

ANNUAL FINANCIAL REPORT
MARSHALL COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2018



DIVISION OF LOCAL GOVERNMENT AUDIT



ANNUAL FINANCIAL REPORT
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FOR THE YEAR ENDED JUNE 30, 2018

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
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Director

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

MARSHALL COUNTY, TENNESSEE

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Summary of Audit Findings

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

Scope

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

Results

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

Our audit resulted in no findings.

INTRODUCTORY SECTION

Marshall County Officials
June 30, 2018

Officials

Joe Liggett, County Mayor
Jerry Williams, Highway Superintendent
Jacob Sorrells, Director of Schools
Scotty Poarch, Trustee
Michelle Clark, Assessor of Property
Daphne Fagan-Girts, County Clerk
Courtney Boatright, Circuit, General Sessions, and Juvenile Courts Clerk
Kimberlee Alsup, Clerk and Master
Dorris Wayne Weaver, Register of Deeds
Billy Lamb, Sheriff
Malinda White, Director of Accounts and Budgets
Jessie Whaley, Jr., Board of Public Utilities Manager

Board of County Commissioners

Michael Waggoner, Chairman	Tony Beyer
Dean Delk	Wesley Neece
Joseph Warner	Daniel Morgan
Anna Childress	Seth Warf
E.W. Hill, Jr.	Sheldon Davis
R.L. Williams	Phil Willis
Mickey King	Bob Hopkins III
Jennifer Smith	Glen White
Toby Adams	Patty Parsons

Board of Education

Donnie Moses, Chairman	John Allen
Susan Hunter	Harvey Jones, Jr.
Kristen Gold	Andy Woodard
Robert Warf	Julie Cathey
John Dippold	

Board of Public Utilities

Mickey King, Chairman	Danny Morgan
Tony Beyer	Matthew Collins
Ray Wakefield	

Audit Committee

Bill Garvin, Chairman	Lisa Clark
Mickey King	Michael Sullivan
Lee Morrison	

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

Independent Auditor's Report

Marshall County Mayor and
Board of County Commissioners
Marshall 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Marshall County, Tennessee, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Marshall County, Tennessee, as of June 30, 2018, and the respective changes in financial position 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., Marshall 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.10. to the financial statements, which describes restatements reducing the beginning Governmental Activities net position of the Primary Government by \$974,712, increasing the beginning net position of the discretely presented School Department by \$1,179,358, and reducing the beginning net position of the discretely presented Board of Public Utilities by \$67,202 on the Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability (asset) and related ratios, schedules of county and school contributions, schedule of school's proportionate share of the net pension liability (asset), and schedule of changes in the county and school's total OPEB liability and related ratios on pages 91-99 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 Marshall County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service and Other Capital Projects funds, combining and individual fund financial statements of the Marshall County School Department (a discretely presented component unit), individual fund financial statements of the Marshall County Board of Public Utilities (a discretely presented component unit), miscellaneous schedules and the other information such as the introductory section, and statutory section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

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

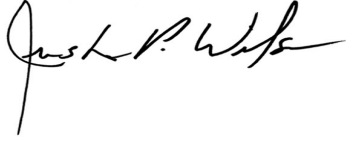
The introductory and statutory sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2018, on our consideration of Marshall County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting

and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Marshall 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 Marshall County's internal control over financial reporting and compliance.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a prominent vertical stroke at the beginning.

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

October 31, 2018

JPW/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government Governmental Activities	Component Units	
		Marshall County School Department	Marshall County Board of Public Utilities
<u>ASSETS</u>			
Cash	\$ 450	\$ 2,341	\$ 1,803
Equity in Pooled Cash and Investments	20,257,140	7,735,921	3,762,206
Inventories	0	0	63,223
Accounts Receivable	2,882,691	1,641	270,406
Allowance for Uncollectibles	(1,199,189)	0	0
Due from Component Units	299,091	0	0
Due from Other Governments	1,387,673	1,730,734	0
Property Taxes Receivable	9,369,485	9,357,958	0
Allowance for Uncollectible Property Taxes	(169,877)	(169,668)	0
Restricted Assets:			
Customer Deposits	0	0	219,890
Net Pension Asset - Agent Plan	534,779	400,574	35,736
Net Pension Asset - Teacher Retirement Plan	0	95,734	0
Net Pension Asset - Teacher Legacy Plan	0	171,307	0
Capital Assets:			
Assets Not Depreciated:			
Land	13,370,636	2,391,826	355,901
Construction in Progress	0	0	26,215
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	12,609,674	47,442,391	731,324
Infrastructure	13,840,967	81,585	18,671,204
Other Capital Assets	2,951,238	3,585,382	159,201
Total Assets	<u>\$ 76,134,758</u>	<u>\$ 72,827,726</u>	<u>\$ 24,297,109</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Charge on Refunding	\$ 283,108	\$ 0	\$ 113,995
Pension Changes in Assumptions	412,237	1,768,071	27,547
Pension Changes in Experience	157,993	224,975	10,558
Pension Changes in Proportionate Share of NPL	0	183,097	0
Pension Changes in Investment Earnings	0	26,004	0
Pension Changes in Contributions after Measurement Date	587,911	2,204,460	37,550
OPEB Changes in Benefits Paid after Measurement Date	56,156	326,785	3,872
Total Deferred Outflows of Resources	<u>\$ 1,497,405</u>	<u>\$ 4,733,392</u>	<u>\$ 193,522</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 168,665	\$ 16,820	\$ 24,662
Accrued Interest Payable	219,237	0	11,461
Payroll Deductions Payable	205,146	822,384	12,978
Due to Primary Government	0	299,091	0
Due to State of Tennessee	0	0	18,901
Current Liabilities Payable from Restricted Assets:			
Customer Deposits Payable	0	0	219,890
Noncurrent Liabilities:			
Due Within One Year	3,017,708	158,896	328,767
Due in More Than One Year	31,035,098	5,770,203	6,737,510
Total Liabilities	<u>\$ 34,645,854</u>	<u>\$ 7,067,394</u>	<u>\$ 7,354,169</u>

(Continued)

Exhibit A

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

	Primary Government Governmental Activities	Component Units	
		Marshall County School Department	Marshall County Board of Public Utilities
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 9,011,712	\$ 9,000,625	\$ 0
Pension Changes in Experience	387,732	3,834,326	25,910
Pension Changes in Investment Earnings	1,151	6,013	77
Pension Changes in Proportionate Share of NPL	0	30,213	0
OPEB Changes in Assumptions	38,395	256,443	2,647
Total Deferred Inflows of Resources	<u>\$ 9,438,990</u>	<u>\$ 13,127,620</u>	<u>\$ 28,634</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 38,608,999	\$ 53,501,184	\$ 13,149,251
Restricted for:			
General Government	13,102	0	0
Finance	8,841	0	0
Administration of Justice	582,986	0	0
Public Safety	105,707	0	0
Public Health and Welfare	116,864	0	0
Highway/Public Works	1,423,215	0	0
Education	0	503,710	0
Capital Projects	4,049,223	0	0
Pensions	534,779	667,615	35,736
Unrestricted	<u>(11,896,397)</u>	<u>2,693,595</u>	<u>3,922,841</u>
Total Net Position	<u>\$ 33,547,319</u>	<u>\$ 57,366,104</u>	<u>\$ 17,107,828</u>

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

Exhibit B

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Units	
						Marshall County School Department	Marshall County Board of Public Utilities
Primary Government:							
General Government	\$ 2,692,459	\$ 681,367	\$ 200,591	\$ 0	\$ (1,810,501)	\$ 0	\$ 0
Finance	1,553,986	1,057,304	0	0	(496,682)	0	0
Administration of Justice	1,293,448	741,233	9,000	0	(543,215)	0	0
Public Safety	4,502,853	1,234,389	109,609	0	(3,158,855)	0	0
Public Health and Welfare	5,133,624	3,009,288	675,537	0	(1,448,799)	0	0
Social, Cultural, and Recreational Services	558,078	1,127	0	0	(556,951)	0	0
Agriculture and Natural Resources	136,986	0	0	0	(136,986)	0	0
Highways	3,443,588	1,242	2,129,904	645,238	(667,204)	0	0
Education	390,516	0	425,679	0	35,163	0	0
Interest on Long-term Debt	1,066,713	0	0	0	(1,066,713)	0	0
Total Governmental Activities	<u>\$ 20,772,251</u>	<u>\$ 6,725,950</u>	<u>\$ 3,550,320</u>	<u>\$ 645,238</u>	<u>\$ (9,850,743)</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Primary Government	<u>\$ 20,772,251</u>	<u>\$ 6,725,950</u>	<u>\$ 3,550,320</u>	<u>\$ 645,238</u>	<u>\$ (9,850,743)</u>	<u>\$ 0</u>	<u>\$ 0</u>
Component Units:							
Marshall County School Department	\$ 47,439,288	\$ 1,205,907	\$ 5,648,337	\$ 488,600	\$ 0	\$ (40,096,444)	\$ 0
Marshall County Board of Public Utilities	2,701,429	2,724,374	300,000	196,548	0	0	519,493
Total Component Units	<u>\$ 50,140,717</u>	<u>\$ 3,930,281</u>	<u>\$ 5,948,337</u>	<u>\$ 685,148</u>	<u>\$ 0</u>	<u>\$ (40,096,444)</u>	<u>\$ 519,493</u>

(Continued)

Exhibit B

Marshall County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Units	
						Marshall County School Department	Marshall County Board of Public Utilities
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes				\$ 7,840,322	\$ 9,293,437	\$	0
Property Taxes Levied for Debt Service				1,480,544	0		0
Local Option Sales Tax				3,049,068	2,856,070		0
Wheel Tax				1,424,228	0		0
Mineral Severance Tax				311,419	0		0
Business Tax				303,726	0		0
Hotel/Motel Tax				194,776	0		0
Litigation Tax				400,699	0		0
Adequate Facilities/Development Tax				604,583	0		0
Wholesale Beer Tax				107,692	0		0
Other Local Taxes				594	10,981		0
Grants and Contributions Not Restricted for Specific Programs				1,291,564	29,143,736		0
Unrestricted Investment Income				213,651	391		25,020
Miscellaneous				22,899	84,297		25,116
Total General Revenues				<u>\$ 17,245,765</u>	<u>\$ 41,388,912</u>	<u>\$</u>	<u>50,136</u>
Change in Net Position				\$ 7,395,022	\$ 1,292,468	\$	569,629
Net Position, July 1, 2017				27,127,009	54,894,278		16,605,401
Restatement - See Note I.D.10.				(974,712)	1,179,358		(67,202)
Net Position, June 30, 2018				<u>\$ 33,547,319</u>	<u>\$ 57,366,104</u>	<u>\$</u>	<u>17,107,828</u>

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

Exhibit C-1

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

	Major Funds			Nonmajor	Total	
	General	Highway / Public Works	General Debt Service	Other Capital Projects		Other Govern- mental Funds
<u>ASSETS</u>						
Cash	\$ 450	\$ 0	\$ 0	\$ 0	\$ 0	\$ 450
Equity in Pooled Cash and Investments	10,388,518	727,362	3,417,867	2,981,468	2,741,276	20,256,491
Accounts Receivable	2,877,867	91	0	0	4,733	2,882,691
Allowance for Uncollectibles	(1,199,189)	0	0	0	0	(1,199,189)
Due from Other Governments	418,034	430,216	480,000	0	59,423	1,387,673
Due from Other Funds	849	0	0	0	304,583	305,432
Property Taxes Receivable	6,103,016	474,679	1,491,848	1,299,942	0	9,369,485
Allowance for Uncollectible Property Taxes	(110,653)	(8,606)	(27,049)	(23,569)	0	(169,877)
Total Assets	<u>\$ 18,478,892</u>	<u>\$ 1,623,742</u>	<u>\$ 5,362,666</u>	<u>\$ 4,257,841</u>	<u>\$ 3,110,015</u>	<u>\$ 32,833,156</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 68,392	\$ 76,000	\$ 0	\$ 0	\$ 24,273	\$ 168,665
Payroll Deductions Payable	164,385	32,075	0	0	8,686	205,146
Due to Other Funds	304,583	0	0	0	200	304,783
Total Liabilities	<u>\$ 537,360</u>	<u>\$ 108,075</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 33,159</u>	<u>\$ 678,594</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 5,869,973	\$ 456,553	\$ 1,434,882	\$ 1,250,304	\$ 0	\$ 9,011,712
Deferred Delinquent Property Taxes	102,890	7,919	25,118	21,569	0	157,496
Other Deferred/Unavailable Revenue	1,587,793	180,108	240,000	0	0	2,007,901
Total Deferred Inflows of Resources	<u>\$ 7,560,656</u>	<u>\$ 644,580</u>	<u>\$ 1,700,000</u>	<u>\$ 1,271,873</u>	<u>\$ 0</u>	<u>\$ 11,177,109</u>

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor	Total	
	General	Highway / Public Works	General Debt Service	Other Capital Projects		Other Govern- mental Funds
FUND BALANCES						
Restricted:						
Restricted for General Government	\$ 13,102	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,102
Restricted for Finance	8,841	0	0	0	0	8,841
Restricted for Administration of Justice	582,986	0	0	0	0	582,986
Restricted for Public Safety	12,294	0	0	0	93,413	105,707
Restricted for Public Health and Welfare	115,580	0	0	1,284	0	116,864
Restricted for Highways/Public Works	0	871,087	0	0	386,469	1,257,556
Restricted for Capital Outlay	0	0	0	2,984,684	1,070,973	4,055,657
Committed:						
Committed for General Government	96,943	0	0	0	0	96,943
Committed for Administration of Justice	0	0	0	0	87,915	87,915
Committed for Public Safety	11,782	0	0	0	0	11,782
Committed for Public Health and Welfare	0	0	0	0	1,438,086	1,438,086
Committed for Social, Cultural, and Recreational Services	24,767	0	0	0	0	24,767
Committed for Debt Service	0	0	3,662,666	0	0	3,662,666
Committed for Other Purposes	226,800	0	0	0	0	226,800
Assigned:						
Assigned for General Government	613,357	0	0	0	0	613,357
Unassigned	8,674,424	0	0	0	0	8,674,424
Total Fund Balances	\$ 10,380,876	\$ 871,087	\$ 3,662,666	\$ 2,985,968	\$ 3,076,856	\$ 20,977,453
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 18,478,892	\$ 1,623,742	\$ 5,362,666	\$ 4,257,841	\$ 3,110,015	\$ 32,833,156

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

Exhibit C-2

Marshall 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)		\$ 20,977,453
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 13,370,636	
Add: buildings and improvements net of accumulated depreciation	12,609,674	
Add: infrastructure net of accumulated depreciation	13,840,967	
Add: other capital assets net of accumulated depreciation	<u>2,951,238</u>	42,772,515
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: capital leases payable	\$ (299,091)	
Less: notes payable	(1,400,174)	
Less: bonds payable	(30,235,000)	
Add: due from component unit for debt payments	299,091	
Add: deferred amount on refunding	283,108	
Less: other postemployment benefits liability	(1,044,847)	
Less: compensated absences payable	(277,776)	
Less: other deferred revenue - premium on debt	(795,918)	
Less: accrued interest on notes and bonds	<u>(219,237)</u>	(33,689,844)
(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	\$ 1,158,141	
Less: deferred inflows of resources related to pensions	(388,883)	
Add: deferred outflows of resources related to OPEB	56,156	
Less: deferred inflows of resources related to OPEB	<u>(38,395)</u>	787,019
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		534,779
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>2,165,397</u>
Net position of governmental activities (Exhibit A)		<u>\$ 33,547,319</u>

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

Exhibit C-3

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

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Capital Projects	Funds Other Govern- mental Funds	
<u>Revenues</u>						
Local Taxes	\$ 8,617,733	\$ 991,774	\$ 5,421,072	\$ 1,307,064	\$ 96,610	\$ 16,434,253
Licenses and Permits	383,431	0	0	0	0	383,431
Fines, Forfeitures, and Penalties	169,794	0	0	0	81,847	251,641
Charges for Current Services	1,981,551	0	0	0	369,050	2,350,601
Other Local Revenues	185,303	4,491	63,651	10,437	1,016,675	1,280,557
Fees Received From County Officials	1,761,746	0	0	0	0	1,761,746
State of Tennessee	1,993,026	2,766,392	46,623	53,999	243,779	5,103,819
Federal Government	71,367	0	0	0	0	71,367
Other Governments and Citizens Groups	158,161	0	425,679	0	0	583,840
Total Revenues	\$ 15,322,112	\$ 3,762,657	\$ 5,957,025	\$ 1,371,500	\$ 1,807,961	\$ 28,221,255
<u>Expenditures</u>						
Current:						
General Government	\$ 1,602,634	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,602,634
Finance	1,593,501	0	0	0	124	1,593,625
Administration of Justice	1,298,017	0	0	0	6,038	1,304,055
Public Safety	4,246,004	0	0	0	5,254	4,251,258
Public Health and Welfare	2,924,477	0	0	0	1,272,742	4,197,219
Social, Cultural, and Recreational Services	468,979	0	0	0	0	468,979
Agriculture and Natural Resources	140,520	0	0	0	0	140,520
Other Operations	1,504,254	0	0	0	0	1,504,254
Highways	0	3,857,579	0	0	0	3,857,579
Debt Service:						
Principal on Debt	0	0	6,672,022	0	0	6,672,022
Interest on Debt	0	0	1,106,903	0	0	1,106,903
Other Debt Service	0	0	76,517	0	0	76,517

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Capital Projects	Funds Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>						
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 318,672	\$ 617,200	\$ 935,872
Capital Projects - Donated	0	0	0	0	387,600	387,600
Total Expenditures	<u>\$ 13,778,386</u>	<u>\$ 3,857,579</u>	<u>\$ 7,855,442</u>	<u>\$ 318,672</u>	<u>\$ 2,288,958</u>	<u>\$ 28,099,037</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,543,726	\$ (94,922)	\$ (1,898,417)	\$ 1,052,828	\$ (480,997)	\$ 122,218
<u>Other Financing Sources (Uses)</u>						
Capital Leases Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 403,368	\$ 403,368
Insurance Recovery	142,058	0	0	0	0	142,058
Transfers In	20,000	0	0	0	304,583	324,583
Transfers Out	(304,583)	0	0	0	(20,000)	(324,583)
Total Other Financing Sources (Uses)	<u>\$ (142,525)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 687,951</u>	<u>\$ 545,426</u>
Net Change in Fund Balances	\$ 1,401,201	\$ (94,922)	\$ (1,898,417)	\$ 1,052,828	\$ 206,954	\$ 667,644
Fund Balance, July 1, 2017	8,979,675	966,009	5,561,083	1,933,140	2,869,902	20,309,809
Fund Balance, June 30, 2018	<u>\$ 10,380,876</u>	<u>\$ 871,087</u>	<u>\$ 3,662,666</u>	<u>\$ 2,985,968</u>	<u>\$ 3,076,856</u>	<u>\$ 20,977,453</u>

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

Marshall 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)		\$ 667,644
(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	\$ 1,720,463	
Less: current-year depreciation expense	<u>(1,800,986)</u>	(80,523)
(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	\$ 2,165,397	
Less: deferred delinquent property taxes and other deferred June 30, 2017	<u>(2,055,792)</u>	109,605
(3) The issuance of long-term debt (e.g., notes, other loans, bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Add: principal payments on bonds	\$ 6,260,000	
Add: principal payments on notes	248,435	
Add: principal payments on capital leases	163,587	
Less: proceeds from capital lease	(403,368)	
Add: change in due from component unit	403,368	
Less: contribution from component unit	(163,587)	
Add: change in premium on debt issuances	45,210	
Less: change in deferred amount on refunding debt	<u>(60,175)</u>	6,493,470
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in net pension liability/asset	\$ 681,418	
Change in deferred outflows of resources related to pensions	(247,092)	
Change in deferred inflows of resources related to pensions	(165,678)	
Change in other postemployment benefits liability (net of restatement)	(16,550)	
Change in deferred outflows of resources related to OPEB (net of restatement)	2,571	
Change in deferred inflows of resources related to OPEB	(38,395)	
Change in accrued interest payable	40,190	
Change in compensated absences payable	<u>(51,638)</u>	<u>204,826</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 7,395,022</u>

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

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 8,617,733	\$ 7,691,295	\$ 7,841,295	\$ 776,438
Licenses and Permits	383,431	335,200	335,200	48,231
Fines, Forfeitures, and Penalties	169,794	124,035	150,681	19,113
Charges for Current Services	1,981,551	2,061,500	2,134,500	(152,949)
Other Local Revenues	185,303	199,053	199,258	(13,955)
Fees Received From County Officials	1,761,746	1,685,000	1,685,000	76,746
State of Tennessee	1,993,026	2,013,232	2,101,949	(108,923)
Federal Government	71,367	71,452	73,452	(2,085)
Other Governments and Citizens Groups	158,161	130,001	134,512	23,649
Total Revenues	\$ 15,322,112	\$ 14,310,768	\$ 14,655,847	\$ 666,265
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 161,454	\$ 164,244	\$ 177,244	\$ 15,790
Board of Equalization	1,410	1,820	1,820	410
Other Boards and Committees	6,028	11,681	11,681	5,653
County Mayor/Executive	157,958	164,098	165,698	7,740
County Attorney	24,060	35,250	35,250	11,190
Election Commission	186,857	166,773	215,543	28,686
Register of Deeds	221,393	233,687	233,887	12,494
Building	214,047	231,402	231,402	17,355
County Buildings	629,427	663,461	834,689	205,262
<u>Finance</u>				
Accounting and Budgeting	526,236	547,674	547,674	21,438
Property Assessor's Office	260,095	271,681	271,681	11,586
Reappraisal Program	154,278	159,011	161,511	7,233
County Trustee's Office	212,130	223,837	223,837	11,707
County Clerk's Office	440,762	450,624	459,624	18,862
<u>Administration of Justice</u>				
Circuit Court	440,527	463,447	469,747	29,220
General Sessions Judge	248,628	245,032	259,332	10,704
Chancery Court	227,298	230,580	236,680	9,382
Juvenile Court	208,869	211,135	213,635	4,766
Courtroom Security	172,695	114,354	274,354	101,659
<u>Public Safety</u>				
Sheriff's Department	2,067,347	2,212,600	2,237,844	170,497
Administration of the Sexual Offender Registry	650	2,500	2,500	1,850
Jail	1,720,636	1,848,053	1,858,553	137,917
Rural Fire Protection	113,621	153,740	153,740	40,119
Civil Defense	280,734	303,055	306,209	25,475
County Coroner/Medical Examiner	62,475	78,690	78,690	16,215
Other Public Safety	541	750	750	209
<u>Public Health and Welfare</u>				
Local Health Center	69,146	97,200	102,200	33,054
Rabies and Animal Control	68,562	71,178	75,154	6,592
Ambulance/Emergency Medical Services	2,450,912	2,624,335	2,684,335	233,423
Maternal and Child Health Services	5,000	5,000	5,000	0
Other Local Health Services	219,173	288,000	298,700	79,527

(Continued)

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare (Cont.)</u>				
Regional Mental Health Center	\$ 23,600	\$ 26,100	\$ 26,100	\$ 2,500
Other Public Health and Welfare	88,084	90,584	90,584	2,500
<u>Social, Cultural, and Recreational Services</u>				
Senior Citizens Assistance	79,500	80,350	80,350	850
Libraries	389,479	408,657	410,791	21,312
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	91,587	99,987	99,987	8,400
Forest Service	2,000	2,000	2,000	0
Soil Conservation	46,933	46,639	47,189	256
<u>Other Operations</u>				
Tourism	46,100	50,000	50,000	3,900
Other Economic and Community Development	464,533	514,544	514,544	50,011
Veterans' Services	42,993	43,765	47,327	4,334
Other Charges	631,644	778,075	728,825	97,181
Contributions to Other Agencies	318,984	318,984	318,984	0
Total Expenditures	\$ 13,778,386	\$ 14,734,577	\$ 15,245,645	\$ 1,467,259
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 1,543,726	\$ (423,809)	\$ (589,798)	\$ 2,133,524
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 142,058	\$ 2,500	\$ 132,826	\$ 9,232
Transfers In	20,000	20,000	20,000	0
Transfers Out	(304,583)	(200,000)	(350,000)	45,417
Total Other Financing Sources	\$ (142,525)	\$ (177,500)	\$ (197,174)	\$ 54,649
Net Change in Fund Balance	\$ 1,401,201	\$ (601,309)	\$ (786,972)	\$ 2,188,173
Fund Balance, July 1, 2017	8,979,675	8,686,188	8,979,675	0
Fund Balance, June 30, 2018	\$ 10,380,876	\$ 8,084,879	\$ 8,192,703	\$ 2,188,173

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

Exhibit C-6

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 991,774	\$ 905,159	\$ 905,879	\$ 85,895
Other Local Revenues	4,491	2,500	2,500	1,991
State of Tennessee	2,766,392	2,933,207	3,179,332	(412,940)
Total Revenues	<u>\$ 3,762,657</u>	<u>\$ 3,840,866</u>	<u>\$ 4,087,711</u>	<u>\$ (325,054)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 220,569	\$ 230,070	\$ 230,070	\$ 9,501
Highway and Bridge Maintenance	1,887,273	2,008,997	2,008,997	121,724
Operation and Maintenance of Equipment	681,777	828,511	822,011	140,234
Other Charges	91,737	94,000	100,500	8,763
Employee Benefits	31,473	51,500	51,500	20,027
Capital Outlay	944,750	996,712	1,256,437	311,687
Total Expenditures	<u>\$ 3,857,579</u>	<u>\$ 4,209,790</u>	<u>\$ 4,469,515</u>	<u>\$ 611,936</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (94,922)</u>	<u>\$ (368,924)</u>	<u>\$ (381,804)</u>	<u>\$ 286,882</u>
Net Change in Fund Balance	\$ (94,922)	\$ (368,924)	\$ (381,804)	\$ 286,882
Fund Balance, July 1, 2017	<u>966,009</u>	<u>947,150</u>	<u>966,009</u>	<u>0</u>
Fund Balance, June 30, 2018	<u>\$ 871,087</u>	<u>\$ 578,226</u>	<u>\$ 584,205</u>	<u>\$ 286,882</u>

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

Exhibit D

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 820,526
Equity in Pooled Cash and Investments	86,948
Accounts Receivable	4,369
Due from Other Governments	<u>379,373</u>
Total Assets	<u>\$ 1,291,216</u>
<u>LIABILITIES</u>	
Payroll Deductions Payable	\$ 14,461
Due to Other Funds	649
Due to Other Taxing Units	379,373
Due to Litigants, Heirs, and Others	866,733
Other Current Liabilities	<u>30,000</u>
Total Liabilities	<u>\$ 1,291,216</u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Marshall 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 Marshall County:

A. Reporting Entity

Marshall County is a public municipal corporation governed by an elected 18-member board. As required by GAAP, these financial statements present Marshall County (the primary government) and its component units. The financial statements of the Marshall County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of its 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 Marshall County School Department operates the public school system in the county, and the voters of Marshall County elect its board. The School Department is fiscally dependent on the county because it may not issue debt, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Marshall County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Marshall County, and the Marshall 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 Marshall County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Marshall County Board of Public Utilities provides water services for the citizens of Marshall County, and the Marshall County Commission appoints its governing body. The public utility may not issue debt without county approval, and its budget is subject to the County Commission's approval. Water sales are the major source of funding, with the county being contingently liable for any debt.

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

Administrative Office:

Marshall County Emergency Communications District
P.O. Box 2786
Lewisburg, TN 37091

B. Government-wide and Fund Financial Statements

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

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.

Marshall County issues all debt for the discretely presented Marshall County School Department. Net debt issues totaling \$403,368 were contributed by the county to the School Department during the year ended June 30, 2018.

Separate financial statements are provided for governmental funds and fiduciary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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

Fund financial statements of Marshall County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and fiduciary. An emphasis is placed on major funds within the governmental category.

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

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

The discretely presented Marshall County Board of Public Utilities proprietary fund and the primary government's fiduciary funds financial statements are reported using the economic resources measurement focus, except for agency funds, which have no measurement focus, and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Marshall 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.

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

Other Capital Projects Fund – This fund accounts for various capital projects and capital outlay for the county. Local taxes are the foundational revenues of this fund.

Additionally, Marshall County reports the following fund type:

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Marshall County, assets being held in a custodial capacity for the Marshall County Joint Economic Development Board, and to account for payroll

processing of the Marshall County Emergency Communications District. 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 Marshall County School Department reports the following major governmental fund:

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

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

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

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

The discretely presented Marshall County Board of Public Utilities reports the following major proprietary fund:

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

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.

The discretely presented Marshall County Public Utilities' proprietary fund (enterprise fund) distinguishes operating revenues and expenses from nonoperating items and is used to account for water distribution services to areas of the county not served by existing municipal systems. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges for services. Operating expenses for the enterprise fund include payments to vendors, administrative expenses, and employee benefits.

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

1. Deposits and Investments

For purposes of the Statement of Cash Flows for the discretely presented Board of Public Utilities Fund, cash includes cash on hand, demand deposits, and cash on deposit with the county trustee.

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

The county trustee maintains a cash and internal investment pool that is used by all funds, the discretely presented Marshall County School Department, and the discretely presented Marshall County Board of Public Utilities. 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. Marshall County, the School Department, and the Board of Public Utilities have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to one percent of total taxes levied.

The Marshall County Board of Public Utilities' accounts receivable for water sales are shown without an allowance for uncollectibles. The utility does not provide an allowance for uncollectible accounts because of its ability to stop service for nonpaying customers.

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

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

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

Most payables are disaggregated on the face of the financial statements. Current liabilities payable from restricted assets reflected in the Board of Public Utilities Fund represent funds on deposit with the county trustee for customer deposits (\$219,890).

3. Inventories

Inventories of the Marshall County Board of Public Utilities are recorded at cost, determined on the first-in, first-out method. Inventories are recorded as expenditures when consumed rather than when purchased.

4. Capital Assets

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

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of the Marshall County Board of Public Utilities Fund is included as part of the capitalized value of the assets constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	7 - 40
Other Capital Assets	5 - 20
Infrastructure:	
Roads	50
Bridges	50
Water Systems	50

5. Deferred Outflows/Inflows of Resources

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

changes in employer contributions made to the pension plan after the measurement date, and OPEB changes in benefits paid after the measurement date.

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

6. Compensated Absences

It is the policy of the county, the discretely presented Marshall County School Department, and the discretely presented Marshall County Board of Public Utilities to permit employees to accumulate earned but unused vacation and sick leave benefits. There is no liability for unpaid accumulated sick leave since the county, the School Department, and the Board of Public Utilities do not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the county and its discretely presented component units. A liability for vacation benefits is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

7. Long-term Obligations

In the government-wide financial statements and the Marshall County Board of Public Utilities' proprietary fund in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund 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.

8. **Net Position and Fund Balance**

In the government-wide financial statements and the Marshall County Board of Public Utilities' proprietary fund in the fund financial statements, equity is classified as net position and displayed in three components:

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

As of June 30, 2018, Marshall County had \$27,859,265 in outstanding debt for capital purposes for the discretely presented Marshall County School Department. This debt is a liability of Marshall County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Marshall County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

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

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

9. Minimum Fund Balance Policy

To provide management with appropriate guidelines and direction to assist in making sound decisions related to managing the fund balance of certain governmental funds, the following minimum fund balance policy exists and consists of the sum of committed, assigned, and unassigned fund balances:

General Fund – 25 percent of current-year expenditures

10. 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, Marshall 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 by \$974,712, increasing the beginning net position of the Governmental Activities of the Discretely Presented Marshall County School Department by \$1,179,358, and reducing the beginning net position of the Governmental Activities of the Discretely Presented Marshall County Board of Public Utilities by \$67,202 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 Marshall County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Marshall 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 Marshall County School Department

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan and the Teacher Legacy Pension Plan in the Tennessee Consolidated Retirement System, and additions to/deductions from fiduciary

net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan and the Teacher Legacy Pension Plan. Investments are reported at fair value.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

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

Discretely Presented Marshall 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 Officer - Fees Fund (special revenue fund), which is not budgeted, the primary

government's General and Highway Capital Projects funds and the School Department's Education Capital Projects Fund, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

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

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, 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 GAAP basis is presented on the face of each budgetary schedule.

At June 30, 2018, Marshall County School Department had the following outstanding encumbrances:

<u>Fund</u>	<u>Amount</u>
Discretely Presented School Department:	
General Purpose School	\$ 531,581

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit 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 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	\$ 13,370,636	\$ 0	\$ 0	\$ 13,370,636
Total Capital Assets Not Depreciated	<u>\$ 13,370,636</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 13,370,636</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 19,994,737	\$ 0	\$ 0	\$ 19,994,737
Infrastructure	31,196,154	1,160,203	0	32,356,357
Other Capital Assets	8,988,494	560,260	(24,494)	9,524,260
Total Capital Assets Depreciated	<u>\$ 60,179,385</u>	<u>\$ 1,720,463</u>	<u>\$ (24,494)</u>	<u>\$ 61,875,354</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 6,894,036	\$ 491,027	\$ 0	\$ 7,385,063
Infrastructure	17,906,270	609,120	0	18,515,390
Other Capital Assets	5,896,677	700,839	(24,494)	6,573,022
Total Accumulated Depreciation	<u>\$ 30,696,983</u>	<u>\$ 1,800,986</u>	<u>\$ (24,494)</u>	<u>\$ 32,473,475</u>
Total Capital Assets Depreciated, Net	<u>\$ 29,482,402</u>	<u>\$ (80,523)</u>	<u>\$ 0</u>	<u>\$ 29,401,879</u>
Governmental Activities Capital Assets, Net	<u>\$ 42,853,038</u>	<u>\$ (80,523)</u>	<u>\$ 0</u>	<u>\$ 42,772,515</u>

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

Governmental Activities:

General Government	\$ 203,745
Finance	4,586
Public Safety	383,135
Public Health and Welfare	353,522
Social, Cultural, and Recreational Services	1,659
Highway/Public Works	<u>854,339</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,800,986</u>

Discretely Presented Marshall County School Department

Governmental Activities:

	Balance 7-1-17	Increases	Decreases	Balance 6-30-18
Capital Assets Not Depreciated:				
Land	\$ 2,391,826	\$ 0	\$ 0	\$ 2,391,826
Construction in Progress	966,522	0	(966,522)	0
Total Capital Assets Not Depreciated	\$ 3,358,348	\$ 0	\$ (966,522)	\$ 2,391,826
Capital Assets Depreciated:				
Buildings and Improvements	\$ 90,064,865	\$ 1,990,907	\$ 0	\$ 92,055,772
Infrastructure	106,997	0	0	106,997
Other Capital Assets	8,203,674	812,959	0	9,016,633
Total Capital Assets Depreciated	\$ 98,375,536	\$ 2,803,866	\$ 0	\$ 101,179,402
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 42,412,846	\$ 2,200,535	\$ 0	\$ 44,613,381
Infrastructure	20,062	5,350	0	25,412
Other Capital Assets	4,994,297	436,954	0	5,431,251
Total Accumulated Depreciation	\$ 47,427,205	\$ 2,642,839	\$ 0	\$ 50,070,044
Total Capital Assets Depreciated, Net	\$ 50,948,331	\$ 161,027	\$ 0	\$ 51,109,358
Governmental Activities Capital Assets, Net	\$ 54,306,679	\$ 161,027	\$ (966,522)	\$ 53,501,184

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

Governmental Activities:

Instruction	\$ 47,359
Support Services	2,562,385
Operation of Non-instructional Services	<u>33,095</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 2,642,839</u></u>

Discretely Presented Marshall County Board of Public Utilities

Business-type Activities:

	Balance 7-1-17	Increases	Balance 6-30-18
Capital Assets Not Depreciated:			
Land	\$ 355,901	\$ 0	\$ 355,901
Construction in Progress	5,977	20,238	26,215
Total Capital Assets Not Depreciated	\$ 361,878	\$ 20,238	\$ 382,116
Capital Assets Depreciated:			
Buildings and Improvements	\$ 979,951	\$ 0	\$ 979,951
Infrastructure	26,777,809	88,348	26,866,157
Other Capital Assets	2,252,315	28,814	2,281,129
Total Capital Assets Depreciated	\$ 30,010,075	\$ 117,162	\$ 30,127,237
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 223,178	\$ 25,449	\$ 248,627
Infrastructure	7,717,690	477,263	8,194,953
Other Capital Assets	2,042,310	79,618	2,121,928
Total Accumulated Depreciation	\$ 9,983,178	\$ 582,330	\$ 10,565,508
Total Capital Assets Depreciated, Net	\$ 20,026,897	\$ (465,168)	\$ 19,561,729
Business-type Activities Capital Assets, Net	\$ 20,388,775	\$ (444,930)	\$ 19,943,845

There were no decreases in capital assets to report during the year ended June 30, 2018.

Depreciation expense totaled \$582,330 for the year ended June 30, 2018.

C. 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
Primary Government:		
General	Nonmajor governmental	\$ 200
"	Fiduciary funds	649
Nonmajor governmental	General	304,583

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.

Interfund Transfers:

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

Primary Government

Transfers Out	Transfers In	
	General Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 304,583
Nonmajor governmental funds	20,000	0
Total	<u>\$ 20,000</u>	<u>\$ 304,583</u>

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

D. Capital Leases

On August 15, 2016, Marshall County entered into a three-year lease-purchase agreement for the School Department for computer equipment for school facilities. The terms of the agreement require total lease payments of \$46,462 plus interest of 1.80 percent. Title to the equipment transferred to the School Department immediately upon acceptance of each item of equipment. The General Purpose School Fund is making the lease payments. In the government-wide financial statements, the equipment was expensed in the year of acquisition because those items did not meet criteria of the county's capitalization policy.

On October 1, 2016, Marshall County entered into a three-year lease-purchase agreement for the School Department for computer equipment for school facilities. The terms of the agreement require total lease payments of \$43,290 plus interest of 5.51 percent. Title to the equipment transferred to the School Department immediately upon acceptance of each item of equipment. The General Purpose School Fund is making the lease payments. In the government-wide financial statements, the equipment was expensed in the year of acquisition because those items did not meet criteria of the county's capitalization policy.

On July 25, 2017, Marshall County entered into a three-year lease-purchase agreement for the School Department for computer equipment for school facilities. The terms of the agreement require total lease payments of \$403,368. Title to the equipment transferred to the School Department immediately upon acceptance of each item of equipment. The General Purpose School Fund is making the lease payments. In the government-wide financial statements, the equipment was expensed in the year of acquisition because those items did not meet criteria of the county's capitalization policy.

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2018, were as follows:

Year Ending June 30	Governmental Funds
2019	\$ 165,733
2020	134,456
Total Minimum Lease Payments	<u>\$ 300,189</u>
Less: Amount Representing Interest	<u>(1,098)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 299,091</u></u>

E. Long-term Obligations

Primary Government

General Obligation Bonds and Notes

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

General obligation bonds and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes outstanding were issued for original terms of up to 30 years for bonds and up to 12 years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and notes included in long-term debt as of June 30, 2018, will be retired from the General Debt Service Fund.

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

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-18
General Obligation Bonds	2.81 to 3.86 %	12-1-44	\$ 19,495,000	\$ 18,015,000
General Obligation Bonds - Refunding	1.78 to 3.8	12-1-44	20,440,000	12,220,000
Capital Outlay Notes	0.75	1-1-24	2,982,250	1,400,174

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2019	\$ 2,325,000	\$ 934,421	\$ 3,259,421
2020	2,375,000	869,085	3,244,085
2021	2,425,000	797,144	3,222,144
2022	1,205,000	743,732	1,948,732
2023	1,235,000	709,147	1,944,147
2024-2028	6,470,000	2,959,743	9,429,743
2029-2033	4,255,000	2,126,051	6,381,051
2034-2038	3,715,000	1,501,796	5,216,796
2039-2043	4,515,000	755,254	5,270,254
2044-2045	1,715,000	55,403	1,770,403
Total	\$ 30,235,000	\$ 11,451,776	\$ 41,686,776

Year Ending June 30	Notes		
	Principal	Interest	Total
2019	\$ 250,297	\$ 9,647	\$ 259,944
2020	252,182	7,762	259,944
2021	254,080	5,864	259,944
2022	256,000	3,944	259,944
2023	257,888	2,056	259,944
2024	129,727	312	130,039
Total	\$ 1,400,174	\$ 29,585	\$ 1,429,759

There is \$3,662,666 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$988 based on the 2010 federal census. Total debt per capita, including bonds, notes, capital leases, and unamortized debt premiums, totaled \$1,069, based on the 2010 federal census.

The School Department is currently contributing funds to service some of the debt issued on its behalf by the primary government as noted in the table below. This debt is reflected in the government-wide financial statements as Due to the Primary Government in the financial statements of the School Department and as Due from Component Units in the financial statements of the primary government.

Description of Indebtedness	Outstanding 6-30-18
<u>Capital Leases</u>	
<u>Contributions from the General Purpose School Fund</u>	
Computer Equipment	\$ 299,091
Total	\$ 299,091

Changes in Long-term Obligations

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

Governmental Activities:

	Bonds	Notes	Capital Leases
Balance, July 1, 2017	\$ 36,495,000	\$ 1,648,609	\$ 59,310
Additions	0	0	403,368
Reductions	(6,260,000)	(248,435)	(163,587)
Balance, June 30, 2018	<u>\$ 30,235,000</u>	<u>\$ 1,400,174</u>	<u>\$ 299,091</u>
Balance Due Within One Year	<u>\$ 2,325,000</u>	<u>\$ 250,297</u>	<u>\$ 164,635</u>

	Compensated Absences	Net Pension Liability - Agent Plan*	Other Postemployment Benefits**
Balance, July 1, 2017	\$ 226,138	\$ 146,639	\$ 1,028,297
Additions	478,971	2,745,349	113,101
Reductions	(427,333)	(3,426,767)	(96,551)
Balance, June 30, 2018	<u>\$ 277,776</u>	<u>\$ (534,779)</u>	<u>\$ 1,044,847</u>
Balance Due Within One Year	<u>\$ 277,776</u>	<u>\$ 0</u>	<u>\$ 0</u>

* - At June 30, 2018, the Agent Pension Plan had a net asset balance.

** - OPEB balance at July 1, 2017, was restated. See Note I.D.10.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2018	\$ 33,256,888
Less: Due Within One Year	(3,017,708)
Add: Unamortized Premium on Debt	<u>795,918</u>

Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 31,035,098</u>
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Compensated absences will be paid from the employing funds, primarily the General and Highway/Public Works funds.

Discretely Presented Marshall County School Department

Changes in Long-term Obligations

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

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits*
Balance, July 1, 2017	\$ 164,782	\$ 5,804,967
Additions	226,268	785,912
Reductions	(232,154)	(820,676)
Balance, June 30, 2018	<u>\$ 158,896</u>	<u>\$ 5,770,203</u>
Balance Due Within One Year	<u>\$ 158,896</u>	<u>\$ 0</u>

* - OPEB balance at July 1, 2017, was restated. See Note I.D.10.

	Net Pension Liability - Agent Plan**	Net Pension Liability - Legacy Plan**
Balance, July 1, 2017	\$ 107,493	\$ 3,176,187
Additions	2,058,304	2,196,231
Reductions	(2,566,371)	(5,543,725)
Balance, June 30, 2018	<u>\$ (400,574)</u>	<u>\$ (171,307)</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>

** - At June 30, 2018, the Agent Pension Plan and Teacher Legacy Pension Plan have net asset balances.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2018	\$ 5,929,099
Less: Due Within One Year	<u>(158,896)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 5,770,203</u>

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

Discretely Presented Marshall County Board of Public Utilities

Revenue Bonds

The Board of Public Utilities issues revenue bonds to provide funds for the acquisition and construction of major capital facilities. Revenue bonds outstanding were issued for original terms of up to 38 years. Repayment

terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All revenue bonds will be retired by the utility.

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

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-18
Water Revenue and Tax Bonds	2.5 %	6-26-51	\$ 409,000	\$ 374,594
Water Revenue and Tax Refunding Bonds	1.9	6-01-36	7,005,000	6,420,000

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2019	\$ 307,412	\$ 145,587	\$ 452,999
2020	312,599	139,400	451,999
2021	317,791	133,108	450,899
2022	327,988	126,711	454,699
2023	333,190	120,109	453,299
2024-2028	1,764,166	497,532	2,261,698
2029-2033	1,945,039	311,698	2,256,737
2034-2038	1,301,694	86,581	1,388,275
2039-2043	64,234	19,226	83,460
2044-2048	72,779	10,681	83,460
2049-2051	47,702	1,809	49,511
Total	\$ 6,794,594	\$ 1,592,442	\$ 8,387,036

Changes in Long-term Obligations

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

Business-type Activities:

	Bonds	Compensated Absences
Balance, July 1, 2017	\$ 7,091,823	\$ 18,043
Additions	0	32,974
Reductions	(297,229)	(29,662)
Balance, June 30, 2018	<u>\$ 6,794,594</u>	<u>\$ 21,355</u>
Balance Due Within One Year	<u>\$ 307,412</u>	<u>\$ 21,355</u>

	Net Pension Liability - Agent Plan*	Other Postemployment Benefits**
Balance, July 1, 2017	\$ 11,086	\$ 70,897
Additions	183,455	7,798
Reductions	(230,277)	(6,657)
Balance, June 30, 2018	<u>\$ (35,736)</u>	<u>\$ 72,038</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>

* - At June 30, 2018, the Agent Pension Plan had a net asset balance.

** - OPEB balance at July 1, 2017, was restated. See Note I.D.10.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2018	\$ 6,887,987
Less: Due Within One Year	(328,767)
Add: Unamortized Premium on Debt	<u>178,290</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 6,737,510</u>

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Marshall County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial

Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2018, were \$156,001 and \$41,712, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. **OTHER INFORMATION**

A. **Risk Management**

Primary Government and the Discretely Presented Marshall County Board of Public Utilities

Marshall County and the Marshall County Board of Public Utilities are exposed to various risks related to general liability, property, and casualty losses. In prior years, the county and the Board of Public Utilities decided it was more economically feasible to join a public entity risk pool instead of purchasing commercial insurance for general liability, property, and casualty coverage. The county and the Board of Public Utilities joined 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 and the Board of Public Utilities pay annual premiums to the LGPCF for their general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$100,000 for each insured event.

Marshall County and the Board of Public Utilities do not have a workers' compensation plan, but carry an occupational injury insurance policy. This policy covers workers' injuries, but it does not limit the county's liability should occupational-related lawsuits be filed.

Marshall County and the Board of Public Utilities participate 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.

Discretely Presented Marshall County School Department

The discretely presented Marshall County School Department participates in the Tennessee Risk Management Trust (TN-RMT), which is a public entity

risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The School Department pays an annual premium to the TN-RMT for its general liability, property, casualty, and worker's compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

The School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *Tennessee Code Annotated (TCA)*, all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

B. Accounting Changes

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

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

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

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

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

C. Contingent Liabilities

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

Marshall County is contingently liable for certain water revenue and tax bonds totaling \$6,794,594 issued or assumed by the discretely presented Marshall County Board of Public Utilities. In the event that revenues of the utility are insufficient to meet the debt service requirements, the payments will be made by Marshall County from ad valorem taxes levied upon all property in the county.

D. Joint Ventures

Primary Government

The Marshall County Joint Economic Development Board is a joint venture between Marshall County, the City of Lewisburg, and the Towns of Chapel Hill, Petersburg, and Cornersville. The board comprises the county mayor, city mayor, town administrators, and 16 additional members. The purpose of the board is to foster communication and facilitate economic and community development between and among governmental entities, industry, and private citizens. The city, towns, and county provide the majority of funding for the board based on the percentage of its population compared to the total census of the county. Marshall County has been designated as the fiscal agent for the board and accounts for its activities through the Community Development - Agency Fund, which is included in the financial statements of this report. Marshall County contributed \$56,490 to the operations of the board during the year ended June 30, 2018.

The Seventeenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Seventeenth Judicial District, Lincoln, Moore, and Marshall 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 the judicial district. Marshall County did not contribute to the DTF for the year ended June 30, 2018.

Marshall County does not have an equity interest in any of the above-noted joint ventures. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

Office of District Attorney General
Seventeenth Judicial District Drug Task Force
P.O. Box 878
Fayetteville, TN 37334

Discretely Presented Marshall County School Department

The discretely presented School Department participates in the Volunteer State Cooperative (VOLCO), which represents a cost-sharing arrangement. The cooperative was established through a contractual agreement between the Boards of Education of Marshall County, Bedford County, Coffee County, Dickson County, Fayetteville City, Hickman County, Houston County, Humphreys County, Lewis County, Lincoln County, Manchester City, and Stewart County. The cooperative was authorized through Chapter 49 of *Tennessee Code Annotated* to obtain lower prices for food supplies, materials, equipment, and services by combining the purchasing requirements of each member's school food service systems. The cooperative has contracted with a coordinating district (Dickson County School Department) and a service provider to provide these services. The cooperative is governed by a Representative Committee, comprising one representative from each of the member districts; and an Executive Council, consisting of the chair, vice chair, secretary, treasurer, and a member-at-large from the Representative Committee.

Complete financial statements for the Volunteer State Cooperative can be obtained from its administrative office at the following address:

Administrative Office:

Volunteer State Cooperative
220 McLemore Street
Dickson, TN 37055

E. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Marshall County, non-certified employees of the discretely presented Marshall County School Department, and employees of the discretely presented Marshall County Board of Public Utilities are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 55.07 percent, the non-certified employees of the discretely presented School Department comprise 41.25 percent, and the employees of the discretely presented Marshall County Board of Public Utilities comprise 3.68 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

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

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous

year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions plus any accumulated interest.

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	224
Inactive Employees Entitled to But Not Yet Receiving Benefits	350
Active Employees	477
Total	1,051

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. Marshall 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 Marshall County was \$1,043,900 based on a rate of 7.5 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Marshall 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)

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

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

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

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

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

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

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	5.69 %	31 %
International Equity Emerging Market	5.29	14
International Equity Private Equity and Strategic Lending	6.36	4
U.S. Fixed Income Real Estate	5.79	20
	2.01	20
	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 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.0 percent; and modified the mortality assumptions.

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2016	\$ 37,312,875	\$ 37,047,657	\$ 265,218
Changes for the Year:			
Service Cost	\$ 1,188,940	\$ 0	\$ 1,188,940
Interest	2,821,041	0	2,821,041
Differences Between Expected and Actual Experience	(501,622)	0	(501,622)
Changes in Assumptions	935,711	0	935,711
Contributions-Employer	0	871,778	(871,778)
Contributions-Employees	0	665,448	(665,448)
Net Investment Income	0	4,182,657	(4,182,657)
Benefit Payments, Including Refunds of Employee Contributions	(1,775,873)	(1,775,873)	0
Administrative Expense	0	(39,506)	39,506
Other Changes	0	0	0
Net Changes	<u>\$ 2,668,197</u>	<u>\$ 3,904,504</u>	<u>\$ (1,236,307)</u>
Balance, June 30, 2017	<u>\$ 39,981,072</u>	<u>\$ 40,952,161</u>	<u>\$ (971,089)</u>

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Govt	55.07%	\$ 22,017,576	\$ 22,552,355	\$ (534,779)
School Dept	41.25%	16,492,192	16,892,766	(400,574)
Public Utilities	3.68%	1,471,303	1,507,040	(35,736)
Total		<u>\$ 39,981,072</u>	<u>\$ 40,952,161</u>	<u>\$ (971,089)</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Marshall County calculated using the discount rate of 7.25 percent,

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

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

Net Pension Liability	\$ 4,276,814	\$ (971,089)	\$ (5,303,366)
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Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Pension Expense. For the year ended June 30, 2018, Marshall County recognized pension expense of \$575,463.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 286,895	\$ 704,072
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	2,090
Changes in Assumptions	748,569	0
Contributions Subsequent to the Measurement Date of June 30, 2017 (1)	1,043,900	N/A
Total	\$ 2,079,364	\$ 706,162

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 1,158,141	\$ 388,883
School Department	845,568	291,292
Public Utilities	75,655	25,987
Total	\$ 2,079,364	\$ 706,162

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

Year Ending June 30	Amount
2019	\$ (40,432)
2020	511,280
2021	54,539
2022	(196,085)
2023	0
Thereafter	0

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

Discretely Presented Marshall County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Marshall County, non-certified employees of the discretely presented Marshall County School Department, and employees of the discretely presented Marshall County Board of Public Utilities are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 55.07 percent, the non-certified employees of the

discretely presented School Department comprise 41.25 percent, and the employees of the discretely presented Marshall County Board of Public Utilities comprise 3.68 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Marshall 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 \$126,656, 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 (\$95,734) 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 .362863 percent. The proportion as of June 30, 2016, was .404487 percent.

Pension Expense. For the year ended June 30, 2018, the School Department recognized pension expense of \$43,994.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 3,355	\$ 7,200
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	5,151
Changes in Assumptions	8,411	0
Changes in Proportion of Net Pension Liability (Asset)	7,472	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2017	126,656	N/A
Total	<u>\$ 145,894</u>	<u>\$ 12,351</u>

The School Department's employer contributions of \$126,656, 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	\$ 112
2020	112
2021	(183)
2022	(1,508)
2023	921
Thereafter	7,430

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

Actuarial Assumptions. The total pension liability in the June 30, 2017, actuarial valuation was determined using the following

actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	5.69 %	31 %
International Equity Emerging Market	5.29	14
International Equity Private Equity and Strategic Lending	6.36	4
U.S. Fixed Income Real Estate	5.79	20
	2.01	20
	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 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.0 percent; and modified the mortality assumptions.

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

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the School

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability	\$ 19,100	\$ (95,734)	\$ (179,970)

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

Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the Marshall 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 Marshall County School Department for the year ended June 30, 2018, to the Teacher Legacy Pension Plan were \$1,659,365, 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 (\$171,307) 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 .523583 percent. The proportion measured at June 30, 2016, was .508235 percent.

Pension Expense. For the year ended June 30, 2018, the School Department recognized pension expense of \$51,079.

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	\$ 103,276	\$ 3,536,696
Changes in Assumptions	1,450,875	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	26,004	0
Changes in Proportion of Net Pension Liability (Asset)	175,625	30,213
LEA's Contributions Subsequent to the Measurement Date of June 30, 2017	<u>1,659,365</u>	N/A
Total	<u>\$ 3,415,145</u>	<u>\$ 3,566,909</u>

The School Department's employer contributions of \$1,659,365 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a decrease in net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2019	\$ (1,176,695)
2020	575,814
2021	(392,385)
2022	(817,863)
2023	0
Thereafter	0

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

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

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

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

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

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

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

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

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability	\$	15,371,171	\$	(171,307)	\$	(13,018,190)
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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

Marshall County, the Marshall County School Department, and the Marshall County Board of Public Utilities offer their employees a deferred compensation plan established pursuant to IRC Section 457. All costs of administering and funding this program are the responsibility of plan participants. The Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 457 establishes participation, contribution, and withdrawal provisions for the plan.

Teachers hired after July 1, 2014, by the School Department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion, which is placed into the state's 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the School Department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year the School Department contributed \$158,313 and teachers contributed \$52,141 to this deferred compensation pension plan.

F. Other Postemployment Benefits (OPEB)

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

OPEB Provided through State Administered Public Entity Risk Pools

Retirees of Marshall County, retirees of the discretely presented Marshall County Board of Public Utilities, and retirees of the discretely presented Marshall County Emergency Communications District are provided healthcare under the Local Government Plan (LGP) until they reach Medicare eligibility. The primary government employees comprised 88.33 percent, the employees of the discretely presented Marshall County Board of Public Utilities comprised 6.09 percent, and the employees of the discretely presented Marshall County Emergency Communications District comprised 5.58 percent of the plan based on employee participation in the healthcare plan. Likewise, the School Department provides healthcare benefits to its employees under the Local Education Plan (LEP) until they reach Medicare eligibility. The both certified and noncertified of the School Department may then join the Tennessee Plan - Medicare (TNM) which provides supplemental medical insurance for retirees with Medicare. However, the School Department does not provide any subsidy (direct or indirect) to this plan and therefore does not recognize any OPEB liability associated with the TNM.

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	7
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	<u>162</u>
Total	<u><u>169</u></u>

An insurance committee, created in accordance with TCA 8-27-701, establishes the required payments to the LGP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal

year ended June 30, 2018, the plan paid \$63,575 to the LGP for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2017	\$ 1,164,153
Changes for the Year:	
Service Cost	\$ 92,243
Interest	35,801
Changes in Benefit Terms	0
Difference between Expected and Actuarial Experience	0
Changes in Assumption and Other Inputs	(48,643)
Benefit Payments	(60,664)
Net Changes	<u>\$ 18,737</u>
Balance June 30, 2018	<u>\$ 1,182,890</u>

Allocation of the Total OPEB Liability in the LGP Plan

		<u>Total OPEB Liability</u>
Primary Government	88.33%	\$ 1,044,847
Public Utilities	6.09%	72,038
Emergency Communications District	5.58%	<u>66,005</u>
Total		<u>\$ 1,182,890</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, the plan recognized OPEB expense of \$122,869. At June 30, 2018, the plan 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	\$ 0	\$ 0
Changes of Assumptions/Inputs		43,468
Net Difference Between Projected and Benefits paid after the measurement date	<u>63,575</u>	<u>0</u>
Total	<u>\$ 63,575</u>	<u>\$ 43,468</u>

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 56,156	\$ 38,395
Public Utilities	3,872	2,647
Emergency Communications District	<u>3,547</u>	<u>2,426</u>
Total	<u>\$ 63,575</u>	<u>\$ 43,468</u>

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

Year Ending June 30	Amount
2019	\$ (5,175)
2020	(5,175)
2021	(5,175)
2022	(5,175)
2023	(5,175)
Thereafter	(17,593)

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

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

	1% Decrease	Current Discount Rate	1% Increase
	2.56%	3.56%	4.56%
Total OPEB Liability	\$ 1,259,483	\$ 1,182,890	\$ 1,109,445

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

	1% Decrease	Current Trend Rates	1% Increase
	6 to 3.77%	7 to 4.77%	8 to 5.77%
Total OPEB Liability	\$ 1,062,753	\$ 1,182,890	\$ 1,323,209

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

Plan Description. Employees of the Marshall 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 Marshall County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven

health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. With at least 15 years of service with the Marshall County School Department and three years of participation in the LEP or 20 or more years of service and two years of participation in the LEP, retirees are eligible to receive a monthly direct subsidy toward the cost of their insurance premiums. The monthly subsidy is based on years of service and ranges from \$145 to \$331 for certified teachers and from \$317 to \$519 for support staff, based on the insurance plan selected by the retiree. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45%; 20 but less than 30 years, 35%; and less than 20 years, 20% of the scheduled premium. No subsidy is provided by the state for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

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

	<u>School Department</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	42
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	603
Total	<u><u>645</u></u>

A state insurance committee, created in accordance with *TCA 8-27-301*, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the School Department paid \$326,785 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		<u>Total OPEB Liability</u>
	<u>Marshall County School Department 67.2561%</u>	<u>State of TN 32.7439%</u>	
Balance July 1, 2017	\$ 5,804,967	\$ 2,826,171	\$ 8,631,138
Changes for the Year:			
Service Cost	\$ 361,932	\$ 176,207	\$ 538,139
Interest	175,869	85,623	261,492
Changes in Benefit Terms	0	0	0
Difference between Expected and Actuarial Experience	0	0	0
Changes in Assumption and Other Inputs	(284,624)	(138,570)	(423,194)
Benefit Payments	(287,941)	(140,185)	(428,126)
Net Changes	\$ (34,764)	\$ (16,925)	\$ (51,689)
Balance June 30, 2018	\$ 5,770,203	\$ 2,809,246	\$ 8,579,449

The Marshall 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 Marshall County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The School Department recognized \$248,111 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for School Department retirees.

During the year, the Marshall County School Department's proportionate share of the collective OPEB liability was 67.2561% and the State of Tennessee's share was 32.7439%.

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 \$757,731, 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	256,443
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employee and Nonemployer Contributors As Benefits Came Due	0	0
Benefits Paid After the Measurement Date	<u>326,785</u>	<u>0</u>
Total	<u>\$ 326,785</u>	<u>\$ 256,443</u>

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

Year Ending June 30	School Department
2019	\$ (28,180)
2020	(28,180)
2021	(28,180)
2022	(28,180)
2023	(28,180)
Thereafter	(115,543)

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

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

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	2.56%	3.56%	4.56%

Proportionate Share of the Collective Total OPEB Liability	\$ 6,217,969	\$ 5,770,203	\$ 5,342,654
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Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the School Department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>	1% Decrease	Current Rates	1% Increase
	6.5 to 2.71%	7.5 to 3.71%	8.5 to 4.71%

Proportionate Share of the Collective Total OPEB Liability	\$ 5,066,508	\$ 5,770,203	\$ 6,606,385
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G. Office of Central Accounting and Budgeting

Marshall County operates under provisions of Chapter 17, Private Acts of 2005, which provide for a central system of accounting and budgeting covering funds administered by the county mayor and highway superintendent. These funds are maintained in the Office of Director of Accounts and Budgets.

H. Purchasing Laws

Office of County Mayor

Purchasing procedures for this office are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-207, *Tennessee Code Annotated (TCA)*, which provide for competitive bids on all purchases exceeding \$10,000. Chapter 17, Private Acts of 2005, requires that purchases exceeding \$2,500 be approved in advance by the director of accounts and budgets.

Office of Highway Superintendent

Purchasing procedures for the Highway Department are governed by Chapter 17, Private Acts of 2005, and the Uniform Road Law, Section 54-7-113, *TCA*. Competitive bids are required to be solicited through newspaper advertisement for all purchases exceeding \$10,000, and purchases exceeding \$2,500 are required to have prior approval by the director of accounts and budgets.

Office of Director of Schools

Purchasing procedures for the Marshall 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 advertisement on all purchases exceeding \$10,000.

Office of Board of Public Utilities

The utility has a general policy of requiring all purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

I. Subsequent Events

On August 31, 2018, Joe Liggett left the Office of County Mayor and was succeeded by Mike Keny, and Courtney Boatright left the Office of Circuit, General Sessions, and Juvenile Courts Clerk and was succeeded by Mike Wiles.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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

	2014	2015	2016	2017
Total Pension Liability				
Service Cost	\$ 1,004,774	\$ 1,074,330	\$ 1,099,290	\$ 1,188,940
Interest	2,357,662	2,511,475	2,699,260	2,821,041
Differences Between Actual and Expected Experience	194,505	555,152	(504,622)	(501,622)
Change in Assumptions	0	0	0	935,711
Benefit Payments, Including Refunds of Employee Contributions	(1,570,856)	(1,580,468)	(1,743,780)	(1,775,873)
Net Change in Total Pension Liability	\$ 1,986,085	\$ 2,560,489	\$ 1,550,148	\$ 2,668,197
Total Pension Liability, Beginning	31,216,153	33,202,238	35,762,727	37,312,875
Total Pension Liability, Ending (a)	\$ 33,202,238	\$ 35,762,727	\$ 37,312,875	\$ 39,981,072
Plan Fiduciary Net Position				
Contributions - Employer	\$ 1,181,756	\$ 803,925	\$ 813,697	\$ 871,778
Contributions - Employee	594,063	609,918	606,001	665,448
Net Investment Income	5,038,837	1,091,679	961,943	4,182,657
Benefit Payments, Including Refunds of Employee Contributions	(1,570,856)	(1,580,468)	(1,743,780)	(1,775,873)
Administrative Expense	(17,256)	(22,195)	(32,656)	(39,506)
Other	0	0	3,240	0
Net Change in Plan Fiduciary Net Position	\$ 5,226,544	\$ 902,859	\$ 608,445	\$ 3,904,504
Plan Fiduciary Net Position, Beginning	30,309,809	35,536,353	36,439,212	37,047,657
Plan Fiduciary Net Position, Ending (b)	\$ 35,536,353	\$ 36,439,212	\$ 37,047,657	\$ 40,952,161
Net Pension Liability (Asset), Ending (a - b)	\$ (2,334,115)	\$ (676,485)	\$ 265,218	\$ (971,089)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	107.03%	101.89%	99.29%	102.43%
Covered Payroll	\$ 11,889,021	\$ 12,192,494	\$ 12,241,399	\$ 13,228,793
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(19.63)%	(5.55)%	2.17%	(7.34)%

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

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

Exhibit E-2

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

	2014	2015	2016	2017	2018
Actuarially Determined Contribution	\$ 1,181,756	\$ 803,925	\$ 813,697	\$ 613,816	\$ 623,557
Less Contributions in Relation to the Actuarially Determined Contribution	(1,181,756)	(803,925)	(813,697)	(871,778)	(1,043,900)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (257,962)	\$ (420,343)
Covered Payroll	\$ 11,889,021	\$ 12,192,494	\$ 12,241,399	\$ 13,228,793	\$ 13,918,675
Contributions as a Percentage of Covered Payroll	9.94%	6.59%	6.65%	6.59%	7.50%

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

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

Exhibit E-3

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually Required Contribution	\$ 43,779	\$ 71,190	\$ 95,264	\$ 126,656
Less Contributions in Relation to the Contractually Required Contribution	<u>(43,779)</u>	<u>(71,190)</u>	<u>(95,264)</u>	<u>(126,656)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 1,094,463	\$ 1,779,754	\$ 2,381,591	\$ 3,166,400
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%

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

Exhibit E-4

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

	2014	2015	2016	2017	2018
Contractually Required Contribution	\$ 1,717,390	\$ 1,675,968	\$ 1,658,502	\$ 1,673,159	\$ 1,659,365
Less Contributions in Relation to the Contractually Required Contribution	<u>(1,717,390)</u>	<u>(1,675,968)</u>	<u>(1,658,502)</u>	<u>(1,673,159)</u>	<u>(1,659,365)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 19,339,980	\$ 18,539,464	\$ 18,346,239	\$ 18,508,367	\$ 18,274,915
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 E-5

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>
School Department's Proportion of the Net Pension Liability (Asset)	0.515889%	0.404487%	0.362863%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (21,191)	\$ (42,108)	\$ (95,734)
Covered Payroll	\$ 1,094,463	\$ 1,779,754	\$ 2,381,591
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.02)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%

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

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

Exhibit E-6

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

	2015	2016	2017	2018
School Department's Proportion of the Net Pension Liability (Asset)	0.492739%	0.495244%	0.508235%	0.523583%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (80,068)	\$ 202,869	\$ 3,176,187	\$ (171,307)
Covered Payroll	\$ 19,339,980	\$ 18,539,464	\$ 18,346,239	\$ 18,508,367
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41)%	1.09%	17.31%	(0.93)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%

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

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

Exhibit E-7

Marshall 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 *

	<u>2018</u>
Total OPEB Liability	
Service Cost	\$ 92,243
Interest	35,801
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	0
Changes in Assumptions or Other Inputs	(48,643)
Benefit Payments	<u>(60,664)</u>
Net Change in Total OPEB Liability	\$ 18,737
Total OPEB Liability, Beginning	<u>1,164,153</u>
 Total OPEB Liability, Ending	 <u><u>\$ 1,182,890</u></u>
 Proportionate Share of the Total OPEB Liability:	
Primary Government	\$ 1,044,847
Public Utilities (discretely presented component unit)	72,038
Emergency Communications District (discretely presented component unit)	66,005
 Covered Employee Payroll	 \$ 8,969,062
Net OPEB Liability as a Percentage of Covered Employee Payroll	13.19%

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

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

2017	2.92%
2018	3.56%

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

Exhibit E-8

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

	<u>2018</u>
Total OPEB Liability	
Service Cost	\$ 538,139
Interest	261,492
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	0
Changes in Assumptions or Other Inputs	(423,194)
Benefit Payments	<u>(428,126)</u>
Net Change in Total OPEB Liability	\$ (51,689)
Total OPEB Liability, Beginning	<u>8,631,138</u>
Total OPEB Liability, Ending	<u>\$ 8,579,449</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 2,809,246
Employer Proportionate Share of the Total OPEB Liability	5,770,203
Covered Employee Payroll	\$ 27,319,044
Net OPEB Liability as a Percentage of Covered Employee Payroll	21.12%

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.

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

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

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

Methods and assumptions used to determine contribution rates:

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

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Juvenile Services Fund – The Juvenile Services Fund is used to account for the costs of the delinquency prevention officer’s grant, programs, and services.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for the Marshall/Maury Municipal Planning Region.

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

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

Capital Projects Funds

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

General Capital Projects Fund – The General Capital Projects Fund is used to account for the acquisition or construction of capital facilities for the general government and debt issued by the county that is subsequently contributed to the discretely presented Marshall County School Department for general capital expenditures.

Highway Capital Projects Fund – The Highway Capital Projects Fund is used to account for highway-related expenditures of the county.

School Bus Acquisition Fund – The School Bus Acquisition Fund is used to account for school bus purchases.

Exhibit F-1

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

	Special Revenue Funds				Capital Projects Funds	
	Juvenile Services	Solid Waste / Sanitation	Drug Control	Total	General Capital Projects	Highway Capital Projects
<u>ASSETS</u>						
Equity in Pooled Cash and Investments	\$ 87,915	\$ 1,407,089	\$ 93,413	\$ 1,588,417	\$ 6,434	\$ 81,886
Accounts Receivable	0	4,733	0	4,733	0	0
Due from Other Governments	0	59,423	0	59,423	0	0
Due from Other Funds	0	0	0	0	0	304,583
Total Assets	\$ 87,915	\$ 1,471,245	\$ 93,413	\$ 1,652,573	\$ 6,434	\$ 386,469
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 24,273	\$ 0	\$ 24,273	\$ 0	\$ 0
Payroll Deductions Payable	0	8,686	0	8,686	0	0
Due to Other Funds	0	200	0	200	0	0
Total Liabilities	\$ 0	\$ 33,159	\$ 0	\$ 33,159	\$ 0	\$ 0
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 0	\$ 93,413	\$ 93,413	\$ 0	\$ 0
Restricted for Highways/Public Works	0	0	0	0	0	386,469
Restricted for Capital Outlay	0	0	0	0	6,434	0
Committed:						
Committed for Administration of Justice	87,915	0	0	87,915	0	0
Committed for Public Health and Welfare	0	1,438,086	0	1,438,086	0	0
Total Fund Balances	\$ 87,915	\$ 1,438,086	\$ 93,413	\$ 1,619,414	\$ 6,434	\$ 386,469
Total Liabilities and Fund Balances	\$ 87,915	\$ 1,471,245	\$ 93,413	\$ 1,652,573	\$ 6,434	\$ 386,469

(Continued)

Exhibit F-1

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

	<u>Capital Projects Funds (Cont.)</u>		Total
	School		Nonmajor
	Bus		Governmental
	Acquisition	Total	Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 1,064,539	\$ 1,152,859	\$ 2,741,276
Accounts Receivable	0	0	4,733
Due from Other Governments	0	0	59,423
Due from Other Funds	0	304,583	304,583
	<hr/>		
Total Assets	\$ 1,064,539	\$ 1,457,442	\$ 3,110,015
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 0	\$ 24,273
Payroll Deductions Payable	0	0	8,686
Due to Other Funds	0	0	200
Total Liabilities	\$ 0	\$ 0	\$ 33,159
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Public Safety	\$ 0	\$ 0	\$ 93,413
Restricted for Highways/Public Works	0	386,469	386,469
Restricted for Capital Outlay	1,064,539	1,070,973	1,070,973
Committed:			
Committed for Administration of Justice	0	0	87,915
Committed for Public Health and Welfare	0	0	1,438,086
Total Fund Balances	\$ 1,064,539	\$ 1,457,442	\$ 3,076,856
	<hr/>		
Total Liabilities and Fund Balances	\$ 1,064,539	\$ 1,457,442	\$ 3,110,015
	<hr/>		

Exhibit F-2

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

	Special Revenue Funds					Capital Projects Funds
	Juvenile Services	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
<u>Revenues</u>						
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fines, Forfeitures, and Penalties	70,590	0	11,257	0	81,847	0
Charges for Current Services	0	368,926	0	124	369,050	0
Other Local Revenues	0	1,005,800	10,875	0	1,016,675	0
State of Tennessee	0	141,323	0	0	141,323	0
Total Revenues	\$ 70,590	\$ 1,516,049	\$ 22,132	\$ 124	\$ 1,608,895	\$ 0
<u>Expenditures</u>						
Current:						
Finance	\$ 0	\$ 0	\$ 0	\$ 124	\$ 124	\$ 0
Administration of Justice	6,038	0	0	0	6,038	0
Public Safety	0	0	5,254	0	5,254	0
Public Health and Welfare	0	1,272,742	0	0	1,272,742	0
Capital Projects	0	0	0	0	0	403,368
Capital Projects - Donated	0	0	0	0	0	0
Total Expenditures	\$ 6,038	\$ 1,272,742	\$ 5,254	\$ 124	\$ 1,284,158	\$ 403,368
Excess (Deficiency) of Revenues Over Expenditures	\$ 64,552	\$ 243,307	\$ 16,878	\$ 0	\$ 324,737	\$ (403,368)
<u>Other Financing Sources (Uses)</u>						
Capital Leases Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 403,368
Transfers In	0	0	0	0	0	0
Transfers Out	(20,000)	0	0	0	(20,000)	0
Total Other Financing Sources (Uses)	\$ (20,000)	\$ 0	\$ 0	\$ 0	\$ (20,000)	\$ 403,368
Net Change in Fund Balances	\$ 44,552	\$ 243,307	\$ 16,878	\$ 0	\$ 304,737	\$ 0
Fund Balance, July 1, 2017	43,363	1,194,779	76,535	0	1,314,677	6,434
Fund Balance, June 30, 2018	\$ 87,915	\$ 1,438,086	\$ 93,413	\$ 0	\$ 1,619,414	\$ 6,434

(Continued)

Exhibit F-2

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

	Capital Projects Funds (Cont.)			Total Nonmajor Governmental Funds
	Highway Capital Projects	School Bus Acquisition	Total	
<u>Revenues</u>				
Local Taxes	\$ 0	\$ 96,610	\$ 96,610	\$ 96,610
Fines, Forfeitures, and Penalties	0	0	0	81,847
Charges for Current Services	0	0	0	369,050
Other Local Revenues	0	0	0	1,016,675
State of Tennessee	0	102,456	102,456	243,779
Total Revenues	\$ 0	\$ 199,066	\$ 199,066	\$ 1,807,961
<u>Expenditures</u>				
Current:				
Finance	\$ 0	\$ 0	\$ 0	\$ 124
Administration of Justice	0	0	0	6,038
Public Safety	0	0	0	5,254
Public Health and Welfare	0	0	0	1,272,742
Capital Projects	212,866	966	617,200	617,200
Capital Projects - Donated	0	387,600	387,600	387,600
Total Expenditures	\$ 212,866	\$ 388,566	\$ 1,004,800	\$ 2,288,958
Excess (Deficiency) of Revenues Over Expenditures	\$ (212,866)	\$ (189,500)	\$ (805,734)	\$ (480,997)
<u>Other Financing Sources (Uses)</u>				
Capital Leases Issued	\$ 0	\$ 0	\$ 403,368	\$ 403,368
Transfers In	304,583	0	304,583	304,583
Transfers Out	0	0	0	(20,000)
Total Other Financing Sources (Uses)	\$ 304,583	\$ 0	\$ 707,951	\$ 687,951
Net Change in Fund Balances	\$ 91,717	\$ (189,500)	\$ (97,783)	\$ 206,954
Fund Balance, July 1, 2017	294,752	1,254,039	1,555,225	2,869,902
Fund Balance, June 30, 2018	\$ 386,469	\$ 1,064,539	\$ 1,457,442	\$ 3,076,856

Exhibit F-3

Marshall County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Juvenile Services Fund
For the Year Ended June 30, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 70,590	\$ 60,000	\$ 60,000	\$ 10,590
Total Revenues	\$ 70,590	\$ 60,000	\$ 60,000	\$ 10,590
<u>Expenditures</u>				
<u>Administration of Justice</u>				
Juvenile Court	\$ 6,038	\$ 22,000	\$ 22,000	\$ 15,962
Total Expenditures	\$ 6,038	\$ 22,000	\$ 22,000	\$ 15,962
Excess (Deficiency) of Revenues Over Expenditures	\$ 64,552	\$ 38,000	\$ 38,000	\$ 26,552
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (20,000)	\$ (20,000)	\$ (20,000)	\$ 0
Total Other Financing Sources	\$ (20,000)	\$ (20,000)	\$ (20,000)	\$ 0
Net Change in Fund Balance	\$ 44,552	\$ 18,000	\$ 18,000	\$ 26,552
Fund Balance, July 1, 2017	43,363	40,736	43,363	0
Fund Balance, June 30, 2018	\$ 87,915	\$ 58,736	\$ 61,363	\$ 26,552

Exhibit F-4

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 368,926	\$ 535,000	\$ 225,000	\$ 143,926
Other Local Revenues	1,005,800	843,000	1,153,000	(147,200)
State of Tennessee	141,323	418,900	418,900	(277,577)
Total Revenues	<u>\$ 1,516,049</u>	<u>\$ 1,796,900</u>	<u>\$ 1,796,900</u>	<u>\$ (280,851)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Management	\$ 1,272,742	\$ 1,807,076	\$ 1,807,076	\$ 534,334
Total Expenditures	<u>\$ 1,272,742</u>	<u>\$ 1,807,076</u>	<u>\$ 1,807,076</u>	<u>\$ 534,334</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 243,307</u>	<u>\$ (10,176)</u>	<u>\$ (10,176)</u>	<u>\$ 253,483</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 0	\$ 1,500	\$ 1,500	\$ (1,500)
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 1,500</u>	<u>\$ 1,500</u>	<u>\$ (1,500)</u>
Net Change in Fund Balance	\$ 243,307	\$ (8,676)	\$ (8,676)	\$ 251,983
Fund Balance, July 1, 2017	<u>1,194,779</u>	<u>978,702</u>	<u>1,194,779</u>	<u>0</u>
Fund Balance, June 30, 2018	<u>\$ 1,438,086</u>	<u>\$ 970,026</u>	<u>\$ 1,186,103</u>	<u>\$ 251,983</u>

Exhibit F-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 11,257	\$ 7,960	\$ 7,960	\$ 3,297
Other Local Revenues	10,875	1,500	1,500	9,375
Total Revenues	<u>\$ 22,132</u>	<u>\$ 9,460</u>	<u>\$ 9,460</u>	<u>\$ 12,672</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 5,254	\$ 7,125	\$ 7,125	\$ 1,871
Total Expenditures	<u>\$ 5,254</u>	<u>\$ 7,125</u>	<u>\$ 7,125</u>	<u>\$ 1,871</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 16,878</u>	<u>\$ 2,335</u>	<u>\$ 2,335</u>	<u>\$ 14,543</u>
Net Change in Fund Balance	\$ 16,878	\$ 2,335	\$ 2,335	\$ 14,543
Fund Balance, July 1, 2017	76,535	70,097	76,535	0
Fund Balance, June 30, 2018	<u>\$ 93,413</u>	<u>\$ 72,432</u>	<u>\$ 78,870</u>	<u>\$ 14,543</u>

Exhibit F-6

Marshall County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
School Bus Acquisition Fund
For the Year Ended June 30, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 96,610	\$ 130,000	\$ 130,000	\$ (33,390)
State of Tennessee	102,456	120,000	120,000	(17,544)
Total Revenues	<u>\$ 199,066</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ (50,934)</u>
<u>Expenditures</u>				
<u>Capital Projects</u>				
Other General Government Projects	\$ 966	\$ 3,000	\$ 3,000	\$ 2,034
<u>Capital Projects - Donated</u>				
Capital Projects Donated to School Department	387,600	400,000	400,000	12,400
Total Expenditures	<u>\$ 388,566</u>	<u>\$ 403,000</u>	<u>\$ 403,000</u>	<u>\$ 14,434</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (189,500)</u>	<u>\$ (153,000)</u>	<u>\$ (153,000)</u>	<u>\$ (36,500)</u>
Net Change in Fund Balance	\$ (189,500)	\$ (153,000)	\$ (153,000)	\$ (36,500)
Fund Balance, July 1, 2017	1,254,039	1,225,297	1,254,039	0
Fund Balance, June 30, 2018	<u>\$ 1,064,539</u>	<u>\$ 1,072,297</u>	<u>\$ 1,101,039</u>	<u>\$ (36,500)</u>

Major Governmental Funds

General Debt Service Fund

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

Other Capital Projects Fund

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

Exhibit G-1

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 5,421,072	\$ 5,057,725	\$ 5,057,725	\$ 363,347
Other Local Revenues	63,651	0	0	63,651
State of Tennessee	46,623	46,000	46,000	623
Other Governments and Citizens Groups	425,679	259,944	425,679	0
Total Revenues	<u>\$ 5,957,025</u>	<u>\$ 5,363,669</u>	<u>\$ 5,529,404</u>	<u>\$ 427,621</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 3,557,887	\$ 890,000	\$ 3,560,399	\$ 2,512
Highways and Streets	576,039	124,000	576,366	327
Education	2,538,096	2,170,000	2,540,821	2,725
<u>Interest on Debt</u>				
General Government	223,772	225,000	225,000	1,228
Highways and Streets	14,766	15,000	15,000	234
Education	868,365	867,000	869,148	783
<u>Other Debt Service</u>				
General Government	73,832	74,000	74,000	168
Highways and Streets	735	2,500	2,500	1,765
Education	1,950	2,500	2,500	550
Total Expenditures	<u>\$ 7,855,442</u>	<u>\$ 4,370,000</u>	<u>\$ 7,865,734</u>	<u>\$ 10,292</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,898,417)</u>	<u>\$ 993,669</u>	<u>\$ (2,336,330)</u>	<u>\$ 437,913</u>
Net Change in Fund Balance	\$ (1,898,417)	\$ 993,669	\$ (2,336,330)	\$ 437,913
Fund Balance, July 1, 2017	<u>5,561,083</u>	<u>5,491,320</u>	<u>5,561,083</u>	<u>0</u>
Fund Balance, June 30, 2018	<u>\$ 3,662,666</u>	<u>\$ 6,484,989</u>	<u>\$ 3,224,753</u>	<u>\$ 437,913</u>

Exhibit G-2

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,307,064	\$ 1,276,687	\$ 1,276,687	\$ 30,377
Other Local Revenues	10,437	10,438	10,438	(1)
State of Tennessee	53,999	48,500	48,500	5,499
Total Revenues	<u>\$ 1,371,500</u>	<u>\$ 1,335,625</u>	<u>\$ 1,335,625</u>	<u>\$ 35,875</u>
<u>Expenditures</u>				
<u>Capital Projects</u>				
Other General Government Projects	\$ 318,672	\$ 2,028,000	\$ 2,064,270	\$ 1,745,598
Education Capital Projects	0	34,188	0	0
Total Expenditures	<u>\$ 318,672</u>	<u>\$ 2,062,188</u>	<u>\$ 2,064,270</u>	<u>\$ 1,745,598</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,052,828</u>	<u>\$ (726,563)</u>	<u>\$ (728,645)</u>	<u>\$ 1,781,473</u>
Net Change in Fund Balance	\$ 1,052,828	\$ (726,563)	\$ (728,645)	\$ 1,781,473
Fund Balance, July 1, 2017	1,933,140	1,902,299	1,933,140	0
Fund Balance, June 30, 2018	<u>\$ 2,985,968</u>	<u>\$ 1,175,736</u>	<u>\$ 1,204,495</u>	<u>\$ 1,781,473</u>

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.

Community Development - Agency Fund – The Community Development - Agency Fund is used to account for transactions of the Marshall County Joint Economic Development Board for Marshall County, the City of Lewisburg, the Towns of Chapel Hill, Petersburg, and Cornersville.

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.

Other Agency Fund – The Other Agency Fund is used to account for payroll processing of the Marshall County Emergency Communications District.

Exhibit H-1

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

	Agency Funds					Total
	Cities - Sales Tax	Community Development Agency	Constitu - tional Officers - Agency	Other Agency		
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 820,526	\$ 0	\$ 820,526	
Equity in Pooled Cash and Investments	0	43,036	0	43,912	86,948	
Accounts Receivable	0	0	4,369	0	4,369	
Due from Other Governments	379,373	0	0	0	379,373	
Total Assets	<u>\$ 379,373</u>	<u>\$ 43,036</u>	<u>\$ 824,895</u>	<u>\$ 43,912</u>	<u>\$ 1,291,216</u>	
<u>LIABILITIES</u>						
Payroll Deductions Payable	\$ 0	\$ 1,198	\$ 0	\$ 13,263	\$ 14,461	
Due to Other Funds	0	0	0	649	649	
Due to Other Taxing Units	379,373	0	0	0	379,373	
Due to Litigants, Heirs, and Others	0	41,838	824,895	0	866,733	
Other Current Liabilities	0	0	0	30,000	30,000	
Total Liabilities	<u>\$ 379,373</u>	<u>\$ 43,036</u>	<u>\$ 824,895</u>	<u>\$ 43,912</u>	<u>\$ 1,291,216</u>	

Exhibit H-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 2,244,268	\$ 2,244,268	\$ 0
Due from Other Governments	443,814	379,373	443,814	379,373
Total Assets	\$ 443,814	\$ 2,623,641	\$ 2,688,082	\$ 379,373
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 443,814	\$ 2,623,641	\$ 2,688,082	\$ 379,373
Total Liabilities	\$ 443,814	\$ 2,623,641	\$ 2,688,082	\$ 379,373
<u>Community Development - Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 50,362	\$ 81,680	\$ 89,006	\$ 43,036
Total Assets	\$ 50,362	\$ 81,680	\$ 89,006	\$ 43,036
<u>Liabilities</u>				
Accounts Payable	\$ 49	\$ 0	\$ 49	\$ 0
Payroll Deductions Payable	1,022	1,198	1,022	1,198
Due to Litigants, Heirs, and Others	49,291	80,482	87,935	41,838
Total Liabilities	\$ 50,362	\$ 81,680	\$ 89,006	\$ 43,036
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 751,668	\$ 7,423,176	\$ 7,354,318	\$ 820,526
Accounts Receivable	1,320	4,369	1,320	4,369
Total Assets	\$ 752,988	\$ 7,427,545	\$ 7,355,638	\$ 824,895
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 752,988	\$ 7,427,545	\$ 7,355,638	\$ 824,895
Total Liabilities	\$ 752,988	\$ 7,427,545	\$ 7,355,638	\$ 824,895

(Continued)

Exhibit H-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Other Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 42,465	\$ 718,773	\$ 717,326	\$ 43,912
Total Assets	\$ 42,465	\$ 718,773	\$ 717,326	\$ 43,912
<u>Liabilities</u>				
Payroll Deductions Payable	\$ 12,465	\$ 13,263	\$ 12,465	\$ 13,263
Due to Other Funds	0	649	0	649
Other Current Liabilities	30,000	704,861	704,861	30,000
Total Liabilities	\$ 42,465	\$ 718,773	\$ 717,326	\$ 43,912
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 751,668	\$ 7,423,176	\$ 7,354,318	\$ 820,526
Equity in Pooled Cash and Investments	92,827	3,044,721	3,050,600	86,948
Accounts Receivable	1,320	4,369	1,320	4,369
Due from Other Governments	443,814	379,373	443,814	379,373
Total Assets	\$ 1,289,629	\$ 10,851,639	\$ 10,850,052	\$ 1,291,216
<u>Liabilities</u>				
Accounts Payable	\$ 49	\$ 0	\$ 49	\$ 0
Payroll Deductions Payable	13,487	14,461	13,487	14,461
Due to Other Funds	0	649	0	649
Due to Other Taxing Units	443,814	2,623,641	2,688,082	379,373
Due to Litigants, Heirs, and Others	802,279	7,508,027	7,443,573	866,733
Other Current Liabilities	30,000	704,861	704,861	30,000
Total Liabilities	\$ 1,289,629	\$ 10,851,639	\$ 10,850,052	\$ 1,291,216

Marshall County School Department

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

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

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

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

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

Exhibit I-1

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 26,748,583	\$ 0	\$ 3,180,502	\$ 101,000	\$ (23,467,081)
Support Services	16,786,221	86,306	157,091	387,600	(16,155,224)
Operation of Non-instructional Services	3,904,484	1,119,601	2,310,744	0	(474,139)
Total Governmental Activities	\$ 47,439,288	\$ 1,205,907	\$ 5,648,337	\$ 488,600	\$ (40,096,444)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 9,293,437
Local Option Sales Tax					2,856,070
Other Local Taxes					10,981
Grants and Contributions Not Restricted to Specific Programs					29,143,736
Unrestricted Investment Income					391
Miscellaneous					84,297
Total General Revenues					\$ 41,388,912
Change in Net Position					\$ 1,292,468
Net Position, July 1, 2017					54,894,278
Restatement - See Note I.D.10.					1,179,358
Net Position, June 30, 2018					\$ 57,366,104

Exhibit I-2

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

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	<u>General</u>	<u>Other</u>	
	<u>Purpose</u>	<u>Govern-</u>	<u>Total</u>
	<u>School</u>	<u>mental</u>	<u>Governmental</u>
		<u>Funds</u>	<u>Funds</u>
<u>ASSETS</u>			
Cash	\$ 0	\$ 2,341	\$ 2,341
Equity in Pooled Cash and Investments	7,185,449	550,472	7,735,921
Accounts Receivable	1,641	0	1,641
Due from Other Governments	1,579,837	150,897	1,730,734
Property Taxes Receivable	9,357,958	0	9,357,958
Allowance for Uncollectible Property Taxes	(169,668)	0	(169,668)
Total Assets	<u>\$ 17,955,217</u>	<u>\$ 703,710</u>	<u>\$ 18,658,927</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 16,820	\$ 0	\$ 16,820
Payroll Deductions Payable	822,384	0	822,384
Total Liabilities	<u>\$ 839,204</u>	<u>\$ 0</u>	<u>\$ 839,204</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 9,000,625	\$ 0	\$ 9,000,625
Deferred Delinquent Property Taxes	154,665	0	154,665
Other Deferred/Unavailable Revenue	230,000	0	230,000
Total Deferred Inflows of Resources	<u>\$ 9,385,290</u>	<u>\$ 0</u>	<u>\$ 9,385,290</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 0	\$ 474,724	\$ 474,724
Committed:			
Committed for Education	0	200,000	200,000
Assigned:			
Assigned for Education	3,406,932	28,986	3,435,918
Unassigned	4,323,791	0	4,323,791
Total Fund Balances	<u>\$ 7,730,723</u>	<u>\$ 703,710</u>	<u>\$ 8,434,433</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 17,955,217</u>	<u>\$ 703,710</u>	<u>\$ 18,658,927</u>

Exhibit I-3

Marshall County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Marshall County School Department
For the Year Ended 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)		\$ 8,434,433
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 2,391,826	
Add: buildings and improvements net of accumulated depreciation	47,442,391	
Add: infrastructure net of accumulated depreciation	81,585	
Add: other capital assets net of accumulated depreciation	<u>3,585,382</u>	53,501,184
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: compensated absences payable	\$ (158,896)	
Less: other postemployment benefits liability	(5,770,203)	
Less: contributions due on primary government debt for capital leases	<u>(299,091)</u>	(6,228,190)
(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	\$ 4,406,607	
Less: deferred inflows of resources related to pensions	(3,870,552)	
Add: deferred outflows of resources related to OPEB	326,785	
Less: deferred inflows of resources related to OPEB	<u>(256,443)</u>	606,397
(4) Net pension assets of the agent, teacher retirement, and teacher legacy pension plans are not current financial resources and therefore are not reported in the governmental funds.		
Pension Asset - agent plan	\$ 400,574	
Pension Asset - teacher retirement plan	95,734	
Pension Asset - teacher legacy retirement plan	<u>171,307</u>	667,615
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>384,665</u>
Net position of governmental activities (Exhibit A)		<u>\$ 57,366,104</u>

Exhibit I-4

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

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 12,289,311	\$ 0	\$ 12,289,311
Licenses and Permits	2,023	0	2,023
Charges for Current Services	86,306	1,119,601	1,205,907
Other Local Revenues	81,797	391	82,188
State of Tennessee	29,730,968	27,002	29,757,970
Federal Government	449,794	4,685,786	5,135,580
Other Governments and Citizens Groups	790,968	0	790,968
Total Revenues	<u>\$ 43,431,167</u>	<u>\$ 5,832,780</u>	<u>\$ 49,263,947</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 25,945,318	\$ 2,079,771	\$ 28,025,089
Support Services	14,764,649	519,543	15,284,192
Operation of Non-Instructional Services	623,999	3,334,336	3,958,335
Capital Outlay	1,100,315	0	1,100,315
Debt Service:			
Other Debt Service	425,679	0	425,679
Capital Projects	0	279,959	279,959
Total Expenditures	<u>\$ 42,859,960</u>	<u>\$ 6,213,609</u>	<u>\$ 49,073,569</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 571,207</u>	<u>\$ (380,829)</u>	<u>\$ 190,378</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 573,922	\$ 0	\$ 573,922
Total Other Financing Sources (Uses)	<u>\$ 573,922</u>	<u>\$ 0</u>	<u>\$ 573,922</u>
Net Change in Fund Balances	\$ 1,145,129	\$ (380,829)	\$ 764,300
Fund Balance, July 1, 2017	6,585,594	1,084,539	7,670,133
Fund Balance, June 30, 2018	<u>\$ 7,730,723</u>	<u>\$ 703,710</u>	<u>\$ 8,434,433</u>

Exhibit I-5

Marshall County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Marshall 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)		\$	764,300
(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	\$	1,837,344	
Less: current-year depreciation expense		<u>(2,642,839)</u>	(805,495)
(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	\$	384,665	
Less: deferred delinquent property taxes and other deferred June 30, 2017		<u>(513,488)</u>	(128,823)
(3) The contributions of long-term debt (e.g., notes, bonds, leases) by the primary government provide current financial resources to governmental funds, while the contributions by the School Department of the principal of long-term debt consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.			
Less: capital lease proceeds from primary government	\$	(403,368)	
Add: principal contributions on loans to primary government		<u>163,587</u>	(239,781)
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in net pension asset - agent pension plan	\$	508,067	
Change in net pension asset - teacher retirement plan		53,626	
Change in net pension asset - teacher legacy pension plan		3,347,494	
Change in deferred outflows of resources related to pensions		<u>(2,213,486)</u>	
Change in deferred inflows of resources related to pensions		183,515	
Change in other postemployment benefits liability (net of restatement)		34,764	
Change in deferred outflows of resources related to OPEB (net of restatement)		38,844	
Change in deferred inflows of resources related to OPEB		<u>(256,443)</u>	
Change in compensated absences payable		<u>5,886</u>	<u>1,702,267</u>
Change in net position of governmental activities (Exhibit B)			<u>\$ 1,292,468</u>

Exhibit I-6

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

	<u>Special Revenue Funds</u>		Total
	School	Central	Nonmajor
	Federal	Cafeteria	Governmental
	Projects		Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 2,341	\$ 2,341
Equity in Pooled Cash and Investments	200,000	350,472	550,472
Due from Other Governments	0	150,897	150,897
Total Assets	<u>\$ 200,000</u>	<u>\$ 503,710</u>	<u>\$ 703,710</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 0	\$ 474,724	\$ 474,724
Committed:			
Committed for Education	200,000	0	200,000
Assigned:			
Assigned for Education	0	28,986	28,986
Total Fund Balances	<u>\$ 200,000</u>	<u>\$ 503,710</u>	<u>\$ 703,710</u>

Exhibit I-7

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

	Special Revenue Funds			Capital	Total
	School Federal Projects	Central Cafeteria	Total	Projects Fund Education Capital Projects	
<u>Revenues</u>					
Charges for Current Services	\$ 0	\$ 1,119,601	\$ 1,119,601	\$ 0	\$ 1,119,601
Other Local Revenues	0	391	391	0	391
State of Tennessee	0	27,002	27,002	0	27,002
Federal Government	2,599,392	2,086,394	4,685,786	0	4,685,786
Total Revenues	<u>\$ 2,599,392</u>	<u>\$ 3,233,388</u>	<u>\$ 5,832,780</u>	<u>\$ 0</u>	<u>\$ 5,832,780</u>
<u>Expenditures</u>					
Current:					
Instruction	\$ 2,079,771	\$ 0	\$ 2,079,771	\$ 0	\$ 2,079,771
Support Services	519,543	0	519,543	0	519,543
Operation of Non-Instructional Services	78	3,334,258	3,334,336	0	3,334,336
Capital Projects	0	0	0	279,959	279,959
Total Expenditures	<u>\$ 2,599,392</u>	<u>\$ 3,334,258</u>	<u>\$ 5,933,650</u>	<u>\$ 279,959</u>	<u>\$ 6,213,609</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 0</u>	<u>\$ (100,870)</u>	<u>\$ (100,870)</u>	<u>\$ (279,959)</u>	<u>\$ (380,829)</u>
Net Change in Fund Balances	\$ 0	\$ (100,870)	\$ (100,870)	\$ (279,959)	\$ (380,829)
Fund Balance, July 1, 2017	200,000	604,580	804,580	279,959	1,084,539
Fund Balance, June 30, 2018	<u>\$ 200,000</u>	<u>\$ 503,710</u>	<u>\$ 703,710</u>	<u>\$ 0</u>	<u>\$ 703,710</u>

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 12,289,311	\$ 0	\$ 0	\$ 12,289,311	\$ 11,308,133	\$ 11,308,133	\$ 981,178
Licenses and Permits	2,023	0	0	2,023	1,867	1,867	156
Charges for Current Services	86,306	0	0	86,306	72,000	72,000	14,306
Other Local Revenues	81,797	0	0	81,797	449,000	61,400	20,397
State of Tennessee	29,730,968	0	0	29,730,968	28,901,899	29,280,100	450,868
Federal Government	449,794	0	0	449,794	0	492,558	(42,764)
Other Governments and Citizens Groups	790,968	0	0	790,968	0	790,968	0
Total Revenues	\$ 43,431,167	\$ 0	\$ 0	\$ 43,431,167	\$ 40,732,899	\$ 42,007,026	\$ 1,424,141
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 21,890,394	\$ (71,610)	\$ 390,058	\$ 22,208,842	\$ 23,323,102	\$ 23,227,231	\$ 1,018,389
Alternative Instruction Program	211,541	0	0	211,541	229,015	229,015	17,474
Special Education Program	2,398,520	0	0	2,398,520	2,696,458	2,726,428	327,908
Career and Technical Education Program	1,444,863	0	0	1,444,863	1,318,033	1,458,041	13,178
<u>Support Services</u>							
Attendance	154,299	(50)	269	154,518	219,681	219,681	65,163
Health Services	355,586	(1,425)	6,868	361,029	372,438	372,438	11,409
Other Student Support	980,304	(4,305)	0	975,999	1,001,346	1,030,326	54,327
Regular Instruction Program	1,145,418	(442)	2,945	1,147,921	1,569,167	1,202,801	54,880
Special Education Program	51,286	0	0	51,286	80,796	80,796	29,510
Career and Technical Education Program	102,012	0	0	102,012	105,423	105,423	3,411
Technology	511,586	0	100	511,686	0	526,335	14,649
Other Programs	197,713	0	0	197,713	0	197,713	0
Board of Education	554,239	(16)	4,986	559,209	627,122	627,122	67,913
Director of Schools	217,893	0	279	218,172	220,607	221,557	3,385
Office of the Principal	2,853,929	(3,060)	4,630	2,855,499	2,845,991	2,899,475	43,976
Fiscal Services	370,506	0	0	370,506	352,045	379,445	8,939
Human Services/Personnel	169,288	0	985	170,273	179,094	179,094	8,821

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Operation of Plant	\$ 3,327,575	\$ (12,171)	\$ 0	\$ 3,315,404	\$ 3,484,326	\$ 3,484,326	\$ 168,922
Maintenance of Plant	1,430,365	(45,557)	37,425	1,422,233	1,368,681	1,473,486	51,253
Transportation	2,098,735	(48,315)	45,916	2,096,336	2,275,387	2,292,387	196,051
Central and Other	243,915	(3,500)	4,685	245,100	290,797	291,297	46,197
<u>Operation of Non-Instructional Services</u>							
Community Services	419,076	(945)	0	418,131	0	467,589	49,458
Early Childhood Education	204,923	(8,716)	0	196,207	197,349	198,049	1,842
<u>Capital Outlay</u>							
Regular Capital Outlay	1,100,315	(43,177)	32,435	1,089,573	500,000	1,192,589	103,016
<u>Other Debt Service</u>							
Education	425,679	0	0	425,679	0	425,679	0
Total Expenditures	\$ 42,859,960	\$ (243,289)	\$ 531,581	\$ 43,148,252	\$ 43,256,858	\$ 45,508,323	\$ 2,360,071
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 571,207	\$ 243,289	\$ (531,581)	\$ 282,915	\$ (2,523,959)	\$ (3,501,297)	\$ 3,784,212
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 573,922	\$ 0	\$ 0	\$ 573,922	\$ 500	\$ 497,894	\$ 76,028
Transfers Out	0	0	0	0	(259,958)	(14)	14
Total Other Financing Sources	\$ 573,922	\$ 0	\$ 0	\$ 573,922	\$ (259,458)	\$ 497,880	\$ 76,042
Net Change in Fund Balance							
Fund Balance, July 1, 2017	\$ 1,145,129	\$ 243,289	\$ (531,581)	\$ 856,837	\$ (2,783,417)	\$ (3,003,417)	\$ 3,860,254
	6,585,594	(243,289)	0	6,342,305	5,503,672	6,342,305	0
Fund Balance, June 30, 2018	\$ 7,730,723	\$ 0	\$ (531,581)	\$ 7,199,142	\$ 2,720,255	\$ 3,338,888	\$ 3,860,254

Exhibit I-9

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 2,599,392	\$ 2,418,758	\$ 2,817,804	\$ (218,412)
Total Revenues	\$ 2,599,392	\$ 2,418,758	\$ 2,817,804	\$ (218,412)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,033,737	\$ 928,149	\$ 1,114,141	\$ 80,404
Special Education Program	990,724	954,816	1,045,838	55,114
Career and Technical Education Program	55,310	54,461	55,310	0
<u>Support Services</u>				
Other Student Support	21,459	25,138	39,178	17,719
Regular Instruction Program	142,259	144,239	179,776	37,517
Special Education Program	207,275	165,092	224,998	17,723
Career and Technical Education Program	3,470	3,470	3,470	0
Board of Education	0	35	35	35
Transportation	145,080	142,838	154,538	9,458
<u>Operation of Non-Instructional Services</u>				
Food Service	78	520	520	442
Total Expenditures	\$ 2,599,392	\$ 2,418,758	\$ 2,817,804	\$ 218,412
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance, July 1, 2017	200,000	200,000	200,000	0
Fund Balance, June 30, 2018	\$ 200,000	\$ 200,000	\$ 200,000	\$ 0

Exhibit I-10

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 1,119,601	\$ 0	\$ 1,119,601	\$ 1,241,381	\$ 1,241,381	\$ (121,780)
Other Local Revenues	391	0	391	255	255	136
State of Tennessee	27,002	0	27,002	29,503	29,503	(2,501)
Federal Government	2,086,394	0	2,086,394	2,367,500	2,367,500	(281,106)
Total Revenues	\$ 3,233,388	\$ 0	\$ 3,233,388	\$ 3,638,639	\$ 3,638,639	\$ (405,251)
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 3,334,258	\$ 28,986	\$ 3,363,244	\$ 3,608,024	\$ 3,608,024	\$ 244,780
Total Expenditures	\$ 3,334,258	\$ 28,986	\$ 3,363,244	\$ 3,608,024	\$ 3,608,024	\$ 244,780
Excess (Deficiency) of Revenues Over Expenditures	\$ (100,870)	\$ (28,986)	\$ (129,856)	\$ 30,615	\$ 30,615	\$ (160,471)
Net Change in Fund Balance	\$ (100,870)	\$ (28,986)	\$ (129,856)	\$ 30,615	\$ 30,615	\$ (160,471)
Fund Balance, July 1, 2017	604,580	0	604,580	469,421	469,421	135,159
Fund Balance, June 30, 2018	\$ 503,710	\$ (28,986)	\$ 474,724	\$ 500,036	\$ 500,036	\$ (25,312)

Marshall County Board of Public Utilities

This section presents fund financial statements for the Marshall County Board of Public Utilities, a discretely presented component unit. The utility uses a single enterprise fund.

Marshall County, Tennessee
Statement of Net Position
Discretely Presented Marshall County Board of Public Utilities
June 30, 2018

Enterprise Fund
Marshall County
Board of
Public Utilities

ASSETS

Current Assets:		
Cash	\$	1,803
Equity in Pooled Cash and Investments		3,762,206
Net Pension Asset - Agent Plan		35,736
Inventories		63,223
Accounts Receivable		270,406
Restricted Assets:		
Customer Deposits		219,890
Noncurrent Assets:		
Capital Assets:		
Assets Not Depreciated:		
Land		355,901
Construction in Progress		26,215
Assets Net of Accumulated Depreciation:		
Buildings and Improvements		731,324
Infrastructure		18,671,204
Other Capital Assets		159,201
Total Assets	\$	<u>24,297,109</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Charge on Refunding	\$	113,995
Pension Changes in Assumptions		27,547
Pension Changes in Experience		10,558
Pension Changes in Contributions after Measurement Date		37,550
OPEB Changes in Benefits Paid After Measurement Date		3,872
Total Deferred Outflows of Resources	\$	<u>193,522</u>

LIABILITIES

Current Liabilities:		
Accounts Payable	\$	24,662
Accrued Interest Payable		11,461
Payroll Deductions Payable		12,978
Current Liabilities Payable from Restricted Assets:		
Customer Deposits Payable		219,890
Due to State of Tennessee		18,901
Noncurrent Liabilities:		
Due Within One Year		328,767
Due in More Than One Year		6,737,510
Total Liabilities	\$	<u>7,354,169</u>

(Continued)

Exhibit J-1

Marshall County, Tennessee
Statement of Net Position
Discretely Presented Marshall County Board of Public Utilities (Cont.)

	<u>Enterprise Fund</u> <u>Marshall County</u> <u>Board of</u> <u>Public Utilities</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension Changes in Investment Earnings	\$ 77
Pension Changes in Experience	25,910
OPEB Changes in Assumptions	<u>2,647</u>
Total Deferred Inflows of Resources	<u>\$ 28,634</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	\$ 13,149,251
Restricted for Pensions	35,736
Unrestricted	<u>3,922,841</u>
Total Net Position	<u>\$ 17,107,828</u>

Exhibit J-2

Marshall County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position
Discretely Presented Marshall County Board of Public Utilities
For the Year Ended June 30, 2018

	<u>Enterprise Fund</u> <u>Marshall County</u> <u>Board of</u> <u>Public Utilities</u>
<u>Operating Revenues</u>	
Charges for Current Services	\$ 2,724,374
Other Local Revenues	25,116
Total Operating Revenues	<u>\$ 2,749,490</u>
<u>Operating Expenses</u>	
Other Economic and Community Development	\$ 1,964,855
Depreciation	582,330
Total Operating Expenses	<u>\$ 2,547,185</u>
Operating Income (Loss)	<u>\$ 202,305</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 25,020
Contribution from Primary Government (Adequate Facilities Tax)	300,000
Grants	5,000
Interest on Bonds	(153,743)
Other Debt Issuance Costs	(501)
Total Nonoperating Revenues (Expenses)	<u>\$ 175,776</u>
Income (Loss) Before Contributions	\$ 378,081
Capital Contributions	191,548
Change in Net Position	<u>\$ 569,629</u>
Net Position, July 1, 2017	16,605,401
Restatement - See Note I.D.10.	<u>(67,202)</u>
Net Position, June 30, 2018	<u><u>\$ 17,107,828</u></u>

Exhibit J-3

Marshall County, Tennessee
Statement of Cash Flows
Discretely Presented Marshall County Board of Public Utilities
For the Year Ended June 30, 2018

	<u>Enterprise Fund</u> <u>Marshall County</u> <u>Board of</u> <u>Public Utilities</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 2,703,515
Other Receipts (Payments)	25,116
Payments to Vendors	(1,247,546)
Payments to Employees	(538,407)
Payments to Fringe Benefits	(172,646)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 770,032</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Acquisition and Construction of Capital Assets	\$ (137,400)
Capital Contributions	191,548
Principal Paid on Bonds	(297,229)
Interest Paid on Bonds	(153,743)
Proceeds from Capital Grants	5,000
Other Debt Issuance Costs	(501)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (392,325)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Contributions from Primary Government (Adequate Facilities Tax)	\$ 300,000
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 300,000</u>
<u>Cash Flows from Investing Activities</u>	
Interest on Investments	\$ 25,020
Net Cash Provided By (Used In) Investing Activities	<u>\$ 25,020</u>
Increase (Decrease) in Cash	\$ 702,727
Cash, July 1, 2017	<u>3,281,172</u>
Cash, June 30, 2018	<u><u>\$ 3,983,899</u></u>

(Continued)

Exhibit J-3

Marshall County, Tennessee
Statement of Cash Flows
Discretely Presented Marshall County Board of Public Utilities (Cont.)

	<u>Enterprise Fund</u> <u>Marshall County</u> <u>Board of</u> <u>Public Utilities</u>
<u>Reconciliation of Operating Income (Loss)</u>	
<u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 202,305
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	582,330
Changes in Deferred Outflows Related to Deferred Charge on Refunding Debt	11,668
Changes in Deferred Outflows Related to Pensions	26,329
Changes in Deferred Inflows Related to Pensions	9,112
Changes in Deferred Outflows Related to OPEB	(178)
Changes in Deferred Inflows Related to OPEB	2,647
Changes in Assets and Liabilities:	
(Increase) Decrease in Current Receivables	(20,859)
(Increase) Decrease in Inventories	(11,620)
(Increase) Decrease in Net Pension Asset/Liability	(46,822)
(Increase) Decrease in OPEB Obligation	1,142
Increase (Decrease) in Accounts Payable	8,995
Increase (Decrease) in Payroll Deductions Payable	119
Increase (Decrease) in Accrued Interest Payable	(727)
Increase (Decrease) in Customer Deposits	25,334
Increase (Decrease) in Other Payables from Restricted Assets	(14,598)
Increase (Decrease) in Due to State of Tennessee	1,504
Increase (Decrease) in Accrued Leave	3,312
Increase (Decrease) in Unamortized Debt Premiums	(9,961)
	<hr/>
Net Cash Provided By (Used In) Operating Activities	\$ 770,032
<u>Reconciliation of Cash With Statement of Net Position</u>	
Cash Per Net Position	\$ 1,803
Equity in Pooled Cash and Investments Per Net Position	3,762,206
Restricted Customer Deposits	219,890
	<hr/>
Cash, June 30, 2018	\$ 3,983,899
	<hr/>

MISCELLANEOUS SCHEDULES

Exhibit K-1

Marshall County, Tennessee
Schedule of Changes in Long-term Capital Leases, Notes, and Bonds
Primary Government and Discretely Presented Marshall County Board of Public Utilities
For the Year Ended June 30, 2018

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-17	Issued During Period	Paid and/or		Outstanding 6-30-18
							Matured During Period		
PRIMARY GOVERNMENT									
CAPITAL LEASES PAYABLE									
<u>Contributions Due by the School Department from the General</u>									
<u>Purpose School Fund to the General Debt Service Fund</u>									
VAR Chromebooks for Schools	\$ 46,462	1.80 %	8-15-16	8-15-19	\$ 31,250	\$ 0	\$ 15,486	\$ 15,764	
Dell Laptops for Schools	43,290	5.51	10-1-16	10-1-19	28,060	0	13,645	14,415	
VAR Chromebooks for Schools	403,368	0.00	7-25-17	7-25-20	0	403,368	134,456	268,912	
Total Capital Leases Payable					\$ 59,310	\$ 403,368	\$ 163,587	\$ 299,091	
NOTES PAYABLE									
<u>Payable through General Debt Service Fund</u>									
Energy Efficient Schools Initiative	2,982,250	.75	3-28-11	1-1-24	\$ 1,648,609	\$ 0	\$ 248,435	\$ 1,400,174	
Total Notes Payable					\$ 1,648,609	\$ 0	\$ 248,435	\$ 1,400,174	
BONDS PAYABLE									
<u>Payable through General Debt Service Fund</u>									
School Refunding	5,115,000	3.8	9-11-08	11-1-20	\$ 1,995,000	\$ 0	\$ 470,000	\$ 1,525,000	
GO Public Improvement Refunding Bonds, Series 2011	6,160,000	3.32	3-15-11	9-1-27	4,430,000	0	355,000	4,075,000	
GO Refunding Bonds, Series 2011	3,580,000	2.04	6-23-11	4-17-18	1,202,415	0	1,202,415	0	
GO Improvement Bonds, Series 2011	1,020,000	2.04	6-23-11	4-17-18	342,585	0	342,585	0	
GO Improvement Bonds, Series 2013	3,250,000	1.84	5-31-13	4-17-18	2,460,000	0	2,460,000	0	
GO School Improvement Bonds, Series 2013	5,945,000	3.86	12-23-13	10-1-43	5,575,000	0	130,000	5,445,000	
GO School Improvement Bonds, Series 2014	5,550,000	2.81	10-14-14	12-1-44	5,230,000	0	150,000	5,080,000	
GO School Refunding Bonds, Series 2014	4,105,000	2.81	10-14-14	12-1-44	2,815,000	0	675,000	2,140,000	
GO School Improvement Bonds, Series 2015	8,000,000	3.02	1-20-15	10-1-44	7,665,000	0	175,000	7,490,000	
GO School Refunding Bonds, Series 2016	5,060,000	1.78	3-23-16	5-1-31	4,780,000	0	300,000	4,480,000	
Total Bonds Payable					\$ 36,495,000	\$ 0	\$ 6,260,000	\$ 30,235,000	

(Continued)

Exhibit K-1

Marshall County, Tennessee
Schedule of Changes in Long-term Capital Leases, Notes, and Bonds
Primary Government and Discretely Presented Marshall County Board of Public Utilities (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-17	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-18
<u>DISCRETELY PRESENTED MARSHALL COUNTY BOARD OF PUBLIC UTILITIES</u>								
<u>BONDS PAYABLE</u>								
Water Revenue and Tax Bonds, Series 2011B	\$ 409,000	2.5 %	6-26-13	6-26-51	\$ 381,823	\$ 0	\$ 7,229	\$ 374,594
Water Revenue and Tax Refunding Bonds, Series 2016	7,005,000	1.9	6-30-16	6-1-36	6,710,000	0	290,000	6,420,000
Total Bonds Payable					<u>\$ 7,091,823</u>	<u>\$ 0</u>	<u>\$ 297,229</u>	<u>\$ 6,794,594</u>

Exhibit K-2

Marshall County, Tennessee
Schedule of Long-term Debt Requirements by Year
Primary Government and Discretely Presented Marshall County Board
of Public Utilities

PRIMARY GOVERNMENT

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2019	\$ 164,635	\$ 1,098	\$ 165,733
2020	134,456	0	134,456
Total	<u>\$ 299,091</u>	<u>\$ 1,098</u>	<u>\$ 300,189</u>

Year Ending June 30	Notes		
	Principal	Interest	Total
2019	\$ 250,297	\$ 9,647	\$ 259,944
2020	252,182	7,762	259,944
2021	254,080	5,864	259,944
2022	256,000	3,944	259,944
2023	257,888	2,056	259,944
2024	129,727	312	130,039
Total	<u>\$ 1,400,174</u>	<u>\$ 29,585</u>	<u>\$ 1,429,759</u>

(Continued)

Exhibit K-2

Marshall County, Tennessee
Schedule of Long-term Debt Requirements by Year
Primary Government and Discretely Presented Marshall County Board
of Public Utilities (Cont.)

PRIMARY GOVERNMENT (Cont.)

Year Ending June 30	Bonds		Total
	Principal	Interest	
2019	\$ 2,325,000	\$ 934,421	\$ 3,259,421
2020	2,375,000	869,085	3,244,085
2021	2,425,000	797,144	3,222,144
2022	1,205,000	743,732	1,948,732
2023	1,235,000	709,147	1,944,147
2024	1,270,000	672,501	1,942,501
2025	1,310,000	633,926	1,943,926
2026	1,355,000	592,951	1,947,951
2027	1,400,000	549,564	1,949,564
2028	1,135,000	510,801	1,645,801
2029	950,000	480,845	1,430,845
2030	980,000	453,677	1,433,677
2031	1,015,000	424,376	1,439,376
2032	640,000	394,170	1,034,170
2033	670,000	372,983	1,042,983
2034	685,000	350,806	1,035,806
2035	710,000	327,410	1,037,410
2036	750,000	302,042	1,052,042
2037	775,000	274,888	1,049,888
2038	795,000	246,650	1,041,650
2039	820,000	217,420	1,037,420
2040	865,000	186,220	1,051,220
2041	905,000	152,723	1,057,723
2042	945,000	117,688	1,062,688
2043	980,000	81,203	1,061,203
2044	1,015,000	43,358	1,058,358
2045	700,000	12,045	712,045
Total	\$ 30,235,000	\$ 11,451,776	\$ 41,686,776

(Continued)

Exhibit K-2

Marshall County, Tennessee
Schedule of Long-term Debt Requirements by Year
Primary Government and Discretely Presented Marshall County Board
of Public Utilities (Cont.)

DISCRETELY PRESENTED MARSHALL
COUNTY BOARD OF PUBLIC UTILITIES

Year Ending June 30	Bonds		Total
	Principal	Interest	
2019	\$ 307,412	\$ 145,587	\$ 452,999
2020	312,599	139,400	451,999
2021	317,791	133,108	450,899
2022	327,988	126,711	454,699
2023	333,190	120,109	453,299
2024	338,397	113,402	451,799
2025	343,610	106,589	450,199
2026	353,828	99,672	453,500
2027	359,051	92,549	451,600
2028	369,280	85,320	454,600
2029	374,514	77,886	452,400
2030	379,755	70,345	450,100
2031	390,002	62,698	452,700
2032	395,254	54,846	450,100
2033	405,514	45,923	451,437
2034	415,780	35,782	451,562
2035	426,052	25,385	451,437
2036	436,332	15,560	451,892
2037	11,618	5,074	16,692
2038	11,912	4,780	16,692
2039	12,213	4,479	16,692
2040	12,522	4,170	16,692
2041	12,839	3,853	16,692
2042	13,164	3,528	16,692
2043	13,496	3,196	16,692
2044	13,838	2,854	16,692
2045	14,188	2,504	16,692
2046	14,547	2,145	16,692
2047	14,914	1,778	16,692
2048	15,292	1,400	16,692
2049	15,711	981	16,692
2050	16,075	617	16,692
2051	15,916	211	16,127
Total	\$ 6,794,594	\$ 1,592,442	\$ 8,387,036

Exhibit K-3

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

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	Highway Capital Projects	Operations	\$ 304,583
Juvenile Services	General	Operations	<u>20,000</u>
Total Transfers			<u>\$ 324,583</u>

Exhibit K-4

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 84,576	\$ 100,000	Auto Owners Mutual Insurance Company
Highway Superintendent	Section 8-24-102, <i>TCA</i>	79,950	100,000	"
Director of Schools	State Board of Education and County Board of Education	116,304 (1)	100,000	"
Trustee	Section 8-24-102, <i>TCA</i>	72,682	1,499,444	Western Surety Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	72,682	50,000	Auto Owners Mutual Insurance Company
County Clerk	Section 8-24-102, <i>TCA</i>	72,682	100,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i>	72,682	115,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i>	72,682	100,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	72,682	100,000	"
Sheriff	Section 8-24-102, <i>TCA</i>	79,950 (2)	100,000	"
Director of Accounts and Budgets	Chapter 17, Private Acts of 2005, and County Commission	87,814	750,000	"
Board of Public Utilities Manager	Board of Public Utilities	63,544 (3)	(4)	
Employee Blanket Bonds:				
Employee Fidelity - County Departments			400,000	Local Government Property and Casualty Fund
Employee Fidelity - School Department			400,000	Tennessee Risk Management Trust
Employee Fidelity - Board of Public Utilities			400,000	Local Government Property and Casualty Fund

- (1) Does not include a chief executive officer training supplement of \$1,000, a cell phone allowance of \$50 per month, 100 percent of the premium for dental and vision insurance (\$329), and the director's five percent share of retirement (\$5,865).
- (2) Does not include a law enforcement training supplement of \$600.
- (3) Does not include longevity pay of \$700.
- (4) Included in the public employee blanket bond of the utility.

Exhibit K-5

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

	Special Revenue Funds					
	General	Juvenile Services	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 5,841,430	\$ 0	\$ 0	\$ 0	\$ 0	\$ 454,340
Trustee's Collections - Prior Year	205,822	0	0	0	0	16,086
Trustee's Collections - Bankruptcy	767	0	0	0	0	62
Circuit Clerk/Clerk and Master Collections - Prior Years	77,700	0	0	0	0	4,281
Interest and Penalty	30,285	0	0	0	0	2,363
Payments in-Lieu-of Taxes - T.V.A.	6,945	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	115,244	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	406,483	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	318,390	0	0	0	0	0
Hotel/Motel Tax	194,776	0	0	0	0	0
Wheel Tax	81,622	0	0	0	0	203,223
Litigation Tax - General	221,106	0	0	0	0	0
Litigation Tax - Special Purpose	21,836	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Litigation Tax - Courthouse Security	78,732	0	0	0	0	0
Business Tax	303,726	0	0	0	0	0
Mixed Drink Tax	594	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	311,419
Adequate Facilities/Development Tax	604,583	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	0	0	0	0	0
Wholesale Beer Tax	107,692	0	0	0	0	0
Total Local Taxes	\$ 8,617,733	\$ 0	\$ 0	\$ 0	\$ 0	\$ 991,774

(Continued)

Exhibit K-5

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

	Special Revenue Funds					
	General	Juvenile Services	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 49,865	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>						
Beer Permits	2,384	0	0	0	0	0
Building Permits	326,232	0	0	0	0	0
Other Permits	4,950	0	0	0	0	0
Total Licenses and Permits	\$ 383,431	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 4,656	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	7,627	0	0	0	0	0
Drug Control Fines	0	0	0	220	0	0
Drug Court Fees	0	0	0	755	0	0
DUI Treatment Fines	190	0	0	0	0	0
Data Entry Fee - Circuit Court	2,309	0	0	0	0	0
Courtroom Security Fee	89	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	17,644	0	0	0	0	0
Officers Costs	58,852	0	0	0	0	0
Game and Fish Fines	567	0	0	0	0	0
Drug Control Fines	0	0	0	4,685	0	0
Drug Court Fees	0	0	0	5,540	0	0
Jail Fees	0	0	0	57	0	0
DUI Treatment Fines	5,770	0	0	0	0	0
Data Entry Fee - General Sessions Court	10,600	0	0	0	0	0
Courtroom Security Fee	720	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					
	General	Juvenile Services	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$ 3,098	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	5,064	0	0	0	0	0
Data Entry Fee - Juvenile Court	6,556	0	0	0	0	0
Courtroom Security Fee	4	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	4,771	0	0	0	0	0
Data Entry Fee - Chancery Court	7,282	0	0	0	0	0
<u>Other Courts - In-county</u>						
Fines	0	70,590	0	0	0	0
<u>Judicial District Drug Program</u>						
Fines	1,012	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	27,283	0	0	0	0	0
Other Fines, Forfeitures, and Penalties	5,700	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 169,794	\$ 70,590	\$ 0	\$ 11,257	\$ 0	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Surcharge - Host Agency	\$ 0	\$ 0	\$ 356,750	\$ 0	\$ 0	\$ 0
Surcharge - General	0	0	12,176	0	0	0
Patient Charges	1,795,364	0	0	0	0	0
Zoning Studies	34,325	0	0	0	0	0
Other General Service Charges	680	0	0	0	0	0
<u>Fees</u>						
Copy Fees	11,778	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					
	General	Juvenile Services	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Library Fees	\$ 1,127	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Telephone Commissions	100,001	0	0	0	0	0
Vending Machine Collections	11,142	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	124	0
Data Processing Fee - Register	14,192	0	0	0	0	0
Data Processing Fee - Sheriff	4,701	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	4,650	0	0	0	0	0
Data Processing Fee - County Clerk	3,486	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	105	0	0	0	0	0
Total Charges for Current Services	\$ 1,981,551	\$ 0	\$ 368,926	\$ 0	\$ 124	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 150,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	11,000	0	0	0	0	0
Sale of Materials and Supplies	42	0	0	0	0	0
Sale of Gasoline	0	0	0	0	0	762
Sale of Maps	4,219	0	0	0	0	0
Sale of Recycled Materials	0	0	686,510	0	0	480
E-Rate Funding	2,473	0	0	0	0	0
Cobra Insurance Payments	0	0	0	0	0	148
Miscellaneous Refunds	3,261	0	0	0	0	0
Expenditure Credits	55	0	0	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	4,200	0	9,290	0	0	3,101

(Continued)

Exhibit K-5

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

	Special Revenue Funds					
	General	Juvenile Services	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items (Cont.)</u>						
Damages Recovered from Individuals	\$ 276	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions and Gifts	7,061	0	310,000	10,875	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	2,716	0	0	0	0	0
Total Other Local Revenues	\$ 185,303	\$ 0	\$ 1,005,800	\$ 10,875	\$ 0	\$ 4,491
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 399,297	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	75,804	0	0	0	0	0
General Sessions Court Clerk	197,807	0	0	0	0	0
Clerk and Master	155,854	0	0	0	0	0
Juvenile Court Clerk	60,127	0	0	0	0	0
Register	200,519	0	0	0	0	0
Sheriff	18,046	0	0	0	0	0
Trustee	654,292	0	0	0	0	0
Total Fees Received From County Officials	\$ 1,761,746	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Grants	0	0	66,670	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	14,400	0	0	0	0	0
Other Public Safety Grants	25,247	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					
	General	Juvenile Services	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>State of Tennessee (Cont.)</u>						
<u>Health and Welfare Grants</u>						
Other Health and Welfare Grants	\$ 219,014	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	0	645,238
Litter Program	0	0	52,788	0	0	0
Tennessee Industrial Infrastructure Program	94,350	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	55,000	0	0	0	0	0
Beer Tax	17,839	0	0	0	0	0
Vehicle Certificate of Title Fees	9,015	0	0	0	0	0
Alcoholic Beverage Tax	65,446	0	0	0	0	0
State Revenue Sharing - T.V.A.	190,732	0	0	0	0	14,835
State Revenue Sharing - Telecommunications	171,991	0	0	0	0	0
Contracted Prisoner Boarding	1,062,159	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	2,084,227
Petroleum Special Tax	0	0	0	0	0	22,092
Registrar's Salary Supplement	15,164	0	0	0	0	0
State Shared Sales Tax - Cities	5,134	0	0	0	0	0
Other State Grants	0	0	0	0	0	0
Other State Revenues	38,535	0	21,865	0	0	0
Total State of Tennessee	\$ 1,993,026	\$ 0	\$ 141,323	\$ 0	\$ 0	\$ 2,766,392
<u>Federal Government</u>						
<u>Federal Through State</u>						
Homeland Security Grants	\$ 59,087	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Federal through State	6,000	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					
	General	Juvenile Services	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Federal Government (Cont.)</u>						
<u>Direct Federal Revenue</u>						
Medicare	\$ 5,200	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Direct Federal Revenue	1,080	0	0	0	0	0
Total Federal Government	\$ 71,367	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 28,740	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	86,918	0	0	0	0	0
Contracted Services	13,221	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	6,028	0	0	0	0	0
<u>Other</u>						
Other	23,254	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 158,161	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 15,322,112	\$ 70,590	\$ 1,516,049	\$ 22,132	\$ 124	\$ 3,762,657

(Continued)

Exhibit K-5

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

	Debt Service		Capital Projects Funds		Total
	General	Debt	School	Other	
	Fund	Service	Bus	Capital	
			Acquisition	Projects	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$	1,427,907	\$	0	\$ 1,244,231 \$ 8,967,908
Trustee's Collections - Prior Year		50,518		0	44,332 316,758
Trustee's Collections - Bankruptcy		194		0	178 1,201
Circuit Clerk/Clerk and Master Collections - Prior Years		13,442		0	11,824 107,247
Interest and Penalty		7,425		0	6,499 46,572
Payments in-Lieu-of Taxes - T.V.A.		0		0	0 6,945
Payments in-Lieu-of Taxes - Local Utilities		0		0	0 115,244
Payments in-Lieu-of Taxes - Other		0		0	0 406,483
<u>County Local Option Taxes</u>					
Local Option Sales Tax		2,703,178		0	0 3,021,568
Hotel/Motel Tax		0		0	0 194,776
Wheel Tax		1,139,383		0	0 1,424,228
Litigation Tax - General		0		0	0 221,106
Litigation Tax - Special Purpose		0		0	0 21,836
Litigation Tax - Jail, Workhouse, or Courthouse		79,025		0	0 79,025
Litigation Tax - Courthouse Security		0		0	0 78,732
Business Tax		0		0	0 303,726
Mixed Drink Tax		0		0	0 594
Mineral Severance Tax		0		0	0 311,419
Adequate Facilities/Development Tax		0		0	0 604,583
<u>Statutory Local Taxes</u>					
Bank Excise Tax		0		96,610	0 96,610
Wholesale Beer Tax		0		0	0 107,692
Total Local Taxes	\$	5,421,072	\$	96,610	\$ 1,307,064 \$ 16,434,253

(Continued)

Exhibit K-5

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

	Debt Service			Capital Projects Funds		Total
	General	School	Other	School	Other	
	Debt	Bus	Capital	Acquisition	Projects	
	Service	Acquisition	Projects			
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	49,865
<u>Permits</u>						
Beer Permits	0	0	0	0	0	2,384
Building Permits	0	0	0	0	0	326,232
Other Permits	0	0	0	0	0	4,950
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	383,431
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	4,656
Officers Costs	0	0	0	0	0	7,627
Drug Control Fines	0	0	0	0	0	220
Drug Court Fees	0	0	0	0	0	755
DUI Treatment Fines	0	0	0	0	0	190
Data Entry Fee - Circuit Court	0	0	0	0	0	2,309
Courtroom Security Fee	0	0	0	0	0	89
<u>General Sessions Court</u>						
Fines	0	0	0	0	0	17,644
Officers Costs	0	0	0	0	0	58,852
Game and Fish Fines	0	0	0	0	0	567
Drug Control Fines	0	0	0	0	0	4,685
Drug Court Fees	0	0	0	0	0	5,540
Jail Fees	0	0	0	0	0	57
DUI Treatment Fines	0	0	0	0	0	5,770
Data Entry Fee - General Sessions Court	0	0	0	0	0	10,600
Courtroom Security Fee	0	0	0	0	0	720

(Continued)

Exhibit K-5

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

	Debt Service			Capital Projects Funds			Total
	Fund			Fund			
	General	School	Other	School	Other		
	Debt	Bus	Capital	Acquisition	Projects		
	Service	Acquisition	Projects				
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Juvenile Court</u>							
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	3,098
Officers Costs	0	0	0	0	0	0	5,064
Data Entry Fee - Juvenile Court	0	0	0	0	0	0	6,556
Courtroom Security Fee	0	0	0	0	0	0	4
<u>Chancery Court</u>							
Officers Costs	0	0	0	0	0	0	4,771
Data Entry Fee - Chancery Court	0	0	0	0	0	0	7,282
<u>Other Courts - In-county</u>							
Fines	0	0	0	0	0	0	70,590
<u>Judicial District Drug Program</u>							
Fines	0	0	0	0	0	0	1,012
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	0	0	0	0	27,283
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	0	5,700
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	251,641
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Surcharge - Host Agency	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	356,750
Surcharge - General	0	0	0	0	0	0	12,176
Patient Charges	0	0	0	0	0	0	1,795,364
Zoning Studies	0	0	0	0	0	0	34,325
Other General Service Charges	0	0	0	0	0	0	680
<u>Fees</u>							
Copy Fees	0	0	0	0	0	0	11,778

(Continued)

Exhibit K-5

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

	Debt Service		Capital Projects Funds		Total
	General	Debt	School	Other	
	Fund	Service	Bus	Capital	
			Acquisition	Projects	
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Library Fees	\$	0	\$	0	\$ 1,127
Telephone Commissions		0		0	100,001
Vending Machine Collections		0		0	11,142
Constitutional Officers' Fees and Commissions		0		0	124
Data Processing Fee - Register		0		0	14,192
Data Processing Fee - Sheriff		0		0	4,701
Sexual Offender Registration Fee - Sheriff		0		0	4,650
Data Processing Fee - County Clerk		0		0	3,486
Vehicle Insurance Coverage and Reinstatement Fees		0		0	105
Total Charges for Current Services	\$	0	\$	0	\$ 2,350,601
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$	63,651	\$	0	\$ 213,651
Lease/Rentals		0		0	11,000
Sale of Materials and Supplies		0		0	42
Sale of Gasoline		0		0	762
Sale of Maps		0		0	4,219
Sale of Recycled Materials		0		0	686,990
E-Rate Funding		0		10,437	12,910
Cobra Insurance Payments		0		0	148
Miscellaneous Refunds		0		0	3,261
Expenditure Credits		0		0	55
<u>Nonrecurring Items</u>					
Sale of Equipment		0		0	16,591

(Continued)

Exhibit K-5

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

	Debt Service		Capital Projects Funds		Total
	General	Debt	School	Other	
	Service	Acquisition	Bus	Capital	
			Projects		
<u>Other Local Revenues (Cont.)</u>					
<u>Nonrecurring Items (Cont.)</u>					
Damages Recovered from Individuals	\$	0	\$	0	\$ 276
Contributions and Gifts		0		0	327,936
<u>Other Local Revenues</u>					
Other Local Revenues		0		0	2,716
Total Other Local Revenues	\$	63,651	\$	0	\$ 10,437
					\$ 1,280,557
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$	0	\$	0	\$ 399,297
Circuit Court Clerk		0		0	75,804
General Sessions Court Clerk		0		0	197,807
Clerk and Master		0		0	155,854
Juvenile Court Clerk		0		0	60,127
Register		0		0	200,519
Sheriff		0		0	18,046
Trustee		0		0	654,292
Total Fees Received From County Officials	\$	0	\$	0	\$ 1,761,746
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$	0	\$	0	\$ 9,000
Solid Waste Grants		0		0	66,670
<u>Public Safety Grants</u>					
Law Enforcement Training Programs		0		0	14,400
Other Public Safety Grants		0		0	25,247

(Continued)

Exhibit K-5

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

	Debt Service		Capital Projects Funds		Total	
	General	Debt	School	Other		
	Service	Acquisition	Capital	Projects		
<u>State of Tennessee (Cont.)</u>						
<u>Health and Welfare Grants</u>						
Other Health and Welfare Grants	\$	0	\$	0	\$ 219,014	
<u>Public Works Grants</u>						
State Aid Program		0		0	645,238	
Litter Program		0		0	52,788	
Tennessee Industrial Infrastructure Program		0		0	94,350	
<u>Other State Revenues</u>						
Income Tax		0		0	55,000	
Beer Tax		0		0	17,839	
Vehicle Certificate of Title Fees		0		0	9,015	
Alcoholic Beverage Tax		0		0	65,446	
State Revenue Sharing - T.V.A.		46,623		102,456	40,626	395,272
State Revenue Sharing - Telecommunications		0		0	171,991	
Contracted Prisoner Boarding		0		0	1,062,159	
Gasoline and Motor Fuel Tax		0		0	2,084,227	
Petroleum Special Tax		0		0	22,092	
Registrar's Salary Supplement		0		0	15,164	
State Shared Sales Tax - Cities		0		0	5,134	
Other State Grants		0		0	13,373	
Other State Revenues		0		0	60,400	
Total State of Tennessee	\$	46,623	\$	102,456	\$ 53,999	\$ 5,103,819
<u>Federal Government</u>						
<u>Federal Through State</u>						
Homeland Security Grants	\$	0	\$	0	\$ 59,087	
Other Federal through State		0		0	6,000	

(Continued)

Exhibit K-5

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

	Debt Service Fund		Capital Projects Funds		
	General Debt Service	School Bus Acquisition	Other Capital Projects		Total
<u>Federal Government (Cont.)</u>					
<u>Direct Federal Revenue</u>					
Medicare	\$ 0	\$ 0	\$ 0	\$	5,200
Other Direct Federal Revenue	0	0	0		1,080
Total Federal Government	\$ 0	\$ 0	\$ 0	\$	71,367
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 0	\$ 0	\$ 0	\$	28,740
Contributions	425,679	0	0		512,597
Contracted Services	0	0	0		13,221
<u>Citizens Groups</u>					
Donations	0	0	0		6,028
<u>Other</u>					
Other	0	0	0		23,254
Total Other Governments and Citizens Groups	\$ 425,679	\$ 0	\$ 0	\$	583,840
Total	\$ 5,957,025	\$ 199,066	\$ 1,371,500	\$	28,221,255

Exhibit K-6

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

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 8,989,865	\$ 0	\$ 0	\$ 8,989,865
Trustee's Collections - Prior Year	286,500	0	0	286,500
Trustee's Collections - Bankruptcy	1,293	0	0	1,293
Circuit Clerk/Clerk and Master Collections - Prior Years	87,785	0	0	87,785
Interest and Penalty	46,817	0	0	46,817
<u>County Local Option Taxes</u>				
Local Option Sales Tax	2,866,070	0	0	2,866,070
Mixed Drink Tax	10,981	0	0	10,981
Total Local Taxes	<u>\$ 12,289,311</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 12,289,311</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 2,023	\$ 0	\$ 0	\$ 2,023
Total Licenses and Permits	<u>\$ 2,023</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,023</u>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Lunch Payments - Children	\$ 0	\$ 0	\$ 513,173	\$ 513,173
Lunch Payments - Adults	0	0	50,363	50,363
Income from Breakfast	0	0	71,044	71,044
A la Carte Sales	0	0	485,021	485,021
Receipts from Individual Schools	83,786	0	0	83,786
TBI Criminal Background Fee	2,520	0	0	2,520
Total Charges for Current Services	<u>\$ 86,306</u>	<u>\$ 0</u>	<u>\$ 1,119,601</u>	<u>\$ 1,205,907</u>

(Continued)

Exhibit K-6

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

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 391	\$ 391
Sale of Materials and Supplies	4,309	0	0	4,309
E-Rate Funding	3,744	0	0	3,744
Miscellaneous Refunds	72,468	0	0	72,468
<u>Nonrecurring Items</u>				
Damages Recovered from Individuals	1,276	0	0	1,276
Total Other Local Revenues	\$ 81,797	\$ 0	\$ 391	\$ 82,188
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 197,713	\$ 0	\$ 0	\$ 197,713
<u>State Education Funds</u>				
Basic Education Program	28,754,000	0	0	28,754,000
Early Childhood Education	197,348	0	0	197,348
School Food Service	0	0	27,002	27,002
Other State Education Funds	157,091	0	0	157,091
Career Ladder Program	107,308	0	0	107,308
Vocational Equipment	125,008	0	0	125,008
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	190,000	0	0	190,000
Other State Revenues	2,500	0	0	2,500
Total State of Tennessee	\$ 29,730,968	\$ 0	\$ 27,002	\$ 29,757,970

(Continued)

Exhibit K-6

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

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,387,843	\$ 1,387,843
USDA - Commodities	0	0	210,902	210,902
Breakfast	0	0	487,649	487,649
Vocational Education - Basic Grants to States	0	72,263	0	72,263
Title I Grants to Local Education Agencies	0	913,107	0	913,107
Special Education - Grants to States	29,970	1,306,154	0	1,336,124
Special Education Preschool Grants	0	32,770	0	32,770
English Language Acquisition Grants	0	19,786	0	19,786
Safe and Drug-free Schools - State Grants	71,811	0	0	71,811
Eisenhower Professional Development State Grants	0	162,368	0	162,368
Other Federal through State	348,013	92,944	0	440,957
Total Federal Government	\$ 449,794	\$ 2,599,392	\$ 2,086,394	\$ 5,135,580
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 790,968	\$ 0	\$ 0	\$ 790,968
Total Other Governments and Citizens Groups	\$ 790,968	\$ 0	\$ 0	\$ 790,968
Total	\$ 43,431,167	\$ 2,599,392	\$ 3,233,388	\$ 49,263,947

Exhibit K-7

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

General Fund

General Government

County Commission

Other Per Diem and Fees	\$	82,861	
Social Security		4,973	
Extension Service Medicare		1,164	
Employee and Dependent Insurance		26,378	
Audit Services		11,328	
Communication		2,040	
Contracts with Private Agencies		5,287	
Data Processing Services		1,130	
Dues and Memberships		7,154	
Legal Notices, Recording, and Court Costs		2,593	
Postal Charges		253	
Printing, Stationery, and Forms		500	
Royalties		20	
Travel		9,814	
Other Contracted Services		660	
Food Supplies		120	
Other Supplies and Materials		3,969	
In Service/Staff Development		1,210	
Total County Commission			\$ 161,454

Board of Equalization

Board and Committee Members Fees	\$	1,310	
Social Security		81	
Extension Service Medicare		19	
Total Board of Equalization			1,410

Other Boards and Committees

Board and Committee Members Fees	\$	5,600	
Social Security		347	
Extension Service Medicare		81	
Total Other Boards and Committees			6,028

County Mayor/Executive

County Official/Administrative Officer	\$	84,576	
Secretary(ies)		30,342	
Part-time Personnel		291	
Social Security		6,616	
Extension Service Medicare		1,547	
Pensions		8,572	
Employee and Dependent Insurance		15,830	
Communication		1,965	
Data Processing Services		76	
Dues and Memberships		1,500	
Postal Charges		291	
Internet Connectivity		436	
Travel		1,946	
Office Supplies		1,523	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

In Service/Staff Development	\$	725	
Other Charges		802	
Other Equipment		920	
Total County Mayor/Executive			\$ 157,958

County Attorney

Supervisor/Director	\$	17,125	
Social Security		1,062	
Extension Service Medicare		248	
Dues and Memberships		50	
Legal Services		5,400	
In Service/Staff Development		175	
Total County Attorney			24,060

Election Commission

County Official/Administrative Officer	\$	65,414	
Deputy(ies)		31,468	
Longevity Pay		300	
Election Commission		3,055	
Election Workers		21,160	
Social Security		6,633	
Extension Service Medicare		1,551	
Pensions		7,288	
Employee and Dependent Insurance		10,896	
Communication		1,538	
Data Processing Services		20,615	
Dues and Memberships		175	
Legal Notices, Recording, and Court Costs		1,913	
Maintenance Agreements		290	
Postal Charges		2,327	
Printing, Stationery, and Forms		1,590	
Internet Connectivity		730	
Travel		4,774	
Office Supplies		2,995	
In Service/Staff Development		2,145	
Total Election Commission			186,857

Register of Deeds

County Official/Administrative Officer	\$	72,682	
Deputy(ies)		63,955	
Part-time Personnel		809	
Longevity Pay		600	
Social Security		8,062	
Extension Service Medicare		1,885	
Pensions		10,293	
Employee and Dependent Insurance		30,177	
Communication		1,320	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Data Processing Services	\$	12,598	
Dues and Memberships		225	
Evaluation and Testing		88	
Maintenance Agreements		500	
Postal Charges		442	
Internet Connectivity		400	
Travel		1,588	
Office Supplies		6,949	
In Service/Staff Development		255	
Other Equipment		8,565	
Total Register of Deeds			\$ 221,393

Building

Assistant(s)	\$	38,251	
Supervisor/Director		53,373	
Secretary(ies)		34,574	
Part-time Personnel		20,663	
Longevity Pay		1,050	
Social Security		9,017	
Extension Service Medicare		2,109	
Pensions		9,544	
Employee and Dependent Insurance		19,483	
Communication		1,813	
Data Processing Services		2,200	
Dues and Memberships		495	
Engineering Services		8,615	
Evaluation and Testing		51	
Legal Notices, Recording, and Court Costs		1,485	
Maintenance Agreements		500	
Maintenance and Repair Services - Vehicles		1,073	
Postal Charges		720	
Printing, Stationery, and Forms		145	
Internet Connectivity		436	
Travel		755	
Gasoline		3,637	
Office Supplies		1,092	
Textbooks - Bound		94	
Vehicle and Equipment Insurance		2,163	
In Service/Staff Development		460	
Other Charges		166	
Office Equipment		83	
Total Building			214,047

County Buildings

Maintenance Personnel	\$	106,364	
Longevity Pay		300	
Overtime Pay		16,134	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Social Security	\$	7,549	
Extension Service Medicare		1,766	
Pensions		8,506	
Employee and Dependent Insurance		12,827	
Communication		1,344	
Evaluation and Testing		134	
Janitorial Services		48,089	
Maintenance and Repair Services - Buildings		246,199	
Maintenance and Repair Services - Vehicles		534	
Pest Control		1,203	
Internet Connectivity		740	
Disposal Fees		4,401	
Custodial Supplies		3,655	
Electricity		94,041	
Gasoline		2,489	
Natural Gas		36,818	
Office Supplies		302	
Uniforms		146	
Water and Sewer		27,357	
Other Supplies and Materials		1,776	
Vehicle and Equipment Insurance		1,121	
Other Equipment		5,632	
Total County Buildings			\$ 629,427

Finance

Accounting and Budgeting

Assistant(s)	\$	86,985	
Supervisor/Director		87,814	
Accountants/Bookkeepers		104,616	
Longevity Pay		2,100	
Other Salaries and Wages		73,440	
Social Security		21,386	
Extension Service Medicare		5,001	
Pensions		24,093	
Employee and Dependent Insurance		40,522	
Communication		2,406	
Data Processing Services		50,643	
Dues and Memberships		364	
Licenses		519	
Maintenance Agreements		784	
Maintenance and Repair Services - Office Equipment		190	
Postal Charges		1,741	
Internet Connectivity		436	
Travel		4,221	
Office Supplies		6,609	
In Service/Staff Development		2,767	
Furniture and Fixtures		5,202	
Office Equipment		4,397	
Total Accounting and Budgeting			526,236

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office

County Official/Administrative Officer	\$	72,682	
Deputy(ies)		79,753	
Secretary(ies)		20,579	
Longevity Pay		1,700	
Social Security		10,521	
Extension Service Medicare		2,461	
Pensions		13,104	
Employee and Dependent Insurance		15,063	
Advertising		164	
Audit Services		18,238	
Communication		2,756	
Data Processing Services		9,276	
Dues and Memberships		1,745	
Evaluation and Testing		219	
Maintenance Agreements		500	
Maintenance and Repair Services - Office Equipment		70	
Postal Charges		1,299	
Rentals		548	
Travel		1,148	
Office Supplies		1,913	
Other Supplies and Materials		3,828	
In Service/Staff Development		345	
Office Equipment		2,183	
Total Property Assessor's Office			\$ 260,095

Reappraisal Program

Assistant(s)	\$	39,500	
Deputy(ies)		52,737	
Part-time Personnel		8,224	
Social Security		6,080	
Extension Service Medicare		1,422	
Pensions		6,890	
Employee and Dependent Insurance		15,893	
Data Processing Services		3,214	
Maintenance and Repair Services - Vehicles		769	
Postal Charges		1,545	
Other Contracted Services		13,535	
Gasoline		1,144	
Office Supplies		804	
Vehicle and Equipment Insurance		548	
Office Equipment		1,973	
Total Reappraisal Program			154,278

County Trustee's Office

County Official/Administrative Officer	\$	72,682	
Deputy(ies)		63,822	
Part-time Personnel		9,988	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Longevity Pay	\$	900	
Social Security		9,007	
Extension Service Medicare		2,106	
Pensions		11,402	
Employee and Dependent Insurance		12,930	
Communication		1,692	
Data Processing Services		10,312	
Dues and Memberships		823	
Evaluation and Testing		66	
Legal Services		117	
Maintenance Agreements		25	
Maintenance and Repair Services - Office Equipment		2	
Postal Charges		5,278	
Printing, Stationery, and Forms		3,590	
Internet Connectivity		436	
Travel		955	
Office Supplies		1,490	
In Service/Staff Development		625	
Office Equipment		3,882	
Total County Trustee's Office			\$ 212,130

County Clerk's Office

County Official/Administrative Officer	\$	72,682	
Deputy(ies)		207,137	
Longevity Pay		2,250	
Bonus Payments		3,500	
Social Security		17,228	
Extension Service Medicare		4,029	
Pensions		20,488	
Employee and Dependent Insurance		55,618	
Communication		2,079	
Data Processing Services		19,214	
Dues and Memberships		678	
Maintenance Agreements		1,405	
Postal Charges		7,631	
Internet Connectivity		1,080	
Travel		1,322	
Office Supplies		10,149	
In Service/Staff Development		325	
Office Equipment		8,006	
Other Equipment		5,941	
Total County Clerk's Office			440,762

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	72,682	
Deputy(ies)		197,593	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Attendants	\$	1,400	
Longevity Pay		1,700	
Jury and Witness Expense		4,829	
Social Security		16,168	
Extension Service Medicare		3,781	
Pensions		19,594	
Employee and Dependent Insurance		70,689	
Communication		5,217	
Data Processing Services		24,578	
Dues and Memberships		578	
Evaluation and Testing		66	
Legal Notices, Recording, and Court Costs		397	
Maintenance Agreements		517	
Maintenance and Repair Services - Office Equipment		38	
Postal Charges		3,436	
Travel		455	
Other Contracted Services		2,106	
Office Supplies		9,986	
In Service/Staff Development		175	
Office Equipment		4,542	
Total Circuit Court			\$ 440,527

General Sessions Judge

Judge(s)	\$	139,150	
Secretary(ies)		32,269	
Longevity Pay		250	
Other Salaries and Wages		24,111	
Social Security		11,567	
Extension Service Medicare		2,776	
Pensions		12,875	
Employee and Dependent Insurance		18,262	
Advertising		72	
Communication		560	
Contracts with Private Agencies		2,680	
Dues and Memberships		125	
Postal Charges		388	
Travel		427	
Other Contracted Services		1,900	
Office Supplies		296	
In Service/Staff Development		920	
Total General Sessions Judge			248,628

Chancery Court

County Official/Administrative Officer	\$	72,682	
Deputy(ies)		60,376	
Part-time Personnel		9,994	
Social Security		8,170	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Extension Service Medicare	\$	1,926	
Pensions		9,256	
Employee and Dependent Insurance		24,354	
Advertising		72	
Communication		1,440	
Data Processing Services		13,723	
Dues and Memberships		230	
Legal Notices, Recording, and Court Costs		2,905	
Maintenance Agreements		511	
Maintenance and Repair Services - Office Equipment		45	
Postal Charges		2,470	
Travel		250	
Other Contracted Services		2,977	
Office Supplies		8,581	
Premiums on Corporate Surety Bonds		2,346	
In Service/Staff Development		175	
Furniture and Fixtures		1,829	
Office Equipment		2,986	
Total Chancery Court			\$ 227,298

Juvenile Court

Probation Officer(s)	\$	37,310	
Youth Service Officer(s)		47,265	
Guidance Personnel		55,559	
Longevity Pay		1,750	
Overtime Pay		2,910	
Social Security		8,820	
Extension Service Medicare		2,063	
Pensions		10,860	
Employee and Dependent Insurance		23,404	
Communication		2,007	
Data Processing Services		3,133	
Maintenance Agreements		500	
Postal Charges		535	
Internet Connectivity		745	
Travel		3,050	
Office Supplies		1,708	
In Service/Staff Development		570	
Other Charges		6,222	
Office Equipment		458	
Total Juvenile Court			208,869

Courtroom Security

Deputy(ies)	\$	75,568	
Social Security		4,539	
Extension Service Medicare		1,062	
Pensions		5,668	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Courtroom Security (Cont.)

Employee and Dependent Insurance	\$	11,957	
Other Contracted Services		32,804	
Law Enforcement Equipment		50	
Other Equipment		41,047	
Total Courtroom Security			\$ 172,695

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	79,950
Assistant(s)		56,456
Deputy(ies)		531,170
Detective(s)		111,322
Captain(s)		47,043
Sergeant(s)		84,215
Accountants/Bookkeepers		70,678
Salary Supplements		30,944
School Resource Officer		223,576
Longevity Pay		4,600
Overtime Pay		93,987
In-service Training		14,490
Social Security		82,200
Extension Service Medicare		19,224
Pensions		94,535
Employee and Dependent Insurance		185,036
Advertising		3,743
Communication		5,212
Contracts with Private Agencies		5,216
Data Processing Services		980
Dues and Memberships		2,300
Evaluation and Testing		4,411
Legal Notices, Recording, and Court Costs		14
Maintenance and Repair Services - Buildings		1,280
Maintenance and Repair Services - Equipment		50
Maintenance and Repair Services - Office Equipment		500
Maintenance and Repair Services - Vehicles		58,586
Pest Control		123
Postal Charges		1,167
Towing Services		935
Travel		3,805
Tuition		7,700
Disposal Fees		1,687
Other Contracted Services		13,177
Electricity		18,487
Gasoline		82,198
Law Enforcement Supplies		7,784
Natural Gas		4,417
Office Supplies		4,388

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Tires and Tubes	\$	487	
Uniforms		17,111	
Water and Sewer		28,136	
Other Supplies and Materials		57	
Vehicle and Equipment Insurance		24,445	
In Service/Staff Development		2,277	
Other Charges		3,677	
Law Enforcement Equipment		1,644	
Motor Vehicles		14,014	
Office Equipment		9,038	
Other Equipment		8,875	
Total Sheriff's Department			\$ 2,067,347

Administration of the Sexual Offender Registry

Other Charges	\$	650	
Total Administration of the Sexual Offender Registry			650

Jail

Assistant(s)	\$	38,108	
Supervisor/Director		46,274	
Salary Supplements		27,315	
Guards		572,691	
Clerical Personnel		29,890	
Longevity Pay		3,600	
Overtime Pay		50,416	
Social Security		46,937	
Extension Service Medicare		10,977	
Pensions		45,359	
Employee and Dependent Insurance		119,640	
Communication		3,511	
Contracts with Private Agencies		7,898	
Data Processing Services		4,843	
Evaluation and Testing		4,956	
Maintenance and Repair Services - Equipment		6,344	
Maintenance and Repair Services - Office Equipment		3,231	
Maintenance and Repair Services - Vehicles		4,224	
Medical and Dental Services		189,218	
Pest Control		317	
Postal Charges		1,166	
Travel		908	
Disposal Fees		5,060	
Electricity		55,461	
Food Supplies		236,507	
Natural Gas		45,255	
Office Supplies		3,645	
Prisoners Clothing		7,239	
Uniforms		4,534	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Water and Sewer	\$	65,651	
Other Supplies and Materials		52,415	
In Service/Staff Development		950	
Other Charges		489	
Office Equipment		25,537	
Other Equipment		70	
Total Jail			\$ 1,720,636

Rural Fire Protection

In-service Training	\$	50	
Evaluation and Testing		82	
Maintenance and Repair Services - Vehicles		5,813	
Other Contracted Services		28,000	
Diesel Fuel		3,343	
Electricity		15,359	
Gasoline		374	
Natural Gas		11,065	
Water and Sewer		2,044	
Excess Risk Insurance		7,896	
Vehicle and Equipment Insurance		17,004	
Motor Vehicles		18,000	
Other Equipment		4,591	
Total Rural Fire Protection			113,621

Civil Defense

Supervisor/Director	\$	66,955	
Secretary(ies)		31,471	
Part-time Personnel		21,415	
Longevity Pay		1,000	
Other Salaries and Wages		32,365	
Social Security		9,382	
Extension Service Medicare		2,194	
Pensions		9,884	
Employee and Dependent Insurance		13,826	
Communication		4,109	
Data Processing Services		506	
Dues and Memberships		340	
Evaluation and Testing		49	
Maintenance Agreements		722	
Maintenance and Repair Services - Equipment		1,577	
Maintenance and Repair Services - Office Equipment		12	
Maintenance and Repair Services - Vehicles		4,600	
Postal Charges		254	
Internet Connectivity		1,245	
Travel		377	
Diesel Fuel		1,578	
Gasoline		2,014	

(Continued)

Exhibit K-7

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

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

Office Supplies	\$	1,450	
Uniforms		2,570	
Other Supplies and Materials		23,112	
Vehicle and Equipment Insurance		7,389	
In Service/Staff Development		800	
Other Charges		5,819	
Furniture and Fixtures		2,747	
Office Equipment		8,031	
Other Equipment		22,941	
Total Civil Defense			\$ 280,734

County Coroner/Medical Examiner

Assistant(s)	\$	2,936	
Supervisor/Director		5,211	
Social Security		495	
Extension Service Medicare		116	
Pensions		220	
Other Contracted Services		52,530	
Other Equipment		967	
Total County Coroner/Medical Examiner			62,475

Other Public Safety

Communication	\$	541	
Total Other Public Safety			541

Public Health and WelfareLocal Health Center

Communication	\$	4,913	
Contracts with Government Agencies		19,141	
Contracts with Private Agencies		1,190	
Dues and Memberships		200	
Janitorial Services		15,519	
Pest Control		142	
Disposal Fees		687	
Electricity		9,486	
Natural Gas		3,085	
Office Supplies		368	
Water and Sewer		722	
Other Supplies and Materials		13,151	
Other Charges		295	
Furniture and Fixtures		168	
Other Equipment		79	
Total Local Health Center			69,146

Rabies and Animal Control

Assistant(s)	\$	32,594	
Longevity Pay		300	

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Overtime Pay	\$	2,124	
Social Security		2,042	
Extension Service Medicare		478	
Pensions		2,626	
Employee and Dependent Insurance		10,480	
Communication		1,522	
Contracts with Government Agencies		11,776	
Maintenance and Repair Services - Vehicles		484	
Towing Services		65	
Gasoline		1,243	
Uniforms		216	
Vehicle and Equipment Insurance		526	
Other Equipment		2,086	
Total Rabies and Animal Control			\$ 68,562

Ambulance/Emergency Medical Services

Supervisor/Director	\$	68,286
Accountants/Bookkeepers		27,778
Medical Personnel		11,599
Paraprofessionals		1,494,844
Longevity Pay		6,100
Social Security		97,379
Extension Service Medicare		22,774
Pensions		110,077
Employee and Dependent Insurance		185,072
Communication		7,976
Contracts with Government Agencies		3,000
Contracts with Private Agencies		83,810
Dues and Memberships		740
Evaluation and Testing		2,095
Licenses		2,400
Maintenance Agreements		500
Maintenance and Repair Services - Buildings		311
Maintenance and Repair Services - Equipment		8,483
Maintenance and Repair Services - Vehicles		26,140
Pest Control		314
Postal Charges		253
Internet Connectivity		1,171
Towing Services		575
Travel		2,269
Disposal Fees		788
Other Contracted Services		39,292
Custodial Supplies		1,651
Diesel Fuel		6,684
Drugs and Medical Supplies		90,384
Electricity		24,162
Gasoline		63,901

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Natural Gas	\$	3,883	
Office Supplies		946	
Tires and Tubes		7,570	
Uniforms		6,970	
Water and Sewer		1,309	
Other Supplies and Materials		33	
Refunds		258	
Vehicle and Equipment Insurance		9,541	
In Service/Staff Development		3,814	
Furniture and Fixtures		1,936	
Office Equipment		543	
Other Equipment		23,301	
Total Ambulance/Emergency Medical Services			\$ 2,450,912

Maternal and Child Health Services

Contracts with Government Agencies	\$	5,000	
Total Maternal and Child Health Services			5,000

Other Local Health Services

Paraprofessionals	\$	91,889	
Secretary(ies)		50,302	
Social Security		7,893	
Extension Service Medicare		1,846	
Pensions		10,178	
Employee and Dependent Insurance		52,222	
Disability Insurance		419	
Travel		1,348	
Other Supplies and Materials		3,076	
Total Other Local Health Services			219,173

Regional Mental Health Center

Contracts with Government Agencies	\$	21,600	
Contributions		2,000	
Total Regional Mental Health Center			23,600

Other Public Health and Welfare

Contracts with Private Agencies	\$	43,084	
Contributions		45,000	
Total Other Public Health and Welfare			88,084

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	79,500	
Total Senior Citizens Assistance			79,500

Libraries

Assistant(s)	\$	32,785	
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(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Supervisor/Director	\$	53,248	
Librarians		107,896	
Part-time Personnel		72,800	
Longevity Pay		1,550	
Social Security		15,842	
Extension Service Medicare		3,822	
Pensions		14,661	
Employee and Dependent Insurance		24,637	
Advertising		273	
Communication		1,298	
Data Processing Services		3,082	
Dues and Memberships		267	
Evaluation and Testing		88	
Maintenance and Repair Services - Equipment		205	
Pest Control		123	
Postal Charges		547	
Internet Connectivity		4,608	
Rentals		4,785	
Travel		1,623	
Disposal Fees		240	
Electricity		12,241	
Library Books/Media		9,475	
Natural Gas		2,607	
Office Supplies		8,454	
Periodicals		665	
Water and Sewer		979	
Other Supplies and Materials		6,648	
In Service/Staff Development		1,068	
Other Charges		180	
Office Equipment		2,782	
Total Libraries			\$ 389,479

Agriculture and Natural Resources

Agricultural Extension Service

Assistant(s)	\$	10,375
Supervisor/Director		11,729
Secretary(ies)		10,684
Educational Assistants		9,627
Longevity Pay		237
Social Security		2,404
Extension Service Medicare		580
Pensions		7,380
Employee and Dependent Insurance		7,224
Communication		2,948
Dues and Memberships		675
Janitorial Services		5,720
Maintenance and Repair Services - Office Equipment		457

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agricultural Extension Service (Cont.)

Travel	\$	2,058	
Electricity		6,063	
Natural Gas		5,472	
Office Supplies		1,680	
Water and Sewer		1,813	
Other Supplies and Materials		2,135	
Office Equipment		2,326	
Total Agricultural Extension Service			\$ 91,587

Forest Service

Contributions	\$	2,000	
Total Forest Service			2,000

Soil Conservation

Supervisor/Director	\$	32,269	
Longevity Pay		850	
Social Security		1,854	
Extension Service Medicare		433	
Pensions		2,484	
Employee and Dependent Insurance		9,043	
Total Soil Conservation			46,933

Other Operations

Tourism

Advertising	\$	2,000	
Contributions		44,100	
Total Tourism			46,100

Other Economic and Community Development

Contributions	\$	356,490	
Other Construction		108,043	
Total Other Economic and Community Development			464,533

Veterans' Services

Assistant(s)	\$	12,310	
Supervisor/Director		18,942	
Social Security		1,938	
Extension Service Medicare		453	
Advertising		71	
Communication		960	
Data Processing Services		448	
Evaluation and Testing		116	
Maintenance Agreements		59	
Maintenance and Repair Services - Office Equipment		7	
Postal Charges		240	
Internet Connectivity		740	
Travel		609	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Gasoline	\$	152	
Office Supplies		406	
Vehicle and Equipment Insurance		488	
Other Charges		1,574	
Office Equipment		3,480	
Total Veterans' Services			\$ 42,993

Other Charges

Life Insurance	\$	4,800	
Disability Insurance		16,564	
Unemployment Compensation		2,746	
Bank Charges		440	
Other Contracted Services		7,086	
Liability Insurance		181,057	
Trustee's Commission		183,823	
Workers' Compensation Insurance		144,187	
Liability Claims		5,000	
Other Charges		18,425	
Land		54,964	
Office Equipment		12,552	
Total Other Charges			631,644

Contributions to Other Agencies

Contributions	\$	318,984	
Total Contributions to Other Agencies			318,984

Total General Fund \$ 13,778,386

Juvenile Services Fund

Administration of Justice

Juvenile Court

Data Processing Services	\$	4,125	
Other Supplies and Materials		1,189	
Trustee's Commission		724	
Total Juvenile Court			\$ 6,038

Total Juvenile Services Fund 6,038

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Assistant(s)	\$	54,731	
Supervisor/Director		61,194	
Equipment Operators - Light		60,160	
Truck Drivers		95,512	
Secretary(ies)		26,241	
Maintenance Personnel		35,884	

(Continued)

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Management (Cont.)

Part-time Personnel	\$	155,108
Longevity Pay		350
Overtime Pay		24,228
Social Security		30,850
Extension Service Medicare		7,373
Pensions		23,843
Employee and Dependent Insurance		59,540
Life Insurance		296
Disability Insurance		1,038
Advertising		2,832
Communication		6,070
Contracts with Private Agencies		6,281
Contracts with Public Carriers		21,341
Data Processing Services		3,336
Dues and Memberships		512
Evaluation and Testing		744
Janitorial Services		3,823
Laundry Service		2,528
Legal Notices, Recording, and Court Costs		511
Licenses		300
Maintenance and Repair Services - Buildings		11,399
Maintenance and Repair Services - Equipment		47,783
Maintenance and Repair Services - Vehicles		44,573
Medical and Dental Services		12,290
Pest Control		142
Postal Charges		287
Printing, Stationery, and Forms		29
Rentals		19,222
Travel		3,242
Disposal Fees		34,603
Custodial Supplies		668
Diesel Fuel		48,792
Electricity		50,019
Food Supplies		9,438
Garage Supplies		33,107
Gasoline		3,415
Natural Gas		12,630
Office Supplies		677
Uniforms		1,585
Water and Sewer		6,236
Other Supplies and Materials		15
Liability Insurance		8,855
Trustee's Commission		14,751
Vehicle and Equipment Insurance		7,901
Workers' Compensation Insurance		10,240
In Service/Staff Development		1,070
Motor Vehicles		25,016

(Continued)

Exhibit K-7

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

<u>Solid Waste/Sanitation Fund (Cont.)</u>			
<u>Public Health and Welfare (Cont.)</u>			
<u>Sanitation Management (Cont.)</u>			
Office Equipment	\$	1,200	
Other Equipment		110,178	
Other Capital Outlay		68,753	
Total Sanitation Management		<u> </u>	\$ 1,272,742
Total Solid Waste/Sanitation Fund			\$ 1,272,742
<u>Drug Control Fund</u>			
<u>Public Safety</u>			
<u>Drug Enforcement</u>			
Remittance of Revenue Collected	\$	5,122	
Trustee's Commission		132	
Total Drug Enforcement		<u> </u>	\$ 5,254
Total Drug Control Fund			5,254
<u>Constitutional Officers - Fees Fund</u>			
<u>Finance</u>			
<u>County Trustee's Office</u>			
Constitutional Officers' Operating Expenses	\$	124	
Total County Trustee's Office		<u> </u>	\$ 124
Total Constitutional Officers - Fees Fund			124
<u>Highway/Public Works Fund</u>			
<u>Highways</u>			
<u>Administration</u>			
County Official/Administrative Officer	\$	79,950	
Assistant(s)		41,122	
Accountants/Bookkeepers		38,813	
Salary Supplements		6,000	
Longevity Pay		1,000	
Overtime Pay		5,200	
Social Security		10,664	
Extension Service Medicare		2,495	
Pensions		12,906	
Employee and Dependent Insurance		11,104	
Disability Insurance		43	
Dues and Memberships		3,041	
Evaluation and Testing		45	
Legal Notices, Recording, and Court Costs		93	
Maintenance and Repair Services - Equipment		383	
Maintenance and Repair Services - Office Equipment		1,437	
Postal Charges		500	
Travel		1,201	
Office Supplies		878	
Other Charges		2,025	
Office Equipment		1,669	
Total Administration		<u> </u>	\$ 220,569

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance

Foremen	\$	90,168	
Equipment Operators		433,414	
Truck Drivers		216,738	
Laborers		93,266	
Longevity Pay		11,650	
Overtime Pay		15,334	
Social Security		52,522	
Extension Service Medicare		12,283	
Pensions		63,688	
Employee and Dependent Insurance		169,056	
Disability Insurance		234	
Evaluation and Testing		1,032	
Asphalt		389,769	
Crushed Stone		256,245	
Fertilizer, Lime, and Seed		7,599	
General Construction Materials		6,988	
Pipe		54,085	
Road Signs		7,788	
Salt		5,414	
Total Highway and Bridge Maintenance			\$ 1,887,273

Operation and Maintenance of Equipment

Foremen	\$	51,188	
Mechanic(s)		114,817	
Longevity Pay		2,500	
Social Security		10,217	
Extension Service Medicare		2,390	
Pensions		12,076	
Employee and Dependent Insurance		36,364	
Disability Insurance		45	
Evaluation and Testing		201	
Laundry Service		11,327	
Diesel Fuel		77,456	
Equipment and Machinery Parts		202,939	
Garage Supplies		47,885	
Gasoline		19,755	
Lubricants		12,905	
Tires and Tubes		59,067	
Other Supplies and Materials		20,645	
Total Operation and Maintenance of Equipment			681,777

Other Charges

Communication	\$	6,195	
Electricity		10,360	
Water and Sewer		3,118	
Liability Insurance		9,885	
Trustee's Commission		35,196	

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges (Cont.)

Vehicle and Equipment Insurance	\$ 24,483	
Liability Claims	2,500	
Total Other Charges	<u> </u>	\$ 91,737

Employee Benefits

Life Insurance	\$ 982	
Disability Insurance	3,368	
Workers' Compensation Insurance	27,123	
Total Employee Benefits	<u> </u>	31,473

Capital Outlay

Bridge Construction	\$ 26,590	
Highway Construction	100,000	
Highway Equipment	70,216	
Motor Vehicles	76,000	
Plant Operation Equipment	2,116	
State Aid Projects	669,828	
Total Capital Outlay	<u> </u>	<u>944,750</u>

Total Highway/Public Works Fund \$ 3,857,579

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 3,557,887	
Total General Government	<u> </u>	\$ 3,557,887

Highways and Streets

Principal on Bonds	\$ 576,039	
Total Highways and Streets	<u> </u>	576,039

Education

Principal on Bonds	\$ 2,126,074	
Principal on Notes	248,435	
Principal on Capital Leases	163,587	
Total Education	<u> </u>	2,538,096

Interest on Debt

General Government

Interest on Bonds	\$ 223,772	
Total General Government	<u> </u>	223,772

Highways and Streets

Interest on Bonds	\$ 14,766	
Total Highways and Streets	<u> </u>	14,766

(Continued)

Exhibit K-7

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

General Debt Service Fund (Cont.)

Interest on Debt (Cont.)

Education

Interest on Bonds	\$ 854,708	
Interest on Notes	11,509	
Interest on Capital Leases	2,148	
Total Education	<u> </u>	\$ 868,365

Other Debt Service

General Government

Trustee's Commission	\$ 70,331	
Other Debt Issuance Charges	3,501	
Total General Government	<u> </u>	73,832

Highways and Streets

Contracts with Private Agencies	\$ 735	
Total Highways and Streets	<u> </u>	735

Education

Contracts with Private Agencies	\$ 1,950	
Total Education	<u> </u>	1,950

Total General Debt Service Fund \$ 7,855,442

General Capital Projects Fund

Capital Projects

Education Capital Projects

Contributions	\$ 403,368	
Total Education Capital Projects	<u> </u>	\$ 403,368

Total General Capital Projects Fund 403,368

Highway Capital Projects Fund

Capital Projects

Highway and Street Capital Projects

Highway Construction	\$ 212,866	
Total Highway and Street Capital Projects	<u> </u>	\$ 212,866

Total Highway Capital Projects Fund 212,866

School Bus Acquisition Fund

Capital Projects

Other General Government Projects

Trustee's Commission	\$ 966	
Total Other General Government Projects	<u> </u>	\$ 966

Capital Projects - Donated

Capital Projects Donated to School Department

Transportation Equipment	\$ 387,600	
Total Capital Projects Donated to School Department	<u> </u>	387,600

Total School Bus Acquisition Fund 388,566

(Continued)

Exhibit K-7

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

<u>Other Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Other General Government Projects</u>		
Architects	\$ 121,407	
Trustee's Commission	26,576	
Motor Vehicles	117,548	
Office Equipment	24,040	
Other Equipment	797	
Other Capital Outlay	28,304	
Total Other General Government Projects	<u>318,672</u>	\$ <u>318,672</u>
Total Other Capital Projects Fund		\$ <u>318,672</u>
Total Governmental Funds - Primary Government		\$ <u><u>28,099,037</u></u>

Exhibit K-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 14,347,896	
Career Ladder Program	56,965	
Homebound Teachers	5,650	
Educational Assistants	675,506	
Other Salaries and Wages	70,452	
Certified Substitute Teachers	21,702	
Non-certified Substitute Teachers	140,655	
Social Security	887,159	
Pensions	1,348,676	
Medical Insurance	3,051,894	
Dental Insurance	10,512	
Unemployment Compensation	16,892	
Employer Medicare	208,964	
Maintenance and Repair Services - Equipment	28,034	
Travel	2,857	
Tuition	7,388	
Other Contracted Services	84,234	
Instructional Supplies and Materials	349,597	
Textbooks - Bound	66,182	
Other Charges	724	
Regular Instruction Equipment	508,455	
Total Regular Instruction Program		\$ 21,890,394

Alternative Instruction Program

Teachers	\$ 144,029	
Non-certified Substitute Teachers	992	
Social Security	8,327	
Pensions	13,051	
Medical Insurance	37,877	
Dental Insurance	82	
Unemployment Compensation	127	
Employer Medicare	1,948	
Communication	80	
Instructional Supplies and Materials	1,559	
Regular Instruction Equipment	3,469	
Total Alternative Instruction Program		211,541

Special Education Program

Teachers	\$ 1,030,354
Career Ladder Program	10,500
Homebound Teachers	3,438
Educational Assistants	340,513
Speech Pathologist	225,339
Certified Substitute Teachers	3,645
Non-certified Substitute Teachers	29,439
Social Security	92,816

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Pensions	\$	136,892	
Medical Insurance		437,142	
Dental Insurance		1,646	
Unemployment Compensation		2,645	
Employer Medicare		21,913	
Other Contracted Services		56,373	
Instructional Supplies and Materials		5,400	
Special Education Equipment		465	
Total Special Education Program			\$ 2,398,520

Career and Technical Education Program

Teachers	\$	942,125	
Career Ladder Program		3,000	
Certified Substitute Teachers		1,647	
Non-certified Substitute Teachers		6,330	
Social Security		55,863	
Pensions		85,644	
Medical Insurance		154,571	
Dental Insurance		532	
Unemployment Compensation		878	
Employer Medicare		13,090	
Maintenance and Repair Services - Equipment		1,550	
Instructional Supplies and Materials		19,321	
Textbooks - Bound		2,000	
Vocational Instruction Equipment		158,312	
Total Career and Technical Education Program			1,444,863

Support Services

Attendance

Supervisor/Director	\$	37,777	
Career Ladder Program		600	
Social Workers		72,922	
Social Security		4,258	
Pensions		5,469	
Medical Insurance		14,780	
Dental Insurance		91	
Unemployment Compensation		125	
Employer Medicare		1,552	
Travel		798	
Other Contracted Services		10,529	
Other Supplies and Materials		3,198	
In Service/Staff Development		859	
Attendance Equipment		1,341	
Total Attendance			154,299

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services

Supervisor/Director	\$	68,260	
Career Ladder Program		550	
Medical Personnel		151,693	
Social Security		10,448	
Pensions		11,042	
Medical Insurance		52,507	
Dental Insurance		160	
Unemployment Compensation		440	
Employer Medicare		2,947	
Travel		157	
Other Contracted Services		40,000	
Other Supplies and Materials		11,255	
In Service/Staff Development		4,750	
Other Charges		217	
Health Equipment		1,160	
Total Health Services			\$ 355,586

Other Student Support

Career Ladder Program	\$	3,000	
Guidance Personnel		609,663	
Other Salaries and Wages		1,750	
Social Security		35,545	
Pensions		55,546	
Medical Insurance		136,640	
Dental Insurance		260	
Unemployment Compensation		513	
Employer Medicare		8,322	
Contracts with Government Agencies		72,713	
Evaluation and Testing		28,701	
Travel		140	
Other Contracted Services		7,781	
Other Supplies and Materials		3,135	
Other Charges		16,595	
Total Other Student Support			980,304

Regular Instruction Program

Supervisor/Director	\$	256,518	
Career Ladder Program		5,550	
Librarians		506,062	
Secretary(ies)		23,358	
Other Salaries and Wages		4,052	
Social Security		44,185	
Pensions		68,230	
Medical Insurance		160,806	
Dental Insurance		575	
Unemployment Compensation		667	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Employer Medicare	\$	10,927	
Dues and Memberships		200	
Travel		3,991	
Other Contracted Services		5,445	
Library Books/Media		22,296	
Other Supplies and Materials		3,894	
In Service/Staff Development		27,408	
Other Equipment		1,254	
Total Regular Instruction Program			\$ 1,145,418

Special Education Program

Psychological Personnel	\$	38,441	
Social Security		2,280	
Pensions		3,460	
Medical Insurance		5,932	
Unemployment Compensation		90	
Employer Medicare		533	
In Service/Staff Development		550	
Total Special Education Program			51,286

Career and Technical Education Program

Supervisor/Director	\$	40,079	
Secretary(ies)		21,921	
Social Security		3,566	
Pensions		5,441	
Medical Insurance		22,309	
Dental Insurance		68	
Unemployment Compensation		63	
Employer Medicare		834	
Communication		3,484	
Travel		903	
Other Contracted Services		3,244	
In Service/Staff Development		100	
Total Career and Technical Education Program			102,012

Technology

Supervisor/Director	\$	82,275	
Career Ladder Program		3,000	
Data Processing Personnel		195,802	
Social Security		14,434	
Pensions		17,588	
Medical Insurance		43,648	
Dental Insurance		196	
Unemployment Compensation		277	
Employer Medicare		3,901	
Maintenance and Repair Services - Equipment		42,700	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Technology (Cont.)

Internet Connectivity	\$	94,243	
Software		13,422	
In Service/Staff Development		100	
Total Technology			\$ 511,586

Other Programs

On-behalf Payments to OPEB	\$	197,713	
Total Other Programs			197,713

Board of Education

Board and Committee Members Fees	\$	6,225	
Social Security		386	
Employer Medicare		90	
Dues and Memberships		6,501	
Legal Services		11,121	
Other Contracted Services		14,000	
Other Supplies and Materials		23	
Liability Insurance		66,911	
Trustee's Commission		268,819	
Workers' Compensation Insurance		168,654	
In Service/Staff Development		175	
Criminal Investigation of Applicants - TBI		6,011	
Other Charges		5,323	
Total Board of Education			554,239

Director of Schools

County Official/Administrative Officer	\$	116,304	
Career Ladder Program		1,000	
Secretary(ies)		43,040	
Social Security		9,684	
Pensions		19,744	
Medical Insurance		17,756	
Dental Insurance		320	
Unemployment Compensation		84	
Employer Medicare		2,265	
Communication		865	
Dues and Memberships		3,037	
Travel		1,068	
In Service/Staff Development		1,267	
Other Charges		1,459	
Total Director of Schools			217,893

Office of the Principal

Principals	\$	796,130	
Career Ladder Program		12,500	
Assistant Principals		860,991	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Secretary(ies)	\$	223,114	
Clerical Personnel		165,492	
Social Security		121,246	
Pensions		180,141	
Medical Insurance		300,617	
Dental Insurance		1,076	
Unemployment Compensation		1,517	
Employer Medicare		28,356	
Dues and Memberships		1,500	
Other Contracted Services		7,000	
Office Supplies		5,730	
In Service/Staff Development		238	
Other Charges		134,414	
Administration Equipment		13,867	
Total Office of the Principal			\$ 2,853,929

Fiscal Services

Supervisor/Director	\$	42,737	
Accountants/Bookkeepers		181,745	
Social Security		13,304	
Pensions		13,631	
Medical Insurance		33,181	
Dental Insurance		91	
Unemployment Compensation		210	
Employer Medicare		3,111	
Data Processing Services		56,532	
Travel		134	
Other Contracted Services		645	
Data Processing Supplies		1,920	
Office Supplies		21,155	
In Service/Staff Development		2,110	
Total Fiscal Services			370,506

Human Services/Personnel

Supervisor/Director	\$	74,465	
Clerical Personnel		44,200	
Social Security		6,965	
Pensions		8,900	
Medical Insurance		21,518	
Dental Insurance		91	
Unemployment Compensation		84	
Employer Medicare		1,629	
Travel		698	
Office Supplies		1,931	
Other Supplies and Materials		1,694	
In Service/Staff Development		591	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Human Services/Personnel (Cont.)

Other Charges	\$	6,227	
Administration Equipment		295	
Total Human Services/Personnel			\$ 169,288

Operation of Plant

Secretary(ies)	\$	49,426	
Custodial Personnel		911,710	
Other Salaries and Wages		57,898	
Social Security		58,311	
Pensions		63,355	
Medical Insurance		238,324	
Dental Insurance		839	
Unemployment Compensation		2,275	
Employer Medicare		13,784	
Disposal Fees		68,168	
Other Contracted Services		49,032	
Custodial Supplies		154,132	
Electricity		1,187,598	
Natural Gas		121,115	
Water and Sewer		150,852	
Other Supplies and Materials		22	
Boiler Insurance		10,445	
Building and Contents Insurance		190,289	
Total Operation of Plant			3,327,575

Maintenance of Plant

Maintenance Personnel	\$	421,697	
Other Salaries and Wages		26,250	
Social Security		26,083	
Pensions		33,247	
Medical Insurance		92,714	
Dental Insurance		182	
Unemployment Compensation		518	
Employer Medicare		6,146	
Communication		1,695	
Maintenance and Repair Services - Buildings		397,477	
Maintenance and Repair Services - Equipment		235,289	
Other Contracted Services		187,850	
Other Supplies and Materials		183	
Other Charges		534	
Maintenance Equipment		500	
Total Maintenance of Plant			1,430,365

Transportation

Supervisor/Director	\$	58,600	
Mechanic(s)		110,754	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)Support Services (Cont.)Transportation (Cont.)

Bus Drivers	\$	587,691	
Clerical Personnel		32,777	
Other Salaries and Wages		45,230	
Social Security		44,065	
Pensions		58,784	
Medical Insurance		387,212	
Dental Insurance		1,605	
Unemployment Compensation		2,292	
Employer Medicare		10,536	
Communication		1,981	
Medical and Dental Services		5,670	
Travel		301	
Other Contracted Services		4,530	
Diesel Fuel		148,090	
Gasoline		33,341	
Tires and Tubes		23,124	
Vehicle Parts		49,031	
Vehicle and Equipment Insurance		58,751	
In Service/Staff Development		1,061	
Other Charges		45,709	
Transportation Equipment		387,600	
Total Transportation			\$ 2,098,735

Central and Other

Clerical Personnel	\$	22,820	
Social Security		1,300	
Pensions		1,712	
Life Insurance		15,077	
Medical Insurance		112,293	
Unemployment Compensation		42	
Employer Medicare		304	
Other Fringe Benefits		63,306	
Communication		14,343	
Postal Charges		1,886	
Office Supplies		5,057	
Other Supplies and Materials		56	
Other Charges		5,719	
Total Central and Other			243,915

Operation of Non-Instructional ServicesCommunity Services

Supervisor/Director	\$	102,174	
Teachers		234,590	
Educational Assistants		2,848	
Other Salaries and Wages		2,038	
Social Security		20,246	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Pensions	\$	30,900	
Employer Medicare		4,735	
Instructional Supplies and Materials		14,955	
In Service/Staff Development		660	
Other Charges		5,930	
Total Community Services			\$ 419,076

Early Childhood Education

Teachers	\$	111,848	
Career Ladder Program		998	
Educational Assistants		25,828	
Social Security		8,105	
Pensions		12,183	
Medical Insurance		28,063	
Dental Insurance		91	
Unemployment Compensation		192	
Employer Medicare		1,895	
Instructional Supplies and Materials		6,916	
In Service/Staff Development		750	
Other Charges		931	
Regular Instruction Equipment		7,123	
Total Early Childhood Education			204,923

Capital Outlay

Regular Capital Outlay

Other Capital Outlay	\$	1,100,315	
Total Regular Capital Outlay			1,100,315

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	425,679	
Total Education			425,679

Total General Purpose School Fund

\$ 42,859,960

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	565,227	
Educational Assistants		99,347	
Certified Substitute Teachers		1,744	
Non-certified Substitute Teachers		1,949	
Social Security		38,383	
Pensions		57,896	
Medical Insurance		141,803	
Dental Insurance		479	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Unemployment Compensation	\$	863	
Employer Medicare		8,977	
Instructional Supplies and Materials		52,677	
Other Charges		522	
Regular Instruction Equipment		63,870	
Total Regular Instruction Program			\$ 1,033,737

Special Education Program

Teachers	\$	287,782	
Educational Assistants		277,715	
Other Salaries and Wages		82,303	
Certified Substitute Teachers		800	
Non-certified Substitute Teachers		800	
Social Security		34,326	
Pensions		48,911	
Medical Insurance		192,062	
Dental Insurance		739	
Unemployment Compensation		1,539	
Employer Medicare		8,463	
Maintenance and Repair Services - Equipment		93	
Instructional Supplies and Materials		32,060	
Other Supplies and Materials		2,293	
Special Education Equipment		20,838	
Total Special Education Program			990,724

Career and Technical Education Program

Vocational Instruction Equipment	\$	55,310	
Total Career and Technical Education Program			55,310

Support Services

Other Student Support

Other Salaries and Wages	\$	1,778	
Travel		7,707	
Other Contracted Services		3,999	
Other Supplies and Materials		61	
Other Charges		7,914	
Total Other Student Support			21,459

Regular Instruction Program

Supervisor/Director	\$	32,338	
Secretary(ies)		33,394	
Social Security		3,834	
Pensions		4,983	
Medical Insurance		5,408	
Dental Insurance		84	
Unemployment Compensation		112	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Employer Medicare	\$	846	
Travel		264	
Other Supplies and Materials		582	
In Service/Staff Development		51,065	
Other Charges		3,887	
Other Equipment		5,462	
Total Regular Instruction Program			\$ 142,259

Special Education Program

Supervisor/Director	\$	38,559	
Secretary(ies)		19,654	
Clerical Personnel		23,660	
Social Security		4,446	
Pensions		6,707	
Medical Insurance		24,021	
Dental Insurance		93	
Unemployment Compensation		86	
Employer Medicare		959	
Travel		2,111	
Other Contracted Services		76,961	
Other Supplies and Materials		3,411	
In Service/Staff Development		6,607	
Total Special Education Program			207,275

Career and Technical Education Program

Supervisor/Director	\$	3,470	
Total Career and Technical Education Program			3,470

Transportation

Bus Drivers	\$	53,787	
Other Salaries and Wages		36,868	
Social Security		4,836	
Pensions		6,799	
Medical Insurance		40,128	
Dental Insurance		260	
Unemployment Compensation		271	
Employer Medicare		1,131	
Diesel Fuel		1,000	
Total Transportation			145,080

Operation of Non-Instructional Services

Food Service

Food Supplies	\$	78	
Total Food Service			78

Total School Federal Projects Fund \$ 2,599,392

(Continued)

Exhibit K-8

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

<u>Central Cafeteria Fund</u>		
<u>Operation of Non-Instructional Services</u>		
<u>Food Service</u>		
Supervisor/Director	\$	62,611
Clerical Personnel		72,280
Cafeteria Personnel		1,001,734
Maintenance Personnel		31,360
Social Security		65,419
Pensions		68,517
Medical Insurance		392,464
Dental Insurance		1,099
Unemployment Compensation		3,707
Employer Medicare		15,418
Other Fringe Benefits		268
Communication		1,473
Transportation - Other than Students		6,898
Travel		862
Other Contracted Services		38,288
Food Supplies		1,154,819
Office Supplies		6,084
Uniforms		2,619
USDA - Commodities		210,902
Other Supplies and Materials		160,323
In Service/Staff Development		7,636
Food Service Equipment		29,477
Total Food Service		<u>\$ 3,334,258</u>
Total Central Cafeteria Fund		\$ 3,334,258
<u>Education Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Building Construction	\$	279,959
Total Education Capital Projects		<u>\$ 279,959</u>
Total Education Capital Projects Fund		<u>279,959</u>
Total Governmental Funds - Marshall County School Department		<u><u>\$ 49,073,569</u></u>

Exhibit K-9

Marshall County, Tennessee
Schedule of Detailed Revenues and Expenses
Discretely Presented Marshall County Board of Public Utilities
For the Year Ended June 30, 2018

Revenues

Operating Revenues

Charges for Current Services

General Service Charges

Sewer Fees	\$ 64,280
Water Sales	2,315,412
Water Tap Sales	240,800
Service Charges	103,882
Total Charges for Current Services	<u>\$ 2,724,374</u>

Other Local Revenues

Recurring Items

Sale of Recycled Materials	\$ 3,241
Miscellaneous Refunds	7,313

Other Local Revenues

Other Local Revenues	14,562
Total Other Local Revenues	<u>\$ 25,116</u>
Total Operating Revenues	<u>\$ 2,749,490</u>

Nonoperating Revenues

Investment Income	\$ 25,020
Contribution from Primary Government (Adequate Facilities Tax)	300,000
Grants	5,000
Total Nonoperating Revenues	<u>\$ 330,020</u>

Total Revenues	<u>\$ 3,079,510</u>
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Expenses

Operating Expenses

Other Economic and Community Development

Assistants	\$ 31,871
Supervisor/Director	63,544
Accountants/Bookkeepers	137,738
Foremen	95,430
Equipment Operators	36,890
Laborers	145,544
Longevity Pay	7,250
Overtime Pay	23,452
Board and Committee Members Fees	3,250
Social Security	32,800
Extension Service Medicare	7,671
Employee and Dependent Insurance	96,243
State Retirement	26,169
Life Insurance	423
Disability Insurance	1,570
Audit Services	2,191
Communication	8,591

(Continued)

Exhibit K-9

Marshall County, Tennessee
Schedule of Detailed Revenues and Expenses
Discretely Presented Marshall County Board of Public Utilities (Cont.)

Expenses (Cont.)

Operating Expenses (Cont.)

Other Economic and Community Development (Cont.)

Contracts with Government Agencies	\$ 812,432
Data Processing Services	26,145
Debt Collection Services	8,366
Dues and Memberships	5,696
Engineering Services	16,765
Evaluation and Testing	5,313
Janitorial Services	810
Legal Services	9,120
Legal Notices, Recording and Court Costs	1,678
Licenses	400
Maintenance and Repair Services - Buildings	5,701
Maintenance and Repair Services - Equipment	3,586
Maintenance and Repair Services - Office Equipment	219
Maintenance and Repair Services - Vehicles	12,181
Pest Control	246
Postal Charges	15,892
Travel	1,237
Custodial Supplies	707
Electricity	44,944
Fertilizer, Lime, and Seed	29
Gasoline	30,995
General Construction Materials	141,931
Natural Gas	3,097
Office Supplies	3,605
Small Tools	1,707
Tires and Tubes	4,210
Uniforms	3,425
Water and Sewer	1,408
Indirect Cost	11,493
Liability Insurance	7,361
Trustee's Commission	30,656
Vehicle and Equipment Insurance	8,983
Workers' Compensation Insurance	12,368
Depreciation	582,330
In-Service/Staff Development	1,440
Fines, Assessments, and Penalties	5,721
Other Charges	4,361
Total Other Economic and Community Development	<u>\$ 2,547,185</u>
Total Operating Expenses	<u>\$ 2,547,185</u>

Nonoperating Expenses

General Government Debt Service

Interest on Bonds	\$ 153,743
Other Debt Issuance Charges	501
Total Nonoperating Expenses	<u>\$ 154,244</u>

Total Expenses	<u>\$ 2,701,429</u>
----------------	---------------------

Exhibit K-10

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

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 2,244,268
Total Cash Receipts	<u>\$ 2,244,268</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 2,221,825
Trustee's Commission	<u>22,443</u>
Total Cash Disbursements	<u>\$ 2,244,268</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2017	<u>0</u>
 Cash Balance, June 30, 2018	 <u><u>\$ 0</u></u>

STATUTORY SECTION

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

Table(s) Page(s)

Demographic and Economic Information:

These schedules offer water rates and water loss reports required by state statute to help the reader understand how well the utility is performing.

1-2 200-202

Source: Marshall County Board of Public Utility Management.

Table 1

Marshall County, Tennessee
Schedule of Utility Rates
Discretely Presented Marshall County Board of Public Utilities
June 30, 2018

Utility Rates in Effect

Dry Tap	\$ 20.00	per month
First 1,000 gallons	20.00	minimum
Over 1,000 to 6,999 gallons	8.00	per 1,000 gallons
Over 7,000 to 12,000 gallons	10.00	per 1,000 gallons
All over 12,000 gallons	15.00	per 1,000 gallons
Horton Park	4.25	per 1,000 gallons
Town of Chapel Hill	4.25	per 1,000 gallons
Number of Customers	4,078	

Table 2

Marshall County, Tennessee
 Schedule of Unaccounted for Water
 Discretely Presented Marshall County Board of Public Utilities
 For the Year Ended June 30, 2018

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

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

Water Audit Report for: **Marshall County Board of Public Utilities (0000105)**
 Reporting Year: **2018** | **7/2017 - 6/2018**

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

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

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

WATER SUPPLIED

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

Volume from own sources:	+ ?	8		MG/Yr
Water imported:	+ ?	8	292.450	MG/Yr
Water exported:	+ ?			MG/Yr

WATER SUPPLIED: 292,450 MG/Yr

AUTHORIZED CONSUMPTION

Billed metered:	+ ?	7		MG/Yr
Billed unmetered:	+ ?	7		MG/Yr
Unbilled metered:	+ ?	9	2.208	MG/Yr
Unbilled unmetered:	+ ?		3.656	MG/Yr

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

AUTHORIZED CONSUMPTION: 201.017 MG/Yr

WATER LOSSES (Water Supplied - Authorized Consumption) 91.433 MG/Yr

Apparent Losses

Unauthorized consumption:	+ ?			MG/Yr
	+ ?		0.731	MG/Yr

Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed

Customer metering inaccuracies:	+ ?	7		MG/Yr
Systematic data handling errors:	+ ?	9	0.500	MG/Yr

Apparent Losses: 11.619 MG/Yr

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: 79.815 MG/Yr

WATER LOSSES: 91.433 MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: 97.297 MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	+ ?	9		miles
Number of <u>active AND inactive</u> service connections:	+ ?	10	4,120	conn./mile main
Service connection density:	+ ?		10	conn./mile main

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

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

Average operating pressure: 9 115.0 psi

COST DATA

Total annual cost of operating water system:	+ ?	9		\$/Year
Customer retail unit cost (applied to Apparent Losses):	+ ?	9	\$10.52	\$/1000 gallons (US)
Variable production cost (applied to Real Losses):	+ ?	10	\$2,904.45	\$/Million gallons U

WATER AUDIT DATA VALIDITY SCORE:

*** YOUR SCORE IS: 81 out of 100 ***

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

PRIORITY AREAS FOR ATTENTION:


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

- 1: Water imported
- 2: Billed metered
- 3: Unauthorized consumption

201

Table 2a

Marshall County, Tennessee
Schedule of Unaccounted for Water
Discretely Presented Marshall County Board of Public Utilities
For the Year Ended June 30, 2018



AWWA Free Water Audit Software:

System Attributes and Performance Indicators

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

Water Audit Report for: Marshall County Board of Public Utilities (0000105)

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

*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 81 out of 100 ***

System Attributes:

	Apparent Losses:	11.619	MG/Yr
	+ Real Losses:	79.815	MG/Yr
	= Water Losses:	91.433	MG/Yr
	? Unavoidable Annual Real Losses (UARL):	115.64	MG/Yr
	Annual cost of Apparent Losses:	\$122,227	
	Annual cost of Real Losses:	\$231,818	Valued at Variable Production Cost

Return to Reporting Worksheet to change this assumption

Performance Indicators:

Financial:	{	Non-revenue water as percent by volume of Water Supplied:	33.3%
		Non-revenue water as percent by cost of operating system:	18.7% Real Losses valued at Variable Production Cost
Operational Efficiency:	{	Apparent Losses per service connection per day:	7.73 gallons/connection/day
		Real Losses per service connection per day:	N/A gallons/connection/day
		Real Losses per length of main per day*:	553.60 gallons/mile/day
		Real Losses per service connection per day per psi pressure:	N/A gallons/connection/day/psi
		From Above, Real Losses = Current Annual Real Losses (CARL):	79.81 million gallons/year
		? Infrastructure Leakage Index (ILI) [CARL/UARL]:	0.69

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

SINGLE AUDIT SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
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

Marshall County Mayor and
Board of County Commissioners
Marshall 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Marshall County, Tennessee, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Marshall County's basic financial statements, and have issued our report thereon dated October 31, 2018.

Internal Control Over Financial Reporting

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

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

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

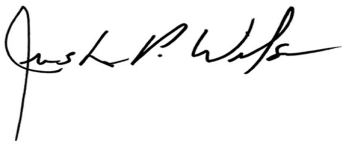
Compliance and Other Matters

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

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 Marshall 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

October 31, 2018

JPW/yu



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

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

Opinion on Each Major Federal Program

In our opinion, Marshall 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 Marshall 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 Marshall 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 Marshall County's internal control over compliance.

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

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

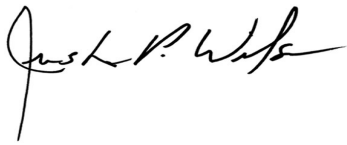
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Marshall County, Tennessee, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Marshall County's basic financial statements. We issued our report thereon dated October 31, 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

October 31, 2018

JPW/yu

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 210,902 (5)
Passed-through State Department of Education:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	487,649
National School Lunch Program	10.555	N/A	1,387,843 (5)
Total U.S. Department of Agriculture			\$ 2,086,394
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention	16.540	(3)	\$ 6,000
Total U.S. Department of Justice			\$ 6,000
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	(3)	\$ 3,899
Passed-through State Department of Military:			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	(3)	5,196
Total U.S. Department of Transportation			\$ 9,095
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 913,107
Special Education Cluster: (4)			
Special Education - Grants to States	84.027	N/A	1,336,124
Special Education - Preschool Grants	84.173	N/A	32,770
Career and Technical Education - Basic Grants to States	84.048	N/A	72,263
Twenty-first Century Community Learning Centers	84.287	N/A	348,013
English Language Acquisition State Grants	84.365	N/A	19,786
Supporting Effective Instruction State Grants	84.367	N/A	162,368
Student Support and Academic Enrichment Program	84.424	N/A	18,484
Total U.S. Department of Education			\$ 2,902,915
U.S. Department of Health and Human Services:			
Passed-through State Department of Education:			
CCDF Cluster:			
Child Care and Development Block Grant	93.575	(3)	\$ 74,460
Total U.S. Department of Health and Human Services			\$ 74,460
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(3)	\$ 33,850
Homeland Security Grant Program	97.067	(3)	16,142
Total U.S. Department of Homeland Security			\$ 49,992
Total Expenditures of Federal Grants			\$ 5,128,856

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
Juvenile Justice and Delinquency Prevention - State Commission on Children and Youth	N/A	(3)	\$ 9,000
FastTrack Infrastructure Development Program - State Department of Economic and Community Development	N/A	(3)	94,350
Administrative Office of the Courts Court Security Grant Program - Supreme Court of Tennessee	N/A	(3)	25,247
Safe Schools Act - State Department of Education	N/A	(3)	28,980
CTE Equipment Grant - State Department of Education	N/A	(3)	125,008
Early Childhood Education - State Department of Education	N/A	(3)	197,348
Coordinated School Health - State Department of Education	N/A	(3)	89,826
Lottery for Education Afterschool Programs - State Department of Education	N/A	(3)	71,811
Read to Be Ready Coaching Network - State Department of Education	N/A	(3)	16,000
Teacher Leader Network - State Department of Education	N/A	(3)	8,000
Internet Connectivity - State Department of Education	N/A	(3)	14,285
Litter Program - State Department of Transportation	N/A	(3)	52,788
Hub and Spoke Grant - State Department of Environment and Conservation	N/A	(3)	66,670
Technology Grant - Tennessee State Library and Archives	N/A	(3)	9,320
Microfilm Scanner Grant Program - Tennessee State Library and Archives	N/A	(3)	4,053
Local Health Services - State Department of Health	N/A	GG-1855251	219,014
ThreeStar Grant Program - State Department of Economic and Community Development	N/A	(3)	<u>5,000</u>
Total State Grants			<u>\$ 1,036,700</u>

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Marshall County elected not to use the 10% de minimus cost rate permitted in the Uniform Guidance.
- (3) Information not available.
- (4) Child Nutrition Cluster total \$2,086,394; Special Education Cluster total \$1,368,894.
- (5) Total for CFDA No. 10.555 is \$1,598,745.

Marshall 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 Marshall County, Tennessee, for the year ended June 30, 2018.

Prior-year Financial Statement Findings

There were no prior-year financial statement findings to report.

Prior-year Federal Awards Findings

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

MARSHALL 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 Marshall County is unmodified. | |
| 2. Internal Control Over Financial Reporting: | |
| * Material weakness identified? | NO |
| * Significant deficiency identified? | NO |
| 3. Noncompliance material to the financial statements noted? | NO |

Federal Awards:

- | | |
|---|---------------|
| 4. Internal Control Over Major Federal Programs: | |
| * Material weakness identified? | NO |
| * Significant deficiency identified? | NONE REPORTED |
| 5. Type of report auditor issued on compliance for major programs. | UNMODIFIED |
| 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | NO |
| 7. Identification of Major Federal Programs: | |
| * CFDA Numbers: 10.553; and 10.555; Nutrition Cluster: School Breakfast Program; National School Lunch 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

There were no findings and recommendations as a result of our audit of the financial statements of Marshall County, Tennessee.

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.

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

The audit of Marshall County did not report any findings and recommendations. Therefore, no management responses are 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).

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 Marshall County.

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

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