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension assets - agent plan	\$ 838,742	
Add: net pension assets - cost-sharing plan	<u>104,241</u>	942,983
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>833,205</u>
Net position of governmental activities (Exhibit A)		<u>\$ 48,148,425</u>

Exhibit J-4

Warren County, Tennessee
 Statement of Revenues, Expenditures,
 and Changes in Fund Balances -
 Governmental Funds
 Discretely Presented Warren County School Department
 For the Year Ended June 30, 2015

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	Education Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 12,273,090	\$ 0	\$ 0	\$ 12,273,090
Charges for Current Services	178,117	0	259,115	437,232
Other Local Revenues	331,188	0	28,935	360,123
State of Tennessee	33,258,377	0	30,426	33,288,803
Federal Government	165,486	0	7,300,739	7,466,225
Other Governments and Citizens Groups	0	4,901,817	0	4,901,817
Total Revenues	\$ 46,206,258	\$ 4,901,817	\$ 7,619,215	\$ 58,727,290
<u>Expenditures</u>				
Current:				
Instruction	\$ 28,907,628	\$ 0	\$ 3,473,400	\$ 32,381,028
Support Services	14,837,221	0	868,114	15,705,335
Operation of Non-instructional Services	833,896	0	3,026,935	3,860,831
Capital Outlay	1,761,413	0	0	1,761,413
Total Expenditures	\$ 46,340,158	\$ 0	\$ 7,368,449	\$ 53,708,607
Excess (Deficiency) of Revenues Over Expenditures	\$ (133,900)	\$ 4,901,817	\$ 250,766	\$ 5,018,683
Net Change in Fund Balances	\$ (133,900)	\$ 4,901,817	\$ 250,766	\$ 5,018,683
Fund Balance, July 1, 2014	7,467,949	0	1,682,116	9,150,065
Fund Balance, June 30, 2015	\$ 7,334,049	\$ 4,901,817	\$ 1,932,882	\$ 14,168,748

Exhibit J-5

Warren County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Warren County School Department
For the Year Ended June 30, 2015

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)		\$ 5,018,683
(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	\$ 93,388	
Less: current-year depreciation expense	<u>(1,827,484)</u>	(1,734,096)
(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		(34,450)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2015	\$ 833,205	
Less: deferred delinquent property taxes and other deferred June 30, 2014	<u>(876,574)</u>	(43,369)
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	\$ (158,803)	
Change in other postemployment benefits liability	(68,815)	
Change in net pension liability/asset	9,579,312	
Change in deferred outflows related to pensions	3,380,300	
Change in deferred inflows related to pensions	<u>(10,217,844)</u>	<u>2,514,150</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 5,720,918</u>

Exhibit J-6

Warren County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Warren County School Department
June 30, 2015

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	
<u>ASSETS</u>			
Cash	\$ 0	\$ 63,440	\$ 63,440
Equity in Pooled Cash and Investments	212,510	1,421,946	1,634,456
Inventories	0	55,615	55,615
Due from Other Governments	3,751	252,664	256,415
Due from Other Funds	140	0	140
Total Assets	<u>\$ 216,401</u>	<u>\$ 1,793,665</u>	<u>\$ 2,010,066</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 37	\$ 37
Payroll Deductions Payable	60,152	16,929	77,081
Due to Other Funds	66	0	66
Total Liabilities	<u>\$ 60,218</u>	<u>\$ 16,966</u>	<u>\$ 77,184</u>
<u>FUND BALANCES</u>			
Nonspendable:			
Inventory	\$ 0	\$ 55,615	\$ 55,615
Restricted:			
Restricted for Education	6,183	1,721,084	1,727,267
Committed:			
Committed for Education	150,000	0	150,000
Total Fund Balances	<u>\$ 156,183</u>	<u>\$ 1,776,699</u>	<u>\$ 1,932,882</u>
Total Liabilities and Fund Balances	<u>\$ 216,401</u>	<u>\$ 1,793,665</u>	<u>\$ 2,010,066</u>

Exhibit J-7

Warren County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Warren County School Department
For the Year Ended June 30, 2015

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 259,115	\$ 259,115
Other Local Revenues	732	28,203	28,935
State of Tennessee	0	30,426	30,426
Federal Government	4,343,460	2,957,279	7,300,739
Total Revenues	<u>\$ 4,344,192</u>	<u>\$ 3,275,023</u>	<u>\$ 7,619,215</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 3,473,400	\$ 0	\$ 3,473,400
Support Services	868,114	0	868,114
Operation of Non-instructional Services	0	3,026,935	3,026,935
Total Expenditures	<u>\$ 4,341,514</u>	<u>\$ 3,026,935</u>	<u>\$ 7,368,449</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,678</u>	<u>\$ 248,088</u>	<u>\$ 250,766</u>
Net Change in Fund Balances	\$ 2,678	\$ 248,088	\$ 250,766
Fund Balance, July 1, 2014	153,505	1,528,611	1,682,116
Fund Balance, June 30, 2015	<u>\$ 156,183</u>	<u>\$ 1,776,699</u>	<u>\$ 1,932,882</u>

Exhibit J-8

Warren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Warren County School Department
General Purpose School Fund
For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 12,273,090	\$ 0	\$ 0	\$ 12,273,090	\$ 11,571,878	\$ 11,583,878	\$ 689,212
Charges for Current Services	178,117	0	0	178,117	186,200	186,200	(8,083)
Other Local Revenues	331,188	0	0	331,188	273,500	273,500	57,688
State of Tennessee	33,258,377	0	0	33,258,377	33,007,000	33,217,962	40,415
Federal Government	165,486	0	0	165,486	252,800	252,800	(87,314)
Total Revenues	\$ 46,206,258	\$ 0	\$ 0	\$ 46,206,258	\$ 45,291,378	\$ 45,514,340	\$ 691,918
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 23,828,368	\$ (233,789)	\$ 446,189	\$ 24,040,768	\$ 24,151,000	\$ 24,151,000	\$ 110,232
Alternative Instruction Program	226,524	0	0	226,524	314,000	314,000	87,476
Special Education Program	3,386,325	(428)	0	3,385,897	3,443,300	3,443,300	57,403
Vocational Education Program	1,396,357	(70)	942	1,397,229	1,411,600	1,411,600	14,371
Adult Education Program	70,054	0	0	70,054	125,800	125,800	55,746
<u>Support Services</u>							
Attendance	436,801	0	2,420	439,221	618,000	618,000	178,779
Health Services	862,015	(380)	1,214	862,849	949,900	949,900	87,051
Other Student Support	1,904,567	(28,060)	130,775	2,007,282	1,900,500	2,000,500	(6,782)
Regular Instruction Program	1,085,367	(565)	2,538	1,087,340	1,229,300	1,229,300	141,960
Alternative Instruction Program	104,120	0	0	104,120	122,000	122,000	17,880
Special Education Program	462,345	0	0	462,345	470,500	470,500	8,155
Vocational Education Program	97,375	0	1,374	98,749	121,600	121,600	22,851
Other Programs	210,962	0	0	210,962	0	210,962	0
Board of Education	740,165	(8,400)	7,789	739,554	786,600	786,600	47,046
Director of Schools	183,788	0	0	183,788	201,800	201,800	18,012
Office of the Principal	2,083,587	(2,064)	0	2,081,523	2,110,700	2,110,700	29,177
Fiscal Services	354,034	(7,471)	6,219	352,782	377,600	377,600	24,818
Operation of Plant	3,417,787	(10,466)	8,416	3,415,737	3,668,800	3,668,800	253,063
Maintenance of Plant	1,354,035	(73,798)	151,717	1,431,954	1,553,500	1,553,500	121,546
Transportation	1,540,273	0	106,966	1,647,239	1,700,000	1,700,000	52,761

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Operation of Non-Instructional Services</u>							
Community Services	\$ 75,142	\$ 0	\$ 0	\$ 75,142	\$ 101,200	\$ 101,200	\$ 26,058
Early Childhood Education	758,754	(277)	137	758,614	750,000	828,000	69,386
<u>Capital Outlay</u>							
Regular Capital Outlay	1,761,413	(1,408,164)	270,590	623,839	900,000	1,100,000	476,161
Total Expenditures	\$ 46,340,158	\$ (1,773,932)	\$ 1,137,286	\$ 45,703,512	\$ 47,007,700	\$ 47,596,662	\$ 1,893,150
Excess (Deficiency) of Revenues Over Expenditures	\$ (133,900)	\$ 1,773,932	\$ (1,137,286)	\$ 502,746	\$ (1,716,322)	\$ (2,082,322)	\$ 2,585,068
Net Change in Fund Balance	\$ (133,900)	\$ 1,773,932	\$ (1,137,286)	\$ 502,746	\$ (1,716,322)	\$ (2,082,322)	\$ 2,585,068
Fund Balance, July 1, 2014	7,467,949	(1,773,932)	0	5,694,017	5,485,457	5,485,457	208,560
Fund Balance, June 30, 2015	\$ 7,334,049	\$ 0	\$ (1,137,286)	\$ 6,196,763	\$ 3,769,135	\$ 3,403,135	\$ 2,793,628

Exhibit J-9

Warren County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Discretely Presented Warren County School Department
 School Federal Projects Fund
 For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Other Local Revenues	\$ 732	\$ 0	\$ 732	\$ 0	\$ 0	\$ 732
Federal Government	4,343,460	0	4,343,460	4,385,148	5,463,819	(1,120,359)
Total Revenues	\$ 4,344,192	\$ 0	\$ 4,344,192	\$ 4,385,148	\$ 5,463,819	\$ (1,119,627)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 2,274,001	\$ (1,401)	\$ 2,272,600	\$ 2,151,132	\$ 2,505,846	\$ 233,246
Special Education Program	996,858	0	996,858	970,614	1,076,508	79,650
Vocational Education Program	202,541	(706)	201,835	189,270	201,836	1
<u>Support Services</u>						
Other Student Support	47,523	(354)	47,169	58,287	60,192	13,023
Regular Instruction Program	332,342	0	332,342	331,855	447,830	115,488
Special Education Program	481,616	0	481,616	665,410	1,151,314	669,698
Vocational Education Program	4,193	0	4,193	5,480	4,193	0
Transportation	2,440	0	2,440	13,100	16,100	13,660
Total Expenditures	\$ 4,341,514	\$ (2,461)	\$ 4,339,053	\$ 4,385,148	\$ 5,463,819	\$ 1,124,766
<u>Excess (Deficiency) of Revenues Over Expenditures</u>						
	\$ 2,678	\$ 2,461	\$ 5,139	\$ 0	\$ 0	\$ 5,139
Net Change in Fund Balance	\$ 2,678	\$ 2,461	\$ 5,139	\$ 0	\$ 0	\$ 5,139
Fund Balance, July 1, 2014	153,505	(2,461)	151,044	153,505	153,505	(2,461)
Fund Balance, June 30, 2015	\$ 156,183	\$ 0	\$ 156,183	\$ 153,505	\$ 153,505	\$ 2,678

Exhibit J-10

Warren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Warren County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 259,115	\$ 0	\$ 0	\$ 259,115	\$ 315,000	\$ 315,000	\$ (55,885)
Other Local Revenues	28,203	0	0	28,203	7,000	7,000	21,203
State of Tennessee	30,426	0	0	30,426	30,000	30,000	426
Federal Government	2,957,279	0	0	2,957,279	2,639,000	2,639,000	318,279
Total Revenues	<u>\$ 3,275,023</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,275,023</u>	<u>\$ 2,991,000</u>	<u>\$ 2,991,000</u>	<u>\$ 284,023</u>
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Food Service	\$ 3,026,935	\$ (81,197)	\$ 52,360	\$ 2,998,098	\$ 3,623,910	\$ 3,623,910	\$ 625,812
Total Expenditures	<u>\$ 3,026,935</u>	<u>\$ (81,197)</u>	<u>\$ 52,360</u>	<u>\$ 2,998,098</u>	<u>\$ 3,623,910</u>	<u>\$ 3,623,910</u>	<u>\$ 625,812</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 248,088</u>	<u>\$ 81,197</u>	<u>\$ (52,360)</u>	<u>\$ 276,925</u>	<u>\$ (632,910)</u>	<u>\$ (632,910)</u>	<u>\$ 909,835</u>
Net Change in Fund Balance	\$ 248,088	\$ 81,197	\$ (52,360)	\$ 276,925	\$ (632,910)	\$ (632,910)	\$ 909,835
Fund Balance, July 1, 2014	1,528,611	(81,197)	0	1,447,414	1,441,531	1,441,531	5,883
Fund Balance, June 30, 2015	<u>\$ 1,776,699</u>	<u>\$ 0</u>	<u>\$ (52,360)</u>	<u>\$ 1,724,339</u>	<u>\$ 808,621</u>	<u>\$ 808,621</u>	<u>\$ 915,718</u>

MISCELLANEOUS SCHEDULES

Exhibit K-1

Warren County, Tennessee
Schedule of Changes in Long-term Notes and Bonds
For the Year Ended June 30, 2015

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-14	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-15
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Sheriff Vehicles	\$ 135,000	1.98	% 12-14-12	6-30-15	\$ 45,000	\$ 0	\$ 45,000	\$ 0
Warren Middle School HVAC	253,282	2.03	12-20-13	6-30-16	168,855	0	84,427	84,428
Total Notes Payable					<u>\$ 213,855</u>	<u>\$ 0</u>	<u>\$ 129,427</u>	<u>\$ 84,428</u>
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
General Obligation School, Series 2014	4,900,000	2 to 2.5	10-30-14	6-1-25	\$ 0	\$ 4,900,000	\$ 0	\$ 4,900,000
General Obligation Refunding, Series 2010	6,475,000	2 to 4	2-10-10	6-1-22	5,505,000	0	605,000	4,900,000
Build America Bonds, Series 2010B	6,000,000	2.35 to 5.45	4-15-10	6-1-30	5,900,000	0	270,000	5,630,000
Qualified School Construction, Series 2010	9,300,000	0	(1) 10-7-10	9-15-27	7,655,802	0	580,305	7,075,497
Total Bonds Payable					<u>\$ 19,060,802</u>	<u>\$ 4,900,000</u>	<u>\$ 1,455,305</u>	<u>\$ 22,505,497</u>

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

Exhibit K-2

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

Year Ending June 30	Notes		Total
	Principal	Interest	
2016	\$ 84,428	\$ 1,714	\$ 86,142
Total	\$ 84,428	\$ 1,714	\$ 86,142

Year Ending June 30	Bonds		Total
	Principal	Interest	
2016	\$ 1,945,306	\$ 1,003,425	\$ 2,948,731
2017	1,985,305	966,233	2,951,538
2018	2,020,306	923,150	2,943,456
2019	2,065,305	877,893	2,943,198
2020	2,110,306	826,892	2,937,198
2021	2,165,305	773,476	2,938,781
2022	2,225,306	717,497	2,942,803
2023	1,460,305	659,033	2,119,338
2024	1,485,306	631,445	2,116,751
2025	1,515,305	601,263	2,116,568
2026	995,306	569,427	1,564,733
2027	1,072,429	548,469	1,620,898
2028	504,707	119,606	624,313
2029	470,000	51,577	521,577
2030	485,000	26,432	511,432
Total	\$ 22,505,497	\$ 9,295,818	\$ 31,801,315

Exhibit K-3

Warren County, Tennessee
Schedule of Investments
June 30, 2015

<u>Fund and Type</u>	<u>Amount</u>
<u>Fiduciary Fund</u>	
<u>Constitutional Officers - Agency Fund</u>	
<u>Office of Clerk and Master</u>	
Edward Jones - Municipal Bonds	<u>\$ 91,148</u>
Total Investments	<u>\$ 91,148</u>

Exhibit K-4

Warren County, Tennessee
Schedule of Transfers
For the Year Ended June 30, 2015

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
Other Capital Projects	General	Close fund	\$ 104
Total Transfers Primary Government			<u>\$ 104</u>

Exhibit K-5

Warren County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Warren County School Department
For the Year Ended June 30, 2015

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Executive:				
John Pelham (7-1-14 through 8-31-14)	Section 8-24-102, <i>TCA</i>	\$ 13,681	\$ 50,000	Cincinnati Insurance Company
Herschel Wells (9-1-14 through 6-30-15)	Section 8-24-102, <i>TCA</i>	67,472	100,000	"
Superintendent of Roads	Section 8-24-102, <i>TCA</i>	77,290	100,000	"
Director of Schools	State Board of Education and County Board of Education	101,772 (1)	100,000	"
Trustee	Section 8-24-102, <i>TCA</i>	70,263	1,643,997	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	70,263	50,000	"
Finance Director	County Commission	62,432	50,000	Auto-Owners Mutual Insurance Company
County Clerk	Section 8-24-102, <i>TCA</i>	70,263	50,000	Cincinnati Insurance Company
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i>	70,263	50,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> , and Chancery Court Judge	70,263 (2)	50,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	70,263	50,000	"
Sheriff	Section 8-24-102, <i>TCA</i>	77,290 (3)	50,000	Western Surety Company
Employee Dishonesty Bond Coverage:				
General County Employees			20,000	"

- (1) Includes a chief executive officer training supplement of \$1,000.
(2) Does not include special commissioner fees of \$39,423.
(3) Does not include a law enforcement training supplement of \$600.

Exhibit K-6

Warren County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2015

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 5,533,595	\$ 455,567	\$ 1,303,272	\$ 0	\$ 0	\$ 521,302
Discount on Property Taxes	(52,888)	(4,373)	(12,430)	0	0	(4,970)
Trustee's Collections - Prior Year	231,427	19,700	49,250	0	0	19,694
Trustee's Collections - Bankruptcy	4,635	297	704	0	0	407
Circuit/Clerk and Master Collections - Prior Years	144,559	12,548	31,370	0	0	12,165
Interest and Penalty	43,496	3,673	9,434	0	0	3,779
Payments in-Lieu-of Taxes - T.V.A.	15,785	1,300	3,714	0	0	1,486
Payments in-Lieu-of Taxes - Local Utilities	51,814	4,267	12,192	0	0	4,877
Payments in-Lieu-of Taxes - Other	276,873	22,801	65,147	0	0	26,059
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	0
Hotel/Motel Tax	0	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0
Litigation Tax - General	110,453	0	0	0	0	0
Litigation Tax - Special Purpose	9,957	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	44,456	0	0	0	0	0
Business Tax	331,723	0	0	0	0	0
Mixed Drink Tax	55,691	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	55,206
<u>Statutory Local Taxes</u>						
Bank Excise Tax	31,206	2,570	7,343	0	0	2,937
Wholesale Beer Tax	73,868	120,011	0	0	0	0
Total Local Taxes	\$ 6,906,650	\$ 638,361	\$ 1,469,996	\$ 0	\$ 0	\$ 642,942

(Continued)

Exhibit K-6

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 3,325	\$ 0	\$ 0	\$ 0	\$ 0	0
Cable TV Franchise	202,552	0	0	0	0	0
<u>Permits</u>						
Beer Permits	3,009	0	0	0	0	0
Building Permits	39,450	0	0	0	0	0
Other Permits	1,770	0	0	0	0	0
Total Licenses and Permits	\$ 250,106	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 12,783	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	20,082	0	0	0	0	0
Drug Control Fines	0	0	0	43,843	0	0
Drug Court Fees	14,844	0	0	0	0	0
Jail Fees	12,025	0	0	0	0	0
DUI Treatment Fines	1,814	0	0	0	0	0
Data Entry Fee - Circuit Court	2,118	0	0	0	0	0
Courtroom Security Fee	120	0	0	0	0	0
Victims Assistance Assessments	8,628	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	47,027	0	0	0	0	0
Fines for Littering	199	0	0	0	0	0
Officers Costs	55,649	0	0	0	0	0
Game and Fish Fines	362	0	0	0	0	0
Drug Control Fines	0	0	0	10,864	0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>General Sessions Court (Cont.)</u>						
Drug Court Fees	\$ 19,335	\$ 0	\$ 0	\$ 0	\$ 0	0
Jail Fees	35,596	0	0	0	0	0
Interpreter Fee	304	0	0	0	0	0
DUI Treatment Fines	10,323	0	0	0	0	0
Data Entry Fee - General Sessions Court	16,960	0	0	0	0	0
Courtroom Security Fee	2,944	0	0	0	0	0
Victims Assistance Assessments	34,488	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	8,225	0	0	0	0	0
Officers Costs	7,355	0	0	0	0	0
Jail Fees	4,270	0	0	0	0	0
Data Entry Fee - Juvenile Court	1,326	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	2,619	0	0	0	0	0
Data Entry Fee - Chancery Court	3,044	0	0	0	0	0
Courtroom Security Fee	4	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	64,334	0	0
Total Fines, Forfeitures, and Penalties	\$ 322,444	\$ 0	\$ 0	\$ 119,041	\$ 0	0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Tipping Fees	\$ 1,157	\$ 0	\$ 0	\$ 0	\$ 0	0
Surcharge - Waste Tire Disposal	0	3,768	0	0	0	0
Patient Charges	0	0	2,015,646	0	0	0
Other General Service Charges	14,224	0	0	0	0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Charges for Current Services (Cont.)</u>						
<u>Fees</u>						
Engineer Review Fees	\$ 1,800	\$ 0	\$ 0	\$ 0	\$ 0	0
Copy Fees	543	0	0	0	0	0
Greenbelt Late Application Fee	150	0	0	0	0	0
Telephone Commissions	64,862	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	978,699	0
Data Processing Fee - Register	11,654	0	0	0	0	0
Probation Fees	1,750	0	0	0	0	0
Data Processing Fee - Sheriff	4,989	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	4,500	0	0	0	0	0
Total Charges for Current Services	\$ 105,629	\$ 3,768	\$ 2,015,646	\$ 0	\$ 978,699	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 31	\$ 0	\$ 0	\$ 0	\$ 0	0
Lease/Rentals	101,345	0	0	0	0	0
Sale of Materials and Supplies	222	0	0	0	0	0
Commissary Sales	81,538	0	0	0	0	0
Sale of Gasoline	151,542	0	0	0	0	0
Sale of Recycled Materials	0	46,189	0	0	0	0
Sale of Animals/Livestock	8,924	0	0	0	0	0
Miscellaneous Refunds	1,611	0	0	0	0	1,017
<u>Nonrecurring Items</u>						
Sale of Equipment	7,045	0	0	0	0	0
Sale of Property	750	0	0	0	0	0
Damages Recovered from Individuals	77,888	0	0	0	0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items (Cont.)</u>						
Contributions and Gifts	\$ 75	\$ 0	\$ 0	\$ 0	\$ 0	0
Total Other Local Revenues	\$ 430,971	\$ 46,189	\$ 0	\$ 0	\$ 0	1,017
<u>Fees Received from County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 93,044	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	120,350	0	0	0	0	0
Trustee	490,125	0	0	0	0	0
<u>Fees in-Lieu-of Salary</u>						
Clerk and Master	103,728	0	0	0	0	0
Sheriff	12,926	0	0	0	0	0
Total Fees Received from County Officials	\$ 820,173	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 1,710	\$ 0	\$ 0	\$ 0	\$ 0	0
Airport Maintenance Program	20,961	0	0	0	0	0
Solid Waste Grants	0	21,424	0	0	0	0
On-behalf Contributions for OPEB	1,400	0	0	0	0	0
Other General Government Grants	0	29,182	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	550,546	0	0	0	0	0
Other Health and Welfare Grants	57,901	0	0	0	0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	0	395,474
Litter Program	34,718	0	0	0	0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues</u>						
Income Tax	\$ 70,055	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Beer Tax	9,698	0	0	0	0	0
Alcoholic Beverage Tax	49,705	0	0	0	0	0
State Revenue Sharing - T.V.A.	0	452,291	0	0	0	27,698
Contracted Prisoner Boarding	765,784	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,779,927
Petroleum Special Tax	0	0	0	0	0	28,746
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	10,880	0	0	0	0	0
Other State Revenues	62,245	0	0	0	0	0
Total State of Tennessee	\$ 1,650,767	\$ 502,897	\$ 0	\$ 0	\$ 0	\$ 2,231,845
<u>Federal Government</u>						
<u>Federal Through State</u>						
Homeland Security Grants	\$ 0	\$ 0	\$ 22,350	\$ 0	\$ 0	\$ 0
Law Enforcement Grants	51,955	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Medicare	18,200	0	0	0	0	0
Tax Credit Bond Rebate	391,153	0	0	0	0	0
Other Direct Federal Revenue	385,540	0	172,793	0	0	0
Total Federal Government	\$ 846,848	\$ 0	\$ 195,143	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 291,254	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Governments and Citizens Groups	\$ 291,254	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 11,624,842	\$ 1,191,215	\$ 3,680,785	\$ 119,041	\$ 978,699	\$ 2,875,804

(Continued)

Exhibit K-6

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

	Debt Service Fund	Capital Projects Funds		Total
	General Debt Service	Education Capital Projects	Other Capital Projects	
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 1,455,849	\$ 0	\$ 0	\$ 9,269,585
Discount on Property Taxes	(13,840)	0	0	(88,501)
Trustee's Collections - Prior Year	30,106	0	0	350,177
Trustee's Collections - Bankruptcy	1,175	0	0	7,218
Circuit/Clerk and Master Collections - Prior Years	15,659	0	0	216,301
Interest and Penalty	6,841	0	0	67,223
Payments in-Lieu-of Taxes - T.V.A.	4,132	0	0	26,417
Payments in-Lieu-of Taxes - Local Utilities	13,563	0	0	86,713
Payments in-Lieu-of Taxes - Other	72,476	0	0	463,356
<u>County Local Option Taxes</u>				
Local Option Sales Tax	251,785	0	0	251,785
Hotel/Motel Tax	44,562	0	0	44,562
Wheel Tax	1,068,582	0	0	1,068,582
Litigation Tax - General	0	0	0	110,453
Litigation Tax - Special Purpose	0	0	0	9,957
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	44,456
Business Tax	0	0	0	331,723
Mixed Drink Tax	0	0	0	55,691
Mineral Severance Tax	0	0	0	55,206
<u>Statutory Local Taxes</u>				
Bank Excise Tax	8,169	0	0	52,225
Wholesale Beer Tax	0	0	0	193,879
Total Local Taxes	\$ 2,959,059	\$ 0	\$ 0	\$ 12,617,008

(Continued)

Exhibit K-6

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

	Debt Service Fund			Capital Projects Funds			Total
	General Debt Service	Education Capital Projects	Other Capital Projects				
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 0			3,325
Cable TV Franchise	0	0	0	0			202,552
<u>Permits</u>							
Beer Permits	0	0	0	0			3,009
Building Permits	0	0	0	0			39,450
Other Permits	0	0	0	0			1,770
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0			250,106
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	\$ 0	\$ 0	\$ 0	\$ 0			12,783
Officers Costs	0	0	0	0			20,082
Drug Control Fines	0	0	0	0			43,843
Drug Court Fees	0	0	0	0			14,844
Jail Fees	0	0	0	0			12,025
DUI Treatment Fines	0	0	0	0			1,814
Data Entry Fee - Circuit Court	0	0	0	0			2,118
Courtroom Security Fee	0	0	0	0			120
Victims Assistance Assessments	0	0	0	0			8,628
<u>General Sessions Court</u>							
Fines	0	0	0	0			47,027
Fines for Littering	0	0	0	0			199
Officers Costs	0	0	0	0			55,649
Game and Fish Fines	0	0	0	0			362
Drug Control Fines	0	0	0	0			10,864

(Continued)

Exhibit K-6

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

	Debt Service Fund			Capital Projects Funds			
	General	Education	Other	General	Education	Other	Total
	Debt	Capital	Capital	Debt	Capital	Capital	
	Service	Projects	Projects	Service	Projects	Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>General Sessions Court (Cont.)</u>							
Drug Court Fees	\$	0	\$	0	\$	0	\$ 19,335
Jail Fees		0		0		0	35,596
Interpreter Fee		0		0		0	304
DUI Treatment Fines		0		0		0	10,323
Data Entry Fee - General Sessions Court		0		0		0	16,960
Courtroom Security Fee		0		0		0	2,944
Victims Assistance Assessments		0		0		0	34,488
<u>Juvenile Court</u>							
Fines		0		0		0	8,225
Officers Costs		0		0		0	7,355
Jail Fees		0		0		0	4,270
Data Entry Fee - Juvenile Court		0		0		0	1,326
<u>Chancery Court</u>							
Officers Costs		0		0		0	2,619
Data Entry Fee - Chancery Court		0		0		0	3,044
Courtroom Security Fee		0		0		0	4
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property		0		0		0	64,334
Total Fines, Forfeitures, and Penalties	\$	0	\$	0	\$	0	\$ 441,485
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Tipping Fees	\$	0	\$	0	\$	0	\$ 1,157
Surcharge - Waste Tire Disposal		0		0		0	3,768
Patient Charges		0		0		0	2,015,646
Other General Service Charges		0		0		0	14,224

(Continued)

Exhibit K-6

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

	Debt Service Fund			Capital Projects Funds			Total
	General Debt Service	Education Capital Projects	Other Capital Projects				
<u>Charges for Current Services (Cont.)</u>							
<u>Fees</u>							
Engineer Review Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,800
Copy Fees	0	0	0	0	0	0	543
Greenbelt Late Application Fee	0	0	0	0	0	0	150
Telephone Commissions	0	0	0	0	0	0	64,862
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0	978,699
Data Processing Fee - Register	0	0	0	0	0	0	11,654
Probation Fees	0	0	0	0	0	0	1,750
Data Processing Fee - Sheriff	0	0	0	0	0	0	4,989
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0	0	4,500
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	3,103,742
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 198,000	\$ 3,101	\$ 62	\$ 0	\$ 0	\$ 0	201,194
Lease/Rentals	0	0	0	0	0	0	101,345
Sale of Materials and Supplies	0	0	0	0	0	0	222
Commissary Sales	0	0	0	0	0	0	81,538
Sale of Gasoline	0	0	0	0	0	0	151,542
Sale of Recycled Materials	0	0	0	0	0	0	46,189
Sale of Animals/Livestock	0	0	0	0	0	0	8,924
Miscellaneous Refunds	0	0	0	0	0	0	2,628
<u>Nonrecurring Items</u>							
Sale of Equipment	0	0	0	0	0	0	7,045
Sale of Property	0	0	0	0	0	0	750
Damages Recovered from Individuals	0	0	0	0	0	0	77,888

(Continued)

Exhibit K-6

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

	Debt Service Fund		Capital Projects Funds		
	General Debt Service	Education Capital Projects	Other Capital Projects		Total
<u>Other Local Revenues (Cont.)</u>					
<u>Nonrecurring Items (Cont.)</u>					
Contributions and Gifts	\$ 0	\$ 0	\$ 0	\$ 0	75
Total Other Local Revenues	\$ 198,000	\$ 3,101	\$ 62	\$ 0	679,340
<u>Fees Received from County Officials</u>					
<u>Excess Fees</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	93,044
Circuit Court Clerk	0	0	0	0	120,350
Trustee	0	0	0	0	490,125
<u>Fees in-Lieu-of Salary</u>					
Clerk and Master	0	0	0	0	103,728
Sheriff	0	0	0	0	12,926
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	820,173
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	1,710
Airport Maintenance Program	0	0	0	0	20,961
Solid Waste Grants	0	0	0	0	21,424
On-behalf Contributions for OPEB	0	0	0	0	1,400
Other General Government Grants	0	0	0	0	29,182
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	0	0	550,546
Other Health and Welfare Grants	0	0	0	0	57,901
<u>Public Works Grants</u>					
State Aid Program	0	0	0	0	395,474
Litter Program	0	0	0	0	34,718

(Continued)

Exhibit K-6

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

	Debt Service Fund		Capital Projects Funds		
	General Debt Service	Education Capital Projects	Other Capital Projects		Total
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues</u>					
Income Tax	\$ 0	\$ 0	\$ 0	\$ 0	70,055
Beer Tax	0	0	0	0	9,698
Alcoholic Beverage Tax	0	0	0	0	49,705
State Revenue Sharing - T.V.A.	0	0	0	0	479,989
Contracted Prisoner Boarding	0	0	0	0	765,784
Gasoline and Motor Fuel Tax	0	0	0	0	1,779,927
Petroleum Special Tax	0	0	0	0	28,746
Registrar's Salary Supplement	0	0	0	0	15,164
Other State Grants	0	0	0	0	10,880
Other State Revenues	0	0	0	0	62,245
Total State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 0	4,385,509
<u>Federal Government</u>					
<u>Federal Through State</u>					
Homeland Security Grants	\$ 0	\$ 0	\$ 0	\$ 0	22,350
Law Enforcement Grants	0	0	0	0	51,955
<u>Direct Federal Revenue</u>					
Medicare	0	0	0	0	18,200
Tax Credit Bond Rebate	0	0	0	0	391,153
Other Direct Federal Revenue	0	0	0	0	558,333
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	1,041,991
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	291,254
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	291,254
Total	\$ 3,157,059	\$ 3,101	\$ 62	\$ 0	23,630,608

Exhibit K-7

Warren County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Warren County School Department
For the Year Ended June 30, 2015

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>General Purpose School</u>	<u>School Federal Projects</u>	<u>Central Cafeteria</u>	<u>Projects Fund Education Capital Projects</u>	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 3,733,902	\$ 0	\$ 0	\$ 0	\$ 3,733,902
Discount on Property Taxes	(35,649)	0	0	0	(35,649)
Trustee's Collections - Prior Year	141,055	0	0	0	141,055
Trustee's Collections - Bankruptcy	2,891	0	0	0	2,891
Circuit/Clerk and Master Collections - Prior Years	109,130	0	0	0	109,130
Interest and Penalty	27,075	0	0	0	27,075
Payments in-Lieu-of Taxes - T.V.A.	10,641	0	0	0	10,641
Payments in-Lieu-of Taxes - Local Utilities	34,929	0	0	0	34,929
Payments in-Lieu-of Taxes - Other	186,645	0	0	0	186,645
<u>County Local Option Taxes</u>					
Local Option Sales Tax	8,031,467	0	0	0	8,031,467
Mixed Drink Tax	9,967	0	0	0	9,967
<u>Statutory Local Taxes</u>					
Bank Excise Tax	21,037	0	0	0	21,037
Total Local Taxes	\$ 12,273,090	\$ 0	\$ 0	\$ 0	\$ 12,273,090
<u>Charges for Current Services</u>					
<u>Fees</u>					
Telephone Commissions	\$ 6,223	\$ 0	\$ 0	\$ 0	\$ 6,223
<u>Education Charges</u>					
Tuition - Other	70,191	0	0	0	70,191
Lunch Payments - Children	0	0	38,158	0	38,158
Lunch Payments - Adults	0	0	60,853	0	60,853
Income from Breakfast	0	0	7,370	0	7,370

(Continued)

Exhibit K-7

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

	Special Revenue Funds			Capital Projects Fund	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	
<u>Charges for Current Services (Cont.)</u>					
<u>Education Charges (Cont.)</u>					
A la carte Sales	\$ 0	\$ 0	\$ 152,734	\$ 0	\$ 152,734
Receipts from Individual Schools	101,703	0	0	0	101,703
Total Charges for Current Services	\$ 178,117	\$ 0	\$ 259,115	\$ 0	\$ 437,232
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 5,459	\$ 0	\$ 5,459
E-Rate Funding	49,892	0	0	0	49,892
Miscellaneous Refunds	67,164	732	17,585	0	85,481
<u>Nonrecurring Items</u>					
Sale of Equipment	167,565	0	5,159	0	172,724
Damages Recovered from Individuals	160	0	0	0	160
Contributions and Gifts	46,407	0	0	0	46,407
Total Other Local Revenues	\$ 331,188	\$ 732	\$ 28,203	\$ 0	\$ 360,123
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 210,962	\$ 0	\$ 0	\$ 0	\$ 210,962
<u>State Education Funds</u>					
Basic Education Program	31,466,560	0	0	0	31,466,560
Early Childhood Education	694,412	0	0	0	694,412
School Food Service	0	0	30,426	0	30,426
Energy Efficient School Initiative	10,061	0	0	0	10,061
Driver Education	31,772	0	0	0	31,772

(Continued)

Exhibit K-7

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

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>General Purpose School</u>	<u>School Federal Projects</u>	<u>Central Cafeteria</u>	<u>Projects Fund Education Capital Projects</u>	
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds (Cont.)</u>					
Other State Education Funds	\$ 315,184	\$ 0	\$ 0	\$ 0	\$ 315,184
Career Ladder Program	185,951	0	0	0	185,951
Career Ladder - Extended Contract	60,520	0	0	0	60,520
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	280,932	0	0	0	280,932
Other State Grants	1,500	0	0	0	1,500
Other State Revenues	523	0	0	0	523
Total State of Tennessee	\$ 33,258,377	\$ 0	\$ 30,426	\$ 0	\$ 33,288,803
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,959,173	\$ 0	\$ 1,959,173
USDA - Commodities	0	0	174,038	0	174,038
Breakfast	0	0	745,843	0	745,843
USDA - Other	0	0	68,225	0	68,225
Vocational Education - Basic Grants to States	0	118,879	0	0	118,879
Other Vocational	0	115,970	0	0	115,970
Title I Grants to Local Education Agencies	0	2,015,636	0	0	2,015,636
Special Education - Grants to States	0	1,414,216	0	0	1,414,216
Special Education Preschool Grants	0	65,169	0	0	65,169
English Language Acquisition Grants	0	48,184	0	0	48,184
Rural Education	0	121,363	0	0	121,363
Education for Homeless Children and Youth	0	7,460	0	0	7,460
Eisenhower Professional Development State Grants	0	268,214	0	0	268,214

(Continued)

Exhibit K-7

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

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>General Purpose School</u>	<u>School Federal Projects</u>	<u>Central Cafeteria</u>	<u>Projects Fund Education Capital Projects</u>	
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
Race to the Top - ARRA	\$ 0	\$ 168,369	\$ 0	\$ 0	\$ 168,369
Other Federal through State	94,730	0	10,000	0	104,730
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	70,756	0	0	0	70,756
Total Federal Government	<u>\$ 165,486</u>	<u>\$ 4,343,460</u>	<u>\$ 2,957,279</u>	<u>\$ 0</u>	<u>\$ 7,466,225</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 0	\$ 0	\$ 4,901,817	\$ 4,901,817
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,901,817</u>	<u>\$ 4,901,817</u>
Total	<u>\$ 46,206,258</u>	<u>\$ 4,344,192</u>	<u>\$ 3,275,023</u>	<u>\$ 4,901,817</u>	<u>\$ 58,727,290</u>

Exhibit K-8

Warren County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2015

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	91,220	
Social Security		6,143	
Pensions		10,881	
Life Insurance		627	
Medical Insurance		9,900	
Audit Services		10,390	
Dues and Memberships		23,750	
Other Charges		924	
Total County Commission			\$ 153,835

Board of Equalization

Board and Committee Members Fees	\$	3,600	
Social Security		275	
Travel		111	
Total Board of Equalization			3,986

County Mayor/Executive

County Official/Administrative Officer	\$	81,153	
Secretary(ies)		33,267	
Social Security		8,134	
Pensions		15,630	
Life Insurance		60	
Medical Insurance		2,700	
Unemployment Compensation		54	
Travel		25	
Total County Mayor/Executive			141,023

County Attorney

Legal Services	\$	51,078	
Total County Attorney			51,078

Election Commission

County Official/Administrative Officer	\$	63,237	
Secretary(ies)		59,044	
Other Salaries and Wages		15,984	
Election Commission		7,370	
Election Workers		22,370	
Social Security		10,692	
Pensions		16,934	
Life Insurance		109	
Medical Insurance		5,400	
Unemployment Compensation		194	
Communication		3,148	
Data Processing Services		2,409	
Legal Notices, Recording, and Court Costs		11,372	
Maintenance Agreements		25,200	
Maintenance and Repair Services - Office Equipment		150	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Postal Charges	\$	2,633	
Printing, Stationery, and Forms		3,932	
Rentals		1,300	
Travel		8,099	
Office Supplies		1,042	
Other Supplies and Materials		1,518	
Total Election Commission			\$ 262,137

Register of Deeds

Other Contracted Services	\$	2,250	
Data Processing Supplies		5,865	
Other Charges		55,685	
Total Register of Deeds			63,800

Development

Other Charges	\$	379	
Total Development			379

Planning

Board and Committee Members Fees	\$	1,275	
Social Security		98	
Contracts with Government Agencies		13,750	
Total Planning			15,123

Codes Compliance

County Official/Administrative Officer	\$	30,000	
In-service Training		969	
Social Security		2,138	
Pensions		4,035	
Life Insurance		25	
Medical Insurance		2,700	
Unemployment Compensation		54	
Communication		2,721	
Maintenance and Repair Services - Vehicles		1,399	
Postal Charges		264	
Travel		543	
Gasoline		1,328	
Office Supplies		4,046	
Motor Vehicles		7,412	
Total Codes Compliance			57,634

County Buildings

Custodial Personnel	\$	30,563	
Social Security		2,138	
Pensions		3,406	
Life Insurance		36	
Medical Insurance		2,700	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Unemployment Compensation	\$	89	
Maintenance and Repair Services - Buildings		18,204	
Custodial Supplies		10,102	
Utilities		94,331	
Other Supplies and Materials		684	
Total County Buildings			\$ 162,253

Other Facilities

Maintenance Personnel	\$	37,171	
Social Security		2,261	
Pensions		5,078	
Life Insurance		36	
Medical Insurance		2,700	
Unemployment Compensation		54	
Maintenance and Repair Services - Buildings		150,400	
Law Enforcement Equipment		3,872	
Total Other Facilities			201,572

Other General Administration

On-behalf Payments to OPEB	\$	1,400	
Communication		44,028	
Data Processing Services		87,057	
Legal Notices, Recording, and Court Costs		2,448	
Maintenance Agreements		1,549	
Maintenance and Repair Services - Office Equipment		412	
Postal Charges		14,807	
Printing, Stationery, and Forms		14,939	
Office Supplies		30,530	
Premiums on Corporate Surety Bonds		13,624	
Data Processing Equipment		5,396	
Office Equipment		3,800	
Total Other General Administration			219,990

Preservation of Records

Other Supplies and Materials	\$	48	
Total Preservation of Records			48

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	62,432	
Assistant(s)		43,328	
Accountants/Bookkeepers		249,336	
In-service Training		570	
Social Security		24,949	
Pensions		48,506	
Life Insurance		364	
Medical Insurance		22,950	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Unemployment Compensation	\$	540	
Travel		1,446	
Total Accounting and Budgeting			\$ 454,421

Purchasing

Legal Notices, Recording, and Court Costs	\$	5,434	
Total Purchasing			5,434

Property Assessor's Office

County Official/Administrative Officer	\$	70,263	
Assistant(s)		128,586	
In-service Training		1,064	
Social Security		13,995	
Pensions		26,029	
Life Insurance		182	
Medical Insurance		11,475	
Unemployment Compensation		260	
Data Processing Services		22,917	
Dues and Memberships		1,700	
Legal Notices, Recording, and Court Costs		116	
Maintenance and Repair Services - Vehicles		947	
Postal Charges		9,501	
Gasoline		1,561	
Other Supplies and Materials		5,295	
Other Charges		1,992	
Motor Vehicles		25,233	
Total Property Assessor's Office			321,116

County Trustee's Office

Legal Notices, Recording, and Court Costs	\$	386	
Postal Charges		6,316	
Printing, Stationery, and Forms		4,958	
Other Supplies and Materials		11,270	
Total County Trustee's Office			22,930

County Clerk's Office

Data Processing Equipment	\$	20,445	
Total County Clerk's Office			20,445

Administration of Justice

Circuit Court

Jury and Witness Expense	\$	32,707	
Other Charges		30,420	
Data Processing Equipment		5,424	
Office Equipment		4,999	
Total Circuit Court			73,550

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court

Judge(s)	\$	150,588	
Secretary(ies)		34,381	
Other Salaries and Wages		11,894	
Other Per Diem and Fees		2,400	
Social Security		12,261	
Pensions		25,281	
Life Insurance		73	
Medical Insurance		2,700	
Unemployment Compensation		103	
Communication		2,057	
Postal Charges		68	
Travel		2,785	
Other Contracted Services		220	
Office Supplies		1,325	
Other Charges		798	
Data Processing Equipment		498	
Total General Sessions Court			\$ 247,432

Drug Court

Probation Officer(s)	\$	55,841	
Social Security		5,220	
Pensions		7,116	
Life Insurance		73	
Medical Insurance		2,700	
Unemployment Compensation		167	
Contracts with Private Agencies		300	
Evaluation and Testing		13,067	
Travel		1,017	
Other Supplies and Materials		483	
Total Drug Court			85,984

Chancery Court

County Official/Administrative Officer	\$	70,263	
Clerical Personnel		96,602	
In-service Training		300	
Social Security		12,324	
Pensions		19,536	
Life Insurance		104	
Medical Insurance		7,200	
Unemployment Compensation		321	
Advertising		4,166	
Communication		2,711	
Postal Charges		6,713	
Printing, Stationery, and Forms		181	
Office Supplies		6,984	
Other Supplies and Materials		31	
Other Charges		110	
Total Chancery Court			227,546

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court

Youth Service Officer(s)	\$	79,529	
Overtime Pay		6,291	
Other Salaries and Wages		23,745	
Other Per Diem and Fees		2,400	
Social Security		8,278	
Pensions		13,797	
Life Insurance		90	
Medical Insurance		1,462	
Unemployment Compensation		169	
Communication		2,882	
Postal Charges		588	
Travel		3,248	
Office Supplies		493	
Other Supplies and Materials		8,945	
Data Processing Equipment		168	
Total Juvenile Court			\$ 152,085

Judicial Commissioners

County Official/Administrative Officer	\$	80,705	
In-service Training		300	
Social Security		5,017	
Unemployment Compensation		385	
Office Supplies		1,252	
Total Judicial Commissioners			87,659

Victim Assistance Programs

Remittance of Revenue Collected	\$	30,000	
Total Victim Assistance Programs			30,000

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	77,290	
Deputy(ies)		1,130,724	
Investigator(s)		259,289	
Lieutenant(s)		156,628	
Salary Supplements		24,600	
Clerical Personnel		122,588	
Overtime Pay		47,391	
Other Salaries and Wages		37,687	
In-service Training		12,677	
Social Security		136,501	
Pensions		237,727	
Life Insurance		2,787	
Medical Insurance		66,494	
Unemployment Compensation		2,757	
Communication		13,257	
Data Processing Services		919	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Maintenance and Repair Services - Office Equipment	\$	4,216	
Maintenance and Repair Services - Vehicles		49,950	
Medical and Dental Services		4,555	
Postal Charges		1,334	
Printing, Stationery, and Forms		1,248	
Travel		5,471	
Gasoline		126,777	
Law Enforcement Supplies		3,994	
Office Supplies		3,479	
Tires and Tubes		15,501	
Uniforms		10,343	
Communication Equipment		10,090	
Furniture and Fixtures		900	
Law Enforcement Equipment		7,185	
Motor Vehicles		146,666	
Total Sheriff's Department	\$		2,721,025

Special Patrols

In-service Training	\$	5,000	
Law Enforcement Supplies		13,959	
Total Special Patrols			18,959

Administration of the Sexual Offender Registry

Other Contracted Services	\$	1,387	
Total Administration of the Sexual Offender Registry			1,387

Jail

Supervisor/Director	\$	43,943	
Medical Personnel		129,178	
Guards		1,143,585	
Clerical Personnel		42,382	
Overtime Pay		8,413	
Other Salaries and Wages		31,149	
Social Security		100,184	
Pensions		174,569	
Medical Insurance		63,781	
Unemployment Compensation		2,509	
Contracts with Government Agencies		1,025	
Evaluation and Testing		2,545	
Maintenance and Repair Services - Equipment		17,179	
Medical and Dental Services		338,161	
Pest Control		1,100	
Printing, Stationery, and Forms		516	
Custodial Supplies		46,174	
Food Preparation Supplies		12,162	
Food Supplies		419,937	
Law Enforcement Supplies		5,015	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Prisoners Clothing	\$	6,129	
Utilities		183,768	
Other Supplies and Materials		10,702	
Law Enforcement Equipment		33,137	
Office Equipment		4,101	
Total Jail			\$ 2,821,344

Juvenile Services

Other Charges	\$	7,200	
Total Juvenile Services			7,200

County Coroner/Medical Examiner

Other Per Diem and Fees	\$	1,850	
Architects		7,726	
Building Construction		149,118	
Total County Coroner/Medical Examiner			158,694

Public Safety Grants Programs

Probation Officer(s)	\$	11,598	
Social Security		883	
Pensions		956	
Unemployment Compensation		47	
Communication		200	
Contracts with Private Agencies		115,043	
Travel		2,172	
Other Supplies and Materials		1,301	
Total Public Safety Grants Programs			132,200

Other Public Safety

Contributions	\$	166,000	
Total Other Public Safety			166,000

Public Health and Welfare

Local Health Center

Social Security	\$	101	
Unemployment Compensation		10	
Communication		7,802	
Janitorial Services		20,907	
Utilities		21,117	
Other Charges		18,418	
Total Local Health Center			68,355

Rabies and Animal Control

Supervisor/Director	\$	22,502	
Other Salaries and Wages		16,926	
In-service Training		435	
Social Security		2,845	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Pensions	\$	3,074	
Life Insurance		31	
Medical Insurance		2,700	
Unemployment Compensation		155	
Communication		1,874	
Licenses		370	
Maintenance and Repair Services - Buildings		3,032	
Maintenance and Repair Services - Vehicles		482	
Veterinary Services		7,352	
Animal Food and Supplies		5,290	
Custodial Supplies		745	
Drugs and Medical Supplies		2,015	
Gasoline		2,430	
Office Supplies		525	
Utilities		5,923	
Other Supplies and Materials		1,765	
Data Processing Equipment		336	
Motor Vehicles		13,082	
Other Equipment		81	
Total Rabies and Animal Control			\$ 93,970

Maternal and Child Health Services

Travel	\$	145	
Other Contracted Services		921	
Other Supplies and Materials		2,092	
Other Charges		34,399	
Total Maternal and Child Health Services			37,557

Alcohol and Drug Programs

Probation Officer(s)	\$	22,620	
Communication		2,932	
Rentals		6,000	
Travel		4,569	
Other Supplies and Materials		12,777	
Total Alcohol and Drug Programs			48,898

Other Local Health Services

Other Salaries and Wages	\$	442,658	
Social Security		32,440	
Pensions		47,076	
Life Insurance		507	
Medical Insurance		15,975	
Unemployment Compensation		883	
Travel		8,316	
Other Supplies and Materials		1,733	
Total Other Local Health Services			549,588

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Regional Mental Health Center

Contributions	\$	5,000	
Total Regional Mental Health Center			\$ 5,000

Appropriation to State

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

General Welfare Assistance

Other Charges	\$	2,289	
Total General Welfare Assistance			2,289

Other Local Welfare Services

Probation Officer(s)	\$	18,320	
Social Security		1,401	
Pensions		2,501	
Unemployment Compensation		36	
Communication		280	
Contracts with Private Agencies		204,526	
Travel		3,526	
Other Supplies and Materials		2,385	
Total Other Local Welfare Services			232,975

Other Public Health and Welfare

Contracts with Government Agencies	\$	36,939	
Contributions		30,400	
Total Other Public Health and Welfare			67,339

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	10,500	
Total Senior Citizens Assistance			10,500

Libraries

Contributions	\$	116,000	
Total Libraries			116,000

Parks and Fair Boards

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

Agriculture and Natural Resources

Agricultural Extension Service

Part-time Personnel	\$	10,067	
Board and Committee Members Fees		550	
Social Security		770	
Unemployment Compensation		56	
Communication		2,640	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agricultural Extension Service (Cont.)

Contributions	\$	73,541	
Travel		3,000	
Other Contracted Services		10,857	
Office Supplies		4,769	
Total Agricultural Extension Service			\$ 106,250

Forest Service

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

Soil Conservation

Clerical Personnel	\$	33,396	
Other Salaries and Wages		30,577	
Social Security		4,486	
Pensions		8,739	
Life Insurance		73	
Medical Insurance		5,400	
Unemployment Compensation		108	
Contributions		4,000	
Dues and Memberships		1,210	
Total Soil Conservation			87,989

Other Operations

Tourism

Other Charges	\$	5,500	
Total Tourism			5,500

Industrial Development

Contributions	\$	250,000	
Total Industrial Development			250,000

Airport

County Official/Administrative Officer	\$	52,540	
Other Salaries and Wages		79,379	
Social Security		9,874	
Pensions		14,625	
Life Insurance		118	
Medical Insurance		2,700	
Unemployment Compensation		305	
Communication		7,574	
Travel		306	
Gasoline		154,604	
Utilities		31,485	
Other Supplies and Materials		46,997	
Liability Insurance		19,294	
Other Charges		15,822	
Airport Improvement		3,500	
Land		2,500	
Total Airport			441,623

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services

Supervisor/Director	\$	13,968	
Social Security		1,069	
Unemployment Compensation		74	
Communication		986	
Other Charges		4,025	
Total Veterans' Services			\$ 20,122

Other Charges

Building and Contents Insurance	\$	9,068	
Liability Insurance		87,601	
Trustee's Commission		142,903	
Workers' Compensation Insurance		193,878	
Total Other Charges			433,450

Contributions to Other Agencies

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

Employee Benefits

Social Security	\$	70,390	
Pensions		127,887	
Life Insurance		841	
Medical Insurance		48,492	
Unemployment Compensation		1,461	
Total Employee Benefits			249,071

Miscellaneous

Other Supplies and Materials	\$	3,204	
Other Charges		11,515	
Right-of-Way		1,105	
Total Miscellaneous			15,824

Total General Fund \$ 11,995,272

Solid Waste/Sanitation Fund

Public Health and Welfare

Waste Pickup

Supervisor/Director	\$	50,361	
Truck Drivers		77,166	
Social Security		8,820	
Pensions		16,268	
Life Insurance		141	
Medical Insurance		8,100	
Unemployment Compensation		263	
Communication		446	
Contracts with Government Agencies		45,372	
Laundry Service		5,696	

(Continued)

Exhibit K-8

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Waste Pickup (Cont.)

Maintenance and Repair Services - Equipment	\$	217	
Maintenance and Repair Services - Vehicles		26,678	
Travel		62	
Diesel Fuel		30,985	
Gasoline		2,377	
Tires and Tubes		10,652	
Utilities		2,183	
Other Supplies and Materials		589	
Workers' Compensation Insurance		12,388	
Motor Vehicles		49,991	
Total Waste Pickup			\$ 348,755

Convenience Centers

Other Salaries and Wages	\$	222,820	
Social Security		16,170	
Pensions		5,569	
Life Insurance		60	
Medical Insurance		5,400	
Unemployment Compensation		1,157	
Communication		6,423	
Contracts with Private Agencies		338,168	
Maintenance and Repair Services - Equipment		221	
Rentals		6,730	
Utilities		10,702	
Workers' Compensation Insurance		21,093	
Solid Waste Equipment		31,725	
Other Equipment		2,675	
Total Convenience Centers			668,913

Other Waste Disposal

Liability Insurance	\$	11,040	
Trustee's Commission		17,076	
Other Charges		6,157	
Total Other Waste Disposal			34,273

Total Solid Waste/Sanitation Fund \$ 1,051,941

Ambulance Service Fund

Public Safety

Civil Defense

Assistant(s)	\$	7,890	
Supervisor/Director		25,407	
In-service Training		60	
Social Security		2,547	
Pensions		3,435	
Unemployment Compensation		101	
Communication		2,721	

(Continued)

Exhibit K-8

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

Ambulance Service Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Dues and Memberships	\$	380	
Maintenance and Repair Services - Vehicles		20	
Other Contracted Services		869	
Gasoline		834	
Office Supplies		1,477	
Other Supplies and Materials		1,647	
Total Civil Defense			\$ 47,388

Rescue Squad

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

Public Health and Welfare

Ambulance/Emergency Medical Services

Supervisor/Director	\$	52,708	
Accountants/Bookkeepers		69,394	
Medical Personnel		1,600,288	
In-service Training		12,812	
Social Security		125,264	
Pensions		213,380	
Life Insurance		1,288	
Medical Insurance		67,932	
Unemployment Compensation		2,631	
Communication		15,544	
Data Processing Services		6,150	
Licenses		3,645	
Maintenance and Repair Services - Buildings		3,999	
Maintenance and Repair Services - Equipment		9,493	
Maintenance and Repair Services - Vehicles		45,098	
Postal Charges		3,968	
Printing, Stationery, and Forms		1,896	
Travel		783	
Other Contracted Services		6,220	
Custodial Supplies		8,446	
Diesel Fuel		87,728	
Drugs and Medical Supplies		95,459	
Gasoline		2,382	
Lubricants		14,496	
Office Supplies		4,872	
Tires and Tubes		15,368	
Uniforms		15,312	
Utilities		15,821	
Other Supplies and Materials		729	
Building and Contents Insurance		463	
Liability Insurance		27,009	
Refunds		11,535	
Trustee's Commission		48,874	

(Continued)

Exhibit K-8

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

Ambulance Service Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Workers' Compensation Insurance	\$	168,107	
Other Charges		2,860	
Data Processing Equipment		10,153	
Furniture and Fixtures		5,273	
Motor Vehicles		270,310	
Office Equipment		193	
Health Equipment		7,190	
Other Equipment		193,862	
Total Ambulance/Emergency Medical Services			\$ 3,248,935

Total Ambulance Service Fund \$ 3,322,233

Drug Control Fund

Public Safety

Drug Enforcement

Investigator(s)	\$	41,757	
Social Security		3,194	
Pensions		5,704	
Life Insurance		34	
Unemployment Compensation		54	
Contributions		500	
Confidential Drug Enforcement Payments		10,000	
Other Supplies and Materials		12,601	
Trustee's Commission		1,210	
Other Charges		17,358	
Total Drug Enforcement			\$ 92,412

Public Health and Welfare

Alcohol and Drug Programs

Other Supplies and Materials	\$	10,119	
Total Alcohol and Drug Programs			10,119

Total Drug Control Fund 102,531

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$	180,766	
Total Register of Deeds			\$ 180,766

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	187,292	
Total County Trustee's Office			187,292

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	267,414	
Total County Clerk's Office			267,414

(Continued)

Exhibit K-8

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

Constitutional Officers - Fees Fund (Cont.)

Administration of Justice

Circuit Court

Constitutional Officers' Operating Expenses	\$ 125,168	
Total Circuit Court		\$ 125,168

General Sessions Court

Constitutional Officers' Operating Expenses	\$ 177,394	
Total General Sessions Court		177,394

Juvenile Court

Constitutional Officers' Operating Expenses	\$ 670	
Total Juvenile Court		<u>670</u>

Total Constitutional Officers - Fees Fund		\$ 938,704
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 77,290	
Supervisor/Director	37,777	
Accountants/Bookkeepers	37,769	
Medical Insurance	5,400	
Advertising	256	
Data Processing Services	1,169	
Dues and Memberships	3,360	
Postal Charges	98	
Travel	1,232	
Office Supplies	1,135	
Other Charges	100	
Office Equipment	100	
Total Administration		\$ 165,686

Highway and Bridge Maintenance

Equipment Operators	\$ 260,443	
Truck Drivers	32,730	
Laborers	110,162	
Medical Insurance	21,150	
Rentals	1,470	
Other Contracted Services	1,190,514	
Asphalt - Liquid	52,878	
Concrete	1,397	
Crushed Stone	32,329	
Other Road Materials	4,122	
Pipe	1,152	
Pipe - Metal	7,028	
Road Signs	13,741	
Salt	17,705	
Other Charges	630	
Total Highway and Bridge Maintenance		<u>1,747,451</u>

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment

Maintenance and Repair Services - Equipment	\$	9,434	
Towing Services		150	
Diesel Fuel		47,540	
Equipment and Machinery Parts		54,068	
Garage Supplies		4,834	
Gasoline		18,758	
Lubricants		6,165	
Tires and Tubes		14,482	
Other Charges		40	
Total Operation and Maintenance of Equipment			\$ 155,471

Other Charges

Communication	\$	5,034	
Contributions		4,000	
Janitorial Services		2,930	
Maintenance and Repair Services - Buildings		764	
Custodial Supplies		307	
Drugs and Medical Supplies		161	
Electricity		6,835	
Food Supplies		386	
Natural Gas		6,003	
Water and Sewer		1,420	
Building and Contents Insurance		1,484	
Liability Insurance		25,500	
Trustee's Commission		31,036	
Vehicle and Equipment Insurance		4,293	
Workers' Compensation Insurance		48,326	
Other Charges		4,708	
Total Other Charges			143,187

Employee Benefits

Social Security	\$	40,565	
Pensions		72,562	
Life Insurance		663	
Unemployment Compensation		4,450	
Total Employee Benefits			118,240

Capital Outlay

Consultants	\$	2,057	
Engineering Services		27,340	
Bridge Construction		152,650	
Communication Equipment		824	
Furniture and Fixtures		520	
Highway Equipment		161,696	
Motor Vehicles		27,484	
State Aid Projects		512,368	
Total Capital Outlay			884,939

Total Highway/Public Works Fund \$ 3,214,974

(Continued)

Exhibit K-8

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

<u>General Debt Service Fund</u>			
<u>Principal on Debt</u>			
<u>General Government</u>			
Principal on Bonds	\$	605,000	
Principal on Notes		<u>45,000</u>	
Total General Government			\$ 650,000
<u>Education</u>			
Principal on Bonds	\$	850,305	
Principal on Notes		<u>84,427</u>	
Total Education			934,732
<u>Interest on Debt</u>			
<u>General Government</u>			
Interest on Bonds	\$	201,325	
Interest on Notes		<u>911</u>	
Total General Government			202,236
<u>Education</u>			
Interest on Bonds	\$	786,831	
Interest on Notes		<u>2,652</u>	
Total Education			789,483
<u>Other Debt Service</u>			
<u>General Government</u>			
Bank Charges	\$	5,000	
Trustee's Commission		<u>46,824</u>	
Total General Government			51,824
<u>Education</u>			
Other Debt Service	\$	<u>7,440</u>	
Total Education			<u>7,440</u>
Total General Debt Service Fund			\$ 2,635,715
<u>Education Capital Projects Fund</u>			
<u>Other Debt Service</u>			
<u>Education</u>			
Underwriter's Discount	\$	29,625	
Other Debt Issuance Charges		<u>59,995</u>	
Total Education			\$ 89,620
<u>Capital Projects - Donated</u>			
<u>Capital Projects Donated to School Department</u>			
Contributions	\$	<u>4,901,816</u>	
Total Capital Projects Donated to School Department			<u>4,901,816</u>
Total Education Capital Projects Fund			<u>4,991,436</u>
Total Governmental Funds - Primary Government			<u>\$ 28,252,806</u>

Exhibit K-9

Warren County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Warren County School Department
For the Year Ended June 30, 2015

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 16,038,801	
Career Ladder Program	123,825	
Career Ladder Extended Contracts	54,070	
Homebound Teachers	91,517	
Salary Supplements	177,410	
Educational Assistants	904,649	
Other Salaries and Wages	289,207	
Social Security	1,019,313	
Pensions	1,605,157	
Medical Insurance	1,355,298	
Unemployment Compensation	32,967	
Employer Medicare	239,944	
Contracts for Substitute Teachers - Certified	332,728	
Contracts for Substitute Teachers - Non-certified	23,103	
Instructional Supplies and Materials	180,336	
Textbooks	621,140	
Other Supplies and Materials	9,520	
Other Charges	177,176	
Regular Instruction Equipment	552,207	
Total Regular Instruction Program		\$ 23,828,368

Alternative Instruction Program

Teachers	\$ 130,679	
Educational Assistants	51,425	
Social Security	10,892	
Pensions	18,838	
Medical Insurance	11,723	
Unemployment Compensation	420	
Employer Medicare	2,547	
Total Alternative Instruction Program		226,524

Special Education Program

Teachers	\$ 1,948,797	
Career Ladder Program	9,000	
Career Ladder Extended Contracts	2,100	
Homebound Teachers	14,410	
Educational Assistants	426,175	
Speech Pathologist	216,744	
Other Salaries and Wages	3,478	
Social Security	150,197	
Pensions	250,018	
Medical Insurance	230,709	
Unemployment Compensation	5,683	
Employer Medicare	35,167	
Contracts for Substitute Teachers - Certified	27,252	
Contracts for Substitute Teachers - Non-certified	18,097	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Instructional Supplies and Materials	\$	43,180	
Special Education Equipment		5,318	
Total Special Education Program			\$ 3,386,325

Vocational Education Program

Teachers	\$	1,008,818	
Career Ladder Program		3,000	
Other Salaries and Wages		38,341	
Social Security		60,287	
Pensions		96,801	
Medical Insurance		86,308	
Unemployment Compensation		1,900	
Employer Medicare		14,099	
Contracts for Substitute Teachers - Certified		23,184	
Instructional Supplies and Materials		33,144	
T&I Construction Materials		10,933	
Vocational Instruction Equipment		19,542	
Total Vocational Education Program			1,396,357

Adult Education Program

Teachers	\$	48,244	
Social Security		2,988	
Pensions		4,502	
Medical Insurance		69	
Unemployment Compensation		145	
Employer Medicare		699	
Other Contracted Services		13,032	
Other Charges		375	
Total Adult Education Program			70,054

Support Services

Attendance

Supervisor/Director	\$	68,615	
Career Ladder Program		1,000	
Clerical Personnel		30,398	
Other Salaries and Wages		220,986	
Social Security		18,444	
Pensions		40,632	
Medical Insurance		19,369	
Unemployment Compensation		944	
Employer Medicare		4,314	
Travel		1,394	
Other Supplies and Materials		29,342	
Attendance Equipment		1,363	
Total Attendance			436,801

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services

Medical Personnel	\$	496,258	
Other Salaries and Wages		191,959	
Social Security		42,085	
Pensions		63,072	
Medical Insurance		6,038	
Unemployment Compensation		1,641	
Employer Medicare		9,842	
Travel		9,687	
Other Contracted Services		3,126	
Drugs and Medical Supplies		11,289	
Other Supplies and Materials		12,515	
Other Charges		12,357	
Health Equipment		2,146	
Total Health Services			\$ 862,015

Other Student Support

Career Ladder Program	\$	2,000	
Guidance Personnel		698,982	
Salary Supplements		500	
Attendants		45,882	
Other Salaries and Wages		308,890	
Social Security		58,176	
Pensions		101,445	
Medical Insurance		58,054	
Unemployment Compensation		1,911	
Employer Medicare		14,332	
Contracts with Government Agencies		317,157	
Evaluation and Testing		27,779	
Other Contracted Services		137,513	
Other Charges		123,226	
Other Equipment		8,720	
Total Other Student Support			1,904,567

Regular Instruction Program

Supervisor/Director	\$	317,364	
Career Ladder Program		7,000	
Librarians		339,393	
Instructional Computer Personnel		78,416	
Other Salaries and Wages		31,752	
Social Security		46,135	
Pensions		72,312	
Medical Insurance		32,206	
Unemployment Compensation		1,017	
Employer Medicare		10,790	
Travel		40,535	
Library Books/Media		67,429	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Other Supplies and Materials	\$	2,841	
In Service/Staff Development		23,177	
Other Charges		15,000	
Total Regular Instruction Program			\$ 1,085,367

Alternative Instruction Program

Supervisor/Director	\$	68,627	
Secretary(ies)		19,696	
Social Security		5,481	
Pensions		8,894	
Unemployment Compensation		140	
Employer Medicare		1,282	
Total Alternative Instruction Program			104,120

Special Education Program

Supervisor/Director	\$	65,863	
Career Ladder Program		1,000	
Psychological Personnel		219,143	
Other Salaries and Wages		64,273	
Social Security		19,769	
Pensions		34,601	
Medical Insurance		34,891	
Unemployment Compensation		459	
Employer Medicare		4,623	
Travel		12,127	
Other Contracted Services		5,596	
Total Special Education Program			462,345

Vocational Education Program

Supervisor/Director	\$	72,611	
Career Ladder Program		1,000	
Social Security		4,391	
Pensions		6,654	
Medical Insurance		4,070	
Unemployment Compensation		72	
Employer Medicare		1,027	
Travel		416	
Other Charges		1,738	
Other Equipment		5,396	
Total Vocational Education Program			97,375

Other Programs

On-behalf Payments to OPEB	\$	210,962	
Total Other Programs			210,962

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education

Other Salaries and Wages	\$	63,465	
Board and Committee Members Fees		18,285	
Social Security		4,967	
Pensions		11,059	
Medical Insurance		4,070	
Unemployment Compensation		74	
Employer Medicare		1,169	
Audit Services		7,650	
Dues and Memberships		7,819	
Legal Services		3,450	
Travel		22,649	
Liability Insurance		56,592	
Premiums on Corporate Surety Bonds		2,460	
Trustee's Commission		322,692	
Workers' Compensation Insurance		198,823	
Other Charges		14,941	
Total Board of Education			\$ 740,165

Director of Schools

County Official/Administrative Officer	\$	100,772	
Career Ladder Program		1,000	
Social Security		5,806	
Pensions		9,200	
Medical Insurance		8,742	
Unemployment Compensation		72	
Employer Medicare		1,358	
Communication		43,290	
Dues and Memberships		4,500	
Postal Charges		1,218	
Travel		5,821	
Other Charges		2,009	
Total Director of Schools			183,788

Office of the Principal

Principals	\$	669,300	
Career Ladder Program		8,000	
Assistant Principals		403,383	
Secretary(ies)		380,366	
Other Salaries and Wages		12,000	
Social Security		85,363	
Pensions		149,451	
Medical Insurance		93,031	
Unemployment Compensation		2,453	
Employer Medicare		19,996	
Communication		238,011	
Dues and Memberships		8,250	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Other Supplies and Materials	\$	391	
Other Charges		4,984	
Administration Equipment		8,608	
Total Office of the Principal			\$ 2,083,587

Fiscal Services

Internal Audit Personnel	\$	218,736	
Secretary(ies)		48,324	
Social Security		13,568	
Pensions		30,644	
Medical Insurance		2,132	
Unemployment Compensation		500	
Employer Medicare		3,793	
Travel		404	
Other Contracted Services		17,440	
Office Supplies		6,816	
Other Charges		786	
Administration Equipment		10,891	
Total Fiscal Services			354,034

Operation of Plant

Secretary(ies)	\$	31,216	
Custodial Personnel		1,007,256	
Other Salaries and Wages		1,485	
Social Security		62,908	
Pensions		112,657	
Medical Insurance		32,823	
Unemployment Compensation		4,091	
Employer Medicare		14,732	
Rentals		430	
Other Contracted Services		21,266	
Custodial Supplies		153,757	
Electricity		1,386,739	
Natural Gas		228,195	
Water and Sewer		143,823	
Other Supplies and Materials		33,179	
Building and Contents Insurance		139,495	
Plant Operation Equipment		43,735	
Total Operation of Plant			3,417,787

Maintenance of Plant

Supervisor/Director	\$	156,794	
Secretary(ies)		25,538	
Other Salaries and Wages		385,479	
Social Security		34,882	
Pensions		75,078	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Medical Insurance	\$	14,278	
Unemployment Compensation		1,383	
Employer Medicare		8,158	
Other Contracted Services		306,619	
Gasoline		40,620	
Other Supplies and Materials		237,545	
Other Charges		3,697	
Administration Equipment		43,772	
Maintenance Equipment		20,192	
Total Maintenance of Plant			\$ 1,354,035

Transportation

Contracts with Private Agencies	\$	1,540,273	
Total Transportation			1,540,273

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$	62,532	
Social Security		3,876	
Unemployment Compensation		473	
Employer Medicare		907	
Travel		1,256	
Other Supplies and Materials		6,098	
Total Community Services			75,142

Early Childhood Education

Teachers	\$	350,794	
Educational Assistants		129,575	
Other Salaries and Wages		49,636	
Social Security		30,557	
Pensions		53,899	
Medical Insurance		42,876	
Unemployment Compensation		1,192	
Employer Medicare		7,146	
Travel		5,865	
Instructional Supplies and Materials		31,864	
Other Supplies and Materials		1,278	
In Service/Staff Development		2,164	
Other Charges		32,440	
Other Equipment		19,468	
Total Early Childhood Education			758,754

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	1,761,413	
Total Regular Capital Outlay			1,761,413

Total General Purpose School Fund \$ 46,340,158

(Continued)

Exhibit K-9

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

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	1,395,414	
Educational Assistants		95,527	
Other Salaries and Wages		51,713	
Social Security		84,021	
Pensions		138,386	
Medical Insurance		123,852	
Unemployment Compensation		2,809	
Employer Medicare		20,737	
Contracts for Substitute Teachers - Certified		24,984	
Contracts for Substitute Teachers - Non-certified		1,439	
Instructional Supplies and Materials		76,879	
Other Supplies and Materials		1	
Regular Instruction Equipment		258,239	
Total Regular Instruction Program			\$ 2,274,001

Special Education Program

Teachers	\$	286,167	
Clerical Personnel		21,730	
Educational Assistants		379,128	
Speech Pathologist		10,025	
Social Security		39,894	
Pensions		74,673	
Medical Insurance		23,914	
Unemployment Compensation		2,094	
Employer Medicare		9,751	
Maintenance and Repair Services - Equipment		49	
Contracts for Substitute Teachers - Certified		19,873	
Contracts for Substitute Teachers - Non-certified		25,893	
Instructional Supplies and Materials		53,713	
Special Education Equipment		49,954	
Total Special Education Program			996,858

Vocational Education Program

Maintenance and Repair Services - Equipment	\$	5,480	
Instructional Supplies and Materials		92,289	
Other Charges		1,000	
Vocational Instruction Equipment		103,772	
Total Vocational Education Program			202,541

Support Services

Other Student Support

Other Salaries and Wages	\$	625	
Social Security		39	
Pensions		50	
Employer Medicare		9	
Travel		23,310	

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Other Contracted Services	\$	3,032	
Other Supplies and Materials		5	
In Service/Staff Development		440	
Other Charges		20,013	
Total Other Student Support			\$ 47,523

Regular Instruction Program

Supervisor/Director	\$	73,695	
Other Salaries and Wages		131,187	
Social Security		10,102	
Pensions		16,270	
Medical Insurance		20,280	
Unemployment Compensation		288	
Employer Medicare		2,724	
Travel		63	
Other Supplies and Materials		2,271	
In Service/Staff Development		74,042	
Other Charges		1,420	
Total Regular Instruction Program			332,342

Special Education Program

Secretary(ies)	\$	25,888	
Other Salaries and Wages		192,415	
Social Security		13,329	
Pensions		29,820	
Medical Insurance		5,535	
Unemployment Compensation		504	
Employer Medicare		3,117	
Other Contracted Services		162,404	
Other Supplies and Materials		3,766	
In Service/Staff Development		33,441	
Other Charges		1,299	
Other Equipment		10,098	
Total Special Education Program			481,616

Vocational Education Program

Travel	\$	813	
In Service/Staff Development		3,380	
Total Vocational Education Program			4,193

Transportation

Contracts with Private Agencies	\$	2,410	
Vehicle Parts		30	
Total Transportation			2,440

Total School Federal Projects Fund \$ 4,341,514

(Continued)

Exhibit K-9

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

<u>Central Cafeteria Fund</u>		
<u>Operation of Non-Instructional Services</u>		
<u>Food Service</u>		
Supervisor/Director	\$	73,312
Internal Audit Personnel		82,417
Salary Supplements		42,000
Cafeteria Personnel		899,742
Other Salaries and Wages		31,310
In-service Training		5,078
Social Security		67,638
Pensions		103,733
Medical Insurance		47,012
Unemployment Compensation		2,160
Employer Medicare		16,016
Communication		7,366
Maintenance and Repair Services - Equipment		38,477
Travel		8,100
Other Contracted Services		20,938
Food Preparation Supplies		25,988
Food Supplies		1,275,774
Office Supplies		4,191
USDA - Commodities		174,038
Other Supplies and Materials		1,196
In Service/Staff Development		3,488
Other Charges		5,540
Food Service Equipment		91,421
Total Food Service		<u>3,026,935</u>
	\$	<u>3,026,935</u>
Total Central Cafeteria Fund		<u>\$ 3,026,935</u>
Total Governmental Funds - Warren County School Department		<u><u>\$ 53,708,607</u></u>

Exhibit K-10

Warren County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2015

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 2,401,474
Total Cash Receipts	<u>\$ 2,401,474</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 2,353,445
Trustee's Commission	48,029
Total Cash Disbursements	<u>\$ 2,401,474</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2014	<u>0</u>
 Cash Balance, June 30, 2015	 <u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



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

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

Independent Auditor's Report

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

To the County Executive and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Warren County, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Warren County's basic financial statements, and have issued our report thereon dated January 8, 2016. Our report includes a reference to other auditors who audited the financial statements of the Warren County Emergency Communications District as described in our report on Warren County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable

possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not report any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be a significant deficiency: 2015-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Warren County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item: 2015-001.

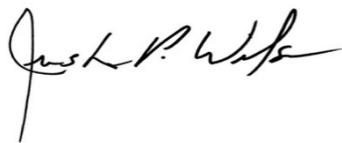
Warren County's Response to the Finding

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

Purpose of this Report

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

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

January 8, 2016

JPW/kp



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

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 OMB Circular A-133

Independent Auditor's Report

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

To the County Executive and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Warren County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Warren County's major federal programs for the year ended June 30, 2015. Warren County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Warren County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and*

Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Warren County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

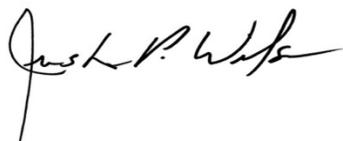
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Warren County, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Warren County's basic financial statements. We issued our report thereon dated January 8, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 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 Expenditure of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

January 8, 2016

JPW/kp

Warren County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2015

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture: National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 174,038 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	745,843
National School Lunch Program	10.555	N/A	2,004,499 (3)
Fresh Fruit and Vegetable Program	10.582	N/A	22,899
Healthy, Hunger-Free Kids Act of 2010 Childhood Hunger Research and Demonstration Projects	10.592	N/A	<u>10,000</u>
Total U.S. Department of Agriculture			<u>\$ 2,957,279</u>
U.S. Department of Labor:			
Passed-through Workforce Solutions: WIA Youth Activities	17.259	(2)	<u>\$ 94,730</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation: National Priority Safety Programs Formula Grant	20.616	(4)	<u>\$ 51,955</u>
U.S. Department of Energy:			
Passed-through Upper Cumberland Development District: Energy Efficiency and Conservation Block Grant Program	81.128	(2)	<u>\$ 10,061</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 2,017,167
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,414,386
Special Education - Preschool Grants	84.173	N/A	65,174
Career and Technical Education - Basic Grants to States	84.048	N/A	235,555
Education for Homeless Children and Youth	84.196	(2)	7,460
Rural Education	84.358	(2)	117,027
English Language Acquisition Grants	84.365	N/A	48,190
Improving Teacher Quality State Grants	84.367	N/A	268,186
State Fiscal Stabilization Fund - Race-to-the-Top Incentive Grants, Recovery Act	84.395	(2)	<u>168,369</u>
Total U.S. Department of Education			<u>\$ 4,341,514</u>
U.S. Department of Health and Human Services:			
Direct Program:			
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	N/A	<u>\$ 385,540</u>
U.S. Department of Homeland Security:			
Direct Program:			
Assistance to Fire Fighters Grant	97.044	EMW-2012-FO-05375	\$ 172,793
Passed-through State Department of Military: Emergency Management Performance Grant	97.042	(2)	<u>22,350</u>
Total U.S. Department of Homeland Security			<u>\$ 195,143</u>
Total Expenditures of Federal Awards			<u>\$ 8,036,222</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
Drug Court Program - State Department of Mental Health and Substance Abuse Services	N/A	(2)	\$ 57,901
Juvenile Justice Program - State Commission on Children and Youth	N/A	(2)	1,710
Litter Program - State Department of Transportation	N/A	Z-15LIT089	34,718
Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	29,182
Rural Local Health Services - State Department of Health	N/A	GG154224700	550,546
Recycling Equipment Grant - State Department of Environment and Conservation	N/A	(2)	21,424
ThreeStar Grant Program - State Department of Economic and Community Development	N/A	(2)	10,000
State and National Archives Partnership (SNAP) Grant - Tennessee Secretary of State	N/A	(2)	880
Airport Equipment Maintenance - State Department of Transportation	N/A	46100-15315	19,711
Airport Land Acquisition - State Department of Transportation	N/A	AERO-12-181-00	1,250
Coordinated School Health Improvement Act of 2000 - State Department of Education	N/A	(2)	170,000
Art Subsidy - State Arts Commission	N/A	(2)	1,500
Family Resource Center - State Department of Education	N/A	(2)	29,612
Safe Schools Act - State Department of Education	N/A	(2)	36,940
ConnecTenn - State Department of Education	N/A	(2)	18,670
Early Childhood Education - State Department of Education	N/A	(2)	694,412
Total State Grants			<u>\$ 1,678,456</u>

CFDA = Catalog of Federal Domestic Assistance

N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) Total for CFDA No. 10.555 is \$2,178,537.
- (4) Z-14-GHS10 \$10,930; Z-14-GHS425 \$41,025.

Warren County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2015

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. There are no findings from the Annual Financial Report for Warren County, Tennessee, for the year ended June 30, 2014, which have not been corrected.

WARREN COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2015

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Warren County is unmodified.
2. The audit of the financial statements of Warren County disclosed one significant deficiency in internal control. This deficiency was not considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of Warren County.
4. The audit reported no significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Title I Grants to Local Educational Agencies (CFDA No. 84.010) was determined to be a major program.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Warren County qualified as a low-risk auditee.

PART II, A FINDING RELATED TO THE FINANCIAL STATEMENTS

A finding, as a result of an investigative report issued in June 2015, is presented below. Detailed findings and recommendations from the referenced report, along with management responses, can be viewed by following the link provided below. We reviewed the finding below with management to provide an opportunity for their response. The county executive and finance director provided a written response, which is included in this report.

OFFICE OF COUNTY EXECUTIVE AND FINANCE DIRECTOR

FINDING 2015-001

AN INVESTIGATION OF THE OPERATIONS OF THE WARREN COUNTY EMS-RESCUE SERVICE RESULTED IN FINDINGS AND RECOMMENDATIONS RELATED TO COMPLIANCE AND INTERNAL CONTROL ISSUES

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

An investigation by the state Comptroller's Office of Financial and Compliance Investigations resulted in three internal control and compliance findings related to payroll and related policies and practices of the Warren County EMS-Rescue Service. Details of the deficiencies and the related management responses can be found in a report released June 9, 2015, by the Financial and Compliance Investigations section of the Comptroller's Office at www.comptroller.tn.gov.

MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE AND FINANCE DIRECTOR

The Warren County Finance Department will continue to develop internal controls in order to insure the accuracy of payroll information prior to the issuance of payment to employees. The Finance Department reviews and re-calculates time sheets for accuracy, however time limitations are prohibitive to complete a full review of all time sheets submitted for each payroll. Warren County Finance Department receives time sheets for county personnel on Monday and payroll is issued on Friday of the same week. Direct deposit information must be sent to the distribution bank by Wednesday afternoon to allow for timely deposits to various banks for availability of funds to employees by Friday. Warren County Finance Department prepares payroll for approximately three hundred twenty-five (325) county personnel from numerous departments on a bi-weekly basis and approximately one thousand one hundred (1,100) school system personnel on a monthly basis; therefore, the Finance Department must depend on department heads to accurately verify hours worked and leave balances for employees working under their authority prior to submitting time sheets to the Finance Department. All time sheets are required to be signed by the department head, and a memo is being drafted by the Finance Department to each department head emphasizing that their signature on the time sheet verifies that the information provided to the Finance Department on the employee's time sheet is correct.

In addition, in an effort to limit future payroll related deficiencies at the Warren County EMS Department, personnel changes have also occurred. The EMS Director has resigned and an interim director has been assigned. The interim director is working closely with the

Warren County Executive to address current issues and develop strategies to correct the identified deficiencies. Also, other EMS personnel have either resigned or been dismissed and policies and procedures are currently being developed to address the payroll related deficiencies.

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

There were no findings and questioned costs for federal awards.

**WARREN COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2015**

There were no audit findings relative to federal awards presented in the prior- or current-years' Schedules of Findings and Questioned Costs.