ANNUAL FINANCIAL REPORT

CARROLL COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2018

TENNESSEE COMPTROLLER OF THE TREASURY

DIVISION OF LOCAL GOVERNMENT AUDIT

ANNUAL FINANCIAL REPORT

CARROLL COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2018

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

LEE ANN WEST, CPA, CGFM
Audit Manager

TIFFANY NOLEN, CFE
Senior Auditor

JUSTIN PETERING
ELISHA CROWELL, CISA, CFE
State Auditors

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

CARROLL COUNTY, TENNESSEE
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Summary of Audit Findings

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

Scope

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

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- General ledger payroll deduction accounts were not reconciled with payroll reports and payments in the General Fund.

OFFICE OF TRUSTEE

- Revenues were not prorated accurately.

INTRODUCTORY SECTION

Carroll County Officials
June 30, 2018

Officials

Kenny McBride, County Mayor
John McAdams, Director of Schools
Paula Bolen, Trustee
Rita Jones, Assessor of Property
Darlene Kirk, County Clerk
Bertha Taylor, Circuit, General Sessions, and Juvenile Courts Clerk
Kenneth Todd, Clerk and Master
Natalie Porter, Register of Deeds
Andy Dickson, Sheriff

Board of County Commissioners

Kenny McBride, County Mayor, Chairman
Bobby Argo
John Austin
Johnny Blount
Manuel Crossno
Joey Darnall
Hal Eason
Willie Huffman
Randy Long
John Mann
Jimmy McClure
Ronnie Murphy
Lori Nolen
Ronnie Owen
Steve Parker
Will Radford
Darrell Ridgley
Gerald Scarbrough
Larry Spencer
Gaylon Sydnor
Joel Washburn
Paula Watkins

Highway Commission

Kenny McBride, County Mayor, Chairman
Scotty Bailey
Ricky Scott

Board of Education

Harold McLain, Jr., Chairman
Kenna Bailey
Debbie Broadbent
Tonya Phifer
Jimmy Simmons
Antoinette Stokes

Audit Committee

John Mann, Chairman
Johnny Blount
Ronnie Murphy
Steve Parker
John Wright

FINANCIAL SECTION

TENNESSEE COMPTROLLER OF THE TREASURY

JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

Independent Auditor's Report

Carroll County Mayor and
Board of County Commissioners
Carroll County, Tennessee

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Carroll County Board of Public Utilities, a major fund and the entire business-type activities. Also, we did not audit the financial statements of the Carroll County Indigent Care Board (a fiduciary fund), which represent 21.5 percent, 54.2 percent, and 1 percent, respectively, of the assets, net position, and revenues of the aggregate remaining fund information. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Carroll County Board of Public Utilities and Carroll County Indigent Care Board, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to

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obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

Change in Accounting Principle

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

Emphasis of Matter

We draw attention to Note I.D.8. to the financial statements, which describes restatements reducing the beginning net position of the Governmental Activities and the discretely presented Carroll County School Department by $337,186 and $90,976, respectively, on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension assets, and schedules of county and school changes in the total OPEB liability and related ratios - other postemployment benefit plans on pages 108-118 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 Carroll County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, combining and individual fund financial statements of the Carroll County School Department (a discretely presented component unit), miscellaneous schedules, and the other information such as the introductory section and management's corrective action plans are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 14, 2018, on our consideration of Carroll 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 Carroll 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 Carroll County's internal control over financial reporting and compliance.

Very truly yours,

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 14, 2018

JPW/kp

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Carroll County School Department
ASSETS				
Cash	$ 26,089	$ 2,623,933	$ 2,650,022	$ 0
Equity in Pooled Cash and Investments	6,070,001	0	6,070,001	7,888,257
Inventories	0	674,655	674,655	0
Investments	0	7,439,322	7,439,322	0
Accounts Receivable	2,103,855	3,594,584	5,698,439	299,469
Allowance for Uncollectibles	(1,981,209)	(25,000)	(2,006,209)	0
Due from Other Governments	833,345	0	833,345	9,881
Due from Component Units	24,601	0	24,601	0
Property Taxes Receivable	5,948,667	0	5,948,667	589,853
Allowance for Uncollectible Property Taxes	(260,524)	0	(260,524)	(25,832)
Prepaid Items and Other Current Assets	0	278,374	278,374	0
Net Pension Asset - Agent Plan	444,475	0	444,475	84,788
Net Pension Asset - Commissioners Agent Plan	70,948	0	70,948	0
Net Pension Asset - Teacher Retirement Plan	0	0	0	4,222
Net Pension Asset - Teacher Legacy Pension Plan	0	0	0	7,159
Capital Assets:				
Assets Not Depreciated:				
Land	1,747,068	284,070	2,031,138	176,489
Construction in Progress	245,899	44,304	290,203	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	14,443,988	0	14,443,988	640,750
Infrastructure	7,191,908	0	7,191,908	0
Other Capital Assets	2,190,791	20,135,595	22,326,386	2,382,349
Total Assets	$ 39,099,902	$ 35,049,837	$ 74,149,739	$ 12,057,385
DEFERRED OUTFLOWS OF RESOURCES				
Pension Changes in Experience	$ 145,537	$ 0	$ 145,537	$ 32,226
Pension Changes in Investment Earnings	0	0	0	1,087
Pension Changes in Assumptions	454,082	0	454,082	147,141
Pension Changes in Proportion	0	0	0	13,586
Pension Contributions After Measurement Date	271,298	0	271,298	124,138
OPEB Contributions After Measurement Date	4,671	0	4,671	7,720
Total Deferred Outflows of Resources	$ 875,588	$ 0	$ 875,588	$ 325,898
LIABILITIES				
Accounts Payable	$ 164,240	$ 3,202,453	$ 3,366,693	$ 0
Payroll Deductions Payable	84,267	0	84,267	39,354
Accrued Leave	0	299,089	299,089	0
Contracts Payable	106,710	0	106,710	0
Accrued Interest Payable	53,023	0	53,023	0
Due to Primary Government	0	0	0	24,601
Due to State of Tennessee	104	0	104	0
Other Current Liabilities	0	761,463	761,463	0
Customer Deposits Payable	0	978,101	978,101	0
Noncurrent Liabilities:				
Due Within One Year	554,227	0	554,227	0
Due in More Than One Year	8,409,235	1,205,056	9,614,291	137,404
Total Liabilities	$ 9,371,806	$ 6,446,162	$ 15,817,968	$ 201,359

(Continued)

Exhibit A

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

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Carroll County School Department
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	$ 5,467,400	$ 0	$ 5,467,400	$ 542,132
Pension Changes in Experience	550,093	0	550,093	250,884
Pension Changes in Investment Earnings	8,088	0	8,088	1,756
Pension Other Deferrals	0	0	0	23,498
OPEB Changes in Assumptions	14,708	0	14,708	5,623
Total Deferred Inflows of Resources	$ 6,040,289	$ 0	$ 6,040,289	$ 823,893
NET POSITION				
Net Investment in Capital Assets	$ 17,539,654	$ 20,463,969	$ 38,003,623	$ 3,199,588
Restricted for:				
General Government	238,731	0	238,731	0
Finance	30,419	0	30,419	0
Administration of Justice	41,202	0	41,202	0
Public Safety	491,733	0	491,733	0
Public Health and Welfare	215,777	0	215,777	0
Highways/Public Works	78,413	0	78,413	0
Instruction	0	0	0	14,453
Support Services	0	0	0	18,167
Operation of Non-instructional Services	0	0	0	5,506
Debt Service	1,043,368	0	1,043,368	0
Pensions	515,423	0	515,423	96,169
Unrestricted	4,368,675	8,139,706	12,508,381	8,024,148
Total Net Position	$ 24,563,395	$ 28,603,675	$ 53,167,070	$ 11,358,031

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

Exhibit B

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

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
					Primary Government			Component Unit
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Business-type Activities	Total	Carroll County School Department
Primary Government:								
Governmental Activities:								
General Government	$ 2,036,782	$ 225,756	$ 17,679	$ 575,937	$ (1,217,410)	$ 0	$ (1,217,410)	$ 0
Finance	735,393	639,694	0	0	(95,699)	0	(95,699)	0
Administration of Justice	982,546	805,172	0	0	(177,374)	0	(177,374)	0
Public Safety	6,918,195	994,546	735,209	285,733	(4,902,707)	0	(4,902,707)	0
Public Health and Welfare	1,883,403	1,348,544	221,076	62,552	(251,231)	0	(251,231)	0
Social, Cultural, and Recreational Services	750,889	79,179	59,901	1,599	(610,210)	0	(610,210)	0
Agriculture and Natural Resources	141,341	0	0	0	(141,341)	0	(141,341)	0
Highways/Public Works	3,835,291	30	2,457,942	745,973	(631,346)	0	(631,346)	0
Interest on Long-term Debt	189,596	0	0	0	(189,596)	0	(189,596)	0
Total Governmental Activities	$ 17,473,436	$ 4,092,921	$ 3,491,807	$ 1,671,794	$ (8,216,914)	$ 0	$ (8,216,914)	$ 0
Business-type Activities:								
Public Utility	$ 37,775,060	$ 38,234,449	$ 0	$ 0	$ 0	$ 459,389	$ 459,389	$ 0
Total Business-type Activities	$ 37,775,060	$ 38,234,449	$ 0	$ 0	$ 0	$ 459,389	$ 459,389	$ 0
Total Primary Government	$ 55,248,496	$ 42,327,370	$ 3,491,807	$ 1,671,794	$ (8,216,914)	$ 459,389	$ (7,757,525)	$ 0
Component Unit:								
Carroll County School Department	$ 4,405,278	$ 847,998	$ 119,636	$ 98,344	$ 0	$ 0	$ 0	$ (3,339,300)
Total Component Unit	$ 4,405,278	$ 847,998	$ 119,636	$ 98,344	$ 0	$ 0	$ 0	$ (3,339,300)

(Continued)

Carroll County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position — Primary Government: Total Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: Carroll County School Department
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					$ 5,171,585	$ 0	$ 5,171,585	$ 560,983
Property Taxes Levied for Debt Service					480,954	0	480,954	0
Local Option Sales Taxes					211,571	0	211,571	56,276
Wheel Tax					1,297,434	0	1,297,434	0
Litigation Taxes					240,255	0	240,255	0
Business Tax					167,474	0	167,474	0
Wholesale Beer Tax					62,891	0	62,891	0
Other Local Taxes					46,965	0	46,965	0
Grants and Contributions Not Restricted to Specific Programs					700,358		700,358	2,864,805
Unrestricted Investment Income					58,972	56,253	115,225	0
Miscellaneous					217,923	0	217,923	23,775
Total General Revenues					$ 8,656,382	$ 56,253	$ 8,712,635	$ 3,505,839
Transfers					$ 422,614	$ (422,614)	$ 0	$ 0
Change in Net Position					$ 862,082	$ 93,028	$ 955,110	$ 166,539
Net Position, July 1, 2017					24,038,499	28,653,181	52,691,680	11,282,468
Restatements - See Note I.D.8.					(337,186)	0	(337,186)	(90,976)
Restatement - See Note VI.D.6.					0	(142,534)	(142,534)	0
Net Position, June 30, 2018					$ 24,563,395	$ 28,603,675	$ 53,167,070	$ 11,358,031

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

Exhibit C-1

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

	Major Funds: General	Major Funds: Highway / Public Works	Nonmajor Funds: Other Govern-mental Funds	Total Governmental Funds
ASSETS				
Cash	$ 250	$ 0	$ 25,839	$ 26,089
Equity in Pooled Cash and Investments	2,981,104	693,495	2,395,402	6,070,001
Accounts Receivable	0	258	2,103,597	2,103,855
Allowance for Uncollectibles	0	0	(1,981,209)	(1,981,209)
Due from Other Governments	355,283	435,148	42,914	833,345
Due from Other Funds	63,288	0	0	63,288
Due from Component Units	24,601	0	0	24,601
Property Taxes Receivable	4,726,829	337,058	884,780	5,948,667
Allowance for Uncollectible Property Taxes	(207,014)	(14,762)	(38,748)	(260,524)
Total Assets	$ 7,944,341	$ 1,451,197	$ 3,432,575	$ 12,828,113
LIABILITIES				
Accounts Payable	$ 164,240	$ 0	$ 0	$ 164,240
Payroll Deductions Payable	73,743	0	10,524	84,267
Contracts Payable	0	106,710	0	106,710
Due to Other Funds	0	14,066	49,222	63,288
Due to State of Tennessee	104	0	0	104
Total Liabilities	$ 238,087	$ 120,776	$ 59,746	$ 418,609
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	$ 4,344,412	$ 309,789	$ 813,199	$ 5,467,400
Deferred Delinquent Property Taxes	147,347	10,380	27,250	184,977
Other Deferred/Unavailable Revenue	35,369	213,416	43,016	291,801
Total Deferred Inflows of Resources	$ 4,527,128	$ 533,585	$ 883,465	$ 5,944,178

(Continued)

Exhibit C-1

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

	Major Funds		Nonmajor Funds	
	General	Highway / Public Works	Other Govern- mental Funds	Total Governmental Funds
FUND BALANCES				
Restricted:				
Restricted for General Government	$ 34,679	$ 0	$ 0	$ 34,679
Restricted for Finance	30,419	0	0	30,419
Restricted for Administration of Justice	41,202	0	0	41,202
Restricted for Public Safety	286,581	0	205,152	491,733
Restricted for Public Health and Welfare	161,083	0	0	161,083
Restricted for Debt Service	0	0	1,079,339	1,079,339
Restricted for Other Purposes	202,712	0	0	202,712
Committed:				
Committed for Administration of Justice	0	0	13,032	13,032
Committed for Public Health and Welfare	0	0	831,705	831,705
Committed for Social, Cultural, and Recreational Services	107,730	0	0	107,730
Committed for Highways/Public Works	0	796,836	0	796,836
Committed for Debt Service	0	0	360,136	360,136
Unassigned	2,314,720	0	0	2,314,720
Total Fund Balances	$ 3,179,126	$ 796,836	$ 2,489,364	$ 6,465,326
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 7,944,341	$ 1,451,197	$ 3,432,575	$ 12,828,113

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

Exhibit C-2

Carroll County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2018

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		$ 6,465,326
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 1,747,068	
Add: construction in progress	245,899	
Add: buildings and improvements net of accumulated depreciation	14,443,988	
Add: infrastructure net of accumulated depreciation	7,191,908	
Add: other capital assets net of accumulated depreciation	2,190,791	25,819,654
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	$ (771,000)	
Less: other loans payable	(7,509,000)	
Less: accrued interest on notes and other loans	(53,023)	
Less: compensated absences payable	(324,585)	
Less - net OPEB liability	(358,877)	(9,016,485)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	$ 870,917	
Less: deferred inflows of resources related to pensions	(558,181)	
Add: deferred outflows related to OPEB	4,671	
Less: deferred inflows related to OPEB	(14,708)	302,699
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan	$ 444,475	
Add: net pension asset - commissioners agent plan	70,948	515,423
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		476,778
Net position of governmental activities (Exhibit A)		$ 24,563,395

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

Exhibit C-3

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

	Major Funds		Nonmajor Funds	
	General	Highway / Public Works	Other Govern-mental Funds	Total Governmental Funds
Revenues				
Local Taxes	$ 6,162,843	$ 839,609	$ 955,647	$ 7,958,099
Licenses and Permits	800	0	0	800
Fines, Forfeitures, and Penalties	190,253	0	73,239	263,492
Charges for Current Services	285,509	30	1,318,186	1,603,725
Other Local Revenues	648,251	10,783	98,603	757,637
Fees Received From County Officials	1,040,215	0	0	1,040,215
State of Tennessee	1,984,535	3,173,189	205,781	5,363,505
Federal Government	605,642	0	0	605,642
Other Governments and Citizens Groups	266,923	0	0	266,923
Total Revenues	$ 11,184,971	$ 4,023,611	$ 2,651,456	$ 17,860,038
Expenditures				
Current:				
General Government	$ 1,634,004	$ 0	$ 0	$ 1,634,004
Finance	647,106	0	0	647,106
Administration of Justice	844,748	0	88,343	933,091
Public Safety	5,738,585	0	118,697	5,857,282
Public Health and Welfare	250,297	0	1,546,662	1,796,959
Social, Cultural, and Recreational Services	569,977	0	0	569,977
Agriculture and Natural Resources	95,061	0	0	95,061
Other Operations	1,249,452	0	0	1,249,452
Highways	0	4,209,613	29,961	4,239,574
Debt Service:				
Principal on Debt	0	110,000	415,000	525,000
Interest on Debt	0	6,750	180,396	187,146
Other Debt Service	0	0	19,083	19,083
Total Expenditures	$ 11,029,230	$ 4,326,363	$ 2,398,142	$ 17,753,735

(Continued)

Exhibit C-3

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

	Major Funds		Nonmajor Funds	
	General	Highway / Public Works	Other Govern-mental Funds	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	$ 155,741	$ (302,752)	$ 253,314	$ 106,303
Other Financing Sources (Uses)				
Insurance Recovery	$ 18,684	$ 55,995	$ 25,150	$ 99,829
Transfers In	331,519	25,130	65,965	422,614
Total Other Financing Sources (Uses)	$ 350,203	$ 81,125	$ 91,115	$ 522,443
Net Change in Fund Balances	$ 505,944	$ (221,627)	$ 344,429	$ 628,746
Fund Balance, July 1, 2017	2,673,182	1,018,463	2,144,935	5,836,580
Fund Balance, June 30, 2018	$ 3,179,126	$ 796,836	$ 2,489,364	$ 6,465,326

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

Exhibit C-4

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

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

Net change in fund balances - total governmental funds (Exhibit C-3)		$ 628,746
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	$ 1,621,756	
Less: current-year depreciation expense	(2,077,125)	(455,369)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
Add: assets donated and capitalized	$ 74,758	
Less: loss on disposal of capital assets	(4,869)	69,889
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2018	$ 476,778	
Less: deferred delinquent property taxes and other deferred June 30, 2017	(498,670)	(21,892)
(4) The issuance of long-term debt (e.g., notes, other loans) provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Add: principal payments on notes	$ 159,000	
Add: principal payments on other loans	366,000	525,000
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	$ 5,040	
Change in net OPEB liability (net of restatement)	(21,691)	
Change in deferred outflows related to OPEB	4,671	
Change in deferred inflows related to OPEB	(14,708)	
Change in compensated absences payable	(3,146)	
Change in net pension asset- agent plan	748,354	
Change in net pension asset - commissioners agent plan	10,378	
Change in deferred outflows related to pensions	(383,717)	
Change in deferred inflows related to pensions	(229,473)	115,708
Change in net position of governmental activities (Exhibit B)		$ 862,082

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

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 6,162,843	$ 0	$ 0	$ 6,162,843	$ 6,544,518	$ 6,544,518	$ (381,675)
Licenses and Permits	800	0	0	800	1,500	1,500	(700)
Fines, Forfeitures, and Penalties	190,253	0	0	190,253	198,500	198,500	(8,247)
Charges for Current Services	285,509	0	0	285,509	297,032	297,032	(11,523)
Other Local Revenues	648,251	0	0	648,251	532,600	900,671	(252,420)
Fees Received From County Officials	1,040,215	0	0	1,040,215	975,000	975,000	65,215
State of Tennessee	1,984,535	0	0	1,984,535	2,908,208	2,923,450	(938,915)
Federal Government	605,642	0	0	605,642	54,000	54,000	551,642
Other Governments and Citizens Groups	266,923	0	0	266,923	41,000	41,000	225,923
Total Revenues	$ 11,184,971	$ 0	$ 0	$ 11,184,971	$ 11,552,358	$ 11,935,671	$ (750,700)
Expenditures							
General Government							
County Commission	$ 44,296	$ 0	$ 0	$ 44,296	$ 60,014	$ 60,014	$ 15,718
Board of Equalization	8,636	0	0	8,636	18,646	18,646	10,010
Beer Board	0	0	0	0	500	500	500
Other Boards and Committees	330	0	0	330	1,845	1,845	1,515
County Mayor/Executive	271,504	0	0	271,504	280,151	287,801	16,297
County Attorney	4,449	0	0	4,449	15,000	15,000	10,551
Election Commission	155,819	0	0	155,819	175,034	175,034	19,215
Register of Deeds	178,790	0	0	178,790	190,769	190,819	12,029
County Buildings	970,180	0	0	970,180	702,871	1,005,991	35,811
Finance							
Property Assessor's Office	176,824	0	0	176,824	218,535	218,585	41,761
Reappraisal Program	38,765	0	0	38,765	41,793	41,794	3,029
County Trustee's Office	203,544	0	0	203,544	200,789	205,314	1,770
County Clerk's Office	227,973	0	0	227,973	250,136	250,186	22,213
Administration of Justice							
Circuit Court	344,858	0	0	344,858	379,799	380,199	35,341
General Sessions Judge	137,820	0	0	137,820	139,670	139,720	1,900

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Administration of Justice (Cont.)							
Drug Court	$ 10,594	$ 0	$ 0	$ 10,594	$ 7,500	$ 7,500	$ (3,094)
Chancery Court	168,204	0	0	168,204	170,975	173,675	5,471
Juvenile Court	158,029	0	0	158,029	166,375	166,425	8,396
Judicial Commissioners	5,243	0	0	5,243	5,236	5,311	68
Victim Assistance Programs	20,000	0	0	20,000	20,000	20,000	0
Public Safety							
Sheriff's Department	1,922,503	0	0	1,922,503	2,022,342	2,031,442	108,939
Administration of the Sexual Offender Registry	1,250	0	0	1,250	5,500	5,500	4,250
Jail	2,475,582	0	0	2,475,582	2,464,167	2,553,711	78,129
Juvenile Services	865,622	0	0	865,622	983,713	983,712	118,090
Fire Prevention and Control	336,399	0	0	336,399	333,376	352,375	15,976
Civil Defense	105,910	0	0	105,910	107,001	107,001	1,091
County Coroner/Medical Examiner	31,319	0	0	31,319	32,675	32,675	1,356
Other Public Safety	0	0	0	0	2,500	2,500	2,500
Public Health and Welfare							
Local Health Center	222,403	0	0	222,403	427,348	427,348	204,945
Rabies and Animal Control	13,966	0	0	13,966	18,600	18,600	4,634
General Welfare Assistance	500	0	0	500	2,400	2,400	1,900
Other Local Welfare Services	13,428	0	0	13,428	12,710	13,430	2
Social, Cultural, and Recreational Services							
Senior Citizens Assistance	92,597	0	0	92,597	105,051	105,051	12,454
Libraries	100,339	0	0	100,339	93,959	111,509	11,170
Parks and Fair Boards	130,139	0	0	130,139	143,443	143,492	13,353
Other Social, Cultural, and Recreational	246,902	0	0	246,902	240,744	240,744	(6,158)
Agriculture and Natural Resources							
Agricultural Extension Service	52,702	0	0	52,702	52,701	52,702	0
Forest Service	2,000	0	0	2,000	2,000	2,000	0
Soil Conservation	32,109	0	0	32,109	28,059	32,509	400
Flood Control	8,250	0	0	8,250	16,500	16,500	8,250

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Other Operations							
Industrial Development	$ 10,000	$ 0	$ 0	$ 10,000	$ 10,000	$ 10,000	$ 0
Other Economic and Community Development	69,785	0	0	69,785	77,000	77,000	7,215
Airport	643,017	(165,533)	194,505	671,989	727,840	729,390	57,401
Veterans' Services	28,619	0	0	28,619	29,746	29,746	1,127
Other Charges	448,631	0	0	448,631	498,420	514,836	66,205
Contributions to Other Agencies	49,400	0	0	49,400	53,250	53,250	3,850
Total Expenditures	$ 11,029,230	$ (165,533)	$ 194,505	$ 11,058,202	$ 11,536,683	$ 12,013,782	$ 955,580
Excess (Deficiency) of Revenues Over Expenditures	$ 155,741	$ 165,533	$ (194,505)	$ 126,769	$ 15,675	$ (78,111)	$ 204,880
Other Financing Sources (Uses)							
Insurance Recovery	$ 18,684	$ 0	$ 0	$ 18,684	$ 25,000	$ 41,416	$ (22,732)
Transfers In	331,519	0	0	331,519	0	0	331,519
Total Other Financing Sources	$ 350,203	$ 0	$ 0	$ 350,203	$ 25,000	$ 41,416	$ 308,787
Net Change in Fund Balance	$ 505,944	$ 165,533	$ (194,505)	$ 476,972	$ 40,675	$ (36,695)	$ 513,667
Fund Balance, July 1, 2017	2,673,182	(165,533)	0	2,507,649	3,185,955	3,185,955	(678,306)
Fund Balance, June 30, 2018	$ 3,179,126	$ 0	$ (194,505)	$ 2,984,621	$ 3,226,630	$ 3,149,260	$ (164,639)

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

Exhibit C-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Local Taxes	$ 839,609	$ 0	$ 839,609	$ 829,400	$ 828,400	$ 11,209
Charges for Current Services	30	0	30	60	60	(30)
Other Local Revenues	10,783	0	10,783	1,516	1,516	9,267
State of Tennessee	3,173,189	0	3,173,189	2,701,232	2,701,232	471,957
Total Revenues	$ 4,023,611	$ 0	$ 4,023,611	$ 3,532,208	$ 3,531,208	$ 492,403
Expenditures						
Highways						
Administration	$ 225,375	$ 0	$ 225,375	$ 233,865	$ 233,865	$ 8,490
Highway and Bridge Maintenance	846,271	0	846,271	849,187	895,187	48,916
Operation and Maintenance of Equipment	469,164	0	469,164	515,769	515,769	46,605
Other Charges	140,981	0	140,981	145,500	150,500	9,519
Employee Benefits	387,676	0	387,676	279,202	429,202	41,526
Capital Outlay	2,140,146	(76,472)	2,063,674	1,508,735	2,149,765	86,091
Principal on Debt						
Highways and Streets	110,000	0	110,000	110,000	110,000	0
Interest on Debt						
Highways and Streets	6,750	0	6,750	6,751	6,751	1
Total Expenditures	$ 4,326,363	$ (76,472)	$ 4,249,891	$ 3,649,009	$ 4,491,039	$ 241,148
Excess (Deficiency) of Revenues Over Expenditures	$ (302,752)	$ 76,472	$ (226,280)	$ (116,801)	$ (959,831)	$ 733,551
Other Financing Sources (Uses)						
Insurance Recovery	$ 55,995	$ 0	$ 55,995	$ 0	$ 0	$ 55,995
Transfers In	25,130	0	25,130	0	25,000	130
Total Other Financing Sources	$ 81,125	$ 0	$ 81,125	$ 0	$ 25,000	$ 56,125

(Continued)

Carroll County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Net Change in Fund Balance	$ (221,627)	$ 76,472	$ (145,155)	$ (116,801)	$ (934,831)	$ 789,676
Fund Balance, July 1, 2017	1,018,463	(76,472)	941,991	1,429,990	1,429,990	(487,999)
Fund Balance, June 30, 2018	$ 796,836	$ 0	$ 796,836	$ 1,313,189	$ 495,159	$ 301,677

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

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

		Business-type Activities
		Major Enterprise Fund
		Public Utility
ASSETS		
Current Assets:		
Cash	$	2,623,933
Inventories		674,655
Investments		7,439,322
Accounts Receivable		3,594,584
Allowance for Uncollectibles		(25,000)
Prepaid Items and Other Current Assets		278,374
Total Current Assets	$	14,585,868
Noncurrent Assets:		
Capital Assets:		
Assets Not Depreciated:		
Land	$	284,070
Construction in Progress		44,304
Assets Net of Accumulated Depreciation:		
Other Capital Assets		20,135,595
Total Noncurrent Assets	$	20,463,969
Total Assets	$	35,049,837
LIABILITIES		
Current Liabilities:		
Accounts Payable	$	3,202,453
Accrued Leave - Current		299,089
Other Current Liabilities		761,463
Customer Deposits Payable		978,101
Total Current Liabilities	$	5,241,106
Noncurrent Liabilities:		
Accrued Leave - Long-term	$	960,066
Other Postemployment Benefits Obligation		244,990
Total Noncurrent Liabilities	$	1,205,056
Total Liabilities	$	6,446,162
NET POSITION		
Net Investment in Capital Assets	$	20,463,969
Unrestricted		8,139,706
Total Net Position	$	28,603,675

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

Exhibit D-2

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

	Business-type Activities
	Major Enterprise Fund
	Public Utility
Operating Revenues	
Charges for Sales and Services	$ 37,413,140
Other Electric Revenue	821,309
Total Operating Revenues	$ 38,234,449
Operating Expenses	
Cost of Sales and Services	$ 30,760,206
Operations Expense	2,683,648
Maintenance Expense	1,360,381
Administrative Expense	1,447,286
Depreciation and Amortization	1,168,962
Other Taxes	353,793
Total Operating Expenses	$ 37,774,276
Operating Income (Loss)	$ 460,173
Nonoperating Revenues (Expenses)	
Interest Income	$ 56,253
Interest Expense	(784)
Total Nonoperating Revenues (Expenses)	$ 55,469
Income Before Transfers	$ 515,642
Transfers In (Out)	(422,614)
Change in Net Position	$ 93,028
Net Position, July 1, 2017	28,653,181
Restatement - See Note VI.D.6.	(142,534)
Net Position, June 30, 2018	$ 28,603,675

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

Carroll County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2018

		Business-type Activities
		Major Enterprise Fund
		Public Utility
Cash Flows from Operating Activities		
Receipts from Customers and Users	$	37,884,007
Payments to Employees		(3,083,388)
Payments to Suppliers		(33,428,615)
Customer Deposits Received		299,015
Customer Deposits Refunded		(285,420)
Net Cash Provided By (Used In) Operating Activities	$	1,385,599
Cash Flows from Capital and Related Financing Activities		
Construction and Acquisition of Plant	$	(943,815)
Plant Removal Cost		(141,383)
Materials Salvaged from Retirements		63,834
Interest Paid		(785)
Net Cash Provided By (Used In) Capital and Related Financing Activities	$	(1,022,149)
Cash Flows from Noncapital Financing Activities		
Transfers to Other Funds	$	(422,613)
Net Cash Provided By (Used In) Noncapital Financing Activities	$	(422,613)
Cash Flows from Investing Activities		
Purchase of Investment	$	(7,439,322)
Proceeds from Sale of Investments		7,189,897
Interest Earned		56,253
Net Cash Provided By (Used In) Investing Activities	$	(193,172)
Net Increase (Decrease) in Cash	$	(252,335)
Cash, July 1, 2017		2,876,268
Cash, June 30, 2018	$	2,623,933
Reconciliation of Net Operating Income to Net Cash Provided By (Used In) Operating Activities		
Operating Income (Loss)	$	460,173
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:		
Depreciation Expense		1,168,962
(Increase) Decrease in Accounts Receivable		(350,441)

(Continued)

Carroll County, Tennessee
Statement of Cash Flows
Proprietary Fund (Cont.)

		Business-type Activities
		Major Enterprise Fund
		Public Utility
Reconciliation of Net Operating Income to Net Cash Provided By (Used In) Operating Activities (Cont.)		
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities (Cont.):		
(Increase) Decrease in Inventories	$	(68,284)
(Increase) Decrease in Prepaid Items and Other Current Assets		(32,284)
(Increase) Decrease in Customer Deposits Payable		13,594
Increase (Decrease) in Accounts Payable and Accrued Expenses		193,879
Net Cash Provided By Operating Activities	$	1,385,599

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

Exhibit E-1

Carroll County, Tennessee
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	Other Trust Funds		Total	
	Endowment Principal	Indigent Care Trust	Total Other Trust Funds	Agency Funds
ASSETS				
Cash	$ 0	$ 106,946	$ 106,946	$ 1,041,751
Equity in Pooled Cash and Investments	81,669	0	81,669	332,752
Investments	0	2,943,084	2,943,084	0
Accounts Receivable	0	0	0	11,463
Due from Other Governments	0	0	0	935,607
Taxes Receivable	0	0	0	5,582,404
Allowance for Uncollectible Taxes	0	0	0	(244,254)
Prepaid Items	0	887	887	0
Accrued Interest Receivable	85	10,290	10,375	0
Total Assets	$ 81,754	$ 3,061,207	$ 3,142,961	$ 7,659,723
LIABILITIES				
Accounts Payable	$ 0	$ 24,333	$ 24,333	$ 0
Due to Other Taxing Units	0	0	0	6,542,788
Due to Litigants, Heirs, and Others	0	0	0	1,116,935
Total Liabilities	$ 0	$ 24,333	$ 24,333	$ 7,659,723
NET POSITION				
Held in Trust for Underprivileged Children	$ 81,754	$ 0	$ 81,754	
Held in Trust for Indigent Care	0	3,036,874	3,036,874	
Total Net Position	$ 81,754	$ 3,036,874	$ 3,118,628	

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

Exhibit E-2

Carroll County, Tennessee
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2018

	Other Trust Funds		Total Other Trust Funds
	Endowment Principal	Indigent Care Trust	
ADDITIONS			
Investment Income:			
Interest	$ 369	$ 121,918	$ 122,287
Net Increase (Decrease) in Fair Value of Investments	0	(118,587)	(118,587)
Net Investment Income	$ 369	$ 3,331	$ 3,700
Total Additions	$ 369	$ 3,331	$ 3,700
DEDUCTIONS			
Payments for Indigent Care	$ 0	$ 94,300	$ 94,300
Audit Fees	0	2,895	2,895
Insurance	0	390	390
Safekeeping Fees and Service Charges	0	72	72
Other Charges	2,500	0	2,500
Total Deductions	$ 2,500	$ 97,657	$ 100,157
Change in Net Position	$ (2,131)	$ (94,326)	$ (96,457)
Net Position, July 1, 2017	83,885	3,131,200	3,215,085
Net Position, June 30, 2018	$ 81,754	$ 3,036,874	$ 3,118,628

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

CARROLL COUNTY, TENNESSEE
Index of Notes to the Financial Statements

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Carroll 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 Carroll County:

A. Reporting Entity

Carroll County is a public municipal corporation governed by an elected 21-member board. As required by GAAP, these financial statements present Carroll County (the primary government) and its component units. The financial statements of the Carroll 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 Carroll County School Department operates the Carroll County Vocational Center, the Carroll County Special Learning Center, and three adult and community education programs in the county. The School Department also operates the transportation program for all students in the county including students attending the special school districts. The School Department's board is elected by the voters of Carroll County. 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 Carroll County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Carroll County, and the Carroll 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 Carroll County Emergency Communications

District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Carroll 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 Carroll County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Carroll County Emergency
Communications District
101 Dillahunty Lane
Huntingdon, TN 38344

B. Government-wide and Fund Financial Statements

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

Carroll County issues all debt for the discretely presented Carroll County School Department. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2018.

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

C. <u>Measurement Focus, Basis of Accounting, and Financial Statement Presentation</u>

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 fund 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 Carroll County are organized into funds, each of which is considered a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows 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 and proprietary categories. Carroll County reports only one proprietary fund, a major enterprise fund.

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

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

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

Carroll 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.

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

Carroll County reports the following major proprietary fund:

Public Utility Fund – This fund accounts for the operations of the Carroll County Board of Public Utilities in an enterprise fund.

Additionally, Carroll County reports the following fund types:

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

Private-purpose Trust Fund – The Endowment Principal Fund is used to account for an endowment received by the county for which the principal amount must remain intact while interest earned is to be expended to benefit Carroll County's underprivileged children.

Other Trust Fund – The Indigent Care Trust Fund, established from contributions made from Baptist Memorial Hospital, is used to assist the medically indigent in paying for their in-patient and out-patient care and ambulance services rendered to them for not-for-profit hospital and ambulance facilities or entities in Carroll County. Funding is provided through interest income.

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

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

School Transportation Fund – This special revenue fund is used to account for transportation of all students in the county school system and the special school districts. Local taxes are the foundational revenues of this fund.

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.

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

1. Deposits and Investments

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

The county trustee maintains a cash and internal investment pool that is used by all funds (excluding the Carroll County Board of Public Utilities, enterprise fund) and the discretely presented Carroll County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Fund. Carroll County (excluding the Carroll County Board of Public Utilities, enterprise fund) and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date, except in the Indigent Care Trust Fund (fiduciary fund).

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 solid waste and property taxes receivable are shown with an allowance for uncollectibles. Solid Waste receivables allowance for uncollectibles is based on historical data. The allowance for uncollectible property taxes is equal to 2.33 percent of total taxes levied.

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

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

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

3. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental and business-type columns in the government-wide financial statements. Capital assets are defined by the government (excluding the Carroll County Board of Public Utilities, enterprise fund) as assets with an initial, individual cost of $5,000 or more and an estimated useful life of more than one year. 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 (excluding the Carroll County Board of Public Utilities, enterprise fund) and the discretely presented School Department are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and Improvements	25
Other Capital Assets	5 - 15
Infrastructure:	
Roads	10 - 20
Bridges	15 - 30

4. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. 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 and investment earnings, pension changes in proportionate share of contributions, and employer contributions made to the pension and OPEB plans after the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension changes in experience and investment earnings, pension changes in proportionate share of contributions, OPEB changes in assumptions, and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

5. Compensated Absences

The policy of Carroll County (with the exception of the Carroll County Board of Public Utilities) provides for employees to accumulate a limited amount of earned but unused vacation and sick leave benefits. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded. Accumulated vacation benefits will be paid to employees upon separation from county service. All vacation leave is accrued when incurred in the government-wide financial statements for the county. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

The general policy of the discretely presented Carroll County School Department permits the unlimited accumulation of unused sick leave days for all professional personnel (teachers) and the limited accumulation of sick leave days for noncertified employees. The granting of sick leave has no guaranteed payment attached, and therefore, requires no accrual or recording.

6. **Long-term Obligations**

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

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

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

7. **Net Position and Fund Balance**

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

a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

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

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 Committee to make assignments for the general government. The Board of Education makes assignments for the School Department.

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

8. **Restatements**

In prior years, the government was required to recognize a liability for its other postemployment benefits plans under Governmental Accounting Standards Board (GASB) Statement No. 45. As of July 1, 2017, Carroll County has adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Restatements reducing the beginning net position of the Governmental Activities of the Primary Government and the discretely presented Carroll County School Department by $337,186 and $90,976, respectively, have been recognized to account for the transitional requirements.

E. **Pension Plans**

Primary Government

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Carroll County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Carroll 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 Carroll 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 Carroll County. For this purpose, Carroll County recognizes benefit payments when due and payable in accordance with benefit terms. Carroll County's OPEB plan is not administered through a trust.

Discretely Presented Carroll 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 Carroll 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 Carroll County School Department

Exhibit I-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 changes in net position of governmental activities reported in the government-wide Statement of Activities.

Discretely Presented Carroll County School Department

Exhibit I-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

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. 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, Other Boards and Committees, County Mayor/Executive, 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 the GAAP basis is presented on the face of each budgetary schedule.

At June 30, 2018, Carroll County had outstanding encumbrances in budget funds as follows:

Fund	Amount
Primary Government:	
General	$ 194,505
Total	$ 194,505
Discretely Presented School Department:	
General Purpose School	$ 165,488
Total	$ 165,488

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Carroll County (excluding the Carroll County Board of Public Utilities, enterprise fund) and the Carroll 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 and investments reflected on the balance sheets or statements of net position represent nonpooled amounts held separately by individual funds.

Deposits

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

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

Investments

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

The county (excluding the Carroll County Indigent Care Board, fiduciary fund, which is discussed in Note VII.B.1., and the Carroll County Board of Public Utilities, enterprise fund, which is discussed in Note VI.C.1.) had no pooled and nonpooled investments as of June 30, 2018.

B. Capital Assets

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

Primary Government - Governmental Activities:

	Balance 7-1-17	Increases	Decreases	Balance 6-30-18
Capital Assets Not Depreciated:				
Land	$ 1,747,068	$ 0	$ 0	$ 1,747,068
Construction in Progress	1,081,264	245,899	(1,081,264)	245,899
Total Capital Assets Not Depreciated	$ 2,828,332	$ 245,899	$ (1,081,264)	$ 1,992,967
Capital Assets Depreciated:				
Buildings and Improvements	$ 20,816,884	$ 1,282,667	$ 0	$ 22,099,551
Infrastructure	16,849,721	669,127	0	17,518,848
Other Capital Assets	9,579,770	580,085	(84,258)	10,075,597
Total Capital Assets Depreciated	$ 47,246,375	$ 2,531,879	$ (84,258)	$ 49,693,996
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 6,907,203	$ 748,360	$ 0	$ 7,655,563
Infrastructure	9,787,656	539,284	0	10,326,940
Other Capital Assets	7,174,714	789,481	(79,389)	7,884,806
Total Accumulated Depreciation	$ 23,869,573	$ 2,077,125	$ (79,389)	$ 25,867,309
Total Capital Assets Depreciated, Net	$ 23,376,802	$ 454,754	$ (4,869)	$ 23,826,687
Governmental Activities Capital Assets, Net	$ 26,205,134	$ 700,653	$ (1,086,133)	$ 25,819,654

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

Governmental Activities:

General Government	$ 317,067
Finance	11,048
Administration of Justice	53,277
Public Safety	976,572
Public Health and Welfare	111,739
Social, Cultural, and Recreational Services	53,205
Agriculture and Natural Resources	5,197
Highway/Public Works	549,020
Total Depreciation Expense - Governmental Activities	$ 2,077,125

Discretely Presented Carroll County School Department - Governmental Activities:

	Balance 7-1-17	Increases	Decreases	Balance 6-30-18
Capital Assets Not Depreciated:				
Land	$ 176,489	$ 0	$ 0	$ 176,489
Total Capital Assets Not Depreciated	$ 176,489	$ 0	$ 0	$ 176,489
Capital Assets Depreciated:				
Buildings and Improvements	$ 2,962,786	$ 0	$ 0	$ 2,962,786
Other Capital Assets	4,703,574	165,488	(160,875)	4,708,187
Total Capital Assets Depreciated	$ 7,666,360	$ 165,488	$ (160,875)	$ 7,670,973
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 2,209,451	$ 112,585	$ 0	$ 2,322,036
Other Capital Assets	2,174,899	311,814	(160,875)	2,325,838
Total Accumulated Depreciation	$ 4,384,350	$ 424,399	$ (160,875)	$ 4,647,874
Total Capital Assets Depreciated, Net	$ 3,282,010	$ (258,911)	$ 0	$ 3,023,099
Governmental Activities Capital Assets, Net	$ 3,458,499	$ (258,911)	$ 0	$ 3,199,588

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

Governmental Activities:

Instruction	$ 97,621
Support Services	326,778
Total Depreciation Expense - Governmental Activities	$ 424,399

C. Construction Commitments

At June 30, 2018, Carroll County had uncompleted construction contracts of approximately $194,505 for the construction of airport hangars. Funding has been received for these future expenditures.

D. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
General	Highway/Public Works	$ 14,066
"	Nonmajor governmental	49,222

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

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
	Component Unit:	
Primary Government:	School Department:	
General	School Transportation Fund	$ 24,601

Interfund Transfers:

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

Transfers Out	Transfers In General Fund	Highway/ Public Works Fund	Nonmajor Governmental Funds	Purpose
Public Utility	$ 331,519	$ 25,130	$ 65,965	Payment in-lieu-of taxes

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

E. Long-term Obligations

Primary Government (excluding the Carroll County Board of Public Utilities, enterprise fund)

Capital Outlay Notes and Other Loans

Carroll County issues other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

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

Capital outlay notes and other loans outstanding as of June 30, 2018, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-18
Capital Outlay Notes	2.05 to 2.47 %	11-1-26	$ 930,000	$ 771,000
Other Loans	variable to 2.32	3-1-37	10,364,130	7,509,000

During the 2003-04 year, Carroll County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned $2,200,000 to Carroll County for various capital projects. This loan is repayable at a variable interest rate based on the daily London Interbank Offer Rate (LIBOR). In addition, the county pays various other fees (letter of credit, debt remarketing, administrative, etc.) in connection with this loan. At June 30, 2018, the variable interest rate was 1.51 percent based on the LIBOR rate and other fees totaled .65 percent of the outstanding loan principal.

During the 2011-12 year, Carroll County entered into a loan agreement with the Public Building Authority of the City of Clarksville. Under this loan agreement, the authority loaned $8,164,130 to Carroll County for the renovation of the county jail. This loan is repayable at an interest rate of 2.32 percent.

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

Year Ending	Notes		
June 30	Principal	Interest	Total
2019	$ 162,000	$ 16,197	$ 178,197
2020	166,000	12,586	178,586
2021	97,000	9,652	106,652
2022	54,000	7,879	61,879
2023	56,000	6,521	62,521
2024-2027	236,000	11,831	247,831
Total	$ 771,000	$ 64,666	$ 835,666

Year Ending	Other Loans			
June 30	Principal	Interest	Other Fees	Total
2019	$ 376,000	$ 162,227	$ 6,891	$ 545,118
2020	385,000	154,446	6,263	545,709
2021	395,000	146,502	5,615	547,117
2022	405,000	138,369	4,947	548,316
2023	416,000	130,017	4,259	550,276
2024-2028	2,041,000	518,664	9,718	2,569,382
2029-2033	1,849,000	311,447	0	2,160,447
2034-2037	1,642,000	93,443	0	1,735,443
Total	$ 7,509,000	$ 1,655,115	$ 37,693	$ 9,201,808

There is $1,439,475 available in the General Debt Service Fund (nonmajor governmental fund) to service long-term debt. Total debt per capita including notes and other loans totaled $290, based on the 2010 federal census.

Changes in Long-term Obligations

Long-term obligations activity for the primary government (excluding the Carroll County Board of Public Utilities, enterprise fund) for the year ended June 30, 2018, was as follows:

Governmental Activities:

	Notes	Other Loans
Balance, July 1, 2017	$ 930,000	$ 7,875,000
Reductions	(159,000)	(366,000)
Balance, June 30, 2018	$ 771,000	$ 7,509,000
Balance Due Within One Year	$ 162,000	$ 376,000

	Compensated Absences	Net OPEB Liability*
Balance, July 1, 2017	$ 321,439	$ 337,186
Additions	278,540	38,443
Reductions	(275,394)	(16,752)
Balance, June 30, 2018	$ 324,585	$ 358,877
Balance Due Within One Year	$ 16,227	$ 0

*Restated Balance – See Note I.D.8.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2018	$ 8,963,462
Less: Balance Due Within One Year	(554,227)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 8,409,235

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

Discretely Presented Carroll County School Department

Changes in Long-term Obligations

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

Governmental Activities:

	Net OPEB Liability*
Balance, July 1, 2017	$ 133,996
Additions	15,294
Reductions	(11,886)
Balance, June 30, 2018	$ 137,404
Balance Due Within One Year	$ 0

*Restated Balance – See Note I.D.8.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2018	$ 137,404
Less: Balance Due Within One Year	0
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 137,404

The net OPEB liability will be paid from the employing funds, primarily the General Purpose School Fund.

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Carroll County School Department. These payments are made by the state to the Local Education Group Insurance. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Plan for the year ended June 30, 2018, were $3,278. 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 (excluding the Carroll County Board of Public Utilities, enterprise fund)

Employee Health Insurance

Carroll County participates in 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.

Workers' Compensation Insurance

Carroll County participates in the Local Government Workers' Compensation Fund (LGWCF), a public entity risk pool established under the provisions of Section 29-20-401, *Tennessee Code Annotated* (*TCA*), by the Tennessee County Services Association to provide a program of workers' compensation coverage to employees of local governments. The county pays an annual premium to the LGWCF for its workers' compensation insurance coverage. The LGWCF is to be self-sustaining through member premiums. The LGWCF reinsures through commercial insurance companies for claims exceeding $500,000.

Liability, Property, and Casualty Insurance

The county is exposed to various risks related to general liability, property, and casualty losses. The county participates in the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability insurance coverage. The creation of LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding $250,000 for each insured event.

Discretely Presented Carroll County School Department

Employee Health Insurance

The discretely presented Carroll County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *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.

Liability, Property, Casualty, and Workers' Compensation Insurance

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

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*; Statement No. 81, *Irrevocable Split-Interest Agreements;* Statement No. 85, *Omnibus 2017*; and Statement No. 86, *Certain Debt Extinguishment Issues* became effective for the year ended June 30, 2018.

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

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

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

GASB Statement No. 86, establishes guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also provides guidance for accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

C. Contingent Liabilities

The attorneys for the county and the School Department advised that there were no pending lawsuits, unasserted claims, or assessments that would materially affect the county or the School Department's financial statements.

D. Joint Ventures

The Twenty-fourth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-fourth Judicial District, Benton, Carroll, Decatur, Hardin, and Henry counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Carroll County made no contributions to the DTF for the year ended June 30, 2018, and does not have any equity interest in this joint venture.

The Carroll County Economic Development Council is a joint venture between Carroll County and the cities of Atwood, Bruceton, Clarksburg, Hollow Rock, Huntingdon, McKenzie, McLemoresville, and Trezevant. The board is comprised of the county and city mayors, the president of the Carroll Chamber of Commerce, and one member representing agriculture/greenbelt. The purpose of the board is to foster communication relative to economic and community development between and among governmental entities, industry, and private citizens. The county and cities provide the majority of funding for the board based on the sales tax plan outlined in 1997.

Complete financial statements for the DTF and the Carroll County Economic Development Council can be obtained from their respective administrative offices at the following addresses:

Administrative Offices:

Office of District Attorney General
P.O. Box 686
Huntingdon, TN 38344

Carroll County Economic Development Council
Carroll County Chamber of Commerce
20740 E. Main Street
Huntingdon, TN 38344

The Carroll-Henry County Railroad Authority was jointly created in November 1988 by Carroll and Henry counties. The authority was established as a conduit for payment of funds between the Tennessee Department of Transportation and the Kentucky-West Tennessee Railroad Company to rehabilitate the railroad between the Kentucky state line and Bruceton, Tennessee, including a line to Spinks, Tennessee. The authority comprises four members. One member from each county is appointed by the County Commission, and each county mayor serves as a member and rotates every two years as chairman. Complete financial statements for the Carroll-Henry County Railroad Authority can be obtained from the Carroll County Mayor's Office.

E. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Most employees of Carroll County and the non-certified employees of the discretely presented Carroll County School Department are provided a defined benefit pension plan (Carroll County Plan) through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 83.98 percent and the non-certified employees of the discretely presented School Department comprised 16.02 percent of the plan based on contribution data. In addition, certain other county employees are provided a defined benefit pension plan (Carroll County Commissioners Plan) through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 100 percent of the Carroll County Commissioners Plan based on contribution data. The TCRS was created by state statute under

Tennessee Code Annotated (TCA), Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

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

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

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

Carroll County Plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	124
Inactive Employees Entitled to But Not Yet Receiving Benefits	191
Active Employees	245
Total	560

Carroll County Commissioners Plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	3
Inactive Employees Entitled to But Not Yet Receiving Benefits	1
Active Employees	9
Total	13

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Carroll County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2018, the employer contribution for the Carroll County Plan was $320,809 based on a rate of 4.31 percent of covered payroll. For the year ended June 30, 2018, the employer contribution for the Carroll County Commissioners Plan was $2,424 based on a rate of 21.74 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Carroll 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)

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

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

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

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

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

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

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

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

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

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Carroll 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)

Carroll County Plan:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2016	$ 20,639,028	$ 20,267,583	$ 371,445
Changes for the Year:			
Service Cost	$ 608,537	$ 0	$ 608,537
Interest	1,561,656	0	1,561,656
Differences Between Expected and Actual Experience	(454,785)	0	(454,785)
Changes in Assumptions	645,198	0	645,198
Contributions-Employer	0	605,528	(605,528)
Contributions-Employees	0	373,325	(373,325)
Net Investment Income	0	2,303,559	(2,303,559)
Benefit Payments, Including Refunds of Employee Contributions	(850,983)	(850,983)	0
Administrative Expense	0	(21,098)	21,098
Other Changes	0	0	0
Net Changes	$ 1,509,623	$ 2,410,331	$ (900,708)
Balance, June 30, 2017	$ 22,148,651	$ 22,677,914	$ (529,263)

Carroll County Commissioners Plan:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2016	$ 66,182	$ 126,752	$ (60,570)
Changes for the Year:			
Service Cost	$ 2,824	$ 0	$ 2,824
Interest	5,048	0	5,048
Differences Between Expected and Actual Experience	(1,474)	0	(1,474)
Changes in Assumptions	3,401	0	3,401
Contributions-Employer	0	5,815	(5,815)
Contributions-Employees	0	633	(633)
Net Investment Income	0	14,504	(14,504)
Benefit Payments, Including Refunds of Employee Contributions	(3,394)	(3,394)	0
Administrative Expense	0	(775)	775
Other Changes	0	0	0
Net Changes	$ 6,405	$ 16,783	$ (10,378)
Balance, June 30, 2017	$ 72,587	$ 143,535	$ (70,948)

Carroll County Plan:

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	83.98%	$ 18,600,437	$ 19,044,912	$ (444,475)
School Department	16.02%	3,548,214	3,633,002	(84,788)
Total		$ 22,148,651	$ 22,677,914	$ (529,263)

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

Carroll County Plan	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability (Asset)	$ 2,315,164	$ (529,263)	$ (2,904,224)

Commissioners Plan	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability (Asset)	$ (64,178)	$ (70,948)	$ (76,803)

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

Pension Expense or Negative Pension Expense. For the year ended June 30, 2018, Carroll County recognized pension expense of $188,331 and the Carroll County Commissioners Plan recognized negative pension expense of ($19,589).

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

Carroll County Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 173,299	$ 641,440
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	9,547
Changes in Assumptions	537,665	0
Contributions Subsequent to the Measurement Date of June 30, 2017 (1)	320,809	N/A
Total	$ 1,031,773	$ 650,987

Carroll County Commissioners Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 0	$ 11,412
Net Difference Between Projected and Actual Earnings on Pension Plan		70
Investments	0	0
Changes in Assumptions	2,551	0
Contributions Subsequent to the Measurement Date of June 30, 2017 (1)	2,424	N/A
Total	$ 4,975	$ 11,482

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

Carroll County Plan:

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	$ 865,942	$ 546,699
School Department	165,831	104,288
Total	$ 1,031,773	$ 650,987

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:

Carroll County Plan:

Year Ending June 30	Amount
2019	$ (105,562)
2020	188,340
2021	97,015
2022	(151,556)
2023	31,740
Thereafter	0

Carroll County Commissioners Plan:

Year Ending June 30	Amount
2019	$ (5,105)
2020	(3,513)
2021	666
2022	(979)
2023	0
Thereafter	0

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

Discretely Presented Carroll County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, most employees of Carroll County and the non-certified employees of the discretely presented Carroll County School Department are provided a defined benefit pension plan (Carroll County Plan) through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 83.98 percent and the non-certified employees of the discretely presented School Department comprised 16.02 percent of the plan based on contribution data. In addition, certain other county employees are provided a defined benefit pension plan (Carroll County Commissioners Plan) through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 100 percent of the Carroll County Commissioners Plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

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

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2018, to the Teacher Retirement Plan were $9,390, which is four percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). At June 30, 2018, the School Department reported a liability (asset) of ($4,222) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2017, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The School Department's proportion of the net pension liability (asset) was based on the School Department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2017, the School Department's proportion was .016007 percent. The proportion as of June 30, 2016, was zero percent.

Pension Expense. For the year ended June 30, 2018, the School Department recognized pension expense of $1,778.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 148	$ 318
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	227
Changes in Assumptions	371	0
Changes in Proportion of Net Pension Liability (Asset)	0	1,772
LEA's Contributions Subsequent to the Measurement Date of June 30, 2017 (1)	9,390	N/A
Total	$ 9,909	$ 2,317

The School Department's employer contributions of $9,390, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30		Amount
2019	$	(158)
2020		(158)
2021		(171)
2022		(230)
2023		(122)
Thereafter		(959)

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

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

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

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

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

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

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

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability (Asset)	$ 843	$ (4,222)	$ (7,939)

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

<u>Teacher Legacy Pension Plan</u>

General Information About the Pension Plan

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

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Carroll County School Department for the year ended June 30, 2018, to the Teacher Legacy Pension Plan were $62,813, which is 9.08 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liability (Assets). At June 30, 2018, the School Department reported a liability (asset) of ($7,159) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The School Department's proportion of the net pension liability (asset) was based on the School Department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2017, the School Department's proportion was .021882 percent. The proportion measured at June 30, 2016, was .020045 percent.

Negative Pension Expense. For the year ended June 30, 2018, the School Department recognized negative pension expense of ($1,316).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 4,316	$ 147,807
Changes in Assumptions	60,636	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,087	0
Changes in Proportion of Net Pension Liability (Asset)	13,586	21,726
LEA's Contributions Subsequent to the Measurement Date of June 30, 2017	62,813	N/A
Total	$ 142,438	$ 169,533

The School Department's employer contributions of $62,813 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a decrease in net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2019	$ (52,628)
2020	20,614
2021	(19,850)
2022	(38,044)
2023	0
Thereafter	0

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

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

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

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

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability (Asset)	$ 642,398	$ (7,159)	$ (544,062)

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

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 $11,738 and teachers contributed $3,852 to this deferred compensation pension plan.

F. Other Postemployment Benefits (OPEB)

Carroll County and the discretely presented Carroll County School Department provide OPEB benefits to its retirees under the state administered public entity risk pools. For reporting purposes, the plans are considered a single employer defined benefit OPEB plan 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 Carroll County and the Carroll County Highway Department (Hwy) are provided healthcare under separate Local Government Plans (LGPs) 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 Carroll 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, 2017, and was determined by an actuarial valuation as of that date.

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

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

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

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

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

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

Closed Local Government OPEB Plan (Primary Government)

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

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

Employees Covered by Benefit Terms

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

	Carroll County	Hwy Dept	Total
Inactive Employees or Beneficiaries Currently Receiving Benefits	0	0	0
Inactive Employees Entitled to But Not Yet Receiving Benefits	0	0	0
Active Employees	141	27	168
Total	141	27	168

An insurance committee, created in accordance with *TCA* 8-27-701, establishes the required payments to the LGP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal year ended June 30, 2018, the county paid $4,671 (Carroll County - $2,892, Highway Dept - $1,779) to the LGP for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	Carroll County	Hwy Dept.	Total OPEB Liability
Balance July 1, 2016	$ 244,512	$ 92,674	$ 337,186
Changes for the Year:			
Service Cost	$ 21,757	$ 6,029	$ 27,786
Interest	7,775	2,882	10,657
Changes in Benefit Terms	0	0	0
Difference between Expected and Actuarial Experience	0	0	0
Changes in Assumption and Other Inputs	(12,512)	(4,240)	(16,752)
Benefit Payments	0	0	0
Net Changes	$ 17,020	$ 4,671	$ 21,691
Balance June 30, 2017	$ 261,532	$ 97,345	$ 358,877

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, the county recognized OPEB expense of $36,399 (Carroll County - $28,094, Highway Dept - $8,305). At June 30, 2018, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience (Carroll County $0, Hwy $0)	$ 0	$ 0
Changes of Assumptions/Inputs (DI - County $11,074, Hwy $3,634)	0	14,708
Net Difference Between Projected and Benefits Paid After the Measurement Date (DO - County $2,892, Hwy $1,779)	4,671	0
Total	$ 4,671	$ 14,708

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	County	Hwy	Total Amount
2019	$ (1,438)	$ (606)	$ (2,044)
2020	(1,438)	(606)	(2,044)
2021	(1,438)	(606)	(2,044)
2022	(1,438)	(606)	(2,044)
2023	(1,438)	(606)	(2,044)
Thereafter	(3,884)	(604)	(4,488)

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:

Discount Rate

	1% Decrease 2.56%	Current Discount Rate 3.56%	1% Increase 4.56%
County	$ 281,040	$ 261,532	$ 242,749
Hwy	103,974	97,345	90,961
Total OPEB Liability	$ 385,014	$ 358,877	$ 333,710

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:

Healthcare Cost Trend Rate

	1% Decrease 6 to 3.77%	Current Trend Rates 7 to 4.77%	1% Increase 8 to 5.77%
County	$ 230,787	$ 261,532	$ 297,833
Hwy	87,523	97,345	108,666
Total OPEB Liability	$ 318,310	$ 358,877	$ 406,499

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

Plan Description. Employees of the Carroll 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 Carroll 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 Carroll County 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 retirees' premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45%; 20 but less than 30 years, 35%; and less than 20 years, 20% of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

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

	School Department
Inactive Employees or Beneficiaries Currently Receiving Benefits	1
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	35
Total	36

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 $7,720 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	Share of Collective Liability		
	Carroll County School Department 70.355%	State of TN 29.645%	Total OPEB Liability
Balance July 1, 2016	$ 133,996	$ 56,460	$ 190,456
Changes for the Year:			
Service Cost	$ 11,139	$ 4,693	$ 15,832
Interest	4,155	1,751	5,906
Changes in Benefit Terms	0	0	0
Difference between Expected and Actuarial Experience	0	0	0
Changes in Assumption and Other Inputs	(6,221)	(2,621)	(8,842)
Benefit Payments	(5,665)	(2,387)	(8,052)
Net Changes	$ 3,408	$ 1,436	$ 4,844
Balance June 30, 2017	$ 137,404	$ 57,896	$ 195,300

The Carroll 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 Carroll County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employers' long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The School Department recognized $6,192 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for School Department retirees.

During the year, the Carroll County School Department's proportionate share of the collective OPEB liability was 70.355% and the State of Tennessee's share was 29.645%.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, the School Department recognized OPEB expense of $20,888, including the state's share of the expense. At June 30, 2018, the School Department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

		Deferred Outflows of Resources		Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$	0	$	0
Changes of Assumptions/Inputs		0		5,623
Benefits Paid After the Measurement Date		7,720		0
Total	$	7,720	$	5,623

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

Year Ending June 30		School Department
2019	$	(598)
2020		(598)
2021		(598)
2022		(598)
2023		(598)
Thereafter		(2,633)

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.

Discount Rate		1% Decrease 2.56%		Current Discount Rate 3.56%		1% Increase 4.56%
Proportionate Share of the Collective Total OPEB Liability	$	147,165	$	137,404	$	128,040

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.

Healthcare Cost Trend Rate	1% Decrease 6.5 to 2.71%	Current Rates 7.5 to 3.71%	1% Increase 8.5 to 4.71%
Proportionate Share of the Collective Total OPEB Liability	$ 120,671	$ 137,404	$ 157,488

G. Purchasing Laws

Offices of County Mayor and Highway Commission

Purchasing procedures for Carroll County are governed by provisions of Chapter 23, Private Acts of 1975, as amended, and Section 54-7-113, *Tennessee Code Annotated* (*TCA*), (Highway Department purchases only). This act provides for the county mayor to act as purchasing agent for the Carroll County Highway Department, School Transportation Department, and all other county departments and agencies, except for the Board of Education. The act also provides for the establishment of a Purchasing Commission, consisting of the county clerk, county trustee, and three members of the County Commission. Requisitions and purchase orders are required for all purchases. In addition, public advertisement and sealed bids are required on purchases exceeding $10,000. Purchases of less than $250 may be made by employees of the Highway Department and the School Transportation Department.

Office of Director of Schools

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

H. Subsequent Events

On August 31, 2018, Kenny McBride left the Office of County Mayor and was succeeded by Joseph Butler on September 1, 2018.

On August 31, 2018, Bertha Taylor left the Office of Circuit, General Sessions, and Juvenile Courts Clerk and was succeeded by Sarah Bradberry on September 1, 2018.

VI. OTHER NOTES – CARROLL COUNTY BOARD OF PUBLIC UTILITIES (ENTERPRISE FUND)

A. Summary of Significant Accounting Policies

1. Reporting Entity

Tennessee Code Annotated, Section 7-52-117(c) states "Subject to the provisions of Section 7-52-132, the superintendent, with the approval of the supervisory body, may acquire and dispose of all property, real and personal, necessary to effectuate the purposes of this part. The title of such property shall be taken in the name of the municipality" (county); therefore, the Carroll County Electric System does not possess sufficient corporate powers that distinguish it as a legally separate entity, and it is considered a proprietary fund of Carroll County, Tennessee.

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

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The electric system's financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The accounting policies of the electric system conform to applicable accounting principles generally accepted in the United States of America as defined by the Governmental Accounting Standards Board (GASB).

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the electric system are charges to customers for sales and service. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

3. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position

Deposits and Investments

The electric system's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the electric system to invest in certificates of deposit, obligations of the U.S. Treasury, agencies and instrumentalities, obligations guaranteed by the U.S. government or its agencies, repurchase agreements, and the state's investment pool.

Accounts Receivable

Trade receivables result from unpaid billings for electric service to customers and from unpaid billings related to work performed for or materials sold to certain entities. All trade receivables are shown net of an allowance for uncollectible accounts. The allowance for uncollectible customer accounts recorded by the electric system is based on past history of uncollectible accounts and management's analysis of current accounts.

Inventories and Prepaid Items

All inventories are valued at the lower of average cost or market, using the first-in/first-out (FIFO) method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

Capital Assets

Capital assets, which include property, plant, equipment, and construction in progress are defined by the electric system as assets with an initial, individual cost of more than $500 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Assets acquired through contributions from developers or other customers are capitalized at their estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the electric system are depreciated using the straight-line method over the following useful lives:

Assets	Years
General plant	5 - 40
Transmission plant	28 - 33
Distribution plant	16 - 40

Compensated Absences

It is the electric system's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay and sick leave have been accrued and are reflected as current and long-term liabilities on the financial statements.

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) until then. The electric system presently has no items that qualify for reporting in this category.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The electric system presently has no items that qualify for reporting in this category.

Net Position

Equity is classified as net position and displayed in the following two components:

- Net investment in capital assets – Consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds that are attributable to the acquisition, construction, or improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination.

- Unrestricted – All other net position that does not meet the description of the above category.

Impact of Recently Issued Accounting Pronouncements

In June 2015, the GASB issued Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, effective for financial statements for periods beginning after June 15, 2017. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and agent Multiple-Employer Plans,* for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans.

4. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and deferred outflows/inflows of resources, the disclosure of contingent amounts and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from the estimates that were used.

B. Stewardship, Compliance, and Accountability

Budgetary Information

No budget was required for the Carroll County Board of Public Utilities; therefore, no budget was adopted.

C. Detailed Notes on All Funds

1. Deposits and Investments

Investments consisted entirely of certificates of deposits with a maturity of greater than three months for the fiscal year ended June 30, 2018.

Custodial Credit Risk. The electric system's policies limit deposits and investments to those instruments allowed by applicable state laws and described in Note VI.A.3. State statutes require that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105 percent of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the electric system's agent in the electric system's name, or by the Federal Reserve Banks acting as third-party agents. State statutes also authorize the electric system to invest in bonds, notes, or treasury bills of the United States or any of its agencies, certificates of deposit at Tennessee state chartered banks and savings and loan associations and federally chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities, and the state pooled investment fund. Statutes also require that securities underlying repurchase agreements must have a market value of at least equal to the amount of funds invested in the repurchase transaction. As of June 30, 2018, all bank deposits were fully collateralized or insured.

2. Receivables

Receivables as of June 30, 2018, consisted of the following:

Billed services for utility customers	$ 3,415,568
Other receivables for utility service	179,016
Allowance for doubtful accounts	(25,000)
Total	$ 3,569,584

3. Restricted Assets

There are no restricted assets as of June 30, 2018.

4. Capital Assets

Capital assets activity during the year was as follows:

	Balance 7-1-17	Increases	Decreases	Balance 6-30-18
Capital Assets Not Depreciated:				
Land	$ 284,070	$ 0	$ 0	$ 284,070
Construction in Progress	19,119	25,185	0	44,304
Total Capital Assets Not Depreciated	$ 303,189	$ 25,185	$ 0	$ 328,374
Capital Assets Depreciated:				
Other Capital Assets	$ 41,301,225	$ 1,084,133	$ (376,687)	$ 42,008,671
Total Capital Assets Depreciated	$ 41,301,225	$ 1,084,133	$ (376,687)	$ 42,008,671
Less Accumulated Depreciation For:				
Other Capital Assets	$ 20,992,847	$ 1,333,034	$ (452,805)	$ 21,873,076
Total Accumulated Depreciation	$ 20,992,847	$ 1,333,034	$ (452,805)	$ 21,873,076
Total Capital Assets Depreciated, Net	$ 20,308,378	$ (248,901)	$ 76,118	$ 20,135,595
Capital Assets, Net	$ 20,611,567	$ (223,716)	$ 76,118	$ 20,463,969

Depreciation expense charged to operations amounted to $1,168,962 for the fiscal year ended June 30, 2018.

5. Long-term Liabilities

Long-term liabilities for the year ended June 30, 2018, is as follows:

	Balance 6-30-18
Long-term Liabilities	
Sick and Vacation Accrual	$ 1,259,155
Total current portion	$ 299,089
Total long-term portion	$ 960,066

The following is as summary of long-term liability transactions for the year ended June 30, 2018:

			Compensated Absences
Balance, July 1, 2017	$		1,253,291
Additions			710,940
Reductions			(705,076)
Balance, June 30, 2018	$		1,259,155
Amount Due in One Year	$		299,089

6. Net Position

Net position represents the difference between assets and liabilities. The restricted net position amounts were as follows:

Invested in capital assets, net of related liabilities:		
Net property, plant, and equipment in services	$	20,463,969
Total invested in capital assets, net of related liabilities	$	20,463,969
Unrestricted	$	8,139,706
Total Net Position	$	28,603,675

7. Operating Leases

The electric system leases one of its copy machines. This lease has been classified as an operating lease for reporting purposes. The lease agreement began in October 2014 and will expire in October 2019 with a monthly payment of $284. Lease expense for the year ended June 30, 2018, was $3,408.

D. Other Information

1. Pension Plan

Effective January 1, 1997, the electric system adopted a defined contribution, profit sharing pension plan titled the Carroll County Electrical Department Profit Sharing Plan. The Carroll County Board of Public Utilities is the plan administrator. The plan is to be interpreted and administered in a manner consistent with the provisions of the Internal Revenue Code of 1986, as amended. Participants of the plan must meet the plan's eligibility requirements. Once an employee becomes a participant, the electric system maintains an individual account for each employee. Each plan year, employee accounts will be adjusted to reflect contributions, gains, losses, etc. The percentage of each employee account to which an employee is entitled upon separation from the electric system depends on the plan's vesting schedule. Participants generally will be vested in their individual account after three years of service. All contributions made to the plan on an employee's behalf will be placed in a trust fund established to hold dollars for the benefit of all particpants. Each of the participants' individual accounts will be used to track their share in the total trust fund.

Each year, the managing body of the electric system determines the amount, if any, it will contribute to the plan. Employer contributions to the profit-sharing plan in general can range from one percent to 15 percent of participant's compensation each year. Compensation will be determined as the participant's wages, excluding overtime, commissions, and bonuses. Employees are not permitted to contribute to the plan.

For the year ended June 30, 2018, total employer contributions were $337,692 based on total covered wages of $2,814,100.

2. <u>Power Contract</u>

The electric system has a power contract with the Tennessee Valley Authority (TVA) to purchase all of its electric power from TVA and is subject to certain restrictions and conditions as provided for in the power contract. Such restrictions include, but are not limited to, prohibitions against furnishings, advancing, lending, pledging, or otherwise diverting electric system funds, revenues, or property to other operations of the county, and the purchase or payment of or providing security for indebtedness on other obligations applicable to such other operations.

3. <u>Risk Management</u>

The electric system is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2018, the electric system purchased commercial insurance for all of the above risks. Settled claims have not exceeded this commercial coverage in any of the past three years, and there has been no significant reduction in the amount of coverage provided.

4. <u>Other Postemployment Benefits (OPEB)</u>

<u>Plan Description</u>

Carroll County Electric System sponsors a single-employer postemployment benefits plan. The plan provides medical, prescription, and death benefits to eligible retirees and their spouses at no cost to them. The retirees are offered the option to maintain health insurance after they retire (including subsidized beneficial coverage). The retiree must be older than 62.5 years and have at least 20 years of service. Benefits end when they reach 65.

Annual OPEB Cost and Net OPEB Obligation

Changes in Electric System's Net OPEB Liability. Changes in the electric system's net OPEB liability measured at June 30, 2018, are detailed in the following table. The table shows the net OPEB liability as of June 30, 2018, which is reported in the financial statements in accordance with GASB Statement No. 75. Total OPEB liability was rolled forward to June 30, 2018, in order to be in compliance with GASB Statement No. 75.

	Total OPEB Liability	Plan Fiduciary Net Position	OPEB Liability
Total OPEB Liability, July 1, 2017	$ 223,945	$ 0	$ 223,945
Service Cost	15,911	$ 0	$ 15,911
Interest	8,093	0	8,093
Difference Between Actual and Expected	0	0	0
Contributions - employer	0	2,959	(2,959)
Net Investment Income	(2,959)	(2,959)	0
Benefits Payments	0	0	0
Administrative Expense	0	0	0
Net Changes	$ 21,045	$ 0	$ 21,045
Total OPEB Liability, June 30, 2018	$ 244,990	$ 0	$ 244,990

Actuarial Methods and Assumptions

Plan Membership:

Number of Participants:	
Actives	47
Retired	1
Total Participants	48

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

Salary Scale	4%
Core inflation assumption	3%
Trend	Per-capita claims costs are projected to increase at an initial rate of 8% with an annual decline of .5% until an ultimate rate of 5% is achieved.
Marital assumption	80% of active employees are assumed to be married at retirement with male spouses assumed to be three years older than female spouses.

Mortality rates were based on the RP-2014 adjusted to 2006 and projected forward with MP-2017.

The actuarial assumption used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period ending July 1, 2018.

Discount Rate. The discount rate used to measure the total OPEB liability was 3.87 percent. The projection of cash flows used to determine the discount rate assumed that the electric system's contributions will be made at rates equal to the actuarially determined contribution rates.

Sensitivity of Net OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the net OPEB liability calculated using the stated healthcare cost trend assumption, as well as what the 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 assumed trend rates:

Healthcare Cost Trend Rate

	1% Decrease 7 to 4%	Current Rate 8 to 5%	1% Increase 9 to 6%
Total OPEB Liability	$ 221,810	$ 244,990	$ 272,650
Plan Fiduciary Net Position	0	0	0
Net OPEB Liability	$ 221,810	$ 244,990	$ 272,650

Sensitivity of Net OPEB Liability to Changes in the Discount Rate. The following represents the net OPEB liability calculated using the stated discount rate, as well as what the 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 stated discount rate:

Discount Rate

	1% Decrease 2.87%	Current Rate 3.87%	1% Increase 4.87%
Total OPEB Liability	$ 257,810	$ 244,990	$ 232,230
Plan Fiduciary Net Position	0	0	0
Net OPEB Liability	$ 257,810	$ 244,990	$ 232,230

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, the electric system recognized OPEB expense of $24,004. At June 30, 2018, the electric system reported no deferred outflows of resources or deferred inflows of resources related to OPEB.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to discount, trend rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Payments of Benefits. Benefits are recorded when the participant has met all of the plan requirements. At June 30, 2018, no benefits were payable to the plan.

Administrative Expenses. Qualified plan administrative expenses are paid by the plan. During the year ended June 30, 2018, administrative expenses were $0.

5. Major Customer

For the year ended June 30, 2018, one customer comprised approximately 17.41 percent of total revenues.

6. Restatement of Beginning Net Position – GASB No. 75

As of July 1, 2017, a restatement of beginning net position was made for net OPEB liability due to the electric system implementing GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions – an amendment of GASB Statement No. 45*. The implementation of GASB Statement No. 75 resulted in the electric system restating net position by ($142,534).

The net effect of this restatement of beginning net position resulted in a decrease in the July 1, 2017, net position in the amount of ($142,534).

7. Subsequent Events

The district's board approved a system wide upgrade to an automated metering infrastructure. The district signed a contract on December 5, 2018, with a vendor totaling $2.35 million for this upgrade. This upgrade will be paid for from existing funds.

VII. OTHER NOTES – CARROLL COUNTY INDIGENT CARE BOARD (FIDUCIARY FUND)

A. Summary of Significant Accounting Policies

1. Reporting Entity

The Carroll County Indigent Care Fund was established by a private act on March 21, 1983, to assist the medically indigent in paying for in-patient and out-patient care and ambulance services rendered to them for not-for-profit hospital and ambulance facilities or entities in such counties. The fund also was empowered to promote health education in the county and acquire or otherwise assist in providing certain types of equipment to aid the medically indigent within the county.

From 1983 through 1988, Baptist Memorial Hospital made contributions to the fund totaling $2,150,000. This money was set aside to establish the Carroll County Indigent Care Board.

A nine-member board of trustees was appointed (three by the county legislative body, three by the Baptist Memorial Hospital, and three by the board itself) to carry out the stated purposes of the private act. The board has appointed Carroll Bank and Trust as the trustee of the fund.

Under guidelines set forth in the private act and the minutes of the board of trustees, only 80 percent of the income earned by the fund may be used to pay indigent accounts. The board established a screening committee to determine the medical indigence of applicants and to recommend payment for their benefits.

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

The fund is a private-purpose trust fund, which is a fiduciary fund type, and therefore maintains its accounting records using the economic resources measurement focus and the accrual basis of fund accounting. The aim of this measurement focus is to report all inflows, outflows, and balances affecting or reflecting the entity's net position. The accrual basis of accounting recognizes income as it is earned and expenses as they are incurred, whether or not cash is received or paid out at that time.

In evaluating how to define the Carroll County Indigent Care Board for financial reporting purposes, management considers whether the board is a legally separate entity holding corporate powers. Based on this criterion, the Carroll County Indigent Care Board is not considered to be a separate entity, but is considered a reporting component of Carroll County, Tennessee.

The Carroll County Indigent Care Board accounts for its financial position and results of operations in accordance with generally accepted accounting principles applicable to governmental units. Fiduciary fund types are accounted for on the accrual basis, whereby income is recognized as it is earned, and expenses are recognized as they are incurred, whether or not cash is received or paid out at that time. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

B. Detailed Notes on Accounts

1. Deposits and Investments

At year-end, the carrying amount of the board's deposits was $106,946, and the bank balance was the same. The entire balance is either covered by insurance as provided by the FDIC or by securities pledged by the banks. Both banks are a member of the Tennessee State Collateral Pool.

Investments consist mainly of mortgage-backed securities whose values are largely dependent on the interest rate market.

The board's policies limit deposits and investments to those instruments allowed by the private act under which it was created. That act states that the board shall invest such funds at the highest and best practical rate of income. State statutes require that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105 percent of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance of the Tennessee Bank Collateral Pool, by collateral held by the board's agent in the board's name, or by the Federal Reserve Banks acting as third-party agents. As of June 30, 2018, all bank deposits were fully collateralized or insured.

Investments are valued at fair value. The difference in the beginning and ending fair and book values is shown as a net increase (decrease) in fair value of investments in the revenue section of the Statement of Revenues, Expenses, and Changes in Net Position. Fair value approximates market.

The Indigent Care Board invests mainly in securities backed by the United States Government. The total book value of these investments as of June 30, 2018, was $3,137,747, and the total market value was $2,943,084. As mentioned, these investments are valued at fair value. At June 30, 2018, book value exceeded market value by $194,663.

Securities at market value consist of:

FHLMC Securities	$ 751,571
FNMA Securities	517,367
GNMA Securities	1,609,993
Stripped Adjustable Mortgage Securities	12,061
Various Mortgage-Backed Securities	52,092
Total	$ 2,943,084

2. **Equity**

Equity is classified as net position and displayed as held in trust for indigent care.

3. **Indigent Accounts**

At July 1, 2017, approved indigent care accounts totaling $4,690,978 were available for payment. During the year, new claims totaling $305,363 were approved, and $94,674 was paid during the year, bringing the unpaid balance at June 30, 2018, to $4,901,667. These claims represent a contingent liability for the board. The amount of approved claims is accrued only if funds are available to pay them. The remaining claims approved will be paid in subsequent periods when funds become available. Net earnings available for payment of indigent accounts, which represent second quarter 2018 earnings, have been accrued as a liability entitled accrued indigent payments of $24,333 because this amount represents an actual liability as of the end of the year.

C. Fair Value Measurements

Fair values of investments measured on a recurring basis at June 30, 2018, were $2,943,084 and are determined by reference to quoted market prices and other relevant information generated by market transactions. At present, the board has no items carried or that will be carried at fair value on a non-recurring basis. The board does not currently have nor expects to have any non-financial assets or liabilities, which could be carried at fair value.

The board defines fair value, establishes a framework for measuring fair value, and expands disclosure requirements regarding fair value measurements. This standard clarifies the principle that fair value should be based on assumptions one would use when pricing the asset or liability and establishes a hierarchy that prioritizes information used to develop these assumptions. The heirarchy is as follows:

> Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date.
>
> Level 2 Inputs: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Such inputs may include quoted prices for similar assets or liabilities in active markets, and inputs other than quoted market prices that are observable for the assets and liabilities such as interest rates and yield curves that are observable at commonly quoted intervals.
>
> Level 3 Inputs: Unobservable inputs for determining fair values of assets and liabilities that reflect an entity's own assumptions about the assumptions that market participants would use pricing the asset and liabilities.

Investments are the only balance sheet components reported at fair value. They are valued using Level 2 inputs. The fair value measurements consider observable data that may include dealer quotes, market spreads, cash flows, the U.S. Treasury yield curve, live trading levels, trade execution data, market consensus prepayment speeds, credit information and terms and conditions of bonds, and other factors. The following table summarizes financial assets and financial liabilities measured at fair value on a recurring basis as of June 30, 2018.

	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total Fair Value
Investments	$ 0	$ 2,943,084	$ 0	$ 2,943,084

D. Other Information

Risk Management

The board is exposed to risks related to general and public official's liability. To cover these risks, the board purchased a three-year commercial insurance policy in October 2017. There have been no settlements in the prior three fiscal years, and there has been no significant reduction in coverage.

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit F-1

Carroll 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 - Carroll County
For the Fiscal Year Ended June 30

	2014	2015	2016	2017
Total Pension Liability				
Service Cost	$ 526,862	$ 558,319	$ 559,789	$ 608,537
Interest	1,312,980	1,366,524	1,479,000	1,561,656
Differences Between Actual and Expected Experience	(458,637)	346,597	(164,364)	(454,785)
Changes in Assumptions	0	0	0	645,198
Benefit Payments, Including Refunds of Employee Contributions	(642,255)	(755,226)	(791,222)	(850,983)
Net Change in Total Pension Liability	$ 738,950	$ 1,516,214	$ 1,083,203	$ 1,509,623
Total Pension Liability, Beginning	17,300,661	18,039,611	19,555,825	20,639,028
Total Pension Liability, Ending (a)	$ 18,039,611	$ 19,555,825	$ 20,639,028	$ 22,148,651
Plan Fiduciary Net Position				
Contributions - Employer	$ 523,974	$ 553,936	$ 571,701	$ 605,528
Contributions - Employee	338,543	341,520	352,471	373,325
Net Investment Income	2,679,471	584,802	522,559	2,303,559
Benefit Payments, Including Refunds of Employee Contributions	(642,255)	(755,226)	(791,222)	(850,983)
Administrative Expense	(9,361)	(12,252)	(18,433)	(21,098)
Net Change in Plan Fiduciary Net Position	$ 2,890,372	$ 712,780	$ 637,076	$ 2,410,331
Plan Fiduciary Net Position, Beginning	16,027,355	18,917,727	19,630,507	20,267,583
Plan Fiduciary Net Position, Ending (b)	$ 18,917,727	$ 19,630,507	$ 20,267,583	$ 22,677,914
Net Pension Liability (Asset), Ending (a - b)	$ (878,116)	$ (74,682)	$ 371,445	$ (529,263)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	104.87%	100.38%	98.20%	102.39%
Covered Payroll	$ 6,769,680	$ 6,830,280	$ 7,049,319	$ 7,466,416
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(12.97)%	(1.09)%	5.27%	(7.09)%

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

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

Carroll 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 - Carroll County Commissioners
For the Fiscal Year Ended June 30

	2014	2015	2016	2017
Total Pension Liability				
Service Cost	$ 3,649	$ 2,552	$ 2,525	$ 2,824
Interest	7,679	8,548	6,144	5,048
Differences Between Actual and Expected Experience	2,729	(40,765)	(20,613)	(1,474)
Changes in Assumptions	0	0	0	3,401
Benefit Payments, Including Refunds of Employee Contributions	(521)	(2,215)	(2,529)	(3,394)
Net Change in Total Pension Liability	$ 13,536	$ (31,880)	$ (14,473)	$ 6,405
Total Pension Liability, Beginning	98,999	112,535	80,655	66,182
Total Pension Liability, Ending (a)	$ 112,535	$ 80,655	$ 66,182	$ 72,587
Plan Fiduciary Net Position				
Contributions - Employer	$ 8,593	$ 9,492	$ 8,754	$ 5,815
Contributions - Employee	645	708	653	633
Net Investment Income	14,532	3,393	3,196	14,504
Benefit Payments, Including Refunds of Employee Contributions	(521)	(2,215)	(2,529)	(3,394)
Administrative Expense	(303)	(457)	(639)	(775)
Net Change in Plan Fiduciary Net Position	$ 22,946	$ 10,921	$ 9,435	$ 16,783
Plan Fiduciary Net Position, Beginning	83,450	106,396	117,317	126,752
Plan Fiduciary Net Position, Ending (b)	$ 106,396	$ 117,317	$ 126,752	$ 143,535
Net Pension Liability (Asset), Ending (a - b)	$ 6,139	$ (36,662)	$ (60,570)	$ (70,948)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	94.54%	145.46%	191.52%	197.74%
Covered Payroll	$ 12,900	$ 14,150	$ 13,050	$ 12,650
Net Pension Liability (Asset) as a Percentage of Covered Payroll	47.59%	(259.10)%	(464.14)%	(560.85)%

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

Exhibit F-3

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

	2014	2015	2016	2017	2018
Actuarially Determined Contribution	$ 523,974	$ 553,936	$ 571,701	$ 605,528	$ 320,809
Less Contributions in Relation to the Actuarially Determined Contribution	(523,974)	(553,936)	(571,701)	(605,528)	(320,809)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Payroll	$ 6,769,680	$ 6,830,280	$ 7,049,319	$ 7,466,416	$ 7,443,364
Contributions as a Percentage of Covered Payroll	7.74%	8.11%	8.11%	8.11%	4.31%

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

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

Exhibit F-4

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

	2014	2015	2016	2017	2018
Actuarially Determined Contribution	$ 8,593	$ 9,492	$ 8,754	$ 5,815	$ 2,424
Less Contributions in Relation to the Actuarially Determined Contribution	(8,593)	(9,492)	(8,754)	(5,815)	(2,424)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Payroll	$ 12,900	$ 14,150	$ 13,050	$ 12,650	$ 11,150
Contributions as a Percentage of Covered Payroll	66.61%	67.08%	67.08%	45.97%	21.74%

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

Exhibit F-5

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

	2017	2018
Contractually Required Contribution	$ 4,202	$ 9,390
Less Contributions in Relation to the Contractually Required Contribution	(4,202)	(9,390)
Contribution Deficiency (Excess)	$ 0	$ 0
Covered Payroll	$ 105,058	$ 234,751
Contributions as a Percentage of Covered Payroll	4.00%	4.00%

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

Exhibit F-6

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

	2014	2015	2016	2017	2018
Contractually Required Contribution	$ 78,331	$ 78,125	$ 65,412	$ 69,925	$ 62,813
Less Contributions in Relation to the Contractually Required Contribution	(78,331)	(78,125)	(65,412)	(69,925)	(62,813)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Payroll	$ 882,110	$ 864,218	$ 723,582	$ 773,511	$ 691,974
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%

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

Exhibit F-7

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

		2018
School Department's Proportion of the Net Pension Liability (Asset)		0.16007%
School Department's Proportionate Share of the Net Pension Liability (Asset)	$	(4,222)
Covered Payroll	$	105,058
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll		(4.02)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		126.81%

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

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

Exhibit F-8

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

	2015	2016	2017	2018
School Department's Proportion of the Net Pension Liability/Asset	0.022474%	0.023086%	0.020045%	0.021882%
School Department's Proportionate Share of the Net Pension Liability (Asset)	$ (3,652)	$ 9,457	$ 125,270	$ (7,159)
Covered Payroll	$ 882,110	$ 864,218	$ 723,582	$ 773,511
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(.414002)%	1.094255%	17.31%	(.93)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%

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

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

Exhibit F-9

Carroll 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 *

Carroll County Plan

	2017
Total OPEB Liability	
Service Cost	$ 21,757
Interest	7,775
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	0
Changes in Assumptions or Other Inputs	(12,512)
Benefit Payments	0
Net Change in Total OPEB Liability	$ 17,020
Total OPEB Liability, Beginning	244,512
Total OPEB Liability, Ending	$ 261,532
Covered Employee Payroll	$ 5,300,720
Net OPEB Liability as a Percentage of Covered Employee Payroll	4.93%

Highway Department Plan

	2017
Total OPEB Liability	
Service Cost	$ 6,029
Interest	2,882
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	0
Changes in Assumptions or Other Inputs	(4,240)
Benefit Payments	0
Net Change in Total OPEB Liability	$ 4,671
Total OPEB Liability, Beginning	92,674
Total OPEB Liability, Ending	$ 97,345
Covered Employee Payroll	$ 952,292
Net OPEB Liability as a Percentage of Covered Employee Payroll	10.22%

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

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

2017	2.92%
2018	3.56%

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

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

	2017
Total OPEB Liability	
Service Cost	$ 15,832
Interest	5,906
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	0
Changes in Assumptions or Other Inputs	(8,842)
Benefit Payments	(8,052)
Net Change in Total OPEB Liability	$ 4,844
Total OPEB Liability, Beginning	190,456
Total OPEB Liability, Ending	$ 195,300
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	$ 57,896
Employer Proportionate Share of the Total OPEB Liability	137,404
Covered Employee Payroll	$ 2,126,407
Net OPEB Liability as a Percentage of Covered Employee Payroll	9.18%

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

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

2017	2.92%
2018	3.56%

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

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

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

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

Methods and assumptions used to determine contribution rates:

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

Combining and Individual Fund Financial Statements and Schedules

Nonmajor Governmental Funds

Special Revenue Funds

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

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for Carroll County's garbage collection and recycling operations.

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.

Debt Service Fund

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principle and interest.

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

Exhibit G-1

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

	Special Revenue Funds				Debt Service Fund	
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Debt Service	Total Nonmajor Governmental Funds
ASSETS						
Cash	$ 500	$ 0	$ 25,339	$ 25,839	$ 0	$ 25,839
Equity in Pooled Cash and Investments	729,980	208,041	0	938,021	1,457,381	2,395,402
Accounts Receivable	2,103,597	0	0	2,103,597	0	2,103,597
Allowance for Uncollectibles	(1,981,209)	0	0	(1,981,209)	0	(1,981,209)
Due from Other Governments	42,914	0	0	42,914	0	42,914
Property Taxes Receivable	379,191	0	0	379,191	505,589	884,780
Allowance for Uncollectible Property Taxes	(16,606)	0	0	(16,606)	(22,142)	(38,748)
Total Assets	$ 1,258,367	$ 208,041	$ 25,339	$ 1,491,747	$ 1,940,828	$ 3,432,575
LIABILITIES						
Payroll Deductions Payable	$ 7,635	$ 2,889	$ 0	$ 10,524	$ 0	$ 10,524
Due to Other Funds	15,819	0	12,307	28,126	21,096	49,222
Total Liabilities	$ 23,454	$ 2,889	$ 12,307	$ 38,650	$ 21,096	$ 59,746
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	$ 348,514	$ 0	$ 0	$ 348,514	$ 464,685	$ 813,199
Deferred Delinquent Property Taxes	11,678	0	0	11,678	15,572	27,250
Other Deferred/Unavailable Revenue	43,016	0	0	43,016	0	43,016
Total Deferred Inflows of Resources	$ 403,208	$ 0	$ 0	$ 403,208	$ 480,257	$ 883,465

(Continued)

Exhibit G-1

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

	Special Revenue Funds				Debt Service Fund	
FUND BALANCES	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Debt Service	Total Nonmajor Governmental Funds
Restricted:						
Restricted for Public Safety	$ 0	$ 205,152	$ 0	$ 205,152	$ 0	$ 205,152
Restricted for Debt Service	0	0	0	0	1,079,339	1,079,339
Committed:						
Committed for Administration of Justice	0	0	13,032	13,032	0	13,032
Committed for Public Health and Welfare	831,705	0	0	831,705	0	831,705
Committed for Debt Service	0	0	0	0	360,136	360,136
Total Fund Balances	$ 831,705	$ 205,152	$ 13,032	$ 1,049,889	$ 1,439,475	$ 2,489,364
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 1,258,367	$ 208,041	$ 25,339	$ 1,491,747	$ 1,940,828	$ 3,432,575

Exhibit G-2

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

	Special Revenue Funds				Debt Service Fund	
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Debt Service	Total Nonmajor Governmental Funds
Revenues						
Local Taxes	$ 367,189	$ 0	$ 0	$ 367,189	$ 588,458	$ 955,647
Fines, Forfeitures, and Penalties	0	73,239	0	73,239	0	73,239
Charges for Current Services	1,229,196	0	88,990	1,318,186	0	1,318,186
Other Local Revenues	91,918	6,685	0	98,603	0	98,603
State of Tennessee	205,781	0	0	205,781	0	205,781
Total Revenues	$ 1,894,084	$ 79,924	$ 88,990	$ 2,062,998	$ 588,458	$ 2,651,456
Expenditures						
Current:						
Administration of Justice	$ 0	$ 0	$ 88,343	$ 88,343	$ 0	$ 88,343
Public Safety	0	118,697	0	118,697	0	118,697
Public Health and Welfare	1,546,662	0	0	1,546,662	0	1,546,662
Highways	29,961	0	0	29,961	0	29,961
Debt Service:						
Principal on Debt	0	0	0	0	415,000	415,000
Interest on Debt	0	0	0	0	180,396	180,396
Other Debt Service	0	0	0	0	19,083	19,083
Total Expenditures	$ 1,576,623	$ 118,697	$ 88,343	$ 1,783,663	$ 614,479	$ 2,398,142
Excess (Deficiency) of Revenues Over Expenditures	$ 317,461	$ (38,773)	$ 647	$ 279,335	$ (26,021)	$ 253,314

(Continued)

Exhibit G-2

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

	Special Revenue Funds				Debt Service Fund	
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Debt Service	Total Nonmajor Governmental Funds
Other Financing Sources (Uses)						
Insurance Recovery	$ 0	$ 25,150	$ 0	$ 25,150	$ 0	$ 25,150
Transfers In	28,271	0	0	28,271	37,694	65,965
Total Other Financing Sources (Uses)	$ 28,271	$ 25,150	$ 0	$ 53,421	$ 37,694	$ 91,115
Net Change in Fund Balances	$ 345,732	$ (13,623)	$ 647	$ 332,756	$ 11,673	$ 344,429
Fund Balance, July 1, 2017	485,973	218,775	12,385	717,133	1,427,802	2,144,935
Fund Balance, June 30, 2018	$ 831,705	$ 205,152	$ 13,032	$ 1,049,889	$ 1,439,475	$ 2,489,364

Carroll County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2018

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 367,189	$ 394,467	$ 394,467	$ (27,278)
Charges for Current Services	1,229,196	1,319,700	1,319,700	(90,504)
Other Local Revenues	91,918	84,000	84,000	7,918
State of Tennessee	205,781	91,100	91,100	114,681
Total Revenues	$ 1,894,084	$ 1,889,267	$ 1,889,267	$ 4,817
Expenditures				
Public Health and Welfare				
Waste Pickup	$ 1,073,143	$ 1,140,451	$ 1,140,451	$ 67,308
Recycling Center	473,519	497,639	504,639	31,120
Highways				
Litter and Trash Collection	29,961	41,100	41,100	11,139
Total Expenditures	$ 1,576,623	$ 1,679,190	$ 1,686,190	$ 109,567
Excess (Deficiency) of Revenues Over Expenditures	$ 317,461	$ 210,077	$ 203,077	$ 114,384
Other Financing Sources (Uses)				
Transfers In	$ 28,271	$ 0	$ 0	$ 28,271
Total Other Financing Sources	$ 28,271	$ 0	$ 0	$ 28,271
Net Change in Fund Balance	$ 345,732	$ 210,077	$ 203,077	$ 142,655
Fund Balance, July 1, 2017	485,973	792,301	792,301	(306,328)
Fund Balance, June 30, 2018	$ 831,705	$ 1,002,378	$ 995,378	$ (163,673)

Exhibit G-4

Carroll County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2018

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Fines, Forfeitures, and Penalties	$ 73,239	$ 170,000	$ 170,000	$ (96,761)
Other Local Revenues	6,685	0	0	6,685
Total Revenues	$ 79,924	$ 170,000	$ 170,000	$ (90,076)
Expenditures				
Public Safety				
Drug Enforcement	$ 118,697	$ 92,362	$ 122,947	$ 4,250
Total Expenditures	$ 118,697	$ 92,362	$ 122,947	$ 4,250
Excess (Deficiency) of Revenues Over Expenditures	$ (38,773)	$ 77,638	$ 47,053	$ (85,826)
Other Financing Sources (Uses)				
Insurance Recovery	$ 25,150	$ 0	$ 25,150	$ 0
Total Other Financing Sources	$ 25,150	$ 0	$ 25,150	$ 0
Net Change in Fund Balance	$ (13,623)	$ 77,638	$ 72,203	$ (85,826)
Fund Balance, July 1, 2017	218,775	237,615	237,615	(18,840)
Fund Balance, June 30, 2018	$ 205,152	$ 315,253	$ 309,818	$ (104,666)

Exhibit G-5

Carroll County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2018

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 588,458	$ 629,023	$ 629,023	$ (40,565)
Total Revenues	$ 588,458	$ 629,023	$ 629,023	$ (40,565)
Expenditures				
Principal on Debt				
General Government	$ 415,000	$ 412,000	$ 415,000	$ 0
Interest on Debt				
General Government	180,396	209,957	209,453	29,057
Other Debt Service				
General Government	19,083	22,000	19,504	421
Total Expenditures	$ 614,479	$ 643,957	$ 643,957	$ 29,478
Excess (Deficiency) of Revenues Over Expenditures	$ (26,021)	$ (14,934)	$ (14,934)	$ (11,087)
Other Financing Sources (Uses)				
Transfers In	$ 37,694	$ 0	$ 0	$ 37,694
Total Other Financing Sources	$ 37,694	$ 0	$ 0	$ 37,694
Net Change in Fund Balance	$ 11,673	$ (14,934)	$ (14,934)	$ 26,607
Fund Balance, July 1, 2017	1,427,802	1,429,990	1,429,990	(2,188)
Fund Balance, June 30, 2018	$ 1,439,475	$ 1,415,056	$ 1,415,056	$ 24,419

Fiduciary Funds

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

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

Special School District Fund – The Special School District Fund is used to account for property taxes collected for the five-area special school districts and the districts' share of education revenues collected by the county, which must be apportioned between various school systems on an average daily attendance basis. These collections are remitted to the districts monthly.

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.

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 H-1

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

	Agency Funds				
	Cities - Sales Tax	Special School District	Constitu-tional Officers - Agency	District Attorney General	Total
ASSETS					
Cash	$ 0	$ 0	$ 1,041,751	$ 0	$ 1,041,751
Equity in Pooled Cash and Investments	0	270,562	0	62,190	332,752
Accounts Receivable	0	0	11,463	0	11,463
Due from Other Governments	449,119	484,957	0	1,531	935,607
Taxes Receivable	0	5,582,404	0	0	5,582,404
Allowance for Uncollectible Taxes	0	(244,254)	0	0	(244,254)
Total Assets	$ 449,119	$ 6,093,669	$ 1,053,214	$ 63,721	$ 7,659,723
LIABILITIES					
Due to Other Taxing Units	$ 449,119	$ 6,093,669	$ 0	$ 0	$ 6,542,788
Due to Litigants, Heirs, and Others	0	0	1,053,214	63,721	1,116,935
Total Liabilities	$ 449,119	$ 6,093,669	$ 1,053,214	$ 63,721	$ 7,659,723

Exhibit H-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
Cities - Sales Tax Fund				
Assets				
Equity in Pooled Cash and Investments	$ 0	$ 2,584,233	$ 2,584,233	$ 0
Due from Other Governments	442,093	449,119	442,093	449,119
Total Assets	$ 442,093	$ 3,033,352	$ 3,026,326	$ 449,119
Liabilities				
Due to Other Taxing Units	$ 442,093	$ 3,033,352	$ 3,026,326	$ 449,119
Total Liabilities	$ 442,093	$ 3,033,352	$ 3,026,326	$ 449,119
Special School District Fund				
Assets				
Equity in Pooled Cash and Investments	$ 282,993	$ 8,333,347	$ 8,345,778	$ 270,562
Due from Other Governments	468,335	484,957	468,335	484,957
Taxes Receivable	5,546,157	5,582,404	5,546,157	5,582,404
Allowance for Uncollectible Taxes	(247,217)	(244,254)	(247,217)	(244,254)
Total Assets	$ 6,050,268	$ 14,156,454	$ 14,113,053	$ 6,093,669
Liabilities				
Due to Other Taxing Units	$ 6,050,268	$ 14,156,454	$ 14,113,053	$ 6,093,669
Total Liabilities	$ 6,050,268	$ 14,156,454	$ 14,113,053	$ 6,093,669
Constitutional Officers - Agency Fund				
Assets				
Cash	$ 1,048,647	$ 6,565,853	$ 6,572,749	$ 1,041,751
Accounts Receivable	9,679	11,463	9,679	11,463
Total Assets	$ 1,058,326	$ 6,577,316	$ 6,582,428	$ 1,053,214
Liabilities				
Due to Litigants, Heirs, and Others	$ 1,058,326	$ 6,577,316	$ 6,582,428	$ 1,053,214
Total Liabilities	$ 1,058,326	$ 6,577,316	$ 6,582,428	$ 1,053,214

(Continued)

Exhibit H-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
District Attorney General Fund				
Assets				
Equity in Pooled Cash and Investments	$ 57,915	$ 24,848	$ 20,573	$ 62,190
Due from Other Governments	1,300	1,531	1,300	1,531
Total Assets	$ 59,215	$ 26,379	$ 21,873	$ 63,721
Liabilities				
Due to Litigants, Heirs and Others	$ 59,215	$ 26,379	$ 21,873	$ 63,721
Total Liabilities	$ 59,215	$ 26,379	$ 21,873	$ 63,721
Totals - All Agency Funds				
Assets				
Cash	$ 1,048,647	$ 6,565,853	$ 6,572,749	$ 1,041,751
Equity in Pooled Cash and Investments	340,908	10,942,428	10,950,584	332,752
Accounts Receivable	9,679	11,463	9,679	11,463
Due from Other Governments	911,728	935,607	911,728	935,607
Taxes Receivable	5,546,157	5,582,404	5,546,157	5,582,404
Allowance for Uncollectible Taxes	(247,217)	(244,254)	(247,217)	(244,254)
Total Assets	$ 7,609,902	$ 23,793,501	$ 23,743,680	$ 7,659,723
Liabilities				
Due to Other Taxing Units	$ 6,492,361	$ 17,189,806	$ 17,139,379	$ 6,542,788
Due to Litigants, Heirs, and Others	1,117,541	6,603,695	6,604,301	1,116,935
Total Liabilities	$ 7,609,902	$ 23,793,501	$ 23,743,680	$ 7,659,723

Carroll County School Department

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

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

School Transportation Fund – The School Transportation Fund is used to account for transportation of all students in the county school system and the special school districts.

Exhibit I-1

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

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental Activities:					
Instruction	$ 1,243,629	$ 797,772	$ 5,847	98,344	$ (341,666)
Support Services	3,110,106	48,432	97,049	0	(2,964,625)
Operation of Non-instructional Services	51,543	1,794	16,740	0	(33,009)
Total Governmental Activities	$ 4,405,278	$ 847,998	$ 119,636	$ 98,344	$ (3,339,300)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					$ 560,983
Local Option Sales Taxes					56,276
Grants & Contributions not restricted for specific programs					2,864,805
Miscellaneous					23,775
Total General Revenues					$ 3,505,839
Change in Net Position					$ 166,539
Net Position, July 1, 2017					11,282,468
Restatement - See Note I.D.8.					(90,976)
Net Position, June 30, 2018					$ 11,358,031

Exhibit I-2

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

	Major Funds		
	General Purpose School	School Transpor - tation	Total Governmental Funds
ASSETS			
Equity in Pooled Cash and Investments	$ 5,588,322	$ 2,299,935	$ 7,888,257
Accounts Receivable	299,469	0	299,469
Due from Other Governments	9,881	0	9,881
Property Taxes Receivable	0	589,853	589,853
Allowance for Uncollectible Property Taxes	0	(25,832)	(25,832)
Total Assets	$ 5,897,672	$ 2,863,956	$ 8,761,628
LIABILITIES			
Payroll Deductions Payable	$ 37,487	$ 1,867	$ 39,354
Due to Primary Government	0	24,601	24,601
Total Liabilities	$ 37,487	$ 26,468	$ 63,955
DEFERRED INFLOWS OF RESOURCES			
Deferred Current Property Taxes	$ 0	$ 542,132	$ 542,132
Deferred Delinquent Property Taxes	0	18,167	18,167
Other Deferred/Unavailable Revenue	5,040	0	5,040
Total Deferred Inflows of Resources	$ 5,040	$ 560,299	$ 565,339
FUND BALANCES			
Restricted:			
Restricted for Instruction	$ 14,453	$ 0	$ 14,453
Restricted for Operation of Non-instructional Services	5,506	0	5,506
Committed:			
Committed for Education	208,928	0	208,928
Committed for Support Services	0	2,277,189	2,277,189
Assigned:			
Assigned for Support Services	165,488	0	165,488
Unassigned	5,460,770	0	5,460,770
Total Fund Balances	$ 5,855,145	$ 2,277,189	$ 8,132,334
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 5,897,672	$ 2,863,956	$ 8,761,628

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

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		$ 8,132,334
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 176,489	
Add: buildings and improvements net of accumulated depreciation	640,750	
Add: other capital assets net of accumulated depreciation	2,382,349	3,199,588
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: net OPEB liability		(137,404)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as a component of pension and OPEB expense in future years.		
Add: deferred outflows of resources related to OPEB	$ 7,720	
Less: deferred inflows resources related to OPEB	(5,623)	
Add: deferred outflows of resources related to pensions	318,178	
Less: deferred inflows of resources related to pensions	(276,138)	44,137
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent	$ 84,788	
Add: net pension asset - teacher retirement plan	4,222	
Add: net pension asset - teacher legacy pension plan	7,159	96,169
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		23,207
Net position of governmental activities (Exhibit A)		$ 11,358,031

Exhibit I-4

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

	Major Funds		
	General Purpose School	School Transpor - tation	Total Governmental Funds
Revenues			
Local Taxes	$ 56,382	$ 615,158	$ 671,540
Licenses and Permits	43	0	43
Charges for Current Services	847,998	0	847,998
Other Local Revenues	23,780	0	23,780
State of Tennessee	2,222,458	786,049	3,008,507
Federal Government	15,790	0	15,790
Total Revenues	$ 3,166,451	$ 1,401,207	$ 4,567,658
Expenditures			
Current:			
Instruction	$ 1,201,008	$ 0	$ 1,201,008
Support Services	1,491,582	1,340,611	2,832,193
Operation of Non-Instructional Services	37,583	0	37,583
Capital Outlay	165,865	0	165,865
Total Expenditures	$ 2,896,038	$ 1,340,611	$ 4,236,649
Excess (Deficiency) of Revenues Over Expenditures	$ 270,413	$ 60,596	$ 331,009
Net Change in Fund Balances	$ 270,413	$ 60,596	$ 331,009
Fund Balance, July 1, 2017	5,584,732	2,216,593	7,801,325
Fund Balance, June 30, 2018	$ 5,855,145	$ 2,277,189	$ 8,132,334

Exhibit I-5

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

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:		
Net change in fund balances - total governmental funds (Exhibit I-4)		$ 331,009
(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	$ 165,488	
Less: current-year depreciation expense	(424,399)	(258,911)
(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, 2018	$ 23,207	
Less: deferred delinquent property taxes and other deferred June 30, 2017	(19,048)	4,159
(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 net pension asset - agent plan	$ 152,354	
Change in net pension asset - teacher retirement plan	4,222	
Change in net pension asset - teacher legacy pension plan	132,429	
Change in deferred outflows related to pensions	(161,328)	
Change in deferred inflows related to pensions	(30,419)	
Change in net OPEB liability (net of restatement)	(3,408)	
Change in deferred outflows related to OPEB (net of restatement)	2,055	
Change in deferred inflows related to OPEB	(5,623)	90,282
Change in net position of governmental activities (Exhibit B)		$ 166,539

Exhibit I-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 56,382	$ 0	$ 0	$ 56,382	$ 70,075	$ 70,075	$ (13,693)
Licenses and Permits	43	0	0	43	45	45	(2)
Charges for Current Services	847,998	0	0	847,998	768,000	771,500	76,498
Other Local Revenues	23,780	0	0	23,780	53,600	53,610	(29,830)
State of Tennessee	2,222,458	0	0	2,222,458	2,126,355	2,227,928	(5,470)
Federal Government	15,790	0	0	15,790	5,000	19,501	(3,711)
Total Revenues	$ 3,166,451	$ 0	$ 0	$ 3,166,451	$ 3,023,075	$ 3,142,659	$ 23,792
Expenditures							
Instruction							
Alternative Instruction Program	$ 85,929	$ 0	$ 0	$ 85,929	$ 89,718	$ 89,718	$ 3,789
Special Education Program	548,195	0	0	548,195	581,455	581,455	33,260
Career and Technical Education Program	566,884	0	0	566,884	533,438	623,538	56,654
Support Services							
Attendance	38,154	0	0	38,154	46,942	46,942	8,788
Health Services	128,800	0	0	128,800	151,066	151,066	22,266
Other Student Support	48,337	0	0	48,337	82,057	82,057	33,720
Special Education Program	86,205	0	0	86,205	93,898	93,898	7,693
Career and Technical Education Program	48,122	0	0	48,122	50,442	50,442	2,320
Technology	99,643	0	0	99,643	133,589	133,589	33,946
Adult Programs	2,114	0	0	2,114	3,250	3,250	1,136
Other Programs	3,278	0	0	3,278	5,000	8,278	5,000
Board of Education	176,057	0	0	176,057	199,050	199,050	22,993
Director of Schools	129,671	0	0	129,671	150,105	150,105	20,434
Office of the Principal	91,123	0	0	91,123	103,772	103,772	12,649
Fiscal Services	126,122	0	0	126,122	134,866	134,866	8,744
Operation of Plant	148,167	0	0	148,167	175,000	175,000	26,833
Maintenance of Plant	110,809	0	0	110,809	128,667	128,667	17,858
Transportation	254,980	(165,488)	165,488	254,980	275,568	444,216	189,236

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Operation of Non-Instructional Services							
Food Service	$ 37,583	$ 0	$ 0	$ 37,583	$ 28,675	$ 49,376	$ 11,793
Capital Outlay							
Regular Capital Outlay	165,865	0	0	165,865	300,000	300,000	134,135
Total Expenditures	$ 2,896,038	$ (165,488)	$ 165,488	$ 2,896,038	$ 3,266,558	$ 3,549,285	$ 653,247
Excess (Deficiency) of Revenues Over Expenditures	$ 270,413	$ 165,488	$ (165,488)	$ 270,413	$ (243,483)	$ (406,626)	$ 677,039
Other Financing Sources (Uses)							
Insurance Recovery	$ 0	$ 0	$ 0	$ 0	$ 30,000	$ 30,000	$ (30,000)
Total Other Financing Sources	$ 0	$ 0	$ 0	$ 0	$ 30,000	$ 30,000	$ (30,000)
Net Change in Fund Balance	$ 270,413	$ 165,488	$ (165,488)	$ 270,413	$ (213,483)	$ (376,626)	$ 647,039
Fund Balance, July 1, 2017	5,584,732	(165,488)	0	5,419,244	5,564,051	5,564,051	(144,807)
Fund Balance, June 30, 2018	$ 5,855,145	$ 0	$ (165,488)	$ 5,689,657	$ 5,350,568	$ 5,187,425	$ 502,232

Exhibit I-7

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 615,158	$ 618,010	$ 618,010	$ (2,852)
State of Tennessee	786,049	830,015	830,015	(43,966)
Total Revenues	$ 1,401,207	$ 1,448,025	$ 1,448,025	$ (46,818)
Expenditures				
Support Services				
Board of Education	$ 20,759	$ 26,500	$ 26,500	$ 5,741
Transportation	1,319,852	1,631,672	1,631,672	311,820
Total Expenditures	$ 1,340,611	$ 1,658,172	$ 1,658,172	$ 317,561
Excess (Deficiency) of Revenues Over Expenditures	$ 60,596	$ (210,147)	$ (210,147)	$ 270,743
Net Change in Fund Balance	$ 60,596	$ (210,147)	$ (210,147)	$ 270,743
Fund Balance, July 1, 2017	2,216,593	2,248,099	2,248,099	(31,506)
Fund Balance, June 30, 2018	$ 2,277,189	$ 2,037,952	$ 2,037,952	$ 239,237

MISCELLANEOUS SCHEDULES

Exhibit J-1

Carroll County, Tennessee
Schedule of Changes in Long-term Notes and Other Loans
For the Year Ended June 30, 2018

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-17	Paid and/or Matured During Period	Outstanding 6-30-18
NOTES PAYABLE							
Payable through Highway/Public Works Fund							
Road Improvements	$ 170,000	2.05 %	8-12-16	8-1-20	$ 170,000	$ 41,000	$ 129,000
Equipment	210,000	2.1	11-8-16	10-1-19	210,000	69,000	141,000
Total Payable through Highway/Public Works Fund					$ 380,000	$ 110,000	$ 270,000
Payable through General Debt Service Fund							
Emergency Operations Center	550,000	2.47	11-8-16	11-1-26	$ 550,000	$ 49,000	$ 501,000
Total Notes Payable					$ 930,000	$ 159,000	$ 771,000
OTHER LOANS PAYABLE							
Payable through General Debt Service Fund							
Courthouse and Jail Renovation	2,200,000	Variable	1-15-04	5-25-28	$ 990,000	$ 92,000	$ 898,000
Jail Renovation	8,164,130	2.32	2-22-12	3-1-37	6,885,000	274,000	6,611,000
Total Other Loans Payable					$ 7,875,000	$ 366,000	$ 7,509,000

Exhibit J-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2019	$ 162,000	$ 16,197	$ 178,197
2020	166,000	12,586	178,586
2021	97,000	9,652	106,652
2022	54,000	7,879	61,879
2023	56,000	6,521	62,521
2024	57,000	5,125	62,125
2025	58,000	3,705	61,705
2026	60,000	2,248	62,248
2027	61,000	753	61,753
Total	$ 771,000	$ 64,666	$ 835,666

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2019	$ 376,000	$ 162,227	$ 6,891	$ 545,118
2020	385,000	154,446	6,263	545,709
2021	395,000	146,502	5,615	547,117
2022	405,000	138,369	4,947	548,316
2023	416,000	130,017	4,259	550,276
2024	426,000	121,440	3,545	550,985
2025	437,000	112,669	2,811	552,480
2026	448,000	103,685	2,051	553,736
2027	385,000	94,560	1,311	480,871
2028	345,000	86,310	0	431,310
2029	353,000	78,548	0	431,548
2030	361,000	70,605	0	431,605
2031	370,000	62,483	0	432,483
2032	378,000	54,158	0	432,158
2033	387,000	45,653	0	432,653
2034	396,000	36,945	0	432,945
2035	406,000	28,035	0	434,035
2036	415,000	18,900	0	433,900
2037	425,000	9,563	0	434,563
Total	$ 7,509,000	$ 1,655,115	$ 37,693	$ 9,201,808

Exhibit J-3

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

From Fund	To Fund	Purpose	Amount
Public Utility	General	Payment in-lieu-of taxes	$ 331,519
"	Solid Waste/Sanitation	"	28,271
"	Highway/Public Works	"	25,130
"	General Debt Service	"	37,694
Total Transfers			$ 422,614

Exhibit J-4

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

Official	Authorization for Salary	Salary Paid During Period		Bond		Surety
County Mayor	Section 8-24-102, *TCA,* and County Commission	$ 107,343	(1)	$ 100,000		RLI Insurance Company
Highway Commissioners	Section 8-24-102, *TCA,* and County Commission	119,674	(2)	200,000	(3)	"
Director of Schools	State Board of Education and Carroll County Board of Education	98,179	(4)	100,000		"
Trustee	Section 8-24-102, *TCA*	72,682		774,472		"
Assessor of Property	Section 8-24-102, *TCA*	72,682		100,000		"
County Clerk	Section 8-24-102, *TCA*	72,682		100,000		"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, *TCA*	72,682		100,000		"
Clerk and Master	Section 8-24-102, *TCA* and Chancery Court Judge	72,682	(5)	100,000		Auto-Owners Insurance Company
Register of Deeds	Section 8-24-102, *TCA*	72,682		100,000		RLI Insurance Company
Sheriff	Section 8-24-102, *TCA*	87,945	(6)	100,000		"
Employee Bonds:						
Employee Blanket Bond - General County Government				400,000		Local Government Property and Casualty Fund
Board of Education				400,000		Tennessee Risk Management Trust

(1) Includes a purchasing agent salary of $15,000.
(2) Includes two highway commissioners' salaries at $59,837 each.
(3) Includes two highway commissioners' bonds at $100,000 each.
(4) Includes a chief executive officer training supplement of $1,000.
(5) Does not include special commissioner fees of $630.
(6) Includes $7,995 as Superintendent of workhouse, does not include a law enforcement training supplement of $600.

Exhibit J-5

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

		Special Revenue Funds			
	General	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
Local Taxes					
County Property Taxes					
Current Property Tax	$ 4,195,110	$ 336,668	$ 0	$ 0	$ 298,507
Trustee's Collections - Prior Year	136,551	10,715	0	0	10,112
Circuit Clerk/Clerk and Master Collections - Prior Years	98,178	8,372	0	0	7,698
Interest and Penalty	27,711	2,217	0	0	1,807
Payments in-Lieu-of Taxes - T.V.A.	12	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	14,854	867	0	0	771
Payments in-Lieu-of Taxes - Other	99,252	8,350	0	0	7,494
County Local Option Taxes					
Local Option Sales Tax	205,942	0	0	0	0
Wheel Tax	830,358	0	0	0	467,076
Litigation Tax - General	54,547	0	0	0	0
Litigation Tax - Special Purpose	86,832	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0
Business Tax	184,929	0	0	0	0
Mineral Severance Tax	0	0	0	0	46,144
Statutory Local Taxes					
Bank Excise Tax	164,855	0	0	0	0
Wholesale Beer Tax	62,891	0	0	0	0
Beer Privilege Tax	821	0	0	0	0
Total Local Taxes	$ 6,162,843	$ 367,189	$ 0	$ 0	$ 839,609
Licenses and Permits					
Permits					
Beer Permits	$ 500	$ 0	$ 0	$ 0	$ 0
Building Permits	300	0	0	0	0
Total Licenses and Permits	$ 800	$ 0	$ 0	$ 0	$ 0

(Continued)

Exhibit J-5

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

	General	Special Revenue Funds: Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
Fines, Forfeitures, and Penalties					
Circuit Court					
Fines	$ 6,767	$ 0	$ 0	$ 0	$ 0
Officers Costs	7,659	0	0	0	0
Drug Control Fines	5,524	0	11,592	0	0
Drug Court Fees	2,599	0	0	0	0
Jail Fees	2,384	0	0	0	0
DUI Treatment Fines	665	0	0	0	0
Data Entry Fee - Circuit Court	1,442	0	0	0	0
Courtroom Security Fee	4	0	0	0	0
Victims Assistance Assessments	4,681	0	0	0	0
General Sessions Court					
Fines	25,395	0	0	0	0
Fines for Littering	48	0	0	0	0
Officers Costs	60,400	0	0	0	0
Game and Fish Fines	76	0	0	0	0
Drug Control Fines	5,104	0	5,632	0	0
Drug Court Fees	7,205	0	0	0	0
Jail Fees	16,204	0	0	0	0
Judicial Commissioner Fees	49	0	0	0	0
DUI Treatment Fines	4,621	0	0	0	0
Data Entry Fee - General Sessions Court	7,371	0	0	0	0
Courtroom Security Fee	51	0	0	0	0
Victims Assistance Assessments	21,622	0	0	0	0
Juvenile Court					
Fines	171	0	0	0	0
Officers Costs	505	0	0	0	0
Data Entry Fee - Juvenile Court	581	0	0	0	0

(Continued)

Exhibit J-5

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

	General	Special Revenue Funds: Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
Fines, Forfeitures, and Penalties (Cont.)					
Chancery Court					
Officers Costs	$ 2,420	$ 0	$ 0	$ 0	$ 0
Data Entry Fee - Chancery Court	4,330	0	0	0	0
Judicial District Drug Program					
Drug Task Force Forfeitures and Seizures	0	0	51,273	0	0
Other Fines, Forfeitures, and Penalties					
Proceeds from Confiscated Property	2,375	0	4,742	0	0
Total Fines, Forfeitures, and Penalties	$ 190,253	$ 0	$ 73,239	$ 0	$ 0
Charges for Current Services					
General Service Charges					
Residential Waste Collection Charge	$ 0	$ 1,212,647	$ 0	$ 0	$ 0
Solid Waste Disposal Fee	0	963	0	0	0
Surcharge - Waste Tire Disposal	0	15,586	0	0	0
Other General Service Charges	7,774	0	0	0	0
Fees					
Archives and Records Management Fee	9,977	0	0	0	0
Greenbelt Late Application Fee	300	0	0	0	0
Telephone Commissions	38,527	0	0	0	0
Vending Machine Collections	494	0	0	0	30
Constitutional Officers' Fees and Commissions	0	0	0	88,990	0
Data Processing Fee - Register	7,964	0	0	0	0
Data Processing Fee - Sheriff	4,432	0	0	0	0
Sexual Offender Registration Fee - Sheriff	4,050	0	0	0	0
Data Processing Fee - County Clerk	2,499	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	160	0	0	0	0

(Continued)

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

	General	Special Revenue Funds: Solid Waste / Sanitation	Special Revenue Funds: Drug Control	Special Revenue Funds: Constitu - tional Officers - Fees	Special Revenue Funds: Highway / Public Works
Charges for Current Services (Cont.)					
Education Charges					
Contract for Instructional Services with Other LEA's	$ 209,332	$ 0	$ 0	$ 0	$ 0
Total Charges for Current Services	$ 285,509	$ 1,229,196	$ 0	$ 88,990	$ 30
Other Local Revenues					
Recurring Items					
Investment Income	$ 58,972	$ 0	$ 0	$ 0	$ 0
Lease/Rentals	53,270	0	0	0	0
Commissary Sales	40,935	0	0	0	0
Sale of Gasoline	123,459	0	0	0	0
Sale of Recycled Materials	0	91,918	0	0	0
Miscellaneous Refunds	196,212	0	6,685	0	9,215
Nonrecurring Items					
Sale of Equipment	975	0	0	0	1,568
Sale of Property	3,268	0	0	0	0
Contributions and Gifts	5,937	0	0	0	0
Other Local Revenues					
Other Local Revenues	165,223	0	0	0	0
Total Other Local Revenues	$ 648,251	$ 91,918	$ 6,685	$ 0	$ 10,783
Fees Received From County Officials					
Excess Fees					
Clerk and Master	$ 20,967	$ 0	$ 0	$ 0	$ 0
Fees In-Lieu-of Salary					
County Clerk	262,532	0	0	0	0
Circuit Court Clerk	108,114	0	0	0	0

(Continued)

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

		Special Revenue Funds			
	General	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
Fees Received From County Officials (Cont.)					
Fees In-Lieu-of Salary (Cont.)					
General Sessions Court Clerk	$ 147,133	$ 0	$ 0	$ 0	$ 0
Juvenile Court Clerk	21,931	0	0	0	0
Register	93,039	0	0	0	0
Sheriff	13,896	0	0	0	0
Trustee	372,603	0	0	0	0
Total Fees Received From County Officials	$ 1,040,215	$ 0	$ 0	$ 0	$ 0
State of Tennessee					
General Government Grants					
Juvenile Services Program	$ 13,500	$ 0	$ 0	$ 0	$ 0
Airport Maintenance Program	4,600	0	0	0	0
Aging Programs	59,901	0	0	0	0
Alternative School Program	643,884	0	0	0	0
Public Safety Grants					
Law Enforcement Training Programs	15,000	0	0	0	0
Health and Welfare Grants					
Health Department Programs	170,893	0	0	0	0
Public Works Grants					
State Aid Program	0	0	0	0	745,973
Litter Program	0	34,597	0	0	0
Other State Revenues					
Income Tax	28,519	0	0	0	0
Beer Tax	17,839	0	0	0	0
Vehicle Certificate of Title Fees	7,221	0	0	0	0
Alcoholic Beverage Tax	77,785	0	0	0	0

(Continued)

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

	General	Special Revenue Funds: Solid Waste / Sanitation	Special Revenue Funds: Drug Control	Special Revenue Funds: Constitu - tional Officers - Fees	Special Revenue Funds: Highway / Public Works
State of Tennessee (Cont.)					
Other State Revenues (Cont.)					
State Revenue Sharing - Telecommunications	$ 18,184	$ 0	$ 0	$ 0	$ 0
Contracted Prisoner Boarding	674,355	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	2,406,636
Petroleum Special Tax	0	0	0	0	20,580
Registrar's Salary Supplement	15,164	0	0	0	0
Other State Grants	235,175	171,184	0	0	0
Other State Revenues	2,515	0	0	0	0
Total State of Tennessee	$ 1,984,535	$ 205,781	$ 0	$ 0	$ 3,173,189
Federal Government					
Federal Through State					
Civil Defense Reimbursement	$ 42,000	$ 0	$ 0	$ 0	$ 0
Homeland Security Grants	11,905	0	0	0	0
Other Federal through State	551,737	0	0	0	0
Total Federal Government	$ 605,642	$ 0	$ 0	$ 0	$ 0
Other Governments and Citizens Groups					
Other Governments					
Prisoner Board	$ 1,742	$ 0	$ 0	$ 0	$ 0
Contributions	260,599	0	0	0	0
Citizens Groups					
Donations	1,030	0	0	0	0
Other					
Other	3,552	0	0	0	0
Total Other Governments and Citizens Groups	$ 266,923	$ 0	$ 0	$ 0	$ 0
Total	$ 11,184,971	$ 1,894,084	$ 79,924	$ 88,990	$ 4,023,611

(Continued)

Exhibit J-5

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

	Debt Service Fund	
	General Debt Service	Total
Local Taxes		
County Property Taxes		
Current Property Tax	$ 448,892	$ 5,279,177
Trustee's Collections - Prior Year	14,286	171,664
Circuit Clerk/Clerk and Master Collections - Prior Years	11,163	125,411
Interest and Penalty	2,955	34,690
Payments in-Lieu-of Taxes - T.V.A.	0	12
Payments in-Lieu-of Taxes - Local Utilities	1,153	17,645
Payments in-Lieu-of Taxes - Other	11,133	126,229
County Local Option Taxes		
Local Option Sales Tax	0	205,942
Wheel Tax	0	1,297,434
Litigation Tax - General	0	54,547
Litigation Tax - Special Purpose	0	86,832
Litigation Tax - Jail, Workhouse, or Courthouse	98,876	98,876
Business Tax	0	184,929
Mineral Severance Tax	0	46,144
Statutory Local Taxes		
Bank Excise Tax	0	164,855
Wholesale Beer Tax	0	62,891
Beer Privilege Tax	0	821
Total Local Taxes	$ 588,458	$ 7,958,099
Licenses and Permits		
Permits		
Beer Permits	$ 0	$ 500
Building Permits	0	300
Total Licenses and Permits	$ 0	$ 800

(Continued)

Exhibit J-5

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

	Debt Service Fund General Debt Service	Total
Fines, Forfeitures, and Penalties		
Circuit Court		
Fines	$ 0	$ 6,767
Officers Costs	0	7,659
Drug Control Fines	0	17,116
Drug Court Fees	0	2,599
Jail Fees	0	2,384
DUI Treatment Fines	0	665
Data Entry Fee - Circuit Court	0	1,442
Courtroom Security Fee	0	4
Victims Assistance Assessments	0	4,681
General Sessions Court		
Fines	0	25,395
Fines for Littering	0	48
Officers Costs	0	60,400
Game and Fish Fines	0	76
Drug Control Fines	0	10,736
Drug Court Fees	0	7,205
Jail Fees	0	16,204
Judicial Commissioner Fees	0	49
DUI Treatment Fines	0	4,621
Data Entry Fee - General Sessions Court	0	7,371
Courtroom Security Fee	0	51
Victims Assistance Assessments	0	21,622
Juvenile Court		
Fines	0	171
Officers Costs	0	505
Data Entry Fee - Juvenile Court	0	581

(Continued)

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

	Debt Service Fund	
	General Debt Service	Total
Fines, Forfeitures, and Penalties (Cont.)		
Chancery Court		
Officers Costs	$ 0	$ 2,420
Data Entry Fee - Chancery Court	0	4,330
Judicial District Drug Program		
Drug Task Force Forfeitures and Seizures	0	51,273
Other Fines, Forfeitures, and Penalties		
Proceeds from Confiscated Property	0	7,117
Total Fines, Forfeitures, and Penalties	$ 0	$ 263,492
Charges for Current Services		
General Service Charges		
Residential Waste Collection Charge	$ 0	$ 1,212,647
Solid Waste Disposal Fee	0	963
Surcharge - Waste Tire Disposal	0	15,586
Other General Service Charges	0	7,774
Fees		
Archives and Records Management Fee	0	9,977
Greenbelt Late Application Fee	0	300
Telephone Commissions	0	38,527
Vending Machine Collections	0	524
Constitutional Officers' Fees and Commissions	0	88,990
Data Processing Fee - Register	0	7,964
Data Processing Fee - Sheriff	0	4,432
Sexual Offender Registration Fee - Sheriff	0	4,050
Data Processing Fee - County Clerk	0	2,499
Vehicle Insurance Coverage and Reinstatement Fees	0	160

(Continued)

Exhibit J-5

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

	Debt Service Fund	
	General Debt Service	Total
Charges for Current Services (Cont.)		
Education Charges		
Contract for Instructional Services with Other LEA's	$ 0	$ 209,332
Total Charges for Current Services	$ 0	$ 1,603,725
Other Local Revenues		
Recurring Items		
Investment Income	$ 0	$ 58,972
Lease/Rentals	0	53,270
Commissary Sales	0	40,935
Sale of Gasoline	0	123,459
Sale of Recycled Materials	0	91,918
Miscellaneous Refunds	0	212,112
Nonrecurring Items		
Sale of Equipment	0	2,543
Sale of Property	0	3,268
Contributions and Gifts	0	5,937
Other Local Revenues		
Other Local Revenues	0	165,223
Total Other Local Revenues	$ 0	$ 757,637
Fees Received From County Officials		
Excess Fees		
Clerk and Master	$ 0	$ 20,967
Fees In-Lieu-of Salary		
County Clerk	0	262,532
Circuit Court Clerk	0	108,114

(Continued)

Exhibit J-5

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

	Debt Service Fund General Debt Service	Total
Fees Received From County Officials (Cont.)		
Fees In-Lieu-of Salary (Cont.)		
General Sessions Court Clerk	$ 0	$ 147,133
Juvenile Court Clerk	0	21,931
Register	0	93,039
Sheriff	0	13,896
Trustee	0	372,603
Total Fees Received From County Officials	$ 0	$ 1,040,215
State of Tennessee		
General Government Grants		
Juvenile Services Program	$ 0	$ 13,500
Airport Maintenance Program	0	4,600
Aging Programs	0	59,901
Alternative School Program	0	643,884
Public Safety Grants		
Law Enforcement Training Programs	0	15,000
Health and Welfare Grants		
Health Department Programs	0	170,893
Public Works Grants		
State Aid Program	0	745,973
Litter Program	0	34,597
Other State Revenues		
Income Tax	0	28,519
Beer Tax	0	17,839
Vehicle Certificate of Title Fees	0	7,221
Alcoholic Beverage Tax	0	77,785

(Continued)

Exhibit J-5

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

	Debt Service Fund General Debt Service	Total
State of Tennessee (Cont.)		
Other State Revenues (Cont.)		
State Revenue Sharing - Telecommunications	$ 0	$ 18,184
Contracted Prisoner Boarding	0	674,355
Gasoline and Motor Fuel Tax	0	2,406,636
Petroleum Special Tax	0	20,580
Registrar's Salary Supplement	0	15,164
Other State Grants	0	406,359
Other State Revenues	0	2,515
Total State of Tennessee	$ 0	$ 5,363,505
Federal Government		
Federal Through State		
Civil Defense Reimbursement	$ 0	$ 42,000
Homeland Security Grants	0	11,905
Other Federal through State	0	551,737
Total Federal Government	$ 0	$ 605,642
Other Governments and Citizens Groups		
Other Governments		
Prisoner Board	$ 0	$ 1,742
Contributions	0	260,599
Citizens Groups		
Donations	0	1,030
Other		
Other	0	3,552
Total Other Governments and Citizens Groups	$ 0	$ 266,923
Total	$ 588,458	$ 17,860,038

Exhibit J-6

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

	General Purpose School	Special Revenue Fund School Transpor - tation	Total
Local Taxes			
County Property Taxes			
Current Property Tax	$ 0	$ 522,397	$ 522,397
Trustee's Collections - Prior Year	0	17,691	17,691
Circuit Clerk/Clerk and Master Collections - Prior Years	0	13,023	13,023
Interest and Penalty	0	3,607	3,607
Payments in-Lieu-of Taxes - Local Utilities	0	45,326	45,326
Payments in-Lieu-of Taxes - Other	0	13,114	13,114
County Local Option Taxes			
Local Option Sales Tax	56,382	0	56,382
Total Local Taxes	$ 56,382	$ 615,158	$ 671,540
Licenses and Permits			
Licenses			
Marriage Licenses	$ 43	$ 0	$ 43
Total Licenses and Permits	$ 43	$ 0	$ 43
Charges for Current Services			
Education Charges			
Tuition - Other	$ 120	$ 0	$ 120
Lunch Payments - Children	919	0	919
Lunch Payments - Adults	875	0	875
Transportation - Other State Systems	48,432	0	48,432
Contract for Instructional Services with Other LEA's	712,657	0	712,657
Other Charges for Services	84,995	0	84,995
Total Charges for Current Services	$ 847,998	$ 0	$ 847,998
Other Local Revenues			
Recurring Items			
Investment Income	$ 5	$ 0	$ 5
Nonrecurring Items			
Sale of Equipment	6,635	0	6,635
Sale of Property	486	0	486
Damages Recovered from Individuals	50	0	50
Contributions and Gifts	16,604	0	16,604
Total Other Local Revenues	$ 23,780	$ 0	$ 23,780
State of Tennessee			
General Government Grants			
On-behalf Contributions for OPEB	$ 3,278	$ 0	$ 3,278

(Continued)

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

	General Purpose School	Special Revenue Fund: School Transpor - tation	Total
State of Tennessee (Cont.)			
State Education Funds			
Basic Education Program	$ 2,019,659	$ 0	$ 2,019,659
Other State Education Funds	97,049	0	97,049
Internet Connectivity	11	0	11
Career Ladder Program	3,503	0	3,503
Vocational Equipment	98,344	0	98,344
Other State Revenues			
State Revenue Sharing - T.V.A.	0	786,049	786,049
State Revenue Sharing - Telecommunications	614	0	614
Total State of Tennessee	$ 2,222,458	$ 786,049	$ 3,008,507
Federal Government			
Federal Through State			
USDA School Lunch Program	$ 14,146	$ 0	$ 14,146
USDA - Commodities	1,644	0	1,644
Total Federal Government	$ 15,790	$ 0	$ 15,790
Total	$ 3,166,451	$ 1,401,207	$ 4,567,658

Exhibit J-7

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

General Fund				
General Government				
County Commission				
Board and Committee Members Fees	$	23,250		
Social Security		1,416		
Pensions		2,633		
Unemployment Compensation		41		
Employer Medicare		331		
Audit Services		10,553		
Dues and Memberships		3,284		
Legal Notices, Recording, and Court Costs		1,113		
Periodicals		464		
Other Charges		1,211		
Total County Commission			$	44,296
Board of Equalization				
Board and Committee Members Fees	$	1,541		
Data Processing Services		7,033		
Printing, Stationery, and Forms		62		
Total Board of Equalization				8,636
Other Boards and Committees				
Board and Committee Members Fees	$	150		
Legal Notices, Recording, and Court Costs		180		
Total Other Boards and Committees				330
County Mayor/Executive				
County Official/Administrative Officer	$	92,343		
Assistant(s)		31,000		
Purchasing Personnel		15,000		
Secretary(ies)		62,000		
Part-time Personnel		10,585		
Social Security		12,410		
Pensions		8,588		
Employee and Dependent Insurance		10,714		
Unemployment Compensation		218		
Employer Medicare		2,902		
Communication		2,063		
Dues and Memberships		1,800		
Maintenance Agreements		4,483		
Postal Charges		4,021		
Printing, Stationery, and Forms		1,587		
Travel		7,935		
Office Supplies		3,682		
Office Equipment		173		
Total County Mayor/Executive				271,504
County Attorney				
Consultants	$	3,000		
Legal Services		1,449		
Total County Attorney				4,449

(Continued)

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

General Fund (Cont.)				
General Government (Cont.)				
Election Commission				
County Official/Administrative Officer	$	65,414		
Deputy(ies)		24,156		
Part-time Personnel		4,040		
Election Commission		2,695		
Election Workers		11,266		
Social Security		5,551		
Pensions		3,860		
Employee and Dependent Insurance		4,347		
Unemployment Compensation		107		
Employer Medicare		1,298		
Communication		2,259		
Legal Notices, Recording, and Court Costs		1,401		
Maintenance Agreements		18,546		
Maintenance and Repair Services - Equipment		569		
Postal Charges		2,390		
Printing, Stationery, and Forms		1,548		
Travel		1,588		
Office Supplies		2,873		
Office Equipment		1,911		
Total Election Commission			$	155,819
Register of Deeds				
County Official/Administrative Officer	$	72,682		
Deputy(ies)		57,183		
Social Security		7,558		
Pensions		5,597		
Employee and Dependent Insurance		12,650		
Unemployment Compensation		84		
Employer Medicare		1,768		
Communication		3,308		
Data Processing Services		6,960		
Dues and Memberships		803		
Maintenance Agreements		3,118		
Postal Charges		619		
Travel		1,254		
Other Contracted Services		2,375		
Office Supplies		2,238		
Data Processing Equipment		593		
Total Register of Deeds				178,790
County Buildings				
Custodial Personnel	$	22,149		
Maintenance Personnel		33,392		
Social Security		3,196		
Pensions		2,394		
Employee and Dependent Insurance		5,688		
Unemployment Compensation		81		

(Continued)

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

General Fund (Cont.)		
General Government (Cont.)		
County Buildings (Cont.)		
Employer Medicare	$ 747	
Communication	1,473	
Maintenance Agreements	5,029	
Maintenance and Repair Services - Buildings	69,220	
Maintenance and Repair Services - Equipment	6,994	
Maintenance and Repair Services - Vehicles	1,186	
Permits	1,600	
Custodial Supplies	8,069	
Electricity	70,408	
Gasoline	2,959	
Natural Gas	17,163	
Water and Sewer	15,392	
Other Supplies and Materials	3,352	
Building and Contents Insurance	62,194	
Liability Insurance	165,808	
Other Charges	13,920	
Building Construction	7,072	
Building Improvements	106,234	
Communication Equipment	290,828	
Data Processing Equipment	27,982	
Motor Vehicles	25,650	
Total County Buildings		$ 970,180
Finance		
Property Assessor's Office		
County Official/Administrative Officer	$ 72,682	
Deputy(ies)	59,845	
Social Security	7,746	
Pensions	5,712	
Employee and Dependent Insurance	11,159	
Unemployment Compensation	91	
Employer Medicare	1,812	
Communication	1,947	
Contracts with Private Agencies	6,980	
Dues and Memberships	1,700	
Maintenance Agreements	3,118	
Postal Charges	784	
Travel	682	
Gasoline	85	
Office Supplies	1,507	
Office Equipment	974	
Total Property Assessor's Office		176,824
Reappraisal Program		
Data Processing Services	$ 3,697	
Other Contracted Services	35,068	
Total Reappraisal Program		38,765

(Continued)

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

General Fund (Cont.)				
Finance (Cont.)				
County Trustee's Office				
County Official/Administrative Officer	$	72,682		
Deputy(ies)		60,474		
Part-time Personnel		3,175		
Social Security		7,761		
Pensions		5,590		
Employee and Dependent Insurance		17,238		
Unemployment Compensation		118		
Employer Medicare		1,815		
Communication		1,811		
Data Processing Services		14,770		
Dues and Memberships		1,033		
Legal Notices, Recording, and Court Costs		528		
Maintenance Agreements		3,118		
Postal Charges		10,383		
Travel		1,030		
Office Supplies		2,018		
Total County Trustee's Office			$	203,544
County Clerk's Office				
County Official/Administrative Officer	$	72,682		
Deputy(ies)		96,904		
Part-time Personnel		3,635		
Social Security		10,010		
Pensions		7,309		
Employee and Dependent Insurance		20,556		
Unemployment Compensation		228		
Employer Medicare		2,341		
Communication		1,582		
Data Processing Services		3,000		
Dues and Memberships		728		
Maintenance Agreements		1,837		
Maintenance and Repair Services - Office Equipment		3,808		
Travel		304		
Office Supplies		2,465		
Office Equipment		584		
Total County Clerk's Office				227,973
Administration of Justice				
Circuit Court				
County Official/Administrative Officer	$	72,682		
Deputy(ies)		161,231		
Part-time Personnel		768		
Jury and Witness Expense		11,350		
Social Security		13,091		
Pensions		10,558		
Employee and Dependent Insurance		22,863		
Unemployment Compensation		278		

(Continued)

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

General Fund (Cont.)				
Administration of Justice (Cont.)				
Circuit Court (Cont.)				
Employer Medicare	$	3,062		
Communication		4,496		
Data Processing Services		18,076		
Dues and Memberships		893		
Legal Notices, Recording, and Court Costs		1,699		
Maintenance Agreements		6,309		
Postal Charges		2,689		
Travel		1,048		
Office Supplies		10,708		
Other Charges		224		
Data Processing Equipment		1,139		
Office Equipment		1,694		
Total Circuit Court			$	344,858
General Sessions Judge				
Judge(s)	$	110,423		
Social Security		6,515		
Pensions		4,759		
Employee and Dependent Insurance		14,049		
Employer Medicare		1,524		
Dues and Memberships		350		
Travel		200		
Total General Sessions Judge				137,820
Drug Court				
Other Per Diem and Fees	$	10,594		
Total Drug Court				10,594
Chancery Court				
Deputy(ies)	$	111,709		
Social Security		6,243		
Pensions		4,815		
Employee and Dependent Insurance		24,395		
Unemployment Compensation		168		
Employer Medicare		1,460		
Communication		2,543		
Data Processing Services		10,580		
Dues and Memberships		673		
Maintenance Agreements		3,118		
Office Supplies		2,500		
Total Chancery Court				168,204
Juvenile Court				
Supervisor/Director	$	53,103		
Youth Service Officer(s)		38,739		
Guidance Personnel		36,800		
Social Security		5,347		

(Continued)

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
Juvenile Court (Cont.)		
Pensions	$ 5,545	
Employee and Dependent Insurance	10,621	
Unemployment Compensation	73	
Employer Medicare	1,251	
Communication	1,652	
Maintenance Agreements	407	
Postal Charges	110	
Travel	337	
Other Contracted Services	3,899	
Instructional Supplies and Materials	145	
Total Juvenile Court		$ 158,029
Judicial Commissioners		
Board and Committee Members Fees	$ 4,875	
Social Security	298	
Employer Medicare	70	
Total Judicial Commissioners		5,243
Victim Assistance Programs		
Remittance of Revenue Collected	$ 20,000	
Total Victim Assistance Programs		20,000
Public Safety		
Sheriff's Department		
County Official/Administrative Officer	$ 87,945	
Deputy(ies)	856,570	
Detective(s)	15,942	
Investigator(s)	126,861	
Salary Supplements	14,400	
Part-time Personnel	9,578	
Overtime Pay	82,975	
Other Salaries and Wages	20,560	
Social Security	70,168	
Pensions	49,276	
Employee and Dependent Insurance	137,886	
Unemployment Compensation	1,273	
Employer Medicare	16,410	
Communication	14,291	
Contracts with Other Public Agencies	4,140	
Dues and Memberships	2,565	
Maintenance Agreements	34,238	
Maintenance and Repair Services - Equipment	6,792	
Maintenance and Repair Services - Vehicles	36,046	
Postal Charges	2,247	
Travel	8,469	
Electricity	9,498	
Gasoline	89,141	

(Continued)

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

General Fund (Cont.)		
Public Safety (Cont.)		
Sheriff's Department (Cont.)		
Instructional Supplies and Materials	$ 7,632	
Law Enforcement Supplies	8,160	
Office Supplies	10,453	
Tires and Tubes	12,411	
Uniforms	9,182	
Water and Sewer	397	
Other Supplies and Materials	651	
Other Charges	625	
Data Processing Equipment	6,223	
Motor Vehicles	122,102	
Other Equipment	47,396	
Total Sheriff's Department		$ 1,922,503
Administration of the Sexual Offender Registry		
Remittance of Revenue Collected	$ 1,250	
Total Administration of the Sexual Offender Registry		1,250
Jail		
Dispatchers/Radio Operators	$ 202,415	
Guards	940,553	
Clerical Personnel	36,430	
Cafeteria Personnel	51,160	
Maintenance Personnel	33,792	
Part-time Personnel	58,960	
Overtime Pay	57,820	
Other Salaries and Wages	29,037	
Social Security	80,874	
Pensions	57,927	
Employee and Dependent Insurance	165,270	
Unemployment Compensation	2,257	
Employer Medicare	18,914	
Communication	12,565	
Maintenance Agreements	15,644	
Maintenance and Repair Services - Equipment	2,888	
Medical and Dental Services	272,147	
Travel	3,686	
Custodial Supplies	22,447	
Electricity	71,620	
Food Supplies	221,674	
Instructional Supplies and Materials	4,735	
Library Books/Media	644	
Natural Gas	25,632	
Prisoners Clothing	6,719	
Uniforms	8,640	
Water and Sewer	52,922	
Other Supplies and Materials	12,744	
Other Equipment	5,466	
Total Jail		2,475,582

(Continued)

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

General Fund (Cont.)		
Public Safety (Cont.)		
Juvenile Services		
Educational Assistants	$ 605,084	
Social Security	36,348	
Pensions	25,950	
Employee and Dependent Insurance	53,959	
Unemployment Compensation	914	
Employer Medicare	8,501	
Communication	5,994	
Dues and Memberships	628	
Licenses	990	
Maintenance Agreements	3,118	
Maintenance and Repair Services - Equipment	843	
Maintenance and Repair Services - Vehicles	3,371	
Medical and Dental Services	7,305	
Postal Charges	130	
Travel	1,617	
Other Contracted Services	7,015	
Custodial Supplies	5,904	
Food Supplies	31,269	
Gasoline	17,512	
Instructional Supplies and Materials	3,610	
Office Supplies	6,509	
Tires and Tubes	2,365	
Other Supplies and Materials	15,681	
Building and Contents Insurance	985	
Liability Insurance	14,684	
Workers' Compensation Insurance	3,500	
Other Charges	526	
Office Equipment	855	
Other Equipment	455	
Total Juvenile Services		$ 865,622
Fire Prevention and Control		
Supervisor/Director	$ 40,844	
Other Salaries and Wages	23,900	
Social Security	3,641	
Pensions	2,790	
Employee and Dependent Insurance	10,812	
Unemployment Compensation	84	
Employer Medicare	851	
Communication	5,599	
Dues and Memberships	963	
Maintenance and Repair Services - Equipment	4,989	
Maintenance and Repair Services - Vehicles	39,400	
Postal Charges	75	
Travel	5,396	
Gasoline	12,097	
Instructional Supplies and Materials	6,553	

(Continued)

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

General Fund (Cont.)		
Public Safety (Cont.)		
Fire Prevention and Control (Cont.)		
Office Supplies	$ 11,706	
Tires and Tubes	2,999	
Other Supplies and Materials	6,193	
Liability Insurance	7,708	
Other Charges	22,796	
Communication Equipment	59,688	
Motor Vehicles	49,820	
Other Equipment	17,495	
Total Fire Prevention and Control		$ 336,399
Civil Defense		
Supervisor/Director	$ 40,844	
Social Security	2,139	
Pensions	1,760	
Employee and Dependent Insurance	10,716	
Unemployment Compensation	42	
Employer Medicare	500	
Communication	5,735	
Dues and Memberships	80	
Maintenance Agreements	4,369	
Maintenance and Repair Services - Equipment	2,314	
Maintenance and Repair Services - Vehicles	30	
Postal Charges	50	
Gasoline	1,032	
Instructional Supplies and Materials	355	
Office Supplies	8,790	
Other Supplies and Materials	12,149	
Other Charges	8,212	
Other Equipment	6,793	
Total Civil Defense		105,910
County Coroner/Medical Examiner		
Medical Personnel	$ 12,000	
Other Per Diem and Fees	4,800	
Contracts with Government Agencies	13,380	
Transportation - Other than Students	300	
Travel	839	
Total County Coroner/Medical Examiner		31,319
Public Health and Welfare		
Local Health Center		
Medical Personnel	$ 2,382	
Clerical Personnel	86,548	
Social Security	4,587	
Pensions	3,787	
Employee and Dependent Insurance	23,671	
Unemployment Compensation	126	

(Continued)

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Local Health Center (Cont.)		
Employer Medicare	$ 1,073	
Communication	10,033	
Contracts with Government Agencies	26,060	
Dues and Memberships	200	
Janitorial Services	8,700	
Maintenance and Repair Services - Buildings	6,308	
Maintenance and Repair Services - Office Equipment	657	
Travel	7,703	
Other Contracted Services	329	
Custodial Supplies	1,726	
Office Supplies	1,645	
Utilities	15,522	
Other Supplies and Materials	21,311	
Other Charges	35	
Total Local Health Center		$ 222,403
Rabies and Animal Control		
Communication	$ 622	
Maintenance and Repair Services - Vehicles	174	
Pest Control	12,000	
Veterinary Services	335	
Animal Food and Supplies	32	
Gasoline	803	
Total Rabies and Animal Control		13,966
General Welfare Assistance		
Pauper Burials	$ 200	
Other Charges	300	
Total General Welfare Assistance		500
Other Local Welfare Services		
Dues and Memberships	$ 13,428	
Total Other Local Welfare Services		13,428
Social, Cultural, and Recreational Services		
Senior Citizens Assistance		
Supervisor/Director	$ 26,312	
Social Workers	16,837	
Other Salaries and Wages	16,638	
Social Security	3,508	
Pensions	1,860	
Employee and Dependent Insurance	4,341	
Unemployment Compensation	184	
Employer Medicare	820	
Communication	2,387	
Contracts with Other Public Agencies	1,020	
Contracts with Private Agencies	3,772	

(Continued)

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

General Fund (Cont.)		
Social, Cultural, and Recreational Services (Cont.)		
Senior Citizens Assistance (Cont.)		
Licenses	$ 810	
Maintenance Agreements	407	
Printing, Stationery, and Forms	3,310	
Travel	1,752	
Food Supplies	2,107	
Gasoline	1,296	
Office Supplies	525	
Other Charges	4,711	
Total Senior Citizens Assistance		$ 92,597
Libraries		
Assistant(s)	$ 19,000	
Librarians	21,700	
Other Salaries and Wages	19,000	
Social Security	2,686	
Pensions	2,573	
Employee and Dependent Insurance	8,642	
Unemployment Compensation	85	
Employer Medicare	628	
Communication	4,248	
Dues and Memberships	384	
Maintenance and Repair Services - Equipment	1,195	
Travel	433	
Other Contracted Services	22	
Library Books/Media	8,545	
Office Supplies	4,987	
Periodicals	314	
Other Supplies and Materials	1,663	
Other Charges	2,309	
Office Equipment	1,925	
Total Libraries		100,339
Parks and Fair Boards		
Supervisor/Director	$ 45,904	
Part-time Personnel	10,805	
Social Security	3,246	
Pensions	1,979	
Employee and Dependent Insurance	14,097	
Unemployment Compensation	101	
Employer Medicare	759	
Communication	1,792	
Maintenance Agreements	361	
Maintenance and Repair Services - Buildings	9,901	
Maintenance and Repair Services - Equipment	100	
Remittance of Revenue Collected	2,123	
Other Contracted Services	700	
Custodial Supplies	3,888	

(Continued)

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

General Fund (Cont.)				
Social, Cultural, and Recreational Services (Cont.)				
Parks and Fair Boards (Cont.)				
Office Supplies	$	238		
Utilities		34,145		
Total Parks and Fair Boards			$	130,139
Other Social, Cultural, and Recreational				
Contracts with Government Agencies	$	246,902		
Total Other Social, Cultural, and Recreational				246,902
Agriculture and Natural Resources				
Agricultural Extension Service				
Salary Supplements	$	30,810		
Secretary(ies)		6,296		
Other Fringe Benefits		10,536		
Communication		2,219		
Travel		1,415		
Office Equipment		1,426		
Total Agricultural Extension Service				52,702
Forest Service				
Dues and Memberships	$	2,000		
Total Forest Service				2,000
Soil Conservation				
Secretary(ies)	$	28,130		
Social Security		1,679		
Pensions		1,098		
Employee and Dependent Insurance		745		
Unemployment Compensation		64		
Employer Medicare		393		
Total Soil Conservation				32,109
Flood Control				
Dues and Memberships	$	8,250		
Total Flood Control				8,250
Other Operations				
Industrial Development				
Dues and Memberships	$	10,000		
Total Industrial Development				10,000
Other Economic and Community Development				
Dues and Memberships	$	17,000		
Other Charges		52,785		
Total Other Economic and Community Development				69,785
Airport				
Supervisor/Director	$	34,430		

(Continued)

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

General Fund (Cont.)			
Other Operations (Cont.)			
Airport (Cont.)			
Part-time Personnel	$ 16,065		
Social Security	2,973		
Pensions	1,484		
Employee and Dependent Insurance	3,616		
Unemployment Compensation	126		
Employer Medicare	695		
Communication	4,050		
Maintenance and Repair Services - Buildings	12,555		
Maintenance and Repair Services - Equipment	4,059		
Custodial Supplies	322		
Gasoline	99,115		
Office Supplies	618		
Utilities	16,239		
Liability Insurance	3,000		
Airport Improvement	443,670		
Total Airport		$ 643,017	
Veterans' Services			
Supervisor/Director	$ 24,000		
Social Security	1,488		
Unemployment Compensation	42		
Employer Medicare	348		
Communication	1,251		
Maintenance Agreements	810		
Postal Charges	149		
Travel	241		
Office Supplies	290		
Total Veterans' Services		28,619	
Other Charges			
Handling Charges and Administrative Costs	$ 90		
Medical Insurance	133,500		
Library Books/Media	11,000		
Trustee's Commission	117,082		
Workers' Compensation Insurance	94,127		
Liability Claims	62,596		
Motor Vehicles	30,236		
Total Other Charges		448,631	
Contributions to Other Agencies			
Contributions	$ 49,400		
Total Contributions to Other Agencies		49,400	
Total General Fund			$ 11,029,230

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund		
Public Health and Welfare		
Waste Pickup		
Clerical Personnel	$ 27,673	
Social Security	1,628	
Pensions	1,193	
Employee and Dependent Insurance	4,249	
Medical Insurance	1,500	
Unemployment Compensation	42	
Employer Medicare	381	
Communication	1,374	
Contracts with Private Agencies	952,627	
Legal Services	3,800	
Postal Charges	1,114	
Maintenance and Repair Services - Records	73,789	
Office Supplies	1,299	
Other Charges	2,474	
Total Waste Pickup		$ 1,073,143
Recycling Center		
Supervisor/Director	$ 51,870	
Clerical Personnel	25,356	
Other Salaries and Wages	159,385	
Social Security	13,564	
Pensions	11,130	
Employee and Dependent Insurance	40,658	
Medical Insurance	10,500	
Unemployment Compensation	336	
Employer Medicare	3,172	
Communication	1,216	
Contracts with Private Agencies	16,908	
Freight Expenses	6,270	
Maintenance and Repair Services - Buildings	1,116	
Maintenance and Repair Services - Equipment	2,600	
Maintenance and Repair Services - Vehicles	8,381	
Transportation - Other than Students	2,420	
Brokerage Fees - Recyclables	9	
Custodial Supplies	256	
Electricity	4,952	
Gasoline	18,261	
Natural Gas	5,285	
Office Supplies	81	
Tires and Tubes	141	
Other Supplies and Materials	150	
Building and Contents Insurance	2,995	
Liability Insurance	8,242	
Trustee's Commission	19,271	
Workers' Compensation Insurance	10,000	
Other Charges	2,643	
Building Improvements	9,396	
Motor Vehicles	36,955	
Total Recycling Center		473,519

(Continued)

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

Solid Waste/Sanitation Fund (Cont.)			
Highways			
Litter and Trash Collection			
Truck Drivers	$ 14,873		
Social Security	922		
Unemployment Compensation	51		
Employer Medicare	216		
Contracts with Government Agencies	512		
Maintenance and Repair Services - Vehicles	999		
Gasoline	2,427		
Other Supplies and Materials	161		
Other Charges	9,800		
Total Litter and Trash Collection		$ 29,961	
Total Solid Waste/Sanitation Fund			$ 1,576,623
Drug Control Fund			
Public Safety			
Drug Enforcement			
Deputy(ies)	$ 46,458		
Salary Supplements	600		
Overtime Pay	4,757		
Social Security	2,853		
Pensions	2,207		
Employee and Dependent Insurance	4,249		
Medical Insurance	1,500		
Unemployment Compensation	42		
Employer Medicare	667		
Communication	1,778		
Confidential Drug Enforcement Payments	200		
Dues and Memberships	2,680		
Maintenance and Repair Services - Vehicles	605		
Travel	2,043		
Veterinary Services	424		
Animal Food and Supplies	629		
Trustee's Commission	873		
Law Enforcement Equipment	137		
Special Education Equipment	3,595		
Other Equipment	42,400		
Total Drug Enforcement		$ 118,697	
Total Drug Control Fund			118,697
Constitutional Officers - Fees Fund			
Administration of Justice			
Chancery Court			
Constitutional Officers' Operating Expenses	$ 88,343		
Total Chancery Court		$ 88,343	
Total Constitutional Officers - Fees Fund			88,343

(Continued)

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

Highway/Public Works Fund				
Highways				
Administration				
County Official/Administrative Officer	$	119,674		
Clerical Personnel		59,020		
Communication		4,522		
Contracts with Other Public Agencies		5,395		
Data Processing Services		12,071		
Dues and Memberships		3,021		
Evaluation and Testing		865		
Postal Charges		245		
Printing, Stationery, and Forms		1,351		
Travel		698		
Tuition		167		
Data Processing Supplies		303		
Drugs and Medical Supplies		467		
Electricity		5,386		
Natural Gas		2,190		
Office Supplies		319		
Utilities		1,136		
Water and Sewer		1,045		
Building and Contents Insurance		7,500		
Total Administration			$	225,375
Highway and Bridge Maintenance				
Foremen	$	64,060		
Equipment Operators		577,599		
Contracts with Private Agencies		3,750		
Engineering Services		4,775		
Asphalt - Cold Mix		334		
Asphalt - Liquid		57,838		
Concrete		41		
Crushed Stone		14,447		
Fertilizer, Lime, and Seed		60		
General Construction Materials		1,294		
Ice		664		
Other Road Materials		1,838		
Pipe - Metal		99,227		
Road Signs		7,677		
Uniforms		8,277		
Wood Products		723		
Chemicals		762		
Other Supplies and Materials		2,905		
Total Highway and Bridge Maintenance				846,271
Operation and Maintenance of Equipment				
Mechanic(s)	$	88,992		
Maintenance Personnel		51,070		
Maintenance and Repair Services - Equipment		7,556		
Maintenance and Repair Services - Vehicles		2,100		

(Continued)

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

Highway/Public Works Fund (Cont.)			
Highways (Cont.)			
Operation and Maintenance of Equipment (Cont.)			
Diesel Fuel	$ 88,186		
Equipment and Machinery Parts	134,022		
Garage Supplies	9,810		
Gasoline	33,286		
Lubricants	8,334		
Small Tools	778		
Tires and Tubes	44,912		
Other Charges	118		
Total Operation and Maintenance of Equipment		$ 469,164	
Other Charges			
Liability Insurance	$ 26,862		
Trustee's Commission	36,036		
Workers' Compensation Insurance	76,222		
Liability Claims	1,861		
Total Other Charges		140,981	
Employee Benefits			
Social Security	$ 65,971		
Pensions	41,042		
Medical Insurance	273,785		
Unemployment Compensation	6,878		
Total Employee Benefits		387,676	
Capital Outlay			
Communication Equipment	$ 302		
Highway Construction	1,154,098		
Motor Vehicles	24,643		
State Aid Projects	745,973		
Other Equipment	211,466		
Other Construction	3,664		
Total Capital Outlay		2,140,146	
Principal on Debt			
Highways and Streets			
Principal on Notes	$ 110,000		
Total Highways and Streets		110,000	
Interest on Debt			
Highways and Streets			
Interest on Notes	$ 6,750		
Total Highways and Streets		6,750	
Total Highway/Public Works Fund			$ 4,326,363

(Continued)

Exhibit J-7

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

General Debt Service Fund			
Principal on Debt			
General Government			
Principal on Notes	$ 49,000		
Principal on Other Loans	366,000		
Total General Government		$ 415,000	
Interest on Debt			
General Government			
Interest on Notes	$ 12,979		
Interest on Other Loans	167,417		
Total General Government		180,396	
Other Debt Service			
General Government			
Trustee's Commission	$ 11,593		
Other Debt Service	7,490		
Total General Government		19,083	
Total General Debt Service Fund			$ 614,479
Total Governmental Funds - Primary Government			$ 17,753,735

Exhibit J-8

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

General Purpose School Fund				
Instruction				
Alternative Instruction Program				
Teachers	$	41,916		
Educational Assistants		17,002		
Certified Substitute Teachers		454		
Non-certified Substitute Teachers		713		
Social Security		3,080		
Pensions		4,539		
Medical Insurance		16,318		
Employer Medicare		720		
Instructional Supplies and Materials		1,187		
Total Alternative Instruction Program			$	85,929
Special Education Program				
Teachers	$	277,887		
Career Ladder Program		2,708		
Educational Assistants		67,665		
Speech Pathologist		34,639		
Bonus Payments		2,361		
Certified Substitute Teachers		65		
Non-certified Substitute Teachers		4,814		
Social Security		22,439		
Pensions		30,965		
Medical Insurance		58,111		
Employer Medicare		5,256		
Printing, Stationery, and Forms		1,272		
Travel		322		
Other Contracted Services		8,098		
Instructional Supplies and Materials		9,879		
Other Supplies and Materials		4,379		
Other Charges		1,538		
Special Education Equipment		15,797		
Total Special Education Program				548,195
Career and Technical Education Program				
Teachers	$	332,775		
Bonus Payments		5,510		
Other Salaries and Wages		1,533		
Certified Substitute Teachers		1,696		
Non-certified Substitute Teachers		1,456		
Social Security		21,007		
Pensions		30,721		
Medical Insurance		25,405		
Employer Medicare		4,913		
Instructional Supplies and Materials		19,472		
Textbooks - Bound		975		
Other Supplies and Materials		397		
Other Charges		39		
Vocational Instruction Equipment		120,985		
Total Career and Technical Education Program				566,884

(Continued)

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

General Purpose School Fund (Cont.)				
Support Services				
Attendance				
Clerical Personnel	$	27,190		
Social Security		1,623		
Pensions		1,172		
Medical Insurance		6,388		
Employer Medicare		380		
Other Contracted Services		8		
In Service/Staff Development		1,393		
Total Attendance			$	38,154
Health Services				
Medical Personnel	$	28,410		
Other Salaries and Wages		60,580		
Social Security		5,296		
Pensions		3,510		
Employer Medicare		1,239		
Communication		587		
Consultants		1,000		
Printing, Stationery, and Forms		707		
Travel		1,817		
Drugs and Medical Supplies		633		
Other Supplies and Materials		21,737		
In Service/Staff Development		1,533		
Other Charges		570		
Other Equipment		1,181		
Total Health Services				128,800
Other Student Support				
Secretary(ies)	$	27,190		
Other Salaries and Wages		794		
Social Security		1,653		
Pensions		1,172		
Medical Insurance		6,253		
Employer Medicare		389		
Evaluation and Testing		531		
Operating Lease Payments		6,185		
Travel		3,034		
Other Supplies and Materials		1,063		
Other Charges		73		
Total Other Student Support				48,337
Special Education Program				
Supervisor/Director	$	63,707		
Social Security		3,786		
Pensions		5,784		
Medical Insurance		6,253		
Employer Medicare		885		

(Continued)

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Special Education Program (Cont.)		
Other Supplies and Materials	$ 308	
In Service/Staff Development	5,157	
Other Charges	228	
Other Equipment	97	
Total Special Education Program		$ 86,205
Career and Technical Education Program		
Secretary(ies)	$ 27,190	
Social Security	1,575	
Pensions	1,172	
Medical Insurance	6,388	
Employer Medicare	368	
In Service/Staff Development	11,429	
Total Career and Technical Education Program		48,122
Technology		
Other Salaries and Wages	$ 42,058	
Social Security	2,538	
Pensions	1,813	
Medical Insurance	6,253	
Employer Medicare	594	
Internet Connectivity	18,876	
Other Contracted Services	17,047	
Other Supplies and Materials	2,630	
In Service/Staff Development	1,192	
Other Charges	2,431	
Administration Equipment	729	
Other Equipment	3,482	
Total Technology		99,643
Adult Programs		
Communication	$ 2,114	
Total Adult Programs		2,114
Other Programs		
On-behalf Payments to OPEB	$ 3,278	
Total Other Programs		3,278
Board of Education		
Board and Committee Members Fees	$ 7,000	
Social Security	434	
Unemployment Compensation	3,828	
Employer Medicare	102	
Other Fringe Benefits	275	
Audit Services	3,075	
Dues and Memberships	1,549	

(Continued)

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Board of Education (Cont.)				
Liability Insurance	$	66,870		
Trustee's Commission		5,234		
Workers' Compensation Insurance		75,834		
In Service/Staff Development		5,739		
Criminal Investigation of Applicants - TBI		740		
Other Charges		5,377		
Total Board of Education			$	176,057
Director of Schools				
County Official/Administrative Officer	$	97,179		
Career Ladder Program		1,000		
Social Security		5,630		
Pensions		8,915		
Medical Insurance		7,451		
Employer Medicare		1,317		
Communication		2,085		
Dues and Memberships		1,679		
Postal Charges		1,374		
Travel		716		
In Service/Staff Development		2,284		
Other Charges		41		
Total Director of Schools				129,671
Office of the Principal				
Principals	$	69,497		
Bonus Payments		800		
Social Security		4,314		
Pensions		6,383		
Medical Insurance		6,388		
Employer Medicare		1,009		
Communication		302		
Dues and Memberships		200		
Postal Charges		250		
Travel		142		
In Service/Staff Development		1,070		
Administration Equipment		768		
Total Office of the Principal				91,123
Fiscal Services				
Accountants/Bookkeepers	$	50,346		
Clerical Personnel		39,710		
Social Security		5,453		
Pensions		3,881		
Medical Insurance		12,506		
Employer Medicare		1,275		
Data Processing Services		11,052		

(Continued)

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Fiscal Services (Cont.)				
Data Processing Supplies	$	564		
Office Supplies		916		
In Service/Staff Development		333		
Administration Equipment		86		
Total Fiscal Services			$	126,122
Operation of Plant				
Janitorial Services	$	37,263		
Disposal Fees		3,933		
Other Contracted Services		4,939		
Custodial Supplies		18,957		
Electricity		52,427		
Natural Gas		22,770		
Water and Sewer		7,134		
Plant Operation Equipment		744		
Total Operation of Plant				148,167
Maintenance of Plant				
Maintenance Personnel	$	57,769		
Other Salaries and Wages		870		
Social Security		3,529		
Pensions		2,490		
Medical Insurance		9,774		
Employer Medicare		825		
Maintenance and Repair Services - Buildings		14,384		
Maintenance and Repair Services - Equipment		12,659		
Other Contracted Services		100		
Other Supplies and Materials		5,815		
Other Charges		2,051		
Maintenance Equipment		543		
Total Maintenance of Plant				110,809
Transportation				
Bus Drivers	$	48,731		
Other Salaries and Wages		23,350		
Social Security		4,468		
Pensions		2,935		
Employer Medicare		1,045		
Communication		2,823		
Other Charges		475		
Transportation Equipment		165,488		
Other Equipment		5,665		
Total Transportation				254,980

(Continued)

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

General Purpose School Fund (Cont.)						
Operation of Non-Instructional Services						
Food Service						
Cafeteria Personnel	$	13,870				
Social Security		788				
Pensions		598				
Medical Insurance		6,253				
Employer Medicare		184				
Maintenance and Repair Services - Equipment		44				
Travel		102				
Food Supplies		11,877				
USDA - Commodities		1,644				
Other Supplies and Materials		1,167				
In Service/Staff Development		521				
Other Charges		535				
Total Food Service			$	37,583		
Capital Outlay						
Regular Capital Outlay						
Building Improvements	$	36,140				
Other Capital Outlay		129,725				
Total Regular Capital Outlay				165,865		
Total General Purpose School Fund					$	2,896,038
School Transportation Fund						
Support Services						
Board of Education						
Other Fringe Benefits	$	343				
Trustee's Commission		20,187				
Other Charges		229				
Total Board of Education			$	20,759		
Transportation						
Supervisor/Director	$	43,844				
Mechanic(s)		99,593				
Bus Drivers		509,850				
Clerical Personnel		6,959				
Other Salaries and Wages		52,280				
Social Security		43,393				
Pensions		29,294				
Medical Insurance		23,309				
Employer Medicare		10,148				
Laundry Service		7,069				
Maintenance and Repair Services - Equipment		2,106				
Maintenance and Repair Services - Vehicles		123,795				
Medical and Dental Services		3,739				
Other Contracted Services		3,668				
Diesel Fuel		181,635				

(Continued)

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

School Transportation Fund (Cont.)			
Support Services (Cont.)			
Transportation (Cont.)			
Garage Supplies	$ 2,987		
Gasoline	2,184		
Lubricants	11,257		
Small Tools	4,649		
Tires and Tubes	28,334		
Vehicle Parts	116,620		
Gravel and Chert	791		
Other Supplies and Materials	509		
In Service/Staff Development	2,017		
Other Charges	6,420		
Other Equipment	3,402		
Total Transportation		$ 1,319,852	
Total School Transportation Fund			$ 1,340,611
Total Governmental Funds - Carroll County School Department			$ 4,236,649

Exhibit J-9

Carroll County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balances - City Agency Funds
For the Year Ended June 30, 2018

	Cities Sales Tax Fund	Special School District Fund	Total
Cash Receipts			
Circuit/Clerk & Master Collections - Prior Years	$ 0	$ 121,023	$ 121,023
Local Option Sales Tax	2,584,233	2,725,034	5,309,267
City/School District Property Taxes:			
Current Property Tax	0	4,918,492	4,918,492
Prior Year's Property Tax	0	218,555	218,555
Interest and Penalty	0	34,277	34,277
Payments in-Lieu-of Taxes	0	286,615	286,615
Marriage Licenses	0	1,650	1,650
State Revenue Sharing - Telecommunications	0	27,701	27,701
Total Cash Receipts	$ 2,584,233	$ 8,333,347	$ 10,917,580
Cash Disbursements			
Remittance of Revenues Collected	$ 2,558,391	$ 8,209,555	$ 10,767,946
Trustee's Commission	25,842	136,223	162,065
Total Cash Disbursements	$ 2,584,233	$ 8,345,778	$ 10,930,011
Excess of Cash Receipts Over (Under) Cash Disbursements	$ 0	$ (12,431)	$ (12,431)
Cash Balance, July 1, 2017	0	282,993	282,993
Cash Balance, June 30, 2018	$ 0	$ 270,562	$ 270,562

SINGLE AUDIT SECTION

Justin P. Wilson
Comptroller

Jason E. Mumpower
Chief of Staff

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

Independent Auditor's Report

Carroll County Mayor and
Board of County Commissioners
Carroll County, Tennessee

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carroll County, Tennessee, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Carroll County's basic financial statements, and have issued our report thereon dated December 14, 2018. Our report includes a reference to other auditors who audited the financial statements of the Carroll County Board of Public Utilities and the Carroll County Indigent Care Board as described in our report on Carroll County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Carroll County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item: 2018-002.

Carroll County's Responses to the Findings

Carroll County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Carroll 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 Carroll County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 14, 2018

JPW/kp

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

Carroll County Mayor and
Board of County Commissioners
Carroll County, Tennessee

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of Carroll 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 Carroll 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 Carroll County's internal control over compliance.

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carroll County, Tennessee, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Carroll County's basic financial statements. We issued our report thereon dated December 14, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements.

Very truly yours,

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 14, 2018

JPW/kp

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

Federal/Pass Through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	
U.S. Department of Agriculture:				
Passed-through State Department of Education:				
Child Nutrition Cluster:				
National School Lunch Program	10.555	N/A	$ 14,146	(6)
Passed-through State Department of Agriculture:				
Child Nutrition Cluster:				
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	1,644	(6)
Total U.S. Department of Agriculture			$ 15,790	
U.S. Department of Defense:				
Passed-through State Department of General Services:				
Section 1033 Excess Property Program (Noncash Assistance)	12.U01	N/A	$ 86,462	(7)
Total U.S. Department of Defense			$ 86,462	
U.S. Department of Housing and Urban Development:				
Passed-through State Department of Economic and Community Development:				
Community Development Block Grants/State's Program	14.228	33004-44616	$ 210,975	
Total U.S. Department of Housing and Urban Development			$ 210,975	
U.S. Department of Justice:				
Passed-though State Department of Children's Services:				
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	35910-20614	$ 13,500	
Total U.S. Department of Justice			$ 13,500	
U.S. Department of Transportation:				
Passed-through State Department of Transportation:				
Airport Improvement Program	20.106	(3)	$ 340,762	
Total U.S. Department of Transportation			$ 340,762	
U.S. Department of Health and Human Services:				
Passed-through Northwest Tennessee Development District:				
Aging Cluster:				
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	(4)	$ 59,901	
Total U.S. Department of Health and Human Services			$ 59,901	
U.S. Department of Homeland Security:				
Passed-through State Department of Military:				
Emergency Management Performance Grants	97.042	34101-18116	$ 42,000	
Homeland Security Grant Program	97.067	34101-23416	11,905	
Total U.S. Department of Homeland Security			$ 53,905	
Total Expenditures of Federal Awards			$ 781,295	

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
State Grants			
Juvenile Court Prevention Services - State Department of Children's Services	N/A	35910-20381	$ 643,884
Local Health Services - State Department of Health	N/A	34360-17418	170,893
Airport Maintenance Program - State Department of Transportation	N/A	(4)	4,600
Airport Improvement Program - State Department of Transportation	N/A	(5)	235,175
Litter Program - State Department of Transportation	N/A	(4)	34,957
Waste Reduction Grant - State Department of Environment and Conservation	N/A	(4)	62,552
Convenience Center Grant - State Department of Environment and Conservation	N/A	(4)	108,632
Safe Schools - State Department of Education	N/A	(4)	2,050
CTE Equipment Grant - State Department of Education	N/A	(4)	98,344
ConnecTenn - State Department of Education	N/A	(4)	11
Coordinated School Health - State Department of Education	N/A	(4)	94,999
Total State Grants			$ 1,456,097

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) Carroll County elected not to use the 10% de minimus cost rate permitted in the Uniform Guidance.
(3) 09-555-0124-04: $285,667; 09-555-2917-04: $50,095; 09-555-0128-17: $5,000.
(4) Information not available.
(5) 09-555-2917-04: $24,200; 09-555-0725-04: $210,975.
(6) Total for CFDA No. 10.555 is $15,790.
(7) During the year ended June 30, 2017, Carroll County received excess military equipment from the U.S. Department of Defense valued at $86,462.

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

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

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
OFFICE OF COUNTY MAYOR					
2017	186	2017-001	The Office had Deficiencies in Budget Operations	N/A	Corrected
2017	187	2017-002	Usernames and Passwords were Shared by Solid Waste Employees	N/A	Corrected
OFFICE OF CLERK AND MASTER					
2017	187	2017-003	The Docket Trial Balance was not Reconciled with General Ledger Accounts	N/A	Corrected
OFFICES OF TRUSTEE, CLERK AND MASTER, AND SHERIFF					
2017	188	2017-004	Duties were not Segregated Adequately	N/A	Corrected

Prior-year Federal Awards Findings

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

CARROLL COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2018

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

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

Federal Awards:

4. Internal Control Over Major Federal Programs:
   * Material weakness identified? **NO**
   * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
   * CFDA Number 20.106 — Airport Improvement Program
8. Dollar threshold used to distinguish between Type A and Type B Programs. **$750,000**
9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF COUNTY MAYOR

FINDING 2018-001 **GENERAL LEDGER PAYROLL DEDUCTION ACCOUNTS WERE NOT RECONCILED WITH PAYROLL REPORTS AND PAYMENTS IN THE GENERAL FUND**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

General ledger payroll deduction accounts were not reconciled with payroll reports and payments in the General Fund. Sound business practices dictate that these reconciliations be performed monthly. The failure to regularly reconcile payroll deduction accounts allows errors to remain undiscovered and uncorrected. This deficiency is the result of a lack of management oversight.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – KENNY MCBRIDE, FORMER COUNTY MAYOR

I concur with this finding. The office will monitor the payroll deduction accounts to ensure they are reconciled going forward.

OFFICE OF TRUSTEE

FINDING 2018-002 **REVENUES WERE NOT PRORATED ACCURATELY**
(Noncompliance Under *Government Auditing Standards*)

During the fiscal year, the trustee did not accurately prorate certain revenues according to allocations in the budget resolution approved by the County Commission. Current Property Tax, Trustee's Collections – Prior Year, Interest and Penalty, and Payments in-Lieu-of Taxes were incorrectly prorated resulting in revenues being understated in the General Fund by $75,582 and overstated in the Solid Waste/Sanitation ($15,819), Highway/Public Works ($14,066), General Debt Service ($21,096), and School Transportation ($24,601) funds. This deficiency occurred because the trustee prorated these revenues based on the

2015 tax rate. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – TRUSTEE

I concur that revenues were not prorated accurately. The allocations are apparently not set up correctly in the computer system. I have reached out to the County Technical Assistance Service for assistance in correcting this deficiency.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

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

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

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

JOSEPH G. BUTLER
CARROLL COUNTY MAYOR

Uniting Carroll County for a Brighter, Prosperous Future

o: 731.986.1936 • f: 731.986.1935 • e: jbutler@carroll.tn.org

Corrective Action Plan

FINDING: GENERAL LEDGER PAYROLL DEDUCTION ACCOUNTS WERE NOT RECONCILED WITH PAYROLL REPORTS AND PAYMENTS IN THE GENERAL FUND

Response and Corrective Action Plan Prepared by:
Joseph G. Butler, Carroll County Mayor

Person Responsible for Implementing the Corrective Action:
Joseph G. Butler, Carroll County Mayor

Anticipated Completion Date of Corrective Action:
July 31, 2019

Repeat Finding:
No

Planned Corrective Action:
Payroll is monitoring the liability accts monthly to keep the accts up to date going forward.

Signature: Joseph G Butler Date: 12/12/18

Carroll County Office Complex, 625 High Street, Suite 101, Huntingdon, Tennessee 38344

PAULA BOLEN, TRUSTEE
CARROLL COUNTY TRUSTEE
695 HIGH STREET, SUITE 106
HUNTINGDON, TN 38344
731-986-1941
731-986-13339Fax)

Corrective Action Plan

FINDING: REVENUES WERE NOT PRORATED ACCURATELY

Response and Corrective Action Plan Prepared by:
Paula Bolen, Trustee

Person Responsible for Implementing the Corrective Action:
Paula Bolen, Trustee

Anticipated Completion Date of Corrective Action:
12/07/2018

Repeat Finding:
No

Planned Corrective Action:
A review of month end reports will be done to ensure all revenues are prorated accurately.

Signature: Paula Bolen 12/05/18

BEST PRACTICE

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

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

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

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