



ANNUAL FINANCIAL REPORT

Carroll County, Tennessee

For the Year Ended June 30, 2020

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

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

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

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

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Summary of Audit Findings

Annual Financial Report
Carroll County, Tennessee
For the Year Ended June 30, 2020

Scope

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

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- ◆ General ledger payroll deduction accounts were not reconciled with payroll reports and payments in the General Fund.
- ◆ Competitive bids were not solicited for inmate food.

INTRODUCTORY SECTION

Carroll County Officials

June 30, 2020

Officials

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

Board of County Commissioners

Joseph Butler, County Mayor, Chairman	Barry Murphy
Bobby Argo	Ronnie Murphy
John Austin	Lori Nolen
Johnny Blount	Steve Parker
Manuel Crossno	Darrell Ridgley
Hal Eason	Gerald Scarbrough
Jeremy Fowler	Larry Spencer
Willie Huffman	Vince Taylor
Randy Long	Joel Washburn
John Mann	Paula Watkins
Jimmy McClure	Brian Winston

Highway Commission

Joseph Butler, County Mayor, Chairman
Scotty Bailey
Ricky Scott

Audit Committee

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

Board of Education

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

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carroll County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Carroll County Board of Public Utilities, a major fund and the entire business-type activities. Also, we did not audit the financial statements of the Carroll County Indigent Care Board (a fiduciary fund), which represent 21.3 percent, 53.6 percent, and 4.6 percent, respectively, of the assets, net position, and revenues of the aggregate remaining fund information. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Carroll County Board of Public Utilities and Carroll County Indigent Care Board, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

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

comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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

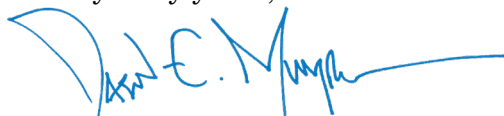
The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2021, on our consideration of Carroll County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Carroll County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance

with *Government Auditing Standards* in considering Carroll County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 3, 2021

JEM/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government			Component Unit
	Governmental Activities	Business- type Activities	Total	Carroll County School Department
<u>ASSETS</u>				
Cash	\$ 25,803	\$ 3,025,150	\$ 3,050,953	\$ 0
Equity in Pooled Cash and Investments	6,847,697	0	6,847,697	8,898,304
Inventories	0	706,858	706,858	0
Investments	0	5,507,873	5,507,873	0
Accounts Receivable	2,384,176	3,004,302	5,388,478	0
Allowance for Uncollectibles	(2,153,551)	(25,000)	(2,178,551)	0
Due from Other Governments	697,943	0	697,943	133,536
Property Taxes Receivable	6,627,037	0	6,627,037	644,598
Allowance for Uncollectible Property Taxes	(261,717)	0	(261,717)	(21,187)
Prepaid Items and Other Current Assets	0	182,249	182,249	0
Restricted Assets				
Amounts Accumulated for Pension Benefits	0	0	0	8,567
Net Pension Asset - Agent Plan	1,049,540	0	1,049,540	184,923
Net Pension Asset - Commissioners Agent Plan	83,967	0	83,967	0
Net Pension Asset - Teacher Retirement Plan	0	0	0	9,608
Net Pension Asset - Teacher Legacy Pension Plan	0	0	0	146,995
Capital Assets:				
Assets Not Depreciated:				
Land	1,747,068	305,408	2,052,476	176,489
Construction in Progress	585,351	225,013	810,364	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	12,860,365	0	12,860,365	428,015
Infrastructure	6,682,332	0	6,682,332	0
Other Capital Assets	1,614,364	22,927,281	24,541,645	2,291,689
Total Assets	\$ 38,790,375	\$ 35,859,134	\$ 74,649,509	\$ 12,901,537
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pension Changes in Experience	\$ 49,114	\$ 0	\$ 49,114	\$ 16,208
Pension Changes in Assumptions	275,125	0	275,125	68,467
Pension Changes in Proportion	0	0	0	13,768
Pension Contributions After Measurement Date	287,220	0	287,220	100,025
OPEB Changes in Assumptions	0	0	0	3,244
OPEB Changes in Proportion	0	0	0	15,167
OPEB Contributions After Measurement Date	0	0	0	1,113
Total Deferred Outflows of Resources	\$ 611,459	\$ 0	\$ 611,459	\$ 217,992
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 2,872,894	\$ 2,872,894	\$ 0
Payroll Deductions Payable	80,206	0	80,206	24,600
Accrued Interest Payable	50,770	0	50,770	0
Due to State of Tennessee	267	0	267	0
Other Current Liabilities	0	885,132	885,132	0
Customer Deposits Payable	0	1,128,068	1,128,068	0
Noncurrent Liabilities:				
Due Within One Year - Debt	560,000	0	560,000	0
Due Within One Year - Other	17,885	224,717	242,602	0
Due in More Than One Year - Debt	6,843,000	0	6,843,000	0
Due in More Than One Year - Other	339,848	1,481,653	1,821,501	77,791
Total Liabilities	\$ 7,891,976	\$ 6,592,464	\$ 14,484,440	\$ 102,391

(Continued)

Exhibit A

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

	Primary Government			Component Unit
	Governmental Activities	Business- type Activities	Total	Carroll County School Department
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 6,159,008	\$ 0	\$ 6,159,008	\$ 610,709
Pension Changes in Experience	412,778	0	412,778	163,749
Pension Changes in Investment Earnings	257,962	0	257,962	87,514
Pension Changes in Proportion	0	0	0	18,563
OPEB Changes in Experience	0	31,898	31,898	80,665
OPEB Changes in Assumptions	0	17,253	17,253	11,122
Total Deferred Inflows of Resources	<u>\$ 6,829,748</u>	<u>\$ 49,151</u>	<u>\$ 6,878,899</u>	<u>\$ 972,322</u>
<u>NET POSITION</u>				
Net Investment in Capital Assets	\$ 16,086,480	\$ 23,457,702	\$ 39,544,182	\$ 2,896,193
Restricted for:				
General Government	48,346	0	48,346	0
Finance	38,551	0	38,551	0
Administration of Justice	11,500	0	11,500	0
Public Safety	426,786	0	426,786	0
Public Health and Welfare	294,590	0	294,590	0
Highways/Public Works	203,474	0	203,474	0
Instruction	0	0	0	16,502
Support Services	0	0	0	11,555
Operation of Non-instructional Services	0	0	0	5,506
Debt Service	964,604	0	964,604	0
Hybrid Retirement Stabilization Funds	0	0	0	8,567
Pensions	1,133,507	0	1,133,507	341,526
Unrestricted	<u>5,472,272</u>	<u>5,759,817</u>	<u>11,232,089</u>	<u>8,764,967</u>
Total Net Position	<u>\$ 24,680,110</u>	<u>\$ 29,217,519</u>	<u>\$ 53,897,629</u>	<u>\$ 12,044,816</u>

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

Exhibit B

Carroll County, Tennessee
Statement of Activities
For the Year Ended June 30, 2020

Functions/Programs	Net (Expense) Revenue and Changes in Net Position							Component Unit Carroll County School Department
	Expenses	Program Revenues			Primary Government			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Business-type Activities	Total	
Primary Government:								
Governmental Activities:								
General Government	\$ 2,049,034	\$ 262,949	\$ 221,860	\$ 179,387	\$ (1,384,838)	\$ 0	\$ (1,384,838)	\$ 0
Finance	804,675	646,994	0	0	(157,681)	0	(157,681)	0
Administration of Justice	1,091,524	622,133	0	0	(469,391)	0	(469,391)	0
Public Safety	6,977,422	1,184,682	803,834	32,000	(4,956,906)	0	(4,956,906)	0
Public Health and Welfare	1,994,233	1,244,208	117,983	81,285	(550,757)	0	(550,757)	0
Social, Cultural, and Recreational Services	700,122	63,184	54,075	29,297	(553,566)	0	(553,566)	0
Agriculture and Natural Resources	125,546	0	0	0	(125,546)	0	(125,546)	0
Highways/Public Works	3,948,900	0	2,645,052	252,360	(1,051,488)	0	(1,051,488)	0
Interest on Long-term Debt	175,477	0	0	0	(175,477)	0	(175,477)	0
Total Governmental Activities	\$ 17,866,932	\$ 4,024,150	\$ 3,842,804	\$ 574,329	\$ (9,425,649)	\$ 0	\$ (9,425,649)	\$ 0
Business-type Activities:								
Public Utility	\$ 37,597,184	\$ 38,312,988	\$ 0	\$ 0	\$ 0	\$ 715,804	\$ 715,804	\$ 0
Total Business-type Activities	\$ 37,597,184	\$ 38,312,988	\$ 0	\$ 0	\$ 0	\$ 715,804	\$ 715,804	\$ 0
Total Primary Government	\$ 55,464,116	\$ 42,337,138	\$ 3,842,804	\$ 574,329	\$ (9,425,649)	\$ 715,804	\$ (8,709,845)	\$ 0
Component Unit:								
Carroll County School Department	\$ 3,606,737	\$ 140,011	\$ 105,122	\$ 156,965	\$ 0	\$ 0	\$ 0	\$ (3,204,639)
Total Component Unit	\$ 3,606,737	\$ 140,011	\$ 105,122	\$ 156,965	\$ 0	\$ 0	\$ 0	\$ (3,204,639)

(Continued)

Exhibit B

Carroll County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Carroll County School Department
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Total Governmental Activities	Business-type Activities		
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					\$ 5,292,259	\$ 0	\$ 5,292,259	\$ 565,690
Property Taxes Levied for Debt Service					490,928	0	490,928	0
Local Option Sales Taxes					375,706	0	375,706	80,149
Wheel Tax					1,305,925	0	1,305,925	0
Litigation Taxes					182,314	0	182,314	0
Business Tax					186,072	0	186,072	0
Wholesale Beer Tax					76,188	0	76,188	0
Other Local Taxes					41,443	0	41,443	71
Grants and Contributions Not Restricted to Specific Programs					389,094	0	389,094	2,972,138
Unrestricted Investment Income					110,470	85,737	196,207	0
Miscellaneous					314,787	0	314,787	26,387
Total General Revenues					\$ 8,765,186	\$ 85,737	\$ 8,850,923	\$ 3,644,435
Transfers					\$ 433,564	\$ (433,564)	\$ 0	\$ 0
Change in Net Position					\$ (226,899)	\$ 367,977	\$ 141,078	\$ 439,796
Net Position, July 1, 2019					24,907,009	28,849,542	53,756,551	11,605,020
Net Position, June 30, 2020					\$ 24,680,110	\$ 29,217,519	\$ 53,897,629	\$ 12,044,816

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

Exhibit C-1

Carroll County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2020

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	Other Govern- mental Funds	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 25,803	\$ 25,803
Equity in Pooled Cash and Investments	3,710,201	626,662	2,510,834	6,847,697
Accounts Receivable	892	0	2,383,284	2,384,176
Allowance for Uncollectibles	0	0	(2,153,551)	(2,153,551)
Due from Other Governments	250,474	438,717	8,752	697,943
Due from Other Funds	19,601	0	0	19,601
Property Taxes Receivable	5,256,813	374,850	995,374	6,627,037
Allowance for Uncollectible Property Taxes	(204,517)	(14,583)	(42,617)	(261,717)
Total Assets	\$ 9,033,464	\$ 1,425,646	\$ 3,727,879	\$ 14,186,989
<u>LIABILITIES</u>				
Payroll Deductions Payable	\$ 74,055	\$ 0	\$ 6,151	\$ 80,206
Due to Other Funds	0	0	19,601	19,601
Due to State of Tennessee	254	0	13	267
Total Liabilities	\$ 74,309	\$ 0	\$ 25,765	\$ 100,074
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 4,893,966	\$ 348,977	\$ 916,065	\$ 6,159,008
Deferred Delinquent Property Taxes	149,137	10,634	34,971	194,742
Other Deferred/Unavailable Revenue	59,096	232,850	104,590	396,536
Total Deferred Inflows of Resources	\$ 5,102,199	\$ 592,461	\$ 1,055,626	\$ 6,750,286

(Continued)

Exhibit C-1

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

	Major Funds		Nonmajor	Total
	General	Highway / Public Works	Other Govern- mental Funds	
<u>FUND BALANCES</u>				
Restricted:				
Restricted for General Government	\$ 38,289	\$ 0	\$ 0	\$ 38,289
Restricted for Finance	38,551	0	0	38,551
Restricted for Administration of Justice	11,500	0	0	11,500
Restricted for Public Safety	280,089	0	146,697	426,786
Restricted for Public Health and Welfare	170,981	0	0	170,981
Restricted for Debt Service	0	0	995,618	995,618
Restricted for Other Purposes	8,207	0	0	8,207
Committed:				
Committed for Administration of Justice	0	0	5,702	5,702
Committed for Public Health and Welfare	0	0	1,040,402	1,040,402
Committed for Social, Cultural, and Recreational Services	105,124	0	0	105,124
Committed for Highways/Public Works	0	833,185	0	833,185
Committed for Debt Service	0	0	458,069	458,069
Unassigned	3,204,215	0	0	3,204,215
Total Fund Balances	<u>\$ 3,856,956</u>	<u>\$ 833,185</u>	<u>\$ 2,646,488</u>	<u>\$ 7,336,629</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,033,464</u>	<u>\$ 1,425,646</u>	<u>\$ 3,727,879</u>	<u>\$ 14,186,989</u>

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

Exhibit C-2

Carroll County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2020

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$	7,336,629
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,747,068	
Add: construction in progress		585,351	
Add: buildings and improvements net of accumulated depreciation		12,860,365	
Add: infrastructure net of accumulated depreciation		6,682,332	
Add: other capital assets net of accumulated depreciation		<u>1,614,364</u>	23,489,480
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	\$	(655,000)	
Less: other loans payable		(6,748,000)	
Less: accrued interest payable		(50,770)	
Less: compensated absences payable		<u>(357,733)</u>	(7,811,503)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.			
Add: deferred outflows of resources related to pensions	\$	611,459	
Less: deferred inflows of resources related to pensions		<u>(670,740)</u>	(59,281)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$	1,049,540	
Add: net pension asset - commissioners agent plan		<u>83,967</u>	1,133,507
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			<u>591,278</u>
Net position of governmental activities (Exhibit A)			<u>\$ 24,680,110</u>

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

Exhibit C-3

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

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	Other Govern- mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 6,393,960	\$ 847,303	\$ 961,112	\$ 8,202,375
Licenses and Permits	1,075	0	0	1,075
Fines, Forfeitures, and Penalties	132,210	0	72,640	204,850
Charges for Current Services	457,542	0	1,323,383	1,780,925
Other Local Revenues	799,682	31,453	66,119	897,254
Fees Received From County Officials	1,002,726	0	0	1,002,726
State of Tennessee	1,788,271	2,885,872	35,694	4,709,837
Federal Government	359,082	0	0	359,082
Other Governments and Citizens Groups	17,046	0	0	17,046
Total Revenues	<u>\$ 10,951,594</u>	<u>\$ 3,764,628</u>	<u>\$ 2,458,948</u>	<u>\$ 17,175,170</u>
<u>Expenditures</u>				
Current:				
General Government	\$ 1,305,283	\$ 0	\$ 0	\$ 1,305,283
Finance	713,843	0	0	713,843
Administration of Justice	921,343	0	98,352	1,019,695
Public Safety	5,938,142	0	73,811	6,011,953
Public Health and Welfare	306,262	0	1,559,648	1,865,910
Social, Cultural, and Recreational Services	552,669	0	0	552,669
Agriculture and Natural Resources	82,322	0	0	82,322
Other Operations	1,004,448	0	0	1,004,448
Highways	0	3,894,396	28,862	3,923,258
Debt Service:				
Principal on Debt	0	114,000	437,000	551,000
Interest on Debt	0	5,310	163,105	168,415
Other Debt Service	0	0	17,477	17,477
Total Expenditures	<u>\$ 10,824,312</u>	<u>\$ 4,013,706</u>	<u>\$ 2,378,255</u>	<u>\$ 17,216,273</u>

(Continued)

Exhibit C-3

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

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	Other Govern- mental Funds	
Excess (Deficiency) of Revenues Over Expenditures	\$ 127,282	\$ (249,078)	\$ 80,693	\$ (41,103)
<u>Other Financing Sources (Uses)</u>				
Notes Issued	\$ 0	\$ 212,000	\$ 0	\$ 212,000
Insurance Recovery	19,779	0	0	19,779
Transfers In	344,511	24,566	64,487	433,564
Total Other Financing Sources (Uses)	\$ 364,290	\$ 236,566	\$ 64,487	\$ 665,343
Net Change in Fund Balances	\$ 491,572	\$ (12,512)	\$ 145,180	\$ 624,240
Fund Balance, July 1, 2019	3,365,384	845,697	2,501,308	6,712,389
Fund Balance, June 30, 2020	\$ 3,856,956	\$ 833,185	\$ 2,646,488	\$ 7,336,629

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

Exhibit C-4

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

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ 624,240
<p>(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:</p>		
Add: capital assets purchased in the current period	\$ 996,795	
Less: current-year depreciation expense	<u>(2,195,372)</u>	(1,198,577)
<p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.</p>		
Add: assets donated and capitalized		32,000
<p>(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2020	\$ 591,278	
Less: deferred delinquent property taxes and other deferred June 30, 2019	<u>(591,979)</u>	(701)
<p>(4) The issuance of long-term debt (e.g., notes, other loans) provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.</p>		
Less: note proceeds	\$ (212,000)	
Add: principal payments on notes	166,000	
Add: principal payments on other loans	<u>385,000</u>	339,000
<p>(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>		
Change in accrued interest payable	\$ (799)	
Change in compensated absences payable	(60,677)	
Change in net pension asset - agent plan	335,135	
Change in net pension asset - commissioners agent plan	4,102	
Change in deferred outflows related to pensions	(125,444)	
Change in deferred inflows related to pensions	<u>(175,178)</u>	<u>(22,861)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (226,899)</u>

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

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 6,393,960	\$ 0	\$ 6,393,960	\$ 6,993,642	\$ 6,993,642	\$ (599,682)
Licenses and Permits	1,075	0	1,075	1,000	1,000	75
Fines, Forfeitures, and Penalties	132,210	0	132,210	199,200	199,200	(66,990)
Charges for Current Services	457,542	0	457,542	297,332	297,332	160,210
Other Local Revenues	799,682	0	799,682	695,943	799,877	(195)
Fees Received From County Officials	1,002,726	0	1,002,726	985,000	985,000	17,726
State of Tennessee	1,788,271	0	1,788,271	2,292,190	2,309,926	(521,655)
Federal Government	359,082	0	359,082	304,000	383,958	(24,876)
Other Governments and Citizens Groups	17,046	0	17,046	27,500	29,500	(12,454)
Total Revenues	\$ 10,951,594	\$ 0	\$ 10,951,594	\$ 11,795,807	\$ 11,999,435	\$ (1,047,841)
<u>Expenditures</u>						
<u>General Government</u>						
County Commission	\$ 39,544	\$ 0	\$ 39,544	\$ 49,484	\$ 49,484	\$ 9,940
Board of Equalization	15,215	0	15,215	18,800	18,800	3,585
Other Boards and Committees	196	0	196	1,840	1,840	1,644
County Mayor/Executive	262,162	0	262,162	279,955	281,259	19,097
County Attorney	4,125	0	4,125	15,000	15,000	10,875
Election Commission	191,355	0	191,355	216,897	213,697	22,342
Register of Deeds	189,680	0	189,680	205,380	205,380	15,700
County Buildings	603,006	0	603,006	757,629	867,818	264,812
<u>Finance</u>						
Property Assessor's Office	221,988	0	221,988	233,709	231,082	9,094
Reappraisal Program	23,525	0	23,525	39,863	39,863	16,338
County Trustee's Office	207,779	0	207,779	219,830	214,840	7,061
County Clerk's Office	260,551	0	260,551	282,624	278,166	17,615

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Administration of Justice</u>						
Circuit Court	\$ 388,877	\$ 0	\$ 388,877	\$ 412,071	\$ 412,071	\$ 23,194
General Sessions Judge	146,765	0	146,765	148,977	148,977	2,212
Drug Court	0	0	0	11,000	11,000	11,000
Chancery Court	196,775	0	196,775	201,807	201,684	4,909
Juvenile Court	165,882	0	165,882	175,055	175,055	9,173
Judicial Commissioners	5,168	0	5,168	5,236	5,236	68
Victim Assistance Programs	17,876	0	17,876	25,000	25,000	7,124
<u>Public Safety</u>						
Sheriff's Department	2,063,642	0	2,063,642	2,324,808	2,400,002	336,360
Administration of the Sexual Offender Registry	1,950	0	1,950	5,500	5,500	3,550
Jail	2,524,771	0	2,524,771	2,654,889	2,654,889	130,118
Juvenile Services	966,986	0	966,986	989,304	993,804	26,818
Fire Prevention and Control	249,831	0	249,831	324,201	326,201	76,370
Civil Defense	97,253	0	97,253	118,701	118,701	21,448
County Coroner/Medical Examiner	33,709	0	33,709	34,075	34,075	366
<u>Public Health and Welfare</u>						
Local Health Center	218,639	0	218,639	387,301	407,301	188,662
Rabies and Animal Control	14,124	0	14,124	15,600	15,600	1,476
Alcohol and Drug Programs	58,971	0	58,971	60,000	60,000	1,029
General Welfare Assistance	1,100	0	1,100	2,400	2,400	1,300
Other Local Welfare Services	13,428	0	13,428	13,428	13,428	0
<u>Social, Cultural, and Recreational Services</u>						
Senior Citizens Assistance	89,514	0	89,514	111,098	111,098	21,584
Libraries	101,857	0	101,857	115,408	121,380	19,523
Parks and Fair Boards	113,172	0	113,172	125,082	132,513	19,341

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Social, Cultural, and Recreational Services (Cont.)</u>						
Other Social, Cultural, and Recreational	\$ 248,126	\$ 0	\$ 248,126	\$ 251,000	\$ 251,000	\$ 2,874
<u>Agriculture and Natural Resources</u>						
Agricultural Extension Service	40,691	0	40,691	54,861	54,861	14,170
Forest Service	2,000	0	2,000	2,000	2,000	0
Soil Conservation	31,381	0	31,381	32,335	32,335	954
Flood Control	8,250	0	8,250	8,250	8,250	0
<u>Other Operations</u>						
Industrial Development	10,000	0	10,000	10,000	10,000	0
Other Economic and Community Development	73,460	0	73,460	77,000	77,000	3,540
Airport	347,123	(144,543)	202,580	493,786	493,786	291,206
Veterans' Services	30,705	0	30,705	32,068	32,068	1,363
Other Charges	400,735	0	400,735	398,150	443,199	42,464
Contributions to Other Agencies	49,500	0	49,500	49,700	49,700	200
COVID-19 Grant #1	70,945	0	70,945	0	70,945	0
COVID-19 Grant #2	1,355	0	1,355	0	1,355	0
COVID-19 Grant #3	20,625	0	20,625	0	20,625	0
Total Expenditures	\$ 10,824,312	\$ (144,543)	\$ 10,679,769	\$ 11,991,102	\$ 12,340,268	\$ 1,660,499
Excess (Deficiency) of Revenues						
Over Expenditures	\$ 127,282	\$ 144,543	\$ 271,825	\$ (195,295)	\$ (340,833)	\$ 612,658
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 19,779	\$ 0	\$ 19,779	\$ 0	\$ 19,779	\$ 0
Transfers In	344,511	0	344,511	0	0	344,511
Total Other Financing Sources	\$ 364,290	\$ 0	\$ 364,290	\$ 0	\$ 19,779	\$ 344,511

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Net Change in Fund Balance	\$ 491,572	\$ 144,543	\$ 636,115	\$ (195,295)	\$ (321,054)	\$ 957,169
Fund Balance, July 1, 2019	3,365,384	(144,543)	3,220,841	2,435,791	2,435,791	785,050
Fund Balance, June 30, 2020	\$ 3,856,956	\$ 0	\$ 3,856,956	\$ 2,240,496	\$ 2,114,737	\$ 1,742,219

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

Exhibit C-6

Carroll County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 847,303	\$ 866,500	\$ 841,500	\$ 5,803
Charges for Current Services	0	60	60	(60)
Other Local Revenues	31,453	1,600	26,300	5,153
State of Tennessee	2,885,872	3,225,453	3,225,453	(339,581)
Total Revenues	\$ 3,764,628	\$ 4,093,613	\$ 4,093,313	\$ (328,685)
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 249,798	\$ 258,796	\$ 265,325	\$ 15,527
Highway and Bridge Maintenance	925,854	932,802	992,722	66,868
Operation and Maintenance of Equipment	434,999	538,776	545,276	110,277
Other Charges	138,367	149,362	149,362	10,995
Employee Benefits	382,015	467,770	467,770	85,755
Capital Outlay	1,763,363	1,910,151	2,146,851	383,488
<u>Principal on Debt</u>				
Highways and Streets	114,000	114,000	114,000	0
<u>Interest on Debt</u>				
Highways and Streets	5,310	4,089	5,310	0
Total Expenditures	\$ 4,013,706	\$ 4,375,746	\$ 4,686,616	\$ 672,910
Excess (Deficiency) of Revenues Over Expenditures	\$ (249,078)	\$ (282,133)	\$ (593,303)	\$ 344,225
<u>Other Financing Sources (Uses)</u>				
Notes Issued	\$ 212,000	0	\$ 212,000	0
Transfers In	24,566	0	25,000	(434)
Total Other Financing Sources	\$ 236,566	0	\$ 237,000	(434)
Net Change in Fund Balance	\$ (12,512)	\$ (282,133)	\$ (356,303)	\$ 343,791
Fund Balance, July 1, 2019	845,697	531,030	531,030	314,667
Fund Balance, June 30, 2020	\$ 833,185	\$ 248,897	\$ 174,727	\$ 658,458

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

Exhibit D-1

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

	Business-type Activities
	Major Enterprise Fund
	Public Utility
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 3,025,150
Inventories	706,858
Investments	5,507,873
Accounts Receivable	3,004,302
Allowance for Uncollectibles	(25,000)
Prepaid Items and Other Current Assets	182,249
Total Current Assets	<u>\$ 12,401,432</u>
Noncurrent Assets:	
Capital Assets:	
Assets Not Depreciated:	
Land	\$ 305,408
Construction in Progress	225,013
Assets Net of Accumulated Depreciation:	
Other Capital Assets	22,927,281
Total Noncurrent Assets	<u>\$ 23,457,702</u>
Total Assets	<u>\$ 35,859,134</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 2,872,894
Accrued Leave - Current	224,717
Other Current Liabilities	885,132
Customer Deposits Payable	1,128,068
Total Current Liabilities	<u>\$ 5,110,811</u>
Noncurrent Liabilities:	
Accrued Leave - Long-term	\$ 1,251,814
Other Postemployment Benefits Obligation	229,839
Total Noncurrent Liabilities	<u>\$ 1,481,653</u>
Total Liabilities	<u>\$ 6,592,464</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
OPEB Changes in Experience	\$ 31,898
OPEB Changes in Assumptions	17,253
Total Deferred Inflows of Resources	<u>\$ 49,151</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	\$ 23,457,702
Unrestricted	5,759,817
Total Net Position	<u>\$ 29,217,519</u>

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

Exhibit D-2

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

	Business-type Activities
	Major Enterprise Fund
	Public Utility
<u>Operating Revenues</u>	
Charges for Sales and Services	\$ 37,219,700
Other Electric Revenue	1,093,288
Total Operating Revenues	<u>\$ 38,312,988</u>
<u>Operating Expenses</u>	
Cost of Sales and Services	\$ 29,857,006
Operations Expense	2,923,807
Maintenance Expense	1,435,986
Administrative Expense	1,655,527
Depreciation and Amortization	1,333,048
Other Taxes	390,932
Total Operating Expenses	<u>\$ 37,596,306</u>
Operating Income (Loss)	<u>\$ 716,682</u>
<u>Nonoperating Revenues (Expenses)</u>	
Interest Income	\$ 85,737
Interest Expense	(878)
Total Nonoperating Revenues (Expenses)	<u>\$ 84,859</u>
Income Before Transfers	\$ 801,541
Transfers In (Out)	(433,564)
Change in Net Position	\$ 367,977
Net Position, July 1, 2019	<u>28,849,542</u>
Net Position, June 30, 2020	<u>\$ 29,217,519</u>

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

Exhibit D-3

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

	Business-type Activities
	Major Enterprise Fund
	Public Utility
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 38,620,763
Payments to Employees	(3,405,501)
Payments to Suppliers	(32,598,321)
Customer Deposits Received	371,730
Customer Deposits Refunded	(267,613)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 2,721,058</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Construction and Acquisition of Plant	\$ (1,998,241)
Plant Removal Cost	(169,193)
Materials Salvaged from Retirements	149,577
Interest Paid	(878)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (2,018,735)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfers to Other Funds	\$ (433,564)
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ (433,564)</u>
<u>Cash Flows from Investing Activities</u>	
Purchase of Investment	\$ (5,507,873)
Proceeds from Sale of Investments	5,729,749
Interest Earned	85,737
Net Cash Provided By (Used In) Investing Activities	<u>\$ 307,613</u>
Net Increase (Decrease) in Cash	\$ 576,372
Cash, July 1, 2019	<u>2,448,778</u>
Cash, June 30, 2020	<u><u>\$ 3,025,150</u></u>
<u>Reconciliation of Net Operating Income to Net Cash</u>	
<u>Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 716,682
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash	
Provided By (Used In) Operating Activities:	
Depreciation Expense	1,333,048
(Increase) Decrease in Accounts Receivable	307,775

(Continued)

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

Business-type
 Activities

 Major
 Enterprise Fund

 Public
 Utility

Reconciliation of Net Operating Income to Net Cash
Provided By (Used In) Operating Activities (Cont.)

Adjustments to Reconcile Net Operating Income (Loss) to Net Cash	
Provided By (Used In) Operating Activities (Cont.):	
(Increase) Decrease in Inventories	\$ 9,162
(Increase) Decrease in Prepaid Items and Other Current Assets	58,474
(Increase) Decrease in Customer Deposits Payable	104,117
Increase (Decrease) in Accounts Payable and Accrued Expenses	<u>191,800</u>
 Net Cash Provided By Operating Activities	 \$ <u>2,721,058</u>

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

Exhibit E-1

Carroll County, Tennessee
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	<u>Other Trust Funds</u>		<u>Total Other Trust Funds</u>	<u>Agency Funds</u>
	<u>Endowment Principal</u>	<u>Indigent Care Trust</u>		
<u>ASSETS</u>				
Cash	\$ 0	\$ 149,009	\$ 149,009	\$ 895,405
Equity in Pooled Cash and Investments	83,170	0	83,170	460,441
Investments	0	3,020,075	3,020,075	0
Accounts Receivable	0	0	0	18,761
Due from Other Governments	0	0	0	1,136,028
Taxes Receivable	0	0	0	5,672,889
Allowance for Uncollectible Taxes	0	0	0	(229,795)
Accrued Interest Receivable	113	10,127	10,240	0
Total Assets	<u>\$ 83,283</u>	<u>\$ 3,179,211</u>	<u>\$ 3,262,494</u>	<u>\$ 7,953,729</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 24,559	\$ 24,559	\$ 0
Due to Other Taxing Units	0	0	0	6,957,896
Due to Litigants, Heirs, and Others	0	0	0	995,833
Total Liabilities	<u>\$ 0</u>	<u>\$ 24,559</u>	<u>\$ 24,559</u>	<u>\$ 7,953,729</u>
<u>NET POSITION</u>				
Held in Trust for Underprivileged Children	\$ 83,283	\$ 0	\$ 83,283	
Held in Trust for Indigent Care	0	3,154,652	3,154,652	
Total Net Position	<u>\$ 83,283</u>	<u>\$ 3,154,652</u>	<u>\$ 3,237,935</u>	

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

Exhibit E-2

Carroll County, Tennessee
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2020

	Other Trust Funds		Total
	Endowment	Indigent	Other
	Principal	Care Trust	Trust
			Funds
<u>ADDITIONS</u>			
Investment Income:			
Interest	\$ 921	\$ 122,499	\$ 123,420
Net Increase (Decrease) in Fair Value of Investments	0	(3,673)	(3,673)
Net Investment Income	<u>\$ 921</u>	<u>\$ 118,826</u>	<u>\$ 119,747</u>
Total Additions	<u>\$ 921</u>	<u>\$ 118,826</u>	<u>\$ 119,747</u>
<u>DEDUCTIONS</u>			
Payments for Indigent Care	\$ 0	\$ 95,465	\$ 95,465
Audit Fees	0	3,250	3,250
Insurance	0	493	493
Safekeeping Fees and Service Charges	0	98	98
Total Deductions	<u>\$ 0</u>	<u>\$ 99,306</u>	<u>\$ 99,306</u>
Change in Net Position	\$ 921	\$ 19,520	\$ 20,441
Net Position, July 1, 2019	<u>82,362</u>	<u>3,135,132</u>	<u>3,217,494</u>
Net Position, June 30, 2020	<u>\$ 83,283</u>	<u>\$ 3,154,652</u>	<u>\$ 3,237,935</u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

Carroll County is a public municipal corporation governed by an elected 21-member board. As required by GAAP, these financial statements present Carroll County (the primary government) and its component units. The financial statements of the Carroll County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of this omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

The Carroll County School Department operates the Carroll County Vocational Center and three adult and community education programs in the county. The school department also operates the transportation program for all students in the county including students attending the special school districts. The school department's board is elected by the voters of Carroll County. The school department is fiscally dependent on the county because it may not issue debt, and its budget and property tax levy are subject to the county commission's approval. The school department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

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

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

Administrative Office:

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

B. Government-wide and Fund Financial Statements

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

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

Carroll County issues all debt for the discretely presented Carroll County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 2020.

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

C. 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 fund financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of Carroll County are organized into funds, each of which is considered a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. Carroll County reports only one proprietary fund, a major enterprise fund.

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

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

accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

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

Carroll County reports the following major governmental funds:

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

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

Carroll County reports the following major proprietary fund:

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

Additionally, Carroll County reports the following fund types:

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

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

Other Trust Fund – The Indigent Care Trust Fund, established from contributions made from Baptist Memorial Hospital, is used to assist the medically indigent in paying for their in-patient and out-patient care and ambulance services rendered to them for not-for-profit hospital

and ambulance facilities or entities in Carroll County. Funding is provided through interest income.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities and special school districts in the county, and restricted revenues held for the benefit of the Office of District Attorney General. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

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

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

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

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

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

1. Deposits and Investments

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

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

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

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

No investments required to be reported at fair value were held at the balance sheet date, except in the Indigent Care Trust Fund (fiduciary fund).

2. Receivables and Payables

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

All solid waste and property taxes receivable are shown with an allowance for uncollectibles. Solid Waste receivables allowance for uncollectibles is based on historical data. The allowance for uncollectible property taxes is equal to 2.14 percent of total taxes levied.

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

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

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

3. Restricted Assets

Restricted assets consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of the discretely presented Carroll County School Department's Teacher Retirement Plan. The purpose of this trust is to accumulate funds to provide stabilization (smoothing) of retirement costs to the school system in times of fluctuating investment returns and market

downturns. These funds are held and invested by TCRS pursuant to an irrevocable agreement and may only be used for the benefit of the Carroll County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Carroll County School Department has not withdrawn any funds from the trust to pay pension cost. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

4. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental and business-type columns in the government-wide financial statements. Capital assets are defined by the government (excluding the Carroll County Board of Public Utilities, enterprise fund) as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

Property, plant, equipment, and infrastructure of the primary government (excluding the Carroll County Board of Public Utilities, enterprise fund) and the discretely presented school department are depreciated using the straight-line method over the following estimated useful lives:

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

5. **Deferred Outflows/Inflows of Resources**

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

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

6. **Compensated Absences**

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

The general policy of the discretely presented Carroll County School Department permits the unlimited accumulation of unused sick leave days for all professional personnel (teachers) and the limited accumulation of sick leave days for noncertified employees. The

granting of sick leave has no guaranteed payment attached, and therefore, requires no accrual or recording.

7. Long-term Debt and Long-term Obligations

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

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

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

8. Net Position and Fund Balance

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

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

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

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.

E. Pension Plans

Primary Government

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

Discretely Presented Carroll County School Department

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

F. Other Postemployment Benefit (OPEB) Plan

Discretely Presented Carroll County School Department

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Carroll County School Department

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

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

Primary Government

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

Discretely Presented Carroll County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

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

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed

appropriations authorized by the county commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

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

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

At June 30, 2020, the Carroll County School Department had outstanding encumbrances in the General Purpose School Fund in the amount of \$257,013.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool, the State Treasurer's Intermediate Term Investment Fund, and in repurchase agreements. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the State Treasurer's Investment Pool are reported both by the pool and the county at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the Intermediate Term Investment Fund are reported both by the pool and the county at amortized cost using a floating net asset value. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

The county (excluding the Carroll County Indigent Care Board, fiduciary fund, which is discussed in Note VII.B.1., and the Carroll County Board of Public Utilities, enterprise fund, which is discussed in Note VI.C.1.) had no pooled and nonpooled investments as of June 30, 2020.

TCRS Stabilization Trust

Legal Provisions. The Carroll County School Department is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The school department has placed funds into the irrevocable trust as authorized by statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member's funds are restricted for the payment of retirement benefits of that member's employees. Trust funds are not subject to the claims of general creditors of the school department.

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

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

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

- Level 1 - Unadjusted quoted prices for identical assets or liabilities in active markets that can be accessed at the measurement date.
- Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are

not active; assets or liabilities that have a bid-ask spread price in an inactive dealer market, brokered market and principal-to-principal market; and Level 1 assets or liabilities that are adjusted.

- Level 3 - Valuations derived from valuation techniques in which significant inputs are unobservable.

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

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

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

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

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

Real estate investments classified in Level 3 are valued using the last valuations provided by external investment advisors or independent external appraisers. Generally, all direct real estate investments are appraised by a qualified independent appraiser(s) with the professional designation of Member of the Appraisal Institute (“MAI”), or its equivalent, every three (3) years beginning from the acquisition date of the property. The appraisals are performed using generally accepted valuation approaches applicable to the property type.

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

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

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 2,656
Developed Market International Equity	N/A	N/A	1,199
Emerging Market International Equity	N/A	N/A	343
U.S. Fixed Income	N/A	N/A	1,713
Real Estate	N/A	N/A	857
Short-term Securities	N/A	N/A	86
NAV - Private Equity and Strategic Lending	N/A	N/A	1,713
Total			<u>\$ 8,567</u>

Investment by Fair Value Level	Fair Value 6-30-20	Fair Value Measurements Using			NAV
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
U.S. Equity	\$ 2,656	\$ 2,656	\$ 0	\$ 0	0
Developed Market International Equity	1,199	1,199	0	0	0
Emerging Market International Equity	343	343	0	0	0
U.S. Fixed Income	1,713	0	1,713	0	0
Real Estate	857	0	0	857	0
Short-term Securities	86	0	86	0	0
Private Equity and Strategic Lending	1,713	0	0	0	1,713
Total	<u>\$ 8,567</u>	<u>\$ 4,198</u>	<u>\$ 1,799</u>	<u>\$ 857</u>	<u>1,713</u>

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

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Carroll County School Department does not have the ability to limit trust investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Carroll County School Department does not have the ability to limit the credit ratings of individual investments made by the trust.

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

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to the trust agreement, investments are held in the name of the trust for the benefit of the Carroll County School Department to pay retirement benefits of the school department employees.

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

B. Capital Assets

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

Primary Government - Governmental Activities:

	Balance 7-1-19	Increases	Decreases	Balance 6-30-20
Capital Assets Not Depreciated:				
Land	\$ 1,747,068	\$ 0	\$ 0	\$ 1,747,068
Construction in Progress	463,976	121,375	0	585,351
Total Capital Assets Not Depreciated	<u>\$ 2,211,044</u>	<u>\$ 121,375</u>	<u>\$ 0</u>	<u>\$ 2,332,419</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 22,099,551	\$ 0	\$ 0	\$ 22,099,551
Infrastructure	17,817,251	299,230	0	18,116,481
Other Capital Assets	10,459,755	608,190	(233,053)	10,834,892
Total Capital Assets Depreciated	<u>\$ 50,376,557</u>	<u>\$ 907,420</u>	<u>\$ (233,053)</u>	<u>\$ 51,050,924</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 8,447,765	\$ 791,421	\$ 0	\$ 9,239,186
Infrastructure	10,883,939	550,210	0	11,434,149
Other Capital Assets	8,599,840	853,741	(233,053)	9,220,528
Total Accumulated Depreciation	<u>\$ 27,931,544</u>	<u>\$ 2,195,372</u>	<u>\$ (233,053)</u>	<u>\$ 29,893,863</u>
Total Capital Assets Depreciated, Net	<u>\$ 22,445,013</u>	<u>\$ (1,287,952)</u>	<u>\$ 0</u>	<u>\$ 21,157,061</u>
Governmental Activities Capital Assets, Net	<u>\$ 24,656,057</u>	<u>\$ (1,166,577)</u>	<u>\$ 0</u>	<u>\$ 23,489,480</u>

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

Governmental Activities:

General Government	\$ 362,668
Finance	11,047
Administration of Justice	53,277
Public Safety	996,187
Public Health and Welfare	100,111
Social, Cultural, and Recreational Services	33,614
Agriculture and Natural Resources	5,197
Highway/Public Works	<u>633,271</u>

Total Depreciation Expense - Governmental Activities \$ 2,195,372

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

	Balance 7-1-19	Increases	Decreases	Balance 6-30-20
Capital Assets Not Depreciated:				
Land	\$ 176,489	\$ 0	\$ 0	\$ 176,489
Total Capital Assets Not Depreciated	<u>\$ 176,489</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 176,489</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 2,975,785	\$ 0	\$ 0	\$ 2,975,785
Other Capital Assets	4,971,475	263,478	(176,997)	5,057,956
Total Capital Assets Depreciated	<u>\$ 7,947,260</u>	<u>\$ 263,478</u>	<u>\$ (176,997)</u>	<u>\$ 8,033,741</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 2,434,665	\$ 113,105	\$ 0	\$ 2,547,770
Other Capital Assets	2,640,462	302,802	(176,997)	2,766,267
Total Accumulated Depreciation	<u>\$ 5,075,127</u>	<u>\$ 415,907</u>	<u>\$ (176,997)</u>	<u>\$ 5,314,037</u>
Total Capital Assets Depreciated, Net	<u>\$ 2,872,133</u>	<u>\$ (152,429)</u>	<u>\$ 0</u>	<u>\$ 2,719,704</u>
Governmental Activities Capital Assets, Net	<u>\$ 3,048,622</u>	<u>\$ (152,429)</u>	<u>\$ 0</u>	<u>\$ 2,896,193</u>

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

Governmental Activities:

Instruction	\$ 88,017
Support Services	321,469
Capital Outlay	<u>6,421</u>
 Total Depreciation Expense - Governmental Activities	 <u>\$ 415,907</u>

C. Construction Commitments

At June 30, 2020, Carroll County had uncompleted construction contracts of approximately \$56,118 for airport improvements. Funding has been received for these future expenditures.

D. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 19,601

This balance 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, 2020, consisted of the following amounts:

<u>Transfers Out</u>	<u>Transfers In</u>			<u>Purpose</u>
	<u>General Fund</u>	<u>Highway/ Public Works Fund</u>	<u>Nonmajor Governmental Funds</u>	
Public Utility	\$ 344,511	\$ 24,566	\$ 64,487	Payment in-lieu-of taxes

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

E. Long-term Debt

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

Capital Outlay Notes and Other Loans

Direct Borrowing and Direct Placements: Carroll County issues other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Capital outlay notes and other loans outstanding were issued for original terms of up to ten years for notes and up to 25 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. Capital outlay notes and other loans included in long-term debt as of June 30, 2020, will be retired from the Highway/Public Works and General Debt Service funds.

Capital outlay notes and other loans outstanding as of June 30, 2020, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-20
Direct Borrowing and Direct Placement:				
Capital Outlay Notes	2.05 to 3.88 %	11-1-26	\$ 932,000	\$ 655,000
Other Loans	variable to 2.32	3-1-37	10,364,130	6,748,000

During the 2003-04 year, Carroll County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned \$2,200,000 to Carroll County for various capital projects. This loan is repayable at a variable interest rate based on the daily London Interbank Offer Rate (LIBOR). In addition, the county pays various other fees (letter of credit, debt remarketing, administrative, etc.) in connection with this loan. At June 30, 2020, the variable interest rate was .27 percent based on the LIBOR rate and other fees totaled .65 percent of the outstanding loan principal.

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

The annual requirements to amortize all notes and other loans outstanding as of June 30, 2020, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2021	\$ 165,000	\$ 16,558	\$ 181,558
2022	125,000	12,089	137,089
2023	129,000	7,937	136,937
2024	57,000	5,125	62,125
2025	58,000	3,705	61,705
2026-2027	121,000	3,001	124,001
Total	<u>\$ 655,000</u>	<u>\$ 48,415</u>	<u>\$ 703,415</u>

Year Ending June 30	Other Loans - Direct Placement			
	Principal	Interest	Other Fees	Total
2021	\$ 395,000	\$ 146,502	\$ 5,615	\$ 547,117
2022	405,000	138,369	4,947	548,316
2023	416,000	130,017	4,259	550,276
2024	426,000	121,440	3,545	550,985
2025	437,000	112,669	2,811	552,480
2026-2030	1,892,000	433,708	3,362	2,329,070
2031-2035	1,937,000	227,274	0	2,164,274
2036-2037	840,000	28,463	0	868,463
Total	<u>\$ 6,748,000</u>	<u>\$ 1,338,442</u>	<u>\$ 24,539</u>	<u>\$ 8,110,981</u>

There is \$1,453,687 available in the General Debt Service Fund to service long-term debt. Total debt per capita including notes and other loans totaled \$260, based on the 2010 federal census.

Changes in Long-term Debt

Long-term debt activity for the primary government (excluding the Carroll County Board of Public Utilities, enterprise fund) for the year ended June 30, 2020, was as follows:

Governmental Activities:	Notes - Direct Placement	Other Loans - Direct Placement
Balance, July 1, 2019	\$ 609,000	\$ 7,133,000
Additions	212,000	0
Reductions	(166,000)	(385,000)
Balance, June 30, 2020	<u>\$ 655,000</u>	<u>\$ 6,748,000</u>
Balance Due Within One Year	<u>\$ 165,000</u>	<u>\$ 395,000</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2020	\$ 7,403,000
Less: Balance Due Within One Year - Debt	<u>(560,000)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 6,843,000</u>

F. Long-term Obligations

Changes in Long-term Obligations

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

	<u>Compensated Absences</u>
Balance, July 1, 2019	\$ 297,056
Additions	304,404
Reductions	<u>(243,727)</u>
Balance, June 30, 2020	<u>\$ 357,733</u>
Balance Due Within One Year	<u>\$ 17,885</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2020	\$ 357,733
Less: Balance Due Within One Year - Other	<u>(17,885)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 339,848</u>

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

Discretely Presented Carroll County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Carroll County School Department for the year ended June 30, 2020, was as follows:

Governmental Activities:

	<u>Net OPEB Liability</u>
Balance, July 1, 2019	\$ 107,154
Additions	26,105
Reductions	<u>(55,468)</u>
Balance, June 30, 2020	<u>\$ 77,791</u>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2020	\$ 77,791
Less: Balance Due Within One Year - Other	<u>0</u>
Other Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 77,791</u>

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Carroll County School Department. These payments are made by the state to the Local Education Group Insurance. This plan is administered by the State of Tennessee and reported in the state’s Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Plan for the year ended June 30, 2020, were \$416. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

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

Employee Health Insurance

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

Workers’ Compensation Insurance

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

Liability, Property, and Casualty Insurance

The county is exposed to various risks related to general liability, property, and casualty losses. The county participates in the Local Government Property

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

Discretely Presented Carroll County School Department

Employee Health Insurance

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

Liability, Property, Casualty, and Workers' Compensation Insurance

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

B. Contingent Liabilities

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

C. Joint Ventures

The Twenty-fourth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-fourth Judicial District, Benton, Carroll, Decatur, Hardin, and Henry counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Carroll County made no contributions to the DTF

for the year ended June 30, 2020, and does not have any equity interest in this joint venture.

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

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

Administrative Offices:

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

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

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

D. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Carroll County and non-certified employees of the discretely presented Carroll County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 85.02 percent and the non-certified employees of the discretely presented school department comprised 14.98 percent of the plan based on contribution data. In addition, certain other county employees are provided a defined benefit pension plan (Carroll County Commissioners Plan) through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 100 percent of the Carroll County Commissioners Plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

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

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

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

Carroll County Plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	136
Inactive Employees Entitled to But Not Yet Receiving Benefits	222
Active Employees	235
Total	<u><u>593</u></u>

Carroll County Commissioners Plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	3
Inactive Employees Entitled to But Not Yet Receiving Benefits	2
Active Employees	10
Total	<u><u>15</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Carroll County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2020, the employer contribution for the Carroll County Plan was \$337,439 based on a rate of 4.27 percent of covered payroll and the employer contribution for the Carroll County Commissioners Plan was \$512 based on a rate of five percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Carroll County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are

expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Carroll County’s net pension liability (asset) was measured as of June 30, 2019, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

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

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

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

Changes in the Net Pension Liability (Asset)

Carroll County Plan:

	Increase (Decrease)		
	Total	Plan	Net
	Pension	Fiduciary	Pension
	Liability	Net Position	Liability
	(a)	(b)	(a)-(b)
Balance, July 1, 2018	\$ 23,468,080	\$ 24,320,490	\$ (852,410)
Changes for the Year:			
Service Cost	\$ 638,367	\$ 0	\$ 638,367
Interest	1,712,597	0	1,712,597
Differences Between Expected and Actual Experience	(240,287)	0	(240,287)
Contributions-Employer	0	329,920	(329,920)
Contributions-Employees	0	382,739	(382,739)
Net Investment Income	0	1,800,594	(1,800,594)
Benefit Payments, Including Refunds of Employee Contributions	(968,843)	(968,843)	0
Administrative Expense	0	(20,523)	20,523
Net Changes	\$ 1,141,834	\$ 1,523,887	\$ (382,053)
Balance, June 30, 2019	\$ 24,609,914	\$ 25,844,377	\$ (1,234,463)

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

		Total	Plan	Net
		Pension	Fiduciary	Pension
		Liability	Net	Liability
Carroll County Plan		Liability	Position	(Asset)
Primary Government	85.02%	\$ 20,923,349	\$ 21,972,889	\$ (1,049,540)
School Department	14.98%	3,686,565	3,871,488	(184,923)
Total		\$ 24,609,914	\$ 25,844,377	\$ (1,234,463)

Carroll County Commissioners Plan:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2018	\$ 75,448	\$ 155,313	\$ (79,865)
Changes for the Year:			
Service Cost	\$ 3,052	\$ 0	\$ 3,052
Interest	5,600	0	5,600
Differences Between Expected and Actual Experience	(646)	0	(646)
Contributions-Employer	0	670	(670)
Contributions-Employees	0	670	(670)
Net Investment Income	0	11,494	(11,494)
Benefit Payments, Including Refunds of Employee Contributions	(2,529)	(2,529)	0
Administrative Expense	0	(726)	726
Net Changes	\$ 5,477	\$ 9,579	\$ (4,102)
Balance, June 30, 2019	\$ 80,925	\$ 164,892	\$ (83,967)

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

	1% Decrease	Current Discount Rate	1% Increase
Carroll County Plan	6.25%	7.25%	8.25%

Net Pension Liability (Asset) \$ 1,884,547 \$ (1,234,463) \$ (3,843,480)

	1%	Current Discount Rate	1%
Carroll County Commissioners Plan:	Decrease 6.25%	7.25%	Increase 8.25%

Net Pension Liability (Asset) \$ (77,204) \$ (83,967) \$ (89,901)

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

Pension Expense (Negative Pension Expense). For the year ended June 30, 2020, the Carroll County Plan recognized pension expense of \$316,235 and the Carroll County Commissioners Plan recognized (negative pension expense) of (\$7,079).

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

Carroll County Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 57,767	\$ 482,540
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	301,128
Changes in Assumptions	322,599	0
Contributions Subsequent to the Measurement Date of June 30, 2019 (1)	337,439	N/A
Total	<u>\$ 717,805</u>	<u>\$ 783,668</u>

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 610,096	\$ 666,275
School Department	107,709	117,393
Total	<u>\$ 717,805</u>	<u>\$ 783,668</u>

Carroll County Commissioners Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 2,522
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	1,943
Changes in Assumptions	851	0
Contributions Subsequent to the Measurement Date of June 30, 2019 (1)	512	N/A
Total	<u>\$ 1,363</u>	<u>\$ 4,465</u>

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

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

Carroll County Plan:

Year Ending June 30	Amount
2021	\$ (10,638)
2022	(259,209)
2023	(75,918)
2024	(57,537)
2025	0
Thereafter	0

Carroll County Commissioners Plan:

Year Ending June 30	Amount
2021	\$ (415)
2022	(2,063)
2023	(1,081)
2024	(55)
2025	0
Thereafter	0

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

Discretely Presented Carroll County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, most employees of Carroll County and the non-certified employees of the discretely presented Carroll County School Department are provided a defined benefit pension plan (Carroll County Plan) through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 85.02 percent and the non-certified employees of the discretely presented school department comprised 14.98 percent of the plan based on contribution data. In addition, certain other county employees are provided a defined benefit pension plan (Carroll County Commissioners Plan) through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 100 percent of the Carroll County Commissioners Plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

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

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

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2020, to the Teacher Retirement Plan were \$4,610 which is 2.03 percent of covered payroll. In addition, employer contributions of \$4,395, which is 1.94 percent of covered payroll were made to the Pension Stabilization Reserve Trust. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). At June 30, 2020, the school department reported a liability (asset) of (\$9,608) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2019, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2019, the school department's proportion was .017020 percent. The proportion as of June 30, 2018, was .026863 percent.

Pension Expense. For the year ended June 30, 2020, the school department recognized pension expense of \$3,006.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the school department reported deferred

outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 398	\$ 1,677
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	406
Changes in Assumptions	334	0
Changes in Proportion of Net Pension Liability (Asset)	4,152	3,908
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	4,610	N/A
Total	<u>\$ 9,494</u>	<u>\$ 5,991</u>

The school department's employer contributions of \$4,610 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2021	\$ (214)
2022	(276)
2023	(162)
2024	(104)
2025	(87)
Thereafter	(264)

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

Actuarial Assumptions. The total pension liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

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

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

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from 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 (Asset) \$ 3,044 \$ (9,608) \$ (18,960)

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

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

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Carroll County School Department for the year ended June 30, 2020, to the Teacher Legacy Pension Plan were \$44,684, which is 10.63 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liability (Assets). At June 30, 2020, the school department reported a liability (asset) of (\$146,995) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2019, the school department's proportion was .014297 percent. The proportion measured at June 30, 2018, was .0197961 percent.

Pension Expense. For the year ended June 30, 2020, the school department recognized pension expense of \$16,783.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Difference Between Expected and Actual Experience	\$ 7,157	\$ 89,788
Changes in Assumptions	19,808	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	41,999
Changes in Proportion of Net Pension Liability (Asset)	9,616	14,655
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	<u>44,684</u>	N/A
Total	<u>\$ 81,265</u>	<u>\$ 146,442</u>

The school department's employer contributions of \$44,684 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a decrease in net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	<u>Amount</u>
2021	\$ (32,827)
2022	(44,790)
2023	(19,171)
2024	(13,073)
2025	0
Thereafter	0

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

Actuarial Assumptions. The total pension liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

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

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

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from 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 (Asset) \$ 300,563 \$ (146,995) \$ (503,015)

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

2. Deferred Compensation

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion, which is placed into the state’s 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher’s salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$11,356 and teachers contributed \$4,543 to this deferred compensation pension plan.

E. Other Postemployment Benefits (OPEB)

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

OPEB Provided through State Administered Public Entity Risk Pools

The school department provides healthcare benefits to its employees under the Local Education Plan (LEP) until they reach Medicare eligibility. The certified retirees of the Carroll County School Department may then join the Tennessee Plan – Medicare (TNM) which provides supplemental medical insurance for retirees with Medicare. However, the school department does not provide any subsidy (direct or indirect) to this plan and therefore does not recognize any OPEB liability associated with the TNM.

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

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

Actuarial Cost Method	Entry Age Normal
Inflation	2.2%
Salary Increases	Salary increases used in the July 1, 2018, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.51%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 6.03% for pre-65 retirees in the 2019 calendar year, and gradually decreasing over a 10-year period to an ultimate trend rate of 4.5% .
Retirees Share of Benefit Related Cost	Discussed below

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

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

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2019, valuations were the same as those employed in the July 1, 2018, Pension Actuarial Valuation of the TCRS. These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2 percent load for males and a -3 percent load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load.

Changes in Assumptions. The discount rate changed from 3.62 percent as of the beginning of the measurement period to 3.51 percent as of the

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

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

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

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

Employees Covered by Benefit Terms

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	0
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	21
Total	21

A state insurance committee, created in accordance with Section 8-27-301, TCA, 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 \$1,113 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	Share of Collective Liability		
	Carroll County School Department 78.654%	State of TN 21.346%	Total OPEB Liability
Balance July 1, 2018	\$ 107,154	\$ 44,366	\$ 151,520
Changes for the Year:			
Service Cost	\$ 9,438	\$ 2,562	\$ 12,000
Interest	4,645	1,260	5,905
Difference between Expected and Actuarial Experience	(47,844)	(12,985)	(60,829)
Changes in Experience	12,022	(12,022)	0
Changes in Assumption and Other Inputs	(6,970)	(1,892)	(8,862)
Benefit Payments	(654)	(177)	(831)
Net Changes	\$ (29,363)	\$ (23,254)	\$ (52,617)
Balance June 30, 2019	\$ 77,791	\$ 21,112	\$ 98,903

The Carroll County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Carroll County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employers' long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The

school department recognized (\$1,123) in negative revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Carroll County School Department's proportionate share of the collective OPEB liability was 78.654 percent and the State of Tennessee's share was 21.346 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the school department recognized OPEB expense of \$3,858, including the state's share of the expense. At June 30, 2020, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 0	\$ 80,665
Changes of Assumptions/Inputs	3,244	11,122
Changes in Proportion	15,167	0
Benefits Paid After the Measurement Date of June 30, 2019	<u>1,113</u>	<u>0</u>
Total	<u>\$ 19,524</u>	<u>\$ 91,787</u>

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

<u>Year Ending June 30</u>	<u>School Department</u>
2021	\$ (9,102)
2022	(9,102)
2023	(9,102)
2024	(9,102)
2025	(9,102)
Thereafter	(27,866)

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 2.51%	Current Discount Rate 3.51%	1% Increase 4.51%
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Proportionate Share of the Collective Total OPEB Liability	\$ 83,047	\$ 77,791	\$ 72,737
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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 5.03 to 3.5%	Current Rates 6.03 to 4.5%	1% Increase 7.03 to 5.5%
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Proportionate Share of the Collective Total OPEB Liability	\$ 69,572	\$ 77,791	\$ 87,376
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F. Purchasing Laws

Offices of County Mayor and Highway Commission

Purchasing procedures for Carroll County are governed by provisions of Chapter 23, Private Acts of 1975, as amended, and Section 54-7-113, *Tennessee Code Annotated (TCA)*, (highway department purchases only). This act provides for the county mayor to act as purchasing agent for the Carroll County Highway Department, School Transportation Department, and all other county departments and agencies, except for the Board of Education. The act also provides for the establishment of a purchasing commission, consisting of the county clerk, county trustee, and three members of the county commission. Requisitions and purchase orders are required for all purchases. In addition,

public advertisement and sealed bids are required on purchases exceeding \$10,000. Purchases of less than \$250 may be made by employees of the highway department and the school transportation department.

Office of Director of Schools

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

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

A. Summary of Significant Accounting Policies

1. Reporting Entity

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

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

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

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

in the United States of America as defined by the Governmental Accounting Standards Board (GASB).

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

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

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

Deposits and Investments

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

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

Accounts Receivable

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

Inventories and Prepaid Items

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

Capital Assets

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

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

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

<u>Assets</u>	<u>Years</u>
General plant	5 - 40
Transmission plant	28 - 33
Distribution plant	16 - 40

Compensated Absences

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

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that

time. The electric system presently items that qualify for reporting in this category: OPEB changes in experience and assumptions.

Net Position

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

- Net investment in capital assets – Consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds that are attributable to the acquisition, construction, or improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination.
- Unrestricted – All other net position that does not meet the description of the above category.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the system's participation in their single employer defined benefit pension plan, and additions to/deductions from the system's fiduciary net position have been determined on the same basis as they are reported by the retirement plan. For this purpose, benefits are recognized when due and payable in accordance with the benefit terms of the pension plan. Investments are reported at fair value. Benefits are recorded when the participant has met all of the plan requirements to receive a benefit. At June 30, 2020, no benefits were payable and not paid. Qualified administrative expenses are paid by the plan. During the year ended June 30, 2020, there were no administrative expenses paid.

4. Use of Estimates

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

B. Stewardship, Compliance, and Accountability

Budgetary Information

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

C. Detailed Notes on All Funds

1. Deposits and Investments

Investments consisted entirely of certificates of deposits with a maturity of greater than three months for the fiscal year ended June 30, 2020.

Custodial Credit Risk. The electric system's policies limit deposits and investments to those instruments allowed by applicable state laws and described in Note VI.A.3. State statutes require that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105 percent of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the electric system's agent in the electric system's name, or by the Federal Reserve Banks acting as third-party agents. State statutes also authorize the electric system to invest in bonds, notes, or treasury bills of the United States or any of its agencies, certificates of deposit at Tennessee state chartered banks and savings and loan associations and federally chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities, and the state pooled investment fund. Statutes also require that securities underlying repurchase agreements must have a market value of at least equal to the amount of funds invested in the repurchase transaction. As of June 30, 2020, all bank deposits were fully collateralized or insured.

2. Receivables

Receivables as of June 30, 2020, consisted of the following:

Billed services for utility customers	\$ 2,849,659
Other receivables for utility service	154,643
Allowance for doubtful accounts	<u>(25,000)</u>
Total	<u><u>\$ 2,979,302</u></u>

3. Restricted Assets

There are no restricted assets as of June 30, 2020.

4. **Capital Assets**

Capital assets activity during the year was as follows:

	Balance 7-1-19	Increases	Decreases	Balance 6-30-20
Capital Assets Not Depreciated:				
Land	\$ 305,408	\$ 0	\$ 0	\$ 305,408
Construction in Progress	389,473	(164,460)		225,013
Total Capital Assets Not Depreciated	<u>\$ 694,881</u>	<u>\$ (164,460)</u>	<u>\$ 0</u>	<u>\$ 530,421</u>
Capital Assets Depreciated:				
Other Capital Assets	\$ 44,448,806	\$ 2,353,067	\$ (863,297)	\$ 45,938,576
Total Capital Assets Depreciated	<u>\$ 44,448,806</u>	<u>\$ 2,353,067</u>	<u>\$ (863,297)</u>	<u>\$ 45,938,576</u>
Less Accumulated Depreciation For:				
Other Capital Assets	\$ 22,370,794	\$ 1,523,578	\$ (883,077)	\$ 23,011,295
Total Accumulated Depreciation	<u>\$ 22,370,794</u>	<u>\$ 1,523,578</u>	<u>\$ (883,077)</u>	<u>\$ 23,011,295</u>
Total Capital Assets Depreciated, Net	<u>\$ 22,078,012</u>	<u>\$ 829,489</u>	<u>\$ 19,780</u>	<u>\$ 22,927,281</u>
Capital Assets, Net	<u>\$ 22,772,893</u>	<u>\$ 665,029</u>	<u>\$ 19,780</u>	<u>\$ 23,457,702</u>

Depreciation expense charged to operations amounted to \$1,333,048 for the fiscal year ended June 30, 2020. Depreciation expense charged to transportation equipment amount to \$190,529 for the fiscal year ended June 30, 2020.

5. **Long-term Liabilities**

Long-term liabilities for the year ended June 30, 2020, is as follows:

	Balance 6-30-20
Long-term Liabilities	
Sick and Vacation Accrual	<u>\$ 1,476,531</u>
Total current portion	<u>\$ 224,717</u>
Total long-term portion	<u>\$ 1,251,814</u>

The following is a summary of long-term liability transactions for the year ended June 30, 2020:

	<u>Compensated Absences</u>
Balance, July 1, 2019	\$ 1,335,557
Additions	751,617
Reductions	<u>(610,643)</u>
Balance, June 30, 2020	<u>\$ 1,476,531</u>
Amount Due in One Year	<u>\$ 224,717</u>

6. Net Position

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

Invested in capital assets, net of related liabilities:	
Net property, plant, and equipment in services	<u>\$ 23,457,702</u>
Total invested in capital assets, net of related liabilities	<u>\$ 23,457,702</u>
Unrestricted	<u>\$ 5,759,817</u>
Total Net Position	<u>\$ 29,217,519</u>

7. Operating Leases

The electric system's copier lease was bought out by NovaTech from Dex Imaging. The electric system added a new copier from NovaTech on lease. This lease has been classified as an operating lease for reporting purposes. Both lease agreements began in February 2019 and will expire in February 2024 with a monthly payment of \$242 and \$65, respectively. Lease expense for the year ended June 30, 2020 was \$3,674.

D. Other Information

1. Pension Plan

Effective January 1, 1997, the electric system adopted a defined contribution, profit sharing pension plan titled the Carroll County Electrical Department Profit Sharing Plan. The Carroll County Board of Public Utilities is the plan administrator. The plan is to be interpreted and administered in a manner consistent with the provisions of the Internal Revenue Code of 1986, as amended. Participants of the plan must meet the plan's eligibility requirements.

Once an employee becomes a participant, the electric system maintains an individual account for each employee. Each plan year, employee accounts will be adjusted to reflect contributions, gains, losses, etc. The percentage of each employee account to which an employee is entitled upon separation from the electric system depends on the plan's vesting schedule. Participants generally will be vested in their individual account after three years of service. All contributions made to the plan on an employee's behalf will be placed in a trust fund established to hold dollars for the benefit of all participants. Each of the participants' individual accounts will be used to track their share in the total trust fund.

Each year, the managing body of the electric system determines the amount, if any, it will contribute to the plan. Employer contributions to the profit-sharing plan in general can range from one percent to 15 percent of participant's compensation each year. Compensation will be determined as the participant's wages, excluding overtime, commissions, and bonuses. Employees are not permitted to contribute to the plan. In case of termination of the plan, amounts which have not been used to reduce further employer contributions will be allocated on a pro rata basis to each participant with compensation on the effective date of the plan termination, unless otherwise directed by the employer.

For the year ended June 30, 2020, total employer contributions were \$342,747 based on total covered wages of \$2,856,227.

2. Power Contract

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

3. Risk Management

The electric system is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2020, the electric system purchased commercial insurance for all of the above risks. Settled claims have not exceeded this commercial coverage in any of the past three years, and there has been no significant reduction in the amount of coverage provided.

4. **Other Postemployment Benefits (OPEB)**

Plan Description

Carroll County Electric System sponsors a single-employer postemployment benefits plan, The Carroll County Electric System Other Postemployment Benefits Plan. The Board of Directors of Carroll County Electric System administers the plan and has authority to establish the benefit provisions and may amend them, as necessary. The plan provides medical, prescription, and death benefits to eligible retirees and their spouses at no cost to them. The retirees are offered the option to maintain health insurance after they retire (including subsidized beneficial coverage). The retiree must be older than 62.5 years and have at least 20 years of service. Benefits end when they reach 65. There were no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

Annual OPEB Cost and Net OPEB Obligation

Changes in Electric System's Net OPEB Liability. Changes in the electric system's net OPEB liability measured at June 30, 2020, are detailed in the following table. The table shows the net OPEB liability as of June 30, 2020, which is reported in the financial statements in accordance with GASB Statement No. 75. Total OPEB liability was rolled forward to June 30, 2020, in order to be in compliance with GASB Statement No. 75.

	<u>Total OPEB Liability</u>
Total OPEB Liability, July 1, 2019	\$ 222,368
Service Cost	17,631
Interest	7,783
Difference Between Actual and Expected Assumption and Method Changes	<u>(17,943)</u>
Net Changes	\$ 7,471
Total OPEB Liability, June 30, 2020	<u>\$ 229,839</u>

Actuarial Methods and Assumptions

Plan Membership:

Number of Participants:	
Actives	48
Retired	<u>0</u>
Total Participants	<u><u>48</u></u>

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

Salary Scale	4%
Core inflation assumption	2.5%
Trend	Per-capita claims costs are projected to increase at an initial rate of 7% with an annual decline of .25% until an ultimate rate of 4.5% is achieved.
Marital assumption	80% of active employees are assumed to be married at retirement with male spouses assumed to be three years older than female spouses.

Mortality rates were based on the Pub-2010 General Headcount-weighted with scale MP-2019.

The actuarial assumption used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period ending June 30, 2020.

Discount Rate. The discount rate used to measure the total OPEB liability was 3.5 percent. The projection of cash flows used to determine the discount rate assumed that the electric system's contributions will made at rates equal to the actuarially determined contribution rates. The GO Bond Buyer Index was used to approximate those yields as of June 30, 2020.

Sensitivity of Net OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the net OPEB liability calculated using the stated healthcare cost trend assumption, as well as what the OPEB liability would be if it were calculated using a healthcare cost

trend rate that is one percentage point lower or one percentage point higher than the assumed trend rates:

Healthcare Cost Trend Rate

	1% Decrease 6 to 3.5%	Current Rate 7 to 4.5%	1% Increase 8 to 5.5%
Total OPEB Liability	\$ 201,768	\$ 229,839	\$ 264,042

Sensitivity of Net OPEB Liability to Changes in the Discount Rate. The following represents the net OPEB liability calculated using the stated discount rate, as well as what the OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the stated discount rate:

Discount Rate

	1% Decrease 1.21%	Current Rate 2.21%	1% Increase 3.21%
Total OPEB Liability	\$ 241,925	\$ 229,839	\$ 217,598

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the electric system recognized OPEB expense of \$15,792. At June 30, 2020, the electric system reported 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	\$ 31,898
Changes of Assumptions/Inputs	0	17,253
Total	<u>\$ 0</u>	<u>\$ 49,151</u>

Amounts reported as deferred inflows and deferred outflows of resources will be recognized in OPEB expense as follows:

Year Ending June 30	Amortized
2021	\$ (9,622)
2022	(9,622)
2023	(9,622)
2024	(9,622)
2025	(8,578)
Thereafter	(2,085)

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

Payments of Benefits. Benefits are recorded when the participant has met all of the plan requirements. At June 30, 2020, no benefits were payable to the plan.

Administrative Expenses. Qualified plan administrative expenses are paid by the plan. During the year ended June 30, 2020, administrative expenses were \$0.

5. Major Customer

For the year ended June 30, 2020, one customer comprised approximately 19.94 percent of total revenues.

6. Other Matter

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact on the electric system and the duration cannot be estimated at this time.

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

A. Reporting Entity

The Carroll County Indigent Care Fund was established by a private act on March 21, 1983, to assist the medically indigent in paying for in-patient and out-patient care and ambulance services rendered to them for

not-for-profit hospital and ambulance facilities or entities in such counties. The fund also was empowered to promote health education in the county and acquire or otherwise assist in providing certain types of equipment to aid the medically indigent within the county.

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

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

B. Summary of Significant Accounting Policies

1. Basis of Accounting

The fund is a private-purpose trust fund, which is a fiduciary fund type. The full accrual basis of accounting is utilized by this fund. The fund's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

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

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

2. Cash and Cash Equivalents

The board considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents regardless of restrictions.

3. Investments

Investments consist of primarily mortgage-backed securities whose values are largely dependent on the interest rate market. The board's policies limit deposits and investments to those instruments allowed by

the private act under which it was created. That act states that the board shall invest funds at the highest and best practical rate of income.

4. Fair Value

Investments are valued at fair value, which approximates market value. The difference in the beginning and ending fair and book values is shown on the Statement of Changes in Fiduciary Net Position as a net increase or decrease in fair value of investments.

Investments are classified based upon a hierarchy consisting of level 1 (securities valued using quoted prices from active markets for identical assets), level 2 (securities not traded on an active market but for which observable market inputs are readily available), and level 3 (securities valued based on significant unobservable inputs).

Investments are the only item on the Statement of Fiduciary Net Position reported at fair value. They are valued using Level 2 inputs. The fair value measurements consider observable data that may include dealer quotes, market spreads, cash flows, the U.S. Treasury yield curve, live trading levels, trade execution data, market consensus prepayment speeds, credit information and terms and conditions of bonds, and other factors.

5. Equity

Equity is classified as net position and displayed as restricted for indigent care.

C. Deposits and Investments

The board is authorized to invest funds in financial institutions. Investments were entirely mortgage-backed securities whose values are largely dependent on the interest rate market. The board's policies limit deposits and investments to those instruments allowed by the private act under which it was created. This act states that the board shall invest funds at the highest and best practical rate of income. State statutes require that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105 percent of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance of the Tennessee Bank Collateral Pool, by collateral held by the board's agent in the board's name, or by the Federal Reserve Banks acting as third party agents. As of June 30, 2020, all the bank deposits were insured.

Investments at market value consist of:

FHLMC Securities	\$ 614,333
FNMA Securities	600,976
GNMA Securities	1,772,231
Stripped Adjustable Mortgage Securities	8,757
Various Mortgage-Backed Securities	<u>23,778</u>
 Total	 <u>\$ 3,020,075</u>

The total book value of these investments as of June 30, 2020, was \$3,143,746, and the total market value was \$3,020,075. As mentioned, these investments are valued at fair value. At June 30, 2020, book value exceeded market value by \$123,671.

D. Fair Value Measurements

An investment's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair values for investments in U.S. Treasury securities, debt obligations, and mortgage-backed securities are primarily on other observable values, such as interest rates and yield curves.

No changes in the valuation methodologies have been made since the prior year.

The methods described above may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values.

Furthermore, the board believes its valuation methodologies are appropriate and consistent with that of other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in different fair value measurements at the reporting date.

The following table sets forth the board's investments at fair value on a recurring basis, by level with the fair value hierarchy as of June 30, 2020.

	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total Fair Value
Fixed government agencies	\$ 0	\$ 3,020,075	\$ 0	\$ 3,020,075

The reported fair value amounts above have not been comprehensively revalued since the presentation date and estimates of fair value after the

Statement of Fiduciary Net Position dates may differ significantly from the amounts presented herein. The fair value of those investments at August 31, 2020, was \$2,900,000.

E. Indigent Accounts

At July 1, 2019, approved indigent care accounts totaling \$4,901,667 were available for payment. During the year, new claims totaling \$130,751 were approved, and \$95,465 was paid during the year, bringing the unpaid balance at June 30, 2020, to \$105,646. These claims represent a contingent liability for the board. The amount of approved claims is accrued only if funds are available to pay them. The remaining claims approved will be paid in subsequent periods when funds become available. Net earnings available for payment of indigent accounts, which represent second quarter 2020 earnings, have been accrued as a liability on the Statement of Fiduciary Net Position as accrued indigent payments of \$24,559 because this amount represents an actual liability as of the end of the year.

F. Risk Management

The board is exposed to risks of loss related to general and public official's liability. Furthermore, there is exposure to risks of loss related to errors, omissions, and torts. To insure against casualty risks, the board purchases insurance coverage through an independent insurance agency. Settled claims have not exceeded the commercial coverage in the past three fiscal years.

G. Evaluation of Subsequent Events

Events that occur after the Statement of Fiduciary Net Position but before the financial statements were available to be issued must be evaluated for recognition and disclosure. The effects of subsequent events that provide evidence about the conditions that existed at June 30, 2020, are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after June 30, 2020, require disclosure in the accompanying notes. Management evaluated the activity of the district through October 26, 2020, and concluded that no events should be disclosed as a subsequent event.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

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

	2014	2015	2016	2017	2018	2019
Total Pension Liability						
Service Cost	\$ 526,862	\$ 558,319	\$ 559,789	\$ 608,537	\$ 623,200	\$ 638,367
Interest	1,312,980	1,366,524	1,479,000	1,561,656	1,618,035	1,712,597
Differences Between Actual and Expected Experience	(458,637)	346,597	(164,364)	(454,785)	(13,551)	(240,287)
Changes in Assumptions	0	0	0	645,198	0	0
Benefit Payments, Including Refunds of Employee Contributions	(642,255)	(755,226)	(791,222)	(850,983)	(908,255)	(968,843)
Net Change in Total Pension Liability	\$ 738,950	\$ 1,516,214	\$ 1,083,203	\$ 1,509,623	\$ 1,319,429	\$ 1,141,834
Total Pension Liability, Beginning	17,300,661	18,039,611	19,555,825	20,639,028	22,148,651	23,468,080
Total Pension Liability, Ending (a)	\$ 18,039,611	\$ 19,555,825	\$ 20,639,028	\$ 22,148,651	\$ 23,468,080	\$ 24,609,914
Plan Fiduciary Net Position						
Contributions - Employer	\$ 523,974	\$ 553,936	\$ 571,701	\$ 605,528	\$ 324,544	\$ 329,920
Contributions - Employee	338,543	341,520	352,471	373,325	376,503	382,739
Net Investment Income	2,679,471	584,802	522,559	2,303,559	1,872,843	1,800,594
Benefit Payments, Including Refunds of Employee Contributions	(642,255)	(755,226)	(791,222)	(850,983)	(908,255)	(968,843)
Administrative Expense	(9,361)	(12,252)	(18,433)	(21,098)	(23,059)	(20,523)
Net Change in Plan Fiduciary Net Position	\$ 2,890,372	\$ 712,780	\$ 637,076	\$ 2,410,331	\$ 1,642,576	\$ 1,523,887
Plan Fiduciary Net Position, Beginning	16,027,355	18,917,727	19,630,507	20,267,583	22,677,914	24,320,490
Plan Fiduciary Net Position, Ending (b)	\$ 18,917,727	\$ 19,630,507	\$ 20,267,583	\$ 22,677,914	\$ 24,320,490	\$ 25,844,377
Net Pension Liability (Asset), Ending (a - b)	\$ (878,116)	\$ (74,682)	\$ 371,445	\$ (529,263)	\$ (852,410)	\$ (1,234,463)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	104.87%	100.38%	98.20%	102.39%	103.63%	105.02%
Covered Payroll	\$ 6,769,680	\$ 6,830,280	\$ 7,049,319	\$ 7,466,416	7,530,057	7,664,557
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(12.97)%	(1.09)%	5.27%	(7.09)%	(11.32)%	(16.11)%

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

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

Exhibit F-2

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

	2014	2015	2016	2017	2018	2019
Total Pension Liability						
Service Cost	\$ 3,649	\$ 2,552	\$ 2,525	\$ 2,824	\$ 2,801	\$ 3,052
Interest	7,679	8,548	6,144	5,048	5,374	5,600
Differences Between Actual and Expected Experience	2,729	(40,765)	(20,613)	(1,474)	(2,785)	(646)
Changes in Assumptions	0	0	0	3,401	0	0
Benefit Payments, Including Refunds of Employee Contributions	(521)	(2,215)	(2,529)	(3,394)	(2,529)	(2,529)
Net Change in Total Pension Liability	\$ 13,536	\$ (31,880)	\$ (14,473)	\$ 6,405	\$ 2,861	\$ 5,477
Total Pension Liability, Beginning	98,999	112,535	80,655	66,182	72,587	75,448
Total Pension Liability, Ending (a)	\$ 112,535	\$ 80,655	\$ 66,182	\$ 72,587	\$ 75,448	\$ 80,925
Plan Fiduciary Net Position						
Contributions - Employer	\$ 8,593	\$ 9,492	\$ 8,754	\$ 5,815	\$ 2,424	\$ 670
Contributions - Employee	645	708	653	633	766	670
Net Investment Income	14,532	3,393	3,196	14,504	11,908	11,494
Benefit Payments, Including Refunds of Employee Contributions	(521)	(2,215)	(2,529)	(3,394)	(2,529)	(2,529)
Administrative Expense	(303)	(457)	(639)	(775)	(791)	(726)
Net Change in Plan Fiduciary Net Position	\$ 22,946	\$ 10,921	\$ 9,435	\$ 16,783	\$ 11,778	\$ 9,579
Plan Fiduciary Net Position, Beginning	83,450	106,396	117,317	126,752	143,535	155,313
Plan Fiduciary Net Position, Ending (b)	\$ 106,396	\$ 117,317	\$ 126,752	\$ 143,535	\$ 155,313	\$ 164,892
Net Pension Liability (Asset), Ending (a - b)	\$ 6,139	\$ (36,662)	\$ (60,570)	\$ (70,948)	\$ (79,865)	\$ (83,967)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	94.54%	145.46%	191.52%	197.74%	205.85%	203.76%
Covered Payroll	\$ 12,900	\$ 14,150	\$ 13,050	\$ 12,650	\$ 11,150	\$ 13,400
Net Pension Liability (Asset) as a Percentage of Covered Payroll	47.59%	(259.10)%	(464.14)%	(560.85)%	(716.28)%	(626.62)%

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

Exhibit F-3

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

	2014	2015	2016	2017	2018	2019	2020
Actuarially Determined Contribution	\$ 523,974	\$ 553,936	\$ 571,701	\$ 605,528	\$ 324,544	\$ 329,920	\$ 334,307
Less Contributions in Relation to the Actuarially Determined Contribution	(523,974)	(553,936)	(571,701)	(605,528)	(324,544)	(329,920)	(337,439)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (3,132)
Covered Payroll	\$ 6,769,680	\$ 6,830,280	\$ 7,049,319	\$ 7,466,416	\$ 7,530,057	\$ 7,664,557	\$ 7,829,211
Contributions as a Percentage of Covered Payroll	7.74%	8.11%	8.11%	8.11%	4.31%	4.30%	4.27%

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

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

Exhibit F-4

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

	2014	2015	2016	2017	2018	2019	2020
Actuarially Determined Contribution	\$ 8,593	\$ 9,492	\$ 8,754	\$ 5,815	\$ 2,424	\$ 0	\$ 0
Less Contributions in Relation to the Actuarially Determined Contribution	(8,593)	(9,492)	(8,754)	(5,815)	(2,424)	(670)	(512)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (670)	\$ (512)
Covered Payroll	\$ 12,900	\$ 14,150	\$ 13,050	\$ 12,650	\$ 11,150	\$ 13,400	\$ 10,250
Contributions as a Percentage of Covered Payroll	66.61%	67.08%	67.08%	45.97%	21.74%	5.00%	5.00%

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

Exhibit F-5

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

	2017	2018	2019	2020
Contractually Required Contribution	\$ 4,202	\$ 9,390	\$ 3,494	\$ 4,610
Less Contributions in Relation to the Contractually Required Contribution	(4,202)	(9,390)	(3,494)	(4,610)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 105,058	\$ 234,751	\$ 180,107	\$ 227,121
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	1.94%	2.03%

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

Exhibit F-6

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

	2014	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 78,331	\$ 78,125	\$ 65,412	\$ 69,925	\$ 62,831	\$ 50,144	\$ 44,684
Less Contributions in Relation to the Contractually Required Contribution	(78,331)	(78,125)	(65,412)	(69,925)	(62,831)	(50,144)	(44,684)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 882,110	\$ 864,218	\$ 723,582	\$ 773,511	\$ 691,974	\$ 479,387	\$ 420,354
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%

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

Exhibit F-7

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

	<u>2017</u>	<u>2018</u>	<u>2019</u>
School Department's Proportion of the Net Pension Liability (Asset)	0.160070%	0.026863%	0.017020%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (4,222)	\$ (12,183)	\$ (9,608)
Covered Payroll	\$ 105,058	\$ 234,751	\$ 180,107
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(4.02)%	(5.19)%	(5.33)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	126.81%	126.97%	123.07%

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

Exhibit F-8

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

	2014	2015	2016	2017	2018	2019
School Department's Proportion of the Net Pension Liability/Asset	0.022474%	0.023086%	0.020045%	0.021882%	0.019761%	0.014297%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (3,652)	\$ 9,457	\$ 125,270	\$ (7,159)	\$ (69,538)	\$ (146,995)
Covered Payroll	\$ 882,110	\$ 864,218	\$ 723,582	\$ 773,511	\$ 691,974	\$ 479,387
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(.414002)%	1.094255%	17.31%	(.93)%	(10.05)%	(30.66)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%

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

Exhibit F-9

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

	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 15,832	\$ 14,960	\$ 12,000
Interest	5,906	7,289	5,905
Differences Between Actual and Expected Experience	0	(60,125)	(60,829)
Changes in Assumptions or Other Inputs	(8,842)	5,094	(8,862)
Benefit Payments	(8,052)	(10,998)	(831)
Net Change in Total OPEB Liability	\$ 4,844	\$ (43,780)	\$ (52,617)
Total OPEB Liability, Beginning	190,456	195,300	151,520
Total OPEB Liability, Ending	<u>\$ 195,300</u>	<u>\$ 151,520</u>	<u>\$ 98,903</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 57,896	\$ 44,366	\$ 21,112
Employer Proportionate Share of the Total OPEB Liability	137,404	107,154	77,791
Covered Employee Payroll	\$ 1,891,656	\$ 1,627,265	\$ 1,589,886
Net OPEB Liability as a Percentage of Covered Employee Payroll	10.32%	9.31%	6.22%

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

Note 2: Changes in assumptions.

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

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

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

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

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

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

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation Averaging 4%
Investment Rate of Return	7.25%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.25%

Changes of assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3 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 percent; and modified mortality assumptions.

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

Debt Service Fund

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

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

Exhibit G-1

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

	Special Revenue Funds				Debt Service	Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	Fund General Debt Service	
<u>ASSETS</u>						
Cash	\$ 500	\$ 0	\$ 25,303	\$ 25,803	\$ 0	\$ 25,803
Equity in Pooled Cash and Investments	910,447	147,683	0	1,058,130	1,452,704	2,510,834
Accounts Receivable	2,383,284	0	0	2,383,284	0	2,383,284
Allowance for Uncollectibles	(2,153,551)	0	0	(2,153,551)	0	(2,153,551)
Due from Other Governments	8,752	0	0	8,752	0	8,752
Property Taxes Receivable	433,098	0	0	433,098	562,276	995,374
Allowance for Uncollectible Property Taxes	(20,741)	0	0	(20,741)	(21,876)	(42,617)
Total Assets	\$ 1,561,789	\$ 147,683	\$ 25,303	\$ 1,734,775	\$ 1,993,104	\$ 3,727,879
<u>LIABILITIES</u>						
Payroll Deductions Payable	\$ 5,165	\$ 986	\$ 0	\$ 6,151	\$ 0	\$ 6,151
Due to Other Funds	0	0	19,601	19,601	0	19,601
Due to State of Tennessee	13	0	0	13	0	13
Total Liabilities	\$ 5,178	\$ 986	\$ 19,601	\$ 25,765	\$ 0	\$ 25,765
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 392,600	\$ 0	\$ 0	\$ 392,600	\$ 523,465	\$ 916,065
Deferred Delinquent Property Taxes	19,019	0	0	19,019	15,952	34,971
Other Deferred/Unavailable Revenue	104,590	0	0	104,590	0	104,590
Total Deferred Inflows of Resources	\$ 516,209	\$ 0	\$ 0	\$ 516,209	\$ 539,417	\$ 1,055,626

(Continued)

Exhibit G-1

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

	Special Revenue Funds				Debt Service Fund		Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Debt Service		
<u>FUND BALANCES</u>							
Restricted:							
Restricted for Public Safety	\$ 0	\$ 146,697	\$ 0	\$ 146,697	\$ 0	\$ 146,697	
Restricted for Debt Service	0	0	0	0	995,618	995,618	
Committed:							
Committed for Administration of Justice	0	0	5,702	5,702	0	5,702	
Committed for Public Health and Welfare	1,040,402	0	0	1,040,402	0	1,040,402	
Committed for Debt Service	0	0	0	0	458,069	458,069	
Total Fund Balances	<u>\$ 1,040,402</u>	<u>\$ 146,697</u>	<u>\$ 5,702</u>	<u>\$ 1,192,801</u>	<u>\$ 1,453,687</u>	<u>\$ 2,646,488</u>	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,561,789</u>	<u>\$ 147,683</u>	<u>\$ 25,303</u>	<u>\$ 1,734,775</u>	<u>\$ 1,993,104</u>	<u>\$ 3,727,879</u>	

Exhibit G-2

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

	Special Revenue Funds				Debt Service	Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Debt Service	
<u>Revenues</u>						
Local Taxes	\$ 378,703	\$ 0	\$ 0	\$ 378,703	\$ 582,409	\$ 961,112
Fines, Forfeitures, and Penalties	0	72,640	0	72,640	0	72,640
Charges for Current Services	1,225,172	0	98,211	1,323,383	0	1,323,383
Other Local Revenues	61,023	5,096	0	66,119	0	66,119
State of Tennessee	35,694	0	0	35,694	0	35,694
Total Revenues	\$ 1,700,592	\$ 77,736	\$ 98,211	\$ 1,876,539	\$ 582,409	\$ 2,458,948
<u>Expenditures</u>						
Current:						
Administration of Justice	\$ 0	\$ 0	\$ 98,352	\$ 98,352	\$ 0	\$ 98,352
Public Safety	0	73,811	0	73,811	0	73,811
Public Health and Welfare	1,559,648	0	0	1,559,648	0	1,559,648
Highways	28,862	0	0	28,862	0	28,862
Debt Service:						
Principal on Debt	0	0	0	0	437,000	437,000
Interest on Debt	0	0	0	0	163,105	163,105
Other Debt Service	0	0	0	0	17,477	17,477
Total Expenditures	\$ 1,588,510	\$ 73,811	\$ 98,352	\$ 1,760,673	\$ 617,582	\$ 2,378,255
Excess (Deficiency) of Revenues Over Expenditures	\$ 112,082	\$ 3,925	\$ (141)	\$ 115,866	\$ (35,173)	\$ 80,693

(Continued)

Exhibit G-2

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

	Special Revenue Funds				Debt Service	Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Debt Service	
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 27,637	\$ 0	\$ 0	\$ 27,637	\$ 36,850	\$ 64,487
Total Other Financing Sources (Uses)	\$ 27,637	\$ 0	\$ 0	\$ 27,637	\$ 36,850	\$ 64,487
Net Change in Fund Balances	\$ 139,719	\$ 3,925	\$ (141)	\$ 143,503	\$ 1,677	\$ 145,180
Fund Balance, July 1, 2019	900,683	142,772	5,843	1,049,298	1,452,010	2,501,308
Fund Balance, June 30, 2020	\$ 1,040,402	\$ 146,697	\$ 5,702	\$ 1,192,801	\$ 1,453,687	\$ 2,646,488

Exhibit G-3

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 378,703	\$ 395,525	\$ 395,525	\$ (16,822)
Charges for Current Services	1,225,172	1,314,450	1,314,450	(89,278)
Other Local Revenues	61,023	83,000	83,000	(21,977)
State of Tennessee	35,694	99,300	99,300	(63,606)
Total Revenues	<u>\$ 1,700,592</u>	<u>\$ 1,892,275</u>	<u>\$ 1,892,275</u>	<u>\$ (191,683)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Waste Pickup	\$ 1,103,092	\$ 1,109,326	\$ 1,109,326	\$ 6,234
Recycling Center	456,556	529,629	529,629	73,073
<u>Highways</u>				
Litter and Trash Collection	28,862	49,300	49,300	20,438
Total Expenditures	<u>\$ 1,588,510</u>	<u>\$ 1,688,255</u>	<u>\$ 1,688,255</u>	<u>\$ 99,745</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 112,082</u>	<u>\$ 204,020</u>	<u>\$ 204,020</u>	<u>\$ (91,938)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 27,637	\$ 0	\$ 0	\$ 27,637
Total Other Financing Sources	<u>\$ 27,637</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 27,637</u>
Net Change in Fund Balance	\$ 139,719	\$ 204,020	\$ 204,020	\$ (64,301)
Fund Balance, July 1, 2019	900,683	877,005	877,005	23,678
Fund Balance, June 30, 2020	<u>\$ 1,040,402</u>	<u>\$ 1,081,025</u>	<u>\$ 1,081,025</u>	<u>\$ (40,623)</u>

Exhibit G-4

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 72,640	\$ 165,000	\$ 165,000	\$ (92,360)
Other Local Revenues	5,096	7,000	7,000	(1,904)
Total Revenues	<u>\$ 77,736</u>	<u>\$ 172,000</u>	<u>\$ 172,000</u>	<u>\$ (94,264)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 73,811	\$ 119,832	\$ 119,832	\$ 46,021
Total Expenditures	<u>\$ 73,811</u>	<u>\$ 119,832</u>	<u>\$ 119,832</u>	<u>\$ 46,021</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 3,925</u>	<u>\$ 52,168</u>	<u>\$ 52,168</u>	<u>\$ (48,243)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ 0	\$ 0	\$ (10,757)	\$ 10,757
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (10,757)</u>	<u>\$ 10,757</u>
Net Change in Fund Balance	\$ 3,925	\$ 52,168	\$ 41,411	\$ (37,486)
Fund Balance, July 1, 2019	<u>142,772</u>	<u>147,124</u>	<u>147,124</u>	<u>(4,352)</u>
Fund Balance, June 30, 2020	<u>\$ 146,697</u>	<u>\$ 199,292</u>	<u>\$ 188,535</u>	<u>\$ (41,838)</u>

Exhibit G-5

Carroll County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 582,409	\$ 635,100	\$ 598,250	\$ (15,841)
Total Revenues	\$ 582,409	\$ 635,100	\$ 598,250	\$ (15,841)
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 437,000	\$ 437,000	\$ 437,000	\$ 0
<u>Interest on Debt</u>				
General Government	163,105	181,425	181,425	18,320
<u>Other Debt Service</u>				
General Government	17,477	21,000	21,000	3,523
Total Expenditures	\$ 617,582	\$ 639,425	\$ 639,425	\$ 21,843
Excess (Deficiency) of Revenues Over Expenditures	\$ (35,173)	\$ (4,325)	\$ (41,175)	\$ 6,002
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 36,850	\$ 0	\$ 36,850	\$ 0
Total Other Financing Sources	\$ 36,850	\$ 0	\$ 36,850	\$ 0
Net Change in Fund Balance	\$ 1,677	\$ (4,325)	\$ (4,325)	\$ 6,002
Fund Balance, July 1, 2019	1,452,010	1,442,549	1,442,549	9,461
Fund Balance, June 30, 2020	\$ 1,453,687	\$ 1,438,224	\$ 1,438,224	\$ 15,463

Fiduciary Funds

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

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

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

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

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

Exhibit H-1

Carroll County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2020

	Agency Funds				
	Cities - Sales Tax	Special School District	Constitu- tional Officers - Agency	District Attorney General	Total
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 895,405	\$ 0	\$ 895,405
Equity in Pooled Cash and Investments	0	379,700	0	80,741	460,441
Accounts Receivable	0	0	18,761	0	18,761
Due from Other Governments	531,601	603,501	0	926	1,136,028
Taxes Receivable	0	5,672,889	0	0	5,672,889
Allowance for Uncollectible Taxes	0	(229,795)	0	0	(229,795)
Total Assets	<u>\$ 531,601</u>	<u>\$ 6,426,295</u>	<u>\$ 914,166</u>	<u>\$ 81,667</u>	<u>\$ 7,953,729</u>
<u>LIABILITIES</u>					
Due to Other Taxing Units	\$ 531,601	\$ 6,426,295	\$ 0	\$ 0	\$ 6,957,896
Due to Litigants, Heirs, and Others	0	0	914,166	81,667	995,833
Total Liabilities	<u>\$ 531,601</u>	<u>\$ 6,426,295</u>	<u>\$ 914,166</u>	<u>\$ 81,667</u>	<u>\$ 7,953,729</u>

Exhibit H-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 2,802,797	\$ 2,802,797	\$ 0
Due from Other Governments	474,667	531,601	474,667	531,601
Total Assets	<u>\$ 474,667</u>	<u>\$ 3,334,398</u>	<u>\$ 3,277,464</u>	<u>\$ 531,601</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 474,667	\$ 3,334,398	\$ 3,277,464	\$ 531,601
Total Liabilities	<u>\$ 474,667</u>	<u>\$ 3,334,398</u>	<u>\$ 3,277,464</u>	<u>\$ 531,601</u>
<u>Special School District Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 292,662	\$ 8,826,278	\$ 8,739,240	\$ 379,700
Due from Other Governments	513,458	603,501	513,458	603,501
Taxes Receivable	5,679,974	5,672,889	5,679,974	5,672,889
Allowance for Uncollectible Taxes	(216,311)	(229,795)	(216,311)	(229,795)
Total Assets	<u>\$ 6,269,783</u>	<u>\$ 14,872,873</u>	<u>\$ 14,716,361</u>	<u>\$ 6,426,295</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 6,269,783	\$ 14,872,873	\$ 14,716,361	\$ 6,426,295
Total Liabilities	<u>\$ 6,269,783</u>	<u>\$ 14,872,873</u>	<u>\$ 14,716,361</u>	<u>\$ 6,426,295</u>
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,005,909	\$ 6,138,475	\$ 6,248,979	\$ 895,405
Accounts Receivable	9,860	18,761	9,860	18,761
Total Assets	<u>\$ 1,015,769</u>	<u>\$ 6,157,236</u>	<u>\$ 6,258,839</u>	<u>\$ 914,166</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,015,769	\$ 6,157,236	\$ 6,258,839	\$ 914,166
Total Liabilities	<u>\$ 1,015,769</u>	<u>\$ 6,157,236</u>	<u>\$ 6,258,839</u>	<u>\$ 914,166</u>

(Continued)

Exhibit H-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 75,063	\$ 27,745	\$ 22,067	\$ 80,741
Due from Other Governments	1,628	926	1,628	926
Total Assets	<u>\$ 76,691</u>	<u>\$ 28,671</u>	<u>\$ 23,695</u>	<u>\$ 81,667</u>
<u>Liabilities</u>				
Due to Litigants, Heirs and Others	<u>\$ 76,691</u>	<u>\$ 28,671</u>	<u>\$ 23,695</u>	<u>\$ 81,667</u>
Total Liabilities	<u>\$ 76,691</u>	<u>\$ 28,671</u>	<u>\$ 23,695</u>	<u>\$ 81,667</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,005,909	\$ 6,138,475	\$ 6,248,979	\$ 895,405
Equity in Pooled Cash and Investments	367,725	11,656,820	11,564,104	460,441
Accounts Receivable	9,860	18,761	9,860	18,761
Due from Other Governments	989,753	1,136,028	989,753	1,136,028
Taxes Receivable	5,679,974	5,672,889	5,679,974	5,672,889
Allowance for Uncollectible Taxes	(216,311)	(229,795)	(216,311)	(229,795)
Total Assets	<u>\$ 7,836,910</u>	<u>\$ 24,393,178</u>	<u>\$ 24,276,359</u>	<u>\$ 7,953,729</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 6,744,450	\$ 18,207,271	\$ 17,993,825	\$ 6,957,896
Due to Litigants, Heirs, and Others	1,092,460	6,185,907	6,282,534	995,833
Total Liabilities	<u>\$ 7,836,910</u>	<u>\$ 24,393,178</u>	<u>\$ 24,276,359</u>	<u>\$ 7,953,729</u>

Carroll County School Department

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

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

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

Exhibit I-1

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

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:					
Instruction	\$ 722,656	\$ 88,353	\$ 416	\$ 156,965	\$ (476,922)
Support Services	2,884,081	33,072	104,432	0	(2,746,577)
Operation of Non-instructional Services	0	18,586	274	0	18,860
Total Governmental Activities	\$ 3,606,737	\$ 140,011	\$ 105,122	\$ 156,965	\$ (3,204,639)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 565,690
Local Option Sales Taxes					80,149
Other Local Taxes					71
Grants & Contributions not restricted for specific programs					2,972,138
Miscellaneous					26,387
Total General Revenues					\$ 3,644,435
Change in Net Position					\$ 439,796
Net Position, July 1, 2019					11,605,020
Net Position, June 30, 2020					<u>\$ 12,044,816</u>

Exhibit I-2

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

	Major Funds		Total Governmental Funds
	General Purpose School	School Transpor - tation	
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 6,227,908	\$ 2,670,396	\$ 8,898,304
Due from Other Governments	133,536	0	133,536
Property Taxes Receivable	0	644,598	644,598
Allowance for Uncollectible Property Taxes	0	(21,187)	(21,187)
Restricted Assets	8,567	0	8,567
Total Assets	<u>\$ 6,370,011</u>	<u>\$ 3,293,807</u>	<u>\$ 9,663,818</u>
<u>LIABILITIES</u>			
Payroll Deductions Payable	\$ 22,492	\$ 2,108	\$ 24,600
Total Liabilities	<u>\$ 22,492</u>	<u>\$ 2,108</u>	<u>\$ 24,600</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 0	\$ 610,709	\$ 610,709
Deferred Delinquent Property Taxes	0	11,555	11,555
Other Deferred/Unavailable Revenue	6,321	0	6,321
Total Deferred Inflows of Resources	<u>\$ 6,321</u>	<u>\$ 622,264</u>	<u>\$ 628,585</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Instruction	\$ 16,502	\$ 0	\$ 16,502
Restricted for Operation of Non-instructional Services	5,506	0	5,506
Restricted for Hybrid Retirement Stabilization Funds	8,567	0	8,567
Committed:			
Committed for Education	52,200	0	52,200
Committed for Support Services	0	2,669,435	2,669,435
Assigned:			
Assigned for Support Services	257,013	0	257,013
Unassigned	6,001,410	0	6,001,410
Total Fund Balances	<u>\$ 6,341,198</u>	<u>\$ 2,669,435</u>	<u>\$ 9,010,633</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,370,011</u>	<u>\$ 3,293,807</u>	<u>\$ 9,663,818</u>

Exhibit I-3

Carroll County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Carroll County School Department
June 30, 2020

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$	9,010,633
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	176,489	
Add: buildings and improvements net of accumulated depreciation		428,015	
Add: other capital assets net of accumulated depreciation		<u>2,291,689</u>	2,896,193
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: net OPEB liability			(77,791)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as a component of pension and OPEB expense in future years.			
Add: deferred outflows of resources related to pensions	\$	198,468	
Less: deferred inflows resources related to pensions		(269,826)	
Add: deferred outflows of resources related to OPEB		19,524	
Less: deferred inflows resources related to OPEB		<u>(91,787)</u>	(143,621)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent	\$	184,923	
Add: net pension asset - teacher retirement plan		9,608	
Add: net pension asset - teacher legacy pension plan		<u>146,995</u>	341,526
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			<u>17,876</u>
Net position of governmental activities (Exhibit A)			<u><u>\$ 12,044,816</u></u>

Exhibit I-4

Carroll County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Carroll County School Department
For the Year Ended June 30, 2020

	Major Funds		Total Governmental Funds
	General Purpose School	School Transpor - tation	
<u>Revenues</u>			
Local Taxes	\$ 79,255	\$ 632,088	\$ 711,343
Licenses and Permits	33	0	33
Charges for Current Services	139,986	0	139,986
Other Local Revenues	26,686	0	26,686
State of Tennessee	2,189,594	865,172	3,054,766
Federal Government	121,687	0	121,687
Total Revenues	<u>\$ 2,557,241</u>	<u>\$ 1,497,260</u>	<u>\$ 4,054,501</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 730,996	\$ 0	\$ 730,996
Support Services	1,414,181	1,209,163	2,623,344
Capital Outlay	146,302	0	146,302
Total Expenditures	<u>\$ 2,291,479</u>	<u>\$ 1,209,163</u>	<u>\$ 3,500,642</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 265,762</u>	<u>\$ 288,097</u>	<u>\$ 553,859</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 28,467	\$ 0	\$ 28,467
Total Other Financing Sources (Uses)	<u>\$ 28,467</u>	<u>\$ 0</u>	<u>\$ 28,467</u>
Net Change in Fund Balances	\$ 294,229	\$ 288,097	\$ 582,326
Fund Balance, July 1, 2019	6,046,969	2,381,338	8,428,307
Fund Balance, June 30, 2020	<u>\$ 6,341,198</u>	<u>\$ 2,669,435</u>	<u>\$ 9,010,633</u>

Exhibit I-5

Carroll County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Carroll County School Department
For the Year Ended June 30, 2020

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$ 582,326
(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	\$ 263,478	
Less: current-year depreciation expense	<u>(415,907)</u>	(152,429)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2020	\$ 17,876	
Less: deferred delinquent property taxes and other deferred June 30, 2019	<u>(25,844)</u>	(7,968)
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in net pension asset - agent plan	\$ 46,918	
Change in net pension asset - teacher retirement plan	(2,575)	
Change in net pension asset - teacher legacy pension plan	77,457	
Change in deferred outflows related to pensions	(60,427)	
Change in deferred inflows related to pensions	(39,638)	
Change in net OPEB liability	29,363	
Change in deferred outflows related to OPEB	15,034	
Change in deferred inflows related to OPEB	<u>(48,265)</u>	<u>17,867</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 439,796</u>

Exhibit I-6

Carroll County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Carroll County School Department
General Purpose School Fund
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 79,255	\$ 0	\$ 0	\$ 79,255	\$ 70,000	\$ 70,000	\$ 9,255
Licenses and Permits	33	0	0	33	50	50	(17)
Charges for Current Services	139,986	0	0	139,986	172,052	172,052	(32,066)
Other Local Revenues	26,686	0	0	26,686	48,705	47,983	(21,297)
State of Tennessee	2,189,594	0	0	2,189,594	2,161,025	2,429,084	(239,490)
Federal Government	121,687	0	0	121,687	3,000	3,722	117,965
Total Revenues	\$ 2,557,241	\$ 0	\$ 0	\$ 2,557,241	\$ 2,454,832	\$ 2,722,891	\$ (165,650)
<u>Expenditures</u>							
<u>Instruction</u>							
Alternative Instruction Program	\$ 93,612	\$ 0	\$ 0	\$ 93,612	\$ 98,432	\$ 98,432	\$ 4,820
Career and Technical Education Program	637,384	0	26,961	664,345	537,688	706,386	42,041
<u>Support Services</u>							
Attendance	41,613	0	0	41,613	44,603	44,603	2,990
Health Services	97,122	0	0	97,122	111,852	111,852	14,730
Other Student Support	125,593	0	0	125,593	160,408	161,208	35,615
Career and Technical Education Program	43,819	0	0	43,819	52,160	52,160	8,341
Technology	93,525	0	0	93,525	128,412	128,412	34,887
Adult Programs	1,843	0	0	1,843	2,750	2,750	907
Other Programs	416	0	0	416	3,500	3,916	3,500
Board of Education	123,497	0	0	123,497	150,752	150,030	26,533
Director of Schools	145,337	0	0	145,337	150,652	150,652	5,315
Office of the Principal	97,106	0	0	97,106	99,790	99,790	2,684
Fiscal Services	138,591	0	0	138,591	142,461	143,606	5,015
Operation of Plant	131,161	0	0	131,161	169,250	169,250	38,089
Maintenance of Plant	95,268	0	0	95,268	130,078	130,078	34,810
Transportation	278,568	0	195,600	474,168	317,267	489,934	15,766
COVID-19 Expenditures	722	0	0	722	0	722	0

(Continued)

Exhibit I-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Capital Outlay</u>							
Regular Capital Outlay	\$ 146,302	\$ (102,596)	\$ 34,452	\$ 78,158	\$ 300,000	\$ 300,000	\$ 221,842
Total Expenditures	\$ 2,291,479	\$ (102,596)	\$ 257,013	\$ 2,445,896	\$ 2,600,055	\$ 2,943,781	\$ 497,885
Excess (Deficiency) of Revenues Over Expenditures	\$ 265,762	\$ 102,596	\$ (257,013)	\$ 111,345	\$ (145,223)	\$ (220,890)	\$ 332,235
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 28,467	\$ 0	\$ 0	\$ 28,467	\$ 30,000	\$ 58,467	\$ (30,000)
Total Other Financing Sources	\$ 28,467	\$ 0	\$ 0	\$ 28,467	\$ 30,000	\$ 58,467	\$ (30,000)
Net Change in Fund Balance	\$ 294,229	\$ 102,596	\$ (257,013)	\$ 139,812	\$ (115,223)	\$ (162,423)	\$ 302,235
Fund Balance, July 1, 2019	6,046,969	(102,596)	0	5,944,373	6,019,981	6,019,981	(75,608)
Fund Balance, June 30, 2020	\$ 6,341,198	\$ 0	\$ (257,013)	\$ 6,084,185	\$ 5,904,758	\$ 5,857,558	\$ 226,627

Exhibit I-7

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 632,088	\$ 642,600	\$ 642,600	\$ (10,512)
State of Tennessee	865,172	830,000	830,000	35,172
Total Revenues	<u>\$ 1,497,260</u>	<u>\$ 1,472,600</u>	<u>\$ 1,472,600</u>	<u>\$ 24,660</u>
<u>Expenditures</u>				
<u>Support Services</u>				
Board of Education	\$ 20,839	\$ 26,000	\$ 26,000	\$ 5,161
Transportation	1,188,324	1,623,057	1,623,057	434,733
Total Expenditures	<u>\$ 1,209,163</u>	<u>\$ 1,649,057</u>	<u>\$ 1,649,057</u>	<u>\$ 439,894</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 288,097</u>	<u>\$ (176,457)</u>	<u>\$ (176,457)</u>	<u>\$ 464,554</u>
Net Change in Fund Balance	\$ 288,097	\$ (176,457)	\$ (176,457)	\$ 464,554
Fund Balance, July 1, 2019	<u>2,381,338</u>	<u>2,239,705</u>	<u>2,239,705</u>	<u>141,633</u>
Fund Balance, June 30, 2020	<u>\$ 2,669,435</u>	<u>\$ 2,063,248</u>	<u>\$ 2,063,248</u>	<u>\$ 606,187</u>

MISCELLANEOUS SCHEDULES

Exhibit J-1

Carroll County, Tennessee
Schedule of Changes in Long-term Notes and Other Loans
For the Year Ended June 30, 2020

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-19	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-20
<u>NOTES PAYABLE</u>								
<u>Payable through Highway/Public Works Fund</u>								
Road Improvements	\$ 170,000	2.05 %	8-12-16	8-1-20	\$ 87,000	\$ 0	\$ 43,000	\$ 44,000
Equipment	210,000	2.1	11-8-16	10-1-19	71,000	0	71,000	0
Equipment	212,000	3.88	9-10-19	8-1-22	0	212,000	0	212,000
Total Payable through Highway/Public Works Fund					<u>\$ 158,000</u>	<u>\$ 212,000</u>	<u>\$ 114,000</u>	<u>\$ 256,000</u>
<u>Payable through General Debt Service Fund</u>								
Emergency Operations Center	550,000	2.47	11-8-16	11-1-26	\$ 451,000	\$ 0	\$ 52,000	\$ 399,000
Total Notes Payable					<u>\$ 609,000</u>	<u>\$ 212,000</u>	<u>\$ 166,000</u>	<u>\$ 655,000</u>
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Courthouse and Jail Renovation	2,200,000	Variable	1-15-04	5-25-28	\$ 803,000	\$ 0	\$ 98,000	\$ 705,000
Jail Renovation	8,164,130	2.32	2-22-12	3-1-37	6,330,000	0	287,000	6,043,000
Total Other Loans Payable					<u>\$ 7,133,000</u>	<u>\$ 0</u>	<u>\$ 385,000</u>	<u>\$ 6,748,000</u>

Exhibit J-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2021	\$ 165,000	\$ 16,558	\$ 181,558
2022	125,000	12,089	137,089
2023	129,000	7,937	136,937
2024	57,000	5,125	62,125
2025	58,000	3,705	61,705
2026	60,000	2,248	62,248
2027	61,000	753	61,753
Total	<u>\$ 655,000</u>	<u>\$ 48,415</u>	<u>\$ 703,415</u>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2021	\$ 395,000	\$ 146,502	\$ 5,615	\$ 547,117
2022	405,000	138,369	4,947	548,316
2023	416,000	130,017	4,259	550,276
2024	426,000	121,440	3,545	550,985
2025	437,000	112,669	2,811	552,480
2026	448,000	103,685	2,051	553,736
2027	385,000	94,560	1,311	480,871
2028	345,000	86,310	0	431,310
2029	353,000	78,548	0	431,548
2030	361,000	70,605	0	431,605
2031	370,000	62,483	0	432,483
2032	378,000	54,158	0	432,158
2033	387,000	45,653	0	432,653
2034	396,000	36,945	0	432,945
2035	406,000	28,035	0	434,035
2036	415,000	18,900	0	433,900
2037	425,000	9,563	0	434,563
Total	<u>\$ 6,748,000</u>	<u>\$ 1,338,442</u>	<u>\$ 24,539</u>	<u>\$ 8,110,981</u>

Exhibit J-3

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

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
Public Utility	General	Payment in-lieu-of taxes	\$ 344,511
"	Solid Waste/Sanitation	"	27,637
"	Highway/Public Works	"	24,566
"	General Debt Service	"	<u>36,850</u>
Total Transfers			<u>\$ 433,564</u>

Exhibit J-4

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i> , and County Commission	\$ 99,062	\$ 100,000	RLI Insurance Company
Highway Commissioners	Section 8-24-102, <i>TCA</i> , and County Commission	128,382 (1)	200,000 (2)	"
Director of Schools	State Board of Education and Carroll County Board of Education	105,245 (3)	100,000	"
Trustee	Section 8-24-102, <i>TCA</i>	77,971	703,740	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	77,971	100,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	77,971	100,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i>	77,971	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> and Chancery Court Judge	77,971 (4)	100,000	Auto-Owners Insurance Company
Register of Deeds	Section 8-24-102, <i>TCA</i>	77,971	100,000	RLI Insurance Company
Sheriff	Section 8-24-102, <i>TCA</i>	94,345 (5)	100,000	"
Employee Bonds:				
Employee Blanket Bond - General County Government			400,000	Local Government Property and Casualty Fund
Board of Education			400,000	Tennessee Risk Management Trust

(1) Includes two highway commissioners' salaries at \$64,191 each.

(2) Includes two highway commissioners' bonds at \$100,000 each.

(3) Includes a chief executive officer training supplement of \$1,000.

(4) Does not include special commissioner fees of \$5,945.

(5) Includes \$8,577 as superintendent of workhouse; does not include a law enforcement training supplement of \$800.

Exhibit J-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 4,287,238	\$ 343,925	\$ 0	\$ 0	\$ 304,213
Trustee's Collections - Prior Year	170,524	13,680	0	0	12,726
Circuit Clerk/Clerk and Master Collections - Prior Years	115,530	9,268	0	0	9,176
Interest and Penalty	31,477	2,526	0	0	2,245
Payments in-Lieu-of Taxes - T.V.A.	12	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	15,190	1,123	0	0	0
Payments in-Lieu-of Taxes - Other	100,796	8,181	0	0	8,272
<u>County Local Option Taxes</u>					
Local Option Sales Tax	359,741	0	0	0	0
Wheel Tax	835,792	0	0	0	470,133
Litigation Tax - General	41,034	0	0	0	0
Litigation Tax - Special Purpose	63,813	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0
Business Tax	187,144	0	0	0	0
Mineral Severance Tax	0	0	0	0	40,538
<u>Statutory Local Taxes</u>					
Bank Excise Tax	108,576	0	0	0	0
Wholesale Beer Tax	76,188	0	0	0	0
Beer Privilege Tax	905	0	0	0	0
Total Local Taxes	<u>\$ 6,393,960</u>	<u>\$ 378,703</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 847,303</u>
<u>Licenses and Permits</u>					
<u>Permits</u>					
Beer Permits	\$ 250	\$ 0	\$ 0	\$ 0	\$ 0
Building Permits	825	0	0	0	0
Total Licenses and Permits	<u>\$ 1,075</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

(Continued)

Exhibit J-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 1,425	\$ 0	\$ 0	\$ 0	0
Officers Costs	6,467	0	0	0	0
Drug Control Fines	2,663	0	2,946	0	0
Drug Court Fees	1,302	0	0	0	0
Jail Fees	248	0	0	0	0
DUI Treatment Fines	808	0	0	0	0
Data Entry Fee - Circuit Court	1,118	0	0	0	0
Victims Assistance Assessments	2,996	0	0	0	0
<u>General Sessions Court</u>					
Fines	16,974	0	0	0	0
Officers Costs	47,580	0	0	0	0
Game and Fish Fines	99	0	0	0	0
Drug Control Fines	1,947	0	2,452	0	0
Drug Court Fees	4,328	0	0	0	0
Jail Fees	10,753	0	0	0	0
Judicial Commissioner Fees	68	0	0	0	0
DUI Treatment Fines	4,538	0	0	0	0
Data Entry Fee - General Sessions Court	5,664	0	0	0	0
Courtroom Security Fee	44	0	0	0	0
Victims Assistance Assessments	13,879	0	0	0	0
<u>Juvenile Court</u>					
Fines	286	0	0	0	0
Officers Costs	304	0	0	0	0
Data Entry Fee - Juvenile Court	240	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Chancery Court</u>					
Officers Costs	\$ 1,300	\$ 0	\$ 0	\$ 0	\$ 0
Data Entry Fee - Chancery Court	7,179	0	0	0	0
<u>Judicial District Drug Program</u>					
Drug Task Force Forfeitures and Seizures	0	0	56,783	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	10,459	0	0
Total Fines, Forfeitures, and Penalties	\$ 132,210	\$ 0	\$ 72,640	\$ 0	\$ 0
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Residential Waste Collection Charge	\$ 0	\$ 1,207,323	\$ 0	\$ 0	\$ 0
Solid Waste Disposal Fee	0	858	0	0	0
Surcharge - Waste Tire Disposal	0	16,991	0	0	0
Other General Service Charges	1,610	0	0	0	0
<u>Fees</u>					
Library Fees	1,472	0	0	0	0
Archives and Records Management Fee	6,997	0	0	0	0
Greenbelt Late Application Fee	150	0	0	0	0
Telephone Commissions	47,071	0	0	0	0
Vending Machine Collections	126	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	98,211	0
Data Processing Fee - Register	8,706	0	0	0	0
Data Processing Fee - Sheriff	3,446	0	0	0	0
Sexual Offender Registration Fee - Sheriff	3,750	0	0	0	0
Data Processing Fee - County Clerk	2,553	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	710	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Charges for Current Services (Cont.)</u>					
<u>Education Charges</u>					
Contract for Instructional Services with Other LEA's	\$ 380,951	\$ 0	\$ 0	\$ 0	\$ 0
Total Charges for Current Services	<u>\$ 457,542</u>	<u>\$ 1,225,172</u>	<u>\$ 0</u>	<u>\$ 98,211</u>	<u>\$ 0</u>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 110,470	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	52,406	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	98
Commissary Sales	31,672	0	0	0	0
Sale of Gasoline	141,913	0	0	0	0
Sale of Recycled Materials	0	60,762	0	0	0
E-Rate Funding	1,265	0	0	0	0
Miscellaneous Refunds	265,873	261	5,096	0	4,233
<u>Nonrecurring Items</u>					
Sale of Equipment	275	0	0	0	27,122
Sale of Property	10,564	0	0	0	0
Contributions and Gifts	106,265	0	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	78,979	0	0	0	0
Total Other Local Revenues	<u>\$ 799,682</u>	<u>\$ 61,023</u>	<u>\$ 5,096</u>	<u>\$ 0</u>	<u>\$ 31,453</u>
<u>Fees Received From County Officials</u>					
<u>Excess Fees</u>					
Clerk and Master	\$ 34,448	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Fees Received From County Officials (Cont.)</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 252,083	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	87,563	0	0	0	0
General Sessions Court Clerk	111,759	0	0	0	0
Juvenile Court Clerk	9,795	0	0	0	0
Register	111,129	0	0	0	0
Sheriff	12,642	0	0	0	0
Trustee	383,307	0	0	0	0
Total Fees Received From County Officials	\$ 1,002,726	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0
Airport Maintenance Program	7,696	0	0	0	0
Aging Programs	54,075	0	0	0	0
Alternative School Program	643,884	0	0	0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	24,000	0	0	0	0
Other Public Safety Grants	59,144	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	65,298	0	0	0	0
<u>Public Works Grants</u>					
State Aid Program	0	0	0	0	252,360
Litter Program	0	35,694	0	0	0
<u>Other State Revenues</u>					
Income Tax	3,521	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Beer Tax	\$ 18,175	\$ 0	\$ 0	\$ 0	\$ 0
Vehicle Certificate of Title Fees	7,125	0	0	0	0
Alcoholic Beverage Tax	87,714	0	0	0	0
State Revenue Sharing - Telecommunications	17,416	0	0	0	0
Contracted Prisoner Boarding	688,701	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	2,612,932
Petroleum Special Tax	0	0	0	0	20,580
Registrar's Salary Supplement	18,955	0	0	0	0
Other State Grants	57,450	0	0	0	0
Other State Revenues	26,117	0	0	0	0
Total State of Tennessee	<u>\$ 1,788,271</u>	<u>\$ 35,694</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,885,872</u>
<u>Federal Government</u>					
<u>Federal Through State</u>					
Civil Defense Reimbursement	\$ 42,000	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	4,630	0	0	0	0
COVID-19 Grant #1	53,209	0	0	0	0
COVID-19 Grant #2	1,355	0	0	0	0
Other Federal through State	244,478	0	0	0	0
<u>Direct Federal Revenue</u>					
Asset Forfeiture Funds	13,410	0	0	0	0
Total Federal Government	<u>\$ 359,082</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

(Continued)

Exhibit J-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 5,280	\$ 0	\$ 0	\$ 0	\$ 0
<u>Citizens Groups</u>					
Donations	4,000	0	0	0	0
<u>Other</u>					
Other	7,766	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 17,046</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 10,951,594</u>	<u>\$ 1,700,592</u>	<u>\$ 77,736</u>	<u>\$ 98,211</u>	<u>\$ 3,764,628</u>

(Continued)

Exhibit J-5

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

	Debt Service Fund General Debt Service	Total
<u>Local Taxes</u>		
<u>County Property Taxes</u>		
Current Property Tax	\$ 458,571	\$ 5,393,947
Trustee's Collections - Prior Year	18,240	215,170
Circuit Clerk/Clerk and Master Collections - Prior Years	12,357	146,331
Interest and Penalty	3,369	39,617
Payments in-Lieu-of Taxes - T.V.A.	0	12
Payments in-Lieu-of Taxes - Local Utilities	1,624	17,937
Payments in-Lieu-of Taxes - Other	10,781	128,030
<u>County Local Option Taxes</u>		
Local Option Sales Tax	0	359,741
Wheel Tax	0	1,305,925
Litigation Tax - General	0	41,034
Litigation Tax - Special Purpose	0	63,813
Litigation Tax - Jail, Workhouse, or Courthouse	77,467	77,467
Business Tax	0	187,144
Mineral Severance Tax	0	40,538
<u>Statutory Local Taxes</u>		
Bank Excise Tax	0	108,576
Wholesale Beer Tax	0	76,188
Beer Privilege Tax	0	905
Total Local Taxes	<u>\$ 582,409</u>	<u>\$ 8,202,375</u>
<u>Licenses and Permits</u>		
<u>Permits</u>		
Beer Permits	\$ 0	\$ 250
Building Permits	0	825
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 1,075</u>

(Continued)

Exhibit J-5

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

	Debt Service Fund <u>General</u> Debt Service	Total
<u>Fines, Forfeitures, and Penalties</u>		
<u>Circuit Court</u>		
Fines	\$ 0	\$ 1,425
Officers Costs	0	6,467
Drug Control Fines	0	5,609
Drug Court Fees	0	1,302
Jail Fees	0	248
DUI Treatment Fines	0	808
Data Entry Fee - Circuit Court	0	1,118
Victims Assistance Assessments	0	2,996
<u>General Sessions Court</u>		
Fines	0	16,974
Officers Costs	0	47,580
Game and Fish Fines	0	99
Drug Control Fines	0	4,399
Drug Court Fees	0	4,328
Jail Fees	0	10,753
Judicial Commissioner Fees	0	68
DUI Treatment Fines	0	4,538
Data Entry Fee - General Sessions Court	0	5,664
Courtroom Security Fee	0	44
Victims Assistance Assessments	0	13,879
<u>Juvenile Court</u>		
Fines	0	286
Officers Costs	0	304
Data Entry Fee - Juvenile Court	0	240

(Continued)

Exhibit J-5

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

	Debt Service Fund <u>General</u> Debt Service	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>		
<u>Chancery Court</u>		
Officers Costs	\$ 0	\$ 1,300
Data Entry Fee - Chancery Court	0	7,179
<u>Judicial District Drug Program</u>		
Drug Task Force Forfeitures and Seizures	0	56,783
<u>Other Fines, Forfeitures, and Penalties</u>		
Proceeds from Confiscated Property	0	10,459
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$ 204,850</u>
<u>Charges for Current Services</u>		
<u>General Service Charges</u>		
Residential Waste Collection Charge	\$ 0	\$ 1,207,323
Solid Waste Disposal Fee	0	858
Surcharge - Waste Tire Disposal	0	16,991
Other General Service Charges	0	1,610
<u>Fees</u>		
Library Fees	0	1,472
Archives and Records Management Fee	0	6,997
Greenbelt Late Application Fee	0	150
Telephone Commissions	0	47,071
Vending Machine Collections	0	126
Constitutional Officers' Fees and Commissions	0	98,211
Data Processing Fee - Register	0	8,706
Data Processing Fee - Sheriff	0	3,446
Sexual Offender Registration Fee - Sheriff	0	3,750
Data Processing Fee - County Clerk	0	2,553
Vehicle Insurance Coverage and Reinstatement Fees	0	710

(Continued)

Exhibit J-5

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

	Debt Service Fund General Debt Service	Total
<u>Charges for Current Services (Cont.)</u>		
<u>Education Charges</u>		
Contract for Instructional Services with Other LEA's	\$ 0	\$ 380,951
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 1,780,925</u>
<u>Other Local Revenues</u>		
<u>Recurring Items</u>		
Investment Income	\$ 0	\$ 110,470
Lease/Rentals	0	52,406
Sale of Materials and Supplies	0	98
Commissary Sales	0	31,672
Sale of Gasoline	0	141,913
Sale of Recycled Materials	0	60,762
E-Rate Funding	0	1,265
Miscellaneous Refunds	0	275,463
<u>Nonrecurring Items</u>		
Sale of Equipment	0	27,397
Sale of Property	0	10,564
Contributions and Gifts	0	106,265
<u>Other Local Revenues</u>		
Other Local Revenues	0	78,979
Total Other Local Revenues	<u>\$ 0</u>	<u>\$ 897,254</u>
<u>Fees Received From County Officials</u>		
<u>Excess Fees</u>		
Clerk and Master	\$ 0	\$ 34,448

(Continued)

Exhibit J-5

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

	Debt Service Fund <u>General</u> Debt Service	Total
<u>Fees Received From County Officials (Cont.)</u>		
<u>Fees In-Lieu-of Salary</u>		
County Clerk	\$ 0	\$ 252,083
Circuit Court Clerk	0	87,563
General Sessions Court Clerk	0	111,759
Juvenile Court Clerk	0	9,795
Register	0	111,129
Sheriff	0	12,642
Trustee	0	383,307
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 1,002,726</u>
<u>State of Tennessee</u>		
<u>General Government Grants</u>		
Juvenile Services Program	\$ 0	\$ 9,000
Airport Maintenance Program	0	7,696
Aging Programs	0	54,075
Alternative School Program	0	643,884
<u>Public Safety Grants</u>		
Law Enforcement Training Programs	0	24,000
Other Public Safety Grants	0	59,144
<u>Health and Welfare Grants</u>		
Health Department Programs	0	65,298
<u>Public Works Grants</u>		
State Aid Program	0	252,360
Litter Program	0	35,694
<u>Other State Revenues</u>		
Income Tax	0	3,521

(Continued)

Exhibit J-5

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

	Debt Service Fund <u>General</u> Debt Service	Total
<u>State of Tennessee (Cont.)</u>		
<u>Other State Revenues (Cont.)</u>		
Beer Tax	\$ 0	\$ 18,175
Vehicle Certificate of Title Fees	0	7,125
Alcoholic Beverage Tax	0	87,714
State Revenue Sharing - Telecommunications	0	17,416
Contracted Prisoner Boarding	0	688,701
Gasoline and Motor Fuel Tax	0	2,612,932
Petroleum Special Tax	0	20,580
Registrar's Salary Supplement	0	18,955
Other State Grants	0	57,450
Other State Revenues	0	26,117
Total State of Tennessee	<u>\$ 0</u>	<u>\$ 4,709,837</u>
<u>Federal Government</u>		
<u>Federal Through State</u>		
Civil Defense Reimbursement	\$ 0	\$ 42,000
Homeland Security Grants	0	4,630
COVID-19 Grant #1	0	53,209
COVID-19 Grant #2	0	1,355
Other Federal through State	0	244,478
<u>Direct Federal Revenue</u>		
Asset Forfeiture Funds	0	13,410
Total Federal Government	<u>\$ 0</u>	<u>\$ 359,082</u>

(Continued)

Exhibit J-5

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

	<u>Debt Service</u> <u>Fund</u> <u>General</u> <u>Debt</u> <u>Service</u>	<u>Total</u>
<hr/>		
<u>Other Governments and Citizens Groups</u>		
<u>Other Governments</u>		
Prisoner Board	\$ 0	\$ 5,280
<u>Citizens Groups</u>		
Donations	0	4,000
<u>Other</u>		
Other	0	7,766
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 17,046</u>
Total	<u>\$ 582,409</u>	<u>\$ 17,175,170</u>

Exhibit J-6

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

	General Purpose School	Special Revenue Fund School Transpor - tation	Total
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	\$ 0	\$ 535,086	\$ 535,086
Trustee's Collections - Prior Year	0	21,190	21,190
Circuit Clerk/Clerk and Master Collections - Prior Years	0	14,417	14,417
Interest and Penalty	0	3,930	3,930
Payments in-Lieu-of Taxes - Local Utilities	0	44,887	44,887
Payments in-Lieu-of Taxes - Other	0	12,578	12,578
<u>County Local Option Taxes</u>			
Local Option Sales Tax	79,255	0	79,255
Total Local Taxes	\$ 79,255	\$ 632,088	\$ 711,343
<u>Licenses and Permits</u>			
<u>Licenses</u>			
Marriage Licenses	\$ 33	\$ 0	\$ 33
Total Licenses and Permits	\$ 33	\$ 0	\$ 33
<u>Charges for Current Services</u>			
<u>Education Charges</u>			
Transportation - Other State Systems	\$ 33,047	\$ 0	\$ 33,047
Receipts from Individual Schools	18,586	0	18,586
Other Charges for Services	88,353	0	88,353
Total Charges for Current Services	\$ 139,986	\$ 0	\$ 139,986
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$ 274	\$ 0	\$ 274
Sale of Materials and Supplies	25	0	25
Miscellaneous Refunds	19,451	0	19,451
<u>Nonrecurring Items</u>			
Sale of Equipment	2,330	0	2,330
Sale of Property	641	0	641
Damages Recovered from Individuals	5	0	5
Contributions and Gifts	3,960	0	3,960
Total Other Local Revenues	\$ 26,686	\$ 0	\$ 26,686
<u>State of Tennessee</u>			
<u>General Government Grants</u>			
On-behalf Contributions for OPEB	\$ 416	\$ 0	\$ 416
<u>State Education Funds</u>			
Basic Education Program	2,047,659	0	2,047,659

(Continued)

Exhibit J-6

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

	General Purpose School	Special Revenue Fund School Transportation	Total
<u>State of Tennessee (Cont.)</u>			
<u>State Education Funds (Cont.)</u>			
Other State Education Funds	\$ 103,710	\$ 0	\$ 103,710
Career Ladder Program	1,180	0	1,180
<u>Other State Revenues</u>			
State Revenue Sharing - T.V.A.	0	865,172	865,172
State Revenue Sharing - Telecommunications	629	0	629
Other State Grants	36,000	0	36,000
Total State of Tennessee	<u>\$ 2,189,594</u>	<u>\$ 865,172</u>	<u>\$ 3,054,766</u>
<u>Federal Government</u>			
<u>Federal Through State</u>			
COVID-19 Grant #1	\$ 722	\$ 0	\$ 722
Other Federal through State	120,965	0	120,965
Total Federal Government	<u>\$ 121,687</u>	<u>\$ 0</u>	<u>\$ 121,687</u>
Total	<u>\$ 2,557,241</u>	<u>\$ 1,497,260</u>	<u>\$ 4,054,501</u>

Exhibit J-7

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

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	21,050	
Social Security		1,278	
Pensions		522	
Employer Medicare		299	
Audit Services		10,838	
Dues and Memberships		3,284	
Legal Notices, Recording, and Court Costs		1,637	
Periodicals		498	
Other Charges		138	
Total County Commission			\$ 39,544

Board of Equalization

Board and Committee Members Fees	\$	1,150	
Data Processing Services		14,065	
Total Board of Equalization			15,215

Other Boards and Committees

Board and Committee Members Fees	\$	150	
Legal Notices, Recording, and Court Costs		46	
Total Other Boards and Committees			196

County Mayor/Executive

County Official/Administrative Officer	\$	99,062	
Assistant(s)		37,028	
Salary Supplements		1,211	
Secretary(ies)		64,056	
Part-time Personnel		4,308	
Social Security		12,448	
Pensions		8,770	
Employee and Dependent Insurance		12,257	
Unemployment Compensation		89	
Employer Medicare		2,915	
Communication		2,548	
Dues and Memberships		1,700	
Maintenance Agreements		6,879	
Postal Charges		2,767	
Printing, Stationery, and Forms		1,048	
Travel		1,345	
Office Supplies		3,346	
Office Equipment		385	
Total County Mayor/Executive			262,162

County Attorney

Consultants	\$	3,000	
Legal Services		1,125	
Total County Attorney			4,125

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Election Commission

County Official/Administrative Officer	\$	70,174	
Deputy(ies)		30,505	
Part-time Personnel		8,748	
Election Commission		2,380	
Election Workers		14,369	
Social Security		6,542	
Pensions		4,339	
Employee and Dependent Insurance		4,563	
Unemployment Compensation		91	
Employer Medicare		1,530	
Communication		2,362	
Legal Notices, Recording, and Court Costs		3,418	
Maintenance Agreements		19,444	
Maintenance and Repair Services - Equipment		2,762	
Postal Charges		1,984	
Printing, Stationery, and Forms		2,109	
Travel		662	
Office Supplies		2,903	
Office Equipment		12,470	
Total Election Commission			\$ 191,355

Register of Deeds

County Official/Administrative Officer	\$	77,971	
Deputy(ies)		59,142	
Social Security		7,817	
Pensions		5,910	
Employee and Dependent Insurance		17,655	
Unemployment Compensation		56	
Employer Medicare		1,828	
Communication		3,369	
Data Processing Services		6,960	
Dues and Memberships		866	
Maintenance Agreements		4,696	
Postal Charges		112	
Travel		1,093	
Office Supplies		2,205	
Total Register of Deeds			189,680

County Buildings

Custodial Personnel	\$	23,000	
Maintenance Personnel		34,468	
Social Security		3,515	
Pensions		2,477	
Employee and Dependent Insurance		238	
Unemployment Compensation		52	
Employer Medicare		822	
Communication		940	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Maintenance Agreements	\$	5,581	
Maintenance and Repair Services - Buildings		69,116	
Maintenance and Repair Services - Equipment		3,763	
Maintenance and Repair Services - Vehicles		553	
Permits		1,350	
Custodial Supplies		6,039	
Electricity		68,591	
Gasoline		2,147	
Natural Gas		12,969	
Tires and Tubes		1,103	
Water and Sewer		18,828	
Other Supplies and Materials		254	
Building and Contents Insurance		75,000	
Liability Insurance		164,034	
Other Charges		9,768	
Building Improvements		42,222	
Communication Equipment		25,554	
Data Processing Equipment		30,622	
Total County Buildings			\$ 603,006

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	77,971	
Deputy(ies)		83,586	
Social Security		9,446	
Pensions		6,963	
Employee and Dependent Insurance		17,454	
Unemployment Compensation		84	
Employer Medicare		2,209	
Communication		1,909	
Contracts with Private Agencies		12,100	
Dues and Memberships		1,700	
Maintenance Agreements		5,024	
Postal Charges		1,210	
Travel		426	
Office Supplies		1,906	
Total Property Assessor's Office			221,988

Reappraisal Program

Data Processing Services	\$	3,725	
Other Contracted Services		19,800	
Total Reappraisal Program			23,525

County Trustee's Office

County Official/Administrative Officer	\$	77,971
Deputy(ies)		55,955
Part-time Personnel		4,056

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Social Security	\$	7,654	
Pensions		5,770	
Employee and Dependent Insurance		18,477	
Unemployment Compensation		72	
Employer Medicare		1,790	
Communication		2,341	
Data Processing Services		16,157	
Dues and Memberships		1,186	
Legal Notices, Recording, and Court Costs		268	
Maintenance Agreements		4,744	
Postal Charges		9,489	
Office Supplies		1,849	
Total County Trustee's Office	\$		207,779

County Clerk's Office

County Official/Administrative Officer	\$	77,971	
Deputy(ies)		108,059	
Part-time Personnel		3,747	
Social Security		10,623	
Pensions		8,018	
Employee and Dependent Insurance		28,154	
Unemployment Compensation		124	
Employer Medicare		2,539	
Communication		1,799	
Data Processing Services		3,000	
Dues and Memberships		856	
Legal Notices, Recording, and Court Costs		62	
Maintenance Agreements		1,842	
Maintenance and Repair Services - Office Equipment		3,864	
Travel		80	
Office Supplies		3,121	
Office Equipment		6,692	
Total County Clerk's Office			260,551

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	77,971	
Deputy(ies)		170,478	
Jury and Witness Expense		9,574	
Social Security		14,577	
Pensions		10,708	
Employee and Dependent Insurance		23,559	
Unemployment Compensation		168	
Employer Medicare		3,409	
Communication		4,800	
Data Processing Services		24,637	
Dues and Memberships		921	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Legal Notices, Recording, and Court Costs	\$	2,092	
Maintenance Agreements		10,982	
Postal Charges		636	
Travel		2,283	
Other Contracted Services		100	
Office Supplies		11,635	
Data Processing Equipment		999	
Office Equipment		19,348	
Total Circuit Court			\$ 388,877

General Sessions Judge

Judge(s)	\$	115,448	
Social Security		6,803	
Pensions		4,976	
Employee and Dependent Insurance		14,382	
Employer Medicare		1,591	
Dues and Memberships		425	
Travel		1,902	
Office Supplies		1,238	
Total General Sessions Judge			146,765

Chancery Court

Deputy(ies)	\$	116,410	
Social Security		6,514	
Pensions		5,017	
Employee and Dependent Insurance		27,447	
Unemployment Compensation		112	
Employer Medicare		1,523	
Advertising		14,469	
Communication		2,322	
Data Processing Services		11,960	
Dues and Memberships		726	
Maintenance Agreements		4,242	
Postal Charges		492	
Office Supplies		5,541	
Total Chancery Court			196,775

Juvenile Court

Supervisor/Director	\$	54,694	
Youth Service Officer(s)		39,922	
Guidance Personnel		37,944	
In-service Training		45	
Social Security		7,854	
Pensions		5,713	
Employee and Dependent Insurance		11,385	
Unemployment Compensation		83	
Employer Medicare		1,837	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Communication	\$	1,697	
Maintenance Agreements		2,240	
Postal Charges		112	
Travel		225	
Other Contracted Services		2,131	
Total Juvenile Court			\$ 165,882

Judicial Commissioners

Board and Committee Members Fees	\$	4,800	
Social Security		298	
Employer Medicare		70	
Total Judicial Commissioners			5,168

Victim Assistance Programs

Remittance of Revenue Collected	\$	17,876	
Total Victim Assistance Programs			17,876

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	94,345	
Deputy(ies)		841,475	
Detective(s)		25,273	
Investigator(s)		119,825	
Salary Supplements		23,200	
Part-time Personnel		11,196	
School Resource Officer		171,600	
Overtime Pay		60,402	
Other Salaries and Wages		18,324	
In-service Training		460	
Social Security		80,151	
Pensions		55,160	
Employee and Dependent Insurance		135,196	
Unemployment Compensation		991	
Employer Medicare		18,741	
Communication		12,302	
Contracts with Other Public Agencies		2,680	
Dues and Memberships		2,440	
Maintenance Agreements		19,793	
Maintenance and Repair Services - Equipment		3,184	
Maintenance and Repair Services - Vehicles		37,656	
Postal Charges		2,018	
Travel		8,367	
Gasoline		73,659	
Instructional Supplies and Materials		11,705	
Law Enforcement Supplies		4,086	
Office Supplies		10,798	
Tires and Tubes		13,310	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Uniforms	\$	12,452	
Other Supplies and Materials		416	
Other Charges		5,911	
Data Processing Equipment		7,837	
Motor Vehicles		134,166	
Other Equipment		44,523	
Total Sheriff's Department			\$ 2,063,642

Administration of the Sexual Offender Registry

Remittance of Revenue Collected	\$	1,950	
Total Administration of the Sexual Offender Registry			1,950

Jail

Dispatchers/Radio Operators	\$	175,497	
Guards		1,025,681	
Clerical Personnel		36,062	
Cafeteria Personnel		52,999	
Maintenance Personnel		34,876	
Part-time Personnel		119,757	
Overtime Pay		37,057	
Other Salaries and Wages		22,358	
In-service Training		6,381	
Social Security		87,586	
Pensions		59,826	
Employee and Dependent Insurance		159,033	
Unemployment Compensation		2,006	
Employer Medicare		20,484	
Communication		13,237	
Maintenance Agreements		17,497	
Maintenance and Repair Services - Equipment		7,546	
Medical and Dental Services		199,051	
Travel		2,350	
Custodial Supplies		22,078	
Electricity		69,655	
Food Supplies		223,816	
Instructional Supplies and Materials		1,812	
Library Books/Media		1,388	
Natural Gas		21,474	
Prisoners Clothing		14,366	
Uniforms		9,540	
Water and Sewer		63,796	
Other Supplies and Materials		9,271	
Other Equipment		8,291	
Total Jail			2,524,771

Juvenile Services

Educational Assistants	\$	657,383	
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(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services (Cont.)

Social Security	\$	37,484	
Pensions		28,074	
Employee and Dependent Insurance		61,155	
Unemployment Compensation		599	
Employer Medicare		8,766	
Communication		5,621	
Dues and Memberships		1,065	
Licenses		1,060	
Maintenance Agreements		6,367	
Maintenance and Repair Services - Equipment		156	
Maintenance and Repair Services - Vehicles		7,385	
Medical and Dental Services		8,260	
Postal Charges		165	
Travel		1,678	
Other Contracted Services		8,820	
Custodial Supplies		4,508	
Food Supplies		36,750	
Gasoline		11,906	
Instructional Supplies and Materials		956	
Office Supplies		7,546	
Tires and Tubes		942	
Other Supplies and Materials		18,270	
Building and Contents Insurance		1,081	
Liability Insurance		13,000	
Workers' Compensation Insurance		3,500	
Other Charges		12,989	
Motor Vehicles		21,500	
Total Juvenile Services			\$ 966,986

Fire Prevention and Control

Supervisor/Director	\$	42,069
Other Salaries and Wages		28,635
Social Security		3,958
Pensions		3,027
Employee and Dependent Insurance		12,639
Unemployment Compensation		56
Employer Medicare		926
Communication		3,336
Dues and Memberships		558
Maintenance and Repair Services - Equipment		5,812
Maintenance and Repair Services - Vehicles		15,630
Postal Charges		110
Travel		1,970
Gasoline		9,524
Instructional Supplies and Materials		2,193
Office Supplies		5,208
Tires and Tubes		3,643

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control (Cont.)

Liability Insurance	\$	8,224	
Other Charges		13,105	
Communication Equipment		6,576	
Motor Vehicles		33,500	
Other Equipment		49,132	
Total Fire Prevention and Control			\$ 249,831

Civil Defense

Supervisor/Director	\$	42,069	
Social Security		2,184	
Pensions		1,813	
Employee and Dependent Insurance		12,495	
Unemployment Compensation		28	
Employer Medicare		511	
Communication		5,022	
Dues and Memberships		25	
Maintenance Agreements		3,241	
Maintenance and Repair Services - Equipment		910	
Maintenance and Repair Services - Vehicles		265	
Travel		1,661	
Electricity		6,787	
Gasoline		904	
Instructional Supplies and Materials		530	
Natural Gas		1,499	
Office Supplies		2,111	
Tires and Tubes		15	
Water and Sewer		861	
Other Supplies and Materials		11,912	
Other Charges		2,356	
Other Equipment		54	
Total Civil Defense			97,253

County Coroner/Medical Examiner

Medical Personnel	\$	12,000	
Other Per Diem and Fees		4,800	
Contracts with Government Agencies		15,525	
Transportation - Other than Students		150	
Travel		1,234	
Total County Coroner/Medical Examiner			33,709

Public Health and Welfare

Local Health Center

Medical Personnel	\$	446	
Clerical Personnel		89,490	
Bonus Payments		1,164	
Social Security		4,634	
Pensions		3,903	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Employee and Dependent Insurance	\$	27,482	
Unemployment Compensation		91	
Employer Medicare		1,084	
Communication		9,793	
Contracts with Government Agencies		26,060	
Dues and Memberships		200	
Janitorial Services		8,800	
Maintenance and Repair Services - Buildings		3,542	
Travel		4,480	
Custodial Supplies		1,532	
Drugs and Medical Supplies		771	
Office Supplies		769	
Utilities		13,707	
Other Supplies and Materials		20,691	
Total Local Health Center			\$ 218,639

Rabies and Animal Control

Communication	\$	301	
Maintenance and Repair Services - Vehicles		735	
Pest Control		12,000	
Veterinary Services		460	
Gasoline		628	
Total Rabies and Animal Control			14,124

Alcohol and Drug Programs

Assistant(s)	\$	32,037	
Deputy(ies)		288	
Other Salaries and Wages		2,000	
Social Security		1,904	
Pensions		1,323	
Employee and Dependent Insurance		144	
Unemployment Compensation		28	
Employer Medicare		446	
Advertising		14,143	
Communication		1,156	
Postal Charges		194	
Travel		2,680	
Other Supplies and Materials		2,628	
Total Alcohol and Drug Programs			58,971

General Welfare Assistance

Contributions	\$	1,000	
Pauper Burials		100	
Total General Welfare Assistance			1,100

Other Local Welfare Services

Dues and Memberships	\$	13,428	
Total Other Local Welfare Services			13,428

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Supervisor/Director	\$	27,246	
Social Workers		20,513	
Other Salaries and Wages		9,778	
Social Security		3,357	
Pensions		2,058	
Employee and Dependent Insurance		5,510	
Unemployment Compensation		114	
Employer Medicare		785	
Communication		2,418	
Contracts with Other Public Agencies		3,627	
Contracts with Private Agencies		2,706	
Licenses		810	
Maintenance Agreements		128	
Printing, Stationery, and Forms		2,625	
Travel		293	
Food Supplies		2,069	
Gasoline		868	
Office Supplies		702	
Other Charges		3,907	
Total Senior Citizens Assistance			\$ 89,514

Libraries

Assistant(s)	\$	17,404	
Librarians		30,000	
Other Salaries and Wages		21,419	
Social Security		4,259	
Pensions		2,966	
Employee and Dependent Insurance		384	
Unemployment Compensation		139	
Employer Medicare		996	
Communication		3,434	
Dues and Memberships		462	
Maintenance and Repair Services - Equipment		1,202	
Postal Charges		227	
Travel		2,803	
Other Contracted Services		50	
Library Books/Media		3,807	
Office Supplies		2,040	
Periodicals		202	
Other Supplies and Materials		2,631	
Other Charges		398	
Office Equipment		7,034	
Total Libraries			101,857

Parks and Fair Boards

Supervisor/Director	\$	46,265
Part-time Personnel		12,009

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards (Cont.)

Social Security	\$	2,831	
Pensions		1,994	
Employee and Dependent Insurance		4,491	
Unemployment Compensation		94	
Employer Medicare		662	
Communication		3,161	
Maintenance and Repair Services - Buildings		2,338	
Maintenance and Repair Services - Equipment		60	
Remittance of Revenue Collected		2,581	
Other Contracted Services		1,680	
Custodial Supplies		2,197	
Electricity		18,614	
Natural Gas		8,425	
Office Supplies		586	
Water and Sewer		5,184	
Total Parks and Fair Boards			\$ 113,172

Other Social, Cultural, and Recreational

Contracts with Government Agencies	\$	248,126	
Total Other Social, Cultural, and Recreational			248,126

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	23,339	
Secretary(ies)		4,816	
Other Fringe Benefits		9,277	
Communication		2,263	
Office Equipment		996	
Total Agricultural Extension Service			40,691

Forest Service

Dues and Memberships	\$	2,000	
Total Forest Service			2,000

Soil Conservation

Secretary(ies)	\$	22,848	
Social Security		1,239	
Pensions		985	
Employee and Dependent Insurance		5,991	
Unemployment Compensation		28	
Employer Medicare		290	
Total Soil Conservation			31,381

Flood Control

Dues and Memberships	\$	8,250	
Total Flood Control			8,250

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations

Industrial Development

Dues and Memberships	\$ 10,000	
Total Industrial Development		\$ 10,000

Other Economic and Community Development

Dues and Memberships	\$ 17,000	
Other Charges	56,460	
Total Other Economic and Community Development		73,460

Airport

Supervisor/Director	\$ 16,875	
Part-time Personnel	32,782	
Social Security	1,973	
Pensions	643	
Employee and Dependent Insurance	1,883	
Unemployment Compensation	76	
Employer Medicare	709	
Communication	3,370	
Maintenance and Repair Services - Buildings	5,637	
Maintenance and Repair Services - Equipment	4,485	
Electricity	12,086	
Gasoline	109,190	
Natural Gas	2,531	
Office Supplies	319	
Water and Sewer	3,498	
Liability Insurance	4,120	
Airport Improvement	146,946	
Total Airport		347,123

Veterans' Services

Supervisor/Director	\$ 25,200	
Social Security	1,562	
Unemployment Compensation	28	
Employer Medicare	365	
Communication	1,098	
Maintenance Agreements	1,859	
Postal Charges	50	
Travel	264	
Office Supplies	279	
Total Veterans' Services		30,705

Other Charges

Handling Charges and Administrative Costs	\$ 50	
Medical Insurance	108,000	
Instructional Supplies and Materials	25,394	
Library Books/Media	12,000	
Trustee's Commission	120,665	
Workers' Compensation Insurance	112,376	
Liability Claims	22,250	
Total Other Charges		400,735

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Contributions to Other Agencies

Contributions	\$ 49,500	
Total Contributions to Other Agencies		\$ 49,500

COVID-19 Grant #1

Other Charges	\$ 70,945	
Total COVID-19 Grant #1		70,945

COVID-19 Grant #2

Other Charges	\$ 1,355	
Total COVID-19 Grant #2		1,355

COVID-19 Grant #3

Other Supplies and Materials	\$ 1,443	
Building Improvements	19,182	
Total COVID-19 Grant #3		<u>20,625</u>

Total General Fund		\$ 10,824,312
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Solid Waste/Sanitation Fund

Public Health and Welfare

Waste Pickup

Clerical Personnel	\$ 28,634	
Social Security	1,682	
Pensions	1,234	
Employee and Dependent Insurance	4,491	
Medical Insurance	1,500	
Unemployment Compensation	28	
Employer Medicare	393	
Communication	1,356	
Contracts with Private Agencies	946,582	
Legal Services	743	
Maintenance Agreements	1,721	
Postal Charges	880	
Maintenance and Repair Services - Records	102,538	
Office Supplies	812	
Other Charges	2,132	
Office Equipment	8,366	
Total Waste Pickup		\$ 1,103,092

Recycling Center

Supervisor/Director	\$ 53,315
Clerical Personnel	28,634
Other Salaries and Wages	171,250
Social Security	14,636
Pensions	10,910
Employee and Dependent Insurance	34,123
Medical Insurance	8,542

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Recycling Center (Cont.)

Unemployment Compensation	\$	224	
Employer Medicare		3,423	
Communication		1,106	
Contracts with Private Agencies		34,709	
Freight Expenses		9,975	
Maintenance and Repair Services - Buildings		1,411	
Maintenance and Repair Services - Equipment		1,391	
Maintenance and Repair Services - Vehicles		9,558	
Transportation - Other than Students		934	
Travel		194	
Custodial Supplies		286	
Electricity		4,255	
Gasoline		14,971	
Natural Gas		5,700	
Office Supplies		265	
Tires and Tubes		1,980	
Other Supplies and Materials		644	
Building and Contents Insurance		3,000	
Liability Insurance		9,000	
Trustee's Commission		19,791	
Workers' Compensation Insurance		10,000	
Other Charges		2,329	
Total Recycling Center			\$ 456,556

Highways

Litter and Trash Collection

Truck Drivers	\$	11,726	
Social Security		727	
Unemployment Compensation		27	
Employer Medicare		170	
Contracts with Government Agencies		3,266	
Maintenance and Repair Services - Vehicles		2,144	
Gasoline		1,651	
Tires and Tubes		356	
Other Supplies and Materials		509	
Other Charges		8,286	
Total Litter and Trash Collection			28,862

Total Solid Waste/Sanitation Fund \$ 1,588,510

Drug Control Fund

Public Safety

Drug Enforcement

Deputy(ies)	\$	43,496
Salary Supplements		5,800
Overtime Pay		587
Social Security		2,928

(Continued)

Exhibit J-7

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

Pensions	\$	1,900	
Employee and Dependent Insurance		6,717	
Medical Insurance		3,000	
Unemployment Compensation		28	
Employer Medicare		685	
Communication		1,975	
Dues and Memberships		2,810	
Maintenance and Repair Services - Vehicles		163	
Travel		839	
Veterinary Services		897	
Animal Food and Supplies		515	
Trustee's Commission		830	
Law Enforcement Equipment		140	
Other Equipment		501	
Total Drug Enforcement			\$ 73,811

Total Drug Control Fund \$ 73,811

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Constitutional Officers' Operating Expenses	\$	98,352	
Total Chancery Court			\$ 98,352

Total Constitutional Officers - Fees Fund 98,352

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	128,382	
Accountants/Bookkeepers		36,126	
Clerical Personnel		30,910	
Advertising		1,463	
Communication		4,940	
Contracts with Other Public Agencies		5,435	
Data Processing Services		12,911	
Dues and Memberships		3,640	
Evaluation and Testing		1,108	
Postal Charges		110	
Printing, Stationery, and Forms		1,538	
Travel		367	
Tuition		550	
Custodial Supplies		425	
Data Processing Supplies		413	
Drugs and Medical Supplies		138	
Electricity		5,322	
Natural Gas		1,359	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Office Supplies	\$	272	
Utilities		1,213	
Water and Sewer		1,453	
Building and Contents Insurance		7,500	
Data Processing Equipment		3,878	
Other Equipment		345	
Total Administration	\$		249,798

Highway and Bridge Maintenance

Foremen	\$	34,461	
Equipment Operators		671,237	
Contracts with Private Agencies		4,125	
Engineering Services		25,650	
Asphalt - Cold Mix		459	
Asphalt - Liquid		55,003	
Concrete		444	
Crushed Stone		15,361	
General Construction Materials		1,267	
Ice		108	
Other Road Materials		899	
Pipe - Metal		93,430	
Road Signs		9,652	
Uniforms		12,147	
Wood Products		101	
Chemicals		819	
Other Supplies and Materials		691	
Total Highway and Bridge Maintenance			925,854

Operation and Maintenance of Equipment

Mechanic(s)	\$	94,966	
Maintenance Personnel		55,724	
Maintenance and Repair Services - Equipment		9,558	
Maintenance and Repair Services - Vehicles		1,058	
Diesel Fuel		77,303	
Equipment and Machinery Parts		122,873	
Garage Supplies		11,495	
Gasoline		25,018	
Lubricants		9,736	
Small Tools		2,017	
Tires and Tubes		23,395	
Other Charges		1,856	
Total Operation and Maintenance of Equipment			434,999

Other Charges

Liability Insurance	\$	26,862	
Trustee's Commission		38,472	
Workers' Compensation Insurance		71,124	
Liability Claims		1,909	
Total Other Charges			138,367

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Employee Benefits

Social Security	\$	72,515	
Pensions		42,546	
Medical Insurance		259,235	
Unemployment Compensation		7,719	
Total Employee Benefits			\$ 382,015

Capital Outlay

Communication Equipment	\$	168	
Highway Construction		1,169,772	
Motor Vehicles		35,730	
State Aid Projects		252,360	
Other Equipment		303,819	
Other Construction		1,514	
Total Capital Outlay			1,763,363

Principal on Debt

Highways and Streets

Principal on Notes	\$	114,000	
Total Highways and Streets			114,000

Interest on Debt

Highways and Streets

Interest on Notes	\$	5,310	
Total Highways and Streets			5,310

Total Highway/Public Works Fund \$ 4,013,706

General Debt Service Fund

Principal on Debt

General Government

Principal on Notes	\$	52,000	
Principal on Other Loans		385,000	
Total General Government			\$ 437,000

Interest on Debt

General Government

Interest on Notes	\$	10,497	
Interest on Other Loans		152,608	
Total General Government			163,105

Other Debt Service

General Government

Trustee's Commission	\$	11,214	
Other Debt Service		6,263	
Total General Government			17,477

Total General Debt Service Fund 617,582

Total Governmental Funds - Primary Government \$ 17,216,273

Exhibit J-8

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

General Purpose School Fund

Instruction

Alternative Instruction Program

Teachers	\$	45,350	
Educational Assistants		19,263	
Bonus Payments		800	
Non-certified Substitute Teachers		694	
Social Security		3,433	
Pensions		5,751	
Medical Insurance		16,843	
Employer Medicare		803	
Instructional Supplies and Materials		675	
Total Alternative Instruction Program			\$ 93,612

Career and Technical Education Program

Teachers	\$	358,751	
Bonus Payments		5,600	
Other Salaries and Wages		2,869	
Non-certified Substitute Teachers		1,576	
Social Security		22,406	
Pensions		30,928	
Medical Insurance		29,872	
Employer Medicare		5,240	
Instructional Supplies and Materials		22,689	
Textbooks - Bound		7,765	
Other Charges		509	
Vocational Instruction Equipment		149,179	
Total Career and Technical Education Program			637,384

Support Services

Attendance

Clerical Personnel	\$	28,846	
Social Security		1,716	
Pensions		1,243	
Medical Insurance		6,772	
Employer Medicare		401	
Other Contracted Services		1,806	
In Service/Staff Development		829	
Total Attendance			41,613

Health Services

Medical Personnel	\$	1,000	
Other Salaries and Wages		65,411	
Social Security		3,906	
Pensions		2,594	
Employer Medicare		913	
Communication		546	
Printing, Stationery, and Forms		810	
Travel		1,462	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Other Supplies and Materials	\$	18,035	
In Service/Staff Development		635	
Other Charges		551	
Health Equipment		1,259	
Total Health Services			\$ 97,122

Other Student Support

Career Ladder Program	\$	1,000	
Secretary(ies)		28,846	
Other Salaries and Wages		58,596	
Social Security		5,367	
Pensions		7,578	
Medical Insurance		13,075	
Employer Medicare		1,255	
Operating Lease Payments		5,472	
Travel		3,281	
Other Supplies and Materials		315	
In Service/Staff Development		348	
Other Charges		150	
Other Equipment		310	
Total Other Student Support			125,593

Career and Technical Education Program

Secretary(ies)	\$	28,846	
Social Security		1,679	
Pensions		1,243	
Medical Insurance		6,772	
Employer Medicare		393	
In Service/Staff Development		4,886	
Total Career and Technical Education Program			43,819

Technology

Other Salaries and Wages	\$	46,801	
Social Security		2,830	
Pensions		2,017	
Medical Insurance		6,340	
Employer Medicare		662	
Internet Connectivity		4,685	
Other Contracted Services		4,950	
Other Supplies and Materials		859	
In Service/Staff Development		984	
Other Charges		4,031	
Administration Equipment		315	
Other Equipment		19,051	
Total Technology			93,525

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Adult Programs

Communication	\$ 1,843	
Total Adult Programs		\$ 1,843

Other Programs

On-behalf Payments to OPEB	\$ 416	
Total Other Programs		416

Board of Education

Board and Committee Members Fees	\$ 6,700	
Social Security	415	
Unemployment Compensation	4,528	
Employer Medicare	97	
Dues and Memberships	3,286	
Legal Services	2,000	
Other Contracted Services	908	
Liability Insurance	56,200	
Trustee's Commission	5,692	
Workers' Compensation Insurance	32,022	
In Service/Staff Development	5,406	
Criminal Investigation of Applicants - TBI	930	
Other Charges	5,313	
Total Board of Education		123,497

Director of Schools

County Official/Administrative Officer	\$ 104,245	
Career Ladder Program	1,000	
Social Security	6,061	
Pensions	11,188	
Medical Insurance	7,564	
Employer Medicare	1,417	
Communication	4,747	
Dues and Memberships	20	
Postal Charges	1,723	
Travel	896	
Other Supplies and Materials	372	
In Service/Staff Development	4,356	
Other Charges	748	
Administration Equipment	1,000	
Total Director of Schools		145,337

Office of the Principal

Principals	\$ 73,743	
Social Security	4,525	
Pensions	7,839	
Medical Insurance	6,772	
Employer Medicare	1,058	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Dues and Memberships	\$	300	
Postal Charges		290	
Travel		26	
In Service/Staff Development		1,608	
Administration Equipment		945	
Total Office of the Principal			\$ 97,106

Fiscal Services

Accountants/Bookkeepers	\$	53,412	
Clerical Personnel		42,214	
Other Salaries and Wages		1,145	
Social Security		5,864	
Pensions		4,171	
Medical Insurance		13,111	
Employer Medicare		1,372	
Data Processing Services		12,635	
Data Processing Supplies		468	
Office Supplies		1,138	
In Service/Staff Development		356	
Office Equipment		2,705	
Total Fiscal Services			138,591

Operation of Plant

Janitorial Services	\$	37,200	
Disposal Fees		3,804	
Other Contracted Services		3,986	
Custodial Supplies		8,474	
Electricity		45,338	
Natural Gas		21,212	
Water and Sewer		5,813	
Plant Operation Equipment		5,334	
Total Operation of Plant			131,161

Maintenance of Plant

Maintenance Personnel	\$	53,943	
Social Security		3,218	
Pensions		2,325	
Medical Insurance		12,158	
Employer Medicare		753	
Maintenance and Repair Services - Buildings		11,945	
Maintenance and Repair Services - Equipment		3,609	
Other Contracted Services		735	
Other Supplies and Materials		5,661	
Other Charges		921	
Total Maintenance of Plant			95,268

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation

Bus Drivers	\$	51,048	
Other Salaries and Wages		39,991	
Social Security		5,656	
Pensions		2,754	
Employer Medicare		1,323	
Communication		3,367	
Other Charges		128	
Transportation Equipment		163,976	
Other Equipment		10,325	
Total Transportation			\$ 278,568

COVID-19 Expenditures

Unemployment Compensation	\$	722	
Total COVID-19 Expenditures			722

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	33,656	
Other Capital Outlay		112,646	
Total Regular Capital Outlay			146,302

Total General Purpose School Fund \$ 2,291,479

School Transportation Fund

Support Services

Board of Education

Trustee's Commission	\$	20,809	
Other Charges		30	
Total Board of Education			\$ 20,839

Transportation

Supervisor/Director	\$	46,089	
Mechanic(s)		105,185	
Bus Drivers		521,291	
Clerical Personnel		28,421	
Other Salaries and Wages		48,531	
Social Security		45,652	
Pensions		31,806	
Medical Insurance		24,546	
Employer Medicare		10,677	
Laundry Service		4,211	
Maintenance and Repair Services - Equipment		1,980	
Maintenance and Repair Services - Vehicles		12,379	
Medical and Dental Services		2,784	
Other Contracted Services		3,390	
Diesel Fuel		145,447	

(Continued)

Exhibit J-8

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

School Transportation Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Garage Supplies	\$	1,572	
Gasoline		2,906	
Lubricants		9,490	
Small Tools		3,108	
Tires and Tubes		37,003	
Vehicle Parts		92,297	
Gravel and Chert		1,582	
Other Supplies and Materials		689	
In Service/Staff Development		1,518	
Other Charges		3,370	
Other Equipment		2,400	
Total Transportation			<u>\$ 1,188,324</u>

Total School Transportation Fund \$ 1,209,163

Total Governmental Funds - Carroll County School Department \$ 3,500,642

Exhibit J-9

Carroll County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balances - City Agency Funds
For the Year Ended June 30, 2020

	Cities Sales Tax Fund	Special School District Fund	Total
<u>Cash Receipts</u>			
Circuit/Clerk & Master Collections - Prior Years	\$ 0	\$ 136,132	\$ 136,132
Local Option Sales Tax	2,802,797	3,062,609	5,865,406
City/School District Property Taxes:			
Current Property Tax	0	5,043,993	5,043,993
Prior Year's Property Tax	0	230,241	230,241
Interest and Penalty	0	37,985	37,985
Payments in-Lieu-of Taxes	0	286,482	286,482
Marriage Licenses	0	1,240	1,240
State Revenue Sharing - Telecommunications	0	27,596	27,596
Total Cash Receipts	<u>\$ 2,802,797</u>	<u>\$ 8,826,278</u>	<u>\$ 11,629,075</u>
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 2,774,769	\$ 8,596,491	\$ 11,371,260
Trustee's Commission	28,028	142,749	170,777
Total Cash Disbursements	<u>\$ 2,802,797</u>	<u>\$ 8,739,240</u>	<u>\$ 11,542,037</u>
Excess of Cash Receipts Over (Under)			
Cash Disbursements	\$ 0	\$ 87,038	\$ 87,038
Cash Balance, July 1, 2019	0	292,662	292,662
Cash Balance, June 30, 2020	<u>\$ 0</u>	<u>\$ 379,700</u>	<u>\$ 379,700</u>

FINDINGS AND RECOMMENDATIONS SECTION



JASON E. MUMPOWER
Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carroll County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Carroll County's basic financial statements as listed in the table of contents, and have issued our report thereon dated February 3, 2021. Our report includes a reference to other auditors who audited the financial statements of the Carroll County Board of Public Utilities and the Carroll County Indigent Care Board as described in our report on Carroll County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be a significant deficiency: 2020-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Carroll County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item: 2020-002.

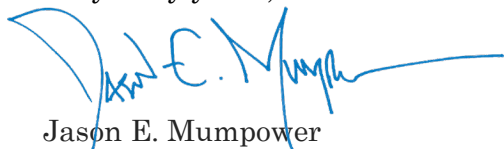
Carroll County's Responses to the Findings

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

Purpose of this Report

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

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 3, 2021

JEM/yu

Carroll County, Tennessee, and the Carroll County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (9) (10)
For the Year Ended June 30, 2020

Federal/Pass Through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Grant:			
Rural Business Development Grant	10.351	N/A	\$ 28,425
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	34360-17420	34,195
Passed-through Delta Regional Authority:			
Rural Business Opportunity Grants	10.773	TN-40000	120,965
Total U.S. Department of Agriculture			\$ 183,585
U.S. Department of Defense:			
Passed-through State Department of General Services:			
Section 1033 Excess Property Program (Noncash Assistance)	12.U01	N/A	\$ 36,126 (7)
Total U.S. Department of Defense			\$ 36,126
U.S. Department of Justice:			
Direct Grant:			
Federal Asset Forfeiture Program	16.U01	N/A	\$ 13,410
Passed-through State Department of Children's Services:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	35910-03680	9,000
Total U.S. Department of Justice			\$ 22,410
U. S. Department of Labor:			
Passed-through State Department of Labor and Workforce Development:			
COVID 19 - Unemployment Insurance	17.225	N/A	\$ 722
Total U.S. Department of Labor			\$ 722
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Airport Improvement Program	20.106	(4)	\$ 134,768
Alcohol Open Container Requirements	20.607	Z20THS033	4,630
Total U.S. Department of Transportation			\$ 139,398
Institute of Museum and Library Services:			
Passed-through Tennessee Secretary of State:			
Grants to States	45.310	30501-00220-15	\$ 574
Total Institute of Museum and Library Services			\$ 574
U. S. Election Assistance Commission			
Passed-through Tennessee Secretary of State:			
2020 HAVA Election Security Grants	90.404	30501-01919-09	\$ 1,837 (8)
COVID 19 - 2020 Supplemental Election Security Grants	90.404	N/A	1,355 (8)
Total U. S. Election Assistance Commission			\$ 3,192
U.S. Department of Health and Human Services:			
Passed-through Northwest Tennessee Development District:			
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	(5)	\$ 150
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	(5)	1,800
Aging Cluster: (3)			
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	(5)	52,125
Passed-through State Department of Health:			
Family Planning Services	93.217	34360-17420	9,405
Maternal and Child Health Services Block Grant	93.994	34360-17420	37,685
Total U. S. Department of Health and Human Services			\$ 101,165

(Continued)

Carroll County, Tennessee, and the Carroll County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (9) (10) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	34101-06920	\$ 42,000
Total U.S. Department of Homeland Security			<u>\$ 42,000</u>
Total Expenditures of Federal Awards			<u>\$ 529,172</u>
<u>State Grants</u>			
Juvenile Court Prevention Services - State Department of Children's Services	N/A	35910-02823	\$ 643,884
Local Health Services - State Department of Health	N/A	34360-17420	65,298
Airport Maintenance Program - State Department of Transportation	N/A	09-555-0734-20	7,696
Airport Improvement Program - State Department of Transportation	N/A	(6)	14,357
Courtroom Security Grant - Administrative Office of the Courts	N/A	(5)	22,946
Drug Coalition Grant - State Department of Mental Health and Substance Abuse Services	N/A	33901	59,144
Litter Program - State Department of Transportation	N/A	(5)	35,694
Safe Schools - State Department of Education	N/A	(5)	8,020
Coordinated School Health - State Department of Education	N/A	(5)	95,000
Supporting Postsecondary Access in Rural Counties (SPARC) - Tennessee Higher Education Commission	N/A	(5)	<u>36,000</u>
Total State Grants			<u>\$ 988,039</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) Carroll County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) Aging Cluster total \$52,125.
- (4) 95-555-0131-18: \$103,313; 09-555-0133-20: \$16,830; 95-555-0135-20: \$14,400; 09-555-0129-17: \$225.
- (5) Information not available.
- (6) 95-555-0131-18: \$10,862; 09-555-133-21: \$1,870; 09-555-0135-20: \$1,600; 09-555-0129-17: \$25.
- (7) During the year ended June 30, 2020, Carroll County received excess military equipment from the U.S. Department of Defense valued at \$36,126.
- (8) Total for CFDA No. 90.404 is \$3,192.
- (9) For the year ended June 30, 2020, Carroll County received donated PPE valued at \$70,945 (\$53,209 federal and \$17,736 state) from the Tennessee Department of Military. These donations were unaudited.
- (10) No amounts (\$0) were passed-through to subrecipients.

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

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

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
<u>OFFICE OF COUNTY MAYOR</u>					
2019	194	2019-001	General Ledger Payroll Deduction Accounts were not Reconciled with Payroll Reports and Payments in the General Fund	N/A	Not Corrected -See Explanation on Corrective Action Plan
2019	194	2019-002	The Office had Deficiencies in Budget Operations	N/A	Corrected

Prior-year Federal Awards Findings

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

FINDINGS AND RECOMMENDATIONS

Findings and recommendations, as a result of our audit, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses for all findings are paraphrased and presented following each finding and recommendation. Management's corrective action plans are presented separately in the Management's Corrective Action Plan in the Findings and Recommendations Section of this report.

OFFICE OF COUNTY MAYOR

FINDING 2020-001 **GENERAL LEDGER PAYROLL DEDUCTION ACCOUNTS WERE NOT RECONCILED WITH PAYROLL REPORTS AND PAYMENTS IN THE GENERAL FUND**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

General ledger payroll deduction accounts were not reconciled with payroll reports and payments in the General Fund. Sound business practices dictate that these reconciliations be performed monthly. The failure to regularly reconcile payroll deduction accounts allows errors to remain undiscovered and uncorrected. This deficiency exists due to a lack of management oversight. This deficiency also exists because management failed to correct the finding noted in the prior-year audit report and failed to implement their corrective action plan.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY MAYOR

I concur with the audit finding, and we will make every effort to monitor the liability deductions to ensure the funds stay in balance going forward.

FINDING 2020-002 **COMPETITIVE BIDS WERE NOT SOLICITED FOR INMATE FOOD**
(Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 58 disbursements totaling \$302,187 from a population of 3,195 vendor checks totaling \$5,434,486. Our examination revealed that competitive bids were not solicited for the purchase of inmate food totaling \$212,403. Purchasing procedures for the county are governed by Chapter 23, Private Acts of 1975, as amended, which requires public advertisement and solicitation of competitive bids on purchases exceeding \$10,000. This deficiency exists due to a lack of management oversight.

The failure to solicit competitive bids could result in the county paying more than the most competitive price.

RECOMMENDATION

Competitive bids should be solicited for all purchases exceeding \$10,000 as required by the private act.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

I concur with the audit finding, and we will make every effort to solicit competitive bids for all purchases exceeding \$10,000.

**CARROLL COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2020**

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

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

We reviewed the financial statement findings and recommendations with management to provide an opportunity for their response as required by Section 9-3-407, *Tennessee Code Annotated*. Management's corrective action plans for all financial statement findings are presented in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted.

Finding Number	Title of Finding	Corrective Action Plan Page Number
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OFFICE OF COUNTY MAYOR

2020-001	General Ledger Payroll Deduction Accounts were not Reconciled with Payroll Reports and Payments in the General Fund	196
2020-002	Competitive Bids were not Solicited for Inmate Food	197



JOSEPH G. BUTLER

CARROLL COUNTY MAYOR

Corrective Action Plan

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

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

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

Anticipated Completion Date of Corrective Action:
January 28, 2021

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in Prior Year:
Payroll is monitoring the liability accounts monthly to keep the accounts up to date going forward. Payroll clerk has been working with CTAS consultant to balance prior year amounts.

Planned Corrective Action:
Payroll is monitoring the liability accounts monthly to keep the accounts up to date going forward. Payroll clerk will work with CTAS consultant to balance prior year amounts.

BEST PRACTICE

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

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

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

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