



ANNUAL FINANCIAL REPORT

Warren County, Tennessee

For the Year Ended June 30, 2020

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
WARREN COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2020

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

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, 2020

Scope

We have audited the basic financial statements of Warren County as of and for the year ended June 30, 2020.

Results

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

Our audit resulted in four findings and recommendations, which we have reviewed with Warren County management. The detailed findings, recommendations, and management responses are included in the Single Audit section of this report.

Findings

The following is a summary of the audit findings:

OFFICE OF FINANCE DIRECTOR

- ◆ The General Purpose School Fund required material audit adjustments for proper financial statement presentation.

OFFICE OF COUNTY EXECUTIVE AND FINANCE DIRECTOR

- ◆ A cash shortage of at least \$6,086.74 existed at the Warren County Memorial Airport at June 30, 2020.
- ◆ The Warren County Memorial Airport had operational deficiencies.
- ◆ Receipts were not issued for some collections of the Warren County Animal Control and Adoption Center.

INTRODUCTORY SECTION

Warren County Officials

June 30, 2020

Officials

Jimmy Haley, 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
Cassidy Cantrell, Circuit, General Sessions, and Juvenile Courts Clerk
Myra Mara, Clerk and Master
Wes Williams, Register of Deeds
Tommy Myers, Sheriff
Justin Cotten, Finance Director

Board of County Commissioners

Blaine Wilcher, Chairman
Michael Bell
Carl D. Bouldin
Carl E. Bouldin
Carlene Brown
David Dunlap
Randy England
Deborah Evans
Steve Glenn
Steven Helton
Robert Hennessee
Lori Judkins

Ronald Lee
Gary Martin
Daniel Owens
Gary Prater
Christy Ross
Scott Rubley
Tommy Savage
Tyrone Sparkman
Joseph Stotts
Phillip Stout
Cole Taylor
Vacant

Board of Education

Tanya Bess, Chairman
Sue Anderson
James Bennett

Teddy Jones
Helen Martin
William Zechman

Financial Management Committee

Jimmy Haley, County Executive, Chairman
Levie Glenn, Superintendent of Roads
John Robert Cox, Director of Schools
Gary Martin

Daniel Owens
Scott Rubley
Blaine Wilcher

Audit Committee

Wayne Cantrell, Chairman
Daniel Owens
Danny Martin

Jarrold Underhill
Vacant

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

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, 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, 2020, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the

entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Warren County, Tennessee, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Ambulance Service, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

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

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

Supplementary and Other Information

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

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

The introductory section 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 February 11, 2021, on our consideration of Warren County's internal control over financial

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

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 11, 2021

JEM/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

Warren County, Tennessee
Statement of Net Position
June 30, 2020

	Primary Governmental Activities	Component Unit Warren County School Department
<u>ASSETS</u>		
Cash	\$ 6,299	\$ 157
Equity in Pooled Cash and Investments	27,062,282	18,014,300
Inventories	0	136,216
Accounts Receivable	2,083,836	4,841
Allowance for Uncollectibles	(363,457)	0
Due from Other Governments	660,637	2,377,344
Due from Component Units	3,428,679	0
Property Taxes Receivable	11,670,865	5,378,698
Allowance for Uncollectible Property Taxes	(329,913)	(151,884)
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	191,016
Net Pension Asset - Agent Plan	1,688,067	1,182,796
Net Pension Asset - Teacher Retirement Plan	0	234,612
Net Pension Asset - Teacher Legacy Pension Plan	0	6,837,711
Assets Not Depreciated:		
Land	2,117,323	1,931,306
Construction in Progress	0	2,160,340
Intangible Assets	6,201,919	0
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	7,013,023	39,569,386
Infrastructure	18,592,835	242,626
Other Capital Assets	3,594,673	963,768
Total Assets	<u>\$ 83,427,068</u>	<u>\$ 79,073,233</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension Changes in Experience	\$ 627,992	\$ 782,661
Pension Changes in Assumptions	383,005	1,197,933
Pension Changes in Proportion	0	82,466
Pension Changes in Contributions after Measurement Date	1,121,016	3,252,784
OPEB Changes in Experience	31,257	417,629
OPEB Changes in Assumptions	37,312	86,417
OPEB Changes in Proportion	0	1,415
OPEB Changes in Contributions after Measurement Date	51,025	203,527
Total Deferred Outflows of Resources	<u>\$ 2,251,607</u>	<u>\$ 6,024,832</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 364,537	\$ 87,127
Accrued Payroll	645,592	258,035
Payroll Deductions Payable	104,202	519,795
Retainage Payable	21,941	0
Claims and Judgments Payable	2,313,688	0
Due to Primary Government	0	3,428,679
Due to State of Tennessee	422	0
Due to Litigants, Heirs, and Others	36,830	0
Accrued Interest Payable	76,372	0

(Continued)

Exhibit A

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

	Primary Governmental Activities	Component Warren County School Department
Noncurrent Liabilities:		
Due Within One Year - Debt	\$ 2,743,695	\$ 0
Due Within One Year - Other	285,627	145,574
Due in More Than One Year - Debt	33,699,904	0
Due in More Than One Year - Other	669,975	6,363,186
Total Liabilities	<u>\$ 40,962,785</u>	<u>\$ 10,802,396</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Revenue - Current Property Taxes	\$ 11,017,316	\$ 5,077,994
Pension Changes in Experience	672,667	4,688,890
Pension Changes in Investment Earnings	407,195	2,248,899
Pension Changes in Proportion	0	19,615
OPEB Changes in Experience	0	718,822
OPEB Changes in Assumptions	13,263	376,808
OPEB Changes in Proportion	0	68,045
Total Deferred Inflows of Resources	<u>\$ 12,110,441</u>	<u>\$ 13,199,073</u>

NET POSITION

Net Investment in Capital Assets	\$ 1,596,645	\$ 44,867,426
Restricted for:		
General Government	1,722,718	0
Administration of Justice	594,889	0
Public Safety	4,290,252	0
Public Health and Welfare	32,669	0
Social, Cultural, and Recreational Services	88,154	0
Highways/Public Works	891,405	0
Education	478,096	3,991,601
Debt Service	26,987	0
Capital Projects	217,831	0
Pensions	1,688,067	8,446,135
Unrestricted	<u>20,977,736</u>	<u>3,791,434</u>
Total Net Position	<u>\$ 32,605,449</u>	<u>\$ 61,096,596</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, 2020

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 Unit
						Warren County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 2,700,034	\$ 751,630	\$ 265,809	\$ 321,666	\$ (1,360,929)	\$ 0
Finance	1,754,905	1,122,536	0	0	(632,369)	0
Administration of Justice	1,995,035	978,909	208,778	0	(807,348)	0
Public Safety	10,605,885	1,027,928	1,703,986	0	(7,873,971)	0
Public Health and Welfare	5,946,203	1,926,612	549,433	217,944	(3,252,214)	0
Social, Cultural, and Recreational Services	163,100	150	0	0	(162,950)	0
Agriculture and Natural Resources	260,458	0	0	0	(260,458)	0
Highways/Public Works	4,558,348	0	2,549,747	984,085	(1,024,516)	0
Education	6,925,496	285,675	0	0	(6,639,821)	0
Interest on Long-term Debt	1,505,108	0	0	0	(1,505,108)	0
Capital Projects	2,181,356	0	0	0	(2,181,356)	0
Total Primary Government	<u>\$ 38,595,928</u>	<u>\$ 6,093,440</u>	<u>\$ 5,277,753</u>	<u>\$ 1,523,695</u>	<u>\$ (25,701,040)</u>	<u>\$ 0</u>
Component Unit:						
Warren County School Department	<u>\$ 70,061,030</u>	<u>\$ 456,186</u>	<u>\$ 10,174,959</u>	<u>\$ 3,581,709</u>	<u>\$ 0</u>	<u>\$ (55,848,176)</u>
Total Component Unit	<u>\$ 70,061,030</u>	<u>\$ 456,186</u>	<u>\$ 10,174,959</u>	<u>\$ 3,581,709</u>	<u>\$ 0</u>	<u>\$ (55,848,176)</u>

(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	Component Unit	
					Primary Government Total Governmental Activities	Warren County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 11,081,174	\$ 5,133,742
Property Taxes Levied for Debt Service					146,549	0
Local Option Sales Taxes					384,141	9,168,359
Wheel Tax					1,141,802	0
Litigation Taxes					328,064	0
Business Tax					329,811	0
Mixed Drink Tax					16,025	0
Wholesale Beer Tax					182,989	0
Hotel/Motel Tax					62,480	0
Mineral Severance Tax					16,878	0
Grants and Contributions Not Restricted to Specific Programs					1,476,170	39,166,049
Unrestricted Investment Earnings					929,547	140,189
Miscellaneous					55,742	128,289
Sale of Equipment					38,777	11,851
Special Item - Tax Credit on Bond Rebate					465,081	0
Amortization Premium					179,683	0
Total General Revenues					<u>\$ 16,834,913</u>	<u>\$ 53,748,479</u>
Change in Net Position					\$ (8,866,127)	\$ (2,099,697)
Net Position, July 1, 2019					41,471,576	64,007,707
Prior Period Adjustment See Note I.D.10.					<u>0</u>	<u>(811,414)</u>
Net Position, June 30, 2020					<u>\$ 32,605,449</u>	<u>\$ 61,096,596</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, 2020

	Major Funds				
	General	Ambulance Service	Highway / Public Works	General Debt Service	General Capital Projects
<u>ASSETS</u>					
Cash	\$ 325	\$ 0	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	6,479,615	1,687,853	2,125,712	9,795,989	1,582,944
Accounts Receivable	20,770	2,057,832	2,078	0	0
Allowance for Uncollectibles	0	(363,457)	0	0	0
Due from Other Governments	155,272	0	409,385	95,980	0
Due from Other Funds	5,428	0	0	0	0
Due from Component Units	0	0	0	0	3,143,004
Property Taxes Receivable	7,896,487	1,131,898	619,011	1,420,233	0
Allowance for Uncollectible Property Taxes	(222,978)	(32,074)	(17,333)	(40,428)	0
Total Assets	\$ 14,334,919	\$ 4,482,052	\$ 3,138,853	\$ 11,271,774	\$ 4,725,948
<u>LIABILITIES</u>					
Accounts Payable	\$ 88,444	\$ 218,112	\$ 9,540	\$ 0	\$ 0
Accrued Payroll	472,487	109,230	38,618	0	0
Payroll Deductions Payable	76,519	14,359	8,741	0	0
Retainage Payable	0	0	0	0	21,941
Due to Other Funds	313,189	125,719	73,346	0	0
Due to State of Tennessee	238	29	0	0	0
Due to Litigants, Heirs, and Others	0	0	0	0	0
Total Liabilities	\$ 950,877	\$ 467,449	\$ 130,245	\$ 0	\$ 21,941
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 7,455,032	\$ 1,068,276	\$ 584,853	\$ 1,339,844	\$ 0

(Continued)

Exhibit C-1

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

	Major Funds				
	General	Ambulance Service	Highway / Public Works	General Debt Service	General Capital Projects
DEFERRED INFLOWS OF RESOURCES (Cont.)					
Deferred Delinquent Property Taxes	\$ 147,549	\$ 21,306	\$ 11,363	\$ 26,987	\$ 0
Other Deferred/Unavailable Revenue	4,874	1,514,872	209,879	28,858	0
Total Deferred Inflows of Resources	\$ 7,607,455	\$ 2,604,454	\$ 806,095	\$ 1,395,689	\$ 0
FUND BALANCES					
Restricted:					
Restricted for General Government	\$ 1,556,285	\$ 0	\$ 0	\$ 0	\$ 0
Restricted for Administration of Justice	594,889	0	0	0	0
Restricted for Public Safety	0	0	0	0	4,036,938
Restricted for Social, Cultural, and Recreational Services	0	0	0	0	0
Restricted for Other Operations	18,884	0	0	0	0
Restricted for Highways/Public Works	0	0	670,163	0	0
Restricted for Education	0	0	0	0	449,238
Restricted for Capital Projects	0	0	0	0	217,831
Committed:					
Committed for General Government	262,184	0	0	0	0
Committed for Public Health and Welfare	0	1,410,149	0	0	0
Committed for Highways/Public Works	0	0	887,634	0	0
Committed for Debt Service	0	0	0	9,876,085	0
Assigned:					
Assigned for Highways/Public Works	0	0	644,716	0	0
Unassigned	3,344,345	0	0	0	0
Total Fund Balances	\$ 5,776,587	\$ 1,410,149	\$ 2,202,513	\$ 9,876,085	\$ 4,704,007
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 14,334,919	\$ 4,482,052	\$ 3,138,853	\$ 11,271,774	\$ 4,725,948

(Continued)

Exhibit C-1

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 2,621	\$	2,946
Equity in Pooled Cash and Investments	1,307,975		22,980,088
Accounts Receivable	3,156		2,083,836
Allowance for Uncollectibles	0		(363,457)
Due from Other Governments	0		660,637
Due from Other Funds	0		5,428
Due from Component Units	0		3,143,004
Property Taxes Receivable	603,236		11,670,865
Allowance for Uncollectible Property Taxes	(17,100)		(329,913)
Total Assets	\$ 1,899,888	\$	39,853,434
<u>LIABILITIES</u>			
Accounts Payable	\$ 48,441	\$	364,537
Accrued Payroll	25,257		645,592
Payroll Deductions Payable	4,583		104,202
Retainage Payable	0		21,941
Due to Other Funds	43,833		556,087
Due to State of Tennessee	155		422
Due to Litigants, Heirs, and Others	36,830		36,830
Total Liabilities	\$ 159,099	\$	1,729,611
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 569,311	\$	11,017,316

(Continued)

Exhibit C-1

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>			
Deferred Delinquent Property Taxes	\$ 11,363	\$	218,568
Other Deferred/Unavailable Revenue	0		1,758,483
Total Deferred Inflows of Resources	<u>\$ 580,674</u>	<u>\$</u>	<u>12,994,367</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for General Government	\$ 0	\$	1,556,285
Restricted for Administration of Justice	0		594,889
Restricted for Public Safety	253,314		4,290,252
Restricted for Social, Cultural, and Recreational Services	88,154		88,154
Restricted for Other Operations	0		18,884
Restricted for Highways/Public Works	0		670,163
Restricted for Education	0		449,238
Restricted for Capital Projects	0		217,831
Committed:			
Committed for General Government	0		262,184
Committed for Public Health and Welfare	818,647		2,228,796
Committed for Highways/Public Works	0		887,634
Committed for Debt Service	0		9,876,085
Assigned:			
Assigned for Highways/Public Works	0		644,716
Unassigned	0		3,344,345
Total Fund Balances	<u>\$ 1,160,115</u>	<u>\$</u>	<u>25,129,456</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,899,888</u>	<u>\$</u>	<u>39,853,434</u>

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

Exhibit C-2

Warren County, Tennessee
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
For the Year Ended June 30, 2020

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$	25,129,456
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	2,117,323	
Add: intangible assets		6,201,919	
Add: buildings and improvements net of accumulated depreciation		7,013,023	
Add: infrastructure net of accumulated depreciation		18,592,835	
Add: other capital assets net of accumulated depreciation		<u>3,594,673</u>	37,519,773
(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 funds are included in governmental activities in the statement of net position.			2,608,193
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: bonds payable	\$	(33,563,971)	
Less: notes payable		(1,864,407)	
Less: compensated absences payable		(442,327)	
Less: net OPEB liability		(513,275)	
Less: accrued interest payable on bonds		(76,372)	
Less: unamortized premium on debt		<u>(1,015,221)</u>	(37,475,573)
(4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions/OPEB will be amortized and recognized as components of pension/OPEB expense in future years.			
Add: deferred outflows of resources related to pensions	\$	2,132,013	
Less: deferred inflows of resources related to pensions		(1,079,862)	
Add: deferred outflows of resources related to OPEB		119,594	
Less: deferred inflows of resources related to OPEB		<u>(13,263)</u>	1,158,482
(5) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			1,688,067
(6) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			<u>1,977,051</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>32,605,449</u></u>

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

Exhibit C-3

Warren County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	Major Funds				
	General	Ambulance Service	Highway / Public Works	General Debt Service	General Capital Projects
<u>Revenues</u>					
Local Taxes	\$ 8,844,499	\$ 1,171,601	\$ 641,002	\$ 3,055,493	\$ 0
Licenses and Permits	258,662	0	0	0	0
Fines, Forfeitures, and Penalties	330,243	0	0	0	0
Charges for Current Services	229,178	2,330,957	0	0	0
Other Local Revenues	380,400	5,534	178	739,650	119,637
Fees Received From County Officials	1,930,006	0	0	0	0
State of Tennessee	1,923,671	17,885	3,519,809	11,719	0
Federal Government	977,293	100,714	0	465,081	0
Other Governments and Citizens Groups	676,222	0	0	688,082	332,425
Total Revenues	\$ 15,550,174	\$ 3,626,691	\$ 4,160,989	\$ 4,960,025	\$ 452,062
<u>Expenditures</u>					
Current:					
General Government	\$ 1,458,885	\$ 0	\$ 0	\$ 0	\$ 0
Finance	1,725,016	0	0	0	0
Administration of Justice	1,905,984	0	0	0	0
Public Safety	7,520,897	74,986	0	0	0
Public Health and Welfare	1,010,433	3,639,479	0	0	0
Social, Cultural, and Recreational Services	163,100	0	0	0	0
Agriculture and Natural Resources	233,463	0	0	0	0
Other Operations	1,796,826	0	0	0	0
Highways	0	0	3,924,094	0	0
Debt Service:					
Principal on Debt	0	0	0	2,525,898	0
Interest on Debt	0	0	0	1,609,087	0
Other Debt Service	0	0	0	516,504	0

(Continued)

Exhibit C-3

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

	Major Funds				
	General	Ambulance Service	Highway / Public Works	General Debt Service	General Capital Projects
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,781,021
Capital Projects - Donated	0	0	0	0	3,581,709
Total Expenditures	<u>\$ 15,814,604</u>	<u>\$ 3,714,465</u>	<u>\$ 3,924,094</u>	<u>\$ 4,651,489</u>	<u>\$ 8,362,730</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (264,430)</u>	<u>\$ (87,774)</u>	<u>\$ 236,895</u>	<u>\$ 308,536</u>	<u>\$ (7,910,668)</u>
<u>Other Financing Sources (Uses)</u>					
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,275,000
Notes Issued	0	0	0	0	0
Premiums on Debt Sold	0	0	0	0	124,187
Transfers In	251,630	0	0	0	0
Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	<u>\$ 251,630</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,399,187</u>
Net Change in Fund Balances	\$ (12,800)	\$ (87,774)	\$ 236,895	\$ 308,536	\$ (5,511,481)
Fund Balance, July 1, 2019	<u>5,789,387</u>	<u>1,497,923</u>	<u>1,965,618</u>	<u>9,567,549</u>	<u>10,215,488</u>
Fund Balance, June 30, 2020	<u>\$ 5,776,587</u>	<u>\$ 1,410,149</u>	<u>\$ 2,202,513</u>	<u>\$ 9,876,085</u>	<u>\$ 4,704,007</u>

(Continued)

Exhibit C-3

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

	Nonmajor Funds		Total Governmental Funds
	Other Govern- mental Funds		
<u>Revenues</u>			
Local Taxes	\$ 740,598	\$	14,453,193
Licenses and Permits	0		258,662
Fines, Forfeitures, and Penalties	49,261		379,504
Charges for Current Services	36,318		2,596,453
Other Local Revenues	62,353		1,307,752
Fees Received From County Officials	0		1,930,006
State of Tennessee	564,630		6,037,714
Federal Government	0		1,543,088
Other Governments and Citizens Groups	0		1,696,729
Total Revenues	\$ 1,453,160	\$	30,203,101
<u>Expenditures</u>			
Current:			
General Government	\$ 0	\$	1,458,885
Finance	92		1,725,108
Administration of Justice	0		1,905,984
Public Safety	92,123		7,688,006
Public Health and Welfare	1,510,438		6,160,350
Social, Cultural, and Recreational Services	0		163,100
Agriculture and Natural Resources	0		233,463
Other Operations	0		1,796,826
Highways	0		3,924,094
Debt Service:			
Principal on Debt	0		2,525,898
Interest on Debt	0		1,609,087
Other Debt Service	0		516,504

(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>Expenditures (Cont.)</u>			
Capital Projects	\$ 0	\$	4,781,021
Capital Projects - Donated	2,000,000		5,581,709
Total Expenditures	\$ 3,602,653	\$	40,070,035
 Excess (Deficiency) of Revenues Over Expenditures	 \$ (2,149,493)	 \$	 (9,866,934)
<u>Other Financing Sources (Uses)</u>			
Bonds Issued	\$ 0	\$	2,275,000
Notes Issued	2,000,000		2,000,000
Premiums on Debt Sold	0		124,187
Transfers In	0		251,630
Transfers Out	(251,630)		(251,630)
Total Other Financing Sources (Uses)	\$ 1,748,370	\$	4,399,187
 Net Change in Fund Balances	 \$ (401,123)	 \$	 (5,467,747)
Fund Balance, July 1, 2019	1,561,238		30,597,203
 Fund Balance, June 30, 2020	 \$ 1,160,115	 \$	 25,129,456

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, 2020

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)		\$ (5,467,747)
(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	\$ 958,038	
Less: current-year depreciation expense	<u>(1,644,112)</u>	(686,074)
(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		(14,837)
(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, 2020	\$ 1,977,051	
Less: deferred delinquent property taxes and other deferred June 30, 2019	<u>(2,662,131)</u>	(685,080)
(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	\$ (2,275,000)	
Less: note proceeds	(2,000,000)	
Add: principal payments on bonds	2,390,305	
Add: principal payments on notes	135,593	
Add: change in premium on debt issuances	<u>55,496</u>	(1,693,606)
(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	\$ 103,979	
Change in compensated absences payable	(93,911)	
Change in net pension liability/asset	(117,787)	
Change in deferred outflows related to pensions	243,990	
Change in deferred inflows related to pensions	25,502	
Change in OPEB liability	(83,186)	
Change in deferred outflows related to OPEB	70,275	
Change in deferred inflows related to OPEB	<u>1,951</u>	150,813
(6) The internal service fund is used by management to charge the cost of liability and workers' compensation insurance to individual funds. The revenue of certain activities of the internal service fund is reported with governmental activities in the statement of activities.		<u>(469,596)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (8,866,127)</u>

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

Exhibit C-5

Warren County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 8,844,499	\$ 0	\$ 8,844,499	\$ 8,443,224	\$ 8,705,024	\$ 139,475
Licenses and Permits	258,662	0	258,662	176,000	246,000	12,662
Fines, Forfeitures, and Penalties	330,243	0	330,243	301,250	301,250	28,993
Charges for Current Services	229,178	0	229,178	142,600	142,600	86,578
Other Local Revenues	380,400	0	380,400	317,150	317,150	63,250
Fees Received From County Officials	1,930,006	0	1,930,006	2,027,894	2,027,894	(97,888)
State of Tennessee	1,923,671	0	1,923,671	1,887,100	1,799,723	123,948
Federal Government	977,293	0	977,293	220,207	919,095	58,198
Other Governments and Citizens Groups	676,222	0	676,222	650,000	650,000	26,222
Total Revenues	\$ 15,550,174	\$ 0	\$ 15,550,174	\$ 14,165,425	\$ 15,108,736	\$ 441,438
<u>Expenditures</u>						
<u>General Government</u>						
County Commission	\$ 155,524	\$ 0	\$ 155,524	\$ 196,057	\$ 191,557	\$ 36,033
Board of Equalization	1,765	0	1,765	6,000	6,000	4,235
County Mayor/Executive	181,351	0	181,351	185,973	185,973	4,622
Personnel Office	0	0	0	50,000	50,000	50,000
County Attorney	107,680	0	107,680	100,000	110,000	2,320
Election Commission	246,036	2,443	248,479	284,379	284,379	35,900
Register of Deeds	252,786	0	252,786	290,419	290,419	37,633
Development	379	0	379	500	500	121
Planning	15,338	0	15,338	16,980	16,980	1,642
Codes Compliance	69,003	300	69,303	75,697	75,697	6,394
County Buildings	146,991	922	147,913	215,001	215,001	67,088
Other Facilities	210,348	16,067	226,415	262,212	262,212	35,797
Other General Administration	71,684	600	72,284	66,000	77,000	4,716

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Finance</u>						
Accounting and Budgeting	\$ 568,753	\$ 1,691	\$ 570,444	\$ 630,080	\$ 630,080	\$ 59,636
Purchasing	4,672	0	4,672	8,000	8,000	3,328
Property Assessor's Office	387,294	666	387,960	452,908	452,908	64,948
County Trustee's Office	351,976	1,541	353,517	406,096	406,096	52,579
County Clerk's Office	412,321	1,200	413,521	452,366	452,366	38,845
<u>Administration of Justice</u>						
Circuit Court	676,399	6,191	682,590	739,794	819,794	137,204
General Sessions Court	261,873	700	262,573	278,222	282,662	20,089
Drug Court	177,656	1,793	179,449	246,042	306,042	126,593
Chancery Court	286,092	2,135	288,227	325,776	325,776	37,549
Juvenile Court	192,164	5,342	197,506	247,559	247,559	50,053
District Attorney General	119,657	0	119,657	129,957	129,957	10,300
Judicial Commissioners	136,341	0	136,341	178,058	178,058	41,717
Other Administration of Justice	9,802	198	10,000	12,000	12,000	2,000
Victim Assistance Programs	46,000	0	46,000	50,000	50,000	4,000
<u>Public Safety</u>						
Sheriff's Department	3,842,848	170,417	4,013,265	4,407,071	4,415,471	402,206
Administration of the Sexual Offender Registry	900	0	900	5,000	5,000	4,100
Jail	3,419,748	39,904	3,459,652	4,307,320	4,307,320	847,668
Juvenile Services	3,600	0	3,600	75,000	75,000	71,400
Work Release Program	7,794	0	7,794	10,000	10,000	2,206
County Coroner/Medical Examiner	20,007	1,458	21,465	23,700	23,700	2,235
Other Public Safety	226,000	0	226,000	216,000	226,000	0
<u>Public Health and Welfare</u>						
Local Health Center	67,788	0	67,788	79,696	79,635	11,847

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Public Health and Welfare (Cont.)</u>						
Rabies and Animal Control	\$ 127,451	\$ 1,907	\$ 129,358	\$ 154,909	\$ 175,568	\$ 46,210
Alcohol and Drug Programs	247,255	850	248,105	328,247	328,247	80,142
Other Local Health Services	456,163	0	456,163	708,700	708,700	252,537
Regional Mental Health Center	4,000	0	4,000	4,000	4,000	0
Appropriation to State	52,263	0	52,263	52,203	52,264	1
General Welfare Assistance	3,000	0	3,000	3,000	3,000	0
Other Public Health and Welfare	52,513	0	52,513	44,500	64,500	11,987
<u>Social, Cultural, and Recreational Services</u>						
Senior Citizens Assistance	37,100	0	37,100	37,100	37,100	0
Libraries	116,000	0	116,000	116,000	116,000	0
Parks and Fair Boards	10,000	0	10,000	10,000	10,000	0
<u>Agriculture and Natural Resources</u>						
Agricultural Extension Service	127,856	825	128,681	141,374	141,374	12,693
Forest Service	2,000	0	2,000	2,000	2,000	0
Soil Conservation	103,607	0	103,607	105,871	105,871	2,264
<u>Other Operations</u>						
Tourism	25,000	0	25,000	25,000	25,000	0
Other Economic and Community Development	58,708	0	58,708	0	60,000	1,292
Airport	1,110,648	1,395	1,112,043	563,794	1,236,344	124,301
Veterans' Services	18,547	300	18,847	26,333	26,333	7,486
Other Charges	517,244	3,339	520,583	585,000	551,000	30,417
Contributions to Other Agencies	5,500	0	5,500	5,500	5,500	0
COVID-19 Grant #1	56,687	0	56,687	0	56,687	0
COVID-19 Grant #2	1,424	0	1,424	0	1,424	0
Miscellaneous	3,068	0	3,068	44,500	44,500	41,432
Total Expenditures	\$ 15,814,604	\$ 262,184	\$ 16,076,788	\$ 17,987,894	\$ 18,964,554	\$ 2,887,766

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ (264,430)	\$ (262,184)	\$ (526,614)	\$ (3,822,469)	\$ (3,855,818)	\$ 3,329,204
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 251,630	\$ 0	\$ 251,630	\$ 0	\$ 0	\$ 251,630
Total Other Financing Sources	\$ 251,630	\$ 0	\$ 251,630	\$ 0	\$ 0	\$ 251,630
Net Change in Fund Balance	\$ (12,800)	\$ (262,184)	\$ (274,984)	\$ (3,822,469)	\$ (3,855,818)	\$ 3,580,834
Fund Balance, July 1, 2019	5,789,387	0	5,789,387	5,656,493	5,656,493	132,894
Fund Balance, June 30, 2020	\$ 5,776,587	\$ (262,184)	\$ 5,514,403	\$ 1,834,024	\$ 1,800,675	\$ 3,713,728

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 (Budgetary Basis) and Budget
Ambulance Service Fund
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 1,171,601	\$ 0	\$ 1,171,601	\$ 1,113,086	\$ 1,113,085	\$ 58,516
Charges for Current Services	2,330,957	0	2,330,957	2,000,000	2,000,000	330,957
Other Local Revenues	5,534	0	5,534	0	0	5,534
State of Tennessee	17,885	0	17,885	8,600	8,600	9,285
Federal Government	100,714	0	100,714	0	78,467	22,247
Total Revenues	\$ 3,626,691	\$ 0	\$ 3,626,691	\$ 3,121,686	\$ 3,200,152	\$ 426,539
<u>Expenditures</u>						
<u>Public Safety</u>						
Civil Defense	\$ 46,194	\$ 500	\$ 46,694	\$ 67,780	\$ 67,780	\$ 21,086
Rescue Squad	28,792	0	28,792	28,792	28,792	0
<u>Public Health and Welfare</u>						
Ambulance/Emergency Medical Services	3,639,479	112,683	3,752,162	3,807,522	4,085,989	333,827
Total Expenditures	\$ 3,714,465	\$ 113,183	\$ 3,827,648	\$ 3,904,094	\$ 4,182,561	\$ 354,913
Excess (Deficiency) of Revenues Over Expenditures	\$ (87,774)	\$ (113,183)	\$ (200,957)	\$ (782,408)	\$ (982,409)	\$ 781,452
Net Change in Fund Balance	\$ (87,774)	\$ (113,183)	\$ (200,957)	\$ (782,408)	\$ (982,409)	\$ 781,452
Fund Balance, July 1, 2019	1,497,923	0	1,497,923	1,541,317	1,541,317	(43,394)
Fund Balance, June 30, 2020	\$ 1,410,149	\$ (113,183)	\$ 1,296,966	\$ 758,909	\$ 558,908	\$ 738,058

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 (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 641,002	\$ 0	\$ 641,002	\$ 648,453	\$ 648,453	\$ (7,451)
Other Local Revenues	178	0	178	1,500	1,500	(1,322)
State of Tennessee	3,519,809	0	3,519,809	3,257,100	3,257,100	262,709
Total Revenues	<u>\$ 4,160,989</u>	<u>\$ 0</u>	<u>\$ 4,160,989</u>	<u>\$ 3,907,053</u>	<u>\$ 3,907,053</u>	<u>\$ 253,936</u>
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 246,307	\$ 324	\$ 246,631	\$ 251,449	\$ 276,949	\$ 30,318
Highway and Bridge Maintenance	2,124,930	49,424	2,174,354	2,446,300	2,447,300	272,946
Operation and Maintenance of Equipment	181,269	12,387	193,656	180,500	206,500	12,844
Other Charges	135,697	400	136,097	182,850	182,850	46,753
Employee Benefits	135,571	29	135,600	187,582	187,582	51,982
Capital Outlay	1,100,320	0	1,100,320	1,300,000	1,350,000	249,680
Total Expenditures	<u>\$ 3,924,094</u>	<u>\$ 62,564</u>	<u>\$ 3,986,658</u>	<u>\$ 4,548,681</u>	<u>\$ 4,651,181</u>	<u>\$ 664,523</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 236,895</u>	<u>\$ (62,564)</u>	<u>\$ 174,331</u>	<u>\$ (641,628)</u>	<u>\$ (744,128)</u>	<u>\$ 918,459</u>
Net Change in Fund Balance	\$ 236,895	(62,564)	174,331	(641,628)	(744,128)	918,459
Fund Balance, July 1, 2019	<u>1,965,618</u>	<u>0</u>	<u>1,965,618</u>	<u>1,933,918</u>	<u>1,933,918</u>	<u>31,700</u>
Fund Balance, June 30, 2020	<u>\$ 2,202,513</u>	<u>\$ (62,564)</u>	<u>\$ 2,139,949</u>	<u>\$ 1,292,290</u>	<u>\$ 1,189,790</u>	<u>\$ 950,159</u>

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

Exhibit D-1

Warren County, Tennessee
Statement of Net Position
Proprietary Fund
June 30, 2020

		Governmental Activities - Internal Service Fund
		<hr/> Self- Insurance Fund <hr/>
	<u>ASSETS</u>	
Current Assets:		
Cash	\$	3,353
Equity in Pooled Cash and Investments		4,082,194
Due from Other Funds		550,659
Due from Component Units		285,675
Total Assets	\$	<hr/> 4,921,881 <hr/>
	<u>LIABILITIES</u>	
Current Liabilities:		
Claims and Judgments Payable	\$	<hr/> 2,313,688 <hr/>
Total Liabilities	\$	<hr/> 2,313,688 <hr/>
	<u>NET POSITION</u>	
Unrestricted	\$	<hr/> 2,608,193 <hr/>
Total Net Position	\$	<hr/> <hr/> 2,608,193 <hr/> <hr/>

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

Exhibit D-2

Warren County, Tennessee
Statement of Revenues, Expenses, and
Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2020

	Governmental Activities - Internal Service Fund
	<hr/> Self- Insurance Fund <hr/>
<u>Operating Revenues</u>	
Self-Insurance Premiums/Contributions	\$ 836,334
Total Operating Revenues	<hr/> \$ 836,334 <hr/>
<u>Operating Expenses</u>	
Other Contracted Services	\$ 93,963
Excess Liability Insurance	170,055
Vehicle and Equipment Insurance	119,068
Workers' Compensation Insurance	103,312
Other Self-Insured Claims	892,406
Total Operating Expenses	<hr/> \$ 1,378,804 <hr/>
Operating Income (Loss)	<hr/> \$ (542,470) <hr/>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 72,874
Total Nonoperating Revenue	<hr/> \$ 72,874 <hr/>
Change in Net Position	\$ (469,596)
Net Position, July 1, 2019	<hr/> 3,077,789 <hr/>
Net Position, June 30, 2020	<hr/> \$ 2,608,193 <hr/>

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

Exhibit D-3

Warren County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2020

	Governmental Activities - Internal Service Fund Self- Insurance Fund
<u>Cash Flows from Operating Activities</u>	
Self-Insurance Premiums/Contributions	\$ 759,755
Other Contracted Services	(93,963)
Insurance Premiums	(392,435)
Other Self-Insured Claims	(818,882)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (545,525)</u>
<u>Cash Flows from Investing Activities</u>	
Investment Income	\$ 72,874
Net Cash Provided By (Used In) Investing Activities	<u>\$ 72,874</u>
Net Increase (Decrease) in Cash	\$ (472,651)
Cash, July 1, 2019	<u>4,558,198</u>
Cash, June 30, 2020	<u><u>\$ 4,085,547</u></u>
<u>Reconciliation of Net Operating Income to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (542,470)
Adjustments to Reconcile Net Operating Income to Net Cash Provided By (Used In) Operating Activities:	
Change in Assets and Liabilities:	
(Increase) Decrease in Due from Other Funds	(63,529)
(Increase) Decrease in Due from Component Unit	(13,050)
Increase (Decrease) in Claims and Judgments Payable	<u>73,524</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ (545,525)</u></u>
<u>Reconciliation of Cash With the Statement of Net Position</u>	
Cash Per Net Position	\$ 3,353
Equity in Pooled Cash and Investments Per Net Position	<u>4,082,194</u>
Cash, June 30, 2020	<u><u>\$ 4,085,547</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, 2020

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,912,480
Equity in Pooled Cash and Investments	63,585
Accounts Receivable	1,657
Due from Other Governments	<u>639,256</u>
Total Assets	<u>\$ 2,616,978</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 639,256
Due to Litigants, Heirs, and Others	1,956,834
Due to Joint Ventures	<u>20,888</u>
Total Liabilities	<u>\$ 2,616,978</u>

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

WARREN COUNTY, TENNESSEE
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WARREN COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

Warren County is a public municipal corporation governed by an elected 24-member board. As required by GAAP, these financial statements present Warren County (the primary government) and its component units. The financial statements of the Warren County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of this omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

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

The Warren County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Warren County, and the Warren County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the county commission's approval. The financial statements of the Warren County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

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

Administrative Office:

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

B. Government-wide and Fund Financial Statements

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

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

Warren County issues all debt for the discretely presented Warren County School Department. Net debt issues totaling \$5,581,709 were contributed by the county to the school department during the year ended June 30, 2020. This amount includes \$2,000,000 contributed from debt issued in the current year and \$3,581,709 contributed from debt issued in the prior year that is being held

in the General Capital Projects Fund and is being contributed to the school's Education Capital Projects Fund as needed.

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

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

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

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

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

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

available. Warren County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

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

Warren County reports the following major governmental funds:

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

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

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

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

General Capital Projects Fund – This fund is used to account for the receipt of debt issued by Warren County to be contributed to the school department for building construction and renovations and for jail 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, state grants and other restricted revenues held for the benefit of the Judicial District Drug Task Force, and restricted revenues held for the benefit of the Office of District Attorney General. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

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

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

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

Other 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 school-wide energy savings 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 and contributions. Operating expenses for the internal service fund include the purchase of commercial insurance and various claims.

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

1. Deposits and Investments

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

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Warren County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. Warren County and the school department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost.

Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, 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. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Investment Pool complied with accounting principles generally accepted in the United State of America.

Investments in the State Treasurer's Intermediate Term Investment Fund are reported at amortized cost using a floating net asset value.

The primary oversight responsibility for the investments and operations of the State Treasurer's Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Intermediate Term Investment Fund complied with accounting principles generally accepted in the United States of America. Warren County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

All ambulance and property tax receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 1.48 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 \$2,313,688 are discussed in Note V.A. Risk Management.

Retainage payable in the primary government's General Capital Projects Fund represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the major fund.

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. Restricted Assets

Restricted assets consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of the discretely presented Warren County School Department's Teacher Retirement Plan. The purpose of this trust is to accumulate funds to provide stabilization (smoothing) of retirement costs to the school system in times of fluctuating investment returns and market downturns. These funds are held and invested by TCRS pursuant to an irrevocable agreement and may only be used for the benefit of the Warren County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Warren County School Department has not withdrawn any funds from the trust to pay pension cost. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

5. Capital Assets

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

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

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

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

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

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

6. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue, etc.) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes; pension changes in experience, investment earnings, and changes in proportionate share; OPEB changes in experience, assumptions, and changes in proportionate share; 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.

7. 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 and highway department 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.

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.

8. Long-term Debt and 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.

9. Net Position and Fund Balance

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

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

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

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

As of June 30, 2020, Warren County had \$25,272,578 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.

10. Prior-period Adjustment

Capital assets of the discretely presented school department were restated (\$811,414) from the prior year because expenditures for maintenance and repairs of school buildings had been included in construction-in-progress.

E. Pension Plans

Primary Government

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

Discretely Presented Warren County School Department

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

contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan and the Teacher Legacy Pension Plan. Investments are reported at fair value.

F. Other Postemployment Benefit (OPEB) Plans

Primary Government

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

Discretely Presented Warren County School Department

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Warren County School Department

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

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

Primary Government

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

Discretely Presented Warren County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

At June 30, 2020, the discretely presented Warren County and Warren County School Department reported the following significant encumbrances:

Funds	Amount
Primary Government:	
Major Funds:	
General	\$ 262,184
Ambulance Service	113,183
Highway/Public Works	62,564
Nonmajor Funds:	
Solid Waste/Sanitation	13,551
Drug Control	550
School Department:	
Major Fund:	
General Purpose School	245,214

B. Cash Shortage – Current Year

The Warren County Memorial Airport had a cash shortage of at least \$6,086.74 as of June 30, 2020. Details of this cash shortage are discussed in the Schedule of Findings and Questioned Costs section of this report.

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 \$15,129. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were 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, the State Treasurer's Intermediate Term Investment Fund, and in repurchase agreements. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the State Treasurer's Investment Pool are reported both by the pool and the county at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the Intermediate Term Investment Fund are reported both by the pool and the county at

amortized cost using a floating net asset value. 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, 2020, Warren County had the following investments carried at amortized cost using a Stable Net Asset Value. Separate disclosures concerning pooled investments cannot be made for Warren County and the discretely presented Warren County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity (days)	Maturity	Amortized Cost
State Treasurer's Investment Pool	1 to 105 days	N/A	<u>\$ 16,459,720</u>
Total			<u><u>\$ 16,459,720</u></u>

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Warren County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Warren County has no investment policy that would further limit its investment choices. As of June 30, 2020, Warren County's investment in the State Treasurer's Investment Pool was unrated.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. Warren County places no limit on the amount the county may invest in one issuer. More than five percent of the county's investments are held by the State Treasurer's Investment Pool. These investments are 43.27 percent of the county's total investments.

Further information concerning the legal provisions, investment policies, investment types, and credit risks for the State Treasurer's Investment Pool

and the State Treasurer's Intermediate Term Investment Fund can be obtained by reviewing the State of Tennessee Consolidated Annual Financial Report at <https://www.tn.gov/finance/rd-doa/fa-accfin-cafr.html>.

TCRS Stabilization Trust

Legal Provisions. The Warren County School Department is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The school department has placed funds into the irrevocable trust as authorized by 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 trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member's funds are restricted for the payment of retirement benefits of that member's employees. Trust funds are not subject to the claims of general creditors of the school department.

The trust is authorized to make investments as directed by the TCRS Board of Trustees. The Warren County School Department may not impose any restrictions on investments placed by the trust on their behalf.

Investment Balances. Assets of the TCRS, including the Stabilization Reserve Trust, are invested in the Tennessee Retiree Group Trust (TRGT). The TRGT is not registered with the Securities and Exchange Commission (SEC) as an investment company. The State of Tennessee has not obtained a credit quality rating for the TRGT from a nationally recognized credit ratings agency. The fair value of investment positions in the TRGT is determined daily based on the fair value of the pool's underlying portfolio. Furthermore, TCRS had not obtained or provided any legally binding guarantees to support the value of participant shares during the fiscal year. There are no restrictions on the sale or redemption of shares.

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments and interest and dividend income. Interest income is recognized when earned. Securities and securities transactions are recorded in the financial statements on a trade-date basis. The fair value of assets of the TRGT held at June 30, 2020, represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets held are categorized for fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

- Level 1 - Unadjusted quoted prices for identical assets or liabilities in active markets that can be accessed at the measurement date.
- Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; assets or liabilities that have a bid-ask spread price in an inactive dealer market, brokered market and principal-to-principal market; and Level 1 assets or liabilities that are adjusted.
- Level 3 - Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments where fair value is measured using the Net Asset Value (“NAV”) per share have no readily determinable fair value and have been determined to be calculated consistent with FASB principles for investment companies.

Where inputs used in the measurement of fair value fall into different levels of the hierarchy, fair value of the instrument in its entirety is categorized based on the lowest level input that is significant to the valuation. This assessment requires professional judgement and as such management of the TRGT developed a fair value committee that worked in conjunction with the plan’s custodian and investment professionals to make these valuations. All assets held were valued individually and aggregated into classes to be represented in the table below.

Short-term securities generally include investments in money market-type securities reported at cost plus accrued interest.

Equity and equity derivative securities classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Equity and equity derivative securities classified in Level 2 are securities whose values are derived daily from associated traded securities. Equity securities classified in Level 3 are valued with last trade data having limited trading volume.

U.S. Treasury Bills, Bonds, Notes and Futures classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Debt and debt derivative securities classified in Level 2 are valued using a bid-ask spread price from multiple independent brokers, dealers, or market principals, which are known to be actively involved in the market. Level 3 debt securities are valued using proprietary information, a single pricing source, or other unobservable inputs related to similar assets or liabilities.

Real estate investments classified in Level 3 are valued using the last valuations provided by external investment advisors or independent external appraisers. Generally, all direct real estate investments are appraised by a qualified independent appraiser(s) with the professional designation of

Member of the Appraisal Institute (“MAI”), or its equivalent, every three (3) years beginning from the acquisition date of the property. The appraisals are performed using generally accepted valuation approaches applicable to the property type.

Investments in private mutual funds, traditional private equity funds, strategic lending funds and real estate funds that report using GAAP, the fair value, as well as the unfunded commitments, were determined using the prior quarter’s NAV, as reported by the fund managers, plus the current cash flows. These assets were then categorized by investment strategy. In instances where the fund investment reported using non-GAAP standards, the investment was valued using the same method, but was classified in Level 3.

At June 30, 2020, the Warren County School Department had the following investments held by the trust on its behalf.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 59,215
Developed Market International Equity	N/A	N/A	26,742
Emerging Market International Equity	N/A	N/A	7,641
U.S. Fixed Income	N/A	N/A	38,203
Real Estate	N/A	N/A	19,102
Short-term Securities	N/A	N/A	1,910
NAV - Private Equity and Strategic Lending	N/A	N/A	<u>38,203</u>
Total			<u><u>\$ 191,016</u></u>

Investment by Fair Value Level	Fair Value 6-30-20	Fair Value Measurements Using			NAV
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
U.S. Equity	\$ 59,215	\$ 59,215	\$ 0	\$ 0	0
Developed Market					
International Equity	26,742		0	0	0
Emerging Market					
International Equity	7,641	7,641	0	0	0
U.S. Fixed Income	38,203	0	17,468	0	0
Real Estate	19,102	0	0	19,102	0
Short-term Securities	1,910	0	1,910	0	0
Private Equity and Strategic Lending	38,203	0	0	0	38,203
Total	\$ 191,016	\$ 66,856	\$ 19,378	\$ 19,102	\$ 38,203

Risks and Uncertainties. The trust's investments include various types of investment funds, which in turn invest in any combination of stock, bonds and other investments exposed to various risks, such as interest rate, credit, and market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported for trust investments.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Warren County School Department does not have the ability to limit trust 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. The Warren County School Department does not have the ability to limit the credit ratings of individual investments made by the trust.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. Warren County School Department places no limit on the amount the county may invest in one issuer.

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will

not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to the trust agreement, investments are held in the name of the trust for the benefit of the Warren County School Department to pay retirement benefits of the school department employees.

For further information concerning the school department's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2020/ag19091.pdf>.

B. Notes Receivable

In 1990, Warren County issued debt on behalf of the West Warren-Viola Utility District for improvements made to water and sewer lines in the industrial park. An agreement between the entities required the utility district to remit a percentage of revenues to the county until the debt was paid. The county retired the outstanding debt in 2005 with six years remaining on the term, and the utility continued to make payments to the county until 2014. Since 2014, the county has carried an outstanding balance to be paid by the utility of \$442,167, but the utility considered its obligation to be fulfilled after 2014 and has made no more payments.

By paying off the debt early, Warren County incurred a savings of the interest that had been accruing on the outstanding balance. It appears that this interest savings could be at the heart of the dispute. The county's amortization schedule reflected an expectation that the utility district would repay the full original amount of principal and interest, but the utility district appeared to expect to only repay the actual amount paid out by the county. Over the last several years, auditors have advised the county to seek a resolution to the disputed amount. On May 18, 2020, the county commission voted to eliminate the notes receivable from the financial records.

C. Capital Assets

Capital assets activity for the year ended June 30, 2020, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-19	Increases	Decreases	Balance 6-30-20
Capital Assets Not Depreciated:				
Land	\$ 1,982,773	\$ 134,550	\$ 0	\$ 2,117,323
Construction in Progress	303,052	0	(303,052)	0
Intangible Assets	6,201,919	0	0	6,201,919
Total Capital Assets Not Depreciated	\$ 8,487,744	\$ 134,550	\$ (303,052)	\$ 8,319,242
Capital Assets Depreciated:				
Buildings and Improvements	\$ 10,477,252	\$ 39,740	\$ 0	\$ 10,516,992
Roads and Bridges	41,835,753	334,870	0	42,170,623
Other Capital Assets	9,729,765	751,930	(236,469)	10,245,226
Total Capital Assets Depreciated	\$ 62,042,770	\$ 1,126,540	\$ (236,469)	\$ 62,932,841
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 3,256,699	\$ 247,270	\$ 0	\$ 3,503,969
Roads and Bridges	22,698,124	879,664	0	23,577,788
Other Capital Assets	6,355,007	517,178	(221,632)	6,650,553
Total Accumulated Depreciation	\$ 32,309,830	\$ 1,644,112	\$ (221,632)	\$ 33,732,310
Total Capital Assets Depreciated, Net	\$ 29,732,940	\$ (517,572)	\$ (14,837)	\$ 29,200,531
Governmental Activities Capital Assets, Net	\$ 38,220,684	\$ (383,022)	\$ (317,889)	\$ 37,519,773

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

Governmental Activities:

General Government	\$	56,682
Public Safety		283,195
Public Health and Welfare		252,281
Social, Cultural and Recreational Services		63,720
Highways/Public Works		<u>988,234</u>
Total Depreciation Expense - Governmental Activities	\$	<u><u>1,644,112</u></u>

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

	Restated Balance 7-1-19 *	Increases	Balance 6-30-20
Capital Assets Not Depreciated:			
Land	\$ 1,931,306	\$ 0	\$ 1,931,306
Construction in Progress	<u>2,160,340</u>	<u>0</u>	<u>2,160,340</u>
Total Capital Assets Not Depreciated	<u>\$ 4,091,646</u>	<u>\$ 0</u>	<u>\$ 4,091,646</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 82,009,207	\$ 153,100	\$ 82,162,307
Infrastructure	243,590	0	243,590
Other Capital Assets	<u>4,447,054</u>	<u>315,201</u>	<u>4,762,255</u>
Total Capital Assets Depreciated	<u>\$ 86,699,851</u>	<u>\$ 468,301</u>	<u>\$ 87,168,152</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 40,899,660	\$ 1,693,261	\$ 42,592,921
Infrastructure	964	0	964
Other Capital Assets	<u>3,650,314</u>	<u>148,173</u>	<u>3,798,487</u>
Total Accumulated Depreciation	<u>\$ 44,550,938</u>	<u>\$ 1,841,434</u>	<u>\$ 46,392,372</u>
Total Capital Assets Depreciated, Net	<u>\$ 42,148,913</u>	<u>\$ (1,373,133)</u>	<u>\$ 40,775,780</u>
Governmental Activities Capital Assets, Net	<u>\$ 46,240,559</u>	<u>\$ (1,373,133)</u>	<u>\$ 44,867,426</u>

* Construction in progress beginning balance was restated from the prior year - See Note 1.D.10.

There were no decreases in capital assets to report during the year ended June 30, 2020.

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

Governmental Activities:

Instruction	\$ 1,554,935
Support Services	282,548
Operation of Non-Instructional Services	<u>3,951</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,841,434</u></u>

D. Construction Commitments

At June 30, 2020, the county and school department had uncompleted contracts of approximately \$1,072,814 and \$1,647,757 respectively, for construction, renovation, and energy savings projects at various county and school buildings. Funding has been received for these future expenditures.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2020, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
Internal Service -		
Self Insurance	General	\$ 313,189
"	Nonmajor governmental	38,959
"	Ambulance Service	125,165
"	Highway/Public Works	73,346
General	Ambulance Service	554
"	Nonmajor governmental	<u>4,874</u>
Total		<u><u>\$ 556,087</u></u>

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur and payments between funds are made. Of the primary government total shown above, \$550,659 is the outstanding self-insurance costs to various funds at year-end, which is reflected as Due from Other Funds on Exhibit D-1.

Due to/from Primary Government and Component Units:

Receivable Fund	Payable Fund	Amount
Primary Government:	Component Unit:	
General Capital Projects	School Department:	
Internal Service	General Purpose School	\$ 332,425
General Capital Projects	General Purpose School	285,675
General Capital Projects	Education Capital Projects	495,000
General Capital Projects	Other Capital Projects	2,315,579
		<u>\$ 3,428,679</u>

In the schedule above, \$332,425 is reimbursement for project cost, \$285,675 is for self-insurance cost due at year-end, \$495,000 is reimbursement of equipment cost, and \$2,315,579 represents bond proceeds placed in the incorrect fund.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2020, consisted of the following amounts:

Primary Government		
	Transfer In	
	General	
Transfer Out	Fund	Purpose
Nonmajor governmental fund	\$ 251,630	Final excess fees
Total	<u>\$ 251,630</u>	

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. At July 1, 2019, county officials that were on the excess fee system remitted their excess fees to the county trustee, and the costs of these offices began to be paid from the General Fund as of that date.

F. Long-term Debt**Primary Government****General Obligation Bonds and Notes**

General Obligation Bonds - 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. General obligation bonds are direct obligations and pledge

the full faith, credit, and taxing authority of the government. General obligation bonds were issued for original terms of up to 20 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2020, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements - Warren County issues capital outlay notes to provide funds for capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes are direct obligations and pledge the full faith, credit, and taxing authority of the government. Capital outlay notes were issued for original terms of up to 10 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes included in long-term debt as of June 30, 2020, will be retired from the General Debt Service Fund.

General obligation bonds and notes outstanding as of June 30, 2020, for governmental activities are as follows:

Type	Interest Rate		Final Maturity	Original Amount of Issue	Balance 6-30-20
General Obligation Bonds	0 to 5	%	6-1-39	\$ 36,065,000	\$ 27,758,971
General Obligation Bonds Refunding	2 to 5		6-1-39	6,300,000	5,805,000
Direct Borrowing and Direct Placement:					
Capital Outlay Notes	0		8-1-29	2,000,000	1,846,407

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

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2020, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2021	\$ 2,540,305	\$ 1,391,046	\$ 3,931,351
2022	2,880,306	1,315,246	4,195,552
2023	2,460,305	1,222,746	3,683,051
2024	2,520,306	1,160,346	3,680,652
2025	2,600,305	1,085,146	3,685,451
2026-2030	9,537,444	3,186,413	12,723,857
2031-2035	6,860,000	1,237,633	8,097,633
2036-2039	4,165,000	279,708	4,444,708
Total	<u>\$ 33,563,971</u>	<u>\$ 10,878,284</u>	<u>\$ 44,442,255</u>

Year Ending June 30	Notes - Direct Placement		
	Principal		Total
2021	\$ 203,390	\$ 0	\$ 203,390
2022	203,390	0	203,390
2023	203,390	0	203,390
2024	203,390	0	203,390
2025	203,390	0	203,390
2026-2030	847,457	0	847,457
Total	<u>\$ 1,864,407</u>	<u>\$ 0</u>	<u>\$ 1,864,407</u>

There is \$9,876,085 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$842, based on the 2010 federal census. Total debt per capita, including bonds, notes, and unamortized debt premiums, totaled \$915 based on the 2010 federal census.

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2020, was as follows:

Governmental Activities:	Bonds		Notes - Direct Placement
Balance, July 1, 2019	\$ 33,679,276	\$ 0	
Additions	2,275,000		2,000,000
Reductions	(2,390,305)		(135,593)
Balance, June 30, 2020	<u>\$ 33,563,971</u>	<u>\$ 1,864,407</u>	
Balance Due Within One Year	<u>\$ 2,540,305</u>	<u>\$ 203,390</u>	

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2020	\$ 35,428,378
Less: Balance Due Within One Year - Debt	(2,743,695)
Add: Unamortized Premium on Debt	<u>1,015,221</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 33,699,904</u>

G. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2020, was as follows:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2019	\$ 348,416	\$ 430,089
Additions	528,856	95,044
Reductions	<u>(434,945)</u>	<u>(11,858)</u>
Balance, June 30, 2020	<u>\$ 442,327</u>	<u>\$ 513,275</u>
Balance Due Within One Year	<u>\$ 285,627</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2020	\$ 955,602
Less: Balance Due Within One Year - Other	<u>(285,627)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 669,975</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, 2020, was as follows:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2019	\$ 2,514,934	\$ 3,382,969
Additions	776,731	780,773
Reductions	(380,180)	(566,467)
Balance, June 30, 2020	<u>\$ 2,911,485</u>	<u>\$ 3,597,275</u>
Balance Due Within One Year	<u>\$ 145,574</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2020	\$ 6,508,760
Less: Balance Due Within One Year - Other	<u>(145,574)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 6,363,186</u>

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

H. On-Behalf Payments

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Warren County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2020, were \$120,078 and \$75,362, respectively. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Primary Government

Warren County's risk of loss relating to property, general liability, automobile liability, and workers' compensation are covered through a self-insurance program, and by the purchase of commercial insurance to cover losses exceeding certain limits. The county is self-insured for individual property losses up to \$350,000. The county carries excess commercial coverage on

buildings and contents totaling \$229,743,027. The county is self-insured up to the liability limits of \$300,000 per person, \$700,000 per occurrence for bodily injury, and \$100,000 for property damage. Warren County self-insures workers' compensation losses of \$500,000 per accident or disease with an aggregate liability of \$1 million. The county carries commercial liability insurance coverage for losses up to \$10 million, with a \$350,000 deductible. Warren County maintains the Self-Insurance Fund, which is shown as an internal service fund, to account for transactions pertaining to the county's self-insured group liability and property plans. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The fund establishes the claims liabilities based on estimates of the ultimate cost of claims that have been incurred but not settled, and of claims that have been incurred but not reported. Claims liabilities include specific, incremental claim adjustment expenditures/expenses, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

	Beginning of Fiscal Year Liability	Current- year Claims and Estimates	Payments	Balance at Fiscal Year-end
2018-2019	\$ 1,397,581	\$ 1,236,646	\$ (394,063)	\$ 2,240,164
2019-2020	2,240,164	892,406	(818,882)	2,313,688

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. Contingent Liabilities

The county and school department are involved in several pending lawsuits. Attorneys for the county and schools 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.

C. 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, 2020, the county did not make a contribution to the Industrial Development Board of McMinnville-Warren County.

The Warren County Joint Economic and Community Development Board is a joint venture created by an interlocal agreement between Warren County, and the cities of McMinnville, Morrison, Centertown, and Viola to foster communication relative to economic and community development between and among governmental entities, industry, and private citizens. The board is governed by a 12-member board established by the interlocal agreement. During the year ended June 30, 2020, 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), Warren County (2), Rutherford County (3), Coffee 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 Rutherford County Mayor
County Courthouse, Room 101
Murfreesboro, TN 37130

D. Jointly Governed Organization

The Tri-County Railroad Authority is jointly operated by Warren County in conjunction with White and Coffee 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.

E. 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 58.80 percent, the non-certified employees of the discretely presented school department comprise 41.20 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the

plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

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

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

Employees Covered by Benefit Terms. At the measurement date of June 30, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	365
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	382
Active Employees	549
Total	<u><u>1,296</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 noncontributory. 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, 2020, the employer contribution for Warren County was \$1,897,568 based on a rate of 10.53 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Warren County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Warren County's net pension liability (asset) was measured as of June 30, 2019, 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, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

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

The actuarial assumptions used in the June 30, 2019, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major 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	5.69	%	31	%
International Equity Emerging Market	5.29		14	
International Equity Private Equity and Strategic Lending	6.36		4	
U.S. Fixed Income	5.79		20	
Real Estate	2.01		20	
Short-term Securities	4.32		10	
	0.00		1	
Total			100	%

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

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total	Plan	Net Pension
	Pension	Fiduciary	Liability
	Liability	Net Position	(Asset)
	(a)	(b)	(a)-(b)
Balance, July 1, 2018	\$ 53,068,522	\$ 56,206,408	\$ (3,137,886)
Changes for the Year:			
Service Cost	\$ 1,553,761	\$ 0	\$ 1,553,761
Interest	3,870,958	0	3,870,958
Differences Between Expected and Actual Experience	807,543	0	807,543
Contributions-Employer	0	1,851,908	(1,851,908)
Contributions-Employees	0	1,285	(1,285)
Net Investment Income	0	4,160,723	(4,160,723)
Benefit Payments, Including Refunds of Employee Contributions	(2,459,521)	(2,459,521)	0
Administrative Expense	0	(48,677)	48,677
Net Changes	\$ 3,772,741	\$ 3,505,718	\$ 267,023
Balance, June 30, 2019	\$ 56,841,263	\$ 59,712,126	\$ (2,870,863)

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

		Total	Plan	Net
		Pension	Fiduciary	Pension
		Liability	Net	Liability
			Position	(Asset)
Primary Government	58.80%	\$ 34,598,663	\$ 35,110,730	\$ (1,688,067)
School Department	41.20%	24,242,600	24,601,396	(1,182,796)
Total		\$ 58,841,263	\$ 59,712,126	\$ (2,870,863)

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

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

Net Pension Liability (Asset) \$ 4,689,851 \$ (2,870,863) \$ (9,129,589)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Pension Expense. For the year ended June 30, 2020, Warren County recognized pension expense of \$1,710,588.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, Warren County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 1,068,014	\$ 1,143,991
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	692,508
Changes in Assumptions	651,369	0
Contributions Subsequent to the Measurement Date of June 30, 2019 (1)	1,897,568	N/A
Total	<u>\$ 3,616,951</u>	<u>\$ 1,836,499</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2019,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 2,132,013	\$ 1,079,861
School Department	1,484,938	756,638
Total	\$ 3,616,951	\$ 1,836,499

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

Year Ending June 30	Amount
2021	\$ (52,449)
2022	(345,436)
2023	192,838
2024	(46,654)
2025	134,591
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 58.80 percent and the non-certified employees of the discretely presented school department comprise 41.20 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

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

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

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2020, to the Teacher Retirement Plan were \$107,970, which is 2.05 percent of covered payroll. In addition, employer contributions of \$97,769, which is 1.95 percent of covered payroll, were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). At June 30, 2020, the school department reported a liability (asset) of (\$234,612) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2019, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2019, the school department's proportion was .415621 percent. The proportion as of June 30, 2018, was .434334 percent.

Pension Expense. For the year ended June 30, 2020, the school department recognized pension expense of \$74,882.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 9,728	\$ 40,957
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	9,919
Changes in Assumptions	8,152	0
Changes in Proportion of Net Pension Liability (Asset)	15,518	876
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	107,970	N/A
Total	\$ 141,368	\$ 51,752

The school department's employer contributions of \$107,970, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2021. 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
2021	\$ (3,720)
2022	(5,238)
2023	(2,455)
2024	(1,037)
2025	(633)
Thereafter	(5,272)

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, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

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

The actuarial assumptions used in the June 30, 2019, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

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

School Department's		Current	
Proportionate Share of	1%	Discount	1%
the Net Pension	Decrease	Rate	Increase
Liability (Asset)	6.25%	7.25%	8.25%

Net Pension Liability (Asset) \$ 74,334 \$ (234,612) \$ (462,981)

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

Teacher Legacy Pension Plan

General Information About the Pension Plan

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

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Warren County School Department for the year ended June 30, 2020, to the Teacher Legacy Pension Plan were \$2,368,262, which is 10.63 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liability (Assets). At June 30, 2020, the school department reported a liability (asset) of (\$6,837,711) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of

June 30, 2019, the school department's proportion was .665030 percent. The proportion measured at June 30, 2018, was .653762 percent.

Pension Expense. For the year ended June 30, 2020, the school department recognized pension expense of \$933,896.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 332,911	\$ 4,176,609
Changes in Assumptions	921,417	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	1,953,666
Changes in Proportion of Net Pension Liability (Asset)	66,948	18,739
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	2,368,262	N/A
Total	<u>\$ 3,689,538</u>	<u>\$ 6,149,014</u>

The school department's employer contributions of \$2,368,262 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a decrease in net pension liability in the year ending June 30, 2021. 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
2021	\$ (1,373,790)
2022	(1,933,172)
2023	(870,398)
2024	(650,379)
2025	0
Thereafter	0

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

Actuarial Assumptions. The total pension liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

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

The actuarial assumptions used in the June 30, 2019, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

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

School Department's		Current	
Proportionate Share of	1%	Discount	1%
the Net Pension	Decrease	Rate	Increase
Liability (Asset)	6.25%	7.25%	8.25%

Net Pension Liability (Asset) \$ 13,981,143 \$ (6,837,711) \$ (23,398,531)

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

2. Deferred Compensation

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

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state's 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$264,613 and teachers contributed \$244,008 to this deferred compensation pension plan.

F. Other Postemployment Benefits (OPEB)

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

OPEB Provided through State Administered Public Entity Risk Pools

Retirees of Warren County are provided healthcare under the Local Government Plan (LGP) until they reach Medicare eligibility. The primary government's LGPs are combined for presentation purposes. Likewise, the school department provides healthcare benefits to its employees under the Local Education Plan (LEP) until they reach Medicare eligibility. The certified retirees of the Warren County School Department may then join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare. However, the school department does not provide any subsidy (direct or indirect) to this plan and therefore does not recognize any OPEB liability associated with the TNM.

The county and school department's total OPEB liability for each plan was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2019, actuarial valuation of each plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.20%
Salary Increases	Salary increases used in the July 1, 2018, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.51%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 6.03 for for pre-65 retirees in the 2019 calendar year, and gradually decreasing over a 10 year period to an ultimate trend rate of 4.5%.
Retirees Share of Benefit	
Related Cost	Discussed under each plan

The discount rate was 3.51 percent, based on an average rating of AA/Aa as shown the Bond Buyer 20-Year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2018, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2018, valuations were the same as those employed in the July 1, 2018, Pension Actuarial Valuation of the TCRS. These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2 percent load for males and a -3 percent load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load.

Changes in Assumptions. The discount rate changed from 3.62 percent as of the beginning of the measurement period to 3.51 percent as of the measurement date of June 30, 2019. This change in assumption increased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 2020 plan year was revised from 6.75 percent to 6.03 percent.

Local Government OPEB Plan (Primary Government)

Plan Description. Employees of Warren County are provided with pre-65 retiree health insurance benefits through the Local Government Plan (LGP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired employees and disability participants of local governments, who choose coverage, participate in the LGP.

Benefits Provided. Warren County offers the LGP to provide health insurance coverage to eligible pre-65 retirees and disabled participants of local governments. With the exception of a small group of grandfathered individuals, retirees are required to discontinue coverage under the LGP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-701 establishes and amends the benefit terms of the LGP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LGP receive the same plan benefits as active employees, at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. Warren County does not provide a direct subsidy and is only subject to the implicit subsidy.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	11
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	235
Total	<u>246</u>

An insurance committee, created in accordance with TCA 8-27-701, establishes the required payments to the LGP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal year ended June 30, 2020, the county paid \$51,025 to the LGP for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2018	<u>\$ 430,089</u>
Changes for the Year:	
Service Cost	\$ 37,280
Interest	16,706
Difference between Expected and Actuarial Experience	21,707
Changes in Assumption and Other Inputs	19,351
Benefit Payments	<u>(11,858)</u>
Net Changes	<u>\$ 83,186</u>
Balance June 30, 2019	<u><u>\$ 513,275</u></u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the county recognized OPEB expense of \$61,984. At June 30, 2020, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Resources	Resources
Difference Between Expected and Actual Experience	\$ 31,257	\$ 0
Changes of Assumptions/Inputs	37,312	13,263
Net Difference Between Projected and Benefits paid after the measurement date of June 30, 2019	51,025	0
Total	<u>\$ 119,594</u>	<u>\$ 13,263</u>

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

Year Ending June 30	Total Amount
2021	\$ 7,998
2022	7,998
2023	7,998
2024	7,998
2025	7,998
Thereafter	15,316

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

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

<u>Discount Rate</u>	1% Decrease 2.51%	Current Discount Rate 3.51%	1% Increase 4.51%
Total OPEB Liability	\$ 551,350	\$ 513,275	\$ 478,304

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the total OPEB liability of the county calculated

using the current healthcare cost trend rate, as well as what the OPEB liability would be if it was calculated using a trend rate that is one percentage point lower or one percentage point higher than the current rate:

<u>Healthcare Cost Trend Rate</u>		Current	
1% Decrease		Trend Rates	
5.03 to 3.5%		6.03 to 4.5%	
		1% Increase	
		7.03 to 5.5%	
Total OPEB Liability	\$ 465,503	\$ 513,275	\$ 570,371

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

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

Benefits Provided. The Warren County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. The school department does not provide a direct subsidy and is only subject to the implicit subsidy. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retiree's premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 25 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	33
Inactive Employees Entitled to But Not Yet Receiving Benefits	2
Active Employees	645
Total	<u>680</u>

A state insurance committee, created in accordance with TCA 8-27-301, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$203,527 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>			
	Warren County School Department 64.39%	State of TN 35.61%		Total OPEB Liability
Balance July 1, 2018	\$ 3,382,969	\$ 1,772,605	\$	5,155,574
Changes for the Year:				
Service Cost	\$ 189,789	\$ 104,948	\$	294,737
Interest	123,099	68,070		191,169
Changes in Proportions	(63,156)	63,156		0
Difference between Expected and Actuarial Experience	467,885	258,727		726,612
Changes in Assumption and Other Inputs	(283,186)	(156,594)		(439,780)
Benefit Payments	(220,125)	(121,722)		(341,847)
Net Changes	\$ 214,306	\$ 216,585	\$	430,891
Balance June 30, 2019	\$ 3,597,275	\$ 1,989,190	\$	5,586,465

The Warren County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Warren County School Department's

proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$142,292 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Warren County School Department's proportionate share of the collective OPEB liability was 64.39 percent and the State of Tennessee's share was 35.61 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the school department recognized OPEB expense of \$377,075 including the state's share of the expense. At June 30, 2020, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 417,629	\$ 718,822
Changes of Assumptions/Inputs	86,417	376,808
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributors As Benefits Came Due	1,415	68,045
Benefits Paid After the Measurement Date of June 30, 2019	203,517	0
Total	<u>\$ 708,978</u>	<u>\$ 1,163,675</u>

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

<u>Year Ending June 30</u>	<u>School Department</u>
2021	\$ (78,105)
2022	(78,105)
2023	(78,105)
2024	(78,105)
2025	(78,105)
Thereafter	(267,689)

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

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

<u>Discount Rate</u>	Current Discount Rate
1% Decrease 2.51%	1% Increase 3.51%

Proportionate Share of the Collective Total OPEB Liability	\$ 3,860,903	\$ 3,597,275	\$ 3,346,152
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Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>	Curent Rates
1% Decrease 5.03 to 3.5%	1% Increase 6.03 to 4.5%

Proportionate Share of the Collective Total OPEB Liability	\$ 3,211,285	\$ 3,597,275	\$ 4,053,004
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G. 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.

H. Purchasing Law

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

I. Subsequent Events

On October 19, 2020, the Warren County Commission approved increasing the bid limit to \$25,000.

On October 19, 2020, Warren County issued \$2,581,500 in general obligation refunding bonds.

Director of Schools John Robert Cox retired June 30, 2020, and was succeeded by Grant Swallows effective July 1, 2020.

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

	2014	2015	2016	2017	2018	2019
Total Pension Liability						
Service Cost	\$ 1,195,950	\$ 1,232,571	\$ 1,253,434	\$ 1,411,085	\$ 1,570,974	\$ 1,553,761
Interest	3,021,859	3,193,451	3,327,666	3,462,540	3,720,650	3,870,958
Differences Between Actual and Expected Experience	(273,073)	(883,126)	(1,078,272)	790,123	(956,071)	807,543
Changes in Assumptions	0	0	0	1,302,741	0	0
Benefit Payments, Including Refunds of Employee Contributions	(1,645,032)	(1,741,886)	(1,806,564)	(1,917,766)	(2,030,748)	(2,459,521)
Net Change in Total Pension Liability	\$ 2,299,704	\$ 1,801,010	\$ 1,696,264	\$ 5,048,723	\$ 2,304,805	\$ 3,772,741
Total Pension Liability, Beginning	39,918,016	42,217,720	44,018,730	45,714,994	50,763,717	53,068,522
Total Pension Liability, Ending (a)	\$ 42,217,720	\$ 44,018,730	\$ 45,714,994	\$ 50,763,717	\$ 53,068,522	\$ 56,841,263
Plan Fiduciary Net Position						
Contributions - Employer	\$ 1,906,317	\$ 1,965,395	\$ 2,014,718	\$ 2,111,926	\$ 1,802,844	\$ 1,851,908
Contributions - Employee	17,738	31,884	3,528	5,301,280	373	1,285
Net Investment Income	6,210,115	1,350,602	1,204,367	(1,917,766)	4,318,578	4,160,723
Benefit Payments, Including Refunds of Employee Contributions	0	0	0	0	(2,030,748)	(2,459,521)
Administrative Expense	(1,645,032)	(1,741,886)	(1,806,564)	(45,649)	(51,557)	(48,677)
Other	(19,978)	(26,248)	(39,691)	23,566	0	0
Net Change in Plan Fiduciary Net Position	\$ 6,469,160	\$ 1,579,747	\$ 1,376,358	\$ 5,473,357	\$ 4,039,490	\$ 3,505,718
Plan Fiduciary Net Position, Beginning	37,268,296	43,737,456	45,317,203	46,693,561	52,166,918	56,206,408
Plan Fiduciary Net Position, Ending (b)	\$ 43,737,456	\$ 45,317,203	\$ 46,693,561	\$ 52,166,918	\$ 56,206,408	\$ 59,712,126
Net Pension Liability (Asset), Ending (a - b)	\$ (1,519,736)	\$ (1,298,473)	\$ (978,567)	\$ (1,403,201)	\$ (3,137,886)	\$ (2,870,863)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	103.60%	102.95%	102.14%	102.76%	105.91%	105.05%
Covered Payroll	\$ 14,162,854	\$ 16,383,778	\$ 14,921,553	\$ 15,460,655	\$ 16,389,476	\$ 16,793,133
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(10.73)%	(7.93)%	(6.56)%	(9.08)%	(19.15)%	(17.10)%

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

Note: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the primary government and non-certified employees of the discretely presented school department.

Exhibit F-2

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

	2014	2015	2016	2017	2018	2019	2020
Actuarially Determined Contribution	\$ 1,906,317	\$ 1,965,395	\$ 2,014,718	\$ 2,111,926	\$ 1,802,844	\$ 1,538,767	\$ 1,897,568
Less Contributions in Relation to the Actuarially Determined Contribution	(1,906,317)	(1,965,395)	(2,014,718)	(2,111,926)	(1,802,844)	(1,851,908)	(1,897,568)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (313,141)	\$ 0
Covered Payroll	\$ 14,162,854	\$ 14,385,152	\$ 14,921,553	\$ 15,460,655	\$ 16,389,476	\$ 16,793,133	\$ 18,027,494
Contributions as a Percentage of Covered Payroll	13.46%	13.66%	13.50%	13.66%	11.00%	11.03%	10.53%

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

Note: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the primary government and non-certified employees of the discretely presented school department.

Exhibit F-3

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

	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 42,552	\$ 90,265	\$ 113,276	\$ 151,822	\$ 85,323	\$ 107,970
Less Contributions in Relation to the Contractually Required Contribution	(42,552)	(90,265)	(113,276)	(151,822)	(85,323)	(107,970)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 1,063,803	\$ 2,256,618	\$ 2,893,621	\$ 3,795,520	\$ 4,398,104	\$ 5,275,079
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	3.91%	4.00%	1.94%	2.05%

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

Exhibit F-4

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

	2014	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 2,235,874	\$ 2,170,006	\$ 2,143,478	\$ 2,106,338	\$ 2,078,650	\$ 2,332,520	\$ 2,368,262
Less Contributions in Relation to the Contractually Required Contribution	(2,235,874)	(2,170,006)	(2,143,478)	(2,106,338)	(2,078,650)	(2,332,520)	(2,368,262)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 25,178,757	\$ 24,004,784	\$ 23,711,024	\$ 23,238,478	\$ 22,892,638	\$ 22,299,430	\$ 22,275,043
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.06%	9.08%	10.46%	10.63%

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

Exhibit F-5

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

	2015	2016	2017	2018	2019
School Department's Proportion of the Net Pension Liability/Asset	0.501428%	0.512865%	0.431471%	0.434334%	0.415621%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (20,597)	\$ (53,391)	\$ (113,839)	\$ (196,983)	\$ (234,612)
Covered Payroll	\$ 1,063,803	\$ 2,256,618	\$ 2,893,621	\$ 3,795,520	\$ 4,398,104
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(3.93)%	(5.19)%	(5.33)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%	126.97%	123.07%

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

Exhibit F-6

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

	2014	2015	2016	2017	2018	2019
School Department's Proportion of the Net Pension Liability/Asset	0.641498%	0.641231%	0.656852%	0.659138%	0.653762%	0.665030%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (104,241)	\$ 262,670	\$ 4,104,962	\$ (215,657)	\$ (2,300,534)	\$ (6,837,711)
Covered Payroll	\$ 25,178,753	\$ 24,004,787	\$ 23,711,024	\$ 23,238,478	\$ 22,892,638	\$ 22,299,430
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41)%	1.09%	17.31%	(0.93)%	(10.05)%	(30.66)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%

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

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

Warren County Plan

	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 32,163	\$ 30,249	\$ 37,280
Interest	10,418	13,405	16,706
Differences Between Actual and Expected Experience	0	15,819	21,707
Changes in Assumptions or Other Inputs	(19,116)	26,102	19,351
Benefit Payments	0	(3,586)	(11,858)
Net Change in Total OPEB Liability	\$ 23,465	\$ 81,989	\$ 83,186
Total OPEB Liability, Beginning	324,635	348,100	430,089
Total OPEB Liability, Ending	<u>\$ 348,100</u>	<u>\$ 430,089</u>	<u>\$ 513,275</u>
 Covered Employee Payroll	 \$ 9,980,291	 \$ 10,156,617	 \$ 10,814,386
Net OPEB Liability as a Percentage of Covered Employee Payroll	3.49%	4.23%	4.75%

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

Note 2: Changes in assumptions.

(a) The following are the discount rates used in each period:

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%

(b) The assumed initial trend rate applicable to plan years was revised as follows:

2019 plan year	- from 5.4% to 6.75%.
2020 plan year	- from 6.75% to 6.03%

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

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

	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 361,371	\$ 336,295	\$ 294,737
Interest	186,187	224,541	191,169
Differences Between Actual and Expected Experience	0	(1,372,935)	726,612
Changes in Assumptions or Other Inputs	(272,892)	165,054	(439,780)
Benefit Payments	(300,193)	(336,848)	(341,847)
Net Change in Total OPEB Liability	\$ (25,527)	\$ (983,893)	\$ 430,891
Total OPEB Liability, Beginning	6,164,994	6,139,467	5,155,574
Total OPEB Liability, Ending	<u>\$ 6,139,467</u>	<u>\$ 5,155,574</u>	<u>\$ 5,586,465</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 2,119,148	\$ 1,772,605	\$ 1,989,190
Employer Proportionate Share of the Total OPEB Liability	4,020,319	3,382,969	3,597,275
Covered Employee Payroll	\$ 33,932,744	\$ 33,694,389	\$ 34,763,230
Net OPEB Liability as a Percentage of Covered Employee Payroll	18.09%	15.30%	16.07%

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

Note 2: Changes in assumptions.

(a) The following are the discount rates used in each period:

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%

(b) The assumed initial trend rate applicable to plan years was revised as follows:

2019 plan year	- from 5.4% to 6.75%.
2020 plan year	- from 6.75% to 6.03%

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

WARREN COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2020

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2020 were calculated based on the June 30, 2018, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, averaging 4%
Investment Rate of Return	7.25%, 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	2.25%

Changes of assumptions: In 2017, the following assumptions were changed: decreased the inflation rate from 3 percent to 2.5 percent; decreased the investment rate from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased the salary growth graded ranges from an average of 4.25 percent to an average of 4 percent; and modified mortality assumptions.

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

Capital Projects Funds

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

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

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for debt issued by Warren County that was contributed to the school department for construction and renovation projects.

Exhibit G-1

Warren County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	Other Capital Projects	
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 2,621	\$ 2,621	\$ 0	\$ 2,621
Equity in Pooled Cash and Investments	929,327	290,494	0	1,219,821	88,154	1,307,975
Accounts Receivable	903	0	2,253	3,156	0	3,156
Property Taxes Receivable	603,236	0	0	603,236	0	603,236
Allowance for Uncollectible Property Taxes	(17,100)	0	0	(17,100)	0	(17,100)
Total Assets	\$ 1,516,366	\$ 290,494	\$ 4,874	\$ 1,811,734	\$ 88,154	\$ 1,899,888
<u>LIABILITIES</u>						
Accounts Payable	\$ 48,091	\$ 350	\$ 0	\$ 48,441	\$ 0	\$ 48,441
Accrued Payroll	25,257	0	0	25,257	0	25,257
Payroll Deductions Payable	4,583	0	0	4,583	0	4,583
Due to Other Funds	38,959	0	4,874	43,833	0	43,833
Due to State of Tennessee	155	0	0	155	0	155
Due to Litigants, Heirs, and Others	0	36,830	0	36,830	0	36,830
Total Liabilities	\$ 117,045	\$ 37,180	\$ 4,874	\$ 159,099	\$ 0	\$ 159,099
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 569,311	\$ 0	\$ 0	\$ 569,311	\$ 0	\$ 569,311
Deferred Delinquent Property Taxes	11,363	0	0	11,363	0	11,363
Total Deferred Inflows of Resources	\$ 580,674	\$ 0	\$ 0	\$ 580,674	\$ 0	\$ 580,674

(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	\$ 253,314	\$ 0	\$ 253,314	\$ 0	\$ 253,314
Restricted for Social, Cultural, and Recreational Services	0	0	0	0	88,154	88,154
Committed:						
Committed for Public Health and Welfare	818,647	0	0	818,647	0	818,647
Total Fund Balances	<u>\$ 818,647</u>	<u>\$ 253,314</u>	<u>\$ 0</u>	<u>\$ 1,071,961</u>	<u>\$ 88,154</u>	<u>\$ 1,160,115</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,516,366</u>	<u>\$ 290,494</u>	<u>\$ 4,874</u>	<u>\$ 1,811,734</u>	<u>\$ 88,154</u>	<u>\$ 1,899,888</u>

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, 2020

	Special Revenue Funds				Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	Education Capital Projects
<u>Revenues</u>					
Local Taxes	\$ 740,598	\$ 0	\$ 0	\$ 740,598	\$ 0
Fines, Forfeitures, and Penalties	0	49,261	0	49,261	0
Charges for Current Services	36,318	0	0	36,318	0
Other Local Revenues	60,962	200	0	61,162	0
State of Tennessee	564,630	0	0	564,630	0
Total Revenues	\$ 1,402,508	\$ 49,461	\$ 0	\$ 1,451,969	\$ 0
<u>Expenditures</u>					
Current:					
Finance	\$ 0	\$ 0	\$ 92	\$ 92	\$ 0
Public Safety	0	92,123	0	92,123	0
Public Health and Welfare	1,510,438	0	0	1,510,438	0
Capital Projects - Donated	0	0	0	0	2,000,000
Total Expenditures	\$ 1,510,438	\$ 92,123	\$ 92	\$ 1,602,653	\$ 2,000,000
Excess (Deficiency) of Revenues Over Expenditures	\$ (107,930)	\$ (42,662)	\$ (92)	\$ (150,684)	\$ (2,000,000)
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,000,000
Transfers Out	0	0	(251,630)	(251,630)	0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ (251,630)	\$ (251,630)	\$ 2,000,000

(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 Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	Education Capital Projects
Net Change in Fund Balances	\$ (107,930)	\$ (42,662)	\$ (251,722)	\$ (402,314)	0
Fund Balance, July 1, 2019	926,577	295,976	251,722	1,474,275	0
Fund Balance, June 30, 2020	<u>\$ 818,647</u>	<u>\$ 253,314</u>	<u>\$ 0</u>	<u>\$ 1,071,961</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 Nonmajor Governmental Funds
	Other Capital Projects	Total	
<u>Revenues</u>			
Local Taxes	\$ 0	\$ 0	\$ 740,598
Fines, Forfeitures, and Penalties	0	0	49,261
Charges for Current Services	0	0	36,318
Other Local Revenues	1,191	1,191	62,353
State of Tennessee	0	0	564,630
Total Revenues	<u>\$ 1,191</u>	<u>\$ 1,191</u>	<u>\$ 1,453,160</u>
<u>Expenditures</u>			
Current:			
Finance	\$ 0	\$ 0	\$ 92
Public Safety	0	0	92,123
Public Health and Welfare	0	0	1,510,438
Capital Projects - Donated	0	2,000,000	2,000,000
Total Expenditures	<u>\$ 0</u>	<u>\$ 2,000,000</u>	<u>\$ 3,602,653</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,191</u>	<u>\$ (1,998,809)</u>	<u>\$ (2,149,493)</u>
<u>Other Financing Sources (Uses)</u>			
Notes Issued	\$ 0	\$ 2,000,000	\$ 2,000,000
Transfers Out	0	0	(251,630)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 2,000,000</u>	<u>\$ 1,748,370</u>
Net Change in Fund Balances	\$ 1,191	\$ 1,191	\$ (401,123)
Fund Balance, July 1, 2019	<u>86,963</u>	<u>86,963</u>	<u>1,561,238</u>
Fund Balance, June 30, 2020	<u>\$ 88,154</u>	<u>\$ 88,154</u>	<u>\$ 1,160,115</u>

Exhibit G-3

Warren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 740,598	\$ 0	\$ 740,598	\$ 711,295	\$ 711,293	\$ 29,305
Charges for Current Services	36,318	0	36,318	2,000	2,000	34,318
Other Local Revenues	60,962	0	60,962	50,000	83,360	(22,398)
State of Tennessee	564,630	0	564,630	500,700	500,700	63,930
Total Revenues	\$ 1,402,508	\$ 0	\$ 1,402,508	\$ 1,263,995	\$ 1,297,353	\$ 105,155
<u>Expenditures</u>						
<u>Public Health and Welfare</u>						
Waste Pickup	\$ 562,401	\$ 7,681	\$ 570,082	\$ 619,113	\$ 652,473	\$ 82,391
Convenience Centers	858,560	750	859,310	957,399	953,599	94,289
Other Waste Disposal	41,972	4,120	46,092	46,000	49,800	3,708
Other Public Health and Welfare	47,505	1,000	48,505	50,481	50,481	1,976
Total Expenditures	\$ 1,510,438	\$ 13,551	\$ 1,523,989	\$ 1,672,993	\$ 1,706,353	\$ 182,364
Excess (Deficiency) of Revenues Over Expenditures	\$ (107,930)	\$ (13,551)	\$ (121,481)	\$ (408,998)	\$ (409,000)	\$ 287,519
Net Change in Fund Balance	\$ (107,930)	\$ (13,551)	\$ (121,481)	\$ (408,998)	\$ (409,000)	\$ 287,519
Fund Balance, July 1, 2019	926,577	0	926,577	908,278	908,278	18,299
Fund Balance, June 30, 2020	\$ 818,647	\$ (13,551)	\$ 805,096	\$ 499,280	\$ 499,278	\$ 305,818

Exhibit G-4

Warren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control Fund
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 49,261	\$ 0	\$ 49,261	\$ 74,000	\$ 74,000	\$ (24,739)
Other Local Revenues	200	0	200	3,000	3,000	(2,800)
Total Revenues	<u>\$ 49,461</u>	<u>\$ 0</u>	<u>\$ 49,461</u>	<u>\$ 77,000</u>	<u>\$ 77,000</u>	<u>\$ (27,539)</u>
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 92,123	\$ 550	\$ 92,673	\$ 62,800	\$ 112,800	\$ 20,127
Total Expenditures	<u>\$ 92,123</u>	<u>\$ 550</u>	<u>\$ 92,673</u>	<u>\$ 62,800</u>	<u>\$ 112,800</u>	<u>\$ 20,127</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (42,662)</u>	<u>\$ (550)</u>	<u>\$ (43,212)</u>	<u>\$ 14,200</u>	<u>\$ (35,800)</u>	<u>\$ (7,412)</u>
Net Change in Fund Balance	\$ (42,662)	\$ (550)	\$ (43,212)	\$ 14,200	\$ (35,800)	\$ (7,412)
Fund Balance, July 1, 2019	<u>295,976</u>	<u>0</u>	<u>295,976</u>	<u>223,687</u>	<u>223,687</u>	<u>72,289</u>
Fund Balance, June 30, 2020	<u><u>\$ 253,314</u></u>	<u><u>\$ (550)</u></u>	<u><u>\$ 252,764</u></u>	<u><u>\$ 237,887</u></u>	<u><u>\$ 187,887</u></u>	<u><u>\$ 64,877</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, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 3,055,493	\$ 2,822,575	\$ 2,822,575	\$ 232,918
Other Local Revenues	739,650	350,000	350,000	389,650
State of Tennessee	11,719	10,900	10,900	819
Federal Government	465,081	420,000	420,000	45,081
Other Governments and Citizens Groups	688,082	0	883,947	(195,865)
Total Revenues	<u>\$ 4,960,025</u>	<u>\$ 3,603,475</u>	<u>\$ 4,487,422</u>	<u>\$ 472,603</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,140,000	\$ 690,000	\$ 1,140,000	\$ 0
Education	1,385,898	1,557,800	1,386,400	502
<u>Interest on Debt</u>				
General Government	505,502	197,477	505,527	25
Education	1,103,585	1,220,518	1,103,618	33
<u>Other Debt Service</u>				
General Government	498,064	125,000	532,317	34,253
Education	18,440	7,440	18,440	0
Total Expenditures	<u>\$ 4,651,489</u>	<u>\$ 3,798,235</u>	<u>\$ 4,686,302</u>	<u>\$ 34,813</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 308,536</u>	<u>\$ (194,760)</u>	<u>\$ (198,880)</u>	<u>\$ 507,416</u>
Net Change in Fund Balance	\$ 308,536	\$ (194,760)	\$ (198,880)	\$ 507,416
Fund Balance, July 1, 2019	<u>9,567,549</u>	<u>9,473,745</u>	<u>9,473,745</u>	<u>93,804</u>
Fund Balance, June 30, 2020	<u>\$ 9,876,085</u>	<u>\$ 9,278,985</u>	<u>\$ 9,274,865</u>	<u>\$ 601,220</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.

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, 2020

	Agency Funds				
	Cities - Sales Tax	Constitu - tional Officers - Agency	Judicial District Drug	District Attorney General	Total
<u>ASSETS</u>					
Cash	\$ 0	\$ 1,912,480	\$ 0	\$ 0	\$ 1,912,480
Equity in Pooled Cash and Investments	0	0	20,888	42,697	63,585
Accounts Receivable	0	1,657	0	0	1,657
Due from Other Governments	639,256	0	0	0	639,256
Total Assets	<u>\$ 639,256</u>	<u>\$ 1,914,137</u>	<u>\$ 20,888</u>	<u>\$ 42,697</u>	<u>\$ 2,616,978</u>
<u>LIABILITIES</u>					
Due to Other Taxing Units	\$ 639,256	\$ 0	\$ 0	\$ 0	\$ 639,256
Due to Litigants, Heirs, and Others	0	1,914,137	0	42,697	1,956,834
Due to Joint Ventures	0	0	20,888	0	20,888
Total Liabilities	<u>\$ 639,256</u>	<u>\$ 1,914,137</u>	<u>\$ 20,888</u>	<u>\$ 42,697</u>	<u>\$ 2,616,978</u>

Exhibit I-2

Warren County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2020

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 3,393,857	\$ 3,393,857	\$ 0
Due from Other Governments	538,261	639,256	538,261	639,256
Total Assets	\$ 538,261	\$ 4,033,113	\$ 3,932,118	\$ 639,256
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 538,261	\$ 4,033,113	\$ 3,932,118	\$ 639,256
Total Liabilities	\$ 538,261	\$ 4,033,113	\$ 3,932,118	\$ 639,256
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,702,755	\$ 11,629,026	\$ 11,419,301	\$ 1,912,480
Accounts Receivable	0	1,657	0	1,657
Total Assets	\$ 1,702,755	\$ 11,630,683	\$ 11,419,301	\$ 1,914,137
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,702,755	\$ 11,630,683	\$ 11,419,301	\$ 1,914,137
Total Liabilities	\$ 1,702,755	\$ 11,630,683	\$ 11,419,301	\$ 1,914,137
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 4,762	\$ 20,157	\$ 4,031	\$ 20,888
Total Assets	\$ 4,762	\$ 20,157	\$ 4,031	\$ 20,888
<u>Liabilities</u>				
Due to Joint Ventures	\$ 4,762	\$ 20,157	\$ 4,031	\$ 20,888
Total Liabilities	\$ 4,762	\$ 20,157	\$ 4,031	\$ 20,888

(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	\$ 46,492	\$ 6,497	\$ 10,292	\$ 42,697
Total Assets	\$ 46,492	\$ 6,497	\$ 10,292	\$ 42,697
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 46,492	\$ 6,497	\$ 10,292	\$ 42,697
Total Liabilities	\$ 46,492	\$ 6,497	\$ 10,292	\$ 42,697
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,702,755	\$ 11,629,026	\$ 11,419,301	\$ 1,912,480
Equity in Pooled Cash and Investments	51,254	3,420,511	3,408,180	63,585
Accounts Receivable	0	1,657	0	1,657
Due from Other Governments	538,261	639,256	538,261	639,256
Total Assets	\$ 2,292,270	\$ 15,690,450	\$ 15,365,742	\$ 2,616,978
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 538,261	\$ 4,033,113	\$ 3,932,118	\$ 639,256
Due to Litigants, Heirs, and Others	1,749,247	11,637,180	11,429,593	1,956,834
Due to Joint Ventures	4,762	20,157	4,031	20,888
Total Liabilities	\$ 2,292,270	\$ 15,690,450	\$ 15,365,742	\$ 2,616,978

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 two Capital Projects Funds.

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

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

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

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

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for transactions of the school wide energy savings project.

Exhibit J-1

Warren County, Tennessee
Statement of Activities
Discretely Presented Warren County School Department
For the Year Ended June 30, 2020

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	\$ 36,427,131	\$ 290,491	\$ 2,629,109	\$ 0	\$ (33,507,531)
Support Services	27,692,428	0	2,800,274	3,581,709	(21,310,445)
Operation of Non-instructional Services	5,941,471	165,695	4,745,576	0	(1,030,200)
Total Governmental Activities	\$ 70,061,030	\$ 456,186	\$ 10,174,959	\$ 3,581,709	\$ (55,848,176)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 5,133,742
Local Option Sales Taxes					9,168,359
Grants and Contributions Not Restricted to Specific Programs					39,166,049
Unrestricted Investment Earnings					140,189
Miscellaneous					128,289
Sale of Equipment					11,851
Total General Revenues					\$ 53,748,479
Change in Net Position					\$ (2,099,697)
Net Position, July 1, 2019					64,007,707
Prior Period Adjustment (see Note I.D.10)					(811,414)
Net Position, June 30, 2020					\$ 61,096,596

Exhibit J-2

Warren County, Tennessee
 Balance Sheet - Governmental Funds
 Discretely Presented Warren County School Department
 June 30, 2020

	Major Funds			Nonmajor Funds	
	General Purpose School	Central Cafeteria	Other Capital Projects -	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash	\$ 0	\$ 157	\$ 0	\$ 0	\$ 157
Equity in Pooled Cash and Investments	11,546,208	3,506,003	2,393,333	568,756	18,014,300
Inventories	0	136,216	0	0	136,216
Accounts Receivable	4,341	500	0	0	4,841
Due from Other Governments	1,925,714	293,715	0	157,915	2,377,344
Property Taxes Receivable	5,378,698	0	0	0	5,378,698
Allowance for Uncollectible Property Taxes	(151,884)	0	0	0	(151,884)
Restricted Assets	191,016	0	0	0	191,016
Total Assets	\$ 18,894,093	\$ 3,936,591	\$ 2,393,333	\$ 726,671	\$ 25,950,688
<u>LIABILITIES</u>					
Accounts Payable	\$ 86,494	\$ 633	\$ 0	\$ 0	\$ 87,127
Accrued Payroll	237,698	0	0	20,337	258,035
Payroll Deductions Payable	429,593	30,241	0	59,961	519,795
Due to Primary Government	618,100	0	2,315,579	495,000	3,428,679
Total Liabilities	\$ 1,371,885	\$ 30,874	\$ 2,315,579	\$ 575,298	\$ 4,293,636
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 5,077,994	\$ 0	\$ 0	\$ 0	\$ 5,077,994
Deferred Delinquent Property Taxes	100,506	0	0	0	100,506
Other Deferred/Unavailable Revenue	874,015	0	0	0	874,015
Total Deferred Inflows of Resources	\$ 6,052,515	\$ 0	\$ 0	\$ 0	\$ 6,052,515

(Continued)

Exhibit J-2

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

	Major Funds			Nonmajor Funds	
	General Purpose School	Central Cafeteria	Other Capital Projects -	Other Govern- mental Funds	Total Governmental Funds
<u>FUND BALANCES</u>					
Nonspendable:					
Inventory	\$ 0	\$ 136,216	\$ 0	\$ 0	\$ 136,216
Restricted:					
Restricted for Education	6,757	3,769,501	77,754	1,373	3,855,385
Restricted for Hybrid Retirement Stabilization Funds	191,016	0	0	0	191,016
Committed:					
Committed for Education	0	0	0	150,000	150,000
Assigned:					
Assigned for Education	5,437,432	0	0	0	5,437,432
Unassigned	5,834,488	0	0	0	5,834,488
Total Fund Balances	<u>\$ 11,469,693</u>	<u>\$ 3,905,717</u>	<u>\$ 77,754</u>	<u>\$ 151,373</u>	<u>\$ 15,604,537</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 18,894,093</u>	<u>\$ 3,936,591</u>	<u>\$ 2,393,333</u>	<u>\$ 726,671</u>	<u>\$ 25,950,688</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
For the Year Ended June 30, 2020

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)		\$ 15,604,537
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,931,306	
Add: construction in progress	2,160,340	
Add: buildings and improvements net of accumulated depreciation	39,569,386	
Add: infrastructure net of accumulated depreciation	242,626	
Add: other capital assets net of accumulated depreciation	<u>963,768</u>	44,867,426
(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	\$ (2,911,485)	
Less: net OPEB liability	<u>(3,597,275)</u>	(6,508,760)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions/OPEB will be amortized and recognized as components of pension/OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 5,315,844	
Less: deferred inflows of resources related to pensions	(6,957,404)	
Add: deferred outflows of resources related to OPEB	708,988	
Less: deferred inflows of resources related to OPEB	<u>(1,163,675)</u>	(2,096,247)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan	\$ 1,182,796	
Add: net pension asset - teacher retirement plan	234,612	
Add: net pension asset - teacher legacy pension plan	<u>6,837,711</u>	8,255,119
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>974,521</u>
Net position of governmental activities (Exhibit A)		<u>\$ 61,096,596</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, 2020

	Major Funds			Nonmajor Funds	
	General Purpose School	Central Cafeteria	Other Capital Projects -	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>					
Local Taxes	\$ 14,537,271	\$ 0	\$ 0	\$ 0	\$ 14,537,271
Charges for Current Services	297,339	165,695	0	0	463,034
Other Local Revenues	256,268	144,695	29,150	0	430,113
State of Tennessee	38,362,340	35,628	0	0	38,397,968
Federal Government	72,231	3,638,355	0	4,788,803	8,499,389
Other Governments and Citizens Groups	0	0	2,000,000	3,581,709	5,581,709
Total Revenues	\$ 53,525,449	\$ 3,984,373	\$ 2,029,150	\$ 8,370,512	\$ 67,909,484
<u>Expenditures</u>					
Current:					
Instruction	\$ 32,396,843	\$ 0	\$ 0	\$ 3,624,671	\$ 36,021,514
Support Services	17,571,466	0	0	850,855	18,422,321
Operation of Non-Instructional Services	1,012,590	4,672,735	0	313,277	5,998,602
Capital Outlay	1,743,396	0	0	0	1,743,396
Capital Projects	0	0	4,044,787	3,591,978	7,636,765
Total Expenditures	\$ 52,724,295	\$ 4,672,735	\$ 4,044,787	\$ 8,380,781	\$ 69,822,598
Excess (Deficiency) of Revenues Over Expenditures	\$ 801,154	\$ (688,362)	\$ (2,015,637)	\$ (10,269)	\$ (1,913,114)
Net Change in Fund Balances	\$ 801,154	\$ (688,362)	\$ (2,015,637)	\$ (10,269)	\$ (1,913,114)
Fund Balance, July 1, 2019	10,668,539	4,594,079	2,093,391	161,642	17,517,651
Fund Balance, June 30, 2020	\$ 11,469,693	\$ 3,905,717	\$ 77,754	\$ 151,373	\$ 15,604,537

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, 2020

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) \$ (1,913,114)

- (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	\$ 468,301	
Less: current-year depreciation expense	<u>(1,841,434)</u>	(1,373,133)

- (2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Add: deferred delinquent property taxes and other deferred June 30, 2020	\$ 974,521	
Less: deferred delinquent property taxes and other deferred June 30, 2019	<u>(869,524)</u>	104,997

- (3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Change in compensated absences payable	\$ (396,551)	
Change in net pension asset - agent plan	(149,236)	
Change in net pension asset - teacher retirement plan	37,629	
Change in net pension asset - teacher legacy pension plan	4,537,177	
Change in deferred outflows related to pensions	(414,178)	
Change in deferred inflows related to pensions	(2,502,031)	
Change in OPEB liability	(214,306)	
Change in deferred outflows related to OPEB	386,076	
Change in deferred inflows related to OPEB	<u>(203,027)</u>	<u>1,081,553</u>

Change in net position of governmental activities (Exhibit B) \$ (2,099,697)

Exhibit J-6

Warren County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Warren County School Department
June 30, 2020

	Special Revenue Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Education Capital Projects	
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 72,383	\$ 496,373	\$ 568,756
Due from Other Governments	157,915	0	157,915
Total Assets	\$ 230,298	\$ 496,373	\$ 726,671
<u>LIABILITIES</u>			
Accrued Payroll	\$ 20,337	\$ 0	\$ 20,337
Payroll Deductions Payable	59,961	0	59,961
Due to Primary Government	0	495,000	495,000
Total Liabilities	\$ 80,298	\$ 495,000	\$ 575,298
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 0	\$ 1,373	\$ 1,373
Committed:			
Committed for Education	150,000	0	150,000
Total Fund Balances	\$ 150,000	\$ 1,373	\$ 151,373
Total Liabilities and Fund Balances	\$ 230,298	\$ 496,373	\$ 726,671

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, 2020

	Special Revenue Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
<u>Revenues</u>			
Federal Government	\$ 4,788,803	\$ 0	\$ 4,788,803
Other Governments and Citizens Groups	0	3,581,709	3,581,709
Total Revenues	\$ 4,788,803	\$ 3,581,709	\$ 8,370,512
<u>Expenditures</u>			
Current:			
Instruction	\$ 3,624,671	\$ 0	\$ 3,624,671
Support Services	850,855	0	850,855
Operation of Non-Instructional Services	313,277	0	313,277
Capital Projects	0	3,591,978	3,591,978
Total Expenditures	\$ 4,788,803	\$ 3,591,978	\$ 8,380,781
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ (10,269)	\$ (10,269)
Net Change in Fund Balances	\$ 0	\$ (10,269)	\$ (10,269)
Fund Balance, July 1, 2019	150,000	11,642	161,642
Fund Balance, June 30, 2020	\$ 150,000	\$ 1,373	\$ 151,373

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, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 14,537,271	\$ 0	\$ 0	\$ 14,537,271	\$ 13,460,394	\$ 13,460,394	\$ 1,076,877
Charges for Current Services	297,339	0	0	297,339	380,800	380,800	(83,461)
Other Local Revenues	256,268	0	0	256,268	329,083	404,728	(148,460)
State of Tennessee	38,362,340	0	0	38,362,340	38,062,443	38,428,883	(66,543)
Federal Government	72,231	0	0	72,231	81,400	81,400	(9,169)
Total Revenues	\$ 53,525,449	\$ 0	\$ 0	\$ 53,525,449	\$ 52,314,120	\$ 52,756,205	\$ 769,244
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 26,665,574	\$ (53,061)	\$ 2,596	\$ 26,615,109	\$ 27,510,992	\$ 28,160,987	\$ 1,545,878
Alternative Instruction Program	460,972	0	0	460,972	484,900	484,900	23,928
Special Education Program	3,712,135	(1,247)	641	3,711,529	4,337,100	4,337,100	625,571
Career and Technical Education Program	1,558,162	(8,295)	972	1,550,839	1,730,800	1,730,800	179,961
<u>Support Services</u>							
Attendance	614,118	0	0	614,118	652,650	652,650	38,532
Health Services	955,035	(668)	2,142	956,509	1,046,000	1,047,000	90,491
Other Student Support	2,188,293	(40,626)	12,662	2,160,329	2,155,200	2,145,200	(15,129)
Regular Instruction Program	1,239,779	(7,740)	32	1,232,071	1,325,300	1,320,300	88,229
Alternative Instruction Program	119,393	0	0	119,393	126,900	126,900	7,507
Special Education Program	614,088	0	167	614,255	634,900	634,900	20,645
Career and Technical Education Program	135,331	(3,307)	2,822	134,846	130,600	186,600	51,754
Technology	800,248	(11,424)	24,330	813,154	814,500	814,500	1,346
Other Programs	195,440	0	0	195,440	0	195,440	0
Board of Education	561,984	(10,807)	11,770	562,947	887,100	887,100	324,153
Director of Schools	180,715	(100)	50	180,665	219,550	203,007	22,342
Office of the Principal	2,410,022	0	1,995	2,412,017	2,458,300	2,439,843	27,826
Fiscal Services	297,976	(5,676)	3,883	296,183	370,880	370,880	74,697
Operation of Plant	3,385,262	(68,658)	71,428	3,388,032	4,013,865	4,130,010	741,978
Maintenance of Plant	1,843,054	(248,991)	82,578	1,676,641	1,840,605	1,840,605	163,964

(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 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Transportation	\$ 2,030,728	\$ 0	\$ 0	\$ 2,030,728	\$ 2,060,700	\$ 2,060,700	\$ 29,972
<u>Operation of Non-Instructional Services</u>							
Community Services	85,267	0	0	85,267	100,800	100,800	15,533
Early Childhood Education	927,323	0	0	927,323	950,300	962,800	35,477
<u>Capital Outlay</u>							
Regular Capital Outlay	1,743,396	(450,582)	27,146	1,319,960	1,452,380	1,559,638	239,678
Total Expenditures	\$ 52,724,295	\$ (911,182)	\$ 245,214	\$ 52,058,327	\$ 55,304,322	\$ 56,392,660	\$ 4,334,333
Excess (Deficiency) of Revenues Over Expenditures	\$ 801,154	\$ 911,182	\$ (245,214)	\$ 1,467,122	\$ (2,990,202)	\$ (3,636,455)	\$ 5,103,577
Net Change in Fund Balance	\$ 801,154	\$ 911,182	\$ (245,214)	\$ 1,467,122	\$ (2,990,202)	\$ (3,636,455)	\$ 5,103,577
Fund Balance, July 1, 2019	10,668,539	(911,182)	0	9,757,357	11,993,513	11,993,513	(2,236,156)
Fund Balance, June 30, 2020	\$ 11,469,693	\$ 0	\$ (245,214)	\$ 11,224,479	\$ 9,003,311	\$ 8,357,058	\$ 2,867,421

Exhibit J-9

Warren County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Warren County School Department
School Federal Projects Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 4,788,803	\$ 4,298,407	\$ 6,928,505	\$ (2,139,702)
Total Revenues	\$ 4,788,803	\$ 4,298,407	\$ 6,928,505	\$ (2,139,702)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,993,149	\$ 1,909,313	\$ 2,506,517	\$ 513,368
Special Education Program	1,466,526	1,219,643	2,071,785	605,259
Career and Technical Education Program	164,996	65,248	165,037	41
<u>Support Services</u>				
Other Student Support	123,036	155,296	198,230	75,194
Regular Instruction Program	317,457	520,181	822,410	504,953
Special Education Program	405,055	406,226	825,884	420,829
Career and Technical Education Program	5,264	12,000	6,140	876
Transportation	43	10,500	10,500	10,457
<u>Operation of Non-Instructional Services</u>				
Community Services	313,277	0	322,002	8,725
Total Expenditures	\$ 4,788,803	\$ 4,298,407	\$ 6,928,505	\$ 2,139,702
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance, July 1, 2019	150,000	0	0	150,000
Fund Balance, June 30, 2020	\$ 150,000	\$ 0	\$ 0	\$ 150,000

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, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 165,695	\$ 0	\$ 165,695	\$ 159,500	\$ 159,500	\$ 6,195
Other Local Revenues	144,695	0	144,695	320,000	320,000	(175,305)
State of Tennessee	35,628	0	35,628	35,000	35,000	628
Federal Government	3,638,355	0	3,638,355	3,150,000	3,150,000	488,355
Total Revenues	<u>\$ 3,984,373</u>	<u>\$ 0</u>	<u>\$ 3,984,373</u>	<u>\$ 3,664,500</u>	<u>\$ 3,664,500</u>	<u>\$ 319,873</u>
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 4,672,735	\$ (5,903)	\$ 4,666,832	\$ 5,209,036	\$ 5,209,036	\$ 542,204
Total Expenditures	<u>\$ 4,672,735</u>	<u>\$ (5,903)</u>	<u>\$ 4,666,832</u>	<u>\$ 5,209,036</u>	<u>\$ 5,209,036</u>	<u>\$ 542,204</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (688,362)</u>	<u>\$ 5,903</u>	<u>\$ (682,459)</u>	<u>\$ (1,544,536)</u>	<u>\$ (1,544,536)</u>	<u>\$ 862,077</u>
Net Change in Fund Balance	\$ (688,362)	\$ 5,903	\$ (682,459)	\$ (1,544,536)	\$ (1,544,536)	\$ 862,077
Fund Balance, July 1, 2019	<u>4,594,079</u>	<u>(5,903)</u>	<u>4,588,176</u>	<u>5,684,868</u>	<u>5,684,868</u>	<u>(1,096,692)</u>
Fund Balance, June 30, 2020	<u><u>\$ 3,905,717</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 3,905,717</u></u>	<u><u>\$ 4,140,332</u></u>	<u><u>\$ 4,140,332</u></u>	<u><u>\$ (234,615)</u></u>

MISCELLANEOUS SCHEDULES

Exhibit K-1

Warren County, Tennessee
Schedule of Changes in Long-term Bonds and Notes
For the Year Ended June 30, 2020

Description of Indebtedness	Original Amount of Issue	Interest Rate		Date of Issue	Last Maturity Date	Outstanding 7-1-19	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-20
<u>BONDS PAYABLE</u>									
Payable through General Debt Service Fund									
General Obligation School, Series 2014	\$ 4,900,000	2 to 2.25	%	10-30-14	6-1-25	\$ 3,035,000	\$ 0	\$ 480,000	\$ 2,555,000
General Obligation School, Series 2018	6,000,000	3 to 5		6-15-18	6-1-38	6,000,000	0	0	6,000,000
General Obligation Bonds, Series 2019C	2,275,000	2.25 to 4		10-18-19	6-30-34	0	2,275,000	150,000	2,125,000
Qualified School Construction, Series 2010	9,300,000	0	(1)	10-7-10	9-15-27	4,754,276	0	580,305	4,173,971
School Energy Projects, General Obligation Bonds, Series 2019A	7,090,000	3 to 5		1-30-19	6-1-37	7,090,000	0	190,000	6,900,000
General Obligation Bonds, Series 2019B - Jail Project	6,500,000	(2) 2 to 5		6-21-19	6-1-39	6,500,000	0	495,000	6,005,000
General Obligation Refunding Bonds, Series 2019B	6,300,000	(2) 2 to 5		6-21-19	6-1-39	6,300,000	0	495,000	5,805,000
Total Bonds Payable						<u>\$ 33,679,276</u>	<u>\$ 2,275,000</u>	<u>\$ 2,390,305</u>	<u>\$ 33,563,971</u>
<u>NOTES PAYABLE</u>									
Payable through General Debt Service Fund									
General Obligation Capital Outlay Note, Series 2019	2,000,000	0		9-16-19	8-1-29	<u>\$ 0</u>	<u>\$ 2,000,000</u>	<u>\$ 135,593</u>	<u>\$ 1,864,407</u>

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

(2) These bonds represent one bond issue totaling \$12,800,000. They are shown separately in this schedule in order to properly identify the use of the debt.

Exhibit K-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2021	\$ 2,540,305	\$ 1,391,046	\$ 3,931,351
2022	2,880,306	1,315,246	4,195,552
2023	2,460,305	1,222,746	3,683,051
2024	2,520,306	1,160,346	3,680,652
2025	2,600,305	1,085,146	3,685,451
2026	2,125,306	1,012,358	3,137,664
2027	2,237,429	956,108	3,193,537
2028	1,719,709	450,059	2,169,768
2029	1,705,000	405,244	2,110,244
2030	1,750,000	362,644	2,112,644
2031	1,335,000	316,781	1,651,781
2032	1,365,000	283,788	1,648,788
2033	1,400,000	249,438	1,649,438
2034	1,440,000	213,113	1,653,113
2035	1,320,000	174,513	1,494,513
2036	1,365,000	132,675	1,497,675
2037	1,410,000	89,397	1,499,397
2038	915,000	43,391	958,391
2039	475,000	14,245	489,245
Total	\$ 33,563,971	\$ 10,878,284	\$ 44,442,255

Year Ending June 30	Notes		
	Principal	Interest	Total
2021	\$ 203,390	\$ 0	\$ 203,390
2022	203,390	0	203,390
2023	203,390	0	203,390
2024	203,390	0	203,390
2025	203,390	0	203,390
2026	203,390	0	203,390
2027	203,390	0	203,390
2028	203,390	0	203,390
2029	203,390	0	203,390
2030	33,897	0	33,897
Total	\$ 1,864,407	\$ 0	\$ 1,864,407

Exhibit K-3

Warren County, Tennessee
Schedule of Transfers
For the Year Ended June 30, 2020

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
Constitutional Officers Fee Fund	General Fund	Final Excess Fees	<u>\$ 251,630</u>
Total Transfers Primary Government			<u><u>\$ 251,630</u></u>

Exhibit K-4

Warren County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Warren County School Department
For the Year Ended June 30, 2020

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Executive	Section 8-24-102, <i>TCA</i>	\$ 93,267	\$ 100,000	Cincinnati Insurance Company
Superintendent of Roads	Section 8-24-102, <i>TCA</i>	88,827	100,000	"
Director of Schools	State Board of Education and County Board of Education	117,597 (1)	100,000	"
Trustee	Section 8-24-102, <i>TCA</i>	80,751	1,777,479	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	80,751	50,000	"
Finance Director	County Commission	63,490	100,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	80,751	100,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i>	80,751	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> , and Chancery Court Judge	80,751 (2)	100,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	80,751	100,000	"
Sheriff	Section 8-24-102, <i>TCA</i>	88,827 (3)	100,000	"
Employee Dishonesty Bond Coverage:				
County and Highway Employees			150,000	Travelers Casualty and Surety Company of America
School Department Employees			150,000	"
Emergency Service Employees			50,000	American Alternative Insurance Corporation

(1) Includes a chief executive officer training supplement of \$1,000 and \$10,050 payout of accrued leave.

(2) Does not include special commissioner fees of \$25,237.

(3) Does not include a law enforcement training supplement of \$800.

Exhibit K-5

Warren County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2020

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Highway / Public Works	General Debt Service
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 7,246,734	\$ 557,523	\$ 1,046,108	\$ 0	\$ 557,785	\$ 1,324,738
Discount on Property Taxes	(72,749)	(5,601)	(10,497)	0	(5,601)	(13,294)
Trustee's Collections - Prior Year	222,021	15,743	28,905	0	17,779	25,720
Trustee's Collections - Bankruptcy	1,665	108	266	0	140	316
Circuit Clerk/Clerk and Master Collections - Prior Years	162,728	18,481	27,170	0	12,030	32,834
Interest and Penalty	41,094	3,532	6,623	0	3,532	8,388
Payments in-Lieu-of Taxes - T.V.A.	17,115	1,318	2,471	0	1,318	3,130
Payments in-Lieu-of Taxes - Local Utilities	60,980	4,696	8,805	0	4,696	11,153
Payments in-Lieu-of Taxes - Other	301,739	23,238	43,570	0	23,238	55,189
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	381,170
Hotel/Motel Tax	0	0	0	0	0	62,480
Wheel Tax	0	0	0	0	0	1,141,802
Litigation Tax - General	94,006	0	0	0	0	0
Litigation Tax - Special Purpose	8,770	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	132,684	0	0	0	0	0
Litigation Tax - Courthouse Security	92,604	0	0	0	0	0
Business Tax	329,811	0	0	0	0	0
Mixed Drink Tax	16,025	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	16,878	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	119,553	8,290	18,180	0	9,207	21,867
Wholesale Beer Tax	69,719	113,270	0	0	0	0
Total Local Taxes	\$ 8,844,499	\$ 740,598	\$ 1,171,601	\$ 0	\$ 641,002	\$ 3,055,493

(Continued)

Exhibit K-5

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

		Special Revenue Funds				Debt Service Fund
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Highway / Public Works	General Debt Service
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 2,698	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	190,796	0	0	0	0	0
<u>Permits</u>						
Beer Permits	2,573	0	0	0	0	0
Building Permits	59,650	0	0	0	0	0
Other Permits	2,945	0	0	0	0	0
Total Licenses and Permits	\$ 258,662	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 6,804	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	18,395	0	0	0	0	0
Drug Control Fines	0	0	0	17,794	0	0
Drug Court Fees	35,119	0	0	0	0	0
Jail Fees	10,443	0	0	0	0	0
DUI Treatment Fines	1,995	0	0	0	0	0
Data Entry Fee - Circuit Court	2,738	0	0	0	0	0
Courtroom Security Fee	37	0	0	0	0	0
Victims Assistance Assessments	7,860	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	41,337	0	0	0	0	0
Fines for Littering	190	0	0	0	0	0
Officers Costs	62,804	0	0	0	0	0
Game and Fish Fines	630	0	0	0	0	0
Drug Control Fines	428	0	0	15,838	0	0

(Continued)

Exhibit K-5

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

	General	Special Revenue Funds				Highway / Public Works	Debt Service Fund General Debt Service
		Solid Waste / Sanitation	Ambulance Service	Drug Control			
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>General Sessions Court (Cont.)</u>							
Drug Court Fees	\$ 28,253	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Jail Fees	32,663	0	0	0	0	0	0
Interpreter Fee	57	0	0	0	0	0	0
DUI Treatment Fines	10,149	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	15,368	0	0	0	0	0	0
Victims Assistance Assessments	25,862	0	0	0	0	0	0
<u>Juvenile Court</u>							
Fines	9,640	0	0	0	0	0	0
Officers Costs	8,600	0	0	0	0	0	0
Jail Fees	2,199	0	0	0	0	0	0
Data Entry Fee - Juvenile Court	1,263	0	0	0	0	0	0
<u>Chancery Court</u>							
Officers Costs	1,786	0	0	0	0	0	0
Data Entry Fee - Chancery Court	5,011	0	0	0	0	0	0
Courtroom Security Fee	612	0	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	0	15,629	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 330,243	\$ 0	\$ 0	\$ 49,261	\$ 0	\$ 0	0
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Tipping Fees	\$ 8,460	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Surcharge - Waste Tire Disposal	0	36,318	0	0	0	0	0
Patient Charges	0	0	2,330,957	0	0	0	0
Other General Service Charges	47,707	0	0	0	0	0	0

(Continued)

Exhibit K-5

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

		Special Revenue Funds				Debt Service Fund
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Highway / Public Works	General Debt Service
<u>Charges for Current Services (Cont.)</u>						
<u>Fees</u>						
Engineer Review Fees	\$ 3,300	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Copy Fees	719	0	0	0	0	0
Greenbelt Late Application Fee	150	0	0	0	0	0
Telephone Commissions	143,261	0	0	0	0	0
Data Processing Fee - Register	13,636	0	0	0	0	0
Data Processing Fee - Sheriff	4,713	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	2,700	0	0	0	0	0
Data Processing Fee - County Clerk	2,382	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	2,150	0	0	0	0	0
Total Charges for Current Services	\$ 229,178	\$ 36,318	\$ 2,330,957	\$ 0	\$ 0	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 432	\$ 0	\$ 0	\$ 0	\$ 0	\$ 735,598
Lease/Rentals	117,011	0	0	0	0	0
Sale of Materials and Supplies	2,938	0	0	0	0	0
Commissary Sales	73,837	0	0	0	0	0
Sale of Gasoline	122,371	0	0	0	0	0
Sale of Recycled Materials	0	27,807	0	0	0	0
Sale of Animals/Livestock	12,596	0	0	0	0	0
Miscellaneous Refunds	46,511	0	934	0	178	4,052
Expenditure Credits	3,172	0	0	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	522	33,155	4,600	0	0	0
Sale of Property	500	0	0	0	0	0

(Continued)

Exhibit K-5

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

	General	Special Revenue Funds				Debt Service Fund General Debt Service
		Solid Waste / Sanitation	Ambulance Service	Drug Control	Highway / Public Works	
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items (Cont.)</u>						
Contributions and Gifts	\$ 510	\$ 0	\$ 0	\$ 200	\$ 0	\$ 0
Total Other Local Revenues	\$ 380,400	\$ 60,962	\$ 5,534	\$ 200	\$ 178	\$ 739,650
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 358,486	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	474,477	0	0	0	0	0
Clerk and Master	140,557	0	0	0	0	0
Register	185,421	0	0	0	0	0
Sheriff	15,245	0	0	0	0	0
Trustee	755,820	0	0	0	0	0
Total Fees Received From County Officials	\$ 1,930,006	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Airport Maintenance Program	83,169	0	0	0	0	0
<u>Public Safety Grants</u>						
Other Public Safety Grants	104,107	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	532,980	0	0	0	0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	984,085	0
Litter Program	0	59,934	0	0	0	0

(Continued)

Exhibit K-5

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

		Special Revenue Funds				Debt Service Fund
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Highway / Public Works	General Debt Service
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues</u>						
Beer Tax	\$ 15,780	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Vehicle Certificate of Title Fees	9,078	0	0	0	0	0
Alcoholic Beverage Tax	91,855	0	0	0	0	0
State Revenue Sharing - T.V.A.	0	499,762	0	0	30,605	0
State Revenue Sharing - Telecommunications	58,498	4,934	9,252	0	4,934	11,719
Contracted Prisoner Boarding	860,184	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	2,466,648	0
Petroleum Special Tax	0	0	0	0	33,537	0
Registrar's Salary Supplement	18,955	0	0	0	0	0
Other State Grants	25,952	0	0	0	0	0
Other State Revenues	114,113	0	8,633	0	0	0
Total State of Tennessee	\$ 1,923,671	\$ 564,630	\$ 17,885	\$ 0	\$ 3,519,809	\$ 11,719
<u>Federal Government</u>						
<u>Federal Through State</u>						
Homeland Security Grants	\$ 0	\$ 0	\$ 22,247	\$ 0	\$ 0	\$ 0
Law Enforcement Grants	32,125	0	0	0	0	0
COVID-19 Grant #1	42,515	0	78,467	0	0	0
COVID-19 Grant #2	1,424	0	0	0	0	0
COVID-19 Grant #3	1,702	0	0	0	0	0
Other Federal through State	667,877	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Medicare	13,706	0	0	0	0	0
Tax Credit Bond Rebate	0	0	0	0	0	465,081
Other Direct Federal Revenue	217,944	0	0	0	0	0
Total Federal Government	\$ 977,293	\$ 0	\$ 100,714	\$ 0	\$ 0	\$ 465,081

(Continued)

Exhibit K-5

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

	General	Special Revenue Funds				Debt Service Fund
		Solid Waste / Sanitation	Ambulance Service	Drug Control	Highway / Public Works	General Debt Service
Other Governments and Citizens Groups						
<u>Other Governments</u>						
Contributions	\$ 676,222	\$ 0	\$ 0	\$ 0	\$ 0	\$ 688,082
Total Other Governments and Citizens Groups	\$ 676,222	\$ 0	\$ 0	\$ 0	\$ 0	\$ 688,082
Total	\$ 15,550,174	\$ 1,402,508	\$ 3,626,691	\$ 49,461	\$ 4,160,989	\$ 4,960,025

(Continued)

Exhibit K-5

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

	Capital Projects Funds		
	General Capital Projects	Other Capital Projects	Total
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	\$ 0	\$ 0	\$ 10,732,888
Discount on Property Taxes	0	0	(107,742)
Trustee's Collections - Prior Year	0	0	310,168
Trustee's Collections - Bankruptcy	0	0	2,495
Circuit Clerk/Clerk and Master Collections - Prior Years	0	0	253,243
Interest and Penalty	0	0	63,169
Payments in-Lieu-of Taxes - T.V.A.	0	0	25,352
Payments in-Lieu-of Taxes - Local Utilities	0	0	90,330
Payments in-Lieu-of Taxes - Other	0	0	446,974
<u>County Local Option Taxes</u>			
Local Option Sales Tax	0	0	381,170
Hotel/Motel Tax	0	0	62,480
Wheel Tax	0	0	1,141,802
Litigation Tax - General	0	0	94,006
Litigation Tax - Special Purpose	0	0	8,770
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	132,684
Litigation Tax - Courthouse Security	0	0	92,604
Business Tax	0	0	329,811
Mixed Drink Tax	0	0	16,025
Mineral Severance Tax	0	0	16,878
<u>Statutory Local Taxes</u>			
Bank Excise Tax	0	0	177,097
Wholesale Beer Tax	0	0	182,989
Total Local Taxes	\$ 0	\$ 0	\$ 14,453,193

(Continued)

Exhibit K-5

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

	Capital Projects Funds		
	General Capital Projects	Other Capital Projects	Total
<u>Licenses and Permits</u>			
<u>Licenses</u>			
Marriage Licenses	\$ 0	\$ 0	\$ 2,698
Cable TV Franchise	0	0	190,796
<u>Permits</u>			
Beer Permits	0	0	2,573
Building Permits	0	0	59,650
Other Permits	0	0	2,945
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 258,662</u>
<u>Fines, Forfeitures, and Penalties</u>			
<u>Circuit Court</u>			
Fines	\$ 0	\$ 0	\$ 6,804
Officers Costs	0	0	18,395
Drug Control Fines	0	0	17,794
Drug Court Fees	0	0	35,119
Jail Fees	0	0	10,443
DUI Treatment Fines	0	0	1,995
Data Entry Fee - Circuit Court	0	0	2,738
Courtroom Security Fee	0	0	37
Victims Assistance Assessments	0	0	7,860
<u>General Sessions Court</u>			
Fines	0	0	41,337
Fines for Littering	0	0	190
Officers Costs	0	0	62,804
Game and Fish Fines	0	0	630
Drug Control Fines	0	0	16,266

(Continued)

Exhibit K-5

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

	Capital Projects Funds		
	General Capital Projects	Other Capital Projects	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>			
<u>General Sessions Court (Cont.)</u>			
Drug Court Fees	\$ 0	\$ 0	\$ 28,253
Jail Fees	0	0	32,663
Interpreter Fee	0	0	57
DUI Treatment Fines	0	0	10,149
Data Entry Fee - General Sessions Court	0	0	15,368
Victims Assistance Assessments	0	0	25,862
<u>Juvenile Court</u>			
Fines	0	0	9,640
Officers Costs	0	0	8,600
Jail Fees	0	0	2,199
Data Entry Fee - Juvenile Court	0	0	1,263
<u>Chancery Court</u>			
Officers Costs	0	0	1,786
Data Entry Fee - Chancery Court	0	0	5,011
Courtroom Security Fee	0	0	612
<u>Other Fines, Forfeitures, and Penalties</u>			
Proceeds from Confiscated Property	0	0	15,629
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 379,504
<u>Charges for Current Services</u>			
<u>General Service Charges</u>			
Tipping Fees	\$ 0	\$ 0	\$ 8,460
Surcharge - Waste Tire Disposal	0	0	36,318
Patient Charges	0	0	2,330,957
Other General Service Charges	0	0	47,707

(Continued)

Exhibit K-5

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

	Capital Projects Funds		
	General Capital Projects	Other Capital Projects	Total
<u>Charges for Current Services (Cont.)</u>			
<u>Fees</u>			
Engineer Review Fees	\$ 0	\$ 0	\$ 3,300
Copy Fees	0	0	719
Greenbelt Late Application Fee	0	0	150
Telephone Commissions	0	0	143,261
Data Processing Fee - Register	0	0	13,636
Data Processing Fee - Sheriff	0	0	4,713
Sexual Offender Registration Fee - Sheriff	0	0	2,700
Data Processing Fee - County Clerk	0	0	2,382
Vehicle Insurance Coverage and Reinstatement Fees	0	0	2,150
Total Charges for Current Services	\$ 0	\$ 0	\$ 2,596,453
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$ 119,452	\$ 1,191	\$ 856,673
Lease/Rentals	0	0	117,011
Sale of Materials and Supplies	0	0	2,938
Commissary Sales	0	0	73,837
Sale of Gasoline	0	0	122,371
Sale of Recycled Materials	0	0	27,807
Sale of Animals/Livestock	0	0	12,596
Miscellaneous Refunds	185	0	51,860
Expenditure Credits	0	0	3,172
<u>Nonrecurring Items</u>			
Sale of Equipment	0	0	38,277
Sale of Property	0	0	500

(Continued)

Exhibit K-5

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

	Capital Projects Funds		
	General Capital Projects	Other Capital Projects	Total
<u>Other Local Revenues (Cont.)</u>			
<u>Nonrecurring Items (Cont.)</u>			
Contributions and Gifts	\$ 0	\$ 0	\$ 710
Total Other Local Revenues	\$ 119,637	\$ 1,191	\$ 1,307,752
<u>Fees Received From County Officials</u>			
<u>Fees In-Lieu-of Salary</u>			
County Clerk	\$ 0	\$ 0	\$ 358,486
Circuit Court Clerk	0	0	474,477
Clerk and Master	0	0	140,557
Register	0	0	185,421
Sheriff	0	0	15,245
Trustee	0	0	755,820
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 1,930,006
<u>State of Tennessee</u>			
<u>General Government Grants</u>			
Juvenile Services Program	\$ 0	\$ 0	\$ 9,000
Airport Maintenance Program	0	0	83,169
<u>Public Safety Grants</u>			
Other Public Safety Grants	0	0	104,107
<u>Health and Welfare Grants</u>			
Health Department Programs	0	0	532,980
<u>Public Works Grants</u>			
State Aid Program	0	0	984,085
Litter Program	0	0	59,934

(Continued)

Exhibit K-5

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

	Capital Projects Funds		
	General Capital Projects	Other Capital Projects	Total
<u>State of Tennessee (Cont.)</u>			
<u>Other State Revenues</u>			
Beer Tax	\$ 0	\$ 0	\$ 15,780
Vehicle Certificate of Title Fees	0	0	9,078
Alcoholic Beverage Tax	0	0	91,855
State Revenue Sharing - T.V.A.	0	0	530,367
State Revenue Sharing - Telecommunications	0	0	89,337
Contracted Prisoner Boarding	0	0	860,184
Gasoline and Motor Fuel Tax	0	0	2,466,648
Petroleum Special Tax	0	0	33,537
Registrar's Salary Supplement	0	0	18,955
Other State Grants	0	0	25,952
Other State Revenues	0	0	122,746
Total State of Tennessee	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,037,714</u>
<u>Federal Government</u>			
<u>Federal Through State</u>			
Homeland Security Grants	\$ 0	\$ 0	\$ 22,247
Law Enforcement Grants	0	0	32,125
COVID-19 Grant #1	0	0	120,982
COVID-19 Grant #2	0	0	1,424
COVID-19 Grant #3	0	0	1,702
Other Federal through State	0	0	667,877
<u>Direct Federal Revenue</u>			
Medicare	0	0	13,706
Tax Credit Bond Rebate	0	0	465,081
Other Direct Federal Revenue	0	0	217,944
Total Federal Government	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,543,088</u>

(Continued)

Exhibit K-5

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

	<u>Capital Projects Funds</u>		
	General Capital Projects	Other Capital Projects	Total
<hr/>			
<u>Other Governments and Citizens Groups</u>			
<u>Other Governments</u>			
Contributions	\$ 332,425	\$ 0	\$ 1,696,729
Total Other Governments and Citizens Groups	\$ 332,425	\$ 0	\$ 1,696,729
Total	\$ 452,062	\$ 1,191	\$ 30,203,101

Exhibit K-6

Warren County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Warren County School Department
For the Year Ended June 30, 2020

	General Purpose School	Special Revenue Funds		Capital Projects Funds		Total
		School Federal Projects	Central Cafeteria	Education Capital Projects	Other Capital Projects -	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 4,937,145	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,937,145
Discount on Property Taxes	(49,505)	0	0	0	0	(49,505)
Trustee's Collections - Prior Year	127,511	0	0	0	0	127,511
Trustee's Collections - Bankruptcy	1,047	0	0	0	0	1,047
Circuit Clerk/Clerk and Master Collections - Prior Years	90,933	0	0	0	0	90,933
Interest and Penalty	26,804	0	0	0	0	26,804
Payments in-Lieu-of Taxes - T.V.A.	11,658	0	0	0	0	11,658
Payments in-Lieu-of Taxes - Local Utilities	41,538	0	0	0	0	41,538
Payments in-Lieu-of Taxes - Other	205,535	0	0	0	0	205,535
<u>County Local Option Taxes</u>						
Local Option Sales Tax	9,063,169	0	0	0	0	9,063,169
<u>Statutory Local Taxes</u>						
Bank Excise Tax	81,436	0	0	0	0	81,436
Total Local Taxes	<u>\$ 14,537,271</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 14,537,271</u>
<u>Charges for Current Services</u>						
<u>Fees</u>						
Telephone Commissions	\$ 6,848	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,848
<u>Education Charges</u>						
Tuition - Other	78,241	0	0	0	0	78,241
Lunch Payments - Children	0	0	5,395	0	0	5,395
Lunch Payments - Adults	0	0	48,301	0	0	48,301
A la Carte Sales	0	0	111,999	0	0	111,999
Receipts from Individual Schools	212,250	0	0	0	0	212,250
Total Charges for Current Services	<u>\$ 297,339</u>	<u>\$ 0</u>	<u>\$ 165,695</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 463,034</u>

(Continued)

Exhibit K-6

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

	General Purpose School	Special Revenue Funds		Capital Projects Funds		Total
		School Federal Projects	Central Cafeteria	Education Capital Projects	Other Capital Projects -	
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 18,437	\$ 0	\$ 92,602	\$ 0	\$ 29,150	\$ 140,189
E-Rate Funding	2,829	0	0	0	0	2,829
Miscellaneous Refunds	74,720	0	46,721	0	0	121,441
<u>Nonrecurring Items</u>						
Sale of Equipment	6,479	0	5,372	0	0	11,851
Contributions and Gifts	153,803	0	0	0	0	153,803
Total Other Local Revenues	\$ 256,268	\$ 0	\$ 144,695	\$ 0	\$ 29,150	\$ 430,113
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 195,440	\$ 0	\$ 0	\$ 0	\$ 0	\$ 195,440
<u>State Education Funds</u>						
Basic Education Program	36,381,715	0	0	0	0	36,381,715
Early Childhood Education	793,090	0	0	0	0	793,090
School Food Service	0	0	35,628	0	0	35,628
Driver Education	18,183	0	0	0	0	18,183
Other State Education Funds	522,297	0	0	0	0	522,297
Career Ladder Program	98,277	0	0	0	0	98,277
<u>Other State Revenues</u>						
State Revenue Sharing - T.V.A.	310,418	0	0	0	0	310,418
State Revenue Sharing - Telecommunications	42,920	0	0	0	0	42,920
Total State of Tennessee	\$ 38,362,340	\$ 0	\$ 35,628	\$ 0	\$ 0	\$ 38,397,968

(Continued)

Exhibit K-6

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

	General Purpose School	Special Revenue Funds		Capital Projects Funds		Total
		School Federal Projects	Central Cafeteria	Education Capital Projects	Other Capital Projects -	
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,990,816	\$ 0	\$ 0	\$ 1,990,816
USDA - Commodities	0	0	252,536	0	0	252,536
Breakfast	0	0	945,415	0	0	945,415
USDA - Other	0	0	449,588	0	0	449,588
Vocational Education - Basic Grants to States	0	190,970	0	0	0	190,970
Title I Grants to Local Education Agencies	0	1,934,197	0	0	0	1,934,197
Special Education - Grants to States	0	1,808,901	0	0	0	1,808,901
Special Education Preschool Grants	0	62,723	0	0	0	62,723
English Language Acquisition Grants	0	32,558	0	0	0	32,558
Rural Education	0	108,548	0	0	0	108,548
Eisenhower Professional Development State Grants	0	203,022	0	0	0	203,022
Other Federal through State	0	447,884	0	0	0	447,884
<u>Direct Federal Revenue</u>						
ROTC Reimbursement	72,231	0	0	0	0	72,231
Total Federal Government	\$ 72,231	\$ 4,788,803	\$ 3,638,355	\$ 0	\$ 0	\$ 8,499,389
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 3,581,709	\$ 2,000,000	\$ 5,581,709
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 3,581,709	\$ 2,000,000	\$ 5,581,709
Total	\$ 53,525,449	\$ 4,788,803	\$ 3,984,373	\$ 3,581,709	\$ 2,029,150	\$ 67,909,484

Exhibit K-7

Warren County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2020

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	86,920	
Social Security		5,333	
Pensions		8,744	
Life Insurance		664	
Medical Insurance		18,939	
Audit Services		15,139	
Dues and Memberships		19,662	
Other Charges		123	
Total County Commission			\$ 155,524

Board of Equalization

Board and Committee Members Fees	\$	1,640	
Social Security		125	
Total Board of Equalization			1,765

County Mayor/Executive

County Official/Administrative Officer	\$	93,267	
Assistant(s)		42,500	
Social Security		11,025	
Pensions		11,752	
Life Insurance		69	
Unemployment Compensation		40	
Travel		663	
Other Contracted Services		22,035	
Total County Mayor/Executive			181,351

County Attorney

Legal Services	\$	107,680	
Total County Attorney			107,680

Election Commission

County Official/Administrative Officer	\$	72,676	
Secretary(ies)		62,979	
Other Salaries and Wages		12,701	
Election Commission		5,370	
Election Workers		13,110	
Social Security		11,456	
Pensions		13,786	
Life Insurance		106	
Medical Insurance		7,704	
Unemployment Compensation		113	
Communication		1,805	
Data Processing Services		2,300	
Dues and Memberships		500	
Legal Notices, Recording, and Court Costs		3,900	
Maintenance Agreements		22,097	
Maintenance and Repair Services - Office Equipment		1,236	

(Continued)

Exhibit K-7

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

General Fund (Cont.)General Government (Cont.)Election Commission (Cont.)

Postal Charges	\$	2,692	
Printing, Stationery, and Forms		1,634	
Rentals		700	
Travel		456	
Office Supplies		1,990	
Other Supplies and Materials		3,301	
Data Processing Equipment		3,424	
Total Election Commission			\$ 246,036

Register of Deeds

County Official/Administrative Officer	\$	80,751	
Clerical Personnel		97,114	
Part-time Personnel		586	
Social Security		11,693	
Pensions		19,187	
Life Insurance		122	
Medical Insurance		15,408	
Unemployment Compensation		65	
Dues and Memberships		790	
Maintenance Agreements		9,907	
Postal Charges		112	
Travel		465	
Other Contracted Services		3,425	
Office Supplies		4,896	
Other Supplies and Materials		698	
Data Processing Equipment		7,567	
Total Register of Deeds			252,786

Development

Other Charges	\$	379	
Total Development			379

Planning

Board and Committee Members Fees	\$	1,475	
Social Security		113	
Contracts with Government Agencies		13,750	
Total Planning			15,338

Codes Compliance

County Official/Administrative Officer	\$	48,300	
Social Security		3,014	
Pensions		5,313	
Life Insurance		35	
Medical Insurance		3,852	
Unemployment Compensation		21	
Communication		2,040	
Maintenance and Repair Services - Vehicles		281	

(Continued)

Exhibit K-7

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

General Fund (Cont.)General Government (Cont.)Codes Compliance (Cont.)

Other Contracted Services	\$	3,550	
Gasoline		1,094	
Office Supplies		1,503	
Total Codes Compliance			\$ 69,003

County Buildings

Custodial Personnel	\$	42,477	
Social Security		3,249	
Pensions		4,672	
Life Insurance		47	
Unemployment Compensation		42	
Maintenance and Repair Services - Buildings		17,247	
Custodial Supplies		8,863	
Utilities		70,394	
Total County Buildings			146,991

Other Facilities

Supervisor/Director	\$	48,237	
Maintenance Personnel		29,830	
Social Security		5,243	
Pensions		8,587	
Life Insurance		58	
Medical Insurance		6,741	
Unemployment Compensation		63	
Maintenance and Repair Services - Buildings		101,121	
Maintenance and Repair Services - Vehicles		1,173	
Gasoline		1,295	
Motor Vehicles		8,000	
Total Other Facilities			210,348

Other General Administration

Communication	\$	57,601	
Legal Notices, Recording, and Court Costs		2,072	
Other Contracted Services		10,785	
Premiums on Corporate Surety Bonds		1,226	
Total Other General Administration			71,684

FinanceAccounting and Budgeting

County Official/Administrative Officer	\$	63,490	
Assistant(s)		60,333	
Accountants/Bookkeepers		270,014	
Social Security		28,057	
Pensions		39,992	
Life Insurance		355	
Medical Insurance		29,211	
Unemployment Compensation		214	

(Continued)

Exhibit K-7

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

General Fund (Cont.)Finance (Cont.)Accounting and Budgeting (Cont.)

Data Processing Services	\$	48,400	
Travel		1,623	
Office Supplies		9,586	
Data Processing Equipment		17,478	
Total Accounting and Budgeting			\$ 568,753

Purchasing

Legal Notices, Recording, and Court Costs	\$	4,672	
Total Purchasing			4,672

Property Assessor's Office

County Official/Administrative Officer	\$	80,751	
Assistant(s)		177,710	
Part-time Personnel		8,325	
In-service Training		697	
Social Security		18,759	
Pensions		28,430	
Life Insurance		237	
Medical Insurance		23,112	
Unemployment Compensation		126	
Audit Services		12,260	
Data Processing Services		24,197	
Dues and Memberships		1,700	
Legal Services		1,500	
Maintenance and Repair Services - Vehicles		1,977	
Postal Charges		2,354	
Gasoline		1,405	
Other Supplies and Materials		3,450	
Other Charges		304	
Total Property Assessor's Office			387,294

County Trustee's Office

County Official/Administrative Officer	\$	80,751	
Assistant(s)		107,004	
Accountants/Bookkeepers		49,375	
Part-time Personnel		18,589	
Social Security		19,383	
Pensions		25,431	
Life Insurance		167	
Medical Insurance		3,852	
Unemployment Compensation		105	
Dues and Memberships		925	
Legal Notices, Recording, and Court Costs		308	
Maintenance Agreements		17,307	
Postal Charges		11,116	
Printing, Stationery, and Forms		4,642	
Travel		65	

(Continued)

Exhibit K-7

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

General Fund (Cont.)Finance (Cont.)County Trustee's Office (Cont.)

Other Contracted Services	\$	5,052	
Office Supplies		3,241	
Data Processing Equipment		4,663	
Total County Trustee's Office			\$ 351,976

County Clerk's Office

County Official/Administrative Officer	\$	80,751	
Assistant(s)		44,030	
Clerical Personnel		159,855	
Part-time Personnel		11,377	
Social Security		21,278	
Pensions		31,343	
Life Insurance		210	
Medical Insurance		16,692	
Unemployment Compensation		121	
Data Processing Services		10,772	
Dues and Memberships		225	
Maintenance and Repair Services - Office Equipment		8,052	
Postal Charges		10,112	
Printing, Stationery, and Forms		3,392	
Office Supplies		5,356	
Data Processing Equipment		8,755	
Total County Clerk's Office			412,321

Administration of JusticeCircuit Court

County Official/Administrative Officer	\$	80,751	
Supervisor/Director		47,001	
Deputy(ies)		244,516	
Accountants/Bookkeepers		41,000	
Jury and Witness Expense		17,107	
Social Security		28,807	
Pensions		41,968	
Life Insurance		335	
Medical Insurance		21,026	
Unemployment Compensation		229	
Data Processing Services		32,772	
Dues and Memberships		903	
Legal Notices, Recording, and Court Costs		376	
Maintenance Agreements		3,617	
Postal Charges		5,095	
Printing, Stationery, and Forms		3,949	
Travel		760	
Office Supplies		6,353	
Software		1,904	
Other Charges		71,077	
Data Processing Equipment		26,853	
Total Circuit Court			676,399

(Continued)

Exhibit K-7

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

General Fund (Cont.)Administration of Justice (Cont.)General Sessions Court

Judge(s)	\$	162,360	
Secretary(ies)		41,000	
Other Salaries and Wages		3	
Other Per Diem and Fees		1,675	
Social Security		13,933	
Pensions		22,370	
Life Insurance		58	
Medical Insurance		3,852	
Unemployment Compensation		21	
Communication		4,581	
Postal Charges		241	
Travel		1,562	
Other Contracted Services		7,238	
Office Supplies		1,395	
Other Charges		405	
Communication Equipment		618	
Data Processing Equipment		561	
Total General Sessions Court			\$ 261,873

Drug Court

Probation Officer(s)	\$	125,080	
Social Security		9,071	
Pensions		9,088	
Life Insurance		92	
Medical Insurance		8,667	
Unemployment Compensation		99	
Communication		472	
Evaluation and Testing		22,354	
Rentals		1,050	
Travel		743	
Other Supplies and Materials		940	
Total Drug Court			177,656

Chancery Court

County Official/Administrative Officer	\$	80,751	
Clerical Personnel		127,192	
In-service Training		100	
Social Security		15,173	
Pensions		18,078	
Life Insurance		106	
Medical Insurance		11,877	
Unemployment Compensation		119	
Advertising		1,197	
Communication		2,558	
Data Processing Services		12,850	
Dues and Memberships		838	
Maintenance Agreements		4,774	

(Continued)

Exhibit K-7

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

General Fund (Cont.)Administration of Justice (Cont.)Chancery Court (Cont.)

Postal Charges	\$	4,898	
Printing, Stationery, and Forms		308	
Travel		271	
Office Supplies		4,824	
Other Supplies and Materials		118	
Other Charges		60	
Total Chancery Court			\$ 286,092

Juvenile Court

Supervisor/Director	\$	49,255	
Youth Service Officer(s)		42,616	
Overtime Pay		4,409	
Other Salaries and Wages		46,706	
Other Per Diem and Fees		1,300	
Social Security		10,744	
Pensions		12,529	
Life Insurance		109	
Medical Insurance		3,531	
Unemployment Compensation		95	
Communication		3,137	
Postal Charges		1,265	
Travel		1,962	
Other Contracted Services		4,681	
Office Supplies		1,347	
Other Supplies and Materials		7,855	
Other Charges		35	
Data Processing Equipment		588	
Total Juvenile Court			192,164

District Attorney General

Other Salaries and Wages	\$	93,793	
In-service Training		2,896	
Social Security		6,832	
Pensions		6,472	
Life Insurance		64	
Medical Insurance		7,704	
Unemployment Compensation		63	
Travel		207	
Office Equipment		1,626	
Total District Attorney General			119,657

Judicial Commissioners

County Official/Administrative Officer	\$	111,298	
In-service Training		600	
Social Security		7,171	
Pensions		8,458	
Life Insurance		104	

(Continued)

Exhibit K-7

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

General Fund (Cont.)Administration of Justice (Cont.)Judicial Commissioners (Cont.)

Medical Insurance	\$	7,704	
Unemployment Compensation		141	
Office Supplies		865	
Total Judicial Commissioners			\$ 136,341

Other Administration of Justice

Evaluation and Testing	\$	7,639	
Office Supplies		687	
Other Supplies and Materials		1,476	
Total Other Administration of Justice			9,802

Victim Assistance Programs

Remittance of Revenue Collected	\$	46,000	
Total Victim Assistance Programs			46,000

Public SafetySheriff's Department

County Official/Administrative Officer	\$	88,827	
Deputy(ies)		1,264,607	
Investigator(s)		230,402	
Captain(s)		48,415	
Lieutenant(s)		183,871	
Sergeant(s)		170,996	
Salary Supplements		38,400	
Clerical Personnel		277,040	
School Resource Officer		508,801	
Overtime Pay		42,870	
Other Salaries and Wages		26,849	
In-service Training		24,564	
Social Security		209,398	
Pensions		291,546	
Life Insurance		3,575	
Medical Insurance		134,065	
Unemployment Compensation		1,428	
Communication		13,382	
Data Processing Services		1,697	
Maintenance and Repair Services - Office Equipment		4,755	
Maintenance and Repair Services - Vehicles		40,937	
Medical and Dental Services		6,667	
Postal Charges		1,197	
Printing, Stationery, and Forms		998	
Travel		5,531	
Gasoline		92,353	
Office Supplies		4,851	
Tires and Tubes		17,008	
Uniforms		13,004	
Communication Equipment		9,932	

(Continued)

Exhibit K-7

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

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

Furniture and Fixtures	\$	731	
Law Enforcement Equipment		69,708	
Motor Vehicles		14,443	
Total Sheriff's Department			\$ 3,842,848

Administration of the Sexual Offender Registry

Other Contracted Services	\$	900	
Total Administration of the Sexual Offender Registry			900

Jail

Supervisor/Director	\$	50,340	
Medical Personnel		158,412	
Guards		1,685,548	
Cafeteria Personnel		23,530	
Overtime Pay		13,694	
Other Salaries and Wages		17,886	
Social Security		144,456	
Pensions		163,523	
Medical Insurance		75,230	
Unemployment Compensation		1,495	
Contracts with Government Agencies		970	
Evaluation and Testing		1,188	
Maintenance and Repair Services - Buildings		51,860	
Maintenance and Repair Services - Equipment		10,890	
Medical and Dental Services		410,000	
Pest Control		1,200	
Printing, Stationery, and Forms		514	
Custodial Supplies		52,045	
Food Preparation Supplies		9,188	
Food Supplies		321,526	
Prisoners Clothing		7,681	
Utilities		156,615	
Other Supplies and Materials		21,083	
Law Enforcement Equipment		36,123	
Office Equipment		4,751	
Total Jail			3,419,748

Juvenile Services

Other Charges	\$	3,600	
Total Juvenile Services			3,600

Work Release Program

Other Contracted Services	\$	7,794	
Total Work Release Program			7,794

County Coroner/Medical Examiner

Other Per Diem and Fees	\$	17,825	
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(Continued)

Exhibit K-7

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

General Fund (Cont.)Public Safety (Cont.)County Coroner/Medical Examiner (Cont.)

Communication	\$	366	
Utilities		1,576	
Other Supplies and Materials		240	
Total County Coroner/Medical Examiner			\$ 20,007

Other Public Safety

Contributions	\$	216,000	
Other Charges		10,000	
Total Other Public Safety			226,000

Public Health and WelfareLocal Health Center

Communication	\$	7,318	
Janitorial Services		29,370	
Utilities		18,068	
Other Charges		13,032	
Total Local Health Center			67,788

Rabies and Animal Control

Supervisor/Director	\$	26,131	
Part-time Personnel		21,521	
Other Salaries and Wages		15,303	
In-service Training		1,144	
Social Security		4,904	
Pensions		1,204	
Life Insurance		50	
Unemployment Compensation		138	
Communication		1,822	
Maintenance and Repair Services - Buildings		2,753	
Maintenance and Repair Services - Equipment		555	
Maintenance and Repair Services - Vehicles		288	
Veterinary Services		13,413	
Other Contracted Services		224	
Animal Food and Supplies		4,101	
Custodial Supplies		868	
Drugs and Medical Supplies		2,786	
Gasoline		877	
Office Supplies		567	
Uniforms		456	
Utilities		6,379	
Other Supplies and Materials		3,397	
Data Processing Equipment		199	
Motor Vehicles		9,150	
Other Equipment		9,221	
Total Rabies and Animal Control			127,451

(Continued)

Exhibit K-7

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

General Fund (Cont.)Public Health and Welfare (Cont.)Alcohol and Drug Programs

Probation Officer(s)	\$	81,096	
Social Security		6,139	
Pensions		2,061	
Medical Insurance		1,605	
Unemployment Compensation		107	
Communication		3,894	
Contracts with Private Agencies		94,878	
Evaluation and Testing		44,789	
Rentals		6,000	
Travel		3,426	
Office Supplies		213	
Other Supplies and Materials		3,047	
Total Alcohol and Drug Programs			\$ 247,255

Other Local Health Services

Other Salaries and Wages	\$	372,443	
Social Security		27,544	
Pensions		28,017	
Life Insurance		369	
Medical Insurance		17,655	
Unemployment Compensation		365	
Communication		1,440	
Travel		6,549	
Other Supplies and Materials		379	
Liability Insurance		1,402	
Total Other Local Health Services			456,163

Regional Mental Health Center

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

Appropriation to State

Contributions	\$	50,873	
Other Supplies and Materials		1,390	
Total Appropriation to State			52,263

General Welfare Assistance

Other Charges	\$	3,000	
Total General Welfare Assistance			3,000

Other Public Health and Welfare

Contributions	\$	44,500	
Other Supplies and Materials		8,013	
Total Other Public Health and Welfare			52,513

(Continued)

Exhibit K-7

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

General Fund (Cont.)Social, Cultural, and Recreational ServicesSenior Citizens Assistance

Contributions	\$ 37,100	
Total Senior Citizens Assistance		\$ 37,100

Libraries

Contributions	\$ 116,000	
Total Libraries		116,000

Parks and Fair Boards

Contributions	\$ 10,000	
Total Parks and Fair Boards		10,000

Agriculture and Natural ResourcesAgricultural Extension Service

Part-time Personnel	\$ 20,138	
Board and Committee Members Fees	750	
Social Security	1,541	
Unemployment Compensation	21	
Communication	2,068	
Contributions	86,785	
Travel	1,130	
Other Contracted Services	12,444	
Office Supplies	2,954	
Other Supplies and Materials	25	
Total Agricultural Extension Service		127,856

Forest Service

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

Soil Conservation

Clerical Personnel	\$ 38,837	
Other Salaries and Wages	36,265	
Social Security	5,204	
Pensions	8,261	
Life Insurance	64	
Medical Insurance	7,704	
Unemployment Compensation	42	
Contributions	6,000	
Dues and Memberships	1,230	
Total Soil Conservation		103,607

Other OperationsTourism

Other Charges	\$ 25,000	
Total Tourism		25,000

(Continued)

Exhibit K-7

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

General Fund (Cont.)Other Operations (Cont.)Other Economic and Community Development

Contributions	\$	20,000	
Other Contracted Services		595	
Other Supplies and Materials		38,113	
Total Other Economic and Community Development			\$ 58,708

Airport

County Official/Administrative Officer	\$	58,484	
Other Salaries and Wages		97,168	
Social Security		11,901	
Pensions		10,951	
Life Insurance		100	
Unemployment Compensation		173	
Communication		7,056	
Travel		155	
Equipment and Machinery Parts		18,462	
Gasoline		160,557	
Utilities		26,256	
Other Supplies and Materials		17,770	
Liability Insurance		9,647	
Other Charges		28,658	
Airport Improvement		663,310	
Total Airport			1,110,648

Veterans' Services

Supervisor/Director	\$	14,345	
Social Security		1,097	
Unemployment Compensation		26	
Communication		889	
Other Charges		2,190	
Total Veterans' Services			18,547

Other Charges

Building and Contents Insurance	\$	21,324	
Liability Insurance		66,865	
Trustee's Commission		195,509	
Workers' Compensation Insurance		225,000	
Other Charges		8,546	
Total Other Charges			517,244

Contributions to Other Agencies

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

COVID-19 Grant #1

Other Charges	\$	56,687	
Total COVID-19 Grant #1			56,687

(Continued)

Exhibit K-7

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

General Fund (Cont.)Other Operations (Cont.)COVID-19 Grant #2

Other Charges	\$ 1,424	
Total COVID-19 Grant #2		\$ 1,424

Miscellaneous

Other Charges	\$ 1,564	
Right-of-Way	1,504	
Total Miscellaneous		3,068

Total General Fund		\$ 15,814,604
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Solid Waste/Sanitation FundPublic Health and WelfareWaste Pickup

Supervisor/Director	\$ 51,040	
Truck Drivers	117,464	
Clerical Personnel	20,152	
Social Security	13,095	
Pensions	18,412	
Life Insurance	199	
Medical Insurance	19,741	
Unemployment Compensation	168	
Communication	2,152	
Contracts with Government Agencies	48,916	
Laundry Service	4,733	
Licenses	168	
Maintenance and Repair Services - Equipment	3,338	
Maintenance and Repair Services - Vehicles	19,069	
Postal Charges	110	
Travel	200	
Diesel Fuel	26,518	
Gasoline	2,519	
Lubricants	1,518	
Tires and Tubes	7,522	
Utilities	2,616	
Other Supplies and Materials	1,903	
Workers' Compensation Insurance	10,072	
Motor Vehicles	157,997	
Site Development	24,073	
Solid Waste Equipment	7,763	
Other Equipment	943	
Total Waste Pickup		\$ 562,401

Convenience Centers

Other Salaries and Wages	\$ 265,268
Social Security	19,505
Pensions	5,800
Life Insurance	43

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund (Cont.)Public Health and Welfare (Cont.)Convenience Centers (Cont.)

Medical Insurance	\$	7,704	
Unemployment Compensation		528	
Communication		5,602	
Contracts with Private Agencies		441,224	
Maintenance and Repair Services - Equipment		4,692	
Rentals		8,280	
Utilities		12,489	
Workers' Compensation Insurance		16,269	
Site Development		9,916	
Solid Waste Equipment		54,898	
Other Equipment		6,342	
Total Convenience Centers			\$ 858,560

Other Waste Disposal

Liability Insurance	\$	12,618	
Trustee's Commission		19,576	
Other Charges		9,778	
Total Other Waste Disposal			41,972

Other Public Health and Welfare

Social Security	\$	1,545	
Pensions		2,222	
Life Insurance		8	
Unemployment Compensation		21	
Contracts with Government Agencies		43,709	
Total Other Public Health and Welfare			47,505

Total Solid Waste/Sanitation Fund \$ 1,510,438

Ambulance Service FundPublic SafetyCivil Defense

Supervisor/Director	\$	30,998	
In-service Training		332	
Social Security		2,371	
Pensions		3,410	
Life Insurance		106	
Unemployment Compensation		21	
Communication		2,838	
Maintenance and Repair Services - Vehicles		1,351	
Other Contracted Services		2,552	
Gasoline		586	
Office Supplies		203	
Other Supplies and Materials		1,426	
Total Civil Defense			\$ 46,194

(Continued)

Exhibit K-7

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

Ambulance Service Fund (Cont.)Public Safety (Cont.)Rescue Squad

Contributions	\$ 28,792	
Total Rescue Squad		\$ 28,792

Public Health and WelfareAmbulance/Emergency Medical Services

Supervisor/Director	\$ 64,388	
Accountants/Bookkeepers	83,108	
Medical Personnel	1,924,150	
In-service Training	13,207	
Social Security	150,425	
Pensions	210,400	
Life Insurance	1,074	
Medical Insurance	106,090	
Unemployment Compensation	947	
Communication	16,042	
Data Processing Services	115,649	
Licenses	3,635	
Maintenance and Repair Services - Buildings	2,375	
Maintenance and Repair Services - Equipment	9,510	
Maintenance and Repair Services - Vehicles	34,946	
Postal Charges	894	
Printing, Stationery, and Forms	996	
Travel	1,380	
Other Contracted Services	8,253	
Custodial Supplies	6,630	
Diesel Fuel	66,822	
Drugs and Medical Supplies	97,383	
Gasoline	4,917	
Lubricants	11,884	
Office Supplies	2,091	
Tires and Tubes	11,726	
Uniforms	8,848	
Utilities	13,049	
Other Supplies and Materials	643	
Liability Insurance	99,175	
Refunds	4,504	
Trustee's Commission	46,832	
Workers' Compensation Insurance	125,165	
Fines, Assessments, and Penalties	41,423	
Other Charges	1,578	
Data Processing Equipment	502	
Furniture and Fixtures	2,465	
Motor Vehicles	307,930	
Health Equipment	38,443	
Total Ambulance/Emergency Medical Services		<u>3,639,479</u>

Total Ambulance Service Fund		\$ 3,714,465
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(Continued)

Exhibit K-7

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

Drug Control FundPublic SafetyDrug Enforcement

Confidential Drug Enforcement Payments	\$	15,000	
Dues and Memberships		250	
Maintenance Agreements		1,500	
Other Contracted Services		4,283	
Other Supplies and Materials		11,299	
Trustee's Commission		334	
Other Charges		13,500	
Motor Vehicles		45,957	
Total Drug Enforcement			\$ 92,123

Total Drug Control Fund \$ 92,123

Constitutional Officers - Fees FundFinanceCounty Clerk's Office

Constitutional Officers' Operating Expenses	\$	92	
Total County Clerk's Office			\$ 92

Total Constitutional Officers - Fees Fund 92

Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$	88,827	
Assistant(s)		27,599	
Supervisor/Director		43,389	
Accountants/Bookkeepers		66,269	
Medical Insurance		14,284	
Data Processing Services		137	
Dues and Memberships		3,978	
Postal Charges		385	
Printing, Stationery, and Forms		845	
Office Supplies		594	
Total Administration			\$ 246,307

Highway and Bridge Maintenance

Equipment Operators	\$	268,751	
Truck Drivers		75,719	
Laborers		177,524	
Medical Insurance		40,446	
Rentals		1,209	
Other Contracted Services		1,285,796	
Asphalt - Liquid		56,661	
Concrete		3,100	
Crushed Stone		174,297	
General Construction Materials		2,585	
Other Road Materials		3,398	

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Pipe - Concrete	\$	2,250	
Pipe - Metal		13,777	
Road Signs		19,377	
Other Charges		40	
Total Highway and Bridge Maintenance			\$ 2,124,930

Operation and Maintenance of Equipment

Maintenance and Repair Services - Equipment	\$	28,020	
Towing Services		1,300	
Diesel Fuel		38,293	
Equipment and Machinery Parts		70,141	
Garage Supplies		5,362	
Gasoline		16,457	
Lubricants		5,592	
Tires and Tubes		15,934	
Other Charges		170	
Total Operation and Maintenance of Equipment			181,269

Other Charges

Communication	\$	4,841	
Contributions		2,034	
Janitorial Services		3,000	
Maintenance and Repair Services - Buildings		1,524	
Custodial Supplies		367	
Drugs and Medical Supplies		157	
Electricity		6,712	
Food Supplies		102	
Natural Gas		4,312	
Water and Sewer		748	
Building and Contents Insurance		1,882	
Liability Insurance		22,166	
Trustee's Commission		37,850	
Workers' Compensation Insurance		49,298	
Other Charges		704	
Total Other Charges			135,697

Employee Benefits

Social Security	\$	54,004	
Pensions		72,390	
Life Insurance		570	
Unemployment Compensation		383	
Uniforms		8,224	
Total Employee Benefits			135,571

Capital Outlay

Consultants	\$	5,550	
Engineering Services		82,181	

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Capital Outlay (Cont.)

Communication Equipment	\$ 2,150	
Highway Equipment	309,712	
State Aid Projects	695,680	
Other Capital Outlay	5,047	
Total Capital Outlay		\$ 1,100,320

Total Highway/Public Works Fund \$ 3,924,094

General Debt Service FundPrincipal on DebtGeneral Government

Principal on Bonds	\$ 1,140,000	
Total General Government		\$ 1,140,000

Education

Principal on Bonds	\$ 1,250,305	
Principal on Notes	135,593	
Total Education		1,385,898

Interest on DebtGeneral Government

Interest on Bonds	\$ 505,502	
Total General Government		505,502

Education

Interest on Bonds	\$ 1,103,585	
Total Education		1,103,585

Other Debt ServiceGeneral Government

Bank Charges	\$ 2,039	
Trustee's Commission	53,858	
Loss on Retirement of Debt	442,167	
Total General Government		498,064

Education

Other Debt Service	\$ 18,440	
Total Education		18,440

Total General Debt Service Fund 4,651,489

General Capital Projects FundCapital ProjectsGeneral Administration Projects

Underwriter's Discount	\$ 30,208	
Other Debt Issuance Charges	53,400	
Total General Administration Projects		\$ 83,608

(Continued)

Exhibit K-7

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

General Capital Projects Fund (Cont.)

Capital Projects (Cont.)

Administration of Justice Projects

Other Contracted Services	\$ 1,360	
Building Improvements	68,126	
Data Processing Equipment	<u>30,780</u>	
Total Administration of Justice Projects		\$ 100,266

Other General Government Projects

Building Improvements	\$ <u>4,597,147</u>	
Total Other General Government Projects		4,597,147

Capital Projects - Donated

Capital Projects Donated to School Department

Contributions	\$ <u>3,581,709</u>	
Total Capital Projects Donated to School Department		<u>3,581,709</u>

Total General Capital Projects Fund \$ 8,362,730

Education Capital Projects Fund

Capital Projects - Donated

Capital Projects Donated to School Department

Contributions	\$ <u>2,000,000</u>	
Total Capital Projects Donated to School Department		<u>\$ 2,000,000</u>

Total Education Capital Projects Fund 2,000,000

Total Governmental Funds - Primary Government \$ 40,070,035

Exhibit K-8

Warren County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Warren County School Department
For the Year Ended June 30, 2020

General Purpose School FundInstructionRegular Instruction Program

Teachers	\$ 17,817,619	
Career Ladder Program	80,000	
Homebound Teachers	8,934	
Salary Supplements	7,250	
Educational Assistants	845,669	
Other Salaries and Wages	529,754	
Social Security	1,109,701	
Pensions	1,885,547	
Medical Insurance	1,744,542	
Unemployment Compensation	7,673	
Employer Medicare	260,118	
Contracts for Substitute Teachers - Certified	225,931	
Contracts for Substitute Teachers - Non-certified	24,661	
Instructional Supplies and Materials	175,744	
Textbooks - Bound	1,075,803	
Other Supplies and Materials	19,813	
Other Charges	143,301	
Regular Instruction Equipment	703,514	
Total Regular Instruction Program		\$ 26,665,574

Alternative Instruction Program

Teachers	\$ 292,040	
Educational Assistants	69,927	
Social Security	20,911	
Pensions	37,245	
Medical Insurance	35,787	
Unemployment Compensation	171	
Employer Medicare	4,891	
Total Alternative Instruction Program		460,972

Special Education Program

Teachers	\$ 2,118,507	
Career Ladder Program	3,000	
Homebound Teachers	9,890	
Educational Assistants	493,338	
Speech Pathologist	218,044	
Other Salaries and Wages	3,214	
Social Security	160,743	
Pensions	277,217	
Medical Insurance	303,765	
Unemployment Compensation	1,375	
Employer Medicare	37,911	
Contracts for Substitute Teachers - Certified	18,982	
Contracts for Substitute Teachers - Non-certified	11,803	
Instructional Supplies and Materials	39,099	
Special Education Equipment	15,247	
Total Special Education Program		3,712,135

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)Instruction (Cont.)Career and Technical Education Program

Teachers	\$	1,125,401	
Career Ladder Program		2,000	
Other Salaries and Wages		42,912	
Social Security		65,381	
Pensions		118,473	
Medical Insurance		140,861	
Unemployment Compensation		451	
Employer Medicare		15,268	
Contracts for Substitute Teachers - Certified		14,423	
Instructional Supplies and Materials		25,313	
Vocational Instruction Equipment		7,679	
Total Career and Technical Education Program			\$ 1,558,162

Support ServicesAttendance

Supervisor/Director	\$	78,065	
Career Ladder Program		1,000	
Clerical Personnel		34,900	
Other Salaries and Wages		304,224	
Social Security		24,212	
Pensions		45,255	
Medical Insurance		37,743	
Unemployment Compensation		274	
Employer Medicare		5,588	
Travel		2,845	
Other Contracted Services		53,308	
Other Supplies and Materials		8,799	
Attendance Equipment		17,905	
Total Attendance			614,118

Health Services

Medical Personnel	\$	579,904	
Other Salaries and Wages		158,160	
Social Security		41,492	
Pensions		61,358	
Medical Insurance		31,499	
Unemployment Compensation		363	
Employer Medicare		9,892	
Travel		12,842	
Other Contracted Services		3,565	
Drugs and Medical Supplies		6,796	
Other Supplies and Materials		8,332	
Other Charges		35,942	
Health Equipment		4,890	
Total Health Services			955,035

(Continued)

Exhibit K-8

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

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

Career Ladder Program	\$	2,000	
Guidance Personnel		718,603	
Other Salaries and Wages		100,294	
Social Security		43,894	
Pensions		77,590	
Medical Insurance		68,499	
Unemployment Compensation		310	
Employer Medicare		11,033	
Contracts with Government Agencies		676,500	
Evaluation and Testing		18,463	
Other Contracted Services		144,983	
Liability Insurance		32,402	
Workers' Compensation Insurance		108,281	
Other Charges		78,377	
Other Equipment		107,064	
Total Other Student Support			\$ 2,188,293

Regular Instruction Program

Supervisor/Director	\$	355,477	
Career Ladder Program		2,000	
Librarians		494,809	
Other Salaries and Wages		33,917	
Social Security		51,085	
Pensions		89,931	
Medical Insurance		69,381	
Unemployment Compensation		257	
Employer Medicare		11,729	
Travel		20,393	
Library Books/Media		68,336	
Other Supplies and Materials		4,072	
In Service/Staff Development		10,170	
Other Charges		26,701	
Other Equipment		1,521	
Total Regular Instruction Program			1,239,779

Alternative Instruction Program

Supervisor/Director	\$	78,634	
Secretary(ies)		22,413	
Social Security		6,257	
Pensions		10,639	
Unemployment Compensation		34	
Employer Medicare		1,416	
Total Alternative Instruction Program			119,393

Special Education Program

Supervisor/Director	\$	81,085	
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(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)Support Services (Cont.)Special Education Program (Cont.)

Career Ladder Program	\$	1,000	
Psychological Personnel		244,903	
Other Salaries and Wages		127,463	
Social Security		25,964	
Pensions		47,709	
Medical Insurance		46,663	
Unemployment Compensation		124	
Employer Medicare		6,028	
Travel		12,901	
Other Contracted Services		17,462	
In Service/Staff Development		1,600	
Other Equipment		1,186	
Total Special Education Program			\$ 614,088

Career and Technical Education Program

Supervisor/Director	\$	82,661	
Career Ladder Program		1,000	
Social Security		4,899	
Pensions		8,699	
Medical Insurance		4,736	
Unemployment Compensation		17	
Employer Medicare		1,099	
Travel		550	
Other Charges		17,519	
Other Equipment		14,151	
Total Career and Technical Education Program			135,331

Technology

Supervisor/Director	\$	88,812	
Other Salaries and Wages		216,678	
Social Security		16,919	
Pensions		30,151	
Medical Insurance		25,994	
Unemployment Compensation		141	
Employer Medicare		3,792	
Internet Connectivity		57,461	
Travel		3,553	
Other Contracted Services		4,250	
Other Supplies and Materials		2,608	
In Service/Staff Development		8,439	
Other Equipment		341,450	
Total Technology			800,248

Other Programs

On-behalf Payments to OPEB	\$	195,440	
Total Other Programs			195,440

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)Support Services (Cont.)Board of Education

Secretary to Board	\$	39,276	
Other Salaries and Wages		76,240	
Board and Committee Members Fees		19,320	
Social Security		8,061	
Pensions		13,842	
Medical Insurance		5,878	
Unemployment Compensation		34	
Employer Medicare		1,849	
Audit Services		7,000	
Dues and Memberships		12,203	
Legal Services		968	
Travel		9,447	
Liability Insurance		12,242	
Premiums on Corporate Surety Bonds		1,716	
Trustee's Commission		333,914	
Other Charges		18,004	
Administration Equipment		1,990	
Total Board of Education			\$ 561,984

Director of Schools

County Official/Administrative Officer	\$	117,597	
Social Security		7,656	
Pensions		13,149	
Medical Insurance		12,609	
Unemployment Compensation		34	
Employer Medicare		1,716	
Communication		15,649	
Dues and Memberships		3,884	
Postal Charges		2,839	
Travel		3,961	
Other Charges		1,078	
Administration Equipment		543	
Total Director of Schools			180,715

Office of the Principal

Principals	\$	788,981	
Career Ladder Program		5,000	
Assistant Principals		506,731	
Secretary(ies)		470,120	
Other Salaries and Wages		20,763	
Social Security		103,802	
Pensions		184,736	
Medical Insurance		114,463	
Unemployment Compensation		667	
Employer Medicare		23,721	
Communication		179,901	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Other Supplies and Materials	\$	305	
Administration Equipment		10,832	
Total Office of the Principal			\$ 2,410,022

Fiscal Services

Internal Audit Personnel	\$	229,249	
Social Security		13,424	
Pensions		24,160	
Medical Insurance		5,111	
Unemployment Compensation		109	
Employer Medicare		3,054	
Travel		2,356	
Other Contracted Services		13,474	
Office Supplies		3,232	
Administration Equipment		3,807	
Total Fiscal Services			297,976

Operation of Plant

Supervisor/Director	\$	84,454	
Custodial Personnel		1,183,096	
Other Salaries and Wages		6,803	
Social Security		75,351	
Pensions		113,224	
Medical Insurance		125,998	
Unemployment Compensation		1,073	
Employer Medicare		16,854	
Other Contracted Services		53,076	
Custodial Supplies		150,522	
Electricity		1,123,569	
Natural Gas		126,372	
Water and Sewer		113,919	
Other Supplies and Materials		322	
Building and Contents Insurance		144,992	
Other Charges		5,430	
Building Improvements		10,757	
Plant Operation Equipment		49,450	
Total Operation of Plant			3,385,262

Maintenance of Plant

Supervisor/Director	\$	126,172	
Secretary(ies)		34,660	
Other Salaries and Wages		482,849	
Social Security		38,666	
Pensions		64,603	
Medical Insurance		55,634	
Unemployment Compensation		289	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)Support Services (Cont.)Maintenance of Plant (Cont.)

Employer Medicare	\$	8,287	
Other Contracted Services		505,156	
Gasoline		34,608	
Other Supplies and Materials		321,619	
Other Charges		15,745	
Administration Equipment		96,774	
Maintenance Equipment		57,992	
Total Maintenance of Plant			\$ 1,843,054

Transportation

Contracts with Private Agencies	\$	2,030,728	
Total Transportation			2,030,728

Operation of Non-Instructional ServicesCommunity Services

Other Salaries and Wages	\$	72,339	
Social Security		4,212	
Unemployment Compensation		172	
Employer Medicare		1,049	
Travel		857	
Other Supplies and Materials		6,638	
Total Community Services			85,267

Early Childhood Education

Supervisor/Director	\$	64,525	
Teachers		426,718	
Educational Assistants		161,970	
Other Salaries and Wages		300	
Social Security		36,865	
Pensions		67,844	
Medical Insurance		72,091	
Unemployment Compensation		329	
Employer Medicare		8,622	
Travel		20,993	
Instructional Supplies and Materials		26,501	
Other Supplies and Materials		99	
In Service/Staff Development		4,514	
Other Charges		29,314	
Other Equipment		6,638	
Total Early Childhood Education			927,323

Capital OutlayRegular Capital Outlay

Building Improvements	\$	1,743,396	
Total Regular Capital Outlay			1,743,396

Total General Purpose School Fund \$ 52,724,295

(Continued)

Exhibit K-8

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

School Federal Projects FundInstructionRegular Instruction Program

Teachers	\$	1,008,533	
Educational Assistants		200,092	
Other Salaries and Wages		250	
Social Security		69,314	
Pensions		126,358	
Medical Insurance		124,696	
Unemployment Compensation		644	
Employer Medicare		16,227	
Contracts for Substitute Teachers - Certified		13,961	
Instructional Supplies and Materials		132,228	
Regular Instruction Equipment		300,846	
Total Regular Instruction Program			\$ 1,993,149

Special Education Program

Teachers	\$	424,166	
Clerical Personnel		23,911	
Educational Assistants		474,509	
Speech Pathologist		12,612	
Social Security		52,890	
Pensions		85,801	
Medical Insurance		64,581	
Unemployment Compensation		743	
Employer Medicare		12,823	
Contracts for Substitute Teachers - Certified		4,519	
Contracts for Substitute Teachers - Non-certified		11,030	
Instructional Supplies and Materials		181,633	
Other Supplies and Materials		907	
Other Charges		4,738	
Special Education Equipment		111,663	
Total Special Education Program			1,466,526

Career and Technical Education Program

Maintenance and Repair Services - Equipment	\$	3,886	
Instructional Supplies and Materials		18,285	
Other Supplies and Materials		10,260	
Other Charges		800	
Vocational Instruction Equipment		131,765	
Total Career and Technical Education Program			164,996

Support ServicesOther Student Support

Guidance Personnel	\$	2,000	
Other Salaries and Wages		68,347	
Social Security		4,105	
Pensions		5,883	
Medical Insurance		3,382	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)Support Services (Cont.)Other Student Support (Cont.)

Unemployment Compensation	\$	39	
Employer Medicare		960	
Travel		11,460	
Other Contracted Services		1,566	
Other Supplies and Materials		14,274	
In Service/Staff Development		10,575	
Other Charges		445	
Total Other Student Support			\$ 123,036

Regular Instruction Program

Supervisor/Director	\$	83,108	
Clerical Personnel		2,000	
Other Salaries and Wages		32,750	
Social Security		6,892	
Pensions		12,316	
Medical Insurance		7,574	
Unemployment Compensation		20	
Employer Medicare		1,612	
Consultants		41,150	
Travel		8,356	
Contracts for Substitute Teachers - Certified		22,087	
Other Supplies and Materials		15,631	
In Service/Staff Development		83,128	
Other Charges		534	
Other Equipment		299	
Total Regular Instruction Program			317,457

Special Education Program

Psychological Personnel	\$	46,354	
Secretary(ies)		30,347	
Other Salaries and Wages		130,689	
Social Security		11,978	
Pensions		20,973	
Medical Insurance		17,772	
Unemployment Compensation		118	
Employer Medicare		2,801	
Contracts with Private Agencies		64,638	
Other Supplies and Materials		8,774	
In Service/Staff Development		61,883	
Other Charges		364	
Other Equipment		8,364	
Total Special Education Program			405,055

Career and Technical Education Program

In Service/Staff Development	\$	5,264	
Total Career and Technical Education Program			5,264

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)Support Services (Cont.)Transportation

Vehicle Parts	\$	43	
Total Transportation			\$ 43

Operation of Non-Instructional ServicesCommunity Services

Supervisor/Director	\$	35,056	
Teachers		153,294	
Clerical Personnel		7,630	
Educational Assistants		66,199	
Social Security		15,964	
Pensions		24,159	
Employer Medicare		3,778	
Instructional Supplies and Materials		4,306	
In Service/Staff Development		928	
Other Charges		1,963	
Total Community Services			<u>313,277</u>

Total School Federal Projects Fund \$ 4,788,803

Central Cafeteria FundOperation of Non-Instructional ServicesFood Service

Supervisor/Director	\$	62,834	
Cafeteria Personnel		1,157,530	
Other Salaries and Wages		136,882	
In-service Training		1,957	
Social Security		80,096	
Pensions		104,808	
Medical Insurance		123,840	
Unemployment Compensation		3,709	
Employer Medicare		18,832	
Communication		1,512	
Maintenance and Repair Services - Equipment		50,469	
Travel		4,949	
Other Contracted Services		29,967	
Food Preparation Supplies		22,375	
Food Supplies		1,735,120	
Office Supplies		8,928	
USDA - Commodities		252,536	
Other Supplies and Materials		8,903	
In Service/Staff Development		2,860	
Other Charges		4,643	
Food Service Equipment		859,985	
Total Food Service			<u>\$ 4,672,735</u>

Total Central Cafeteria Fund 4,672,735

(Continued)

Exhibit K-8

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

<u>Education Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Building Construction	\$	<u>3,591,978</u>	
Total Education Capital Projects			<u>\$ 3,591,978</u>
Total Education Capital Projects Fund			\$ 3,591,978
<u>Other Capital Projects #3 Fund</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Building Improvements	\$	<u>4,044,787</u>	
Total Education Capital Projects			<u>\$ 4,044,787</u>
Total Other Capital Projects #3 Fund			<u>4,044,787</u>
Total Governmental Funds - Warren County School Department			<u><u>\$ 69,822,598</u></u>

Exhibit K-9

Warren County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2020

	Cities - Sales Tax Fund
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 3,393,857
Total Cash Receipts	<u>\$ 3,393,857</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 3,325,980
Trustee's Commission	67,877
Total Cash Disbursements	<u>\$ 3,393,857</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0
Cash Balance, July 1, 2019	<u>0</u>
Cash Balance, June 30, 2020	<u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



JASON E. MUMPOWER
Comptroller

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

Independent Auditor's Report

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, 2020, and the related notes to the financial statements, which collectively comprise Warren County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated February 11, 2021.

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) as a basis for designing 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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

possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency, described in the accompanying Schedule of Findings and Questioned Costs, to be a material weakness: 2020-001.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies, described in the accompanying Schedule of Findings and Questioned Costs, to be significant deficiencies: 2020-003 (C and D)

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2020-002, 2020-003 (A and B), and 2020-004.

Warren County's Responses to the Findings

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

Purpose of this Report

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

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 11, 2021

JEM/yu



JASON E. MUMPOWER
Comptroller

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

Independent Auditor's Report

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, 2020. Warren County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Warren County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Warren County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Warren County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

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

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

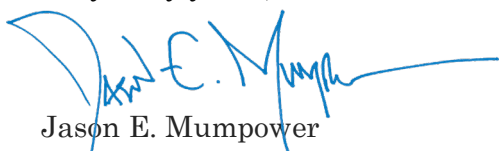
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Warren County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Warren County's basic financial statements. We issued our report thereon dated February 11, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 11, 2021

JEM/yu

Warren County, Tennessee, and the Warren County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (8) (9)
For the Year Ended June 30, 2020

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Amount Passed-through to Subrecipients	Expenditures
U.S. Department of Agriculture:				
Passed-through State Department of Education:				
Child Nutrition Cluster: (4)				
School Breakfast Program	10.553	(3)	\$ 0	\$ 715,817 (5)
COVID 19 - School Breakfast Program	10.553	(3)	0	229,598 (5)
National School Lunch Program	10.555	(3)	0	1,601,879 (5)
COVID 19 - National School Lunch Program	10.555	(3)	0	395,293 (5)
Fresh Fruit and Vegetable Program	10.582	(3)	0	50,477
Passed-through State Department of Agriculture:				
Child Nutrition Cluster: (4)				
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(3)	0	269,450 (5) (6)
Passed-through East Tennessee Human Resource Agency:				
Child and Adult Care Food Program	10.558	(3)	0	283,063
Child Nutrition Cluster: (4)				
Summer Food Service Program for Children	10.559	(3)	0	92,778
Total U.S. Department of Agriculture				<u>\$ 3,638,355</u>
U.S. Department of Defense:				
Passed-through State Department of General Services:				
Section 1033 Excess Property Program	12.U01	N/A	0	<u>\$ 235,140</u>
U.S. Department of Justice:				
Passed-through State Commission on Children and Youth:				
Juvenile Justice and Delinquency Prevention Allocation to States	16.540	(3)	0	\$ 585
Passed-through State Office of Criminal Justice Programs:				
Crime Victim Assistance	16.575	(3)	0	95,086
Total U.S. Department of Justice				<u>\$ 95,671</u>
U.S. Department of Transportation:				
Passed-through State Department of Transportation:				
Airport Improvement Program	20.106	(7)	0	\$ 564,950
Highway Safety Cluster: (4)				
Community-Based Traffic Safety Enforcement and Education	20.600	(3)	0	10,928
Alcohol Open Container Requirements	20.607	(3)	0	7,257
Total U.S. Department of Transportation				<u>\$ 583,135</u>
U.S. Department of Education:				
Passed-through State Department of Education:				
Title I Grants to Local Educational Agencies	84.010	N/A	0	\$ 1,934,197
Special Education Cluster: (4)				
Special Education - Grants to States	84.027	N/A	0	1,808,901
Special Education - Preschool Grants	84.173	N/A	0	62,723
Career and Technical Education - Basic Grants to States	84.048	N/A	0	190,970
Education for Homeless Children and Youth	84.196	N/A	0	41,082
Twenty-first Century Community Learning Centers	84.287	N/A	0	313,278
Rural Education	84.358	N/A	0	108,548
English Language Acquisition Grants	84.365	N/A	0	32,558
Supporting Effective Instruction State Grant	84.367	N/A	36,287	203,022 (10)
Student Support and Academic Enrichment Program	84.424	N/A	0	67,296
Total U.S. Department of Education				<u>\$ 4,762,575</u>
U.S. Election Assistance Commission:				
Passed-through Tennessee Secretary of State:				
COVID 19 - 2020 Supplemental Election Security Grants	90.404	(3)	0	<u>\$ 3,126</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	0	\$ 217,944 (5)
Passed-through State Department of Mental Health and Substance Abuse Services:				
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	N/A	0	21,197 (5)
Passed-through State Department of Education:				
CCDF Cluster: (4)				
Child Care and Development Block Grant	93.575	N/A	0	26,229
Total U.S. Department of Health and Human Services				<u>\$ 265,370</u>
U.S. Department of Homeland Security:				
Passed-through State Department of Military:				
Emergency Management Performance Grant	97.042	(3)	0	<u>\$ 22,247</u>
Total Expenditures of Federal Awards				<u>\$ 9,605,619</u>

(Continued)

Warren County, Tennessee, and the Warren County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (8) (9) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
Alcohol and Drug Addiction Treatment (ADAT) - State Department of Mental Health and Substance Abuse Services	N/A	N/A	\$ 1,780
State Supplement Juvenile Court Improvement Funds - State Department of Children's Services	N/A	N/A	9,000
Litter Program - State Department of Transportation	N/A	N/A	59,934
Rural Local Health Services - State Department of Health	N/A	N/A	532,980
Census Population Grant - State Department of Finance and Administration	N/A	N/A	10,000
Airport AGIS Obstruction Survey and Design for Phase II Runway Safety Area - State Department of Transportation	N/A	89-555-0163-16	352
Airport Drainage Improvements Design - State Department of Transportation	N/A	89-555-0172-19	8,050
Airport Land Acquisition Grant - State Department of Transportation	N/A	89-555-0170-18	15,365
Airport Road Removal Earthwork, and Fencing Grant - State Department of Transportation	N/A	89-555-0169-18	1,182
Airport Fuel Farm Grant - State Department of Transportation	N/A	89-555-0159-17	39,005
Airport Maintenance Grant - State Department of Transportation	N/A	89-555-0417-19	4,215
Airport Maintenance Grant - State Department of Transportation	N/A	89-555-0759-20	15,000
Airport RSA Improvements - State Department of Transportation	N/A		
Tennessee Certified Recovery Court Program - State Department of Mental Health and Substance Abuse Services	N/A	N/A	104,107
Coordinated School Health Improvement Act of 2000 - State Department of Education	N/A	N/A	170,000
Project Diabetes Initiative Services - State Department of Health	N/A	GG1750523	99,639
Read to Be Ready Coaching Network - State Department of Education	N/A	N/A	0
Family Resource Center - State Department of Education	N/A	N/A	31,112
Supporting Postsecondary Access in Rural Counties (SPARC) - State Department of Education	N/A	N/A	36,000
Safe Schools Act - State Department of Education	N/A	N/A	0
School Safety - State Department of Education	N/A	N/A	155,228
Career Exploration Grant - State Department of Education	N/A	N/A	10,000
EPSO Expansion Grant - State Department of Education	N/A	N/A	10,000
Youth Risk Behavior Survey - State Department of Education	N/A	N/A	340
Early Childhood Education - State Department of Education	N/A	N/A	793,090
Total State Grants			<u>\$ 2,106,379</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) Warren County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) Information not available.
- (4) Child Nutrition Cluster total \$3,304,815; Special Education Cluster total \$1,871,624; CCDF Cluster total \$26,229; Highway Safety Cluster total \$10,928.
- (5) Total for CFDA No. 10.553 is \$945,415; Total for CFDA No. 10.555 is \$2,266,622; Total for CFDA No. 93.243 is \$239,141.
- (6) Commodities \$252,536; Commodity Rebate \$16,914.
- (7) 89-555-0172-19: \$72,447; 89-555-0170-18: \$138,287; 89-555-0159-17: \$351,044; 89-555-0163-16: \$3,172.
- (8) For the year ended June 30, 2020, Warren County received donated PPE valued at \$56,687 (\$42,515 federal and \$14,172 state) from the Tennessee Department of Military. These donations were unaudited.

(9) CONSOLIDATED ADMINISTRATION			
The following amounts were consolidated for administration purposes:			
Program Title	Federal CFDA Number	Amount Provided to Consolidated Administration	
Title I Grants to Local Educational Agencies	84.010	\$	95,360
Rural Education	84.358		2,670
Supporting Effective Instruction State Grant	84.367		9,910
Student Support and Academic Enrichment Program	84.424		1,407
Total amounts consolidated for administration purposes		<u>\$</u>	<u>109,347</u>

- (10) SUBRECIPIENT AMOUNTS
- The following amounts were paid to subrecipients from the Principal Pipeline grant that is part of Supporting Effective Instruction State Grants:

Subrecipient	Federal CFDA Number	Amount Provided to Subrecipients
Gibson County School District	84.367	\$ 9,467
Hickman County Schools	84.367	5,993
Maury Co. Public Schools	84.367	6,507
Putnam County Board Of Education	84.367	6,474
Washington County Schools	84.367	7,846
Total amounts provided to subrecipients		<u>\$ 36,287</u>

Warren County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2020

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Warren County, Tennessee, for the year ended June 30, 2020.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
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OFFICE OF FINANCE DIRECTOR

2019	211	2019-001	Certain funds required material audit adjustments for proper financial statement presentation.	N/A	Corrected
2019	212	2019-002	Competitive bids were not solicited for the purchase of an ambulance.	N/A	Corrected
2019	212	2019-003	Amounts withheld from contractor payments were not deposited into an escrow account.	N/A	Corrected

Prior-year Federal Awards Findings

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

WARREN COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

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

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of major federal programs:
 - * CFDA Numbers: 10.553, 10.555, and 10.559 Nutrition Cluster: School Breakfast Program, National School Lunch Program, and Summer Food Service Program for Children
 - * CFDA Number: 84.010 Title I Grants to Local Education Agencies
 - * CFDA Numbers: 84.027 and 84.173 Special Education Cluster: Special Education Grants to States, Special Education Preschool Grants
8. Dollar threshold used to distinguish between type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **NO**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF FINANCE DIRECTOR

FINDING 2020-001

THE GENERAL PURPOSE SCHOOL FUND REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION

(Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2020, certain general ledger account balances in the school department's General Purpose School Fund were not materially correct, and audit adjustments totaling \$1,254,320 were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require the finance department to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the department's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the department has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency resulted primarily from management's failure to properly establish receivables and payables at year-end. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

The finance department should have appropriate processes in place to ensure its general ledgers are materially correct.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

I concur with this finding. Balance sheet accounts will be reviewed more frequently by the staff in the finance department, at least on a quarterly basis, to ensure items that need addressing are addressed in a timely fashion.

OFFICES OF COUNTY EXECUTIVE AND FINANCE DIRECTOR

FINDING 2020-002

A CASH SHORTAGE OF AT LEAST \$6,086.74 EXISTED AT THE WARREN COUNTY MEMORIAL AIRPORT AT JUNE 30, 2020

(Noncompliance Under *Government Auditing Standards*)

A cash shortage of at least \$6,086.74 existed at the Warren County Memorial Airport at June 30, 2020. For the period May 2019 through February 2020, auditors compared receipts issued at the airport with deposits made with the county trustee, and we noted \$5,448.40 in cash and \$638.34 in checks had not been deposited as reflected in the following table.

Month	Amounts Receipted but not Deposited		
	Cash	Checks	Total
May 2019	\$ 107.78	\$ 0.00	\$ 107.78
June	116.50	140.00	256.50
July	1,200.00	438.36	1,638.36
August	0.00	0.00	0.00
September	0.00	0.00	0.00
October	123.20	0.00	123.20
November	1,283.67	0.00	1,283.67
December	219.20	0.00	219.20
January 2020	2,337.90	59.98	2,397.88
February	60.15	0.00	60.15
Total	<u>\$ 5,448.40</u>	<u>\$ 638.34</u>	<u>\$ 6,086.74</u>

Our testing did not extend beyond February 2020 because auditors were unable to obtain reliable receipt records to examine for March 2020 through June 2020. Therefore, this shortage could increase if accounting records for the missing period can be examined. This shortage is a result of a lack of internal controls and a lack of management oversight.

The state Comptroller's Division of Investigations is continuing to review this shortage. Any further findings will be reported in a subsequent report.

RECOMMENDATION

Management should take steps to recover the cash shortage.

MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE AND FINANCE DIRECTOR

We concur with this finding. The county will seek reparation and legal action for the missing funds. The trustee will establish a separate bank account for the airport. The airport will no longer accept cash payments for the services they provide; all payments will be made by check or debit/credit card. These payments will be deposited into the airport bank account within three days of receipt. A report of all receipts issued along with all pump sales will be presented by the airport for reconciliation to their bank account monthly.

FINDING 2020-003

THE WARREN COUNTY MEMORIAL AIRPORT HAD OPERATIONAL DEFICIENCIES

(A. and B. – Noncompliance Under *Government Auditing Standards*; C. and D. – Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Our examination of the operations of the Warren County Memorial Airport revealed the following deficiencies, all of which are a result of a lack of management oversight and the failure to follow the department's written internal control procedures.

- A. Official receipts were not issued for some collections. Section 9-2-103, *Tennessee Code Annotated (TCA)*, requires receipts to be issued for all collections and duplicates to be maintained by the office. During our review, we noted several instances of funds being received from customers and deposited with the county trustee without a receipt.
- B. As part of our audit procedures for obtaining reasonable assurance funds were deposited within three days of collection as required by Section 5-8-207, *TCA*, we noted that from July 2019 through February 2020, 110 of 180 receipts were held more than three business days before being deposited. The delay in depositing funds weakens internal controls over collections and increases the risks of fraud and misappropriation.
- C. On March 30, 2020, the airport director left employment unexpectedly. County officials stated that upon his departure, the software used by the airport to issue receipts and record all accounting activity had apparently "been disabled," and it was not reinstalled and operational until June 2020. Management was unable to provide auditors with accounting records for March 2020, and the documentation provided for April, May, and June 2020 contained transactions that were in error or incomplete. The department's internal control policy states that financial reports are to be maintained at the airport and with the county executive, and the reports are to be presented to the airport commission monthly for review.
- D. Duties were not segregated adequately among the director and employees at the airport. The director and employees responsible for maintaining the accounting records in the office were also involved in receipting and depositing funds. Accounting standards provide that internal controls be designed to provide reasonable assurance of the reliability of financial reporting and of the

effectiveness and efficiency of operations. This lack of segregation of duties is a significant deficiency in internal controls that increases the risk of unauthorized transactions.

RECOMMENDATION

Official receipts should be issued for all collections, and all funds should be deposited within three business days as required by state statutes. Officials should ensure internal control procedures are known to and followed by all employees to provide reliable accounting information and safeguard public assets.

MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE AND FINANCE DIRECTOR

We concur with this finding. Monthly financial statements will be presented by the airport director to the county executive and finance director. These will be used to verify that operations are proceeding normally, deposits are being made timely, and receipts are being issued for all funds received. The airport will receive its own bank account to better facilitate the reconciliation of funds received by the trustee. Cash will no longer be accepted at the airport, which will reduce the number of deposits to be made as well as reduce the county's exposure. The airport director will review his internal controls and segregation of duties, make the necessary changes, and discuss the changes to be made with the finance director and county executive.

FINDING 2020-004

RECEIPTS WERE NOT ISSUED FOR SOME COLLECTIONS AT THE WARREN COUNTY ANIMAL CONTROL AND ADOPTION CENTER

(Noncompliance Under *Government Auditing Standards*)

Official receipts were not issued for some collections at the Warren County Animal Control and Adoption Center, which is a department of Warren County government. Section 9-2-103, *Tennessee Code Annotated*, requires receipts to be issued for all collections and duplicates to be maintained by the office. A routine cash count performed during our audit revealed that the office had more cash on hand than receipts issued. Upon further inquiry, it was discovered that the department does not issue receipts for funds collected as donations. In addition to statutory requirements, the center's internal control procedures state "a separate, pre-numbered receipt book is used...to record monetary and other donations" (i.e., food, bedding, other animal supplies)." This deficiency was the result of a lack of management oversight and a failure to follow the department's written internal control procedures.

RECOMMENDATION

The county's animal control and adoption center should issue official prenumbered receipts for all collections as required by state statute and department policy. Officials should ensure internal control procedures are known to and followed by all employees to provide reliable accounting information and safeguard public assets.

MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE AND FINANCE DIRECTOR

We concur with this finding. The animal control director will review their internal control procedures with all employees who accept donations or funds. The director will ensure that receipts are issued for all fund/donations received, both monetary and "other." Copies of cash receipts will be presented to the finance department on a monthly basis, to be checked against deposits made. Animal control will cease accepting cash payments and begin accepting credit/debit card collections.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2020.

Warren County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2020

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

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

2020-001	The General Purpose School Fund required material audit adjustments for proper financial statement presentation.	212
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OFFICE OF COUNTY EXECUTIVE AND FINANCE DIRECTOR

2020-002	A cash shortage of at least \$6,086.74 existed at the Warren County Memorial Airport at June 30, 2020.	213
2020-003	The Warren County Memorial Airport had operational deficiencies.	214
2020-004	Receipts were not issued for some collections of the Warren County Animal Control and Adoption Center.	215



WARREN COUNTY, TENNESSEE

OFFICE of the COUNTY EXECUTIVE

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Corrective Action Plan

FINDING: THE GENERAL PURPOSE SCHOOL FUND REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION

Response and Corrective Action Plan Prepared by:
Justin Cotten, Finance Director

Person Responsible for Implementing the Corrective Action:
Justin Cotten, Finance Director

Anticipated Completion Date of Corrective Action:
February 28, 2021

Repeat Finding:
No

Reason Corrective Action was Not Taken in the Prior Year:
N/A

Planned Corrective Action:

Balance sheet accounts will be reviewed more frequently by the staff in the Finance Department, at least on a quarterly basis, to ensure items that need addressing are addressed in a timely fashion.



Finance Director



WARREN COUNTY, TENNESSEE

OFFICE of the COUNTY EXECUTIVE

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Corrective Action Plan

FINDING: A CASH SHORTAGE OF AT LEAST \$6,086.74 EXISTED AT THE WARREN COUNTY MEMORIAL AIRPORT AT JUNE 30, 2020

Response and Corrective Action Plan Prepared by:
Justin Cotten, Finance Director

Person Responsible for Implementing the Corrective Action:
Justin Cotten, Finance Director

Anticipated Completion Date of Corrective Action:
June 30, 2021

Repeat Finding:
No

Reason Corrective Action was Not Taken in the Prior Year:
N/A

Planned Corrective Action:
The County will seek reparation and legal action for the missing funds.

The Trustee will establish a separate bank account for the Airport. The Airport will no longer accept cash payments for the services they provide; all payments will be made by check or debit/credit card. These payments will be deposited into the Airport bank account within three days of receipt. A report of all receipts issued along with all pump sales will be presented by the Airport for reconciliation to their bank account on a monthly basis.



County Executive



Finance Director



WARREN COUNTY, TENNESSEE

OFFICE of the COUNTY EXECUTIVE

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Corrective Action Plan

FINDING: DEFICIENCIES WERE NOTED IN THE ADMINISTRATION AND OPERATION OF THE WARREN COUNTY MEMORIAL AIRPORT

Response and Corrective Action Plan Prepared by:
Justin Cotten, Finance Director

Person Responsible for Implementing the Corrective Action:
John Baugh, Airport Manager

Anticipated Completion Date of Corrective Action:
February 28, 2021

Repeat Finding:
No

Reason Corrective Action was Not Taken in the Prior Year:
N/A

Planned Corrective Action:

Monthly financial statements will be presented by the Airport Director to the County Executive and Finance Director. These will be used to verify that operations are proceeding normally, deposits are being made in a timely, and receipts are being issued for all funds received. The Airport will receive its own bank account to better facilitate the reconciliation of funds received by the Trustee. Cash will no longer be accepted at the Airport, which will reduce the number of deposits to be made as well as reduce the County's exposure.

The Airport Director will review his internal controls and segregation of duties, make the necessary changes, and discuss the changes to be made with the Finance Director and County Executive.



County Executive



Finance Director



WARREN COUNTY, TENNESSEE

OFFICE of the COUNTY EXECUTIVE

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Corrective Action Plan

FINDING: RECEIPTS WERE NOT ISSUED FOR SOME COLLECTIONS OF THE WARREN COUNTY ANIMAL CONTROL AND ADOPTION CENTER

Response and Corrective Action Plan Prepared by:
Justin Cotten, Finance Director

Person Responsible for Implementing the Corrective Action:
Sherri Bradley, Animal Control Director

Anticipated Completion Date of Corrective Action:
June 30, 2021

Repeat Finding:
No

Reason Corrective Action was Not Taken in the Prior Year:
N/A

Planned Corrective Action:

The Animal Control Director will review their internal control procedures with all employees who accept donations or funds. The Director will ensure that receipts are issued for all fund/donations received, both monetary and "other." Copies of cash receipts will be presented to the Finance department on a monthly basis, to be checked against deposits made. Animal Control will cease accepting cash payments and begin accepting credit/debit card collections.



County Executive



Finance Director