

PRELIMINARY OFFICIAL STATEMENT

\$9,995,000*

CARROLL COUNTY, TENNESSEE

Electric System Revenue and Tax Bonds, Series 2025

OFFERED FOR SALE NOT SOONER THAN

October 8, 2025 at 10:15 A.M. E.D.T. / 9:15 A.M. C.D.T.
Through the Facilities of **PARITY®**



SINCE 1931

CUMBERLAND SECURITIES
INDEPENDENT FINANCIAL ADVISOR

September 26, 2025

*Preliminary, subject to change.

This *Preliminary Official Statement* and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the *Official Statement* is delivered in final form. Under no circumstances shall this *Preliminary Official Statement* constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 26, 2025

NEW ISSUE

Book-Entry-Only

Rating: S&P: “AA-”

(See “MISCELLANEOUS – RATING” herein.)

In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the County, interest on the Bonds (i) will be excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and (ii) is not an item of tax preference for purposes of the federal alternative minimum tax, except as described under the heading “LEGAL MATTERS-Tax Matters” herein.

\$9,995,000*

CARROLL COUNTY, TENNESSEE

Electric System Revenue and Tax Bonds, Series 2025

Dated: Date of Issuance (assume October 31, 2025).

Due: June 1 (as indicated below)

The \$9,995,000* Electric System Revenue and Tax Bonds, Series 2025 (the “Bonds”) issued by the Carroll County, Tennessee (the “County”) are issuable in fully registered form in denominations of \$5,000 and authorized integral multiples thereof. The Bonds will be issued in book-entry-only form and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, as the nominee for DTC, principal and interest with respect to the Bonds shall be payable to Cede & Co., as nominee for DTC, which will, in turn, remit such principal and interest to the DTC participants for subsequent disbursements to the beneficial owners of the Bonds. Individual purchases of the Bonds will be made in book-entry-only form, in denominations of \$5,000 or integral multiples thereof and will bear interest at the annual rates as shown below. Interest on the Bonds is payable semi-annually from the date thereof commencing on June 1, 2026 and thereafter on each June 1 and December 1 by check or draft mailed to the owners thereof as shown on the books and records of Regions Bank, Nashville, Tennessee, the registration and paying agent (the “Registration Agent”). In the event of discontinuation of the book-entry-only system, principal of and interest on the Bonds are payable at the designated trust office of the Registration Agent.

The Bonds are payable from and secured by a pledge of the Net Revenues (as defined herein) to be derived from the operation of the County’s electric distribution system (the “System”) operated on behalf of the County by the Carroll County Board of Public Utilities (“BPU”), subject to the payment of the reasonable and necessary costs of operating, maintaining, repairing and insuring the System, and, in the event of a deficiency in such revenues, from unlimited ad valorem taxes to be levied on all taxable property within the County. See section entitled “SECURITIES OFFERED – Security”.

The Bonds maturing June 1, 2033 and thereafter are subject to optional redemption prior to maturity on or after June 1, 2032.

<u>Due</u> <u>(June 1)</u>	<u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP**</u>	<u>Due</u> <u>(June 1)</u>	<u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP**</u>
2026	\$350,000				2036	\$495,000			
2027	335,000				2037	515,000			
2028	350,000				2038	540,000			
2029	365,000				2039	560,000			
2030	385,000				2040	585,000			
2031	400,000				2041	610,000			
2032	415,000				2042	640,000			
2033	435,000				2043	665,000			
2034	455,000				2044	695,000			
2035	475,000				2045	725,000			

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire *Preliminary Official Statement* to obtain information essential to make an informed investment decision.

The Bonds are offered when, as and if issued by the County, subject to the approval of the legality thereof by Bass, Berry & Sims PLC, Nashville, Tennessee, bond counsel, whose opinion will be delivered with the Bonds. Certain legal matters will be passed upon from Laura Keeton, Esq., counsel to the County. It is expected that the Bonds will be available for delivery through the facilities of The Depository Trust Company, New York, New York, on or about October __, 2025.

Cumberland Securities Company, Inc.

Municipal Advisor

September __, 2025

*Preliminary, subject to change.

This *Preliminary Official Statement* speaks only as of its date, and the information contained herein is subject to change.

This *Preliminary Official Statement* may contain forecasts, projections, and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this *Preliminary Official Statement*, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," and analogous expressions are intended to identify forward-looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward-looking statements. These forward-looking statements speak only as of the date of this *Preliminary Official Statement*. The County disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the County's expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

This *Preliminary Official Statement* and the Appendices hereto contain brief descriptions of, among other matters, the County, the Bonds, the Resolution, the Disclosure Certificate (as defined herein), and the security and sources of payment for the Bonds. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions and statutes, the Resolution, the Disclosure Certificate, and other documents are intended as summaries only and are qualified in their entirety by reference to such documents and laws, and references herein to the Bonds are qualified in their entirety to the forms thereof included in the Resolution.

The Bonds have not been registered under the Securities Act of 1933, as amended, and the Resolution has not been qualified under the Trust Indenture Act of 1939, in reliance on exemptions contained in such Acts. This *Preliminary Official Statement* does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

No dealer, broker, salesman, or other person has been authorized by the County or the Underwriter to give any information or to make any representations other than those contained in this *Preliminary Official Statement*, and, if given or made, such other information or representations should not be relied upon as having been authorized by the County or the Underwriter. Except where otherwise indicated, all information contained in this *Preliminary Official Statement* has been provided by the County. The information set forth herein has been obtained by the County from sources which are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of the Underwriter. The information contained herein is subject to change without notice, and neither the delivery of this *Preliminary Official Statement* nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the County, or the other matters described herein since the date hereof or the earlier dates set forth herein as of which certain information contained herein is given.

****Copyright, American Bankers Association (the "ABA").** CUSIP data herein are provided by CUSIP Global Services, which is managed on behalf of the ABA by S&P Global Market Intelligence, a division of S&P Global Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds and the County makes no representation with respect to such numbers nor undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

CARROLL COUNTY, TENNESSEE

OFFICIALS

Honorable Joseph Butler
Darlene Kirk
Laura Keeton

County Mayor
County Clerk
County Attorney

COUNTY COMMISIONERS

John Austin
Manual Crossno
Joey Darnall
Jimmy Halford
Willie Huffman
Randy Long
Jimmy McClure
Jason Martin
Phillip Moore
Barry Mac Murphy
Cyril Ostiguy

Dr. Jay Phipps
Darrell Ridgely
Spiridon Roditis
Morris Rogers
Joey Simmons
Walter Smothers
Larry Spencer
Lana Suite
Daniel Thomas
Daniel Willman

CARROLL COUNTY BOARD OF PUBLIC UTILITIES

Lori Nolen, Chair
John Austin, Jr., Treasurer
Chris Gurley, Secretary

Paul Moore, Member
Victoria R. Williams, Member

Ryan Drewry
Laura Keeton

General Manager
Board of Public Utilities Attorney

REGISTRATION AND PAYING AGENT

Regions Bank
Nashville, Tennessee

BOND COUNSEL

Bass, Berry & Sims PLC
Nashville, Tennessee

MUNICIPAL ADVISOR

Cumberland Securities Company, Inc.

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of Public Utilities**

**APPENDIX F: GENERAL PURPOSE FINANCIAL STATEMENTS – Carroll County,
Tennessee**

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SUMMARY STATEMENT

The information set forth below is provided for convenient reference and does not purport to be complete and is qualified in its entirety by the information and financial statements appearing elsewhere in this *Preliminary Official Statement*. This Summary Statement shall not be reproduced, distributed or otherwise used except in conjunction with the remainder of this *Preliminary Official Statement*.

The Issuer	Carroll County, Tennessee (the “County” or “Issuer”). See APPENDIX B contained herein.
Securities Offered.....	\$9,995,000* Electric System Revenue and Tax Bonds, Series 2025, maturing June 1, 2026 through June 1, 2050, inclusive, (the “Bonds”) of the County. The Bonds will be dated the date of issuance (assume October 31, 2025). See the section entitled “SECURITIES OFFERED” for additional information.
Security	The Bonds are payable from and secured by a pledge of the Net Revenues (as defined herein) to be derived from the operation of the County’s electric distribution system (the “System”) operated on behalf of the County by the Carroll County Board of Public Utilities (“BPU”), and, in the event of a deficiency in such Net Revenues, from unlimited ad valorem taxes to be levied on all taxable property within the County. For the definition of Net Revenues of the System, see APPENDIX D – “Summary of Certain Provisions of the Resolution”.
Purpose	The Bonds are being issued for the purpose of providing funds for (i) financing improvements and extensions to the System and (ii) financing the costs of issuing the Bonds.
Optional Redemption	The Bonds are subject to optional redemption prior to maturity on or after June 1, 2032, at the redemption price of par plus accrued interest. See section entitled “SECURITIES OFFERED - Optional Redemption”.
Rates	Rates and fees for electric service provided by the System are established by the BPU and are subject to review and approval by the Tennessee Valley Authority, as more fully described herein. The System is not otherwise subject to rate regulation, and BPU is not aware of any pending legislation which would make its rates and fees subject to additional regulations.
Tax Matters.....	In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the County, as hereafter defined, interest on the Bonds (i) is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and (ii) is not treated as an item of tax preference in calculating the alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations. For an explanation of certain tax consequences under federal law which may result from the ownership of the Bonds, see the discussion under the heading “LEGAL MATTERS – Tax Matters” herein. Under existing law, the Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except Tennessee franchise and excise taxes. (See “LEGAL MATTERS -Tax Matters” herein.)
Bank Qualification.....	The Bonds will be treated as “qualified tax-exempt obligations” within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended. See the section entitled “LEGAL MATTERS - Tax Matters” for additional information.

Rating.....	S&P: “AA-”. See the section entitled “MISCELLANEOUS - Rating” for more information.
Registration and Paying Agent	Regions Bank, Nashville, Tennessee. (the "Registration Agent").
Bond Counsel	Bass, Berry & Sims PLC, Nashville, Tennessee.
Municipal Advisor.....	Cumberland Securities Company, Inc. See the section entitled “MISCELLANEOUS - Municipal Advisor; Related Parities; Others”, herein.
Underwriter.....	_____.
Book-Entry-Only.....	The Bonds will be issued under the Book-Entry-Only System except as otherwise described herein. For additional information, see the section entitled “BASIC DOCUMENTATION – Book–Entry-Only System”.
General.....	The Bonds are being issued in full compliance with applicable provisions of the Title 7, Chapter 34, and Title 9, Chapter 21, <i>Tennessee Code Annotated</i> , as supplemented and revised. See the section entitled “SECURITIES OFFERED – Authority and Purpose.” The Bonds will be issued with CUSIP numbers through the facilities of The Depository Trust Company, New York, New York.
Disclosure	In accordance with Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, the County will provide the Municipal Securities Rulemaking Board (“MSRB”) through the operation of the Electronic Municipal Market Access system (“EMMA”) and the State Information Depository (“SID”), if any, annual financial statements and other pertinent credit or event information, including Comprehensive Annual Financial Reports, see the section entitled “MISCELLANEOUS-Continuing Disclosure.”
Other Information.....	The information in this <i>Preliminary Official Statement</i> is deemed “final” within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 as of the date which appears on the cover hereof except for the omission of certain pricing and other information. For more information concerning the County or the <i>Preliminary Official Statement</i> , contact Joseph Butler, County Mayor, 625 High Street, Suite 101, Huntingdon, Tennessee 38344, Telephone: (731) 986-1936; or the County’s Municipal Advisor, Cumberland Securities Company, Inc., Telephone: (865) 988-2663. Additional information regarding BiDCOMP™/PARITY® may be obtained from PARITY®, 1359 Broadway - 2 nd Floor, New York, NY 10018, Telephone: (800) 850-7422.

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ELECTRIC SYSTEM
Summary of Changes In Net Positions
For the Fiscal Year Ended June 30

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Beginning Net Position	\$28,849,542	\$29,217,519	\$29,985,605	\$30,992,207	\$31,856,256
Revenues	38,312,988	38,103,292	42,017,745	46,279,558	43,971,939
Expenditures	37,553,315	36,883,715	40,480,900	45,044,197	42,996,652
Other Financing Sources:					
Interest Income	85,737	42,929	44,405	238,579	503,620
Interest Expense	(878)	(924)	(985)	(4,949)	(5,281)
Transfers In / Out	(476,555)	(493,496)	(573,663)	(604,942)	(622,876)
Change in Net Assets	367,977	768,086	1,006,602	864,049	850,750
Adjustments	-	-	-	-	-
Ending Net Position	\$29,217,519	\$29,985,605	\$30,992,207	\$31,856,256	\$32,707,006

Source: Annual Comprehensive Financial Reports of the Electric System of Carroll County Board of Public Utilities of Carroll County, Tennessee.

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SUMMARY NOTICE OF SALE

\$9,995,000*

CARROLL COUNTY, TENNESSEE

Electric System Revenue and Tax Bonds, Series 2025

NOTICE IS HEREBY GIVEN that the County Mayor of the Carroll County, Tennessee (the “County” or “Issuer”) will receive electronic or written sealed bids until **10:15 a.m. E.D.T. / 9:15 a.m. C.D.T. on Wednesday, October 8, 2025** for the purchase of all, but not less than all, of the County’s \$9,995,000* Electric System Revenue and Tax Bonds, Series 2025 (the “Bonds”). Electronic bids must be submitted through **PARITY®** as described in the “Detailed Notice of Sale”. In case of written bids, bids will be received by the County’s Municipal Advisor, Cumberland Securities Company, Inc., via facsimile at 865-988-1863. Prior to accepting bids, the County reserves the right to adjust the principal amount and maturity amounts of the Bonds being offered as set forth in the Detailed Notice of Sale, to postpone the sale to a later date, or to cancel the sale based upon market conditions via Bloomberg News Service and/or the **PARITY®** System not later than 9:45 a.m., Eastern Daylight Time, on the day of the bid opening. Such notice will specify the revised principal amounts, if any, and any later date selected for the sale, which may be postponed or cancelled in the same manner. If the sale is postponed, a later public sale may be held at the hour and place and on such date as communicated upon at least forty-eight hours’ notice via Bloomberg News Service and/or the **PARITY®** System.

Electronic bids must be submitted through **PARITY®** via the BiDComp Competitive Bidding Service as described in the Detailed Notice of Sale and no other provider of electronic bidding services will be accepted. For the purposes of the bidding process, both written and electronic, the time maintained by **PARITY®** shall constitute the official time with respect to all bids. To the extent any instructions or directions set forth in **PARITY®** conflict with the terms of the Detailed Notice of Sale and this Summary Notice of Sale, the Detailed Notice of Sale and this Summary Notice of Sale shall prevail.

The Bonds will be issued in book-entry-only form (except as otherwise described in the Detailed Notice of Sale) and dated the date of issuance (assume October 31, 2025). The Bonds will mature on June 1 in the years 2026 through 2050, inclusive, with term bonds optional, with interest payable on June 1 and December 1 of each year, commencing June 1, 2026, and will be subject to optional redemption prior to maturity on or after June 1, 2032. Bidders must bid not less than one hundred percent (100.00%) of par or more than one hundred and twenty-five percent (125%) of par for the Bonds. The approving opinion for the Bonds will be furnished at the expense of the County by Bass, Berry & Sims PLC, Bond Counsel, Nashville, Tennessee. **No rate or rates bid for the Bonds shall be less than four percent (4.00%) or exceed five percent (5.00%) per annum. Additionally, each maturity must have a minimum reoffering price of at least ninety-eight percent (98.0%) of par.** Unless bids are rejected, the Bonds will be awarded by the County Mayor of the County on the sale date to the bidder whose bid results in the lowest true interest rate on the Bonds.

In the event that the competitive sale requirements of applicable Treasury Regulations are not met, the County will require bidders to comply with the “hold-the-offering-price rule” for purposes of determining the issue price of the Bonds as described in the Detailed Notice of Sale. Bids will not be subject to cancellation in the event that the competitive sale requirements of applicable Treasury Regulations are not satisfied.

Additional information, including the *Preliminary Official Statement* in near final form and the Detailed Notice of Sale, may be obtained through www.prospectushub.com or from the County’s Municipal Advisor, Cumberland Securities Company, Inc., (865) 988-2663. Further information regarding **PARITY®** may be obtained from i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone: 212-849-5000.

CARROLL COUNTY, TENNESSEE

By: Joseph Butler, County Mayor

DETAILED NOTICE OF SALE

\$9,995,000*

CARROLL COUNTY, TENNESSEE

Electric System Revenue and Tax Bonds, Series 2025

NOTICE IS HEREBY GIVEN that the County Mayor of the Carroll County, Tennessee (the “County” or “Issuer”) will receive electronic or written sealed bids until **10:15 a.m. E.D.T. / 9:15 a.m. C.D.T. on Wednesday, October 8, 2025** for the purchase of all, but not less than all, of the County’s \$9,995,000* Electric System Revenue and Tax Bonds, Series 2025 (the “Bonds”). Electronic bids must be submitted through **PARITY®** as described in this “Detailed Notice of Sale”. In case of written bids, bids will be received by the County’s Municipal Advisor, Cumberland Securities Company, Inc., via facsimile at 865-988-1863. Prior to accepting bids, the County reserves the right to adjust the principal amount and maturity amounts of the Bonds being offered as set forth in this Detailed Notice of Sale, to postpone the sale to a later date, or to cancel the sale based upon market conditions via Bloomberg News Service and/or the **PARITY®** System not later than 9:45 a.m., Eastern Daylight Time, on the day of the bid opening. Such notice will specify the revised principal amounts, if any, and any later date selected for the sale, which may be postponed or cancelled in the same manner. If the sale is postponed, a later public sale may be held at the hour and place and on such date as communicated upon at least forty-eight hours’ notice via Bloomberg News Service and/or the **PARITY®** System.

Description of the Bonds. The Bonds will be issued in book-entry-only form without coupons and will be issued or reissued upon transfer, in \$5,000 denominations or multiples thereof, as shall be requested by the purchaser or registered owner thereof, as applicable. Interest on the Bonds will be payable on June 1 and December 1 of each year, commencing June 1, 2026. The Bonds will mature and be payable on June 1 of each year as follows:

<u>YEAR</u> <u>(June 1)</u>	<u>AMOUNT*</u>	<u>YEAR</u> <u>(June 1)</u>	<u>AMOUNT*</u>
2026	\$350,000	2036	\$495,000
2027	335,000	2037	515,000
2028	350,000	2038	540,000
2029	365,000	2039	560,000
2030	385,000	2040	585,000
2031	400,000	2041	610,000
2032	415,000	2042	640,000
2033	435,000	2043	665,000
2034	455,000	2044	695,000
2035	475,000	2045	725,000

Bank Qualification. The Bonds are “qualified tax-exempt obligations” within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended.

Registration and Depository Participation. The Bonds, when issued, will be registered in the name of Cede & Co., DTC’s partnership nominee. When the Bonds are issued, ownership interests will be available to purchasers only through a book-entry-only system maintained by DTC (the “Book-Entry-Only System”). One fully-registered bond certificate will be issued for each maturity, in the entire aggregate principal amount of the Bonds and will be deposited with DTC. The Book-Entry-Only System will evidence beneficial ownership interests of the Bonds in the principal amount of \$5,000 for the Bonds and any integral multiple of \$5,000, with transfers of beneficial ownership interest effected on the records of

DTC participants and, if necessary, in turn by DTC pursuant to rules and procedures established by DTC and its participants. The successful bidder, as a condition to delivery of the Bonds, shall be required to deposit the bond certificates with DTC, registered in the name of Cede & Co., nominee of DTC. The Bonds will be payable, at maturity or upon earlier redemption to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments (as applicable) to beneficial owners of the Bonds by Participants of DTC, will be the responsibility of such participants and of the nominees of beneficial owners. The County will not be responsible or liable for such transfer of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. Notwithstanding the foregoing, if the successful bidder for the Bonds certifies that it intends to hold the Bonds for its own account and has no present intent to re-offer the Bonds, the use the Book-Entry-Only System is not required.

In the event that the Book-Entry-Only System for the Bonds is discontinued and a successor securities depository is not appointed by the County, Bond Certificates in fully registered form will be delivered to, and registered in the names of, the DTC Participants or such other persons as such DTC participants may specify (which may be the indirect participants or beneficial owners), in authorized denominations of \$5,000 for the Bonds or integral multiples thereof. The ownership of Bonds so delivered shall be registered in registration books to be kept by the Registration Agent (named herein) and the County and the Registration Agent shall be entitled to treat the registered owners of the Bonds, as their names appear in such registration books as of the appropriate dates, as the owners thereof for all purposes described herein and in the Resolution authorizing the Bonds.

Security Pledged. The Bonds are payable from and secured by a pledge of the Net Revenues (as defined herein) to be derived from the operation of the County's electric distribution system (the "System") operated on behalf of the County by the Carroll County Board of Public Utilities ("BPU"), subject to the payment of the reasonable and necessary costs of operating, maintaining, repairing and insuring the System, and, in the event of a deficiency in such revenues, from unlimited ad valorem taxes to be levied on all taxable property within the County. For the definition of Net Revenues of the System, see APPENDIX D – "Summary of Certain Provisions of the Resolution".

Municipal Bond Insurance. The County has provided information to prospective bond insurance companies in order to qualify the Bonds under their respective optional bidding programs. If the successful bidder for the Bonds desires to purchase a municipal bond insurance policy insuring payment of all or a portion of the debt service payable on the Bonds, the successful bidder does so at its own risk and expense and the obligation of the successful bidder to pay for such series Bonds shall not be conditioned on the issuance of a municipal bond insurance policy. The County will cooperate with the successful bidder in obtaining such insurance, but the County will not enter into any additional agreements with a bond insurer. Without limiting the generality of the foregoing, the successful bidder will be responsible for all costs, expenses and charges associated with the issuance of such insurance, including but not limited to the premium for the insurance policy, and excluding only the fees of the rating agency that will be paid by the County.

Purpose. The Bonds are being issued for the purpose of providing funds for (i) finance improvements and extensions to the Electric System of the County and operated by BPU and (ii) financing the costs of issuing the Bonds.

Optional Redemption. The Bonds maturing on June 1, 2033 and thereafter are subject to optional redemption prior to maturity at the option of the County on or after June 1, 2032, at any time at the redemption price of par plus accrued interest.

Term Bond Option; Mandatory Redemption. Bidders shall have the option to designate certain consecutive serial maturities of the Bonds as one or more term bonds ("Term Bonds") bearing a single interest rate. If a successful bidder for the Bonds designates certain consecutive serial maturities of such Bonds to be combined as one or more Term Bonds as allowed herein, then each Term Bond shall be subject

to mandatory sinking fund redemption by the County at a redemption price equal to one hundred percent (100%) of the principal amount thereof, together with accrued interest to the date fixed for redemption at the rate stated in the Term Bonds to be redeemed. Each such mandatory sinking fund redemption shall be made on the date on which a consecutive maturity included as part of a Term Bond is payable in accordance with the bid of the successful bidder for the Bonds and in the amount of the maturing principal installment for the Bonds listed herein for such principal payment date.

Bidding Instructions. The County will receive electronic or written bids for the purchase of all, but not less than all, of the Bonds. **Bidders for the Bonds are required to bid as to each maturity of the Bonds an interest rate of not less than four percent (4.00%) or more than five percent (5.00%) per annum. Additionally, each maturity must have a minimum reoffering price of at least ninety-eight percent (98.0%) of par.** A single interest rate shall apply to each single maturity of the Bonds. Bidders must bid not less than one hundred percent (100.00%) of par or no more than one hundred and twenty-five percent (125%) of par.

Electronic bids must be submitted through **PARITY**[®] via BiDCOMP Competitive Bidding System and no other provider of electronic bidding services will be accepted. Subscription to the i-Deal LLC Dalcomp Division's BiDCOMP Competitive Bidding System is required in order to submit an electronic bid. The County will not confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe. For the purposes of the bidding process, the time as maintained by **PARITY**[®] shall constitute the official time with respect to all bids whether in electronic or written form. To the extent any instructions or directions set forth in **PARITY**[®] conflict with the terms of this Detailed Notice of Sale, this Notice shall prevail. An electronic bid made through the facilities of **PARITY**[®] shall be deemed an offer to purchase in response to this Detailed Notice of Sale and shall be binding upon the bidder as if made by a signed, written bid delivered to the County. The County shall not be responsible for any malfunction or mistake made by or as a result of the use of the electronic bidding facilities provided and maintained by **PARITY**[®]. The use of **PARITY**[®] facilities are at the sole risk of the prospective bidders.

For further information regarding **PARITY**[®], potential bidders may contact i-Deal LLC at 1359 Broadway, 2nd Floor, New York, NY 10018, Telephone: 212-849-5000.

In the event of a system malfunction in the electronic bidding process bidders may submit bids prior to the established date and time by FACSIMILE transmission sent to the County's Municipal Advisor, Cumberland Securities Company, Inc. at 865-988-1863. Any facsimile submission is made at the sole risk of the prospective bidder. The County and the Municipal Advisor shall not be responsible for confirming receipt of any facsimile bid or for any malfunction relating to the transmission and receipt of such bids.

Any written bids should be submitted by facsimile to the County's Municipal Advisor at 865-988-1863. Written bids must be submitted on the Bid Forms included with the *Preliminary Official Statement*.

The County reserves the right to reject all bids for the Bonds and to waive any informalities in the bids accepted.

Unless all bids for the Bonds are rejected, the Bonds will be awarded by the County Mayor to the bidder whose bid complies with this notice and results in the lowest true interest rate on the Bonds to be calculated as that rate that, when used in computing the present worth of all payments of principal and interest on the Bonds (compounded semi-annually from the date of the Bonds), produces an amount equal to the purchase price of the Bonds. For purposes of calculating the true interest cost, the principal amount of Term Bonds scheduled for mandatory sinking fund redemption as part of the Term Bond shall be treated as a serial maturity in such year. In the event that two or more bidders offer to purchase the Bonds at the same lowest true interest rate, the County Mayor shall determine in his sole discretion which of the bidders shall be awarded the Bonds.

After receipt of the bids, the County reserves the right to adjust and/or revisions to the Bonds, as described below.

Adjustment and/or Revision. While it is the County's intention to sell and issue the approximate par amounts of the Bonds as offered herein, there is no guarantee that adjustment and/or revision may not be necessary in order to properly size the Bonds. Accordingly, the County Mayor reserves the right, in his sole discretion, to adjust down the original par amount of the Bonds by up to twenty-five percent (25%). The principal factor to be considered in making any adjustments is the amount of premium bid for particular maturities. Among other factors the County Mayor may (but shall be under no obligation to) consider in sizing the par amounts and individual maturities of the Bonds is the size of individual maturities or sinking fund installments and/or other preferences of the County. Additionally, the County Mayor reserves the right to change the dated date of the Bonds.

In the event of any such adjustment and/or revision with respect to the Bonds, no rebidding will be permitted, and the portion of such premium or discount (as may have been bid for the Bonds) shall be adjusted in the same proportion as the amount of such revision in par amount of the Bonds bears to the original par amount of such Bonds offered for sale.

The successful bidder for the Bonds will be tentatively notified by not later than 5:00 p.m. (Eastern Standard Time), on the sale date of the exact revisions and/or adjustments required, if any.

Good Faith Deposit. No good faith check will be required to accompany any bid submitted. The successful bidder shall be required to deliver to the County's Municipal Advisor (by wire transfer) the amount of up to two percent (2%) of the aggregate principal amount of the Bonds offered for sale which will secure the faithful performance of the terms of the bid. A wire transfer must be received by the County's Municipal Advisor no later than the close of business on the day following the competitive sale. The wire instructions will be sent to the winning bidder after all bids are received.

The good faith deposit shall be applied (without interest) to the purchase price of the Bonds. If the successful bidder should fail to accept or pay for the Bonds when tendered for delivery and payment, the good faith deposit will be retained by the County as liquidated damages.

In the event of the failure of the County to deliver the Bonds to the purchaser in accordance with the terms of this Notice within forty-five (45) days after the date of the sale, the good-faith deposit will be promptly returned to the purchaser unless the purchaser directs otherwise.

Establishment of Issue Price

Undertakings of the Successful Bidder. The successful bidder for the Bonds shall make a bona fide public offering of the Bonds and shall, within 30 minutes after being notified of the award of the Bonds, advise the County in writing (via facsimile transmission or electronic mail) of the initial public offering prices of the Bonds (the "Initial Reoffering Prices"). The successful bidder must, by facsimile transmission or delivery received by the County within 24 hours after award, furnish the following information to the County to complete the *Official Statement* in final form, as described below:

- A. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all the Bonds are sold at the prices or yields at which the successful bidder advised the County that the Bonds were initially offered to the public).
- B. The identity of the other underwriters if the successful bidder is part of a group or syndicate.
- C. Any other material information that the County determines is necessary to complete the *Official Statement* in final form.

After the award of the Bonds, the County will prepare copies of the final *Official Statement* and will include therein such additional information concerning the reoffering of the Bonds as the successful bidder may reasonably request; provided, however, that the County will not include in the final *Official Statement* a "NRO" ("not reoffered") designation with respect to any maturity of the Bonds. The successful bidder will

be responsible to the County in all aspects for the accuracy and completeness of information provided by such successful bidders with respect to such reoffering.

The County expects the successful bidder to deliver copies of such *Official Statement* in final form (the “Final Official Statement”) to persons to whom such bidder initially sells the Bonds and the Municipal Securities Rulemaking Board (“MSRB”) via the MSRB’s Electronic Municipal Market Access System (“EMMA”). The successful bidder will be required to acknowledge receipt of the Final Official Statement, to certify that each has made delivery of the Final Official Statement to the MSRB, to acknowledge that the County expects the successful bidder to deliver copies of such Final Official Statement to persons to whom such bidder initially sells the Bonds and to certify that the Bonds will only be offered pursuant to the Final Official Statement and only in states where the offer is legal.

Method for Establishment of Issue Price

- a. The successful bidder shall assist the County in establishing the issue price of the Bonds as more fully described herein. All actions to be taken by the County under this Detailed Notice of Bond Sale to establish the issue price of the Bonds may be taken on behalf of the County by the Municipal Advisor, and any notice or report to be provided to the County may be provided to the Municipal Advisor.
- b. The County intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “Competitive Sale Requirements”) because:
 1. the County shall disseminate this Detailed Notice of Bond Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
 2. all bidders shall have an equal opportunity to bid;
 3. the County expects to receive bids for the Bonds from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
 4. the County anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Detailed Notice of Bond Sale.

Any bid submitted pursuant to this Detailed Notice of Bond Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

- c. In the event that the Competitive Sale Requirements are not satisfied as to the Bonds, the County shall so advise the successful bidder. In such event, the County intends to treat the (i) the first price at which 10% of a maturity of the Bonds (the “10% Test”) is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the “Hold-the-Offering-Price Rule”), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the County promptly after the award of the Bonds if any maturities of the Bonds satisfy the 10% Test as of the date and time of the award of the Bonds. The Hold-the-Offering-Price Rule shall apply to all maturities that do not satisfy the 10% Test as of the sale date. Bids will not be subject to cancellation in the event that the County determines to apply the Hold-the-Offering-Price Rule to any maturity of the Bonds. Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the Hold-the-Offering-Price Rule in order to establish the issue price of the Bonds.
- d. By submitting a bid, in the event of application of the Hold-the-Offering-Price Rule, the successful bidder for the Bonds shall be deemed to have (i) confirmed that the underwriters have offered or will

offer the Bonds to the public on or before the date of award at the offering price or prices (the “Initial Offering Price”), or at the corresponding yield or yields, set forth in the bid submitted by the successful bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price to the public during the period starting on the sale date and ending on the earlier of the following:

1. the close of the fifth (5th) business day after the sale date; or
2. the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the Initial Offering Price to the public.

In the event of application of the Hold-the-Offering-Price Rule to any maturity of the Bonds, any successful bidder will advise the County promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the Initial Offering Price to the public.

e. By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A) (1) to report the prices at which it sells to the public any unsold Bonds of each maturity allocated to it to which the Hold-the-Offering-Price Rule applies until the close of the fifth (5th) business day after the sale date and (2) comply with the Hold-the-Offering-Price Rule, if applicable, if and for so long as directed by the successful bidder and as set forth in the related pricing wires,

(B) to promptly notify the successful bidder of the Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public, and

(C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the successful bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity to which the Hold-the-Offering-Price Rule applies allocated to it until the close of the fifth (5th) business day after the sale date and (B) comply with the Hold-the-Offering-Price Rule, if applicable, if and for so long as directed by the successful bidder or the underwriter and as set forth in the related pricing wires.

f. The County acknowledges that, in making the representations set forth above, the successful bidder will rely on (i) the agreement of each underwriter to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with

the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with requirements for establishing issue price of the Bonds, including but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds.

- g. Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public shall not constitute sales to the public for purposes of this Detailed Notice of Bond Sale. Further, for purposes of this Detailed Notice of Bond Sale:

1. “public” means any person other than an underwriter or a related party;
2. “underwriter” means (A) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public);
3. a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and
4. “sale date” means the date that the Bonds are awarded by the County to the successful bidder.

Issue Price Certificate. The winning bidder will be required to provide the County, at closing, with an issue price certificate consistent with the foregoing and meeting the requirements of bond counsel. The form of the issue price certificate is attached to this Detailed Notice of Sale as Exhibit A if the Competitive Sale Requirements are met, and the form of the issue price certificate is attached to this Detailed Notice of Sale as Exhibit B if the Competitive Sale Requirements are not met.

Legal Opinion. The approving opinion of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel along with other certificates including, but not limited to, a tax certificate and a continuing disclosure certificate dated as of the date of delivery of the Bonds will be furnished to the purchaser at the expense of the County. As set forth in the *Preliminary Official Statement*, Bond Counsel's opinion with respect to the Bonds will state that interest on the Bonds will be excluded from gross income for federal income tax purposes; is not an item of tax preference for purposes of the federal law alternative minimum tax. As set forth in the *Preliminary Official Statement*, the owners of the Bonds, however, may be subject to certain additional taxes

or tax consequences arising with respect to ownership of the Bonds. Reference is hereby made to the *Preliminary Official Statement* and the form of the opinion contained in Appendix A.

Continuing Disclosure. At the time the Bonds are delivered, the County will execute a Continuing Disclosure Certificate in which it will covenant for the benefit of holders and beneficial owners of the Bonds to provide certain financial information relating to the County by not later than twelve months after each of the County's fiscal years (the "Annual Report"), and to provide notice of the occurrence of certain enumerated events. The Annual Report (and audited financial statements, if filed separately) will be filed with the Municipal Securities Rulemaking Board (the "MSRB") through the operation of the Electronic Municipal Market Access system (the "EMMA") and any State Information Depository established in the State of Tennessee (the "SID"). If the County is unable to provide the Annual Report to the MSRB and the SID by the date required, notice of each failure will be sent to the MSRB and the SID on or before such date. The notices of material events will be filed by the County either with the MSRB and the SID. The specific nature of the information to be contained in the Annual Report or the notices of events are summarized in the *Preliminary Official Statement*.

Delivery of Bonds. Delivery of the Bonds is expected within forty-five (45) days. At least five (5) days notice will be given to the successful bidder of such delivery. Delivery will be made in Book-Entry-Only form through the facilities of The Depository Trust Company, New York, New York. Payment for the Bonds must be made in *Federal Funds* or other immediately available funds.

CUSIP Numbers. CUSIP numbers will be assigned to the Bonds at the expense of the County. The County will assume no obligation for assignment of such numbers or the correctness of such numbers and neither failure to record such numbers on Bonds nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and make payment for the Bonds.

Official Statements; Other. The County has deemed the *Preliminary Official Statement* to be final as of its date within the meaning of Rule 15c2-12 of the U.S. Securities and Exchange Commission (the "SEC") except for the omission of certain pricing and other information. The County will furnish the successful bidder at the expense of the County a reasonable number of copies of the *Official Statement* in final form, containing the pricing and other information to be supplied by the successful bidder and to be dated the date of the sale, to be delivered by the successful bidder to the persons to whom each such bidder and members of its bidding group initially sell the Bonds within seven (7) business days. Acceptance of a bid of the Bonds will constitute a contract between the County and the successful bidder for the provision of such copies within seven business days of the sale date.

Further Information. Additional information, including the *Preliminary Official Statement*, this Detailed Notice of Sale and the Official Bid Form, may be obtained from the County's Municipal Advisor, Cumberland Securities Company, Inc., Telephone: 865-988-2663. Further information regarding **PARITY**® may be obtained from i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone: 212-849-5000.

/s/ Joseph Butler, County Mayor

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EXHIBIT A

CARROLL COUNTY, TENNESSEE [\$_____ Electric System Revenue and Tax Bonds, Series 2025]

ISSUE PRICE CERTIFICATE (if Hold-The-Offering-Price Rule does not apply)

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”) of the Carroll County, Tennessee (the “Issuer”).

1. *Reasonably Expected Initial Offering Price.*

- (a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.
- (b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.
- (c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

2. *Defined Terms.*

- (a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter.
- (c) *Related party* means an entity that shares with another entity (1) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (2) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (3) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interest of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interest by one entity of the other).
- (d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is October 8, 2025.
- (e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party

to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bass, Berry & Sims PLC in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: _____

[NAME OF UNDERWRITER]

By: _____

Name: _____

Title: _____

EXHIBIT B

CARROLL COUNTY, TENNESSEE [\$ _____ Electric System Revenue and Tax Bonds, Series 2025]

ISSUE PRICE CERTIFICATE (if Hold-The-Offering-Price Rule applies)

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”) [and the other members of the underwriting syndicate (together, the “Underwriting Group”)], hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”) of the Carroll County, Tennessee (the “Issuer”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.
2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***
 - (a) [SHORT NAME OF UNDERWRITER] offered the Hold-The-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.
 - (b) As set forth in the [Detailed Notice of Sale and bid award], [SHORT NAME OF UNDERWRITER] agreed in writing on or prior to the Sale Date that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it][they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “Hold-the-Offering-Price Rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the Hold-The-Offering-Price Rule. Pursuant to such agreement, no Underwriter (as defined below) offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.
3. ***Defined Terms.***
 - (a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”
 - (b) *Hold-The-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule B hereto as the “Hold-The-Offering-Price Maturities.”
 - (c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which [SHORT NAME OF UNDERWRITER] sold at least 10% of such Hold-The-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-The-Offering-Price Maturity.
 - (d) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates,

are treated as separate maturities.

- (e) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter.
- (f) *Related party* means an entity that shares with another entity (1) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (2) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (3) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interest of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interest by one entity of the other).
- (g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is October 8, 2025.
- (h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bass, Berry & Sims PLC connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: _____

[NAME OF UNDERWRITER]

By: _____

Name: _____

Title: _____

BID FORM

October 8, 2025

Joseph Butler, County Mayor
408 North Roane Street
Harriman, TN 37748

Dear Honorable Butler:

For your legally issued, properly executed \$9,995,000* Electric System Revenue and Tax Bonds, Series 2025 (the "Bonds") of the Carroll County, Tennessee, in all respects as more fully outlined in your Detailed Notice of Sale, which by reference are made a part hereof, we will pay you a sum of _____ (\$_____).

The Bonds shall be dated the date of issuance (assume October 31, 2025) and shall be callable in accordance with the Detailed Notice of Sale. The Bonds shall mature on June 1 and bear interest at the following rates:

Maturity (June 1)	Amount*	Rate	Maturity (June 1)	Amount*	Rate
2026	\$350,000	_____	2036	\$495,000	_____
2027	335,000	_____	2037	515,000	_____
2028	350,000	_____	2038	540,000	_____
2029	365,000	_____	2039	560,000	_____
2030	385,000	_____	2040	585,000	_____
2031	400,000	_____	2041	610,000	_____
2032	415,000	_____	2042	640,000	_____
2033	435,000	_____	2043	665,000	_____
2034	455,000	_____	2044	695,000	_____
2035	475,000	_____	2045	725,000	_____

We have elected the option to designate two or more consecutive serial maturities as term bond maturities as indicated:

Term Bond 1: Maturities from June 1, 20_____ through June 1, 20_____ @ _____%.

Term Bond 2: Maturities from June 1, 20_____ through June 1, 20_____ @ _____%.

Term Bond 3: Maturities from June 1, 20_____ through June 1, 20_____ @ _____%.

Term Bond 4: Maturities from June 1, 20_____ through June 1, 20_____ @ _____%.

Term Bond 5: Maturities from June 1, 20_____ through June 1, 20_____ @ _____%.

It is our understanding that the Bonds are offered for sale as "qualified tax exempt obligations" subject to the final approving opinion of Bass, Berry & Sims PLC, Bond Counsel, Nashville, Tennessee, whose opinion together with the executed Bonds, will be furnished by the County without cost to us.

If our bid is accepted, we agree to provide a good faith deposit for up to 2% of the Bonds on which we have bid by the close of business on the date following the competitive public sale as outlined in the *Detailed Notice of Sale*. Should for any reason we fail to comply with the terms of this bid, this good faith deposit shall be forfeited by us as full liquidated damages. Otherwise, this good faith deposit shall be applied to the purchase price of the Bonds on which we have bid.

This bid is a firm offer for the purchase of the Bonds identified in the Notice of Sale, on the terms set forth in this bid form and the Notice of Sale, and is not subject to any conditions, except as permitted by the Notice of Sale. By submitting this bid, we confirm that we have an established industry reputation for underwriting new issuances of municipal bonds. [If the bidder cannot confirm an established industry reputation for underwriting new issuances of municipal bonds, the preceding sentence should be crossed out.]

Accepted for and on behalf of the
Carroll County, Tennessee, this
8th day of October, 2025.

Joseph Butler, County Mayor

Respectfully submitted,

Total interest cost from
October 31, 2025 to final maturity \$ _____
Less: Premium /plus discount, if any \$ _____
Net Interest Cost \$ _____
True Interest Rate..... %

The computations of net interest cost and true interest rate are for comparison purposes only and are not to be considered as part of this proposal.

\$9,995,000*
CARROLL COUNTY, TENNESSEE
Electric System Revenue and Tax Bonds, Series 2025

SECURITIES OFFERED

AUTHORITY AND PURPOSE

This *Preliminary Official Statement*, which includes the “Summary Statement” and appendices, is furnished in connection with the offering by the Carroll County, Tennessee (the “County” or “Issuer”) of its \$9,995,000* Electric System Revenue and Tax Bonds, Series 2025 (the “Bonds”).

The Bonds are authorized to be issued pursuant to the provisions of Title 7, Chapter 34, and Title 9, Chapter 21, *Tennessee Code Annotated*, as amended and other applicable provisions of law and pursuant to a bond resolution (the “Resolution”) duly adopted by the County Commission of the County on April 14, 2025.

The Bonds are being issued for the purpose of providing funds for (i) financing improvements and extensions to the Electric System of the County and operated by Carroll County Board of Public Utilities (“BPU”) and (ii) financing the costs of issuing the Bonds.

DESCRIPTION OF THE BONDS

The Bonds will be initially dated and bear interest from the date of issuance (assume October 31, 2025). Interest on the Bonds will be payable semi-annually on June 1 and December 1, commencing June 1, 2026. The Bonds are issuable in registered form only and in \$5,000 denominations or integral multiples thereof as shall be requested by each respective registered owner.

The Bonds shall be signed by the County Mayor, shall be attested by the County Clerk. No Bond shall be valid until it has been authorized by the manual signature of an authorized officer or employee of the Registration Agent and the date of authentication noted thereon.

SECURITY

The Bonds are payable from and secured by a pledge of the Net Revenues (as defined below) to be derived from the operation of the County’s electric distribution system (the “System”) operated on behalf of the County by the Carroll County Board of Public Utilities (“BPU”), and, in the event of a deficiency in such Net Revenues, from unlimited ad valorem taxes to be levied on all taxable property within the County. For the definition of Net Revenues of the System, see APPENDIX D – “Summary of Certain Provisions of the Resolution”.

FLOW OF FUNDS

Pursuant to the Resolution, the BPU has agreed to deposit all revenues derived from the operation of the System into the Revenue Fund and to apply such moneys as follows:

- First, to pay operating expenses
- Next, to pay debt service on the Bonds and any Parity Bonds

* Preliminary, subject to change.

- Next, to fund debt service reserves for the Bonds and any Parity Bonds, if applicable (the County has not established a debt service reserve for the Bonds)
- Last, to pay debt service on Subordinate Lien Bonds, payments in lieu of taxes and to pay any other legal purpose. See APPENDIX D for a more detailed description of the flow of funds.

RATE COVENANT

“Rate Covenant Requirement” means an amount of Net Revenues which is equal to the sum of (a) 120% of the Debt Service Requirement for the forthcoming Fiscal Year on the Bonds plus (b) 100% of (i) the amounts, if any, required by this resolution or any subsequent resolution to be deposited by the BPU into the Reserve Fund during the forthcoming Fiscal Year, (ii) debt service payable on, or reserve fund funding requirements for, any subordinate lien indebtedness, and (iii) any required payments in lieu of taxes to the County or other governmental entities.

The meanings of the capitalized terms used in this paragraph and not otherwise defined are summarized in APPENDIX D – “Summary of Certain Provisions of the Resolution”.

BOND FUND AND DEBT SERVICE RESERVE FUND

The Resolution establishes a Bond Fund for the Bonds, and any Parity Bonds. The Resolution requires BPU to make monthly deposits to the Bond Fund sufficient to accumulate funds necessary to pay scheduled debt service on the Bonds and any Parity Bonds. The money on deposit in the Bond Fund will be used to pay the principal of and interest on the Bonds and any Parity Bonds as the same become due. Reference APPENDIX D – “Summary of Certain Provisions of the Resolution” for definitions of capitalized terms.

The Resolution does not require that the County fund a Reserve Fund for the Bonds and the County will not fund a Reserve Fund for the Bonds.

PARITY OF PLEDGE AND ADDITIONAL BONDS

The County may, from time to time, issue Parity Bonds under the terms of the Resolution. Parity Bonds will have a lien on the Net Revenues of the System on a parity with the lien on the Net Revenues of the System securing the Bonds and the Outstanding Parity Bonds. The County may not issue bonds payable from or secured by a lien on the Net Revenues senior to that securing the payment of the Bonds and Parity Bonds. For a description of the requirements for issuing bonds or other obligations on a parity of lien with the Bonds see APPENDIX D – “Summary of Certain Provisions of the Resolution”.

SUBORDINATE LIEN BONDS AND OTHER SYSTEM INDEBTEDNESS

The County may, from time to time, issue Subordinate Lien Bonds under the terms of the Resolution. Subordinate Lien Bonds will either (i) have a lien on the Net Revenues of the System subordinate to the lien on the Net Revenues of the System securing the Bonds, or (ii) be payable from, but not have a lien on the Net Revenues of the System.

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ADDITIONAL BORROWING PLANS

The County has not authorized any additional debt. However, additional capital improvements will be made to the Electric System in the future. BPU estimates that some of these capital improvements will be funded with operating earnings and some could be funded with additional debt.

OPTIONAL REDEMPTION

Bonds maturing June 1, 2033, and thereafter, shall be subject to optional redemption prior to maturity at the option of the County on June 1, 2032, and thereafter, as a whole or in part, at any time, at the redemption price of par plus accrued interest to the redemption date.

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be designated by the County Council of the County, in its discretion. If less than all the principal amount of the Bonds of a maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry-Only System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Bonds are not being held under a Book-Entry-Only System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

MANDATORY REDEMPTION

The bidders have the option of creating term bonds pursuant to the Detailed Notice of Sale. If term bonds are created, then the following provisions will apply. Subject to the credit hereinafter provided, the County shall redeem Bonds maturing June 1, 20__, and June 1, 20__ on the redemption dates set forth below opposite the maturity date, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. The Bonds within a maturity to be so redeemed shall be selected in the same manner as is described above relating to optional redemption.

The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

<u>Maturity</u>	<u>Redemption Date</u>	<u>Principal Amount of Bonds Redeemed</u>

*Final Maturity

At its option, to be exercised on or before the forty-fifth (45) day next preceding any such redemption date, the County may (i) deliver to the Registration Agent for cancellation Bonds of the maturity to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation for any Bonds of the maturity to be redeemed which prior to said

date have been purchased or redeemed (otherwise than through the operation of this section) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the County on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation shall be accordingly reduced. The County shall on or before the forty-fifth (45) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

NOTICE OF REDEMPTION

Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the County not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to effect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the County nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the County pursuant to written instructions from an authorized representative of the County (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein) given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein. In the case of a Conditional Redemption, the failure of the County to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

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BASIC DOCUMENTATION

REGISTRATION AGENT

The Registration Agent (named herein) will make all interest payments with respect to the Bonds on each interest payment date directly to Cede & Co., as nominee of DTC, the registered owner as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the “Regular Record Date”) by check or draft mailed to such owner at its address shown on said Bond registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the County in respect of such Bonds to the extent of the payments so made. Payment of principal of the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable.

Any interest on any Bond which is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter “Defaulted Interest”) shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the County to the persons in whose names the Bonds are registered at the close of business on a date (the “Special Record Date”) for the payment of such Defaulted Interest, which shall be fixed in the following manner: the County shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the County shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest. Thereupon, not less than ten (10) days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which date shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify the County of such Special Record Date and, in the name and at the expense of the County, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in the Resolution or in the Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the County to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Bonds when due.

So long as Cede & Co. is the Registered Owner of the Bonds, as nominee of DTC, references herein to the Bondholders, Holders or Registered Owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds. For additional information, see the following section.

BOOK-ENTRY-ONLY SYSTEM

The Registration Agent, its successor or the County will make all interest payments with respect to the Bonds on each interest payment date directly to Cede & Co., as nominee of DTC, the registered owner as shown on the Bond registration records maintained by the Registration Agent as of the close

of business on the fifteenth day of the month next preceding the interest payment date (the “Regular Record Date”) by check or draft mailed to such owner at its address shown on said Bond registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the County in respect of such Bonds to the extent of the payments so made, except as described above. Payment of principal of the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable.

So long as Cede & Co. is the Registered Owner of the Bonds, as nominee of DTC, references herein to the Bondholders, Holders or Registered Owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds.

The Bonds, when issued, will be registered in the name of Cede & Co., DTC’s partnership nominee, except as described above. When the Bonds are issued, ownership interests will be available to purchasers only through a book-entry-only system maintained by DTC (the “Book-Entry-Only System”). One fully registered bond certificate will be issued for each maturity, in the entire aggregate principal amount of the Bonds and will be deposited with DTC.

DTC and its Participants. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized Book-Entry-Only transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchase of Ownership Interests. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not

receive certificates representing their ownership interests in Bonds, except in the event that use of the Book-Entry-Only System for the Bonds is discontinued.

Payments of Principal and Interest. Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Registration Agent on the payable date in accordance with their respective holdings shown on DTC's records, unless DTC has reason to believe it will not receive payment on such date. Payments by Direct and Indirect Participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with municipal securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the County or the Registration Agent subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal, tender price and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Registration Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the beneficial owners shall be the responsibility of Direct and Indirect Participants.

Notices. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds or their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registration Agent and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as practicable after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

NONE OF THE COUNTY, THE UNDERWRITER, THE BOND COUNSEL, THE MUNICIPAL ADVISOR OR THE REGISTRATION AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENT TO, OR THE PROVIDING OF NOTICE FOR, SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES.

Transfers of Bonds. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds

with DTC and their registration in the name of Cede & Co. or such other nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

None of the County, the Bond Counsel, the Registration Agent, the Municipal Advisor or the Underwriter will have any responsibility or obligation, legal or otherwise, to any party other than to the registered owners of any Bond on the registration books of the Registration Agent.

DISCONTINUANCE OF BOOK-ENTRY-ONLY SYSTEM

In the event that (i) DTC determines not to continue to act as securities depository for the Bonds or (ii) to the extent permitted by the rules of DTC, the County determines to discontinue the Book-Entry-Only System, the Book-Entry-Only System shall be discontinued. Upon the occurrence of the event described above, the County will attempt to locate another qualified securities depository, and if no qualified securities depository is available, Bond certificates will be printed and delivered to beneficial owners.

No Assurance Regarding DTC Practices. The foregoing information in this section concerning DTC and DTC's Book-Entry-Only System has been obtained from sources that the County believes to be reliable, but the County, the Bond Counsel, the Registration Agent, the Municipal Advisor and the Underwriter do not take any responsibility for the accuracy thereof. So long as Cede & Co. is the registered owner of the Bonds as nominee of DTC, references herein to the holders or registered owners of the Bonds will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds. None of the County, the Bond Counsel, the Registration Agent, the Municipal Advisor or the Underwriter will have any responsibility or obligation to the Participants, DTC or the persons for whom they act with respect to (i) the accuracy of any records maintained by DTC or by any Direct or Indirect Participant of DTC, (ii) payments or the providing of notice to Direct Participants, the Indirect Participants or the Beneficial Owners or (iii) any other action taken by DTC or its partnership nominee as owner of the Bonds.

For more information on the duties of the Registration Agent, please refer to the Resolution. Also, please see the section entitled "SECURITIES OFFERED – Redemption."

DISPOSITION OF BOND PROCEEDS

The proceeds of the sale of the Bonds shall be deposited in a special fund of BPU known as the "Series 2025 Construction Fund" to be kept separate and apart from all other funds of BPU. Moneys in the Construction Fund shall be disbursed solely to pay the costs of the Project and pay costs of issuance of the Bonds, including necessary legal, accounting and fiscal expenses, printing, engraving, advertising and similar expenses, administrative and clerical costs, Registration Agent fees, bond insurance premiums, if any, and other necessary miscellaneous expenses incurred in connection with the issuance and sale of the Bonds and construction of the Project. Notwithstanding the foregoing, costs of issuance of the Bonds may be withheld from the good faith deposit, if any, or purchase price of the Bonds and paid to the Municipal Advisor to be used to pay costs of issuance of the Bonds. Money in the Construction Fund shall be secured in the manner prescribed by applicable statutes relative to the securing of public or trust funds, if any, or, in the absence of such a statute, by a pledge of readily marketable securities having at all times a market value of not less than the amount in the Construction Fund. Money in the Construction Fund shall

be expended only for the purposes authorized by the resolution. Any funds remaining in the Construction Fund after completion of the Project and payment of authorized expenses shall be deposited to the Bond Fund. Moneys in the Construction Fund shall be invested by BPU in such investments as shall be permitted by applicable law.

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LEGAL MATTERS

LITIGATION

There are no claims against the County, including claims in litigation, which, in the opinion of the County, would have a material adverse effect on the County's financial position. There are no suits threatened or pending challenging the legality or validity of the Bonds or the right of the County to sell or issue the Bonds.

TAX MATTERS

Federal

General. Bass, Berry & Sims PLC, Nashville, Tennessee, is Bond Counsel for the Bonds. Their opinion under existing law, relying on certain statements by the County and assuming compliance by the County with certain covenants, is that interest on the Bonds:

- is excluded from a bondholder's federal gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and
- is not treated as an item of preference in calculating the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations.

The Code imposes requirements on the Bonds that the County must continue to meet after the Bonds are issued. These requirements generally involve the way that Bond proceeds must be invested and ultimately used. If the County does not meet these requirements, it is possible that a bondholder may have to include interest on the Bonds in its federal gross income on a retroactive basis to the date of issue. The County has covenanted to do everything necessary to meet these requirements of the Code.

A bondholder who is a particular kind of taxpayer may also have additional tax consequences from owning the Bonds. This is possible if a bondholder is:

- an S corporation,
- a United States branch of a foreign corporation,
- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit
- a borrower of money to purchase or carry the Bonds or
- an applicable corporation, as defined in Section 59(k) of the Code.

If a bondholder is in any of these categories, it should consult its tax advisor.

Bond Counsel is not responsible for updating its opinion in the future. It is possible that future events or changes in applicable law could change the tax treatment of the interest on the

Bonds or affect the market price of the Bonds. See also section "CHANGES IN FEDERAL AND STATE TAX LAW" below.

Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Bonds, or under State, local or foreign tax law.

Bond Premium. If a bondholder purchases a Bond for a price that is more than the principal amount, generally the excess is "bond premium" on that Bond. The tax accounting treatment of bond premium is complex. It is amortized over time and as it is amortized a bondholder's tax basis in that Bond will be reduced. The holder of a Bond that is callable before its stated maturity date may be required to amortize the premium over a shorter period, resulting in a lower yield on such Bonds. A bondholder in certain circumstances may realize a taxable gain upon the sale of a Bond with bond premium, even though the Bond is sold for an amount less than or equal to the owner's original cost. If a bondholder owns any Bonds with bond premium, it should consult its tax advisor regarding the tax accounting treatment of bond premium.

Original Issue Discount. A Bond will have "original issue discount" if the price paid by the original purchaser of such Bond is less than the principal amount of such Bond. Bond Counsel's opinion is that any original issue discount on these Bonds as it accrues is excluded from a bondholder's federal gross income under the Internal Revenue Code. The tax accounting treatment of original issue discount is complex. It accrues on an actuarial basis and as it accrues a bondholder's tax basis in these Bonds will be increased. If a bondholder owns one of these Bonds, it should consult its tax advisor regarding the tax treatment of original issue discount.

Qualified Tax-Exempt Obligations. Under the Code, in the case of certain financial institutions, no deduction from income under the federal tax law will be allowed for that portion of such institution's interest expense which is allocable to tax-exempt interest received on account of tax-exempt obligations acquired after August 7, 1986. The Code, however, provides that certain "qualified tax-exempt obligations", as defined in the Code, will be treated as if acquired on August 7, 1986. Based on an examination of the Code and the factual representations and covenants of the County as to the Bonds, Bond Counsel has determined that the Bonds, upon issuance, will be "qualified tax-exempt obligations" within the meaning of the Code.

Information Reporting and Backup Withholding. Information reporting requirements apply to interest on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for Federal income tax purposes. Any amounts withheld

pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

State Taxes

Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Bonds during the period the Bonds are held or beneficially owned by any organization or entity, or other than a sole proprietorship or general partnership doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

CHANGES IN FEDERAL AND STATE TAX LAW

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

CLOSING CERTIFICATES

Upon delivery of the Bonds, the County will execute in a form satisfactory to Bond Counsel, certain closing certificates including the following: (i) a certificate as to the *Official Statement*, in final form, signed by the County Mayor acting in his official capacity to the effect that to the best of his knowledge and belief, and after reasonable investigation, (a) neither the *Official Statement*, in final form, nor any amendment or supplement thereto, contains any untrue statements of material fact or omits to state any material fact necessary to make statements therein, in light of the circumstances in which they are made, misleading, (b) since the date of the *Official Statement*, in final form, no event has occurred which should have been set forth in such a memo or supplement, (c) there has been no material adverse change in the operation or the affairs of the County since the date of the *Official Statement*, in final form, and having attached thereto a copy of the *Official Statement*, in final form, and (d) there is no litigation of any nature pending or threatened seeking to restrain the issuance, sale,

execution and delivery of the Bonds, or contesting the validity of the Bonds or any proceeding taken pursuant to which the Bonds were authorized; (ii) certificates as to the delivery and payment, signed by the County Mayor acting in his official capacity, evidencing delivery of and payment for the Bonds; (iii) a signature identification and incumbency certificate, signed by the County Mayor and County Clerk acting in their official capacities certifying as to the due execution of the Bonds; and, (iv) a Continuing Disclosure Certificate regarding certain covenants of the County concerning the preparation and distribution of certain annual financial information and notification of certain material events, if any.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters relating to the authorization and the validity of the Bonds are subject to the approval of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel. Bond Counsel has not prepared the *Preliminary Official Statement* or the *Official Statement*, in final form, or verified their accuracy, completeness or fairness. Accordingly, Bond Counsel expresses no opinion of any kind concerning the *Preliminary Official Statement* or *Official Statement*, in final form, except for the information in the section entitled “LEGAL MATTERS - Tax Matters.” The opinion of Bond Counsel will be limited to matters relating to authorization and validity of the Bonds and to the tax-exemption of interest on the Bonds under present federal income tax laws, both as described above. The legal opinion will be delivered with the Bonds and the form of the opinion is included in APPENDIX A. For additional information, see the section entitled “MISCELLANEOUS – “Competitive Public Sale”, “Additional Information” and “Continuing Disclosure.”

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MISCELLANEOUS

RATING

S&P Global Ratings (“S&P”) has given the Bonds the rating of “AA-”.

There is no assurance that such rating will continue for any given period of time or that the ratings may not be suspended, lowered or withdrawn entirely by S&P, if circumstances so warrant. Due to the ongoing uncertainty regarding the economy of the United States of America, including, without limitation, matters such as the future political uncertainty regarding the United States debt limit, obligations issued by state and local governments, such as the Bonds, could be subject to a rating downgrade. Additionally, if a significant default or other financial crisis should occur in the affairs of the United States or of any of its agencies or political subdivisions, then such event could also adversely affect the market for and ratings, liquidity, and market value of outstanding debt obligations, including the Bonds. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Bonds.

The rating reflects only the views of S&P and any explanation of the significance of such rating should be obtained from S&P.

COMPETITIVE PUBLIC SALE

The Bonds will be offered for sale at competitive public bidding on October 8, 2025. Details concerning the public sale were provided to potential bidders and others in the *Preliminary Official Statement* that was dated September 26, 2025.

The successful bidder for the Bonds was an account led by _____, _____, _____ (the “Underwriters”) who contracted with the County, subject to the conditions set forth in the Official Notice of Sale and Bid Form to purchase the Bonds at a purchase price of \$ _____ (consisting of the par amount of the Bonds, less an underwriter’s discount of \$ _____ and less an original issue discount of \$ _____) or _____% of par.

MUNICIPAL ADVISOR; RELATED PARTIES; OTHER

Municipal Advisor. Cumberland Securities Company, Inc., Knoxville, Tennessee, has served as Municipal Advisor (the “Municipal Advisor”) to the County for purposes of assisting with the development and implementation of a bond structure in connection with the issuance of the Bonds. The Municipal Advisor has not been engaged by the County to compile, create, or interpret any information in the *Preliminary Official Statement* and *Official Statement* relating to the County, including without limitation any of the County’s financial and operating data, whether historical or projected. Any information contained in the *Preliminary Official Statement* and *Official Statement* concerning the County, any of its affiliated or contractors and any outside parties has not been independently verified by the Municipal Advisor, and inclusion of such information is not, and should not be construed as, a representation by the Municipal Advisor as to its accuracy or completeness or otherwise. The Municipal Advisor is not a public accounting firm and has not been engaged by the County to review or audit any information in the *Preliminary Official Statement* and *Official Statement* in accordance with accounting standards.

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Regions Bank. Regions Bank (the “Bank”) is a wholly-owned subsidiary of Regions Financial Corporation. The Bank provides, among other services, commercial banking, investments and corporate trust services to private parties and to State and local jurisdictions, including serving as registration, paying agent or filing agent related to debt offerings. The Bank will receive compensation for its role in serving as Registration and Paying Agent for the Bonds. In instances where the Bank serves the County in other normal commercial banking capacities, it will be compensated separately for such services.

Official Statements. Certain information relative to the location, economy and finances of the County is found in the *Preliminary Official Statement*, in final form and the *Official Statement*, in final form. Except where otherwise indicated, all information contained in this *Preliminary Official Statement* has been provided by the County. The information set forth herein has been obtained by the County from sources which are believed to be reliable but is not guaranteed as to accuracy or completeness by and is not to be construed as a representation of, the Municipal Advisor or the Underwriter. The information contained herein is subject to change without notice, and neither the delivery of this *Preliminary Official Statement* nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the County, or the other matters described herein since the date hereof or the earlier dates set forth herein as of which certain information contained herein is given.

Cumberland Securities Company, Inc. distributed the *Preliminary Official Statement*, in final form, and the *Official Statement*, in final form on behalf of the County and will be compensated and/or reimbursed for such distribution and other such services.

Bond Counsel. From time to time, Bass, Berry & Sims PLC has represented the Bank on legal matters unrelated to the County and may do so again in the future.

Other. Among other services, Cumberland Securities Company, Inc. and the Bank may also assist local jurisdictions in the investment of idle funds and may serve in various other capacities, including Cumberland Securities Company’s role as serving as the County’s Dissemination Agent. If the County chooses to use one or more of these other services provided by Cumberland Securities Company, Inc. and/or the Bank, then Cumberland Securities Company, Inc. and/or the Bank may be entitled to separate compensation for the performance of such services.

DEBT RECORD

There is no record of default on principal or interest payments of the County. Additionally, no agreements or legal proceedings of the County relating to securities have been declared invalid or unenforceable.

CONTINUING DISCLOSURE

The County will at the time the Bonds are delivered execute a Continuing Disclosure Certificate under which it will covenant for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the System and the County by not later than twelve months after the end of each fiscal year commencing with the fiscal year ending June 30, 2026 (the "Annual Reports"), and to provide notice of the occurrence of certain significant events not later than ten business days after the occurrence of the events and notice of failure to provide any required financial information of the County. The County will provide notice

in a timely manner to the MSRB of a failure by the County to provide the annual financial information on or before the date specified in the continuing disclosure agreement. The Annual Reports (and audited financial statements if filed separately) and notices described above will be filed by the County with the Municipal Securities Rulemaking Board ("MSRB") at www.emma.msrb.org and with any State Information Depository which may be established in Tennessee (the "SID"). The specific nature of the information to be contained in the Annual Reports or the notices of events is summarized below. These covenants have been made in order to assist the Underwriters in complying with Securities Exchange Act Rule 15c2-12(b), as it may be amended from time to time (the "Rule 15c2-12").

Five-Year History of Filing. The County has not had any existing continuing disclosure agreements in accordance with Rule 15c2-12 for the past five years.

Content of Annual Report. The County's and the System's Annual Report shall contain or incorporate by reference the Financial Statements of the County and the System for the fiscal year, prepared in accordance with generally accepted accounting principles; provided, however, if the County's and System's audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained herein, and the audited financial statements shall be filed when available.

The Annual Report may be incorporated by reference from other documents, including Official Statements in final form for debt issues of the County or related public entities, which have been submitted to each of the Repositories or the U.S. Securities and Exchange Commission. If the document incorporated by reference is a final Official Statement, in final form, it will be available from the Municipal Securities Rulemaking Board. The County shall clearly identify each such other document so incorporated by reference.

Reporting of Significant Events. The County will file notice regarding material events with the MSRB and the SID, if any, as follows:

1. Upon the occurrence of a Listed Event (as defined in (3) below), the County shall in a timely manner, but in no event more than ten (10) business days after the occurrence of such event, file a notice of such occurrence with the MSRB and SID, if any.
2. For Listed Events where notice is only required upon a determination that such event would be material under applicable Federal securities laws, the County shall determine the materiality of such event as soon as possible after learning of its occurrence.
3. The following are the Listed Events:
 - a. Principal and interest payment delinquencies;
 - b. Non-payment related defaults, if material;
 - c. Unscheduled draws on debt service reserves reflecting financial difficulties;
 - d. Unscheduled draws on credit enhancements reflecting financial difficulties;
 - e. Substitution of credit or liquidity providers, or their failure to perform;

- f. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
- g. Modifications to rights of Bondholders, if material;
- h. Bond calls, if material, and tender offers;
- i. Defeasances;
- j. Release, substitution, or sale of property securing repayment of the securities, if material;
- k. Rating changes;
- l. Bankruptcy, insolvency, receivership or similar event of the obligated person;
- m. The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- n. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- o. Incurrence of a financial obligation (which includes a debt obligation, or a derivative instrument entered into connection with, or pledged as security or as a source of payment for, an existing or planned debt obligation, or a guarantee of debt obligation or derivative instrument) of the County, if material, or agreement as to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the County, any of which affect security holders, if material; and
- p. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation (as described above) of the County, any of which reflect financial difficulties.

Termination of Reporting Obligation. The County's obligations under the Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

Amendment; Waiver. Notwithstanding any other provision of the Disclosure Certificate, the County may amend the Disclosure Certificate, and any provision of the Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions concerning the Annual Report and Reporting of Significant Events it may only be made in connection with a change in circumstances that

arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of the Disclosure Certificate, the County shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the County. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Default. In the event of a failure of the County to comply with any provision of the Disclosure Certificate, any Bondholder or any beneficial owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under the Disclosure Certificate. A default under the Disclosure Certificate shall not be deemed an event of default, if any, under the Resolution, and the sole remedy under the Disclosure Certificate in the event of any failure of the County to comply with the Disclosure Certificate shall be an action to compel performance.

BONDHOLDER RISK

CLIMATE CHANGE. Planning for climate change in the State and its impact on the County's operation is an unknown challenge. The State of Tennessee's climate is exceedingly variable and projections of future conditions range significantly. While projections in the State of Tennessee indicate rising average temperatures, precipitation projections are much less clear and often contradictory. Other potential impacts of climate change include changes in the length, intensity, and frequency of droughts and floods. The financial impact of climate change is not yet known, and therefore, its future impact on the County cannot be quantified reliably at this time.

CYBER-SECURITY. Computer networks and data transmission and collection are vital to the efficient operations of the County and the Board. Despite security measures, information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored there could be disrupted, accessed, publicly disclosed, lost or stolen. Any such disruption, access, disclosure or other loss of information could result in disruptions in operations and the services provided by the County and the Board, legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties and the services provided, and cause a loss of confidence in the County's and the Board's operations, which could materially affect the County's and

Board's operations. The County and the Board maintain insurance to mitigate any potential financial losses from cyber-security threats.

FORWARD LOOKING STATEMENTS

The statements contained in this *Preliminary Official Statement* and *Official Statement*, and in any other information provided that are not purely historic, are forward-looking statements, including statements regarding the expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this *Preliminary Official Statement* and *Official Statement* are based on information available on the date hereof, and assumes no obligation to update any such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business and policy decisions, all of which are difficult or impossible to predict accurately and, therefore, there can be no assurance that the forward-looking statements included in this *Preliminary Official Statement* and *Official Statement* would prove to be accurate.

ADDITIONAL INFORMATION

Use of the words "shall," "must," or "will" in the *Preliminary Official Statement* and *Official Statement* in summaries of documents or laws to describe future events or continuing obligations is not intended as a representation that such event will occur or obligation will be fulfilled but only that the document or law contemplates or requires such event to occur or obligation to be fulfilled.

Any statements made in the *Preliminary Official Statement* and *Official Statement* involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized. Neither the *Preliminary Official Statement* and *Official Statement* nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Bonds.

The references, excerpts and summaries contained herein of certain provisions of the laws of the State of Tennessee, and any documents referred to herein, do not purport to be complete statements of the provisions of such laws or documents, and reference should be made to the complete provisions thereof for a full and complete statement of all matters of fact relating to the Bonds, the security for the payment of the Bonds, and the rights of the holders thereof.

The *Preliminary Official Statement* and *Official Statement*, in final form, and any advertisement of the Bonds, is not to be construed as a contract or agreement between the County and the purchasers of any of the Bonds. Any statements or information printed in the *Preliminary Official Statement* or the *Official Statement*, in final form, involving matters of opinions or of

estimates, whether or not expressly so identified, is intended merely as such and not as representation of fact.

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CERTIFICATION OF ISSUER

On behalf of the County and BPU, we hereby certify that to the best of our knowledge and belief, the information contained herein as of this date is true and correct in all material respects, and does not contain an untrue statement of material fact or omit to state a material fact required to be stated where necessary to make the statement made, in light of the circumstance under which they were made, not misleading.

/s/ _____
County Mayor

/s/ _____
General Manager of
Carroll County Electric System

ATTEST:

/s/ _____
County Clerk

APPENDIX A

LEGAL OPINION

_____, 2025

Mayor and Board of County Commissioners
Carroll County, Tennessee

[Underwriter]

Re: Carroll County, Tennessee
\$_____ Electric System Revenue and Tax Bonds, Series 2025

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Carroll County, Tennessee (the “Issuer”) of the \$_____ Electric System Revenue and Tax Bonds, Series 2025 (the “Bonds”), dated _____, 2025. We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify such facts by independent investigation.

Based on our examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds have been duly authorized, executed and issued in accordance with the constitution and laws of the State of Tennessee and constitute valid and binding obligations of the Issuer.

2. The resolution (the “Bond Resolution”) of the Board of County Commissioners of the Issuer authorizing the Bonds has been duly and lawfully adopted, is in full force and effect and is a valid and binding agreement of the Issuer enforceable in accordance with its terms.

3. The Bonds shall be payable from and secured by a pledge of the Net Revenues (as defined in the Bond Resolution) derived from the Issuer’s electric distribution system, and, in the event of a deficiency in such revenues, from unlimited ad valorem taxes to be levied on all taxable property within the Issuer. The punctual payment of principal of and premium, if any, and interest on the Bonds shall be secured equally and ratably by the Net Revenues without priority by reason of series, number or time of sale or delivery.

4. Interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest

thereon be, or continue to be, excludable from gross income for federal income tax purposes under Section 103 of the Code. Failure to comply with certain of such requirements could cause interest on the Bonds to be so includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. The Issuer has covenanted to comply with all such requirements.

5. Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on all or a portion of the interest on any of the Bonds during the period such Bonds are held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership doing business in the State of Tennessee.

6. The Bonds are “qualified tax-exempt obligations” within the meaning of Section 265 of the Code.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Bond Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors, and by equity principles, whether considered at law or in equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds. Further, we express no opinion herein regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

This opinion is given as of the date hereof, and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Yours truly,

APPENDIX B

**SUPPLEMENTAL INFORMATION STATEMENT
CARROLL COUNTY ELECTRIC SYSTEM
OF
CARROLL COUNTY, TENNESSEE**

THE CARROLL COUNTY ELECTRIC DEPARTMENT

HISTORY AND ORGANIZATION

Carroll County Electric Department (the “Electric Department”) was chartered in 1938 and is a branch of the county government. Owned by the county, the Electric Department is governed by an independent power board.

Carroll County Electric Department employs around forty-five people. The employees serve approximately 16,105 customers in Carroll County and parts of northern Henderson County. The business office is located in Huntingdon, TN. Warehouse operations are located in Huntingdon and McKenzie, Tennessee.

ELECTRIC POWER BOARD MEMBERS

Board members are appointed by the county mayor and approved by the county commission. The board has five members and each serves a staggered four-year term. One member must be an incumbent county commissioner. Board meetings are held on the last Thursday of each month, beginning at 2:30 p.m., in the board room at the Carroll County Electric Department office building. These citizen directors set policy and approve planning with input from the Board’s staff and ratepayers. Members of the Board as of June 1, 2025, are as follows:

<u>Member</u>	<u>Term Expires</u>	<u>Occupation</u>
Lori Nolen - Chair	9/1/2026	Business Owner
John Austin, Jr. - Treasurer	7/1/2028	Business Owner
Chris Gurley - Secretary	7/1/2029	Business Owner
Paul Moore - Member	7/1/2027	Retired Banker
Victoria R. Williams - Member	8/1/2028	Business Manager

Ryan Drewry – General Manager

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THE ELECTRIC DISTRIBUTION DEPARTMENT

SERVICE AREA

The Electric Department currently provides electric power to over 16,000 total customers in Carroll County, and the northern part of Henderson County, with over 1,470 miles of distribution line and 27 plus miles of transmission line through 7 substations.

Note: Total infeed base capacity of 130 MVA serves standard service. One industrial customer, non-standard service, owns and operates its own step-down transformers from 161kV to 13kV into its facility. Load for this facility is not included in the total base infeed capacity for this reason. Peak demand and load factor percentage are based on total system load, both standard service and non-standard service.

TRANSMISSION DEPARTMENT

The Electric Department is connected to the TVA transmission grid at 3 delivery points with a total infeed base capacity of 130 MVA. The current peak Department demand is 101 MVA. During Fiscal Year 2025, the Electric Department average load factor was 58%, and the Electric Department losses were 3.5%. The Electric Department operates 7 substations and over 1,470 miles of primary electric line throughout its service area.

DISTRIBUTION DEPARTMENT

The Electric Department's distribution Department serves 16,190 residential, commercial, and industrial customers located within its service area. The 13.2 kV distribution Department consists of approximately 1,417 miles of primary overhead conductor and approximately 53 miles of underground primary conductor. 7 distribution substations energize the distribution Department through multiple circuits.

SOURCE OF ELECTRIC POWER

The Electric Department does not generate any electric power but purchases its entire supply from the Tennessee Valley Authority ("TVA") pursuant to a power contract dated as of July 1, 1987 (the "Power Contract"). Under the Power Contract, the County agrees to purchase all of its electric power from TVA unless it chooses in the future to exercise TVA's "flexibility option" through which Carroll County may produce up to 5% of its load through clean energy generation.

On August 29, 2019, Carroll County Electric Department signed a long-term supply agreement with TVA. The initial term of this agreement is for 20 years with an annual evergreen provision. The benefit to the local power company is a 3.1% credit on the distributor's monthly power invoice. As of June 2024, approximately 147 of TVA's 153 municipal and cooperative customers, including four of their five largest customers, signed a similar long-term contract with TVA.

The cost and availability of power to the Electric Department may be affected by, among other things, factors relating to TVA's nuclear program, fuel supply, environmental considerations such as future legislation regulating the mining of coal, the construction and financing of future generating and transmission facilities and other factors relating to TVA's ability to supply the power demands of its customers, including the County. The power sold to the County is supplied from the entire TVA Department and not one specific generating facility.

The Power Contract provides that TVA shall make every reasonable effort to increase the generating capacity of its Department and to provide the transmission facilities required to deliver the output thereof so as to be in a position to supply additional power when and to the extent needed by the County. Neither TVA nor the County is liable for breach of contract if the availability or use of power is interrupted or curtailed or if either party is prevented from performing under the Power Contract by circumstances beyond its control. The amount of power supplied by TVA and the contractual obligation to supply such power are limited by the capacity of TVA's generating and transmission facilities.

The Power Contract specifies the wholesale purchase rates and monthly resale rates to be adhered to by the County, which may be revised periodically by TVA, through the publication of an Adjustment Addendum, to cover increased costs to TVA. See "Electric Rates".

THE TENNESSEE VALLEY AUTHORITY

TVA was established as a wholly-owned corporate agency and instrumentality of the United States of America by the Tennessee Valley Authority Act of 1933, as amended. The Acts' objective is the development of the resources of the Tennessee Valley and adjacent areas in order to strengthen the regional and national economy and the national defense. Its specific purposes include: (1) flood control on the Tennessee River and its tributaries, and assistance to flood control on the lower Ohio and the Mississippi Rivers; (2) a modern navigable channel for the Tennessee River; (3) ample supply of power within an area of 80,000 square miles; (4) development and introduction of more efficient soil fertilizers; and (5) greater agricultural and industrial development and improved forestry in the region. TVA made some major changes in managing its governing structure and workforce. The Board changed from a three-member, full-time board to a full-time CEO who reports to a part-time board as of May 2005.

TVA raised rates and fuel cost adjustments by twenty percent to account for the increased oil prices of 2008. This increase was the highest rate increase in three decades. As of early 2009, power rates were decreased by six percent in response to the lower price of fuel. In April of 2011, TVA implemented a wholesale Almost Flat Demand and Energy Rate and a wholesale Time of Use Rate. Power Distributors were able to select one of these two options based on which rate would best accommodate their need. The Electric Department chose the wholesale Time of Use Rate based on extensive analysis by management and an outside rate consultant.

ELECTRIC RATES

Pursuant to the Power Contract, the Electric Department has agreed to adhere to the resale rates set forth in certain schedules established by the TVA. The schedules include the provision that customer billings will be adjusted in accordance with the Adjustment Agenda published by the TVA. The Electric Department is not otherwise subject to rate regulation under existing law,

and the Municipality is not aware of any pending legislation to make its electric rates subject to regulation. The Power Contract provides further that if the resale rates set forth therein do not provide sufficient revenues for the operation and maintenance of the Department on a self-supporting, financially sound basis, including debt service, the Municipality and TVA shall agree to changes in rates to provide increased revenues. In like manner, if the rates and changes produce excess revenues, the parties shall agree to rate reductions. Since the date of the Power Contract the wholesale and resale rates have been adjusted from time to time through TVA's publication of Adjustment Addenda.

RESIDENTIAL AND GENERAL POWER RATES

The following schedule outlines the retail electric rates charged by the Department as of June 30, 2025. Additionally, the kWh charge will change on a monthly basis based on TVA's fuel cost adjustment.

Residential Rate Schedule

Customer Charge – per delivery point per month	\$25.68
Energy Charge – cents per kWh – all kWh	\$ 0.11151

General Power Schedule

GSA1 (Under 50 kW demand & less than 15,00 kWh)

Customer Charge – per delivery point per month.....	\$28.00
Energy Charge – cents per kWh – all kWh.....	\$ 0.12431

GSA2 (51-1000 kW demand or more than 15,000 kWh)

Customer Charge – per delivery point per month.....	\$100.00
Demand Charges – per kW per month	
First 50 kW	No Charge
Excess Over 50 kW	\$15.19
Energy Charge – Cents per kWh	
First 15,000 kWh per months.....	\$ 0.12150
Additional kWh per month	\$ 0.07577

GSA3 (1000-5000 kW demand)

Customer Charge – per delivery point per month.....	\$300.00
Demand Charges – per kW per month	
First 50 kW	\$ 14.13
Excess Over 50 kW	\$ 13.94
Energy Charge – Cents per kWh	\$ 0.07907

Electric Vehicle Charging Station

Customer Charge – per delivery point per month.....	\$100.00
All kWh Used	\$ 0.24558

Lighting (LS)

Energy Charge – cents per kWh	
All kWh – per kWh per month	\$ 0.08057

Security Lights	Rated kWh	Monthly Charge
175 MV (not available)	77	\$11.06
400 MV (not available)	168	\$20.67
100 HPS	50	\$10.30
250 HPS (not available)	114	\$16.58
400 MH	164	\$24.15
60 LED	22	\$ 8.66
124 LED	45	\$11.75
192 LED	70	\$16.88

GSB (5001-15,000 kW demand)

Customer Charge – per delivery point per month.....	\$1,500.00
Administrative Charge	\$ 350.00
Demand Charges – per kW	
OnPeak kW	\$ 11.95
Maximum kW	\$ 5.58
Excess over contract kW	\$ 11.95
Energy Charge – cents per kWh	
OnPeak kWh	\$ 0.09758
OffPeak kWh – first 200 hours	\$ 0.07017
OffPeak kWh – next 200 hours.....	\$ 0.03215
OffPeak kWh – additional hours.....	\$ 0.02839

GSC (15001-25,000 kW demand)

Customer Charge – per delivery point per month.....	\$1,500.00
Administrative Charge	\$ 350.00
Demand Charges – per kW	
OnPeak kW	\$ 11.95
Maximum kW	\$ 5.07
Excess over contract kW	\$ 11.95
Energy Charge – cents per kWh	
OnPeak kWh	\$ 0.09758
OffPeak kWh – first 200 hours	\$ 0.07017
OffPeak kWh – next 200 hours.....	\$ 0.03215
OffPeak kWh – additional hours.....	\$ 0.02839

GSD (25001kW demand and greater)

Customer Charge – per delivery point per month.....	\$1,500.00
Administrative Charge	\$ 350.00
Demand Charges – per kW	
OnPeak kW	\$ 11.95
Maximum kW	\$ 4.76
Excess over contract kW	\$ 11.95
Energy Charge – cents per kWh	
OnPeak kWh	\$ 0.09758
OffPeak kWh – first 200 hours	\$ 0.07017
OffPeak kWh – next 200 hours.....	\$ 0.03089
OffPeak kWh – additional hours.....	\$ 0.02839

MSB (5001-15,000 kW demand)

Customer Charge – per delivery point per month.....	\$1,500.00
Administrative Charge	\$ 350.00
Demand Charges – per kW	
OnPeak kW	\$ 11.27
Maximum kW	\$ 2.33
Excess over contract kW	\$ 11.27
Energy Charge – cents per kWh	
OnPeak kWh	\$ 0.08975
OffPeak kWh – first 200 hours	\$ 0.06225
OffPeak kWh – next 200 hours.....	\$ 0.02961
OffPeak kWh – additional hours.....	\$ 0.02680

MSC (15001-25,000 kW demand)

Customer Charge – per delivery point per month.....	\$1,500.00
Administrative Charge	\$ 350.00
Demand Charges – per kW	
OnPeak kW	\$ 11.27
Maximum kW	\$ 1.82
Excess over contract kW	\$ 11.27
Energy Charge – cents per kWh	
OnPeak kWh	\$ 0.08852
OffPeak kWh – first 200 hours	\$ 0.06101
OffPeak kWh – next 200 hours.....	\$ 0.03115
OffPeak kWh – additional hours.....	\$ 0.03115

MSD (25001kW demand and greater)

Customer Charge – per delivery point per month.....	\$1,500.00
Administrative Charge	\$ 350.00
Demand Charges – per kW	
OnPeak kW	\$ 11.27
Maximum kW	\$ 1.71
Excess over contract kW	\$ 11.27
Energy Charge – cents per kWh	
OnPeak kWh	\$ 0.08602
OffPeak kWh – first 200 hours	\$ 0.05852
OffPeak kWh – next 200 hours.....	\$ 0.02929
OffPeak kWh – additional hours.....	\$ 0.02864

SUBSTATION, TRANSMISSION & DISTRIBUTION DEPARTMENTS

The Carroll County Electric Department is connected to the TVA transmission grid through two (2) 161kV delivery points and one (1) 69kV delivery point. CCED has a total of 7 distribution substations to convert from either 161 kV or 69 kV down to 13 kV for distribution. The Carroll County Electric Department includes approximately 1,470 miles of distribution lines. The peak demand for the Carroll County Electric Department was 104 MW, which occurred in June 2025.

OPERATING AND FINANCIAL HISTORY

OPERATING HISTORY

The following tables present information relating to the number of meters in service, operating revenues of the Electric Department, and data on the largest industrial customers. Unless otherwise stated, such information is presented for the fiscal years ended June 30 in the years shown.

NUMBERS OF METERS IN SERVICE

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial (Small)</u>	<u>Commercial (Large)</u>	<u>Street, Athletic & Outdoor Lighting</u>	<u>Total</u>
2021	12,169	3,146	189	207	15,711
2022	12,221	3,230	209	209	15,869
2023	12,267	3,299	221	207	15,994
2024	12,873	2,803	221	208	16,095
2025	12,947	2,827	211	205	16,190

Source: Carroll County Electric Department.

POWER USAGE – KWH

For the Fiscal Year Ended June 30

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Residential	176,243,660	176,826,926	173,249,285	174,485,417	179,526,797
Commercial	33,895,252	35,328,812	35,020,061	34,404,157	35,254,993
Industrial	239,827,555	249,326,711	256,864,062	257,957,037	264,184,705
Other Customers	<u>7,559,711</u>	<u>7,308,672</u>	<u>7,028,188</u>	<u>6,635,346</u>	<u>6,145,171</u>
Total	<u>457,526,178</u>	<u>468,791,121</u>	<u>472,161,596</u>	<u>473,481,957</u>	<u>485,111,666</u>

Source: Carroll County Electric Department.

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HISTORICAL ELECTRIC DEPARTMENT USE

The following table shows historical figures for the populations of the City of Huntingdon, the City of McKenzie, Carroll County, the Electric Department's average number of customers, and electric sales.

<u>Year</u>	<u>City of Huntingdon Population</u>	<u>City of McKenzie Population</u>	<u>Carroll County Population</u>	<u>Number of Customers</u>	<u>Sales</u>
2021	4,373	5,608	28,370	15,711	\$38,146,221
2022	4,380	5,610	28,381	15,869	\$42,062,150
2023	4,504	5,586	28,860	15,994	\$46,518,137
2024	4,525	5,603	29,302	16,095	\$44,475,559
2025	4,525	5,603	29,302	16,190	\$48,411,651

Source: Carroll County Electric Department

TEN LARGEST ELECTRIC CUSTOMERS IN 2025

The ten largest customers in the Electric Department in order of total kWh sales generated are listed below. These ten top electric customers represent 29% of the total electric sales dollars.

<u>Name</u>	<u>Annual (kWh) Usage</u>	<u>Annual Sales (Dollars)</u>
GRANGES AMERICAS INC.	193,363,778	\$11,928,347
PERFERRED COMPOUNDING	5,136,000	597,993
HYDRO-GEAR LIMITED PARTNERSHIP	2,648,500	267,572
WAL-MART STORE INC	2,597,000	250,512
TOSH FARMS	2,223,360	213,576
BAPTIST MEMORIAL HOSPITAL	1,829,800	179,192
BETHEL UNIVERSITY	1,665,500	179,453
PLASTIC PRODUCT FORMERS, INC	1,504,500	188,787
SPD MFG LLC	1,423,400	139,924
E.W. JAMES & SONS #6	<u>1,398,400</u>	<u>135,889</u>
TOTALS		<u>\$14,081,245</u>

Source: Carroll County Electric Department

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CARROLL COUNTY, TENNESSEE
SUMMARY OF BONDED INDEBTEDNESS - Electric System Only

AMOUNT ISSUED (Electric Only)	PURPOSE	DUE DATE	INTEREST RATE(S)	As of June 30, 2025 AMOUNT (1) OUTSTANDING
\$ -	Carroll County Electric System Has No Debt at June 30, 2025		Fixed	\$ -
\$ -	TOTAL BONDED DEBT			\$ -
\$ 9,995,000	(2) Electric System Revenue and Tax Bonds, Series 2025	June 2050	Fixed	\$ 9,995,000
(9,995,000)	Less: Revenue Supported Debt			(9,995,000)
\$ -	NET BONDED DEBT			\$ -

NOTES:

(1) The above figures do not include short-term notes outstanding, if any. For more information, see the notes to the Financial Statements in the "Financial Statements and Supplemental Information".

(2) Self supporting debt.

CARROLL COUNTY, TENNESSEE - ELECTRIC DEPARTMENT
BONDED DEBT SERVICE REQUIREMENTS - Electric System

F. Y. Ended 6/30	Outstanding Electric System Debt As of June 30, 2025			Electric System Revenue and Tax Bonds, Series 2025			Total Bonded Debt Service Requirements (1)			Percent Total Principal Repaid
	Principal	Interest (2)	TOTAL	Principal	Interest (2)	TOTAL	Principal	Interest	TOTAL	
2026	\$ -	\$ -	\$ -	\$ 350,000	\$ 272,947	\$ 622,947	\$ 350,000	\$ 272,947	\$ 622,947	3.50%
2027	-	-	-	335,000	419,538	754,538	335,000	419,538	754,538	
2028	-	-	-	350,000	404,985	754,985	350,000	404,985	754,985	
2029	-	-	-	365,000	389,760	754,760	365,000	389,760	754,760	
2030	-	-	-	385,000	373,883	758,883	385,000	373,883	758,883	17.86%
2031	-	-	-	400,000	357,135	757,135	400,000	357,135	757,135	
2032	-	-	-	415,000	339,735	754,735	415,000	339,735	754,735	
2033	-	-	-	435,000	321,683	756,683	435,000	321,683	756,683	
2034	-	-	-	455,000	302,760	757,760	455,000	302,760	757,760	
2035	-	-	-	475,000	282,968	757,968	475,000	282,968	757,968	39.67%
2036	-	-	-	495,000	262,305	757,305	495,000	262,305	757,305	
2037	-	-	-	515,000	240,773	755,773	515,000	240,773	755,773	
2038	-	-	-	540,000	218,370	758,370	540,000	218,370	758,370	
2039	-	-	-	560,000	194,880	754,880	560,000	194,880	754,880	
2040	-	-	-	585,000	170,520	755,520	585,000	170,520	755,520	66.63%
2041	-	-	-	610,000	145,073	755,073	610,000	145,073	755,073	
2042	-	-	-	640,000	118,538	758,538	640,000	118,538	758,538	
2043	-	-	-	665,000	90,698	755,698	665,000	90,698	755,698	
2044	-	-	-	695,000	61,770	756,770	695,000	61,770	756,770	
2045	-	-	-	725,000	31,538	756,538	725,000	31,538	756,538	100.00%
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,995,000</u>	<u>\$ 4,999,874</u>	<u>\$ 14,994,874</u>	<u>\$ 9,995,000</u>	<u>\$ 4,999,874</u>	<u>\$ 14,994,874</u>	

NOTES:

- (1) The above figures do not include any short-term debt, if any. For more information, see the notes to the Financial Statements.
(2) Estimated Interest Rates. Estimated Average Coupon of 4.35%.

CARROLL COUNTY, TENNESSEE
Five Year Summary of Revenues, Expenditures and
Changes In Net Position - Electric Department
For the Fiscal Year Ended June 30

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Operating Revenues:					
Residential	\$ 18,428,841	\$ 19,613,812	\$ 21,113,031	\$ 20,331,669	\$ 22,208,696
Small Lighting and Power	4,302,254	4,687,134	5,036,843	4,651,539	4,976,313
Large Lighting and Power	14,951,513	17,238,696	19,709,460	18,447,828	19,995,180
General Power Credit	(1,457,505)	(1,527,806)	(1,621,653)	(1,542,702)	(1,577,062)
Street and Athletic Lighting	283,367	305,269	332,511	312,243	317,566
Outdoor Lighting	707,996	733,794	765,259	732,913	737,533
Uncollectible Accounts	(17,125)	(31,093)	(51,986)	(46,655)	(47,091)
Forfeited Discounts	190,739	202,291	215,894	202,810	217,450
Miscellaneous Service	134,951	136,657	125,981	150,665	191,120
Rent from Electric Property	505,949	519,873	559,410	614,765	671,232
Other Electric Revenue	72,312	139,118	94,808	116,864	167,371
Total Operating Revenues	\$ 38,103,292	\$ 42,017,745	\$ 46,279,558	\$ 43,971,939	\$ 47,858,308
Operating Expenses:					
Purchased Power	\$ 29,290,110	\$ 32,685,009	\$ 37,063,415	\$ 34,760,241	\$ 37,804,924
Operations Expense	2,757,710	2,793,972	2,842,327	2,783,944	2,933,489
Maintenance Expense	1,528,006	1,637,148	1,955,965	2,063,060	2,007,586
Administrative Expense	1,580,992	1,666,617	1,534,668	1,678,883	1,655,730
Provision for Depreciation	1,375,837	1,403,341	1,446,538	1,496,312	1,553,628
Payment in Lieu of Taxes	351,060	294,813	201,284	214,212	180,148
Total Operating Expenses	\$ 36,883,715	\$ 40,480,900	\$ 45,044,197	\$ 42,996,652	\$ 46,135,505
Operating income (loss)	\$ 1,219,577	\$ 1,536,845	\$ 1,235,361	\$ 975,287	\$ 1,722,803
Other Income (expenses):					
Interest income	42,929	44,405	238,579	503,620	553,343
Interest expense	(924)	(985)	(4,949)	(5,281)	(7,776)
Transfer Out Tax Equivalents	(493,496)	(573,663)	(604,942)	(622,876)	(622,876)
Total other income - net	\$ (451,491)	\$ (530,243)	\$ (371,312)	\$ (124,537)	\$ (77,309)
Net Income	\$ 768,086	\$ 1,006,602	\$ 864,049	\$ 850,750	\$ 1,645,494
Net Assets:					
Prior balance July 1	\$ 29,217,519	\$ 29,985,605	\$ 30,992,207	\$ 31,856,256	\$ 32,458,012
Prior period adjustment	-	-	-	(248,994)	-
Beginning of year, adjusted	<u>\$ 29,217,519</u>	<u>\$ 29,985,605</u>	<u>\$ 30,992,207</u>	<u>\$ 31,607,262</u>	<u>\$ 32,458,012</u>
Fund Balance June 30	<u>\$ 29,985,605</u>	<u>\$ 30,992,207</u>	<u>\$ 31,856,256</u>	<u>\$ 32,458,012</u>	<u>\$ 34,103,506</u>

Source: Annual Comprehensive Financial Report for Harriman Utility Board, Electric Department (Tennessee).

CARROLL COUNTY, TENNESSEE - ELECTRIC DEPARTMENT
HISTORICAL DEBT SERVICE COVERAGE ON BONDS

	For the Fiscal Year Ended June 30,			
	2021	2022	2023	2024
Operating Revenue	\$ 38,103,292	\$ 42,017,745	\$ 46,279,558	\$ 43,971,939
Operating Expenses Before Depreciation	35,507,878	39,077,559	43,597,659	41,500,340
Net Income Before Depreciation And Amortization	2,595,414	2,940,186	2,681,899	2,471,599
Other Income Before Interest Expense (1)	42,929	44,405	238,579	503,620
Income Available For Debt Service	\$ 2,638,343	\$ 2,984,591	\$ 2,920,478	\$ 2,975,219
Actual Debt Service Requirements (2)	\$ -	\$ -	\$ -	\$ -
Bond Coverage	N/A	N/A	N/A	N/A
Maximum Estimated Debt Service Requirements on the Bonds (FY 2030)	\$ 758,883	\$ 758,883	\$ 758,883	\$ 758,883
Bond Coverage	3.48 X	3.93 X	3.85 X	3.92 X
				5.05 X

Source: Annual Financial Reports for the System

APPENDIX C

**SUPPLEMENTAL INFORMATION STATEMENT
CARROLL COUNTY, TENNESSEE**

GENERAL INFORMATION

LOCATION

Carroll County (the “County”) is located in the northwest portion of the State of Tennessee. The Town of Huntingdon, Tennessee (the “Town”) is the County seat. The County is surrounded by Obion County to the west, Weakley and Henry Counties to the north, Benton County to the east, and Madison, Henderson and Decatur Counties to the south. The Town is approximately 36 miles from Jackson, Tennessee and 105 miles northeast of Memphis, Tennessee. The City of McKenzie is the largest city in the County. Other incorporated towns include Bruceton, Hollow Rock, McClemoresville, and Trezevant.

GENERAL

The County has 599 square miles. The primary crops are soybeans, cotton and corn. In addition to its agricultural products the area is rich in timber. The 2020 U.S. Census for the County was 28,440. The 2020 Census for Huntingdon was 3,845 and McKenzie was 5,328.

TRANSPORTATION

The County is only 15 miles to Interstate 40 in Jackson, with US Highway 70 and State Highways 22 and 77 within the County lines. The County’s rail service is provided by CSX Transportation. The nearest port is in New Johnsonville, TN on the Tennessee River about 25 miles away. Carroll County Airport has a runway that is 5,500 feet in length. The nearest commercial airport is the McKellar-Sipes Regional Airport, over 30 miles away at Jackson, Tennessee.

EDUCATION

Carroll County has a unique system of education within the State of Tennessee. While most counties within the State of Tennessee incorporate a county-wide school system, with certain cities having separate schools inside the County, Carroll County is divided into five school districts. Each district consists of one or more towns and the surrounding geographical area.

Hollow Rock-Bruceton Special School District has two schools, one elementary and one high school. Fall 2023 enrollment was 500 students. *Huntingdon Special School District* in the center of the County has three schools: one elementary school, one middle school and one high school. Fall 2023 enrollment was 1,175 students. *McKenzie Special School District* in the northwest corner of the County has three schools: one elementary school, one middle school and one high school. Fall 2023 enrollment was 1,301 students.

The *South Carroll County Special School District* is located on the southern boundary of Carroll County encompassing Clarksburg and the surrounding territory. The District consists of one PK-12 school that had a fall 2023 enrollment of 348 students. *West Carroll Special School District* has three schools: two elementary schools and one high school. Fall 2023 enrollment was

940 students. *Carroll County School District* operates two schools, a Special Learning Center and a Tech Center for juniors and seniors.

Source: Tennessee Department of Education.

Carroll County is one of only three counties in West Tennessee with both a four-year college and a post-secondary technological institution. Bethel College's elite Physician Assistant program draws students from across the country. The County also boasts five special school districts and a countywide school system, a secondary technology center, adult education, alternative schools and special-needs programs.

Bethel College is a private, four-year liberal arts institution founded by the Cumberland Presbyterian Church. Bethel was founded in 1842 and the 100-acre campus is located in McKenzie, Tennessee. The enrollment each year is over 5,000.

Source: Bethel College.

The Tennessee Technology Center at McKenzie. The Tennessee Technology Center at McKenzie is part of a statewide system of 26 vocational-technical schools. The Tennessee Technology Center meets a Tennessee mandate that no resident is more than 50 miles from a vocational-technical shop. The institution's primary purpose is to meet the occupational and technical training needs of the citizens including employees of existing and prospective businesses and industries in the region. The Technology Center at McKenzie serves the west central region of the state including Carroll and Benton Counties. The Technology Center at McKenzie began operations in 1968, and the main campus is located in Carroll County. Fall 2021 enrollment was 185 students.

Source: Tennessee Technology Center at McKenzie.

HEALTHCARE

Baptist Memorial Hospital-Huntingdon. The Baptist Memorial Hospital in Huntingdon is a 70-bed acute-care facility. The Baptist Huntingdon has specialists in internal medicine, family practice, general surgery, orthopedics, allergy, otolaryngology, pediatrics, urology, pathology and radiology. Baptist Huntingdon became the eighth hospital to affiliate with Baptist Memorial Health Care Corp. in 1983. There are fifteen privately owned hospitals in Baptist Memorial Health Care's system in Tennessee, Mississippi, and Arkansas.

Source: Baptist Memorial Health Care Corporation.

MANUFACTURING AND COMMERCE

In 2016, the Swedish company, *Granges AB*, acquired Noranda Aluminum in Huntingdon after Noranda filed for bankruptcy earlier that year. It is the largest employer in the County. The plant is located in the Huntingdon's Industrial Park East. The facility has an annual capacity of 235 million pounds of foil and light gauge sheet and serves primarily the HVAC, Semi-Rigid Container, and Automotive markets. The existing Huntingdon plant produces light sheet and foil from continuous cast coil for the HVAC, Semi Rigid Container, and Packaging markets. Production capacity is approximately 132 million pounds annually. Norandal U.S.A. Inc. was established in 1979 when Noranda, Inc., purchased the Archer aluminum foil plant in Huntingdon, TN.

The *Milan Army Ammunition Plant* (the “MLAAP”) is run by the Department of the Army and is located in mainly in Milan, Gibson County with some acreage also in Carroll County. The MLAAP mission is to load, assemble, pack, store, and ship/receive containerized conventional ammunition. MLAAP is housed on 22,357 acres with 1,450 buildings and 873 igloos and a storage capacity of 2,270,000 square feet. The site employs over 14,000 military, civilian and contractor personnel. Milan Ordnance Depot and Wolf Creek Ordnance Plant were established in 1941. In 1943, they merged, becoming Milan Ordnance Center and later Milan Arsenal in 1945. In the 1960s, it became MLAAP.

Select Tennessee Certified Sites Program (the “STCSP”). The Huntingdon Industrial Park South (92 acres) and the McKenzie Airport Industrial Park (53 acres) have both been certified with the STCSP. The STCSP has helped communities prepare industrial sites for private investment and job creation since 2012. The certification process ensures that each certified site meets high quality standards and are primed for development. Certified sites must have documented environmental conditions and geotechnical analysis, existing onsite utilities or a formal plan to extend utilities to the site, and truck-quality road access. The program’s goal is to give companies detailed and reliable information during the site selection process and markets the sites to a targeted group of site selection consultants and business leaders in Tennessee’s key industry clusters. As of 2024, seventy-three sites in Tennessee have been certified and 23 companies have invested over \$2.01 billion in capital investment to construct facilities on certified sites, accounting for more than 7,494 new job commitments.

Source: Tennessee Department of Economic and Community Development.

Tennessee Downtowns. The Cities of Huntingdon and McKenzie have historically significant downtowns that have been improved through the Tennessee Downtowns program. Tennessee Downtowns is an affiliated program of Tennessee Main Street designed to help rural communities to revitalize their downtown areas. The Tennessee Downtowns program helps local communities revitalize traditional commercial districts, enhance community livability, spur job creation and maintain the historic character of downtown districts. The two-year program coaches selected communities and their steering committees through the steps of launching effective renewal efforts. Tennessee Downtowns includes community training in the Main Street America program and a grant for a downtown improvement project. As of April 2024, Tennessee Department of Economic and Community Development (the “TNECD”) provides the Tennessee Downtowns program to 90 communities that want to pursue the Main Street America approach to downtown revitalization.

The selected communities all have downtown commercial districts established at least 50 years ago and have demonstrated their readiness to organize efforts for downtown revitalization according to Main Street America principles. The highly competitive selection process was based on historic commercial resources, economic and physical need, demonstrated local effort, overall presentation and probability of success. Grants are awarded to organizations that illustrated the need for improvements and the ability to execute an effective design plan for building facades, wayfinding signage, gateways and streetscapes. As part of the program, each new grant recipient will be required to match 25-percent of the funding received.

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Tennessee Downtown communities that complete the program are eligible for additional Downtown Improvement Grants as well as Main Street designation. There are currently 46 nationally accredited Main Street communities in Tennessee, 20 of which successfully completed the Tennessee Downtowns program prior to their national accreditation.

Source: Tennessee Department of Economic and Community Development.

Tennessee Main Street Program. The City of McKenzie also has a historically significant downtown that it has improved through accreditation with the Tennessee Main Street Program. As of May 2024, there are almost 50 communities that are accredited through the state program Tennessee Main Street Accreditation and a program of the national Trust for Historic Preservation (called Main Street America). The Main Street Program provides training, support and grant opportunities to assist in downtown revitalization efforts to focus on historic preservation, community events and economic revitalization. In 2020, accredited Tennessee Main Street communities generated \$79 million of public and private investment and nearly 158 new businesses. The Tennessee Main Street Program requires communities to illustrate a commitment from local government and other local organizations, an adequate organizational budget, a strong historic preservation ethic, a collection of historic commercial buildings and a walkable district.

Source: Tennessee Department of Economic and Community Development.

Listed below are the larger employers located in the County:

Major Employers in the County

<u>Name</u>	<u>Business Type</u>	<u>Employment</u>
Granges AB	Aluminum Sheet / Foil	538
Bethel University	Education	521
Hydro-Gear	Manufacturing	321
Carroll County Government	Government	239
Republic Doors and Frames LLC	Manufacturing	202
Baptist Memorial Hospital	Healthcare	195
Huntingdon SSD	Education	160
McKenzie SSD	Education	151
Walmart Stores, Inc.	Retail	150
West Carroll SSD	Education	141
Life Care Center of Bruceton	Healthcare	120
Hollow Rock-Bruceton SSD	Education	100

Source: Tennessee Department of Economic and Community Development - 2024.

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ECONOMIC DATA

Per Capita Personal Income

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
National	\$53,309	\$55,547	\$59,153	\$64,430	\$65,470
Tennessee	\$46,452	\$48,889	\$51,928	\$56,970	\$58,292
Carroll County	\$33,636	\$36,289	\$37,516	\$41,212	\$40,544
Index vs. National	63	65	63	64	62
Index vs. State	72	74	72	72	70

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Social and Economic Characteristics

	<u>National</u>	<u>Tennessee</u>	<u>Carroll County</u>	<u>McKenzie</u>
Median Value Owner Occupied Housing	\$303,400	\$256,800	\$122,100	\$140,200
% High School Graduates or Higher Persons 25 Years Old and Older	89.40%	89.60%	88.7%	86.4%
% Persons with Income Below Poverty Level	11.10%	14.00%	17.4%	23.2%
Median Household Income	\$78,538	\$67,097	\$50,391	\$35,988

Source: U.S. Census Bureau State & County QuickFacts - 2023.

TOURISM

Carroll County Lake. In 2011, the construction of a 1,000-acre recreational lake in the County was completed. The project took about 455 days to construct and 365 days to fill the lake with 22 miles of shoreline. The dam cost \$15 million. A conservative estimate is that the lake will have an economic impact of \$4.1 million a year on the County. The lake grounds allow fishing, skiing, picnicking. One area of the lake, near the headwaters, is reserved for fishing only. It is estimated to be 50 feet deep near the dam. The lake headquarters are surrounded by a sand-lined beach for swimming, picnic pavilions, restrooms facilities, boat ramp, and parking area.

Source: TriCounty Star and the Carroll County Chamber of Commerce.

The Dixie Carter Performing Arts and Academic Enrichment Center. Located in downtown Huntingdon, the center serves as the premier venue for the performing, literary, visual and media arts in the area. It seats 471 and has a full schedule of movies, plays, exhibitions and the locally produced Fun on the Farm Jamboree that features a variety of recording artists.

Source: The Dixie PAC.

Natchez Trace State Park and Forest. Natchez Trace State Park includes four lakes, a swimming beach, a 47 room resort inn and restaurant complex, cabins, group lodge, camping areas, picnicking sites, playgrounds, a ball field, a regulation pistol firing range, picturesque hiking trails, a wrangler camp, 250 miles of horse riding trails, a park store, and archery range. This area is composed of a State Park, State Forest and a WMA with a total of 48,000 acres. The Tennessee Division of State Parks, Tennessee Division of Forestry and the Tennessee Wildlife Resources Agency share administration of this area. Natchez Trace State Park is named for the famous "Natchez to Nashville" highway, an important wilderness road during the early 18th century. A western spur of The Trace ran through a portion of what is now the park. Natchez Trace is located in Carroll, Henderson, and Benton counties in West Tennessee. It lies 35 miles east of Jackson off of Interstate 40 between Nashville and Memphis.

Source: Tennessee State Parks.

RECENT DEVELOPMENTS

Hydro-Gear. The power equipment drive systems manufacturer Hydro-Gear invested \$10 million in 2021 to build its fourth U.S. facility and created approximately 375 new jobs. The company also has a corporate office in Williamson County. Hydro-Gear was founded 30 years ago. The company designs and manufactures precision drives including hydrostatic transmissions, transaxles, gear reduction drives, displacement pumps, wheel motors and electric drive systems for various markets.

INTOCAST. The global manufacturer and marketer of refractory products, INTOCAST, located a mega class factory in 2024 in Huntingdon, its first facility in Tennessee. This is expected to create more than 100 new jobs and cost \$15 million. Founded and globally headquartered in Germany, INTOCAST specializes in manufacturing and marketing refractory products for the iron and steel industries. Today, the company employs 2,000 people worldwide and is growing with its newest operations in Huntingdon, Tennessee.

Profile Metal Forming. Profile Metal Forming invested \$2.5 million in 2020 to expand its operations in McKenzie and will create approximately 23 jobs by 2025. The expansion will house a new 1,000-ton press line to increase the company's capabilities to meet new automotive market demands.

Profile Metal Forming manufactures custom engineered stamped metal components and assemblies for the automotive, appliance, materials handling, telecommunications & construction industries, including stamping, welding, punching, rollforming and bending. The company is privately owned and headquartered in New Hampshire but has operated a facility in Henry County for 33 years. To support this growth in McKenzie, Profile Metal Forming will expand its Henry County operations by nearly 7,000 square feet.

VP Racing Fuels. VP Racing Fuels, a subsidiary of San Antonio-based Texas Allied Holdings, Inc., invested in 2021 \$14.2 million to expand its Huntingdon operations and acquire a new facility in McKenzie near the Carroll County Airport. The project in total created approximately 150 new jobs and came less than three years after the company invested more than \$4 million to establish its Huntingdon operations. The expansion at VP Racing Fuels' Huntingdon

facility comprised the company's investment in a \$7 million tank farm. At the new McKenzie location, VP Racing Fuels expanded operations to include blow mold machinery for bottling its products.

For more than 40 years, VP Racing Fuels has focused on the production of race fuel, small engine fuel, auto performance chemical and plastics utility containers. VP Racing Fuels is recognized by many as the world leader in race fuel technology, with a catalog of more than 70 fuel blends and a growing roster of VP-fueled champions across the entire spectrum of motorsports.

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CARROLL COUNTY, TENNESSEE
SUMMARY OF BONDED INDEBTEDNESS

AMOUNT ISSUED (Electric Only)	PURPOSE	DUE DATE	INTEREST RATE(S)	As of June 30, 2025 AMOUNT (1) OUTSTANDING
\$ 8,164,130	General Obligation Loan, Series 2012	March 2037	Variable	\$ 4,182,000
\$ 268,000	General Obligation Note, Series 2022 (Highway)	Nov. 2026	Fixed	\$ 139,000
\$ 8,432,130	TOTAL BONDED DEBT			\$ 4,321,000
\$ 9,995,000	(2) Electric System Revenue and Tax Bonds, Series 2025	June 2050	Fixed	\$ 9,995,000
(9,995,000)	Less: Revenue Supported Debt			(9,995,000)
<u>\$ 8,432,130</u>	NET BONDED DEBT			<u>\$ 4,321,000</u>

NOTES:

(1) The above figures do not include short-term notes outstanding, if any. For more information, see the notes to the Financial Statements in the "Financial Statements and Supplemental Information".

(2) Self supporting debt of Electric System.

CARROLL COUNTY, TENNESSEE **INDEBTEDNESS AND DEBT RATIOS**

INTRODUCTION

The information set forth in the following table is based upon information derived in part from the ACFR, and the table should be read in conjunction with those statements. The table does not include future funding plans whether disclosed or not in this document.

	For Fiscal Year Ended June 30				After Issuance	
	2021	2022	2023	2024	Unaudited 2025	2025
INDEBTEDNESS						
TAX SUPPORTED						
County Tax Supported Debt ⁽¹⁾	\$ 6,843,000	\$ 5,521,000	\$ 5,408,000	\$ 5,030,000	\$ 4,643,000	\$ 4,643,000
Revenue Supported Debt	-	-	-	-	-	9,995,000
TOTAL TAX SUPPORTED	\$ 6,843,000	\$ 5,521,000	\$ 5,408,000	\$ 5,030,000	\$ 4,643,000	\$ 14,638,000
TOTAL DEBT	\$ 6,843,000	\$ 5,521,000	\$ 5,408,000	\$ 5,030,000	\$ 4,643,000	\$ 14,638,000
Less: Revenue Supported Debt	-	-	-	-	-	(9,995,000)
Less: D.S. Fund	(1,468,867)	(685,350)	(816,104)	(848,894)	(848,894)	(848,894)
NET DIRECT DEBT	\$ 5,374,133	\$ 4,835,650	\$ 4,591,896	\$ 4,181,106	\$ 3,794,106	\$ 3,794,106
PROPERTY TAX BASE						
Estimated Actual Value	\$1,643,319,199	\$1,674,782,614	\$2,087,161,386	\$2,181,247,542	\$2,634,146,139	\$2,634,146,139
Estimated Appraised Value	1,643,319,199	1,674,782,614	1,677,869,038	1,753,504,899	\$1,748,546,207	1,748,546,207
Estimated Assessed Value	447,384,550	456,874,896	460,574,117	480,557,755	\$479,023,777	479,023,777

(1) May not include all short-term notes or capitalized leases.

DEBT RATIOS	For Fiscal Year Ended June 30					Unaudited	After
	2021	2022	2023	2024	2025	2025	Issuance
TOTAL DEBT to Estimated Actual Value	0.42%	0.33%	0.26%	0.23%	0.18%	0.56%	
TOTAL DEBT to Appraised Value	0.42%	0.33%	0.32%	0.29%	0.27%	0.84%	
TOTAL DEBT to Assessed Value	1.53%	1.21%	1.17%	1.05%	0.97%	3.06%	
NET DIRECT DEBT to Estimated Actual Value	0.33%	0.29%	0.22%	0.19%	0.14%	0.14%	
NET DIRECT DEBT to Appraised Value	0.33%	0.29%	0.27%	0.24%	0.22%	0.22%	
NET DIRECT DEBT to Assessed Value	1.20%	1.06%	1.00%	0.87%	0.79%	0.79%	
PER CAPITA RATIOS							
POPULATION (1)	28,432	28,418	28,860	28,860	28,860	28,860	28,860
PER CAPITA PERSONAL INCOME (2)	\$41,212	\$40,544	\$40,544	\$40,544	\$40,544	\$40,544	\$40,544
Estimated Actual Value to POPULATION	57,798	58,934	72,320	75,580	91,273	91,273	91,273
Assessed Value to POPULATION	15,735	16,077	15,959	16,651	16,598	16,598	16,598
TOTAL DEBT to POPULATION	241	194	187	174	161	507	507
NET DIRECT DEBT to POPULATION	189	170	159	145	131	131	131
Total Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME	0.58%	0.48%	0.46%	0.43%	0.40%	1.25%	
NET DIRECT DEBT Per Capita as a % of PER CAPITA PERSONAL INCOME	0.46%	0.42%	0.39%	0.36%	0.32%	0.32%	

(1) Computations are based upon estimates extracted from Tennessee Association of Business publications, the County and Bureau of Census Information.

(2) PER CAPITA PERSONAL INCOME is based upon data available from the U.S. Department of Commerce.

CARROLL COUNTY, TENNESSEE
BONDED DEBT SERVICE REQUIREMENTS - County Paid Debt

F. Y. Ended 6/30	Outstanding County Debt As of June 30, 2025			Highway Equipment Note, Series 2022			Total Bonded Debt Service Requirements (1)			Percent Total Principal Repaid
	Principal	Interest (2)	TOTAL	Principal	Interest	TOTAL	Principal	Interest	TOTAL	
2026	\$ 330,000	\$ 104,493	\$ 434,493	\$ 68,000	\$ 6,158	\$ 74,158	\$ 398,000	\$ 110,651	\$ 508,651	8.57%
2027	338,000	96,837	434,837	71,000	3,145	74,145	409,000	99,982	508,982	
2028	345,000	88,995	433,995	-	-	-	345,000	88,995	433,995	
2029	353,000	80,991	433,991	-	-	-	353,000	80,991	433,991	40.19%
2030	361,000	72,802	433,802	-	-	-	361,000	72,802	433,802	
2031	370,000	64,426	434,426	-	-	-	370,000	64,426	434,426	
2032	378,000	55,842	433,842	-	-	-	378,000	55,842	433,842	81.91%
2033	387,000	47,073	434,073	-	-	-	387,000	47,073	434,073	
2034	396,000	38,094	434,094	-	-	-	396,000	38,094	434,094	
2035	406,000	28,907	434,907	-	-	-	406,000	28,907	434,907	100.00%
2036	415,000	19,488	434,488	-	-	-	415,000	19,488	434,488	
2037	425,000	9,860	434,860	-	-	-	425,000	9,860	434,860	
	<u>\$ 4,504,000</u>	<u>\$ 707,809</u>	<u>\$ 5,211,809</u>	<u>\$ 139,000</u>	<u>\$ 9,303</u>	<u>\$ 148,303</u>	<u>\$ 4,643,000</u>	<u>\$ 717,112</u>	<u>\$ 5,360,112</u>	

NOTES:

- (1) The above figures do not include any short-term debt, if any. For more information, see the notes to the Financial Statements.
(2) Estimated Average Coupon of 2.32%.

CARROLL COUNTY, TENNESSEE - ELECTRIC DEPARTMENT
BONDED DEBT SERVICE REQUIREMENTS - Electric System

F.Y. Ended	Outstanding Electric System Debt As of June 30, 2025			Electric System Revenue and Tax Bonds, Series 2025			Total Bonded Debt Service Requirements (1)			Percent Total Principal Repaid
	Principal	Interest (2)	TOTAL	Principal	Interest (2)	TOTAL	Principal	Interest	TOTAL	
6/30	\$ -	\$ -	\$ -	\$ 350,000	\$ 272,947	\$ 622,947	\$ 350,000	\$ 272,947	\$ 622,947	3.50%
2026	-	-	-	335,000	419,558	754,558	335,000	419,558	754,558	
2027	-	-	-	350,000	404,985	754,985	350,000	404,985	754,985	
2028	-	-	-	365,000	389,760	754,760	365,000	389,760	754,760	
2029	-	-	-	385,000	373,883	758,883	385,000	373,883	758,883	17.86%
2030	-	-	-	400,000	357,135	757,135	400,000	357,135	757,135	
2031	-	-	-	415,000	339,735	754,735	415,000	339,735	754,735	
2032	-	-	-	435,000	321,683	756,683	435,000	321,683	756,683	
2033	-	-	-	455,000	302,760	757,760	455,000	302,760	757,760	
2034	-	-	-	475,000	282,968	757,968	475,000	282,968	757,968	39.67%
2035	-	-	-	495,000	262,305	757,305	495,000	262,305	757,305	
2036	-	-	-	515,000	240,773	755,773	515,000	240,773	755,773	
2037	-	-	-	540,000	218,370	758,370	540,000	218,370	758,370	
2038	-	-	-	560,000	194,880	754,880	560,000	194,880	754,880	
2039	-	-	-	585,000	170,520	755,520	585,000	170,520	755,520	66.63%
2040	-	-	-	610,000	145,073	755,073	610,000	145,073	755,073	
2041	-	-	-	640,000	118,538	758,538	640,000	118,538	758,538	
2042	-	-	-	665,000	90,698	755,698	665,000	90,698	755,698	
2043	-	-	-	695,000	61,770	756,770	695,000	61,770	756,770	
2044	-	-	-	725,000	31,538	756,538	725,000	31,538	756,538	100.00%
2045	\$ -	\$ -	\$ -	\$ 9,995,000	\$ 4,999,874	\$ 14,994,874	\$ 9,995,000	\$ 4,999,874	\$ 14,994,874	

NOTES:

(1) The above figures do not include any short-term debt, if any. For more information, see the notes to the Financial Statements.

(2) Estimated Interest Rates. Estimated Average Coupon of 4.35%.

FINANCIAL OPERATIONS

BASIS OF ACCOUNTING AND PRESENTATION

The accounts of the County are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The modified accrual basis of accounting is used to account for all governmental funds of the County. Revenues for such funds are recognized when they become measurable and available as net current assets. Expenditures, other than interest or long-term debt, are recognized when incurred and measurable.

All proprietary funds are accounted for using the accrual basis of accounting, whereby revenues are recognized when they are earned and expenses are recognized when they are incurred except for prepaid expenses, such as insurance, which are fully expended at the time of payment.

FUND BALANCES, NET ASSETS AND RETAINED EARNINGS

The following table depicts audited fund balances, net assets and retained earnings for the last five fiscal years ending June 30:

	<u>For the Fiscal Year Ended June 30</u>				
<u>Fund Type</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<i>Governmental Funds:</i>					
General	\$3,856,956	\$5,981,379	\$ 7,466,982	\$ 9,807,146	\$11,466,490
Highway/Public Works	833,185	1,225,717	1,536,711	1,312,415	1,061,167
Other Governmental	<u>2,646,488</u>	<u>2,814,428</u>	<u>3,801,106</u>	<u>5,829,250</u>	<u>3,913,459</u>
Total	<u>\$7,336,629</u>	<u>\$10,021,524</u>	<u>\$12,804,799</u>	<u>\$16,948,811</u>	<u>\$16,441,116</u>

Source: Annual Comprehensive Financial Report, Carroll County, Tennessee.

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CARROLL COUNTY, TENNESSEE
Five Year Summary of Revenues, Expenditures and
Changes In Fund Balances - General Fund
For the Fiscal Year Ended June 30

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Revenues:					
Local Taxes	\$ 6,393,960	\$ 6,965,639	\$ 7,094,265	\$ 7,472,973	\$ 7,544,829
Licenses and Permits	1,075	1,650	1,425	1,050	375
Fines, forfeitures & penalties	132,210	113,544	108,261	161,329	173,146
Charges for current services	457,542	403,301	513,249	1,899,058	652,328
Other Local Revenues	799,682	630,133	730,089	941,848	1,167,763
Fees Received from County Officials	1,002,726	1,102,975	1,100,804	1,114,965	1,098,262
State of Tennessee	1,788,271	2,703,069	2,854,723	2,817,559	4,639,214
Federal Government	359,082	625,674	142,593	438,615	737,367
Other Government and Citizens Groups	17,046	12,629	6,357	92,811	105,151
Total Revenues	<u>\$ 10,951,594</u>	<u>\$ 12,558,614</u>	<u>\$ 12,551,766</u>	<u>\$ 14,940,208</u>	<u>\$ 16,118,435</u>
Expenditures:					
General Government	\$ 1,305,283	\$ 1,458,196	\$ 1,425,003	\$ 1,801,886	\$ 1,639,922
Finance	713,843	735,711	766,324	806,506	823,166
Administration of Justice	921,343	853,824	948,234	974,205	1,179,234
Public Safety	5,938,142	5,709,528	6,702,511	7,729,394	9,565,669
Public Works - Streets	306,262	272,215	353,473	336,093	447,199
Social, Cultural and Recreational Services	552,669	565,611	609,110	486,881	393,167
Agriculture and Natural Resources	82,322	111,000	110,882	107,299	128,862
Other Operations	1,004,448	1,156,342	869,055	775,197	1,119,332
Capital Outlay	-	-	-	-	-
Debt Service	-	-	-	-	-
Total Expenditures	<u>\$ 10,824,312</u>	<u>\$ 10,862,427</u>	<u>\$ 11,784,592</u>	<u>\$ 13,017,461</u>	<u>\$ 15,296,551</u>
Excess (deficiency) of Revenues Over (Under) Expenditures	\$127,282	\$1,696,187	\$767,174	\$1,922,747	\$821,884
Other Sources & Uses:					
Operating Transfers - In	\$ 344,511	\$ 373,012	\$ 713,844	\$ 395,066	\$ 514,362
Operating Transfers - Out	-	-	(7,925)	-	-
Insurance Recovery	19,779	55,224	12,510	22,351	323,098
Proceeds from sale	-	-	-	-	-
Capital Leases	-	-	-	-	-
Total Sources & Uses	<u>\$ 364,290</u>	<u>\$ 428,236</u>	<u>\$ 718,429</u>	<u>\$ 417,417</u>	<u>\$ 837,460</u>
Net Changes in Fund Balances	\$ 491,572	\$ 2,124,423	\$ 1,485,603	\$ 2,340,164	\$ 1,659,344
Fund Balance July 1	3,365,384	3,856,956	5,981,379	7,466,982	9,807,146
Prior period adjustment	-	-	-	-	-
Fund Balance June 30	<u><u>\$ 3,856,956</u></u>	<u><u>\$ 5,981,379</u></u>	<u><u>\$ 7,466,982</u></u>	<u><u>\$ 9,807,146</u></u>	<u><u>\$ 11,466,490</u></u>

Source: Annual Comprehensive Financial Reports of Carroll County, Tennessee.

INVESTMENT AND CASH MANAGEMENT PRACTICES

Investment of idle County operating funds is controlled by state statute and local policies and administered by the County Trustee. Generally, such policies limit investment instruments to direct U. S. Government obligations, those issued by U.S. Agencies or Certificates of Deposit. As required by prevailing statutes, all demand deposits or Certificates of Deposit are secured by similar grade collateral pledged at 110% of market value for amounts in excess of that guaranteed through federally sponsored insurance programs. Deposits with savings and loan associations must be collateralized as outlined above, by an irrevocable letter of credit issued by the Federal Home Loan Bank or by providing notes secured by the first mortgages or first deeds for trust upon residential property in the state equal to at least 150 percent of the amount of uninsured deposits. All collateral must be held in a third party escrow account for the benefit of the County. For reporting purposes, all investments are stated at cost which approximates market value. The County Trustee is responsible for all County investments.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

State Taxation of Property; Classifications of Taxable Property; Assessment Rates

Under the Constitution and laws of the State of Tennessee, all real and personal property is subject to taxation, except to the extent that the General Assembly of the State of Tennessee (the "General Assembly") exempts certain constitutionally permitted categories of property from taxation. Property exempt from taxation includes federal, state and local government property, property of housing authorities, certain low cost housing for elderly persons, property owned and used exclusively for certain religious, charitable, scientific and educational purposes and certain other property as provided under Tennessee law.

Under the Constitution and laws of the State of Tennessee, property is classified into three separate classes for purposes of taxation: Real Property; Tangible Personal Property; and Intangible Personal Property. Real Property includes lands, structures, improvements, machinery and equipment affixed to realty and related rights and interests. Real Property is required constitutionally to be classified into four sub classifications and assessed at the rates as follows:

- (a) Public Utility Property (which includes all property of every kind used or held for use in the operation of a public utility, such as railroad companies, certain telephone companies, freight and private car companies, street car companies, power companies, express companies and other public utility companies), to be assessed at 55% of its value;
- (b) Industrial and Commercial Property (which includes all property of every kind used or held for use for any commercial, mining, industrial, manufacturing, business or similar purpose), to be assessed at 40% of its value;
- (c) Residential Property (which includes all property which is used or held for use for dwelling purposes and contains no more than one rental unit), to be assessed at 25% of its value; and
- (d) Farm Property (which includes all real property used or held for use in agriculture), to be assessed at 25% of its value.

Tangible Personal Property includes personal property such as goods, chattels and other articles of value, which are capable of manual or physical possession and certain machinery and equipment. Tangible Personal Property is required constitutionally to be classified into three sub classifications and assessed at the rates as follows:

- (a) Public Utility Property, to be assessed at 55% of its value;
- (b) Industrial and Commercial Property, to be assessed at 30% of its value; and
- (c) All other Tangible Personal Property (including that used in agriculture), to be assessed at 5% of its value, subject to an exemption of \$7,500 worth of Tangible Personal Property for personal household goods and furnishings, wearing apparel and other tangible personal property in the hands of a taxpayer.

Intangible Personal Property includes personal property, such as money, any evidence of debt owed to a taxpayer, any evidence of ownership in a corporation or other business organization having multiple owners and all other forms of property, the value of which is expressed in terms of what the property represents rather than its own intrinsic value. The Constitution of the State of Tennessee empowers the General Assembly to classify Intangible Personal Property into sub classifications and to establish a ratio of assessment to value in each class or subclass and to provide fair and equitable methods of apportionment of the value to the State of Tennessee for purposes of taxation.

The Constitution of the State of Tennessee requires that the ratio of assessment to value of property in each class or subclass be equal and uniform throughout the State of Tennessee and that the General Assembly direct the method to ascertain the value and definition of property in each class or subclass. Each respective taxing authority is constitutionally required to apply the same tax rate to all property within its jurisdiction.

County Taxation of Property

The Constitution of the State of Tennessee empowers the General Assembly to authorize the several counties and incorporated towns in the State of Tennessee to impose taxes for county and municipal purposes in the manner prescribed by law. Under the *Tennessee Code Annotated*, the General Assembly has authorized the counties in Tennessee to levy an *ad valorem* tax on all taxable property within their respective jurisdictions, the amount of which is required to be fixed by the county legislative body of each county based upon tax rates to be established on the first Monday of July of each year or as soon thereafter as practicable.

All property is required to be taxed according to its value upon the principles established in regard to State taxation as described above, including equality and uniformity. All counties, which levy and collect taxes to pay off any bonded indebtedness, are empowered, through the respective county legislative bodies, to place all funds levied and collected into a special fund of the respective counties and to appropriate and use the money for the purpose of discharging any bonded indebtedness of the respective counties.

Assessment of Property

County Assessments; County Board of Equalization. The function of assessment is to assess all property (with certain exceptions) to the person or persons owning or claiming to own such property on January 1 for the year for which the assessment is made. All assessment of real and personal property are required to be made annually and as of January 1 for the year to which the assessment applies. Not later than May 20 of each year, the assessor of property in each county is required to (a) make an assessment of all property in the county and (b) note upon the assessor's records the current classification and assessed value of all taxable property within the assessor's jurisdiction.

The assessment records are open to public inspection at the assessor's office during normal business hours. The assessor is required to notify each taxpayer of any change in the classification or assessed value of the taxpayer's property and to cause a notice to be published in a newspaper of general circulation stating where and when such records may be inspected and describing certain information concerning the convening of the county board of equalization. The notice to taxpayers and such published notice are required to be provided and published at least 10 days before the local board of equalization begins its annual session.

The county board of equalization is required (among other things) to carefully examine, compare and equalize the county assessments; assure that all taxable properties are included on the assessments lists and that exempt properties are eliminated from the assessment lists; hear and act upon taxpayer complaints; and correct errors and assure conformity to State law and regulations.

State Assessments of Public Utility Property; State Board of Equalization. The State Comptroller of the Treasury is authorized and directed under Tennessee law to assess for taxation, for State, county and municipal purposes, all public utility properties of every description, tangible and intangible, within the State. Such assessment is required to be made annually as of the same day as other properties are assessed by law (as described above) and takes into account such factors as are prescribed by Tennessee law.

On or before the first Monday in August of each year, the assessments are required to be completed and the State Comptroller of the Treasury is required to send a notice of assessment to each company assessable under Tennessee law. Within ten days after the first Monday in August of each year, any owner or user of property so assessed may file an exception to such assessment together with supporting evidence to the State Comptroller of the Treasury, who may change or affirm the valuation. On or before the first Monday in September of each year, the State Comptroller of the Treasury is required to file with the State Board of Equalization assessments so made. The State Board of Equalization is required to examine such assessments and is authorized to increase or diminish the valuation placed upon any property valued by the State Comptroller of the Treasury.

The State Board of Equalization has jurisdiction over the valuation, classification and assessment of all properties in the State. The State Board of Equalization is authorized to create an assessment appeals commission to hear and act upon taxpayer complaints. The action of the State

Board of Equalization is final and conclusive as to all matters passed upon by the Board, subject to judicial review consisting of a new hearing in chancery court.

Periodic Reappraisal and Equalization

Tennessee law requires reappraisal in each county by a continuous six-year cycle comprised of an on-site review of each parcel of real property over a five-year period, or, upon approval of the State Board of Equalization, by a continuous four-year cycle comprised of an on-site review of each parcel of real property over a three-year period, followed by revaluation of all such property in the year following completion of the review period. Alternatively, if approved by the assessor and adopted by a majority vote of the county legislative body, the reappraisal program may be completed by a continuous five-year cycle comprised of an on-site review of each parcel of real property over a four-year period followed by revaluation of all such property in the year following completion of the review period.

After a reappraisal program has been completed and approved by the Director of Property Assessments, the value so determined must be used as the basis of assessments and taxation for property that has been reappraised. The State Board of Equalization is responsible to determine whether or not property within each county of the State has been valued and assessed in accordance with the Constitution and laws of the State of Tennessee.

Valuation for Property Tax Purposes

County Valuation of Property. The value of all property is based upon its sound, intrinsic and immediate value for purposes of sale between a willing seller and a willing buyer without consideration of speculative values. In determining the value of all property of every kind, the assessor is to be guided by, and follow the instructions of, the appropriate assessment manuals issued by the division of property assessments and approved by the State board of equalization. Such assessment manuals are required to take into account various factors that are generally recognized by appraisers as bearing on the sound, intrinsic and immediate economic value of property at the time of assessment.

State Valuation of Public Utility Property. The State Comptroller of the Treasury determines the value of public utility property based upon the appraisal of the property as a whole without geographical or functional division of the whole (*i.e.*, the unit rule of appraisal) and on other factors provided by Tennessee law. In applying the unit rule of appraisal, the State Comptroller of the Treasury is required to determine the State's share of the unit or system value based upon factors that relate to the portion of the system relating to the State of Tennessee.

Certified Tax Rate

Upon a general reappraisal of property as determined by the State Board of Equalization, the county assessor of property is required to (1) certify to the governing bodies of the county and each municipality within the county the total assessed value of taxable property within the jurisdiction of each governing body and (2) furnish to each governing body an estimate of the total assessed value of all new construction and improvements not included on the previous assessment

roll and the assessed value of deletions from the previous assessment roll. Exclusive of such new construction, improvements and deletions, each governing body is required to determine and certify a tax rate (herein referred to as the "*Certified Tax Rate*") which will provide the same *ad valorem* revenue for that jurisdiction as was levied during the previous year. The governing body of a county or municipality may adjust the Certified Tax Rate to reflect extraordinary assessment changes or to recapture excessive adjustments.

Tennessee law provides that no tax rate in excess of the Certified Tax Rate may be levied by the governing body of any county or of any municipality until a resolution or ordinance has been adopted by the governing body after publication of a notice of the governing body's intent to exceed the Certified Tax Rate in a newspaper of general circulation and the holding of a public hearing.

The Tennessee Local Government Public Obligations Act of 1986 provides that a tax sufficient to pay when due the principal of and interest on general obligation bonds (such as the Bonds) shall be levied annually and assessed, collected and paid, in like manner with the other taxes of the local government as described above and shall be in addition to all other taxes authorized or limited by law. Bonds issued pursuant to the Local Government Public Obligations Act of 1986 may be issued without regard to any limit on indebtedness provided by law.

Tax Freeze for the Elderly Homeowners

The Tennessee Constitution was amended by the voters in November 2006 to authorize the Tennessee General Assembly to enact legislation providing property tax relief for homeowners age 65 and older. The General Assembly subsequently adopted the Property Tax Freeze Act permitting (but not requiring) local governments to implement a program for "freezing" the property taxes of eligible taxpayers at an amount equal to the taxes for the year the taxpayer becomes eligible. For example, if a taxpayer's property tax bill is \$500 for the year in which he becomes eligible, his property taxes will remain at \$500 even if property tax rates or appraisals increase so long as he continues to meet the program's ownership and income requirements.

Tax Collection and Tax Lien

Property taxes are payable the first Monday in October of each year. The county trustee of each county acts as the collector of all county property taxes and of all municipal property taxes when the municipality does not collect its own taxes.

The taxes assessed by the State of Tennessee, a county, a municipality, a taxing district or other local governmental entity, upon any property of whatever kind, and all penalties, interest and costs accruing thereon become and remain a first lien on such property from January 1 of the year for which such taxes are assessed. In addition, property taxes are a personal debt of the property owner as of January and, when delinquent, may be collected by suit as any other personal debt. Tennessee law prescribes the procedures to be followed to foreclose tax liens and to pursue legal proceedings against property owners whose property taxes are delinquent.

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Assessed Valuations. According to the Tax Aggregate Report for Tennessee, property reflected a ratio of appraised value to true market value of 0.6638. The following table shows pertinent data for tax year 2024¹.

<u>Class</u>	<u>Assessed Valuation</u>	<u>Rate</u>	<u>Appraised Value</u>
Public Utilities	\$ 14,950,984	55%	\$ 34,251,968
Commercial and Industrial	72,211,920	40%	271,964,163
Personal Tangible Property	25,961,698	30%	123,054,064
Residential and Farm	<u>365,899,175</u>	25%	<u>2,204,875,944</u>
Total	<u>\$479,023,777</u>		<u>\$2,634,146,139</u>

Source: 2024 Tax Aggregate Report for Tennessee and the County.

¹ The tax year coincides with the calendar year, therefore tax year 2024 is actually fiscal year 2024-2025.

The estimated assessed value of property in the County for the fiscal year ending June 30, 2025 (tax year 2024) is \$479,023,777 compared to \$480,557,755 for the fiscal year ending June 30, 2024 (tax year 2023). The estimated actual value of all taxable property for tax year 2024 is \$2,634,146,139 compared to \$2,181,247,542 for tax year 2023.

Property Tax Rates and Collections. The following table shows the property tax rates and collections of the County for tax years 2020 through 2024 as well as the aggregate uncollected balances for each fiscal year ending June 30, 2024.

PROPERTY TAX RATES AND COLLECTIONS				Fiscal Yr Collections		Aggregate Uncollected Balance	
Tax Year ²	Assessed Valuation	Tax Rates	Taxes Levied	Amount	Pct	As of June 30, 2024 Amount	Pct
2020	\$447,384,550	\$1.4131	\$6,321,991	\$5,993,247	94.8	\$2,870	0.1%
2021	456,874,896	1.4131	6,456,099	6,113,925	94.7	6,515	0.1%
2022	460,574,117	1.4131	6,508,372	6,189,461	95.1	84,499	1.3%
2023	480,557,755	1.4131	6,790,761	6,484,814	95.5	305,947	4.5%
2024	479,023,777	1.4131	6,769,084	IN PROCESS			

² The tax year coincides with the calendar year, therefore tax year 2024 is actually fiscal year 2024-25.

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Ten Largest Taxpayers. For the fiscal year ending June 30, 2024 (tax year 2023), the ten largest taxpayers in the County are as follows:

<u>Taxpayer</u>	<u>Business Type</u>	<u>Assessed Values</u>	<u>Taxes Levied</u>
1. Granges	Manufacture Aluminum	\$14,497,778	\$367,403
2. CSX Transportation	Railroad	9,020,045	236,015
3. Hi Tech Properties	Manufacturing	3,230,800	81,875
4. AT&T Mobility	Wireless	2,397,101	62,663
5. Preferred Compounding	Manufacture	2,116,926	53,647
6. WMC Partnership		2,043,875	53,090
7. Carroll Bank and Trust	Banking	1,949,797	49,659
8. Walmart Real Estate	Supercenter	1,880,000	47,643
9. McKenzie Valve & Machining	Manufacture	1,866,976	48,494
10. Cachengo, Inc.		<u>1,827,905</u>	<u>47,039</u>
TOTAL		<u>\$40,831,203</u>	<u>\$1,047,528</u>

Source: The County.

PENSION PLAN

Employees of Carroll County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Carroll County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

For additional information on the funding status, trend information and actuarial status of the County's retirement programs, please refer to the General Purpose Financial Statements of the County located in herein.

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE ELECTRIC RESOLUTION

Summary of Certain Provisions of the Resolution

The following is a summary of certain provisions of the Resolution authorizing the issuance of the Series 2025 Bonds.

Definitions.

The following terms shall have the following meanings in the Resolution unless the text expressly or by necessary implication requires otherwise:

(a) "Acquired System" shall mean any electrical power generation, transmission and/or distribution system acquired by the County or the Board and/or any such facilities hereafter constructed or otherwise established by the County or the Board pursuant to the Act.

(b) "Act" shall mean Sections 7-34-101 et seq. and 9-21-101 et seq., Tennessee Code Annotated.

(c) "Balloon Indebtedness" shall mean any bonds, notes or other indebtedness, other than Short Term Indebtedness, 25% or more of the initial principal amount of which matures (or must be redeemed at the option of the holder) during any twelve month period, if such 25% or more is not to be amortized to below 25% by mandatory redemption prior to the beginning of such twelve month period.

(d) "Board" shall mean the County's Board of Public Utilities.

(e) "Bond Fund" shall mean the Principal and Interest Sinking Fund established in the Resolution.

(f) "Bonds" means the Series 2025 Bonds and any Parity Bonds.

(g) "Capital Appreciation Bonds" shall mean bonds which bear interest at a stated interest rate of 0.0% per annum, have a value on any applicable date equal to the Compound Accreted Value thereof on that date, and are payable only at maturity or earlier redemption.

(h) "Compound Accreted Value" shall mean the value at any applicable date of any Capital Appreciation Bonds computed as the original principal amount thereof for each maturity date plus an amount equal to interest on said principal amount (computed on the basis of a 360 day year of twelve 30 day months) compounded semiannually on such dates as shall be established by the resolution authorizing Capital Appreciation Bonds, from the dated date to said applicable date at an interest rate which will produce at maturity the Maturity Amount for such maturity date.

(i) "County" means Carroll County, Tennessee.

(j) "Debt Service Requirement" means the total principal, Maturity Amounts and interest coming due, whether at maturity or upon mandatory redemption (less any amount of interest that is capitalized and payable with the proceeds of debt on deposit with the County or the Board or any paying agent for the Bonds or other obligations of the County or the Board payable from all or some portion of Gross Earnings), for any period of 12 consecutive calendar months for which such a determination is made, provided:

i. The Debt Service requirement with respect to Variable Rate Indebtedness shall be determined as if the variable rate in effect at all times during future periods equaled, at the option of the Board, either (A) the average of the actual variable rate which was in effect (weighted according to the length of the period during which each such variable rate was in effect) for the most recent 12 month period immediately preceding the date of calculation for which such information is available (or shorter period if such information is not available for a 12 month period), or (B) the current average annual fixed rate of interest on securities of similar quality having a similar maturity date, as certified by a Municipal Advisor.

ii. For the purpose of calculating the Debt Service Requirement on Balloon Indebtedness and Short Term Indebtedness, at the option of the Board, (i) the actual principal and interest on such Balloon Indebtedness and Short Term Indebtedness shall be included in the Debt Service Requirement, subject to the other assumptions contained in the Resolution, or (ii) such Balloon Indebtedness and Short Term Indebtedness shall be assumed to be amortized in substantially equal annual amounts to be paid for principal and interest over an assumed amortization period of 20 years from the date of issuance at an assumed interest rate (which shall be the interest rate certified by a Municipal Advisor to be the interest rate at which the County could reasonably expect to borrow the same amount by issuing bonds with the same priority of lien as such Balloon Indebtedness and Short Term Indebtedness and with a 20 year term); provided, however, that if the maturity of such Balloon Indebtedness is in excess of 20 years from the date of issuance, then such Balloon Indebtedness shall be assumed to be amortized in substantially equal annual amounts to be paid for principal and interest over an assumed amortization period of years equal to the number of years from the date of issuance of such Balloon Indebtedness to maturity and at the interest rate applicable to such Balloon Indebtedness; provided further that this paragraph (b) shall not be applicable for purposes of determining the Debt Service Requirement for purposes of the rate covenant provisions of the Resolution unless the County or the Board has a written commitment from a bank, underwriting firm or other financial institution to refinance at least 90% of the principal amount of such Balloon Indebtedness or Short-Term Indebtedness coming due in the relevant Fiscal Year.

(k) "Defeasance Obligations" shall mean direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

(l) "Financial Guaranty Agreement" shall mean any Financial Guaranty Agreement authorized in the Resolution to be executed in connection with a Reserve Fund Credit Facility.

(m) "Fiscal Year" means the twelve-month period commencing July 1st of each year and ending June 30th of the following year.

(n) "Governing Body" means the Board of County Commissioners of the County.

(o) "Gross Earnings" means all revenues, rentals, earnings and income of the System from whatever source, determined in accordance with generally accepted accounting principles; proceeds from the sale of System property; proceeds of System-related insurance and condemnation awards and compensation for damages, to the extent not applied to the payment of the cost of repairs, replacements and improvements; and all amounts realized from the investment of funds of the System, including money in any accounts and funds created by the Resolution, and resolutions authorizing any Parity Bonds or subordinate lien bonds (excluding any investment earnings from construction or improvement funds created for the deposit of bond proceeds pending use, to the extent such income is applied to the purposes for which the bonds were issued, and funds created to defease any outstanding obligations of the System); provided, however, at the election of the Board, the term "Gross Earnings" as used in the Resolution shall not include any revenues, rentals, earnings or other income received from the operation of an Acquired System, and any bonds or other obligations issued in connection with such Acquired System shall not be payable from or secured by Net Revenues or be deemed to be Parity Bonds.

(p) "Loan Agreement" shall mean any agreement or contract entered into by the County or the Board whereby a third party agrees to advance funds to the County or the Board and the County or the Board agrees to repay those funds with interest from all or a portion of Gross Earnings.

(q) "Maturity Amount" shall mean the Compound Accreted Value on the stated maturity date of a Capital Appreciation Bond.

(r) "Maximum Annual Debt Service Requirement" means the maximum annual Debt Service Requirement for any Fiscal Year.

(s) "Municipal Advisor" means an investment banking or financial/municipal advisory firm, commercial bank, or any other person who or which is retained by the County or the Board for the purpose of passing on questions relating to the availability and terms of specified types of debt obligations or the financial condition or operation of the System and is actively engaged in and, in the good faith opinion of the Board, has a favorable reputation for skill and experience in providing municipal advisory services of the type with respect to which the Municipal Advisor has been retained.

(t) "Net Revenues" shall mean (i) Gross Earnings, excluding any profits or losses on the sale or other disposition, not in the ordinary course of business, of investments or fixed or capital assets and further excluding non-cash items, such as, non-cash contributions in aid of construction, less (ii) Operating Expenses.

(u) "Operating Expenses" means and shall include but not be limited to, expenses for ordinary repairs, removals and replacements of the System, salaries and wages, employees' health, hospitalization, pension and retirement expenses, fees for services, materials and supplies, rents, administrative and general expenses (including legal, engineering, accounting and financial advisory fees and expenses and costs of other consulting or technical services not funded with proceeds of bonds, notes or other debt obligations), insurance expenses, taxes and other governmental charges (except as set forth below), the imposition or amount of which is not subject to control of the Board, any payments made by the Board during any Fiscal Year to purchase electrical power for distribution and sale during or after the end of that Fiscal Year, and other payments made under any electrical power supply contract or commodity swap or other hedging mechanism, and any principal or interest payments made by the Board during any Fiscal Year on bonds, notes or other obligations, including loan agreements, issued or entered into for the purpose of financing the purchase of electrical power, and to the extent so provided by the resolution authorizing such bonds, notes or obligations and to the extent not inconsistent with generally accepted accounting principles. Operating Expenses do not include payments in lieu of taxes to the County or other governmental jurisdictions, depreciation or obsolescence charges or reserves therefore, amortization of intangibles or other bookkeeping entries of a similar nature, on bonds, notes or other debt obligations of the System payable from Net Revenues of the System, costs or charges made therefor, capital additions, replacements, betterments, extensions or improvements to or retirement from the System which under generally accepted accounting principles are properly chargeable to the capital account or the reserve for depreciation, and do not include losses from the sale, abandonment, reclassification, revaluation or other disposition of any properties of the System, nor such property items, including taxes and fuels, which are capitalized pursuant to the then existing accounting practices of the Board or expenses of an Acquired System if revenues of the Acquired System are not included in Gross Earnings at the election of the Board.

(v) "Parity Bonds" means bonds, notes, Loan Agreements, and other debt obligations, including Balloon Indebtedness, Short Term Indebtedness and Variable Rate Indebtedness, issued or entered into by the County or the Board on a parity with the Series 2025 Bonds in accordance with the restrictive provisions of the Resolution, including any bonds or other obligations secured by a pledge of and/or lien on an Acquired System and the revenues derived from the operation of such Acquired System (provided such pledge and lien are subject only to normal and customary expenses of operating, maintaining, repairing and insuring any such System), so long as the Acquired System is not being operated separately from the System as is permitted in the Resolution or the revenues from such Acquired System are not excluded from Gross Earnings.

(w) "Rate Covenant Requirement" means an amount of Net Revenues which is equal to the sum of: (a) 120% of the Debt Service Requirement for the forthcoming Fiscal Year plus (b) 100% of (i) the amounts, if any, required by the Resolution or any subsequent resolution to be deposited by the Issuer into the Reserve Fund during the forthcoming Fiscal Year, (ii) debt service payable on, or reserve fund funding requirements for, any subordinate lien or unsecured indebtedness, and (ii) any required payments in lieu of taxes to the County or other governmental entities.

(x) "Rating" means a rating in one of the categories by a Rating Agency, disregarding pluses, minuses, and numerical gradations.

(y) "Rating Agencies" or "Rating Agency" means Moody's, S&P and Fitch, or any successors thereto and any other nationally recognized credit rating agency.

(z) "Reserve Fund" shall mean the Debt Service Reserve Fund established in the Resolution.

(aa) "Reserve Fund Credit Facility" means a municipal bond insurance policy, surety bond, letter of credit, line of credit, guarantee or other agreement provided by a Reserve Fund Credit Facility Issuer which provides for payment of amounts equal to all or any portion of the Reserve Fund Requirement in the event of an insufficiency of moneys in the Bond Fund to pay when due principal of and interest on all or a portion of the Bonds.

(bb) "Reserve Fund Credit Facility Issuer" means the issuer of a Reserve Fund Credit Facility that is, at the time such Reserve Fund Credit Facility is procured by the County or the Board, assigned a financial strength rating of at least "AA-" by S&P, "Aa3" by Moody's or "AA-" by Fitch.

(cc) "Reserve Fund Requirement" means an amount determined from time to time by the County as a reasonable reserve, if any, for the payment of principal of and interest on a series of Bonds pursuant to the resolution authorizing such Bonds. With respect to the Series 2025 Bonds, the Reserve Fund Requirement is \$0.

(dd) "Revenue Fund" shall mean the Revenue Fund established in the Resolution.

(ee) "Series 2025 Bonds" means the County's \$_____ Electric System Revenue and Tax Bonds, Series 2025.

(ff) "Short Term Indebtedness" means bonds, notes, Loan Agreements or other debt obligations, including Variable Rate Indebtedness, maturing five years or less from their date of issuance, issued by the County or the Board as Parity Bonds in accordance with the restrictive provisions of the Resolution.

(gg) "State" means the State of Tennessee.

(hh) "System" shall mean the electrical power distribution and transmission system operated by the Board, any electrical power distribution and/or transmission system hereafter acquired, constructed or otherwise established, including all improvements and extensions made by the Board while the Bonds remain outstanding, and including all real and personal property of every nature comprising part of or used or useful in connection with the foregoing, and including all appurtenances, contracts, leases, franchises, and other intangibles; provided, however, at the election of the Board, an Acquired System may be included within the System as defined in the Resolution and become a part thereof or, at the election of the Board, not become a part of the System but be operated as a separate and independent system by the Board with the continuing right, upon the election of the Board, to incorporate such separately Acquired System within the System.

(ii) "Variable Rate Indebtedness" means any Parity Bonds, the interest rate on which is subject to periodic adjustment, at intervals, at such times and in such manner as shall be determined by resolution authorizing such Parity Bonds; provided that if the interest rate shall have been fixed for the remainder of the term thereof, it shall no longer be Variable Rate Indebtedness.

Application of Revenues

As long as any of the Bonds shall be outstanding and unpaid either as to principal or as to interest, or until the discharge and satisfaction of all the Bonds, the Gross Earnings of the System shall be deposited as collected by

the Board to the Revenue Fund established in the Resolution, administered and controlled by the Board. The funds so deposited in the Revenue Fund created under the Resolution shall be used only as follows:

Operating Expenses. The money in the Revenue Fund shall be used first from month to month for the payment of Operating Expenses.

Bond Fund. The money thereafter remaining in the Revenue Fund shall next be used to make deposits into the Bond Fund created by the Resolution to be kept separate and apart from all other funds of the Board and used to pay principal of and interest on the Bonds as the same become due, either by maturity or mandatory redemption. Such deposits shall be made monthly until the Bonds are paid in full or discharged and satisfied pursuant to the Resolution, beginning in the month next following delivery of the Series 2025 Bonds.

For the period commencing with the month next following the delivery of any Bonds, to and including the month of the next interest payment date for such Bonds, each monthly deposit as to interest shall be an amount that, together with all other monthly deposits of approximately equal amounts during such period and amounts otherwise in said Fund, will be equal to interest due on such Bonds on the next interest payment date, and for each six month period thereafter, each monthly deposit as to interest for such Bonds shall be an equal to not less than one-sixth ($1/6^{\text{th}}$) of the interest coming due on such Bonds on the next interest payment date net of any interest earnings on such amounts.

For the period commencing with the month next following the delivery of any Bonds to and including the month of the next principal payment for such Bonds, each monthly deposit as to principal shall be an amount that, together with all other monthly deposits during such period and amounts otherwise in said Fund, will be equal to the principal due on such Bonds on the next principal payment date (provided that, in the event that the next principal payment date is more than 12 months following the month next following delivery of such Bonds, monthly deposits to the Bond Fund in respect of principal shall begin in the month which is 12 months prior to the month of the next principal payment date), and for each twelve-month period thereafter, each monthly deposit as to principal for such Bonds shall be an amount equal to not less than one-twelfth ($1/12^{\text{th}}$) of the principal amount or Maturity Amount, as the case may be, coming due on such Bonds, whether by maturity or mandatory redemption, on the next principal payment date net of any interest earnings on such amounts.

No further deposit shall be required as to any Bonds when the Bond Fund balance is equal to or greater than the amount needed to pay interest on the next interest payment date, the total of the principal amounts payable, either by maturity or mandatory redemption, during the applicable twelve-month period. Notwithstanding the foregoing, deposits for payment of interest and principal on Variable Rate Indebtedness shall be made as set forth in the resolution authorizing such Variable Rate Indebtedness, and if interest is not paid semi-annually and/or principal is not paid annually with respect to any Bonds, the deposits may be adjusted by the County or the Board as provided in the resolution authorizing the issuance of such Bonds. Money in the Bond Fund shall be used for the purpose of paying principal of and interest on the Bonds.

Repayment of Reserve Fund Credit Facility Issuers. The next available money in the Revenue Fund shall be paid to any Reserve Fund Credit Facility Issuer or Issuers (pro rata, if more than one) to the extent needed to reimburse the Reserve Fund Credit Facility Issuer for amounts advanced by the Reserve Fund Credit Facility Issuer or Issuers under the Reserve Fund Credit Facility, including any amounts payable under any Financial Guaranty Agreement, together with reasonable related expenses incurred by the Reserve Fund Credit Facility Issuer and interest as provided in the Financial Guaranty Agreement.

Reserve Fund. To the extent any series of the Bonds has a Reserve Fund Requirement and such Reserve Fund Requirement is not fully satisfied by a Reserve Fund Credit Facility or Facilities or funds of the County, or a combination thereof, the next available money in the Revenue Fund shall be used to make deposits into the applicable subaccount of the Reserve Fund. No deposit shall be required to be made to the Reserve Fund unless the amount in the Reserve Fund, together with the Reserve Fund Credit Facility or Facilities, if any, becomes less than

the applicable Reserve Fund Requirement. In the event deposits to the Reserve Fund shall be required pursuant to the preceding sentence, said deposits shall be payable monthly as provided in the Resolution and each deposit shall be in a minimum amount equal to 1/24th of the difference between the Reserve Fund Requirement and the amount in each subaccount of said Fund, together with the Reserve Fund Credit Facility or Facilities, if any, immediately following the occurrence of such deficiency, so that any deficiency in any subaccount of said Fund shall be replenished over a period of not greater than twenty four (24) consecutive months; provided, any monthly payments in excess of said minimum payments shall be a credit against the next ensuing payment or payments. Any deposits required to be made under the Resolution shall be made monthly at the same time as deposits are made to the Bond Fund, commencing the first month in which the amount in the Fund, together with the Reserve Fund Credit Facility or Facilities, if any, is less than the Reserve Fund Requirement. All deposits to the Reserve Fund shall be made from the first money in the Revenue Fund thereafter received which shall not then be required to pay Current Expenses, be transferred into the Bond Fund, or to be paid to the Reserve Fund Credit Facility Issuer or Issuers as above provided. Money in the Reserve Fund shall be used solely for the purpose of paying principal of or interest on the Bonds for the payment of which funds are not available in the Bond Fund. Funds in excess of the Reserve Fund Requirement may be released to be used by the County for legally permissible purposes.

At the option of the County, the County may satisfy the Reserve Fund Requirement applicable to a series of Bonds, or a portion thereof, by providing for the benefit of owners of such series of Bonds a Reserve Fund Credit Facility or Facilities, at any time, in an amount not greater than the Reserve Fund Requirement applicable to such series of Bonds and release an equal amount of funds on deposit in the corresponding subaccount of the Reserve Fund to be used by the County for legally permissible purposes. At any time during the term hereof, the County shall have the right and option to substitute a new Reserve Fund Credit Facility or Facilities for any Reserve Fund Credit Facility or Facilities previously delivered, upon notice to the Registration Agent and the Reserve Fund Credit Facility Issuer or Issuers and delivery of a Reserve Fund Credit Facility or Facilities in substitution therefor. In the event of the issuance of Parity Bonds pursuant to the restrictive provisions of the Resolution with a Reserve Fund Requirement or the substitution of a Reserve Fund Credit Facility or Facilities for less than the full amount of the Reserve Fund Requirement, the County shall satisfy the applicable Reserve Fund Requirement by depositing funds to the Reserve Fund or obtaining a Reserve Fund Credit Facility or Facilities, or any combination thereof, in an aggregate amount equal to the applicable Reserve Fund Requirement for the series of Bonds taking into account any funds then held therein or the amount of any Reserve Fund Credit Facility or Facilities then in effect.

In the event of the necessity of a withdrawal of funds from the Reserve Fund during a time when the Reserve Fund Requirement is being satisfied by a Reserve Fund Credit Facility or Facilities and funds of the County, the funds shall be disbursed completely before any demand is made on the Reserve Fund Credit Facility. In the event all or a portion of the Reserve Fund Requirement is satisfied by more than one Reserve Fund Credit Facility, any demand for payment shall be pro rata between or among the Reserve Fund Credit Facilities. If a disbursement is made by demand on a Reserve Fund Credit Facility, the County, from Revenues after payment of Current Expenses and required deposits to the Bond Fund, shall reimburse the Reserve Fund Credit Facility Issuer for all amounts advanced under the Reserve Fund Credit Facility (pro rata, if more than one Reserve Fund Credit Facility), including all amounts payable under any Financial Guaranty Agreement or Agreements, and then replenish the Reserve Fund as provided in the Resolution.

In the event the Reserve Fund Requirement, or any part thereof, shall be satisfied with a Reserve Fund Credit Facility or Facilities, notwithstanding the terms of the Resolution, the terms, covenants, liability and liens provided or created in the Resolution or in any resolution supplemental to the Resolution shall remain in full force and effect and said terms, covenants, liability and liens shall not terminate until all amounts payable under any Financial Guaranty Agreement have been paid in full and all obligations thereunder performed in full. If the County shall fail to pay when due all amounts payable under any Financial Guaranty Agreement, the Reserve Fund Credit Facility Issuer shall be entitled to exercise any and all remedies available at law or under the Resolution other than remedies that would adversely affect owners of Bonds.

It shall be the responsibility of the Registration Agent to maintain adequate records, verified with the Reserve Fund Credit Facility Issuer or Issuers, as to the amount available to be drawn at any given time under the Reserve Fund Credit Facility or Facilities and as to the amounts paid and owing to the Reserve Fund Credit Facility Issuer or Issuers under the terms of any Financial Guaranty Agreement and to provide notice to the Reserve Fund Credit Facility Issuer at least two days before any payment is due. The Reserve Fund Credit Facility Issuer shall receive notice of the resignation or removal of the Registration Agent and the appointment of a successor thereto.

Notwithstanding anything in the Resolution to the contrary, the County may issue Parity Bonds without a Reserve Fund Requirement, as shall be specified in the bond resolution authorizing such Parity Bonds.

Surplus Funds. The next available money in the Revenue Fund shall be used (i) to make payments in lieu of taxes to the County and other governmental jurisdictions, (ii) for the purpose of the payment of principal of and interest on (including reasonable reserves therefor) any bonds or other obligations payable from revenues of the System, either on an unsecured basis or on a secured basis junior and subordinate to the Bonds, and (iii) for any legally permissible purpose, as the Board shall determine.

Investments and Maintenance of Funds. Money on deposit in the Funds described in this section may be invested by the Board in such investments as shall be permitted by applicable law, as determined by an authorized representative of the Board, all such investments to mature not later than the date on which the money so invested shall be required for the purpose for which the respective Fund was created. All income derived from such investments shall be regarded as revenues of the System and shall be deposited in the Revenue Fund. Such investments shall at any time necessary be liquidated and the proceeds thereof applied to the purpose for which the respective Fund was created; provided, however, that in no event shall moneys in the Reserve Fund be invested in instruments that mature or are subject to repurchase more than two years from the date the money is so invested. The Board is authorized to enter into contracts with third parties for the investment of funds in any of the Funds described in the Resolution.

The Revenue Fund, the Bond Fund, and the Reserve Fund (except to the extent funded with a Reserve Fund Credit Facility or Facilities) shall be held and maintained by the Board and, when not invested, kept on deposit with a bank or financial institution regulated by and the deposits of which are insured by the Federal Deposit Insurance Corporation or similar federal agency. All moneys in such Funds so deposited shall at all times be secured to the extent and in the manner required by applicable State law.

Covenants

Charges for Services Supplied by the System. While the Bonds remain outstanding and unpaid, the Board covenants and agrees that it will permit no free service to be furnished to any consumer or user whatsoever; that the charges for all services supplied through the medium of the System to all consumers and users shall be reasonable and just, taking into account and consideration the cost and value of the System and the cost of maintaining, operating, repairing and insuring the System, a proper and necessary allowance for the depreciation thereof, and the amounts necessary for the payment of principal of and interest on all obligations payable from revenues of the System; and that there shall be charged against all users of the services of the System such rates and amounts as shall be fully adequate to comply with the covenants of the Resolution. The Board covenants that the System will be operated on a fully metered basis and that Board will bill customers of the System on a monthly basis and will establish and maintain policies and procedures for discontinuing service to customers with delinquent bills.

Insurance. The County or the Board (as applicable) shall maintain insurance on the properties of the System of a kind and in an amount which would normally be carried by private companies engaged in a similar type and size of business, provided, the County and the Board shall not be required to insure beyond the limits of immunity provided by Sections 29-20-101 et seq., Tennessee Code Annotated, or other applicable law. The proceeds of any

such insurance, except public liability insurance, shall be used to replace the part or parts of the System damaged or destroyed, or, if not so used, shall be placed in the Revenue Fund.

Books and Accounts; Audits. The Board will cause to be kept proper books and accounts adapted to the System, will cause the books and accounts to be audited in accordance with GAAP at the end of each Fiscal Year by a recognized independent certified public accountant or a firm of such accountant or accountants and, upon written request, will make available to any registered owner of the Bonds the balance sheet and the profit and loss statement of the Board as certified by such accountant or accountants.

All expenses incurred in the making of the audits required by this section shall be regarded and paid as Operating Expenses. The Board further agrees to cause copies of such audits to be furnished to the registered owner of any of the Bonds, at the written request thereof, within one year after the close of each Fiscal Year. The registered owner of any of the Bonds shall have at all reasonable times the right to inspect the System and the records, accounts and data of the Board relating thereto. If the Board fails to provide the audits and reports required by this section, the registered owner or owners of twenty-five percent (25%) in principal amount of the Bonds may cause such audits and reports to be prepared at the expense of the Board.

Rate Covenant. The County and the Board shall establish, fix, prescribe and collect rates, charges and fees for the sale or use of System services furnished by the Issuer which, together with other income, are reasonably expected to yield Net Revenues which are at least equal to the Rate Covenant Requirement for the forthcoming Fiscal Year. The Issuer agrees that should the annual financial statement made in accordance with the provisions of the Resolution disclose that during the period covered by such financial statement the Net Revenues were not at least equal to the Rate Covenant Requirement, the Issuer shall revise the schedule of rates, charges and fees insofar as is practicable and further revise Operating Expenses so as to produce the necessary Net Revenues for future periods as in the Resolution required. The Issuer shall revise the schedules of rates, charges and fees as provided in the preceding sentence within 120 days after the filing of the financial statements pursuant to the Resolution.

Sale or Disposal of System. The County and the Board will not sell, lease, mortgage, or in any manner dispose of the System, or any part thereof, including any and all extensions and additions that may be made thereto, or any facility necessary for the operation thereof; provided, however, the use of any of the System facilities may at any time be permanently abandoned or otherwise disposed of or any of the System facilities sold at fair market value, provided that:

- The County and the Board are in full compliance with all covenants and undertakings in connection with all bonds, notes and other obligations then outstanding and payable from the revenues of the System and any required reserve funds for such bonds, notes and other obligations have been fully established and contributions thereto are current;
- Any sale proceeds will be applied either (A) to redemption of Bonds in accordance with the provisions governing repayment of Bonds in advance of maturity, or (B) to the purchase of Bonds at the market price thereof so long as such price does not exceed the amount at which the Bonds could be redeemed on such date or the next optional redemption date as set forth in the Resolution or in the resolutions authorizing the Parity Bonds, or (C) to the construction or acquisition of facilities in replacement of the facilities so disposed of or other facilities constituting capital improvements to the System, or (D) the deposit to a replacement fund to be used to make capital improvements to the System;
- The abandonment, sale or disposition is for the purpose of disposing of facilities which are no longer necessary or no longer useful to the operation of the System or (ii) the operation of the System or revenue producing capacity of the System is not materially impaired by such abandonment, sale or disposition or any facilities acquired in replacement thereof are of equivalent or greater value; and
- If the facilities are being sold or disposed to an entity that is not a state or local government and the facilities

were financed with the proceeds of Bonds the interest on which is excludable from gross income for federal income tax purposes, the County or the Board shall have received an opinion of nationally recognized bond counsel to the effect that such sale, lease, mortgage or other disposition will not jeopardize the exclusion from federal income taxation of interest on any Bonds then outstanding intended to be excludable from gross income for federal income tax purposes.

Nothing in the Resolution is intended to prohibit the lease purchase of equipment or facilities of the System hereafter to be put in service or to prohibit the transfer or exchange of service areas to provide for more efficient operation of the System so long as the Board is in full compliance with the covenants set forth in the Resolution immediately following such transfer or exchange.

Notwithstanding anything elsewhere provided in the Resolution, and without being subject to any of the foregoing restrictions, with the approval of the Board, the County shall have the right to sell, lease, transfer, or otherwise dispose of the System, as a whole or substantially as a whole, to any municipal corporation, county, political subdivision, governmental corporation, or governmental agency (each of which shall be included within the term "Transferee" as in the Resolution used), provided the Transferee thus acquiring the System from the County will assume the performance of and be bound by all of the obligations of the County and the Board to the holders of the Bonds under the covenants and provisions of the Resolution.

Budgets. Prior to the beginning of each Fiscal Year, the Board shall prepare, or cause to be prepared, and adopt an annual budget of estimated revenues, Operating Expenses, and capital expenditures for the System for the ensuing Fiscal Year in compliance with the rate covenant requirement set forth in the Resolution, and will undertake to operate the System within such budget to the best of its ability. Copies of such budgets and amendments thereto will be made available to any registered owner of a Bond upon written request.

Franchises. Neither the County nor the Board will construct, finance or grant a franchise for the development or operation of facilities that compete for service with the services to be provided by the System or consent to the provision of any such services in the area currently or hereafter served by the County or the Board by any other public or private entity and will take all steps necessary and proper, including appropriate legal action to prevent any such entity from providing such service; provided, nothing in the Resolution contained shall prohibit the transfer or exchange of service areas to provide for more efficient operation of the System so long as the Board is in full compliance with the covenants set forth in the Resolution immediately following such transfer or exchange.

Control of the System. That for the purpose of assuring the efficient, impartial and nonpolitical operation of said system for the benefit of the County and the Bondholders of the Bonds from time to time outstanding, the complete and independent control and operation of the system shall be vested in the Board, subject, however, to the obligation and duty on the part of said Board to carry out and perform faithfully all of the covenants and agreements contained in this resolution. Notwithstanding anything herein to the contrary, all obligations of the County hereunder with respect to the Bonds and the System shall be exercised and fulfilled by the Board, on behalf of the County.

Remedies of Bond Owners

Any registered owner of any of the Bonds may either at law or in equity, by suit, action, mandamus or other proceedings, in any court of competent jurisdiction enforce and compel performance of all duties imposed upon the Board or the County by the provisions of the Resolution, including the making and collecting of sufficient rates, the proper application of and accounting for revenues of the System, and the performance of all duties imposed by the terms of the Resolution.

If any default be made in the payment of principal of, premium, if any, or interest on the Bonds, then upon the filing of suit by any registered owner of said Bonds, any court having jurisdiction of the action may appoint a receiver to administer the System in behalf of the Board or the County with power to charge and collect rates

sufficient to provide for the payment of all bonds and obligations outstanding against the System and for the payment of Operating Expenses, and to apply the income and revenues thereof in conformity with the provisions of the Resolution.

Prohibition of Prior Lien; Parity Bonds

Prohibition of Prior Liens. Neither the County nor the Board will issue other bonds or obligations of any kind or nature payable from or enjoying a lien on the revenues of the System having priority over the Bonds.

Parity Bonds. Additional bonds, notes, Loan Agreements or obligations may hereafter be issued on a parity with the Bonds under the following conditions but not otherwise:

- Any portion (including any maturities or portions thereof whether or not in chronological order and any amounts subject to mandatory redemption) or all of a series of the Bonds may be refunded at maturity, upon redemption in accordance with their terms, or upon payment, prepayment or redemption with the consent of the owners of such bonds, and the refunding bonds so issued shall constitute Parity Bonds secured on a parity with the Bonds thereafter outstanding, if all of the following conditions are satisfied:
 - the Board shall have obtained a report from a Municipal Advisor demonstrating that the refunding is expected to reduce the total debt service payments on the Bonds, including payments on related Credit Facilities;
 - the Board shall have received, at or before issuance of the Parity Bonds, a report from a Municipal Advisor or a certificate of the Chairman of the Board, or his designee, to the effect that (x) the payments required to be made into the Bond Fund have been made and the balance in the Bond Fund is not less than the balance required by the Resolution as of the date of issuance of the proposed Parity Bonds; and (y) the Reserve Fund is funded to the Reserve Fund Requirement and will be funded to the Reserve Fund Requirement immediately following the issuance of the proposed Parity Bonds; and
 - The Chairman of the Board shall have certified, by written certificate dated as of the date of issuance of the Parity Bonds, that the Board is in compliance with all requirements of the Resolution.
- Parity Bonds (including refunding Parity Bonds which do not meet the requirements of (a)) may also be issued on a parity with outstanding Bonds, and the Parity Bonds so issued shall be secured on a parity with such outstanding Bonds, if all of the following conditions are satisfied:
 - There shall have been procured and filed with the Board a report by a Municipal Advisor or a certificate by the General Manager of the Board, or his designee, to the effect that the historical Net Revenues for either (i) a period of 12 consecutive months of the most recent 18 consecutive months prior to the issuance of the proposed Parity Bonds or (ii) the most recent audited Fiscal Year, were equal to at least 120% of the Maximum Annual Debt Service Requirement on all Bonds which will be outstanding immediately after the issuance of the proposed Parity Bonds, in the then current and each succeeding Fiscal Year, provided, however, (w) the report or certificate may contain pro forma adjustments to historical related Net Revenues equal to the increased annual amount of Net Revenues attributable to improvements to the System that had been placed in service prior to the delivery of the proposed Parity Bonds and that are not fully reflected in the historical related Net Revenues actually received during such historical period used, (x) the report or certificate may contain pro forma adjustments to historical related Net Revenues equal to 100% of the increased annual amount attributable to any revision in the schedule of rates, fees, and charges for the services and facilities furnished by the System, imposed prior to the date of delivery

of the proposed Parity Bonds and not fully reflected in the historical related Net Revenues actually received during such historical period used; (y) if the County or the Board has a contract to purchase or otherwise acquire an Acquired System that will become part of the System, the historical Net Revenues may be adjusted to include the anticipated Net Revenues from the Acquired System; and (z) if the County or the Board has entered into a contract to furnish services of the System that is not fully reflected in the historical Net Revenues of the System, such historical Net Revenues may be adjusted to include the anticipated Net Revenues from such contract.

- The Board shall have received, at or before issuance of the Parity Bonds, a report from a Municipal Advisor or a certificate of the Chairman of the Board, or his designee, to the effect that (x) the payments required to be made into the Bond Fund have been made and the balance in the Bond Fund is not less than the balance required by the Resolution as of the date of issuance of the proposed Parity Bonds; and (y) the Reserve Fund is funded to the Reserve Fund Requirement and will be funded to the Reserve Fund Requirement immediately following the issuance of the proposed Parity Bonds.
- The resolution authorizing the proposed Parity Bonds must require the proceeds of such proposed Parity Bonds to be used to make capital improvements to or capital acquisitions for the System, to pre-purchase supplies of electrical power, to fund interest on the proposed Parity Bonds, to refund other obligations issued for such purposes (whether or not such refunding Parity Bonds satisfy the requirements of (a)), for any other legal purpose under applicable law as evidenced by an opinion of Bond Counsel, and/or to pay expenses incidental thereto and to the issuance of the proposed Parity Bonds.
- The Chairman of the Board shall have certified, by written certificate dated as of the date of issuance of the Parity Bonds, that the Board is in compliance with all requirements of the Resolution.
- Upon the determination of the Board to combine an Acquired System into the System, all outstanding Bonds and any bonds, notes and other obligations of the Acquired System outstanding upon such combination may, at the election of the Board, be payable from Net Revenues of the combined System on a parity and equality of lien with each other, provided that there shall be filed with the Board:
 - a report by a Municipal Advisor or a certificate by the General Manager of the Board, or his designee the Net Revenues of such combined System for a period of 12 consecutive months of the most recent 18 consecutive months prior to such combination were equal to at least 120% of the Maximum Annual Debt Service Requirement on all Bonds and any bonds, notes and other obligations of the Acquired System which will be outstanding immediately after the combination, provided, however, (w) the report or certificate may contain pro forma adjustments to historical related Net Revenues equal to the increased annual amount of Net Revenues attributable to improvements to the System that had been placed in service prior to the combination and that are not fully reflected in the historical related Net Revenues actually received during such historical period used, (x) the report or certificate may contain pro forma adjustments to historical related Net Revenues equal to 100% of the increased annual amount attributable to any revision in the schedule of rates, fees, and charges for the services and facilities furnished by the System, imposed prior to the date of the combination and not fully reflected in the historical related Net Revenues actually received during such historical period used; and (y) if the County or the Board has entered into a contract to furnish services of the System that is not fully reflected in the historical Net Revenues of the System, such historical Net Revenues may be adjusted to include the anticipated Net Revenues from such contract.
 - A certificate of the Chairman of the Board, as of the date of the combination, that the Board is in

compliance with all requirements of the Resolution.

Applicability of Resolution to Parity Bonds. All the provisions and covenants of the Resolution relating to negotiability and registration of Bonds, creation and investment of funds and the application of revenues, the operation of the System and charges for services of the System, the remedies of owners of the Bonds, the issuance of additional bonds, modification of the Resolution, the defeasance of Bonds, and such other provisions of the Resolution as are appropriate may be incorporated by reference into supplemental resolutions authorizing additional bonds, and said provisions, when so incorporated, shall be equally applicable to the additional bonds issued pursuant to the terms of the Resolution in all respects and with like force and effect as though said provisions were recited in full in said supplemental resolutions and shall continue to be applicable so long as any such bonds remain outstanding.

Parity Bonds Not Required to be Secured by the County's Ad Valorem Taxing Power. Nothing herein shall prohibit the County or the Board from issuing Parity Bonds payable solely from and secured solely by a pledge of Net Revenues.

Discharge and Satisfaction of Bonds

If the County or the Board shall pay and discharge the indebtedness evidenced by all or any portion of the Bonds in any one or more of the following ways:

By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Bonds as and when the same become due and payable;

By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers ("an Agent"; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay premium, if any, and interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice);

By delivering such Bonds to the Registration Agent, for cancellation by it;

and if the County or the Board shall also pay or cause to be paid all other sums payable under the Resolution by the County or the Board with respect to such Bonds, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Escrow Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest and redemption premiums, if any, on such Bonds when due, then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the County and the Board to the holders of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the County or the Board shall pay and discharge the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Defeasance Obligations deposited as aforesaid.

Except as otherwise provided in this section, neither Defeasance Obligations nor moneys deposited with the Registration Agent pursuant to this section nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required

at any time for such purpose, shall be paid over to the County as received by the Registration Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Board, as received by the Registration Agent.

Modification of Resolution

Amendment Without Bondholder Consent. The Resolution may be amended without the consent of or notice to the registered owners of the Bonds for the purpose of curing any ambiguity or formal defect or omission in the Resolution; provided such amendment shall not adversely affect the registered owners, without taking into account any bond insurance policy.

Other Amendments. In addition to the amendments to the Resolution without the consent of registered owners in the Resolution, the registered owners of a majority in aggregate principal amount of the Bonds at any time outstanding (not including in any case any Bonds which may then be held or owned by or for the account of the County but including such refunding bonds as may have been issued for the purpose of refunding any of such Bonds if such refunding bonds shall not then be owned by the County) shall have the right from time to time to consent to and approve the adoption by the Governing Body of a resolution or resolutions modifying any of the terms or provisions contained in the Resolution; provided, however, that the Resolution may not be so modified or amended in such manner, without the consent of 100% of the registered owners of the Bonds, as to:

- Make any change in the maturities or redemption dates of the Bonds;
- Make any change in the rates of interest borne by the Bonds;
- Reduce the amount of the principal payments or redemption premiums payable on the Bonds;
- Modify the terms of payment of principal of or interest on the Bonds or impose any conditions with respect to such payments;
- Affect the rights of the registered owners of less than all of the Bonds then outstanding; or
- Reduce the percentage of the principal amount of the Bonds the consent of the registered owners of which is required to effect a further modification.

Procedure for Modification. Whenever the County shall propose to amend or modify the Resolution under the provisions of this section, it shall cause notice of the proposed amendment to be mailed by first-class mail, postage prepaid, to the owner of each Bond then outstanding. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory resolution is on file in the office of the County for public inspection.

Whenever at any time within one year from the date of mailing of said notice there shall be filed with the Secretary an instrument or instruments executed by the registered owners of at least a majority in aggregate principal amount of the Bonds then outstanding as in this section defined, which instrument or instruments shall refer to the proposed amendatory resolution described in said notice and shall specifically consent to and approve the adoption thereof, thereupon, but not otherwise, the County may adopt such amendatory resolution and such resolution shall become effective and binding upon the owners of all Bonds.

If the registered owners of at least a majority in aggregate principal amount of the Bonds outstanding as in this section defined, at the time of the adoption of such amendatory resolution, or the predecessors in title of such owners, shall have consented to and approved the adoption thereof as in the Resolution provided, no registered

owner of any Bonds, whether or not such owner shall have consented to or shall have revoked any consent as in this section provided, shall have any right or interest to object to the adoption of such amendatory resolution or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin or restrain the County from taking any action pursuant to the provisions thereof.

Any consent given by the registered owner of a Bond pursuant to the provisions of this section shall be irrevocable for a period of six months from the date of the publication of the notice above provided for and shall be conclusive and binding upon all future registered owners of the same Bond during such period. Such consent may be revoked at any time after six months from the date of publication of such notice by the registered owner who gave such consent or by a successor in title by filing notice of such revocation at the County office, but such revocation shall not be effective if the registered owners of a majority in aggregate principal amount of the Bonds outstanding as in this section defined shall have, prior to the attempted revocation, consented to and approved the amendatory resolution referred to in such revocation.

Resolution a Contract

The provisions of the Resolution shall constitute a contract between the County, the Board and the registered owners of the Bonds, and after the issuance of the Series 2025 Bonds, no change, variation or alteration of any kind in the provisions of this resolution shall be made in any manner, except as provided in the Resolution, until such time as the Bonds shall have been paid in full or discharged pursuant to the Resolution.

APPENDIX E

**FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
OF
CARROLL COUNTY BOARD OF PUBLIC UTILITIES
OF
CARROLL COUNTY, TENNESSEE
FOR THE FISCAL YEAR ENDED
JUNE 30, 2025**

CARROLL COUNTY BOARD OF PUBLIC UTILITIES
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEARS ENDED
JUNE 30, 2025 AND 2024

CARROLL COUNTY BOARD OF PUBLIC UTILITIES

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INTRODUCTORY SECTION
CARROLL COUNTY BOARD OF PUBLIC UTILITIES
DIRECTORY
June 30, 2025

BOARD MEMBERS

Lori Nolen, Chairman
John Austin, Jr, Treasurer
Chris Gurley, Secretary
Paul Moore
Victoria Williams

MANAGEMENT TEAM

Ryan Drewry, General Manager
Kelly Fields, Office Manager
Danny Toombs, Operations Manager
Kelly Weatherford, Chief Accountant

COUNSEL

Laura Keeton
Huntingdon, Tennessee

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

ATA, PC
Jackson, Tennessee

FINANCIAL SECTION



Independent Auditor's Report

Board of Directors
Carroll County Board of Public Utilities
Huntingdon, Tennessee

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of Carroll County Board of Public Utilities (the System), an enterprise fund of Carroll County, Tennessee, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the System as of June 30, 2025 and 2024, and the respective changes in financial position and, where applicable, cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Carroll County Board of Public Utilities, an enterprise fund, and do not purport to, and do not, present fairly the financial position of Carroll County, Tennessee, as of June 30, 2025 and 2024, the changes in its financial position or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management 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, and for 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 System's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Changes in the Net OPEB Liability and Related Ratios and Notes to the Schedule of Changes in the Net OPEB Liability and Related Ratios as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 audits 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the System's basic financial statements. The accompanying Schedules of

Operating Revenues, and Expenses, Schedule of Lease Obligations, Schedule of Changes in Lease Obligations by Individual Issue and Electric Rates in Force are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedules of Operating Revenues and Expenses, Schedule of Lease Obligations, Schedule of Changes in Lease Obligations by Individual Issue and Electric Rates in Force are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and Other Supplementary Information- Unaudited as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 5, 2025, on our consideration of the System'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 the System'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 the System's internal control over financial reporting and compliance.

ATA, PC

Jackson, Tennessee
September 5, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Carroll County Board of Public Utilities (the System), we offer readers of the System's financial statements this narrative overview and analysis of the financial activities of the System for the fiscal years ended June 30, 2025 and 2024. All amounts, unless otherwise indicated, are expressed in actual dollars.

FINANCIAL HIGHLIGHTS

Management believes the System's financial condition is strong. The System is well within its stringent financial policies and guidelines set by the Board and management. The following are key financial highlights.

- Total assets and deferred outflows at June 30, 2025 were \$42.95 million and exceeded total liabilities and deferred inflows in the amount of \$34.10 million (i.e. net position). Total assets increased by \$1.62 million due primarily to increase in capital assets.
- Net position increased \$1.65 million and unrestricted net position increased \$904 thousand. The increase was the result of cash retained from interest income.
- During fiscal year 2025, the System delivered 485.11 million kWh compared to 473.48 million kWh during the fiscal year 2024.
- Operating revenues were \$47.86 million, an increase from year 2024 in the amount of \$3.89 million or 8.84%.
- Operating expenses were \$46.14 million, an increase from year 2024 in the amount of \$3.14 million or 7.30%.
- The operating income for the year was \$1.72 million as compared to \$975 thousand operating income during the 2024 fiscal year.
- Ratios of operating income to total operating revenue were 3.60, 2.22, and 2.67, for 2025, 2024, and 2023, respectively.

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

Management's Discussion and Analysis (MD&A) serves as an introduction to, and should be read in conjunction with, the financial statements and supplementary and other information. The MD&A represents management's examination and analysis of the System's financial condition and performance. Summary financial statement data, key financial and operational indicators used in the System's strategic plan, budget, bond resolutions, and other management tools were used for this analysis. The Financial Statements and Supplementary Information is made up of four sections: 1) the introductory section, 2) the financial section, 3) the supplementary and other information section, and 4) the internal control and compliance section. The introductory section includes the System's directory. The financial section includes the MD&A, the independent auditor's report, the financial statements with accompanying notes, and the required supplementary information. The supplementary and other information section includes selected financial and operational information. The internal control and compliance section includes the report on internal control and compliance. These sections make up the financial report presented here.

REQUIRED FINANCIAL STATEMENTS

A Proprietary Fund is used to account for the operations of the System, which is financed and operated in a manner similar to private business enterprises where the intent is that the costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

MANAGEMENT'S DISCUSSION AND ANALYSIS

A Fiduciary Fund is used to account for resources held for the benefit of parties outside of the System. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the System's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The System maintains one fiduciary fund used to report resources held related to the System's defined contribution profit sharing plan.

The financial statements report information about the System, using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities.

The *Statement of Net Position* presents the financial position of the System on a full accrual historical cost basis. The statement includes all of the System's assets, liabilities and deferred inflows/outflows of resources with the difference reported as net position. It also provides the basis for computing rate of return, evaluating the capital structure of the System, and assessing the liquidity and financial flexibility of the System.

The *Statement of Revenues, Expenses and Changes in Net Position* presents the results of the business activities over the course of the fiscal year and information as to how the net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. This statement measures the success of the System's operations and can be used to determine whether the System has successfully recovered all of its costs. This statement also measures the System's profitability and credit worthiness.

The *Statement of Cash Flows* presents changes in cash and cash equivalents, resulting from operational, financing, and investing activities. This statement presents cash receipt and cash disbursement information, without consideration of the earnings event, when an obligation arises.

The *Statement of Fiduciary Net Position* includes all accounting assets and liabilities of the plan and provides a picture of the fiduciary net position of the plan as of the end of the current fiscal year compared to the previous fiscal year. Assets less liabilities results in net position restricted for pensions held in trust at year-end.

The *Statement of Changes in Fiduciary Net Position* reports all additions and deductions of the plan for the current fiscal year compared to the previous fiscal year. Additions consist of employer contributions and investment earnings. Deductions include benefits paid to plan participants and administrative expenses. Total additions minus total deductions provide the net increase in net position for the current fiscal year compared to the previous fiscal year. The increase in net position plus the beginning net position restricted for pensions results in the ending net position restricted for pensions for the current year compared to the previous year.

The *Notes to the Financial Statements* provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the System's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS

One of the most important questions asked about the System's finances is "Is the System, as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the System's activities in a way that will help answer this question. These two statements report the net position of the System, and the changes in the net position. Net position is one way to measure the financial health or financial position of the System. Over time, increases or decreases in the System's net position is an indicator of whether its financial health is improving or deteriorating. However, you will need to also consider other non-financial factors such as changes in economic conditions, customer growth, and legislative mandates.

REQUIRED FINANCIAL ANALYSIS

The System's total net position increased by \$1.65 million and \$602 thousand for the fiscal years ended June 30, 2025 and 2024, respectively. The analysis below focuses on the System's net position (Table 1) and changes in net position (Table 2) during the years.

The increase in capital assets in 2025 and 2024 was due primarily to new construction to serve new customer growth.

Table 1A
CONDENSED STATEMENT OF NET POSITION

	June 30, 2025	June 30, 2024	Increase (Decrease)	
			\$	%
Current and other assets	\$ 17,204,321	\$ 16,531,043	\$ 673,278	4.07%
Capital assets	25,716,337	24,773,570	942,767	3.81%
Total assets	<u>42,920,658</u>	<u>41,304,613</u>	<u>1,616,045</u>	3.91%
Deferred outflows	<u>32,547</u>	<u>40,200</u>	<u>(7,653)</u>	-19.04%
Long-term liabilities	1,174,972	1,109,049	65,923	5.94%
Other liabilities	7,629,520	7,755,635	(126,115)	-1.63%
Total liabilities	<u>8,804,492</u>	<u>8,864,684</u>	<u>(60,192)</u>	-0.68%
Deferred Inflows	<u>45,207</u>	<u>22,117</u>	<u>23,090</u>	104.40%
Net investment in capital assets	25,515,296	24,773,570	741,726	2.99%
Unrestricted	8,588,210	7,684,442	903,768	11.76%
Total net position	<u>\$ 34,103,506</u>	<u>\$ 32,458,012</u>	<u>\$ 1,645,494</u>	5.07%

MANAGEMENT'S DISCUSSION AND ANALYSIS

Table 1B
CONDENSED STATEMENT OF NET POSITION

	June 30, 2024	June 30, 2023	Increase (Decrease)	
			\$	%
Current and other assets	\$ 16,531,043	\$ 14,655,281	1,875,762	12.80%
Capital assets	24,773,570	24,303,975	469,595	1.93%
Total assets	41,304,613	38,959,256	2,345,357	6.02%
Deferred outflows	40,200	16,572	23,628	0.00%
Long-term liabilities	1,109,049	814,305	294,744	36.20%
Other liabilities	7,755,635	6,270,926	1,484,709	23.68%
Total liabilities	8,864,684	7,085,231	1,779,453	25.11%
Deferred Inflows	22,117	34,341	(12,224)	-35.60%
Investment in capital assets	24,773,570	24,303,975	469,595	1.93%
Unrestricted	7,684,442	7,552,281	132,161	1.75%
Total net position	\$ 32,458,012	\$ 31,856,256	601,756	1.89%

Changes in the System's net position can be determined by reviewing the following condensed Statement of Revenues, Expenses and Changes in Net Position for the years.

Table 2A
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	June 30, 2025	June 30, 2024	Increase (Decrease)	
			\$	%
Operating revenues	\$ 47,858,308	\$ 43,971,939	\$ 3,886,369	8.84%
Non-operating revenues	553,343	503,620	49,723	9.87%
Total revenues	48,411,651	44,475,559	3,936,092	8.85%
Cost of sales and service	37,804,924	34,760,241	3,044,683	8.76%
Operations expense	2,933,489	2,783,944	149,545	5.37%
Maintenance expense	2,007,586	2,063,060	(55,474)	-2.69%
General and administrative expense	1,655,730	1,678,883	(23,153)	-1.38%
Depreciation expense	1,553,628	1,496,312	57,316	3.83%
Transfer out - tax equivalent	622,876	622,876	-	0.00%
Other taxes	180,148	214,212	(34,064)	-15.90%
Interest and amortization	7,776	5,281	2,495	47.24%
Total expenses	46,766,157	43,624,809	3,141,348	7.20%
Change in net position	1,645,494	850,750	794,744	93.42%
Beginning net position	32,458,012	31,856,256	601,756	1.89%
Restatement - GASB 101 implementation	-	(248,994)	248,994	100.00%
Total net position - beginning restated	32,458,012	31,607,262	850,750	2.69%
Ending net position	\$ 34,103,506	\$ 32,458,012	\$ 1,645,494	5.07%

MANAGEMENT'S DISCUSSION AND ANALYSIS

Table 2B

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	June 30, 2024	June 30, 2023	Increase (Decrease)	
			\$	%
Operating revenues	\$ 43,971,939	\$ 46,279,558	(2,307,619)	-4.99%
Non-operating revenues	503,620	238,579	265,041	111.09%
Total revenues	<u>44,475,559</u>	<u>46,518,137</u>	<u>(2,042,578)</u>	-4.39%
Cost of sales and service	34,760,241	37,063,415	(2,303,174)	-6.21%
Operations expense	2,783,944	2,842,327	(58,383)	-2.05%
Maintenance expense	2,063,060	1,955,965	107,095	5.48%
General and administrative expense	1,678,883	1,534,668	144,215	9.40%
Depreciation expense	1,496,312	1,446,538	49,774	3.44%
Transfer out - tax equivalent	622,876	604,942	17,934	2.96%
Other taxes	214,212	201,284	12,928	6.42%
Interest and amortization	5,281	4,949	332	6.71%
Total expenses	<u>43,624,809</u>	<u>45,654,088</u>	<u>(2,029,279)</u>	-4.44%
Change in net position	850,750	864,049	(13,299)	-1.54%
Beginning net position	31,856,256	30,992,207	864,049	2.79%
Restatement - GASB 101 implementation	(248,994)	-	(248,994)	-100.00%
Total net position - beginning restated	<u>31,607,262</u>	<u>30,992,207</u>	<u>615,055</u>	1.98%
Ending net position	<u>\$ 32,458,012</u>	<u>\$ 31,856,256</u>	<u>\$ 601,756</u>	1.89%

Operating revenues increased \$1.58 million or 3.41% for the three-year period. The increase is primarily due to fluctuations in usage and rates. Non-operating revenues increased \$315 thousand or 131.93% for the three-year period as the result of rising interest rates on certificates of deposits and savings accounts. Expenses increased \$1.11 million or 2.44% for the three-year period as a result of rising cost of sales. Ending net position showed an increase of \$2.25 million or 7.05% over the three-year period due to above mentioned items.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2025, the system had \$25.72 million (net of accumulated depreciation) invested in a broad range of System capital assets. This investment includes land, land rights, distribution and transmission systems and their related equipment, and various types of equipment. Based on the uses of the aforementioned assets, they are classified for financial purposes as transmission plant, distribution plant, and general plant. This investment represents an overall increase (net of increases and decreases) of \$943 thousand or 3.81% over last year. The following tables summarize the System's capital assets, net of accumulated depreciation, and changes therein, for the year ended June 30, 2025 and 2024. These changes are presented in detail in Note 3D to the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Table 3A

CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION

	June 30, 2025	June 30, 2024	Increase (Decrease)	
			Amount	Percent
Transmission plant	\$ 390,891	\$ 380,341	\$ 10,550	2.77%
Distribution plant	22,692,183	22,186,516	505,667	2.28%
General plant	2,419,388	2,110,377	309,011	14.64%
Construction in progress	213,875	96,336	117,539	122.01%
Total capital assets (net)	<u>\$ 25,716,337</u>	<u>\$ 24,773,570</u>	<u>\$ 942,767</u>	3.81%

Table 3B

CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION

	June 30, 2024	June 30, 2023	Increase (Decrease)	
			Amount	Percent
Transmission plant	\$ 380,341	\$ 425,404	\$ (45,063)	-10.59%
Distribution plant	22,186,516	21,685,159	501,357	2.31%
General plant	2,110,377	2,044,512	65,865	3.22%
Construction in progress	96,336	148,900	(52,564)	-35.30%
Total capital assets (net)	<u>\$ 24,773,570</u>	<u>\$ 24,303,975</u>	<u>\$ 469,595</u>	1.93%

The System plans on using existing financial resources to keep upgrading existing systems and adding new systems where it sees fit.

ECONOMIC FACTORS AND NEXT YEAR'S RATES

During the fiscal year 2025, the System experienced customer growth with the addition of 196 customers. New residential developments and industrial growth are expected to generate an overall increase in kWH sales for fiscal year 2026. The System anticipates a rate increase in October of 2025, determined by evaluation of historical operating costs that will contribute to reinvestment in the System's infrastructure . The System's overall financial position is expected to be better as a result. No rate increase is anticipated during the next fiscal year.

CONTACTING THE SYSTEM'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the System's finances for all those with an interest in the System's finances and to demonstrate the System's accountability for the money it receives. Questions concerning any information provided in this report or requests for any additional information should be directed to the Office Manager of Carroll County Board of Public Utilities, P.O. Box 527, 103 West Paris Street, Huntingdon, TN 38344.

CARROLL COUNTY BOARD OF PUBLIC UTILITIES
STATEMENTS OF NET POSITION
June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Current Assets		
Cash on hand	3,650	3,650
Cash and cash equivalents - general	2,601,657	2,265,878
Accounts receivable - trade (net of allowance for uncollectibles)	4,258,183	3,473,514
Accounts receivable - other	245,231	157,495
Materials and supplies	939,447	1,101,451
Prepayments and other current assets	117,756	698,091
Total current assets	<u>8,165,924</u>	<u>7,700,079</u>
 Investments	 <u>9,038,397</u>	 <u>8,830,964</u>
 Capital assets, not being depreciated		
Transmission plant	65,819	65,819
Distribution plant	114,331	114,331
General plant	263,847	263,847
Construction in progress	213,875	96,336
Total capital assets, not being depreciated	<u>657,872</u>	<u>540,333</u>
 Capital assets, net of accumulated depreciation		
Transmission plant	325,072	314,522
Distribution plant	22,577,852	22,072,185
Leased asset	198,974	-
General plant	1,956,567	1,846,530
Total capital assets (net of accumulated depreciation)	<u>25,716,337</u>	<u>24,773,570</u>
Total noncurrent assets	<u>34,754,734</u>	<u>33,604,534</u>
 Total assets	 <u>\$ 42,920,658</u>	 <u>\$ 41,304,613</u>
 Deferred outflows of resources		
Deferred outflows related to OPEB	<u>32,547</u>	<u>40,200</u>

The accompanying notes are an integral part of these financial statements.

CARROLL COUNTY BOARD OF PUBLIC UTILITIES
STATEMENTS OF NET POSITION
June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Liabilities		
Current liabilities		
Accounts payable	\$ 4,434,540	\$ 3,623,196
Unearned contract revenue	94,181	1,341,812
Other accrued expense	996,922	998,084
Customer deposits	1,415,510	1,287,625
Compensated absences - current portion	649,368	504,918
Total current liabilities	<u>7,590,521</u>	<u>7,755,635</u>
Current liabilities payable from restricted assets:		
Current maturities of lease liability	<u>38,999</u>	-
Total current liabilities payable from restricted assets	<u>38,999</u>	-
Noncurrent liabilities		
Lease liability (less current maturities)	162,042	-
	762,301	841,724
Net other post employment benefits liability	<u>250,629</u>	<u>267,325</u>
Total noncurrent liabilities	<u>1,174,972</u>	<u>1,109,049</u>
Total liabilities	<u>8,804,492</u>	<u>8,864,684</u>
Deferred inflows of resources		
Deferred inflows related to OPEB	<u>45,207</u>	<u>22,117</u>
Net Position		
Net Investment in capital assets	25,515,296	24,773,570
Unrestricted	<u>8,588,210</u>	<u>7,684,442</u>
Total net position	<u>\$ 34,103,506</u>	<u>\$ 32,458,012</u>

The accompanying notes are an integral part of these financial statements.

CARROLL COUNTY BOARD OF PUBLIC UTILITIES
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating revenues		
Charges for sales and services (net of \$1,577,062 credit and \$47,091 uncollectible accounts for 2025 and of \$1,542,702 credit and \$46,655 uncollectible accounts for 2024)	\$ 46,611,135	\$ 42,886,835
Other electric revenue	<u>1,247,173</u>	<u>1,085,104</u>
Total operating revenues	<u>47,858,308</u>	<u>43,971,939</u>
Operating expenses		
Cost of sales and services	37,804,924	34,760,241
Operations expense	2,933,489	2,783,944
Maintenance expense	2,007,586	2,063,060
Administrative expense	1,655,730	1,678,883
Provision for depreciation	1,553,628	1,496,312
Payment in lieu of taxes and other taxes	<u>180,148</u>	<u>214,212</u>
Total operating expenses	<u>46,135,505</u>	<u>42,996,652</u>
Operating income (loss)	<u>1,722,803</u>	<u>975,287</u>
Nonoperating revenues (expenses)		
Interest income	553,343	503,620
Interest expense	<u>(7,776)</u>	<u>(5,281)</u>
Total nonoperating revenues (expenses)	<u>545,567</u>	<u>498,339</u>
Income before transfers	2,268,370	1,473,626
Transfers		
Transfer out - tax equivalents	<u>(622,876)</u>	<u>(622,876)</u>
Change in net position	1,645,494	850,750
Total net position - beginning	32,458,012	31,856,256
Restatement - GASB Statement No. 101 implementation	<u>-</u>	<u>(248,994)</u>
Total net position - beginning restated	<u>32,458,012</u>	<u>31,607,262</u>
Total net position - ending	<u>\$ 34,103,506</u>	<u>\$ 32,458,012</u>

The accompanying notes are an integral part of these financial statements.

CARROLL COUNTY BOARD OF PUBLIC UTILITIES
STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2025 and 2024

	2025	2024
Cash flows from operating activities		
Receipts from customers and users	\$ 46,985,903	\$ 43,840,872
Payments to employees	(3,744,729)	(3,457,730)
Payments to suppliers	(40,453,184)	(36,239,850)
Customer deposits received	353,400	303,805
Customer deposits refunded	(225,515)	(265,797)
Net cash provided by (used in) operating activities	<u>2,915,875</u>	<u>4,181,300</u>
Cash flows from capital and related financing activities		
Construction and acquisition of plant	(2,236,566)	(1,942,186)
Plant removal cost	(167,962)	(162,927)
Materials salvaged from retirements	109,174	139,206
Interest paid	(7,776)	(5,281)
Net cash provided by (used in) capital and related financing activities	<u>(2,303,130)</u>	<u>(1,971,188)</u>
Cash flows from non-capital financing activities		
Amounts paid to others - tax equivalents	(622,876)	(622,876)
Net cash provided by (used in) non-capital and related financing activities	<u>(622,876)</u>	<u>(622,876)</u>
Cash flows from investing activities		
Purchase of investment	(9,038,397)	(8,830,964)
Proceeds from sale of investments	8,830,964	6,383,658
Interest earned	553,343	503,620
Net cash provided by (used in) investing activities	<u>345,910</u>	<u>(1,943,686)</u>
Net increase (decrease) in cash and cash equivalents	335,779	(356,450)
Cash and cash equivalents - beginning of year	<u>2,269,528</u>	<u>2,625,978</u>
Cash and cash equivalents - end of year	<u>\$ 2,605,307</u>	<u>\$ 2,269,528</u>
Unrestricted cash on hand	\$ 3,650	\$ 3,650
Unrestricted cash and cash equivalents on deposit	<u>2,601,657</u>	<u>2,265,878</u>
Total cash and cash equivalents	<u>\$ 2,605,307</u>	<u>\$ 2,269,528</u>
Supplemental disclosure of cash flow information		
Lease obligations	<u>\$ 201,041</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

CARROLL COUNTY BOARD OF PUBLIC UTILITIES
STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	\$1,722,803	\$ 975,287
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:		
Depreciation expense	1,553,628	1,496,312
Uncollectible accounts	47,091	46,655
Change in OPEB related deferred inflows and outflows	14,047	(4,655)
(Increase) decrease in accounts receivable and accounts receivable other	(919,496)	(177,723)
(Increase) decrease in materials and supplies	162,004	22,816
(Increase) decrease in prepayments and other current assets	(667,296)	1,665,158
Increase (decrease) in customer deposits	127,885	38,009
Increase (decrease) in accounts payable and accrued expenses	<u>875,209</u>	<u>119,441</u>
Net cash provided by (used in) operating activities	<u>\$2,915,875</u>	<u>\$4,181,300</u>

The accompanying notes are an integral part of these financial statements.

CARROLL COUNTY BOARD OF PUBLIC UTILITIES
STATEMENTS OF FIDUCIARY NET POSITION
June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash and cash equivalents	\$ 287,945	\$ 513,972
Investments		
Equity investments	1,304,592	1,037,589
Balanced	105,453	94,172
Fixed income investments	4,345,693	3,805,437
International Equity Investments	183,123	145,228
Other Exchange Products	<u>87,773</u>	<u>76,585</u>
Total investments	<u>6,026,634</u>	<u>5,159,011</u>
Net position available for benefits	<u>6,314,579</u>	<u>5,672,983</u>
Liabilities	<u>-</u>	<u>-</u>
Net position restricted for pensions	<u>\$ 6,314,579</u>	<u>\$ 5,672,983</u>

The accompanying notes are an integral part of these financial statements.

CARROLL COUNTY BOARD OF PUBLIC UTILITIES
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Additions		
Employer contributions	\$ 380,636	\$ 360,008
Investment income		
Net appreciation (depreciation) in fair value of investments	<u>624,231</u>	<u>536,786</u>
Total investment income	<u>624,231</u>	<u>536,786</u>
Total additions	<u>1,004,867</u>	<u>896,794</u>
Deductions		
Benefit payments	363,231	350,379
Administrative and other expenses	<u>40</u>	<u>80</u>
Total deductions	<u>363,271</u>	<u>350,459</u>
Net change in fiduciary net position	641,596	546,335
Net position restricted for pensions		
Beginning of year	<u>5,672,983</u>	<u>5,126,648</u>
End of year	<u>\$ 6,314,579</u>	<u>\$ 5,672,983</u>

The accompanying notes are an integral part of these financial statements.

CARROLL COUNTY BOARD OF PUBLIC UTILITIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

These are proprietary fund financial statements and include only the financial activities of Carroll County Electric System (The System). The TCA code 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, Carroll County Electric System does not possess sufficient corporate powers that distinguish it as a legally separate entity, and is considered a proprietary fund of Carroll County, Tennessee. The profit sharing pension plan is presented as a fiduciary fund of the System.

B. 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 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 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 expense from non-operating 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 System are charges for sales to customers for sales and service. Operating expenses for the enterprise funds 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 non-operating revenues and expenses.

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

The System reports the defined contribution, profit sharing pension plan titled the Carroll County Electrical Department Profit Sharing Plan as a fiduciary fund. The profit-sharing defined contribution plan was established on January 1, 1997 to fund post-employment compensation to its full-time employees. The plan is a group annuity contract. One America owns the shares on behalf of Carroll County Electric Department and its participants.

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

Deposits and Investments

The 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.

CARROLL COUNTY BOARD OF PUBLIC UTILITIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

State statutes authorize the 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 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 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 System are depreciated using the straight-line method over the following useful lives:

General plant	5 - 40 years
Transmission plant	28 - 33 years
Distribution plant	16 - 40 years

Compensated Absences

It is the 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 liabilities and long-term liabilities on the financial statements.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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 System presently has one item that qualifies for reporting in this category: deferred outflows related to OPEB. See Note 4D for details of the deferred outflows related to OPEB.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources,

CARROLL COUNTY BOARD OF PUBLIC UTILITIES

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

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 System presently has one item that qualifies for reporting in this category: deferred inflows related to OPEB. See Note 4D for details of the deferred inflows related to OPEB.

Leases

The Utility determines if an arrangement is a lease at inception. The Utility recognizes a Right of Use (ROU) asset and lease liability for all leases with terms of 12 months or more. ROU assets represent our right to use an underlying asset for the lease term, and lease liabilities represent our obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that the Utility will exercise that option. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. We use the implicit rate when readily determinable. The operating lease ROU asset is recorded net of lease incentives. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

Impact of Recently Issued Accounting Pronouncements

In June of 2022, the Governmental Accounting Standards Board issued GASB Statement No. 101 related to Compensated Absences. This Statement improves accounting and financial reporting by state and local governments for Compensated Absences and is effective for fiscal years beginning after December 15, 2023. This Statement establishes standards of accounting and financial reporting for (a) compensated absences and (b) associated salary-related payments, including certain defined contribution pensions and defined contribution other postemployment benefits (OPEB). The requirements of this Statement apply to the financial statements of all state and local governments. Under GASB 100, Accounting Changes and Error Corrections, this implementation resulted in an adjustment on the prior year financial statements and will have continuing effect on the current and future years.

In December of 2023, the Governmental Accounting Standards Board issued GASB Statement No. 102 related to Certain Risk Disclosures. This Statement improves accounting and financial reporting by state and local governments for Certain Risk Disclosures and is effective for fiscal years beginning after June 15, 2024. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement apply to the financial statements of all state and local governments.

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.

D. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred outflow/inflow of resources, the disclosure of

CARROLL COUNTY BOARD OF PUBLIC UTILITIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

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.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

No budget is required for Carroll County Board of Public Utilities; therefore no budget is adopted.

NOTE 3 – DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The following is the asset allocation as of June 30, 2025 and 2024:

	<u>June 30, 2025</u>		<u>June 30, 2024</u>	
	Market Value	Percentage of Total	Market Value	Percentage of Total
Equities	\$ 1,487,715	23.56%	\$ 1,182,817	20.85%
Balanced	105,453	1.67%	94,172	1.66%
Fixed income investments	4,345,693	68.82%	3,805,437	67.08%
Stable Value Fund	287,945	4.56%	513,972	9.06%
Other Exchange	<u>87,773</u>	<u>1.39%</u>	<u>76,585</u>	<u>1.35%</u>
Total	<u>\$ 6,314,579</u>	<u>100.00%</u>	<u>\$ 5,672,983</u>	<u>100.00%</u>

The following investments represent more than 5% of the fiduciary net position and are not issued or explicitly guaranteed by the U.S. government:

	<u>June 30, 2025</u>
AmerCent One Choice 2035	\$ 724,914
AmerCent One Choice 2040	418,657
AmerCent One Choice 2045	678,186
AmerCent One Choice 2050	517,164
AmerCent One Choice 2055	1,783,869

	<u>June 30, 2024</u>
AUL Stable Value Account	\$ 513,972
AmerCent One Choice 2035	397,693
AmerCent One Choice 2045	456,986
AmerCent One Choice 2055	976,156
TRowePriceGRTH Stock R/TLCG	540,068

CARROLL COUNTY BOARD OF PUBLIC UTILITIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

For the years ended June 30, 2025 and 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.41 and 10.66 percent, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plan has the following recurring fair value measurements as of June 30, 2025:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Total			
Investments by fair value level				
Equity securities				
US agencies	\$ 1,304,592	\$ 1,304,592	\$ -	\$ -
International equities	183,123	183,123	-	-
Total equity securities	<u>1,487,715</u>	<u>1,487,715</u>	<u>-</u>	<u>-</u>
Balanced funds	105,453	105,453	-	-
Fixed	4,345,693	4,345,693	-	-
Stable value fund	287,945	-	287,945	-
Other exchange products	<u>87,773</u>	<u>87,773</u>	<u>-</u>	<u>-</u>
Total equity securities	<u>4,826,864</u>	<u>4,538,919</u>	<u>287,945</u>	<u>-</u>
Total investments measured at fair value	<u>\$ 6,314,579</u>	<u>\$ 6,026,634</u>	<u>\$ 287,945</u>	<u>\$ -</u>

CARROLL COUNTY BOARD OF PUBLIC UTILITIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

The Plan has the following recurring fair value measurements as of June 30, 2024:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Total			
Investments by fair value level				
Equity securities				
US agencies	\$ 1,037,589	\$ 1,037,589	\$ -	\$ -
International equities	145,228	145,228	-	-
Total equity securities	<u>1,182,817</u>	<u>1,182,817</u>	<u>-</u>	<u>-</u>
Balanced funds	94,172	94,172	-	-
Fixed	3,805,437	3,805,437	-	-
Stable value fund	513,972	-	513,972	-
Other exchange products	76,585	76,585	-	-
Total equity securities	<u>4,490,166</u>	<u>3,976,194</u>	<u>513,972</u>	<u>-</u>
Total investments measured at fair value	<u>5,672,983</u>	<u>5,159,011</u>	<u>513,972</u>	<u>-</u>

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

The System also had investments of certificates of deposits with a maturity of greater than three months for the fiscal years ended June 30, 2025 and 2024.

Custodial Credit Risk

The System's policies limit deposits and investments to those instruments allowed by applicable state laws and described in Note 1. State statute required that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105% 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 System's agent in the System's name, or by the Federal Reserve Banks acting as third-party agents. State statutes also authorize the 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, 2025 and 2024, all bank deposits were fully collateralized or insured.

CARROLL COUNTY BOARD OF PUBLIC UTILITIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

B. Receivables

Receivables as of the fiscal year ends were made up of the following:

	June 30,	
	2025	2024
Billed services for utility customers	\$ 4,283,183	\$ 3,498,514
Other receivables for utility service	245,231	157,495
Allowance for doubtful accounts	(25,000)	(25,000)
Total	<u>\$ 4,503,414</u>	<u>\$ 3,631,009</u>

C. Restricted Assets

There are no restricted assets as of June 30, 2025, and 2024

D. Capital Assets

Capital asset activity during the years was as follows:

Description	Balance at June 30, 2024	Additions	Disposals	Balance at June 30, 2025
Capital assets, not being depreciated				
Transmission plant	\$ 65,819	\$ -	\$ -	\$ 65,819
Distribution plant	114,331	-	-	114,331
General plant	263,847	-	-	263,847
Construction in progress	96,336	117,539	-	213,875
Total capital assets not being depreciated	<u>540,333</u>	<u>117,539</u>	<u>-</u>	<u>657,872</u>
Capital assets, being depreciated				
Transmission plant	1,592,619	68,440	11,641	1,649,418
Distribution plant	44,530,527	1,831,494	422,025	45,939,996
Leased asset	-	210,710	-	210,710
General plant	5,005,848	675,250	451,253	5,229,845
Total capital assets being depreciated	<u>51,128,994</u>	<u>2,785,894</u>	<u>884,919</u>	<u>53,029,969</u>
Less accumulated depreciation for:				
Transmission plant	1,278,097	58,155	11,906	1,324,346
Distribution plant	22,458,342	1,384,614	480,812	23,362,144
Leased asset	-	11,736	-	11,736
General plant	3,159,318	344,388	230,428	3,273,278
Total accumulated depreciation	<u>26,895,757</u>	<u>1,798,893</u>	<u>723,146</u>	<u>27,971,504</u>
Total capital assets, being depreciated, net	<u>24,233,237</u>	<u>987,001</u>	<u>161,773</u>	<u>25,058,465</u>
Total capital assets, net	<u>\$ 24,773,570</u>	<u>\$ 1,104,540</u>	<u>\$ 161,773</u>	<u>\$ 25,716,337</u>

CARROLL COUNTY BOARD OF PUBLIC UTILITIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

Description	Balance at June 30, 2023	Additions	Disposals	Balance at June 30, 2024
Capital assets, not being depreciated				
Transmission plant	\$ 65,819	\$ -	\$ -	\$ 65,819
Distribution plant	99,331	15,000	-	114,331
General plant	140,258	123,589	-	263,847
Construction in progress	148,900	(52,564)	-	96,336
Total capital assets not being depreciated	<u>454,308</u>	<u>86,025</u>	<u>-</u>	<u>540,333</u>
Capital assets, being depreciated				
Transmission plant	1,584,806	7,906	93	1,592,619
Distribution plant	43,260,628	1,782,490	512,591	44,530,527
General plant	4,819,900	297,163	111,215	5,005,848
Total capital assets being depreciated	<u>49,665,334</u>	<u>2,087,559</u>	<u>623,899</u>	<u>51,128,994</u>
Less accumulated depreciation for:				
Transmission plant	1,225,221	56,819	3,943	1,278,097
Distribution plant	21,674,800	1,342,807	559,265	22,458,342
General plant	2,915,646	328,086	84,414	3,159,318
Total accumulated depreciation	<u>25,815,667</u>	<u>1,727,712</u>	<u>647,622</u>	<u>26,895,757</u>
Total capital assets, being depreciated, net	<u>23,849,667</u>	<u>359,847</u>	<u>(23,723)</u>	<u>24,233,237</u>
Total capital assets, net	<u>\$ 24,303,975</u>	<u>\$ 445,872</u>	<u>\$ (23,723)</u>	<u>\$ 24,773,570</u>

Depreciation expense charged to operations amounted to \$1,553,628 for the fiscal year ended June 30, 2025 and \$1,496,312 for the fiscal year ended June 30, 2024. Depreciation expense charged to transportation equipment amounted to \$245,265 for fiscal year ended June 30, 2025 and \$231,400 for fiscal year ended June 30, 2024.

E. Long-term Debt

Long-term debt for the fiscal year ended June 30, 2025 and 2024 is made up of the following:

	June 30,	
	2025	2024
Long-term Liabilities		
Sick and Vacation Accrual	<u>\$ 1,411,669</u>	<u>\$ 1,346,642</u>
Total current portion	<u>\$ 649,368</u>	<u>\$ 504,918</u>
Total long-term portion	<u>\$ 762,301</u>	<u>\$ 841,724</u>

The following is a summary of long-term debt transactions for the years ended June 30, 2025 and 2024:

CARROLL COUNTY BOARD OF PUBLIC UTILITIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

	Balance June 30, 2024	Increases	Decreases	Balance June 30, 2025	Due Within one year
Lease payable	\$ -	201,041	\$ -	\$ 201,041	\$ 38,999
Compensated absences	\$ 1,346,642	436,025	\$ 370,998	\$ 1,411,669	\$ 649,368

	Balance June 30, 2023	Increases	Decreases	Balance June 30, 2024	Due Within one year
Compensated absences	\$ 1,068,273	\$ 668,400	\$ 390,031	\$ 1,346,642	\$ 504,918

F. Net Position

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

	June 30,	
	2025	2024
Net investment in capital assets:		
Net property, plant, and equipment in services	\$ 25,716,337	\$ 24,773,570
Less: Debt as disclosed in Note 3	(201,041)	-
	<u>\$ 25,515,296</u>	<u>\$ 24,773,570</u>
Unrestricted	<u>8,588,210</u>	<u>7,684,442</u>
Total net position	<u>\$ 34,103,506</u>	<u>\$ 32,458,012</u>

G. Leases

The Utility leases various equipment under long-term lease agreements. Lease assets for equipment as of June 30, 2025, were \$210,710 less accumulated amortization of \$11,736. Interest expense in the current year was \$2,247. Principal and interest requirements to maturity for the lease liabilities as of June 30, 2025, were as follows:

Year Ending			
June 30,	Principal	Interest	Total
2026	\$ 38,999	\$ 7,945	\$ 46,944
2027	40,722	6,222	46,944
2028	42,520	4,424	46,944
2029	44,398	2,546	46,944
2030	<u>34,402</u>	<u>627</u>	<u>35,029</u>
	<u>\$ 201,041</u>	<u>\$ 21,764</u>	<u>\$222,805</u>

CARROLL COUNTY BOARD OF PUBLIC UTILITIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

NOTE 4 – OTHER INFORMATION

A. Pension Plan

Effective on January 1, 1997 the System adopted a defined contribution, profit sharing pension plan titled the Carroll County Electrical Department Profit Sharing Plan. Carroll County Board of Public Utilities is the Plan administrator. The plan is a fiduciary fund of Carroll County Board of Public Utilities and the Plan's financial statements will be presented with the System's financial statements as a fiduciary fund. 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 System will maintain 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 System depends on the Plan's vesting schedule. Participants will generally 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 Participants Individual Account will be used to track their share in the total trust fund.

Each year, the managing body of the System will determine the amount, if any, which it will contribute to the Plan. Employer Contributions to a profit-sharing plan in general can range from 1% to 15% of Participants' compensation each year. Compensation shall be determined as the Participant's wages excluding overtime, commissions and bonuses. Employees' contribution into the Plan is not permitted. 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.

At June 30, 2025, the System reported a payable of \$0 for the outstanding amount of contributions to the Plan required at the year ended June 30, 2025.

For the years ended June 30, 2025 and 2024, total employer contributions were \$380,636 and \$360,008 based on total covered wages of \$3,171,969 and \$3,000,072, respectively.

For the years ended June 30, 2025 and 2024, the plan had the following number of participants.

Number of participants	2025	2024
Active plan members	<u>43</u>	<u>40</u>
Total participants	<u>43</u>	<u>40</u>

B. Power Contract

The System has a power contract with the Tennessee Valley Authority (TVA) whereby the electric system purchases all 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 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.

CARROLL COUNTY BOARD OF PUBLIC UTILITIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

C. Risk Management

The 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, 2025, the 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.

D. Other Post-Employment Benefits (OPEB)

Plan Description

Carroll County Electric System sponsors a single employer defined benefits post-retirement benefits plan, The Carroll County Electric System Other Post-Employment 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 ½ and have at least 20 years of service with Carroll County Electric. 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 System's Net OPEB Liability. Changes in the System's net OPEB liability measured at June 30, 2025 and 2024 are detailed on the following table. Table 1 shows the net OPEB liability as of June 30, 2025, which is reported in the financial statements in accordance with GASB Statement No. 75. Total OPEB Liability was rolled forward to June 30, 2025 in order to be in compliance with GASB Statement No. 75.

	<u>Table 1A</u>		
	<u>(a) Total OPEB</u>	<u>(b) Plan Fiduciary</u>	<u>NET OPEB</u>
	<u>Liability (TOL)</u>	<u>Net Position</u>	<u>Liability</u>
Total OPEB Liability (TOL) July 1, 2024	\$ 267,325	\$ -	\$ 267,325
Service Cost	17,744	-	17,744
Interest	10,540	-	10,540
Difference Between Actual and Expected	(33,585)	-	(33,585)
Assumption and Method Changes	(6,454)	-	(6,454)
Contributions - employer	-	21,957	(21,957)
Net Investment Income	-	-	-
Benefit Payments	(21,957)	(21,957)	-
Administrative Expense	17,016	-	17,016
Net Changes	(16,696)	-	(16,696)
Total OPEB Liability (TOL) July, 1 2025	\$ 250,629	-	\$ 250,629

CARROLL COUNTY BOARD OF PUBLIC UTILITIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

	(a) Total OPEB Liability (TOL)	Table 1A (b) Plan Fiduciary Net Position	NET OPEB Liability
Total OPEB Liability (TOL) July 1, 2023	\$ 236,128	\$ -	\$ 236,128
Service Cost	15,646	-	15,646
Interest	9,149	-	9,149
Difference Between Actual and Expected Assumption and Method Changes	-	-	-
Contributions - employer	-	29,488	(29,488)
Net Investment Income	-	-	-
Benefit Payments	(29,488)	(29,488)	-
Administrative Expense	4,609	-	4,609
Net Changes	31,197	-	31,197
Total OPEB Liability (TOL) July, 1 2024	\$ 267,325	-	\$ 267,325

Actuarial Methods and Assumptions

The valuation was based on information provided by Carroll County Electric as of July 1, 2025 and 2024.

Changes Since Prior Valuation

A death benefit was added for a covered employee whom experiences an in-line-of-duty loss of life. The spouse and dependents will be offered the same Health Insurance Coverage as an Active employee. coverage not to exceed what is allowed under COBRA, which is currently 36 months.

Plan Membership

Number of Participants	June 30, 2025	June 30, 2024
Actives (with medical coverage)	42	43
Actives (without medical coverage)	-	-
Retirees (with medical coverage)	2	1
Total Participants	44	44

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 1, 2025, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

CARROLL COUNTY BOARD OF PUBLIC UTILITIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

Salary Scale	4.0%
Core inflation assumption	2.5%
Healthcare Cost Trend	Per-capita claims costs are projected to increase at an initial rate of 7.5% per year decreasing linearly to 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 3 years older than female spouses.

Mortality rates were based on the Pub-2010 General Headcount-weighted with scale MP-2021.

The actuarial assumption used in the June 30, 2025 valuation were based on the results of an actuarial experience study for the period ending June 30, 2024.

Healthcare Cost Trend

Per-capita claims costs are projected to increase at an initial rate of 7.5% per year decreasing linearly to an ultimate rate of 4.5% is achieved.

Sensitivity of Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following represents 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 1 percentage point lower or 1 percentage-point higher than the assumed trend rates:

	1% Decrease 6.5% decreasing by .25% until 3.5% is reached	Current 7.5% decreasing by .25% until 4.5% is reached	1% Increase 8.5% decreasing by .25% until 5.5% is reached
2025			
Total OPEB Liability	\$ 224,394	\$ 250,629	\$ 282,011
Plan Fiduciary Net Position	-	-	-
Net OPEB Liability	<u>\$ 224,394</u>	<u>\$ 250,629</u>	<u>\$ 282,011</u>
	1% Decrease 6.5% decreasing by .25% until 3.5% is reached	Current 7.5% decreasing by .25% until 4.5% is reached	1% Increase 8.5% decreasing by .25% until 5.5% is reached
2024			
Total OPEB Liability	\$ 241,031	\$ 267,325	\$ 303,559
Plan Fiduciary Net Position	-	-	-
Net OPEB Liability	<u>\$ 241,031</u>	<u>\$ 267,325</u>	<u>\$ 303,559</u>

Discount Rate

The discount rate to measure the total OPEB liability at the beginning of the year was 4.11 percent, with the end of year discount rate being 4.81 percent. Because the plan is unfunded, the plan's projected benefits are discounted back using rates equivalent to Aa 20-year municipal bonds. The S&P Municipal Bond 20 Year Rate Index was used to approximate those yields as of June 30, 2025. The prior valuation used was 4.11%, from the GO Bond Buyer Index, which is no longer available.

CARROLL COUNTY BOARD OF PUBLIC UTILITIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

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 healthcare cost trend rate that is 1 percentage point lower or 1 percentage-point higher than the assumed trend rates:

	1% Decrease 3.81%	Current 4.81%	1% Increase 5.81%
2025			
Net OPEB Liability	\$ 266,390	\$ 250,629	\$ 235,240
Plan Fiduciary Net Position	-	-	-
Net OPEB Liability	<u>\$ 266,390</u>	<u>\$ 250,629</u>	<u>\$ 235,240</u>
	1% Decrease 3.11%	Current 4.11%	1% Increase 5.11%
2024			
Net OPEB Liability	\$ 285,448	\$ 267,325	\$ 253,613
Plan Fiduciary Net Position	-	-	-
Net OPEB Liability	<u>\$ 285,448</u>	<u>\$ 267,325</u>	<u>\$ 253,613</u>

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

For the year ended June 30, 2025 and 2024, the System recognized OPEB expense of \$36,004 and \$24,832. At June 30, 2025 and 2024, the System reported deferred outflows of related to OPEB liability from the following sources:

	<u>June 30, 2025</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 5,705	\$ (29,236)
Change of assumptions	<u>26,842</u>	<u>(15,971)</u>
Total	<u>\$ 32,547</u>	<u>\$ (45,207)</u>
	<u>June 30, 2024</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 8,121	\$ (6,193)
Change of assumptions	<u>32,079</u>	<u>(15,924)</u>
Total	<u>\$ 40,200</u>	<u>\$ (22,117)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows as of the fiscal year ending June 30, 2025:

CARROLL COUNTY BOARD OF PUBLIC UTILITIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

<u>Year ending June 30,</u>	<u>Amortized</u>
2026	\$ (2,803)
2027	(718)
2028	(2,321)
2029	(1,638)
2030	(1,244)
Thereafter	(3,936)

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 assumption process, it is least reasonable possible that changes in these estimates and assumptions in the near-term would be material to the financial statements.

Payment of Benefits. Benefits are recorded when the participant has met all of the Plan requirements to receive a benefit. At June 30, 2025 no benefits were payable and not paid.

Administrative Expenses. Qualified Plan administrative expenses are paid by the Plan. During the year ended June 30, 2025 and 2024, administrative expenses were \$17,016 and \$4,609, respectively.

E. Major Customer

For the year ended June 30, 2025 and 2024, one customer comprised approximately 29.47% and 25.24%, respectively, of total revenues.

F. Reclassification of prior year balances

As of fiscal year, ended June 30, 2025, the following reclassifications were made to the June 30, 2024 presented balances for consistency in reporting and compliance with reporting requirements (implementation for GASB statement No. 101, compensated absences).

<u>Line item</u>	<u>Previously reported</u>	<u>As adjusted</u>
Total net position - beginning	31,856,256	31,607,262
Compensated absences - noncurrent portion	841,724	592,730

REQUIRED SUPPLEMENTARY INFORMATION

CARROLL COUNTY BOARD OF PUBLIC UTILITIES
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
For the years Ended June 30,

Total OPEB Liability	2025	2024	2023	2022	2021	2020	2019	2018
Service Cost	\$ 17,744	\$ 15,646	\$ 14,666	\$ 18,316	\$ 18,174	\$ 17,631	\$ 16,707	\$ 15,911
Interest	10,540	9,149	7,910	5,278	3,510	7,783	9,462	8,093
Differences between expected and actual experience	(33,585)	-	(829)	-	17,785	-	(45,052)	-
Change of assumptions	(6,454)	31,281	6,488	(18,318)	724	(17,943)	(2,757)	-
Benefits Payments and Refunds	(4,941)	(24,879)	(30,858)	(21,608)	(14,949)	-	(982)	(2,959)
Net Change in Total OPEB Liability	(16,696)	31,197	(2,623)	(16,332)	25,244	7,471	(22,622)	21,045
Total OPEB Liability - beginning	<u>267,325</u>	<u>236,128</u>	<u>238,751</u>	<u>255,083</u>	<u>229,839</u>	<u>222,368</u>	<u>244,990</u>	<u>223,945</u>
Total OPEB Liability - ending (a)	<u>\$ 250,629</u>	<u>\$ 267,325</u>	<u>\$ 236,128</u>	<u>\$ 238,751</u>	<u>\$ 255,083</u>	<u>\$ 229,839</u>	<u>\$ 222,368</u>	<u>\$ 244,990</u>
Covered Payroll	\$ 3,744,729	\$ 3,457,730	\$ 3,095,872	\$ 3,477,838	\$ 2,917,138	\$ 3,001,523	\$ 2,885,917	\$ 2,739,110
Average Future Service	6.94	7.35	7.35	7.36	7.36	6.79	6.85	6.63
Net OPEB as a Percentage of Covered Payroll	6.69%	7.73%	7.63%	6.86%	8.74%	7.66%	7.71%	8.94%

There are no assets accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits of the plan.

These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years which information is available.

See Independent Auditor's Report

**CARROLL COUNTY BOARD OF PUBLIC UTILITIES
SCHEDULE OF NOTES TO OPEB REQUIRED SUPPLEMENTARY
INFORMATION**

For the Year Ended June 30, 2025

Notes to OPEB Required Supplementary Information

Valuation Date: Actuarially determined contribution rates for 2024 were calculated based on the June 30, 2025 actuarial valuation.

There are no assets accumulating in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, related to this OPEB plan. The schedule is intended to display ten years of information, additional years will be displayed as they become available

Methods and assumptions used to determine contribution rates:

Measurement Date:	June 30, 2025
Actuarial Valuation Date:	June 1, 2025
Actuarial Cost Method:	Entry Age Normal
Mortality:	Pub-2010 General Headcount-weighted with scape MP-2021. This is the most recent table published by the society of Actuaries.
Turnover:	None assumed because of the small size of the active group, credible date is not available to develop turnover rates.
Salary Scale:	4.0%
Core inflation assumption:	2.5%
Retirement age:	50% at age 62 with 20 years of service. 20% at ages 63-4 with 20 years of service. 100% at age 65. The assumption is set based the plan provisions requiring 20 years of service for benefit eligibility.
Utilization:	100% based on the fact that there is no retiree cost sharing.
Discount rate:	The discount rate used to measure the total OPEB liability at the beginning of the year was 4.11 percent, with the end of year discount rate being at 4.81 percent. Because the plan is unfunded, the plan's projected benefits are discounted back using rates equivalent to Aa 20-year municipal bonds. The S&P Municipal Bond 20 Year Rate Index was used to approximate those yields as of June 30, 2025.
Valuation of Assets:	N/A
Per Capita Claims	Medical and Pharmacy premium equivalent rates illustrated in the plan provisions were age-adjusted based on actual ages of the retirees compared to the underlying active population. The adjustment was done using actual age of enrolled participants and aging factors.
Healthcare Cost Trend	Per-capita claims costs are projected to increase at an initial rate of 7.5% per year decreasing linearly to 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 3 years older than females.
Changes Since Prior Valuation	1) Discount rate changed from 4.11% to 4.81%. 2) The Healthcare cost trend assumption was updated to 7.5% for 2025 decreasing by 0.25% per year until it reaches 4.5%.
Eligibility	Retirees are offered the option to maintain health insurance after they retire (including subsidized beneficial coverage), until they reach age 65. The retiree must be older than 62 1/2 and have at least 20 years of service with Carroll County Electric.
Benefits	Retirees can maintain coverage under the Carroll County Electric System health plan at no cost. The coverage ends when the retiree reaches age 65.
Dependent Coverage	For retirees who die under the Early Retirement/Retirement Policy, and their dependent has not yet reached the age of 65, the dependent coverage will be paid for the dependent until the earlier of the date of the retiree's 65th birthday or the 65th birthday of the dependent.
Health Reimbursement Account	Retirees and their spouses may be reimbursed up to \$2,300 each year for qualifying medical expenses.
Changes Since Prior Valuation	A death benefit was added for a covered employee whom experiences an in-line-of-duty loss of life. The spouse and dependents will be offered the same Health Insurance Coverage as an Active employee. Coverage not to exceed what is allowed under COBRA, which is currently 36 months.

See Independent Auditor's Report

SUPPLEMENTARY AND OTHER INFORMATION SECTION

CARROLL COUNTY BOARD OF PUBLIC UTILITIES
SCHEDULES OF OPERATING REVENUES AND EXPENSES
For the Years Ended June 30, 2025 and 2024

	2025		2024	
	Actual	Percent	Actual	Percent
Operating revenues:				
Charges for sales and services:				
Residential sales	\$ 22,208,696	46.41	\$ 20,331,669	46.24
Small lighting and power sales	4,976,313	10.40	4,651,539	10.58
Large lighting and power sales	19,995,180	41.78	18,447,828	41.95
General power credit	(1,577,062)	(3.30)	(1,542,702)	(3.51)
Street and athletic lighting sales	317,566	0.66	312,243	0.71
Outdoor lighting	737,533	1.54	732,913	1.67
Uncollectible accounts	(47,091)	(0.10)	(46,655)	(0.11)
Total charges for sales and services	<u>46,611,135</u>	<u>97.39</u>	<u>42,886,835</u>	<u>97.53</u>
Other revenues				
Forfeited discounts	217,450	0.45	202,810	0.46
Miscellaneous service revenue	191,120	0.40	150,665	0.34
Rent from electric property	671,232	1.40	614,765	1.40
Other electric revenue	167,371	0.35	116,864	0.27
Total other revenues	<u>1,247,173</u>	<u>2.61</u>	<u>1,085,104</u>	<u>2.47</u>
Total operating revenues	<u><u>\$ 47,858,308</u></u>	<u><u>100.00</u></u>	<u><u>\$ 43,971,939</u></u>	<u><u>100.00</u></u>
Operating expenses:				
Cost of sales and services:				
Purchased power	\$ 37,804,924	78.99	\$ 34,760,241	79.05
Operations expenses:				
Distribution expenses:				
Supervision and engineering	258,441	0.54	230,487	0.52
Station expense	30,120	0.06	59,304	0.13
Overhead line expense	1,162,382	2.43	1,070,632	2.43
Underground line expense	8,074	0.02	7,526	0.02
Street lighting and signal system	901	0.00	1,082	0.00
Meter expense	143,674	0.30	125,552	0.29
Consumer installations	856	0.00	5,135	0.01
Rent expense	40,613	0.08	39,944	0.09
Miscellaneous expense	281,109	0.59	263,705	0.60
Total distribution expenses	<u>1,926,170</u>	<u>4.02</u>	<u>1,803,367</u>	<u>4.10</u>
Customer accounts expenses:				
Supervision	116,388	0.24	117,087	0.27
Meter reading	69,231	0.14	58,384	0.13
Consumer records and collection expense	793,456	1.66	776,862	1.77
Total customer accounts expenses	<u>979,075</u>	<u>2.05</u>	<u>952,333</u>	<u>2.17</u>

See Independent Auditor's Report

CARROLL COUNTY BOARD OF PUBLIC UTILITIES
SCHEDULES OF OPERATING REVENUES AND EXPENSES

For the Years Ended June 30, 2025 and 2024

	2025		2024	
	Amount	Percent	Amount	Percent
Sales expenses:				
Customer assistance	\$ 7,800	0.02	\$ 7,800	0.02
Sales expense	20,444	0.04	20,444	0.05
Total sales expenses	28,244	0.06	28,244	0.06
 Total operations expenses	 2,933,489	 6.13	 2,783,944	 6.33
Administrative expenses:				
Salaries	214,804	0.45	206,941	0.47
Office supplies and expense	39,717	0.08	45,948	0.10
Outside services	65,792	0.14	49,388	0.11
Property insurance	108,896	0.23	92,784	0.21
Injuries and damages	115,416	0.24	143,135	0.33
Duplicate charges	(16,234)	(0.03)	(15,105)	(0.03)
Employee benefits	1,033,832	2.16	1,050,488	2.39
Miscellaneous	93,507	0.20	105,304	0.24
Total administrative expenses	1,655,730	3.46	1,678,883	3.82
Maintenance expenses:				
Distribution expenses:				
Supervision and engineering	113,608	0.24	106,655	0.24
Station equipment	39,902	0.08	18,613	0.04
Overhead and underground lines	1,713,054	3.58	1,763,466	4.01
Line transformers	51,184	0.11	86,907	0.20
Street lighting and signal system	8,372	0.02	7,431	0.02
Meters	1,177	0.00	4,059	0.01
Miscellaneous	21,562	0.05	22,838	0.05
Security lights	13,276	0.03	13,560	0.03
Total distribution expenses	1,962,135	4.10	2,023,529	4.60
 General plant and equipment	 45,451	 0.09	 39,531	 0.09
 Total maintenance expenses	 2,007,586	 4.19	 2,063,060	 4.69
Depreciation and amortization	1,553,628	3.25	1,496,312	3.40
Other taxes	180,148	0.38	214,212	0.49
 Total operating expenses	 \$ 46,135,505	 96.40	 \$ 42,996,652	 97.78

See Independent Auditor's Report

**CARROLL COUNTY BOARD OF PUBLIC UTILITIES
ELECTRIC RATES IN FORCE**

June 30, 2025

Residential Rate Schedule

Customer charge - per delivery point per month	\$ 25.68
Energy charge - cents per kWh - all kWh	\$ 0.11151

General Power Schedule

GSA1 (Under 50 kW demand & less than 15,000 kWh)

Customer charge - per delivery point per month	\$ 28.00
Energy charge - cents per kWh	\$ 0.12431

GSA2 (51-1000 kW demand or more than 15,000 kWh)

Customer charge - per delivery point per month	\$ 100.00
Demand charges - per kW per month	
First 50 kW	No charge
Excess over 50 kW	\$ 15.19
Energy charge - cents per kWh	
First 15,000 kWh per month	\$ 0.12150
Additional kWh per month	\$ 0.07577

GSA3 (1000 - 5000 kW demand)

Customer charge - per delivery point per month	\$ 300.00
Demand charges - per kW per month	
First 1000 kW	\$ 14.13
Excess over 1000 kW	\$ 13.94
Energy charge - cents per kWh	\$ 0.07907

Electric Vehicle Charging Station

Customer Chare- per delivery point per month	\$ 100.00
All kWh used	\$ 0.24558

Lighting (LS)

Energy charge - cents per kWh	
All kWh - per kWh per month	\$ 0.08057

Security Lights

	Rated kWh	Monthly Charge
175 MV (not available)	77	\$ 11.06
400 MV (not available)	168	\$ 20.67
100 HPS	50	\$ 10.30
250 HPS (not available)	114	\$ 16.58
400 MH	164	\$ 24.15
60 LED	22	\$ 8.66
124 LED	45	\$ 11.75
192 LED	70	\$ 16.88

See Independent Auditor's Report

**CARROLL COUNTY BOARD OF PUBLIC UTILITIES
ELECTRIC RATES IN FORCE**

June 30, 2025

GSB (5001 - 15,000 KW demand)

Customer charge - per delivery point per month	\$	1,500.00
Administrative charge	\$	350.00
Demand charge - per kW		
OnPeak kW	\$	11.95
Maximum kW	\$	5.58
Excess over contract kW	\$	11.95
Energy charge - cents per kWh		
OnPeak kWh	\$	0.09758
OffPeak kWh - first 200 hours	\$	0.07017
OffPeak kWh - next 200 hours	\$	0.03215
OffPeak kWh - additional ours	\$	0.02839

GSC (15001 - 25,000 KW demand)

Customer charge - per delivery point per month	\$	1,500.00
Administrative charge	\$	350.00
Demand charge - per kW		
OnPeak kW	\$	11.95
Maximum kW	\$	5.07
Excess over contract kW	\$	11.95
Energy charge - cents per kWh		
OnPeak kWh	\$	0.09758
OffPeak kWh - first 200 hours	\$	0.07017
OffPeak kWh - next 200 hours	\$	0.03215
OffPeak kWh - additional ours	\$	0.02839

GSD (25001 kW demand and greater)

Customer charge - per delivery point per month	\$	1,500.00
Administrative charge	\$	350.00
Demand charge - per kW		
OnPeak kW	\$	11.95
Maximum kW	\$	4.96
Excess over contract kW	\$	11.95
Energy charge - cents per kWh		
OnPeak kWh	\$	0.09758
OffPeak kWh - first 200 hours use	\$	0.07017
OffPeak kWh - next 200 hours	\$	0.03089
OffPeak kWh - additional ours	\$	0.02839

See Independent Auditor's Report

**CARROLL COUNTY BOARD OF PUBLIC UTILITIES
ELECTRIC RATES IN FORCE**

June 30, 2025

MSB (5,001 - 15,000 KW demand)

Customer charge - per delivery point per month	\$ 1,500.00
Administrative charge	\$ 350.00
Demand charge - per kW	
OnPeak kW	\$ 11.27
Maximum kW	\$ 2.33
Excess over contract kW	\$ 11.27
Energy charge - cents per kWh	
OnPeak kWh	\$ 0.08975
OffPeak kWh - first 200 hours	\$ 0.06225
OffPeak kWh - next 200 hours	\$ 0.02961
OffPeak kWh - additional ours	\$ 0.02680

MSC (15,001 - 25,000 KW demand)

Customer charge - per delivery point per month	\$ 1,500.00
Administrative charge	\$ 350.00
Demand charge - per kW	
OnPeak kW	\$ 11.27
Maximum kW	\$ 1.82
Excess over contract kW	\$ 11.27
Energy charge - cents per kWh	
OnPeak kWh	\$ 0.08852
OffPeak kWh - first 200 hours	\$ 0.06101
OffPeak kWh - next 200 hours	\$ 0.03115
OffPeak kWh - additional ours	\$ 0.03115

MSD (25001 kW demand and greater)

Customer charge - per delivery point per month	\$ 1,500.00
Administrative charge	\$ 350.00
Demand charge - per kW	
OnPeak kW	\$ 11.27
Maximum kW	\$ 1.71
Excess over contract kW	\$ 11.27
Energy charge - cents per kWh	
OnPeak kWh	\$ 0.08602
OffPeak kWh - first 200 hours use	\$ 0.05852
OffPeak kWh - next 200 hours	\$ 0.02929
OffPeak kWh - additional ours	\$ 0.02864

See Independent Auditor's Report

**CARROLL COUNTY BOARD OF PUBLIC UTILITIES
OTHER SUPPLEMENTARY INFORMATION - UNAUDITED**

	FOR THE FISCAL YEARS ENDED JUNE 30,				
	2025	2024	2023	2022	2021
Revenue					
Residential	\$ 20,631,634	\$ 18,788,967	\$ 19,491,378	\$ 18,086,006	\$ 16,971,336
Commercial	4,976,313	4,651,539	5,036,843	4,687,134	4,302,254
Industrial	19,995,180	18,447,828	19,709,460	17,238,696	14,951,513
Street and outdoor lighting	1,055,099	1,045,156	1,097,770	1,039,063	991,363
Other operating	1,200,082	1,038,449	944,107	966,846	886,826
Interest and other revenue	553,343	503,620	238,579	44,405	42,929
	<u>\$ 48,411,651</u>	<u>\$ 44,475,559</u>	<u>\$ 46,518,137</u>	<u>\$ 42,062,150</u>	<u>\$ 38,146,221</u>
Expense					
Electric power costs	\$ 37,804,924	\$ 34,760,241	\$ 37,063,415	\$ 32,685,009	\$ 29,290,110
Other operating expenses	6,596,805	6,525,887	6,332,960	6,097,737	5,866,708
Provision for depreciation	1,553,628	1,496,312	1,446,538	1,403,341	1,375,837
Tax equivalents (including county portion)	803,024	837,088	806,226	868,476	844,556
Interest and other expense	7,776	5,281	4,949	985	924
	<u>\$ 46,766,157</u>	<u>\$ 43,624,809</u>	<u>\$ 45,654,088</u>	<u>\$ 41,055,548</u>	<u>\$ 37,378,135</u>
Net Income (Loss)	<u>\$ 1,645,494</u>	<u>\$ 850,750</u>	<u>\$ 864,049</u>	<u>\$ 1,006,602</u>	<u>\$ 768,086</u>
Financial					
Plant in service (at original cost)	<u>\$ 53,687,841</u>	<u>\$ 51,669,327</u>	<u>\$ 50,119,642</u>	<u>\$ 48,477,997</u>	<u>\$ 47,112,732</u>
Debt outstanding	<u>\$ 201,041</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Power in use - KWH					
Residential	179,526,797	174,485,417	173,249,285	176,826,926	176,243,660
Commercial	35,254,993	34,404,157	35,020,061	35,328,812	33,895,252
Industrial	264,184,705	257,957,037	256,864,062	249,326,711	239,827,555
Other Customers	6,145,177	6,635,346	7,028,188	7,308,672	7,559,711
Total	<u>485,111,672</u>	<u>473,481,957</u>	<u>472,161,596</u>	<u>468,791,121</u>	<u>457,526,178</u>
Number of customers					
Residential	12,947	12,873	12,267	12,221	12,169
Small commercial	2,827	2,803	3,299	3,230	3,146
Large commercial	211	221	221	209	189
Street and athletic	92	95	94	93	94
Outdoor lighting - Code 78	113	113	113	116	120
	<u>16,190</u>	<u>16,105</u>	<u>15,994</u>	<u>15,869</u>	<u>15,718</u>
Line Loss	<u>3.51%</u>	<u>4.04%</u>	<u>3.42%</u>	<u>3.22%</u>	<u>4.11%</u>

See Independent Auditor's Report

CARROLL COUNTY BOARD OF PUBLIC UTILITIES
SCHEDULE OF LEASE OBLIGATIONS
June 30, 2025

		Lease Payable	
		Lease - Integrated Communications	
		Dated March 1, 2025	
		Principal	Interest
2026	\$	38,999	\$ 7,945
2027		40,722	6,222
2028		42,520	4,424
2029		44,398	2,546
2030		34,402	627
	\$	201,041	\$ 21,764

See independent auditor's report

CARROLL COUNTY BOARD OF PUBLIC UTILITIES
SCHEDULE OF CHANGES IN LEASE OBLIGATION BY INDIVIDUAL ISSUE
June 30, 2025

<u>Description of indebtedness</u>	<u>Original Amount of Issue</u>	<u>Interest rate</u>	<u>Date of issue</u>	<u>Last maturity date</u>	<u>Outstanding 7/1/24</u>	<u>issued during period</u>	<u>Paid and/or matured during period</u>	<u>Refunded during period</u>	<u>Outstanding 6/30/25</u>
Lease - Integrated Communications	\$ 210,710	4.33%	3/1/2025	3/1/2030	\$ -	\$ 210,710	\$ 9,669	\$ -	\$ 201,041
	<u>\$ 210,710</u>				<u>\$ -</u>	<u>\$ 210,710</u>	<u>\$ 9,669</u>	<u>\$ -</u>	<u>\$ 201,041</u>

See independent auditor's report

INTERNAL CONTROL AND COMPLIANCE SECTION



**Independent Auditor's 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***

Board of Directors
Carroll County Board of Public Utilities
Huntingdon, Tennessee

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 business-type activities and the aggregate remaining fund information of the Carroll County Board of Public Utilities (the System), an enterprise fund of Carroll County, Tennessee, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and have issued our report thereon dated September 5, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the System'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

ATA, PC

Jackson, Tennessee
September 5, 2025

CARROLL COUNTY BOARD OF PUBLIC UTILITIES
Schedule of Findings and Recommendations
June 30, 2025 and 2024

Financial Statement Findings

There are no current year findings reported.

CARROLL COUNTY BOARD OF PUBLIC UTILITIES
Schedule of Prior Year Findings and Recommendations
June 30, 2025 and 2024

Financial Statement Findings

There were no prior findings reported.

APPENDIX F

**FINANCIAL STATEMENTS
OF
CARROLL COUNTY, TENNESSEE
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**



ANNUAL FINANCIAL REPORT

Carroll County, Tennessee

For the Year Ended June 30, 2024

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
CARROLL COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2024

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

LEE ANN WEST, CPA, CGFM
Audit Manager

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

CARROLL COUNTY, TENNESSEE

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Summary of Audit Finding

Annual Financial Report
Carroll County, Tennessee
For the Year Ended June 30, 2024

Scope

We have audited the basic financial statements of Carroll County as of and for the year ended June 30, 2024.

Results

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

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

Finding

The following is a summary of the audit finding:

OFFICE OF CLERK AND MASTER

- ◆ The clerk and master had a deficit of \$13,496 in the fee and commission account.



INTRODUCTORY SECTION

CARROLL COUNTY OFFICIALS

June 30, 2024

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	Cyril Ostiguy
John Austin	Dr. Jay Phipps
Manuel Crossno	Darrell Ridgely
Joey Darnall	Spiridon Roditis
Jimmy Halford	Joey Simmons
Willie Huffman	Walter Smothers
Randy Long	Larry Spencer
Jason Martin	Lana Suite
Jimmy McClure	Daniel Thomas
Philip Moore	Daniel Willman
Barry Murphy	Vacant

Highway Commission

Joseph Butler, County Mayor, Chairman
Ricky Scott
Ronnie Wade

Board of Education

Harold McLain, Jr., Chairman
Kenna Bailey
Debbie Broadbent
Hal Eason
Mike Foster
Charlotte Tucker

Audit Committee

Dr. Jay Phipps, Chairman
David Huss
Barry Murphy
Darrell Ridgely
Joey Simmons

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 Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carroll County, Tennessee, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying 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, 2024, 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.

We did not audit the financial statements of the Carroll County Board of Public Utilities, which has a proprietary fund that is a major fund and comprised the entire business-type activities. In addition, the Carroll County Board of Public Utilities has a pension trust fund (a fiduciary fund) which represent 25.6 percent, 41.8 percent, and 3.43 percent, respectively, of the assets, net position, and revenues of the aggregate remaining fund information. Also, we did not audit the financial statements of the Carroll County Indigent Care Board (a fiduciary fund), which represent 10.6 percent, 17.2 percent, and (.41) percent, respectively, of the assets, net position, and revenues of the aggregate remaining fund information. We also did not audit the financial statements of the Internal School Fund of the Carroll County School Department (a discretely presented component unit), which represent .24 percent, .25 percent, and .8 percent, respectively, of the assets, net position, and revenues of the discretely presented school department component unit. We also did not audit the financial statements of the Carroll County Emergency Communications District, which represent 23.84 percent, 24.51 percent, and 19.27 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. 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, the Carroll County Indigent Care Board, the Internal School Fund of the discretely presented Carroll County School Department, and the Carroll County Emergency Communications District is based solely on the reports of the other auditors.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Carroll County, Tennessee, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note V.B., Carroll County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*. GASB 100 clarifies financial and reporting requirements for changes in accounting principles, changes in accounting estimates, error corrections, and changes within the reporting entity.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Carroll County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit 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 Carroll County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Carroll County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 schedules of county and school changes in the total other postemployment benefits liability and related ratios, as listed under Required Supplementary Information in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 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), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial

statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Requirements by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2024, 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 the 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

November 25, 2024

JEM/gc

BASIC FINANCIAL STATEMENTS SECTION

CARROLL COUNTY, TENNESSEE
Statement of Net Position
June 30, 2024

	Primary Government			Component Units	
	Governmental Activities	Business- type Activities	Total	Carroll County School Department	Emergency Communica- tions District
ASSETS					
Cash	\$ 7,494	\$ 2,269,528	\$ 2,277,022	\$ 26,796	\$ 3,135,770
Equity in Pooled Cash and Investments	15,974,945	0	15,974,945	8,082,349	0
Inventories	0	1,101,451	1,101,451	0	0
Investments	0	8,830,964	8,830,964	0	0
Accounts Receivable	3,274,497	3,656,009	6,930,506	54,417	0
Allowance for Uncollectibles	(3,013,201)	(25,000)	(3,038,201)	0	0
Due from Other Governments	922,441	0	922,441	80,303	0
Due from Component Units	161,586	0	161,586	0	0
Property Taxes Receivable	6,653,212	0	6,653,212	375,536	0
Allowance for Uncollectible Property Taxes	(201,167)	0	(201,167)	(11,354)	0
Prepaid Items	0	698,091	698,091	0	4,395
Accrued Interest Receivable	0	0	0	0	36,222
Customer Deposits	0	0	0	0	50
Restricted Assets					
Amounts Accumulated for Pension Benefits	0	0	0	28,631	0
Net Pension Asset - Agent Plan	0	0	0	0	108,946
Net Pension Asset - Commissioners Agent Plan	94,977	0	94,977	0	0
Net Pension Asset - Teacher Retirement Plan	0	0	0	5,337	0
Net Pension Asset - Teacher Legacy Pension Plan	0	0	0	171,685	0
Capital Assets:					
Assets Not Depreciated:					
Land	1,747,068	443,997	2,191,065	176,489	36,417
Construction in Progress	192,393	96,336	288,729	0	54,023
Assets Net of Accumulated Depreciation:					
Buildings and Improvements	10,022,470	0	10,022,470	195,039	16,909
Infrastructure	10,113,942	0	10,113,942	0	0
Other Capital Assets	2,760,539	24,233,237	26,993,776	2,023,258	114,889
Total Assets	\$ 48,711,196	\$ 41,304,613	\$ 90,015,809	\$ 11,208,486	\$ 3,507,621
DEFERRED OUTFLOWS OF RESOURCES					
Pension Changes in Experience	\$ 577,908	\$ 0	\$ 577,908	\$ 127,433	\$ 6,425
Pension Changes in Investment Earnings	219,355	0	219,355	64,521	3,061
Pension Changes in Assumptions	822,931	0	822,931	185,976	10,871
Pension Changes in Proportion	0	0	0	5,285	3,791
Pension Contributions After Measurement Date	581,416	0	581,416	103,357	0
OPEB Changes in Experience	0	8,121	8,121	36,083	0
OPEB Changes in Assumptions	0	32,079	32,079	22,934	0
OPEB Changes in Proportion	0	0	0	7,375	0
OPEB Contributions After Measurement Date	0	0	0	1,261	0
Total Deferred Outflows of Resources	\$ 2,201,610	\$ 40,200	\$ 2,241,810	\$ 554,225	\$ 24,148

(Continued)

Exhibit A

CARROLL COUNTY, TENNESSEE
Statement of Net Position (Cont.)

	Primary Government			Component Units	
	Governmental Activities	Business- type Activities	Total	Carroll County School Department	Emergency Communica- tions District
LIABILITIES					
Accounts Payable	\$ 22,873	\$ 3,623,196	\$ 3,646,069	\$ 0	\$ 27,713
Due to Primary Government	0	0	0	161,586	0
Payroll Deductions Payable	238,736	0	238,736	40,322	1,832
Accrued Interest Payable	38,044	0	38,044	0	0
Due to State of Tennessee	91,557	0	91,557	0	0
Unearned Revenue	0	1,341,812	1,341,812	0	0
Other Current Liabilities	0	998,084	998,084	0	0
Customer Deposits Payable	0	1,287,625	1,287,625	0	0
Noncurrent Liabilities:					
Due Within One Year - Debt	388,000	0	388,000	0	0
Due Within One Year - Other	20,761	504,918	525,679	10,001	0
Due in More Than One Year - Debt	4,642,000	0	4,642,000	0	0
Due in More Than One Year - Other	1,412,533	860,055	2,272,588	312,959	0
Total Liabilities	<u>\$ 6,854,504</u>	<u>\$ 8,615,690</u>	<u>\$ 15,470,194</u>	<u>\$ 524,868</u>	<u>\$ 29,545</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	\$ 6,327,358	\$ 0	\$ 6,327,358	\$ 357,144	\$ 0
Pension Changes in Experience	97,223	0	97,223	25,970	7,217
Pension Changes in Proportion	0	0	0	17,819	0
OPEB Changes in Experience	0	6,193	6,193	43,867	0
OPEB Changes in Assumptions	0	15,924	15,924	11,271	0
OPEB Changes in Proportion	0	0	0	19,834	0
Total Deferred Inflows of Resources	<u>\$ 6,424,581</u>	<u>\$ 22,117</u>	<u>\$ 6,446,698</u>	<u>\$ 475,905</u>	<u>\$ 7,217</u>
NET POSITION					
Net Investment in Capital Assets	\$ 19,806,412	\$ 24,773,570	\$ 44,579,982	\$ 2,394,786	\$ 222,238
Restricted for:					
General Government	2,029,754	0	2,029,754	0	0
Finance	74,176	0	74,176	0	0
Administration of Justice	48	0	48	0	0
Public Safety	1,171,390	0	1,171,390	0	0
Public Health and Welfare	841,174	0	841,174	0	0
Highways/Public Works	217,353	0	217,353	0	0
Education	0	0	0	26,796	0
Instruction	0	0	0	12,985	0
Support Services	0	0	0	4,637	0
Debt Service	169,625	0	169,625	0	0
Capital Projects	68,613	0	68,613	0	0
Hybrid Retirement Stabilization Funds	0	0	0	28,631	0
Pensions	94,977	0	94,977	177,022	108,946
Unrestricted	<u>13,160,199</u>	<u>7,933,436</u>	<u>21,093,635</u>	<u>8,117,081</u>	<u>3,163,823</u>
Total Net Position	<u><u>\$ 37,633,721</u></u>	<u><u>\$ 32,707,006</u></u>	<u><u>\$ 70,340,727</u></u>	<u><u>\$ 10,761,938</u></u>	<u><u>\$ 3,495,007</u></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, 2024

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Total Governmental Activities	Business- type Activities	Total	Carroll County School Department	Emergency Communica- tions District
Primary Government:									
Governmental Activities:									
General Government	\$ 4,150,193	\$ 413,753	\$ 265,902	\$ 0	\$ (3,470,538)	\$ 0	\$ (3,470,538)	\$ 0	\$ 0
Finance	981,187	798,767	0	0	(182,420)	0	(182,420)	0	0
Administration of Justice	1,429,889	642,082	99,757	0	(688,050)	0	(688,050)	0	0
Public Safety	9,693,640	1,631,923	2,524,208	348,361	(5,189,148)	0	(5,189,148)	0	0
Public Health and Welfare	2,579,923	1,576,557	310,503	493,377	(199,486)	0	(199,486)	0	0
Social, Cultural, and Recreational Services	571,512	81,319	63,010	1,114	(426,069)	0	(426,069)	0	0
Agriculture and Natural Resources	186,469	0	0	0	(186,469)	0	(186,469)	0	0
Highways/Public Works	4,330,881	0	2,804,521	2,904,739	1,378,379	0	1,378,379	0	0
Interest on Long-term Debt	124,816	0	0	0	(124,816)	0	(124,816)	0	0
Total Governmental Activities	\$ 24,048,510	\$ 5,144,401	\$ 6,067,901	\$ 3,747,591	\$ (9,088,617)	\$ 0	\$ (9,088,617)	\$ 0	\$ 0
Business-type Activities:									
Public Utility	\$ 43,146,884	\$ 43,801,799	\$ 170,140	\$ 0	\$ 0	\$ 825,055	\$ 825,055	\$ 0	\$ 0
Total Primary Government	\$ 67,195,394	\$ 48,946,200	\$ 6,238,041	\$ 3,747,591	\$ (9,088,617)	\$ 825,055	\$ (8,263,562)	\$ 0	\$ 0
Component Units:									
Carroll County School Department	\$ 3,945,296	\$ 215,544	\$ 37,412	\$ 0	\$ 0	\$ 0	\$ 0	\$ (3,692,340)	\$ 0
Emergency Communications District	345,521	666,542	20,000	0	0	0	0	0	341,021
Total Component Units	\$ 4,290,817	\$ 882,086	\$ 57,412	\$ 0	\$ 0	\$ 0	\$ 0	\$ (3,692,340)	\$ 341,021

(Continued)

CARROLL COUNTY, TENNESSEE
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position										
		Charges for Services	Operating	Capital	Primary Government			Component Units							
			Grants	Grants	Total	Business-		Carroll	Emergency						
			and	and	Governmental	type		County	Communica-						
			Contributions	Contributions	Activities	Activities	Total	School	tions						
								Department	District						
General Revenues:															
Taxes:															
Property Taxes Levied for General Purposes					\$	6,250,764	\$	0	\$	6,250,764	\$	372,983	\$	0	
Property Taxes Levied for Debt Service						351,791		0		351,791		0		0	
Local Option Sales Taxes						852,042		0		852,042		160,761		0	
Wheel Tax						1,130,981		0		1,130,981		0		0	
Litigation Taxes						206,178		0		206,178		0		0	
Business Tax						268,985		0		268,985		0		0	
Wholesale Beer Tax						64,749		0		64,749		0		0	
Other Local Taxes						13,051		0		13,051		0		0	
Grants and Contributions Not Restricted to Specific Programs						1,039,333		0		1,039,333		2,598,034		0	
Unrestricted Investment Income						501,350		503,620		1,004,970		2,468		106,137	
Miscellaneous						199,266		0		199,266		9,300		18,089	
Total General Revenues						\$ 10,878,490		\$ 503,620		\$ 11,382,110		\$ 3,143,546		\$ 124,226	
Transfers															
						\$ 477,925		\$ (477,925)		\$ 0		\$ 0		\$ 0	
Change in Net Position															
						\$ 2,267,798		\$ 850,750		\$ 3,118,548		\$ (548,794)		\$ 465,247	
Net Position, July 1, 2023															
						35,365,923		31,856,256		67,222,179		11,310,732		3,029,760	
Net Position, June 30, 2024															
						\$ 37,633,721		\$ 32,707,006		\$ 70,340,727		\$ 10,761,938		\$ 3,495,007	

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

CARROLL COUNTY, TENNESSEE
Balance Sheet
Governmental Funds
June 30, 2024

	Major Funds		Nonmajor Funds	
	General	Highway / Public Works	Other Govern- mental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 0	\$ 0	\$ 7,494	\$ 7,494
Equity in Pooled Cash and Investments	11,395,141	827,548	3,752,256	15,974,945
Accounts Receivable	0	0	3,274,497	3,274,497
Allowance for Uncollectibles	0	0	(3,013,201)	(3,013,201)
Due from Other Governments	431,120	491,321	0	922,441
Due from Other Funds	21,071	0	0	21,071
Due from Component Units	0	0	161,586	161,586
Property Taxes Receivable	5,436,573	611,723	604,916	6,653,212
Allowance for Uncollectible Property Taxes	(164,382)	(16,393)	(20,392)	(201,167)
Total Assets	\$ 17,119,523	\$ 1,914,199	\$ 4,767,156	\$ 23,800,878
LIABILITIES				
Accounts Payable	\$ 22,873	\$ 0	\$ 0	\$ 22,873
Payroll Deductions Payable	214,543	15,126	9,067	238,736
Due to Other Funds	0	0	21,071	21,071
Due to State of Tennessee	90,421	1,130	6	91,557
Total Liabilities	\$ 327,837	\$ 16,256	\$ 30,144	\$ 374,237

(Continued)

CARROLL COUNTY, TENNESSEE

Balance Sheet

Governmental Funds (Cont.)

	Major Funds		Nonmajor Funds	
		Highway / Public Works	Other Govern- mental Funds	Total Governmental Funds
	General			
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	\$ 5,170,305	\$ 586,568	\$ 570,485	\$ 6,327,358
Deferred Delinquent Property Taxes	67,230	5,961	9,023	82,214
Other Deferred/Unavailable Revenue	87,661	244,247	244,045	575,953
Total Deferred Inflows of Resources	<u>\$ 5,325,196</u>	<u>\$ 836,776</u>	<u>\$ 823,553</u>	<u>\$ 6,985,525</u>
FUND BALANCES				
Restricted:				
Restricted for General Government	\$ 61,143	\$ 0	\$ 1,960,404	\$ 2,021,547
Restricted for Finance	74,176	0	0	74,176
Restricted for Administration of Justice	48	0	0	48
Restricted for Public Safety	891,425	0	279,965	1,171,390
Restricted for Public Health and Welfare	592,200	0	0	592,200
Restricted for Debt Service	0	0	203,575	203,575
Restricted for Capital Projects	68,613	0	0	68,613
Restricted for Other Purposes	8,207	0	0	8,207
Committed:				
Committed for Public Health and Welfare	0	0	837,692	837,692
Committed for Social, Cultural, and Recreational Services	134,277	0	0	134,277
Committed for Highways/Public Works	0	1,061,167	0	1,061,167
Committed for Debt Service	0	0	645,319	645,319
Unassigned	9,636,401	0	(13,496)	9,622,905
Total Fund Balances	<u>\$ 11,466,490</u>	<u>\$ 1,061,167</u>	<u>\$ 3,913,459</u>	<u>\$ 16,441,116</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 17,119,523</u>	<u>\$ 1,914,199</u>	<u>\$ 4,767,156</u>	<u>\$ 23,800,878</u>

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

CARROLL COUNTY, TENNESSEE
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
June 30, 2024

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)		\$ 16,441,116
(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	192,393	
Add: building and improvements net of accumulated depreciation	10,022,470	
Add: infrastructure net of accumulated depreciation	10,113,942	
Add: other capital assets net of accumulated depreciation	<u>2,760,539</u>	24,836,412
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: note payable	\$ (205,000)	
Less: other loan payable	(4,825,000)	
Less: accrued interest payable	(38,044)	
Less: compensated absences payable	(415,234)	
Less: net pension liability - agent plan	<u>(1,018,060)</u>	(6,501,338)
(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	\$ 2,201,610	
Less: deferred inflows of resources related to pensions	<u>(97,223)</u>	2,104,387
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - commissioners agent plan		94,977
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>658,167</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 37,633,721</u></u>

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

CARROLL COUNTY, TENNESSEE**Statement of Revenues, Expenditures,
and Changes in Fund Balances**

Governmental Funds

For the Year Ended June 30, 2024

	Major Funds		Nonmajor Funds	
		Highway / Public Works	Other Govern- mental Funds	Total Governmental Funds
	General			
Revenues				
Local Taxes	\$ 7,544,829	\$ 1,041,105	\$ 852,300	\$ 9,438,234
Licenses and Permits	375	0	0	375
Fines, Forfeitures, and Penalties	173,146	0	67,479	240,625
Charges for Current Services	652,328	0	1,665,494	2,317,822
Other Local Revenues	1,167,763	81,177	81,256	1,330,196
Fees Received From County Officials	1,098,262	0	0	1,098,262
State of Tennessee	4,639,214	5,694,751	24,424	10,358,389
Federal Government	737,367	0	306,425	1,043,792
Other Governments and Citizens Groups	105,151	0	0	105,151
Total Revenues	<u>\$ 16,118,435</u>	<u>\$ 6,817,033</u>	<u>\$ 2,997,378</u>	<u>\$ 25,932,846</u>
Expenditures				
Current:				
General Government	\$ 1,639,922	\$ 0	\$ 0	\$ 1,639,922
Finance	823,166	0	0	823,166
Administration of Justice	1,179,234	0	124,330	1,303,564
Public Safety	9,565,669	0	109,390	9,675,059
Public Health and Welfare	447,199	0	2,084,648	2,531,847
Social, Cultural, and Recreational Services	393,167	0	0	393,167
Agriculture and Natural Resources	128,862	0	0	128,862
Other Operations	1,119,332	0	1,585,275	2,704,607
Highways	0	7,576,222	349	7,576,571
Debt Service:				
Principal on Debt	0	63,000	315,000	378,000
Interest on Debt	0	10,661	115,650	126,311
Other Debt Service	0	0	8,233	8,233
Total Expenditures	<u>\$ 15,296,551</u>	<u>\$ 7,649,883</u>	<u>\$ 4,342,875</u>	<u>\$ 27,289,309</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 821,884</u>	<u>\$ (832,850)</u>	<u>\$ (1,345,497)</u>	<u>\$ (1,356,463)</u>
Other Financing Sources (Uses)				
Insurance Recovery	\$ 323,098	\$ 47,745	\$ 0	\$ 370,843
Transfers In	514,362	533,857	54,242	1,102,461
Transfers Out	0	0	(624,536)	(624,536)
Total Other Financing Sources (Uses)	<u>\$ 837,460</u>	<u>\$ 581,602</u>	<u>\$ (570,294)</u>	<u>\$ 848,768</u>
Net Change in Fund Balances	\$ 1,659,344	\$ (251,248)	\$ (1,915,791)	\$ (507,695)
Fund Balance, July 1, 2023	<u>9,807,146</u>	<u>1,312,415</u>	<u>5,829,250</u>	<u>16,948,811</u>
Fund Balance, June 30, 2024	<u>\$ 11,466,490</u>	<u>\$ 1,061,167</u>	<u>\$ 3,913,459</u>	<u>\$ 16,441,116</u>

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

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, 2024**

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)		\$	(507,695)
(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	\$	5,547,254	
Less: current-year depreciation expense		(2,237,458)	3,309,796
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.			
Less: book value of capital assets disposed			(71,636)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2024	\$	658,167	
Less: deferred delinquent property taxes and other deferred June 30, 2023		(680,994)	(22,827)
(4) The issuance of long-term debt (e.g., notes, other loans) provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.			
Add: principal payments on note	\$	63,000	
Add: principal payments on other loan		315,000	378,000
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued interest payable	\$	1,495	
Change in compensated absences payable		(79,211)	
Change in net pension liability - agent plan		(535,374)	
Change in net pension asset - commissioners agent plan		(14,002)	
Change in deferred outflows related to pensions		(282,766)	
Change in deferred inflows related to pensions		92,018	(817,840)
Change in net position of governmental activities (Exhibit B)		\$	<u><u>2,267,798</u></u>

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

CARROLL COUNTY, TENNESSEE**Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget**

General Fund

For the Year Ended June 30, 2024

			Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Actual		Original	Final	
Revenues					
Local Taxes	\$ 7,544,829	\$	7,982,601	\$ 7,982,601	\$ (437,772)
Licenses and Permits	375		1,500	1,500	(1,125)
Fines, Forfeitures, and Penalties	173,146		142,050	142,050	31,096
Charges for Current Services	652,328		504,100	513,030	139,298
Other Local Revenues	1,167,763		1,071,250	1,116,807	50,956
Fees Received From County Officials	1,098,262		1,138,000	1,138,000	(39,738)
State of Tennessee	4,639,214		4,551,384	6,023,512	(1,384,298)
Federal Government	737,367		94,000	496,917	240,450
Other Governments and Citizens Groups	105,151		0	0	105,151
Total Revenues	<u>\$ 16,118,435</u>	<u>\$</u>	<u>15,484,885</u>	<u>\$ 17,414,417</u>	<u>\$ (1,295,982)</u>
Expenditures					
General Government					
County Commission	\$ 47,777	\$	51,433	\$ 51,433	\$ 3,656
Board of Equalization	9,546		21,000	21,000	11,454
Other Boards and Committees	580		665	665	85
County Mayor/Executive	355,335		353,899	360,688	5,353
County Attorney	2,375		13,000	13,000	10,625
Election Commission	208,813		209,282	225,685	16,872
Register of Deeds	228,537		239,012	239,012	10,475
County Buildings	786,959		702,114	855,856	68,897
Finance					
Property Assessor's Office	244,755		270,096	270,096	25,341
Reappraisal Program	24,361		37,363	37,363	13,002
County Trustee's Office	235,885		249,378	249,378	13,493
County Clerk's Office	318,165		333,026	343,863	25,698
Administration of Justice					
Circuit Court	521,593		453,593	574,133	52,540
General Sessions Judge	181,253		185,653	187,494	6,241
Drug Court	6,007		0	0	(6,007)
Chancery Court	206,727		227,098	227,098	20,371
Juvenile Court	186,545		192,530	192,530	5,985
Judicial Commissioners	18,300		18,225	18,225	(75)
Other Administration of Justice	33,499		33,499	33,499	0
Victim Assistance Programs	25,310		25,000	25,000	(310)
Public Safety					
Sheriff's Department	3,224,433		2,989,134	3,587,519	363,086
Administration of the Sexual Offender Registry	39,024		40,500	40,500	1,476
Jail	3,504,611		3,333,574	3,864,711	360,100
Correctional Incentive Program Improvements	143,212		236,840	236,840	93,628
Juvenile Services	1,703,292		2,254,488	2,330,857	627,565
Fire Prevention and Control	351,903		292,497	367,497	15,594
Civil Defense	130,527		132,071	148,642	18,115
County Coroner/Medical Examiner	48,670		51,375	51,375	2,705
Public Safety Grants Program	419,997		420,000	420,000	3

(Continued)

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, 2024

			Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Actual		Original	Final	
Revenues					
Local Taxes	\$ 1,041,105	\$	1,044,914	\$ 1,044,914	\$ (3,809)
Other Local Revenues	81,177		7,437	7,437	73,740
State of Tennessee	5,694,751		3,189,415	6,150,588	(455,837)
Total Revenues	<u>\$ 6,817,033</u>	<u>\$</u>	<u>4,241,766</u>	<u>\$ 7,202,939</u>	<u>\$ (385,906)</u>
Expenditures					
Highways					
Administration	\$ 278,203	\$	294,752	\$ 296,752	\$ 18,549
Highway and Bridge Maintenance	1,025,019		1,083,124	1,083,124	58,105
Operation and Maintenance of Equipment	608,340		743,815	743,815	135,475
Other Charges	142,303		152,600	152,600	10,297
Employee Benefits	392,712		515,896	513,896	121,184
Capital Outlay	5,129,645		2,177,216	5,638,389	508,744
Principal on Debt					
Highways and Streets	63,000		63,000	63,000	0
Interest on Debt					
Highways and Streets	10,661		11,894	11,894	1,233
Total Expenditures	<u>\$ 7,649,883</u>	<u>\$</u>	<u>5,042,297</u>	<u>\$ 8,503,470</u>	<u>\$ 853,587</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (832,850)</u>	<u>\$</u>	<u>(800,531)</u>	<u>\$ (1,300,531)</u>	<u>\$ 467,681</u>
Other Financing Sources (Uses)					
Insurance Recovery	\$ 47,745	\$	0	\$ 0	\$ 47,745
Transfers In	533,857		500,000	533,800	57
Total Other Financing Sources	<u>\$ 581,602</u>	<u>\$</u>	<u>500,000</u>	<u>\$ 533,800</u>	<u>\$ 47,802</u>
Net Change in Fund Balance	<u>\$ (251,248)</u>	<u>\$</u>	<u>(300,531)</u>	<u>\$ (766,731)</u>	<u>\$ 515,483</u>
Fund Balance, July 1, 2023	<u>1,312,415</u>		<u>1,115,751</u>	<u>1,115,751</u>	<u>196,664</u>
Fund Balance, June 30, 2024	<u><u>\$ 1,061,167</u></u>	<u><u>\$</u></u>	<u><u>815,220</u></u>	<u><u>\$ 349,020</u></u>	<u><u>\$ 712,147</u></u>

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

CARROLL COUNTY, TENNESSEE**Statement of Net Position**

Proprietary Fund

June 30, 2024

		Business-type Activities
		Major Enterprise Fund
		Public Utility
ASSETS		
Current Assets:		
Cash	\$	2,269,528
Inventories		1,101,451
Investments		8,830,964
Accounts Receivable		3,656,009
Allowance for Uncollectibles		(25,000)
Prepaid Items and Other Current Assets		698,091
Total Current Assets	\$	16,531,043
Noncurrent Assets:		
Capital Assets:		
Assets Not Depreciated:		
Land	\$	443,997
Construction in Progress		96,336
Assets Net of Accumulated Depreciation:		
Other Capital Assets		24,233,237
Total Noncurrent Assets	\$	24,773,570
Total Assets	\$	41,304,613
DEFERRED OUTFLOWS OF RESOURCES		
OPEB Changes in Experience	\$	8,121
OPEB Changes in Assumptions		32,079
Total Deferred Inflows of Resources	\$	40,200

(Continued)

CARROLL COUNTY, TENNESSEE**Statement of Net Position**

Proprietary Fund (Cont.)

		Business-type Activities
		Major Enterprise Fund
		Public Utility
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$	3,623,196
Accrued Leave - Current		504,918
Unearned Revenue		1,341,812
Other Current Liabilities		998,084
Customer Deposits Payable		1,287,625
Total Current Liabilities	\$	7,755,635
Noncurrent Liabilities:		
Accrued Leave - Long-term	\$	592,730
Other Postemployment Benefits Obligation		267,325
Total Noncurrent Liabilities	\$	860,055
Total Liabilities	\$	8,615,690
DEFERRED INFLOWS OF RESOURCES		
OPEB Changes in Experience	\$	6,193
OPEB Changes in Assumptions		15,924
Total Deferred Inflows of Resources	\$	22,117
NET POSITION		
Net Investment in Capital Assets	\$	24,773,570
Unrestricted		7,933,436
Total Net Position	\$	32,707,006

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

CARROLL COUNTY, TENNESSEE**Statement of Revenues, Expenses, and Changes in Net Position**

Proprietary Fund

For the Year Ended June 30, 2024

		Business-type Activities
		Major Enterprise Fund
		Public Utility
Operating Revenues		
Charges for Sales and Services	\$	42,886,835
Other Electric Revenue		1,085,104
Total Operating Revenues	\$	43,971,939
Operating Expenses		
Cost of Sales and Services	\$	34,760,241
Operations Expense		2,783,944
Maintenance Expense		2,063,060
Administrative Expense		1,678,883
Depreciation and Amortization		1,496,312
Other Taxes		359,163
Total Operating Expenses	\$	43,141,603
Operating Income (Loss)	\$	830,336
Nonoperating Revenues (Expenses)		
Interest Income	\$	503,620
Interest Expense		(5,281)
Total Nonoperating Revenues (Expenses)	\$	498,339
Income Before Transfers	\$	1,328,675
Transfers In (Out)		(477,925)
Change in Net Position	\$	850,750
Net Position, July 1, 2023		31,856,256
Net Position, June 30, 2024	\$	32,707,006

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

CARROLL COUNTY, TENNESSEE**Statement of Cash Flows**

Proprietary Fund

For the Year Ended June 30, 2024

	Business-type Activities
	Major Enterprise Fund
	Public Utility
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 43,840,872
Payments to Employees	(3,457,730)
Payments to Suppliers	(36,384,801)
Customer Deposits Received	303,805
Customer Deposits Refunded	(265,797)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 4,036,349</u>
Cash Flows from Capital and Related Financing Activities	
Construction and Acquisition of Plant	\$ (1,942,186)
Plant Removal Cost	(162,927)
Materials Salvaged from Retirements	139,206
Interest Paid	(5,281)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (1,971,188)</u>
Cash Flows from Noncapital Financing Activities	
Transfers to Other Funds	\$ (477,925)
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ (477,925)</u>
Cash Flows from Investing Activities	
Purchase of Investment	\$ (8,830,964)
Proceeds from Sale of Investments	6,383,658
Interest Earned	503,620
Net Cash Provided By (Used In) Investing Activities	<u>\$ (1,943,686)</u>
Net Increase (Decrease) in Cash	\$ (356,450)
Cash, July 1, 2023	<u>2,625,978</u>
Cash, June 30, 2024	<u><u>\$ 2,269,528</u></u>

(Continued)

CARROLL COUNTY, TENNESSEE**Statement of Cash Flows**

Proprietary Fund (Cont.)

	Business-type Activities
	Major Enterprise Fund
	Public Utility
Reconciliation of Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities	
Operating Income (Loss)	\$ 830,336
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation Expense	1,496,312
(Increase) Decrease in Accounts Receivable	(131,068)
(Increase) Decrease in Inventories	22,816
(Increase) Decrease in Prepaid Items and Other Current Assets	1,665,158
(Increase) Decrease in Customer Deposits Payable	38,009
Increase (Decrease) in Accounts Payable and Accrued Expenses	119,441
Change in OPEB related deferred outflows and inflows	(4,655)
Net Cash Provided By Operating Activities	<u>\$ 4,036,349</u>

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

CARROLL COUNTY, TENNESSEE**Statement of Net Position**

Fiduciary Funds

June 30, 2024

	Public Utility Pension Trust Fund	Private Purpose Trust Funds		Total Private Purpose Trust Funds	Custodial Funds
		Endowment Principal	Indigent Care Trust		
ASSETS					
Cash	\$ 513,972	\$ 0	\$ 341,361	\$ 341,361	\$ 1,424,582
Equity in Pooled Cash and Investments	0	92,073	0	92,073	585,176
Investments	5,159,011	0	1,999,006	1,999,006	0
Accounts Receivable	0	0	0	0	16,657
Due from Other Governments	0	0	0	0	1,483,118
Taxes Receivable	0	0	0	0	5,993,264
Allowance for Uncollectible Taxes	0	0	0	0	(182,763)
Accrued Interest Receivable	0	471	7,037	7,508	0
	0				
Total Assets	<u>\$ 5,672,983</u>	<u>\$ 92,544</u>	<u>\$ 2,347,404</u>	<u>\$ 2,439,948</u>	<u>\$ 9,320,034</u>
LIABILITIES					
Accounts Payable	\$ 0	\$ 0	\$ 15,545	\$ 15,545	\$ 0
Due to Other Taxing Units	0	0	0	0	2,062,014
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 15,545</u>	<u>\$ 15,545</u>	<u>\$ 2,062,014</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,692,491
Total Deferred Outflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,692,491</u>
NET POSITION					
<u>Restricted For:</u>					
Pensions	\$ 5,672,983	\$ 0	\$ 0	\$ 0	\$ 0
Held in Trust for Underprivileged Children	0	92,544	0	92,544	0
Held in Trust for Indigent Care	0	0	2,331,859	2,331,859	0
Individuals, Organizations and Other Governments	0	0	0	0	1,565,529
Total Net Position	<u>\$ 5,672,983</u>	<u>\$ 92,544</u>	<u>\$ 2,331,859</u>	<u>\$ 2,424,403</u>	<u>\$ 1,565,529</u>

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

CARROLL COUNTY, TENNESSEE**Statement of Changes in Net Position**

Fiduciary Funds

For the Year Ended June 30, 2024

	Public Utility Pension Trust Fund	Private Purpose Trust Funds		Total Private Purpose Trust Funds	Custodial Funds
		Endowment Principal	Indigent Care Trust		
ADDITIONS					
Contributions:					
Employer	\$ 360,008	\$ 0	\$ 1,295	\$ 1,295	\$ 0
Total Contributions	\$ 360,008	\$ 0	\$ 1,295	\$ 1,295	\$ 0
Investment Earnings:					
Interest Income	\$ 0	\$ 5,966	\$ 89,314	\$ 95,280	\$ 0
Net Increase (Decrease) in Fair Value of Investments	536,786	0	(198,667)	(198,667)	0
Net Investment Earnings	\$ 536,786	\$ 5,966	\$ (109,353)	\$ (103,387)	\$ 0
Sales Tax Collections for Other Governments	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,993,616
ADA - Educational Funds Collected for Cities	0	0	0	0	10,875,775
Fines/Fees and Other Collections	0	0	0	0	7,468,937
District Attorney General Collections	0	0	0	0	19,426
Total Additions	\$ 896,794	\$ 5,966	\$ (108,058)	\$ (102,092)	\$ 22,357,754
DEDUCTIONS					
Benefit Payments	\$ 350,379	\$ 0	\$ 0	\$ 0	\$ 0
Payments for Indigent Care	0	0	70,272	70,272	0
Professional Fees	0	0	2,250	2,250	0
Administrative Fees	80	57	119	176	0
Payment of Sales Tax Collections to Other Governments	0	0	0	0	3,993,616
Payments to City School Systems	0	0	0	0	10,875,775
Payments to State	0	0	0	0	3,150,179
Payments to Cities, Individuals, and Others	0	0	0	0	4,619,880
Payment of District Attorney General Expenses	0	0	0	0	5,083
Total Deductions	\$ 350,459	\$ 57	\$ 72,641	\$ 72,698	\$ 22,644,533
Change in Net Position	\$ 546,335	\$ 5,909	\$ (180,699)	\$ (174,790)	\$ (286,779)
Net Position, July 1, 2023	5,126,648	86,635	2,512,558	2,599,193	1,852,308
Net Position, June 30, 2024	\$ 5,672,983	\$ 92,544	\$ 2,331,859	\$ 2,424,403	\$ 1,565,529

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, 2024

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 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 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 Dillahunt 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, 2024.

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 funds financial statements. 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 balance/fund net position, 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 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. Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category includes a pension trust fund, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement.

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.

Pension Trust Fund – The Public Utility Pension Trust Fund is used to account for the pension assets of the public utility.

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.

Custodial Funds – These funds account for amounts collected in a custodial capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various

cities and special school districts in Carroll County, and restricted revenues held for the benefit of the Office of District Attorney General.

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.

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. The current and prior years (FY24 and FY 23) reports were not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, a prior year balances (FY22) are presented in this report. We do not believe using the prior year balances will affect the independent auditor's opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found at <https://www.comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>.

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 States of America.

Investments in the State Treasurer's Intermediate Term Investment Fund are reported at amortized cost using a floating net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Intermediate Term Investment Fund complied with accounting principles generally accepted in the United States of America. 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 1.56 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 Pension 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:

Assets	Years
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. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets 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 and OPEB changes in experience, pension changes in investment earnings, pension and

OPEB changes in assumptions, pension and OPEB changes in proportionate share, 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. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets 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 and OPEB changes in proportionate share, OPEB changes in assumptions, and various receivables for revenues, which do not meet the availability criteria for 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, pension liabilities 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. In the other governmental funds, funds expended that exceed the amounts that are restricted, committed, and assigned are reported as negative unassigned fund balance.

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 Pension 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 Pension 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 Pension 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 Pension 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 Pension 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 change 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

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund and the school department's Internal School Fund (special revenue funds), which are 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.

B. Fund Deficit

The Constitutional Officers – Fees Fund had a deficit in unrestricted net position of \$13,496 on June 30, 2024. This deficit resulted from the payment of expenses for the clerk and master's salary, benefits, travel, and office supplies that exceeded the amount of fees collected by the office.

C. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the county commission in four of 47 major appropriations categories (the legal level of control) of the General Fund in amounts ranging from \$75 to \$6,007. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balances.

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 three 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 90 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 fair 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.

In addition, counties may invest in FDIC insured certificates of deposit. The deposit is first made in a bank or savings and loan association, selected by the government entity, with a branch in the state of Tennessee that is authorized to accept county deposits (the depository bank). The depository bank then arranges for the transfer of the moneys into one or more federally insured banks or savings and loan associations, wherever located (secondary depositories), for the account of the county. In turn, the depository bank receives funds from customers of the secondary depositories equal to or greater than the amount initially invested by the county. The balance of county funds with each secondary depository must not exceed FDIC insurance limits so that all funds are fully insured. Under this program, the trustee must provide the depository bank with a listing of all banks and savings and loan associations holding county funds under the same federal employer identification number (FEIN). To prevent deposits from exceeding FDIC coverage, the depository bank is prohibited from using any of those listed banks or savings and loan associations as secondary depositories. The use of this program must be approved by the county investment committee or finance committee as appropriate for the specific county. Further, the investment committee or finance committee must establish policies and procedures for the investments, including the establishment of controls to ensure that full FDIC insurance coverage is obtained. Service providers used by depositories must be approved by the state treasurer upon concurrence by the commissioner of financial institutions and finance and administration. There are currently only two eligible programs that have been approved by the state treasurer: the Certificate of Deposit Account Registry Service (CDARS) and the Insured Cash Sweep (ICS), which operate through IntraFi Network, LLC.

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.3., 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, 2024.

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. It is the intent of the plan trustees to allocate these funds in the future to offset pension costs.

On June 30, 2024, the Carroll County School Department had the following investments held by the trust on its behalf. These funds are recognized as restricted assets in the General Purpose School Fund of the school department.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 8,877
Developed Market International Equity	N/A	N/A	4,008
Emerging Market International Equity	N/A	N/A	1,145
U.S. Fixed Income	N/A	N/A	5,726
Real Estate	N/A	N/A	2,863
Short-term Securities	N/A	N/A	286
NAV - Private Equity and Strategic Lending	N/A	N/A	<u>5,726</u>
Total			<u><u>\$ 28,631</u></u>

For further information concerning the legal provisions, investment policies, investment types, and credit risks of 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://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

B. Capital Assets

Capital assets activity for the year ended June 30, 2024, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-23	Increases	Decreases	Balance 6-30-24
Capital Assets Not Depreciated:				
Land	\$ 1,747,068	\$ 0	\$ 0	\$ 1,747,068
Construction in Progress	195,608	192,393	(195,608)	192,393
Total Capital Assets Not Depreciated	<u>\$ 1,942,676</u>	<u>\$ 192,393</u>	<u>\$ (195,608)</u>	<u>\$ 1,939,461</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 22,099,551	\$ 227,693	\$ 0	\$ 22,327,244
Infrastructure	20,975,347	3,106,101	0	24,081,448
Other Capital Assets	12,037,572	2,216,675	(518,537)	13,735,710
Total Capital Assets Depreciated	<u>\$ 55,112,470</u>	<u>\$ 5,550,469</u>	<u>\$ (518,537)</u>	<u>\$ 60,144,402</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 11,545,078	\$ 759,696	\$ 0	\$ 12,304,774
Infrastructure	13,265,329	702,177	0	13,967,506
Other Capital Assets	10,646,487	775,585	(446,901)	10,975,171
Total Accumulated Depreciation	<u>\$ 35,456,894</u>	<u>\$ 2,237,458</u>	<u>\$ (446,901)</u>	<u>\$ 37,247,451</u>
Total Capital Assets Depreciated, Net	<u>\$ 19,655,576</u>	<u>\$ 3,313,011</u>	<u>\$ (71,636)</u>	<u>\$ 22,896,951</u>
Governmental Activities Capital Assets, Net	<u>\$ 21,598,252</u>	<u>\$ 3,505,404</u>	<u>\$ (267,244)</u>	<u>\$ 24,836,412</u>

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

Governmental Activities:

General Government	\$ 311,440
Finance	9,584
Administration of Justice	53,277
Public Safety	847,749
Public Health and Welfare	96,085
Social, Cultural, and Recreational Services	24,417
Agriculture and Natural Resources	4,346
Highway/Public Works	<u>890,560</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 2,237,458</u></u>

Net Investment in Capital Assets

Capital Assets	\$ 24,836,412
Less:	
Outstanding principal of capital debt and other capital borrowings	<u>(5,030,000)</u>
Net Investment in Capital Assets	<u><u>\$ 19,806,412</u></u>

Discretely Presented Carroll County School Department

Governmental Activities:

	Balance 7-1-23	Increases	Decreases	Balance 6-30-24
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	5,336,166	0	0	5,336,166
Total Capital Assets Depreciated	<u>\$ 8,311,951</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,311,951</u>
Less Accumulated Depreciation:				
Buildings and Improvements	\$ 2,735,429	\$ 45,317	\$ 0	\$ 2,780,746
Other Capital Assets	2,970,781	342,127	0	3,312,908
Total Accumulated Depreciation	<u>\$ 5,706,210</u>	<u>\$ 387,444</u>	<u>\$ 0</u>	<u>\$ 6,093,654</u>
Total Capital Assets Depreciated, Net	<u>\$ 2,605,741</u>	<u>\$ (387,444)</u>	<u>\$ 0</u>	<u>\$ 2,218,297</u>
Governmental Activities Capital Assets, Net	<u>\$ 2,782,230</u>	<u>\$ (387,444)</u>	<u>\$ 0</u>	<u>\$ 2,394,786</u>

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

Governmental Activities:

Instruction	\$ 34,916
Support Services	348,106
Capital Outlay	<u>4,422</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 387,444</u></u>

C. *Interfund Receivables, Payables, and Transfers*

The composition of interfund balances as of June 30, 2024, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental	\$ 21,071

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.

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
Primary Government:	Component Unit:	
Nonmajor governmental	School Department: School Transportation	\$ 161,586

Interfund Transfers:

Interfund transfers for the year ended June 30, 2024, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In			Purpose
	General Fund	Highway/ Public Works Fund	Nonmajor governmental funds	
Public Utility	\$ 389,826	\$ 33,857	\$ 54,242	Payment in-lieu-of taxes
Nonmajor government funds	124,536	500,000	0	American Rescue Plan funds
Total	<u>\$ 514,362</u>	<u>\$ 533,857</u>	<u>\$ 54,242</u>	

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

D. 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. The capital outlay note and other loan outstanding were issued for original terms of four years for the note and 25 years for the other loan. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. The capital outlay note and other loan included in long-term debt as of June 30, 2024, will be retired from the Highway/Public Works and General Debt Service funds.

The capital outlay note and other loan outstanding as of June 30, 2024, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-24
Direct Borrowing and Direct Placement:				
Capital Outlay Note	4.28 %	11-1-26	\$ 268,000	\$ 205,000
Other Loan - Fixed rate	2.32	3-1-37	8,164,130	4,825,000

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 the note and other loan outstanding as of June 30, 2024, including interest payments, are presented in the following tables:

Year Ending June 30	Note - Direct Placement		
	Principal	Interest	Total
2025	\$ 66,000	\$ 9,082	\$ 75,082
2026	68,000	6,158	74,158
2027	71,000	3,145	74,145
Total	\$ 205,000	\$ 18,385	\$ 223,385

Year Ending June 30	Other Loan - Direct Placement		
	Principal	Interest	Total
2025	\$ 322,000	\$ 108,563	\$ 430,563
2026	330,000	101,318	431,318
2027	337,000	93,893	430,893
2028	345,000	86,310	431,310
2029	353,000	78,548	431,548
2030-2034	1,892,000	269,844	2,161,844
2035-2037	1,246,000	56,498	1,302,498
Total	<u>\$ 4,825,000</u>	<u>\$ 794,974</u>	<u>\$ 5,619,974</u>

There is \$848,894 available in the General Debt Service Fund to service long-term debt. Total debt per capita including the note and other loan totaled \$177, based on the 2020 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, 2024, was as follows:

Governmental Activities:

	Notes - Direct Placement	Other Loans - Direct Placement
Balance, July 1, 2023	\$ 268,000	\$ 5,140,000
Reductions	<u>(63,000)</u>	<u>(315,000)</u>
Balance, June 30, 2024	<u>\$ 205,000</u>	<u>\$ 4,825,000</u>
Balance Due Within One Year	<u>\$ 66,000</u>	<u>\$ 322,000</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2024	\$ 5,030,000
Less: Balance Due Within One Year - Debt	<u>(388,000)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 4,642,000</u>

E. Long-term Obligations

Primary Government

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2024, was as follows:

Governmental Activities:	Net Pension	
	Compensated Absences	Liability - Agent Plan
Balance, July 1, 2023	\$ 336,023	\$ 482,686
Additions	326,169	3,226,675
Reductions	(246,958)	(2,691,301)
Balance, June 30, 2024	<u>\$ 415,234</u>	<u>\$ 1,018,060</u>
Balance Due Within One Year	<u>\$ 20,761</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2024	\$ 1,433,294
Less: Balance Due Within One Year - Other	<u>(20,761)</u>
Other Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 1,412,533</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, 2024, was as follows:

Governmental Activities:	Net Pension	
	Liability - Agent Plan	Net OPEB Liability
Balance, July 1, 2023	\$ 78,838	\$ 124,975
Additions	494,122	54,474
Reductions	(417,058)	(12,391)
Balance, June 30, 2024	<u>\$ 155,902</u>	<u>\$ 167,058</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 10,001</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2024	\$ 322,960
Less: Balance Due Within One Year - Other	<u>(10,001)</u>
Other Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 312,959</u>

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Carroll County School Department. These payments are made by the state to the Local Education Group Insurance. This plan is administered by the State of Tennessee and reported in the state's Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Plan for the year ended June 30, 2024, were \$1,077. 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)

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 Annual Comprehensive 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.

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.

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 property and \$450,000 for liability for each insured event.

Discretely Presented Carroll County School Department

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 Annual Comprehensive 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.

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

B. *Accounting Change*

GASB Statement No. 100, *Accounting Changes and Error Corrections*, became effective for the fiscal year ending June 30, 2024. This statement clarifies the financial accounting and reporting requirements for changes in accounting principles, changes in accounting estimates, error corrections, and changes within the reporting entity.

C. *Contingent Liabilities*

The county has received various federal and state grants and other assistance for specific purposes that are subject to review and audit by grantor agencies. Such audits could result in reimbursements to the grantor agencies for expenditures disallowed under the terms of the grants. County management is not aware of any potential disallowances and believes that reimbursements, if any, would not be material.

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

D. *Joint Ventures*

The Twenty-fourth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-fourth Judicial District, Benton, Carroll, Decatur, Hardin, and Henry counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Carroll County made no contributions to the DTF for the year ended June 30, 2024, and does not have any equity interest in this joint venture.

The Carroll County Economic Development Council is a joint venture between Carroll County and the cities of Atwood, Bruceton, Clarksburg, Hollow Rock, Huntingdon, McKenzie, McLemoresville, and Trezevant. The board is comprised of the county and city mayors, the president of the Carroll Chamber of Commerce, and one member representing agriculture/greenbelt. The purpose of the board is to foster communication relative to economic and community development between and

among governmental entities, industry, and private citizens. The county and cities provide the majority of funding for the board based on the sales tax plan outlined in 1997.

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

Administrative Offices:

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

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

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

E. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. 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 Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 86.72 percent and the non-certified employees of the discretely presented school department comprised 13.28 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 Pension 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 nonservice-related disability eligibility. The service-related and nonservice-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 automatic cost of living adjustments (COLAs) 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, 2023, the following employees were covered by the benefit terms:

Carroll County Plan:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	169
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	273
Active Employees	235
Total	<u><u>677</u></u>

Carroll County Commissioners Plan:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	5
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	6
Active Employees	15
Total	<u><u>26</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, 2024, the employer contribution for the Carroll County Plan was \$641,622 based on a rate of 6.75 percent of covered payroll and the employer contribution for the Carroll County Commissioners Plan was \$773 based on a rate of five percent of covered payroll. By law, employer contributions are required to be paid. 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, 2023, 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, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2023, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. 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, 2020, 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 2.25 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	4.88	%	31	%
Developed Market				
International Equity	5.37		14	
Emerging Market				
International Equity	6.09		4	
Private Equity and				
Strategic Lending	6.57		20	
U.S. Fixed Income	1.20		20	
Real Estate	4.38		10	
Short-term Securities	0.00		1	
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Carroll County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

Carroll County Plan:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2022	\$ 32,256,860	\$ 31,695,336	\$ 561,524
Changes for the Year:			
Service Cost	\$ 816,224	\$ 0	\$ 816,224
Interest	2,181,138	0	2,181,138
Change in Benefit Terms	669,486	0	669,486
Differences Between Expected and Actual Experience	29,174	0	29,174
Contributions-Employer	0	561,309	(561,309)
Contributions-Employees	0	434,961	(434,961)
Net Investment Income	0	2,112,089	(2,112,089)
Benefit Payments, Including Refunds of Employee Contributions	(1,519,854)	(1,519,854)	0
Administrative Expense	0	(24,775)	24,775
Net Changes	\$ 2,176,168	\$ 1,563,730	\$ 612,438
Balance, June 30, 2023	\$ 34,433,028	\$ 33,259,066	\$ 1,173,962

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Carroll County Plan				
Primary Government	86.72%	\$ 29,860,322	\$ 28,842,262	\$ 1,018,060
School Department	13.28%	4,572,706	4,416,804	155,902
Total		\$ 34,433,028	\$ 33,259,066	\$ 1,173,962

Carroll County Commissioners Plan:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2022	\$ 86,767	\$ 195,746	\$ (108,979)
Changes for the Year:			
Service Cost	\$ 4,813	\$ 0	\$ 4,813
Interest	6,007	0	6,007
Differences Between Expected and Actual Experience	17,006	0	17,006
Contributions-Employer	0	903	(903)
Contributions-Employees	0	903	(903)
Net Investment Income	0	13,011	(13,011)
Benefit Payments, Including Refunds of Employee Contributions	(5,168)	(5,168)	0
Administrative Expense	0	(993)	993
Net Changes	\$ 22,658	\$ 8,656	\$ 14,002
Balance, June 30, 2023	\$ 109,425	\$ 204,402	\$ (94,977)

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 6.75 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 (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)			
Carroll County Plan	\$ 5,640,270	\$ 1,173,962	\$ (2,529,781)
Carroll County Commissioners Plan	(85,145)	(94,977)	(103,454)

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, 2024, the Carroll County Plan and the Carroll County Commissioners Plan recognized pension expenses (negative pension expense) of \$1,541,645 and \$380, respectively.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, 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	\$ 650,216	\$ 112,111
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	251,323	0
Changes in Assumptions	948,952	0
Contributions Subsequent to the Measurement Date of June 30, 2023 (1)	641,622	N/A
Total	<u>\$ 2,492,113</u>	<u>\$ 112,111</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2023,” will be recognized as a reduction (increase) to net pension liability (asset) in the subsequent fiscal period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 2,185,388	\$ 97,223
School Department	306,725	14,888
Total	<u>\$ 2,492,113</u>	<u>\$ 112,111</u>

Carroll County Commissioners Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 14,041	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,408	0
Changes in Assumptions	0	0
Contributions Subsequent to the Measurement Date of June 30, 2023 (1)	773	N/A
Total	<u>\$ 16,222</u>	<u>\$ 0</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2023,” will be recognized as a reduction (increase) to net pension liability (asset) in the subsequent fiscal 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:

Year Ending June 30	Carroll County Plan	Carroll County Commissioners Plan
2025	\$ 463,447	\$ 2,742
2026	349,791	1,555
2027	917,539	7,739
2028	7,603	3,413
2029	0	0
Thereafter	0	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 Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 86.72 percent and the non-certified employees of the discretely presented school department comprised 13.28 percent of the plan based on contribution data.

Discretely Presented Carroll County School Department - 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 nonservice-related disability eligibility. The service-related and nonservice-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 automatic cost of living adjustments (COLAs) 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 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 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, 2024, to the Teacher Retirement Plan were \$6,161 which is 2.95 percent of covered payroll. In addition, employer contributions of \$2,193, which is 1.05 percent of covered

payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). On June 30, 2024, the school department reported a liability (asset) of (\$5,337) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2023, 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, 2023, the school department's proportion was .012585 percent. The proportion as of June 30, 2022, was .014365 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2024, the school department recognized pension expense of \$7,006.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, 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	\$ 180	\$ 3,115
Net Difference Between Projected and Actual Earnings on Pension Plan		
Investments	1,357	0
Changes in Assumptions	4,015	0
Changes in Proportion of Net Pension Liability (Asset)	5,285	2,701
LEA's Contributions Subsequent to the Measurement Date of June 30, 2023	6,161	N/A
Total	\$ 16,998	\$ 5,816

The school department's employer contributions of \$6,161 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) of net pension liability (asset) in the year ending June 30, 2025. 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
2025	\$ 227
2026	30
2027	2,123
2028	348
2029	357
Thereafter	1,936

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, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2023, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. 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, 2020, 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 2.25 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	4.88 %	31 %
Developed Market		
International Equity	5.37	14
Emerging Market		
International Equity	6.09	4
Private Equity and		
Strategic Lending	6.57	20
U.S. Fixed Income	1.20	20
Real Estate	4.38	10
Short-term Securities	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 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 6.75 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 (5.75%) or one percentage point higher (7.75%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	\$ 24,548	\$ (5,337)	\$ (26,851)

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

Discretely Presented Carroll County School Department - Certified Employees - 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 nonservice-related disability eligibility. The service-related and nonservice-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 automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers 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, 2024, to the Teacher Legacy Pension Plan were \$36,217, which is 6.81 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 (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liability (Assets). On June 30, 2024, the school department reported a liability (asset) of (\$171,685) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2023, 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, 2023, the school department's proportion was .014562 percent. The proportion measured on June 30, 2022, was .013894 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2024, the school department recognized (negative pension expense) of \$39,014.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, 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	\$ 40,904	\$ 7,967
Changes in Assumptions	55,940	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	29,788	0
Changes in Proportion of Net Pension Liability (Asset)	0	15,118
LEA's Contributions Subsequent to the Measurement Date of June 30, 2023	36,217	N/A
Total	<u>\$ 162,849</u>	<u>\$ 23,085</u>

The school department's employer contributions of \$36,217 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) in net pension liability (asset) in the year ending June 30, 2025. 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
2025	\$ 34,191
2026	(29,119)
2027	98,242
2028	233
2029	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, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2023, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. 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, 2020, 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 2.25 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	4.88	%	31	%
Developed Market				
International Equity	5.37		14	
Emerging Market				
International Equity	6.09		4	
Private Equity and				
Strategic Lending	6.57		20	
U.S. Fixed Income	1.20		20	
Real Estate	4.38		10	
Short-term Securities	0.00		1	
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 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 6.75 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 (5.75%) or one percentage point higher (7.75%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	\$ 373,943	\$ (171,685)	\$ (625,494)

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 \$14,004 and teachers contributed \$5,722 to this deferred compensation pension plan.

F. Other Postemployment Benefits (OPEB)

The discretely presented Carroll County School Department provides OPEB benefits to its retirees under the state administered public entity risk pool. For reporting purposes, the plan is considered a single employer defined benefit OPEB plan based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). The plan is 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 the plan was measured as of June 30, 2023, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2023, actuarial valuation of the plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2021, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.65%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 10.31% for pre-65 retirees in the 2023 calendar year, and decreasing annually over a 11-year period to an ultimate trend rate of 4.5%
Retirees Share of Benefit Related Cost	Discussed below

The discount rate was 3.65%, based on the daily rate of Bond Buyer's 20-year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2023, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2023, valuations were the same as those employed in the July 1, 2020, 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, 2016 - June 30, 2020. 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 PUB-2010 Headcount-weighted employee mortality table for non-disabled pre-retirement mortality, with mortality improvement projected generationally with MP-2021 from 2010. Post-retirement rates are headcount-weighted below median healthy annuitant and adjusted with a 19 percent load for males and an 18 percent load for females, projected generationally with MP-2021 from 2010. 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, projected generationally from 2018 with MP-2021.

Changes in Assumptions. The discount rate changed from 3.54 percent as of the beginning of the measurement period to 3.65 percent as of the measurement date of June 30, 2023. This change in assumption decreased 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 2023 plan year was revised from 8.37 percent to 10.31 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, 2023, the following employees were covered by the benefit terms:

Inactive Employees Currently Receiving	
Receiving Benefits	0
Inactive Employees Entitled to But Not Yet	
Receiving Benefit Payments	0
Active Employees Eligible for Benefits	18
Total	<u>18</u>

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 \$1,261 to the LEP for OPEB benefits as they came due.

Changes in the Total OPEB Liability – As of the Measurement Date

	Share of Collective Liability		Total OPEB Liability
	Carroll County School Department 66.603%	State of TN 33.397%	
Balance July 1, 2022	\$ 124,975	\$ 45,535	\$ 170,510
Changes for the Year:			
Service Cost	\$ 8,195	\$ 4,110	\$ 12,305
Interest	4,293	2,153	6,446
Difference between Expected and Actuarial Experience	31,504	15,797	47,301
Changes in Proportion	(11,411)	11,411	0
Changes in Assumption and Other Inputs	10,482	5,256	15,738
Benefit Payments	(980)	(492)	(1,472)
Net Changes	\$ 42,083	\$ 38,235	\$ 80,318
Balance June 30, 2023	\$ 167,058	\$ 83,770	\$ 250,828

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 \$7,898 in revenue for subsidies provided by non-employer 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 66.603 percent and the State of Tennessee's share was 33.397 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, the school department recognized OPEB expense of \$17,899, including the state's share of the expense. On June 30, 2024, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 36,083	\$ 43,867
Changes of Assumptions	22,934	11,271
Changes in Proportion	7,375	19,834
Benefits Paid After the Measurement Date of June 30, 2023	1,261	0
Total	<u>\$ 67,653</u>	<u>\$ 74,972</u>

The amount shown above for "Benefits Paid After the Measurement Date" will be recognized as a reduction to OPEB liability in the following measurement period.

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

Year Ending June 30	School Department
2025	\$ (2,487)
2026	(2,487)
2027	(2,487)
2028	(3,600)
2029	(1,218)
Thereafter	3,699

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 2.65%	Current Discount Rate 3.65%	1% Increase 4.65%

Proportionate Share of the Collective Total OPEB Liability	\$ 174,647	\$ 167,058	\$ 159,306

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 9.31 to 3.5%	Current Rate 10.31 to 4.5%	1% Increase 11.31 to 5.5%

Proportionate Share of the Collective Total OPEB Liability	\$ 154,249	\$ 167,058	\$ 181,209

G. Purchasing Laws

Offices of County Mayor and Highway Commission

Purchasing procedures for Carroll County are governed by provisions of Chapter 23, Private Acts of 1975, as amended, and Section 54-7-113, *Tennessee Code Annotated (TCA)*, (highway department purchases only). This act provides for the county mayor to act as purchasing agent for the Carroll County Highway Department, School Transportation Department, and all other county departments and agencies, except for the Board of Education. The act also provides for the establishment of a purchasing commission, consisting of the county clerk, county trustee, and three members of the county commission. Requisitions and purchase orders are required for all purchases. In addition, public advertisement and sealed bids are required on purchases exceeding \$25,000. 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 \$25,000.

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 our materials sold to certain entities. All trade receivables are shown net of an allowance for uncollectible accounts. The allowance for uncollectible customer accounts recorded by the electric system is based on past history of uncollectible accounts and management's analysis of current accounts.

Inventories and Prepaid Items

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

Capital Assets

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

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

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

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

Compensated Absences

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

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets 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 items that qualify for reporting in this category: OPEB changes in experience and assumptions.

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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The electric system presently has 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.

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

The following is the asset allocation as of June 30, 2024:

	Market Value	Percentage of Total
Equities	\$ 1,182,817	20.85%
Balanced	94,172	1.66%
Fixed Income Investments	3,805,437	67.08%
Stable Value Fund	513,972	9.06%
Other Exchange	76,585	1.35%
Total	<u>\$ 5,672,983</u>	<u>100.00%</u>

The following investments represent more than five percent of the fiduciary net position and are not issued or explicitly guaranteed by the U.S. government:

AUL Stable Value Account	\$	513,972
AmerCent One Choice 2035		397,693
AmerCent One Choice 2045		456,986
AmerCent One Choice 2055		976,156
TrowePriceGRTH Stock R/TLCG		540,068

For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.66 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The plan has the following recurring fair value measurements as of June 30, 2024.

Investment by Fair Value Level	Fair Value 6-30-24	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity Securities:				
U.S. agencies	\$ 1,037,589	\$ 1,037,589	\$ 0	\$ 0
International equities	145,228	145,228	0	0
Total Equity Securities	<u>\$ 1,182,817</u>	<u>\$ 1,182,817</u>	<u>\$ 0</u>	<u>\$ 0</u>
Balanced funds	\$ 94,172	\$ 94,172	\$ 0	\$ 0
Fixed	3,805,437	3,805,437	0	0
Stable Value Fund	513,972	0	513,972	0
Other exchange products	76,585	76,585	0	0
	<u>\$ 4,490,166</u>	<u>\$ 3,976,194</u>	<u>\$ 513,972</u>	<u>\$ 0</u>
Total Investments Measured at Fair Value	<u>\$ 5,672,983</u>	<u>\$ 5,159,011</u>	<u>\$ 513,972</u>	<u>\$ 0</u>

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

The electric system also had investments of certificates of deposits with a maturity greater than three months for the fiscal year ended June 30, 2024.

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 fair 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, 2024, all bank deposits were fully collateralized or insured.

2. Receivables

Receivables as of June 30, 2024, consisted of the following:

Billed services for utility customers	\$ 3,498,514
Other receivables for utility service	157,495
Allowance for doubtful accounts	<u>(25,000)</u>
Total	<u><u>\$ 3,631,009</u></u>

3. Restricted Assets

There are no restricted assets as of June 30, 2024.

4. Capital Assets

Capital assets activity during the year was as follows:

	Balance 7-1-23	Increases	Decreases	Balance 6-30-24
Capital Assets Not Depreciated:				
Land	\$ 305,408	\$ 138,589	\$ 0	\$ 443,997
Construction in Progress	148,900	0	(52,564)	96,336
Total Capital Assets Not Depreciated	<u>\$ 454,308</u>	<u>\$ 138,589</u>	<u>\$ (52,564)</u>	<u>\$ 540,333</u>
Capital Assets Depreciated:				
Other Capital Assets	\$ 49,665,334	2,087,559	(623,899)	\$ 51,128,994
Total Capital Assets Depreciated	<u>\$ 49,665,334</u>	<u>\$ 2,087,559</u>	<u>\$ (623,899)</u>	<u>\$ 51,128,994</u>
Less Accumulated Depreciation For:				
Other Capital Assets	\$ 25,815,667	\$ 1,727,712	(647,622)	\$ 26,895,757
Total Accumulated Depreciation	<u>\$ 25,815,667</u>	<u>\$ 1,727,712</u>	<u>\$ (647,622)</u>	<u>\$ 26,895,757</u>
Total Capital Assets Depreciated, Net	<u>\$ 23,849,667</u>	<u>\$ 359,847</u>	<u>\$ 23,723</u>	<u>\$ 24,233,237</u>
Capital Assets, Net	<u><u>\$ 24,303,975</u></u>	<u><u>\$ 498,436</u></u>	<u><u>\$ (28,841)</u></u>	<u><u>\$ 24,773,570</u></u>

Depreciation expense charged to operations amounted to \$1,496,312 for the fiscal year ended June 30, 2024. Depreciation expense charged to transportation equipment amount to \$231,400 for the fiscal year ended June 30, 2024.

5. Long-term Liabilities

Long-term liabilities for the year ended June 30, 2024, is as follows:

	Balance 6-30-2024
Long-term Liabilities	
Sick and Vacation Accrual	\$ 1,097,648
Total current portion	\$ 504,918
Total long-term portion	\$ 592,730

The following is as summary of long-term liability transactions for the year ended June 30, 2024:

	Compensated Absences
Balance, July 1, 2023	\$ 1,068,273
Additions	419,406
Reductions	(390,031)
Balance, June 30, 2024	\$ 1,097,648
Amount Due in One Year	\$ 504,918

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	\$ 24,773,570
Total invested in capital assets, net of related liabilities	\$ 24,773,570
Unrestricted	\$ 7,933,436
Total Net Position	\$ 32,707,006

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, 2024, total employer contributions were \$360,008 based on total covered wages of \$3,000,072.

For the year ended June 30, 2024, the plan had 40 active plan members.

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, 2024, 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 post-employment 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 on June 30, 2024, are detailed in the following table. The table shows the net OPEB liability as of June 30, 2024, which is reported in the financial statements in accordance with GASB Statement No. 75. Total OPEB liability was rolled forward to June 30, 2024, in order to be in compliance with GASB Statement No. 75.

	Total OPEB Liability
Total OPEB Liability, July 1, 2023	<u>\$ 236,128</u>
Service Cost	15,646
Interest	9,149
Assumption and Method Changes	31,281
Contributions - employer	(29,488)
Administrative Expense	4,609
Net Changes	<u>\$ 31,197</u>
Total OPEB Liability, June 30, 2024	<u><u>\$ 267,325</u></u>

Actuarial Methods and Assumptions

Plan Membership:

Number of Participants:

Actives	43
Retired	<u>1</u>
Total Participants	<u><u>44</u></u>

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

Changes in Assumptions

The source of the discount rate was switched from the GO Bond Buyer Index to the S&P Municipal Bond 20 Year Rate Index. The discount rate was changed from 4.13 percent as of the beginning of the measurement period to 4.11 percent as of June 30, 2024.

Salary Scale	4%
Core inflation assumption	2.5%
Trend	Per-capita claims costs are projected to increase at an initial rate of 7.5% linearly to 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-2021.

The actuarial assumption used in the June 30, 2024, valuation were based on the results of an actuarial experience study for the period ending June 30, 2023.

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:

	1% Decrease 6.5 to 3.5%	Current Rate 7.5 to 4.5%	1% Increase 8.5 to 5.5%
Total OPEB Liability	\$ 241,031	\$ 267,325	\$ 303,559

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. The discount rate used to measure the total OPEB liability was 4.11 percent. Because the plan is unfunded, the plan's projected benefits are discounted back using rates equivalent to Aa 20-year municipal bonds. The GO Bond Buyer Index was used to approximate those yields as of June 30, 2024.

Discount Rate

	1% Decrease 3.11%	Current Rate 4.11%	1% Increase 5.11%
Total OPEB Liability	\$ 285,448	\$ 267,325	\$ 253,613

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, the electric system recognized OPEB expense of \$24,832. On June 30, 2024, 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	\$ 8,121	\$ 6,193
Changes of Assumptions/Inputs	32,079	15,924
Total	\$ 40,200	\$ 22,117

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

Year Ending June 30	Amortized
2025	\$ (3,527)
2026	2,966
2027	5,051
2028	3,448
2029	4,131
Thereafter	6,014

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. On June 30, 2024, no benefits were payable to the plan.

Administrative Expenses. Qualified plan administrative expenses are paid by the plan. During the year ended June 30, 2024, administrative expenses were \$4,609.

5. Major Customer

For the year ended June 30, 2024, one customer comprised approximately 25.24 percent of total revenues.

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.

6. Budget

The board adopts a quarterly budget to expend only the income derived from the private-purpose trust fund principal, in accordance with the private act of March 21, 1983. The budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America and that basis is consistent with the basis used in preparing the board's financial statements.

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 fair 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, 2024, all the bank deposits were insured.

Investments at market value consist of:

FHLMC Securities	\$ 224,877
FNMA Securities	287,480
GNMA Securities	1,477,406
Stripped ADJ MTG-Backed Securities	4,747
Various Mortgage-Backed Securities	<u>4,496</u>
Total	<u>\$ 1,999,006</u>

The total book value of these investments as of June 30, 2024, was \$2,605,170, and the total market value was \$1,999,006. As mentioned, these investments are valued at fair value. On June 30, 2024, book value exceeded market value by \$606,164.

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, 2024.

	Level 1	Level 2	Level 3	Total
	Inputs	Inputs	Inputs	Fair Value
Fixed government agencies	\$ 0	\$ 1,999,006	\$ 0	\$ 1,999,006

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.

E. Indigent Accounts

On July 1, 2023, approved indigent care accounts totaling \$5,499,800 were available for payment. During the year, new claims totaling \$145,340 were approved, and \$79,009 was paid during the year, bringing the unpaid balance on June 30, 2024, to \$15,545. 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 2024 earnings, have been accrued as a liability on the Statement of Fiduciary Net Position as accrued indigent payments of \$15,545 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.

VIII. OTHER NOTES – DISCRETELY PRESENTED CARROLL COUNTY EMERGENCY COMMUNICATIONS DISTRICT

A. General Information

The Carroll County Emergency Communications District (District) provides the 911 emergency communications infrastructure to persons living in Carroll County. The district is a component unit of Carroll County. Accordingly, this financial data is incorporated into the county's financial statements. The district is governed by a nine-member board of directors who are appointed by the Carroll County Mayor and confirmed by the Carroll County Commission. The district owns the operating headquarters and maintains all of the repairs and furnishings. The district receives no operational or capital funding from Carroll County.

B. Summary of Significant Accounting Policies

1. Basis of Presentation

The accounts of the district are organized on the basis of funds. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Each fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenses, as appropriate. The accounts in the financial statements in this report fall under one broad fund category as follows:

Proprietary Funds

Enterprise Funds – Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis can be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

2. Measurement Focus and Basis of Accounting

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 district's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded 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.

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

Cash and Cash Equivalents

Cash and cash equivalents, as used in the Statement of Cash Flows, includes demand deposit accounts and certificates of deposit with maturities of three months or less when purchased, in accordance with GASB Statement No. 9.

Receivables

Receivables consist of all revenues earned at year-end and not yet received. Balances reported at year-end consist of accrued interest on investments.

Capital Assets

All capital assets of the district are recorded at original cost, except for donated equipment, which is recorded at fair market value. Expenses, which materially increase values or capacities or extend useful lives of these assets are capitalized while expenses for maintenance and repairs are charged to operations as incurred. It is the policy of the district to maintain a capitalization threshold of \$5,000.

Gains and losses from the sale of capital assets are reflected in operations, and the asset accounts and related allowances for depreciation are reduced. Also, depreciation expense on all depreciable items is systematically charged against operations using the straight-line method over their estimated useful lives.

Compensated Absences

The district allows two weeks of vacation for each full-time employee per year with accrual limited to 30 days for one to five years of service. For full-time employees with six to ten years of service, 12 days of vacation are received, and accrual is limited to 30 days. Full-time employees with more than ten years of service receive three weeks of vacation with accrual limited to 30 days. At the end of each year, employees may carry over any unused vacation leave to the next year, not to exceed 30 days. Full-time employees receive full reimbursement for unused vacation upon leaving the employment of the district. Accumulated vacation leave is immaterial at year-end. Therefore, no accrual was recorded in the financial statements.

Full-time employees accrue sick leave at a rate of one day per month and is limited to 60 days. At the end of each year, employees may carry over any unused sick leave, not to exceed 60 days. Upon leaving employment of the district, employees forfeit all unused sick days.

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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The district has items that qualify for reporting in this category. Accordingly, the items are reported in the Statement of Net Position. These items are related to pension requirements under GASB Statement No. 68.

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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The district has items that qualify for reporting in this category. Accordingly, the items are reported in the Statement of Net Position. These items are related to pension requirements under GASB Statement No. 68. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position Flow Assumption

Sometimes the district will fund outlays for a particular purpose from both restricted (e.g., grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the district's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Net Position

In the district's 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 outstanding balances of 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.

4. Pension Plans

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 district's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from the districts 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.

C. Revenues

Revenues are derived from telephone customers and wireless charges from cellular phone fees in the area served by the district. The State of Tennessee remits to the district a base amount of these revenues.

Operating revenues and expenses are those that result from providing services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities. All revenues that are not generated from daily operations are defined as nonoperating.

D. Risk Management

It is the policy of the district to purchase commercial insurance for the risks of losses to which it is exposed. These risks include general liability, property damage, and theft. Settled claims resulting from

these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. It is also insured against possible loss related to acts of district key officers or directors by official statutory bonds carried by the district. The district has had no insurance settlements in excess of insurance coverage during the past three years.

E. Unemployment Taxes

The district agreed with the Tennessee Department of Labor and Workforce Development to be a reimbursing employer. Under this agreement, the district elected to reimburse the department for all disbursements made on valid claims for unemployment insurance charged to the district during the effective period of election. Thus far, there have been no claims filed.

F. Capital Assets

Capital assets activity for the year ended June 30, 2024, was as follows:

	Balance 7-1-23	Increases	Balance 6-30-24
Capital Assets Not Depreciated:			
Land	\$ 36,417	\$ 0	\$ 36,417
Construction in Progress	0	54,023	54,023
Total capital assets not being depreciated	<u>\$ 36,417</u>	<u>\$ 54,023</u>	<u>\$ 90,440</u>
Capital Assets Depreciated:			
Building and Improvements	\$ 104,854	\$ 0	\$ 104,854
Office Equipment	60,130	0	60,130
Communications Equipment	1,394,066	73,336	1,467,402
Vehicles	27,619	0	27,619
Total Capital Assets Depreciated	<u>\$ 1,586,669</u>	<u>\$ 73,336</u>	<u>\$ 1,660,005</u>
Less Accumulated Depreciation For:			
Building and Improvements	\$ (86,681)	\$ (1,264)	\$ (87,945)
Office Equipment	(60,130)	0	(60,130)
Communications Equipment	(1,290,090)	(62,423)	(1,352,513)
Vehicles	(27,619)	0	(27,619)
Total Accumulated Depreciation	<u>\$ (1,464,520)</u>	<u>\$ (63,687)</u>	<u>\$ (1,528,207)</u>
Total Capital Assets Depreciated, Net	<u>\$ 122,149</u>	<u>\$ (63,687)</u>	<u>\$ 131,798</u>
Total Capital Assets, Net	<u>\$ 158,566</u>	<u>\$ 63,672</u>	<u>\$ 222,238</u>

Depreciation expense of \$63,687 was recorded by the district.

G. Stewardship, Compliance, and Accountability

By its nature as a local government unit, the district is subject to various federal, state, and local laws and contractual regulations. An analysis of the district's compliance with significant laws and regulations and demonstration of its stewardship over the district's resources follows.

1. Deposits and Investments

The district's investment policies are governed by state statute. Permissible investments include direct obligations of the U.S. government and agency securities, certificates of deposit, and savings accounts. On June 30, 2024, investments consisted entirely of certificates of deposit with original maturities greater than three months at a local bank. Investments are carried at cost which approximates fair value.

For deposits and investments, custodial credit risk is the risk that in the event of a bank failure, the district's deposits may not be returned to it. Collateral is required per state statutes for demand deposits and certificates of deposit at 105 percent of all amounts not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State of Tennessee and its subdivisions. The district's deposits at year-end were not exposed to custodial credit risk due to being entirely covered by depository insurance (a combination of federal depository insurance with the excess covered by the State's Bank Collateral Pool).

2. Budget Appropriations

In accordance with state law, the board of the district must adopt and operate under an annual budget. Criteria for the information required in the annual adopted budget are detailed in Section 7-86-120, *Tennessee Code Annotated*. However, for financial reporting purposes, it is only necessary to present budgetary revenues and expenses compared to actual. All purchases must be made within the limits of the approved budget. Expenses must be presented at the legal level of control, which is defined to be the line-item level.

The district's expenses were within appropriations at the line-item level (accrual basis) in all material respects.

H. Estimates and Assumptions

The preparation of financial statements in conformity with general accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

I. Retirement Plan

Plan Description. Employees of the Carroll County Emergency Communications District are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the Tennessee Consolidated Retirement System (TCRS). The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of 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/BoardandGovernance/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 nonservice-related disability eligibility. The service-related and nonservice-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 automatic cost of living adjustments (COLAs) 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, 2023, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	2
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	1
Active Employees	<u>2</u>
Total	<u><u>5</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 of the district do not contribute any percentage of their salary. The district makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2024, employer contributions for Carroll County Emergency Communications District were \$3,791 based on a rate of four percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Carroll County Emergency Communications District's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution 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)

The Carroll County Emergency Communications District's net pension liability (asset) was measured as of June 30, 2023, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2023, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. 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, 2020, 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 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity	4.88	31
Developed Market		
International Equity	5.37	14
Emerging Market		
International Equity	6.09	4
Private Equity and		
Strategic Lending	6.57	20
U.S. Fixed Income	1.20	20
Real Estate	4.38	10
Short-term Securities	0.00	1
Total		100

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 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 the district will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2022	\$ 308,097	\$ 399,667	\$ (91,570)
Changes for the year:			
Service Cost	\$ 4,877	\$ 0	\$ 4,877
Interest	20,530	0	20,530
Differences Between Expected and Actual Experience	(5,326)	0	(5,326)
Contributions-Employer	0	6,810	(6,810)
Contributions-Employees	0	4,256	(4,256)
Net Investment Income	0	26,636	(26,636)
Benefit Payments, Including Refunds of Employee Contributions	(17,647)	(17,647)	0
Administrative Expense	0	(245)	245
Net Changes	\$ 2,434	\$ 19,810	\$ (17,376)
Balance, June 30, 2023	\$ 310,531	\$ 419,477	\$ (108,946)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of the district calculated using the discount rate of 6.75 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 (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Carroll County Emergency Communications District			
Net Pension Liability (Asset)	\$ (64,818)	\$ (108,946)	\$ (145,247)

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

Pension Expense (Negative Pension Expense). For the year ended June 30, 2024, the district recognized (negative pension expense) of (\$2,841).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, the district reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 6,425	\$ 7,217
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,061	0
Changes in Assumptions	10,871	0
Contributions Subsequent to the Measurement Date of June 30, 2023 (1)	3,791	N/A
Total	<u>\$ 24,148</u>	<u>\$ 7,217</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2023,” will be recognized as a reduction (increase) to net pension liability (asset) in the subsequent fiscal period.

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

Year Ending June 30	Amount
2025	\$ 2,395
2026	517
2027	10,546
2028	1,674
2029	(666)
Thereafter	(1,332)

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

Payable to the Pension Plan

On June 30, 2024, the district reported a payable of \$659 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2024.

Deferred Compensation Plan

The district provides a pension plan to its employees that is a 401(k) defined contribution plan. The employee begins to participate immediately upon full-time employment status when the employee renders 40 or more hours of service per week. The employee may choose to contribute. The district will match the employees' contributions to this plan up to a maximum of three percent of annual compensation, by making such contributions to the district's 401(k) Defined Contribution Retirement Plan. The employee's contributions are always 100 percent vested. The district's matching contribution to the 401(k) plan was \$3,145 in 2024. The pension funds are administered by Empower.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

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	2020	2021	2022	2023
Total Pension Liability										
Service Cost	\$ 526,862	\$ 558,319	\$ 559,789	\$ 608,537	\$ 623,200	\$ 638,367	\$ 646,936	\$ 674,251	\$ 757,603	\$ 816,224
Interest	1,312,980	1,366,524	1,479,000	1,561,656	1,618,035	1,712,597	1,794,881	1,895,931	2,009,929	2,181,138
Change in Benefit Terms	0	0	0	0	0	0	0	0	0	669,486
Differences Between Actual and Expected Experience	(458,637)	346,597	(164,364)	(454,785)	(13,551)	(240,287)	(20,263)	(270,153)	1,044,795	29,174
Changes in Assumptions	0	0	0	645,198	0	0	0	2,372,383	0	0
Benefit Payments, Including Refunds of Employee Contributions	(642,255)	(755,226)	(791,222)	(850,983)	(908,255)	(968,843)	(999,737)	(1,110,422)	(1,149,188)	(1,519,854)
Net Change in Total Pension Liability	\$ 738,950	\$ 1,516,214	\$ 1,083,203	\$ 1,509,623	\$ 1,319,429	\$ 1,141,834	\$ 1,421,817	\$ 3,561,990	\$ 2,663,139	\$ 2,176,168
Total Pension Liability, Beginning	17,300,661	18,039,611	19,555,825	20,639,028	22,148,651	23,468,080	24,609,914	26,031,731	29,593,721	32,256,860
Total Pension Liability, Ending (a)	\$ 18,039,611	\$ 19,555,825	\$ 20,639,028	\$ 22,148,651	\$ 23,468,080	\$ 24,609,914	\$ 26,031,731	\$ 29,593,721	\$ 32,256,860	\$ 34,433,028
Plan Fiduciary Net Position										
Contributions - Employer	\$ 523,974	\$ 553,936	\$ 571,701	\$ 605,528	\$ 324,544	\$ 329,920	\$ 340,764	\$ 344,302	\$ 378,059	\$ 561,309
Contributions - Employee	338,543	341,520	352,471	373,325	376,503	382,739	395,322	400,283	438,584	434,961
Net Investment Income	2,679,471	584,802	522,559	2,303,559	1,872,843	1,800,594	1,274,835	6,872,401	(1,267,854)	2,112,089
Benefit Payments, Including Refunds of Employee Contributions	(642,255)	(755,226)	(791,222)	(850,983)	(908,255)	(968,843)	(999,737)	(1,110,422)	(1,149,188)	(1,519,854)
Administrative Expense	(9,361)	(12,252)	(18,433)	(21,098)	(23,059)	(20,523)	(21,470)	(21,496)	(23,424)	(24,775)
Net Change in Plan Fiduciary Net Position	\$ 2,890,372	\$ 712,780	\$ 637,076	\$ 2,410,331	\$ 1,642,576	\$ 1,523,887	\$ 989,714	\$ 6,485,068	\$ (1,623,823)	\$ 1,563,730
Plan Fiduciary Net Position, Beginning	16,027,355	18,917,727	19,630,507	20,267,583	22,677,914	24,320,490	25,844,377	26,834,091	33,319,159	31,695,336
Plan Fiduciary Net Position, Ending (b)	\$ 18,917,727	\$ 19,630,507	\$ 20,267,583	\$ 22,677,914	\$ 24,320,490	\$ 25,844,377	\$ 26,834,091	\$ 33,319,159	\$ 31,695,336	\$ 33,259,066
Net Pension Liability (Asset), Ending (a - b)	\$ (878,116)	\$ (74,682)	\$ 371,445	\$ (529,263)	\$ (852,410)	\$ (1,234,463)	\$ (802,360)	\$ (3,725,438)	\$ 561,524	\$ 1,173,962
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	104.87%	100.38%	98.20%	102.39%	103.63%	105.02%	103.08%	112.59%	98.26%	96.59%
Covered Payroll	\$ 6,769,680	\$ 6,830,280	\$ 7,049,319	\$ 7,466,416	\$ 7,530,057	\$ 7,664,557	\$ 7,891,608	\$ 7,988,493	\$ 8,798,621	\$ 8,699,090
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(12.97)%	(1.09)%	5.27%	(7.09)%	(11.32)%	(16.11)%	(10.17)%	(46.64)%	6.38%	13.50%

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.

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	2020	2021	2022	2023
Total Pension Liability										
Service Cost	\$ 3,649	\$ 2,552	\$ 2,525	\$ 2,824	\$ 2,801	\$ 3,052	\$ 3,279	\$ 2,710	\$ 4,625	\$ 4,813
Interest	7,679	8,548	6,144	5,048	5,374	5,600	6,013	5,590	5,484	6,007
Differences Between Actual and Expected Experience	2,729	(40,765)	(20,613)	(1,474)	(2,785)	(646)	(8,921)	(4,890)	1,308	17,006
Changes in Assumptions	0	0	0	3,401	0	0	0	4,451	0	0
Benefit Payments, Including Refunds of Employee Contributions	(521)	(2,215)	(2,529)	(3,394)	(2,529)	(2,529)	(2,529)	(8,749)	(2,529)	(5,168)
Net Change in Total Pension Liability	\$ 13,536	\$ (31,880)	\$ (14,473)	\$ 6,405	\$ 2,861	\$ 5,477	\$ (2,158)	\$ (888)	\$ 8,888	\$ 22,658
Total Pension Liability, Beginning	98,999	112,535	80,655	66,182	72,587	75,448	80,925	78,767	77,879	86,767
Total Pension Liability, Ending (a)	\$ 112,535	\$ 80,655	\$ 66,182	\$ 72,587	\$ 75,448	\$ 80,925	\$ 78,767	\$ 77,879	\$ 86,767	\$ 109,425
Plan Fiduciary Net Position										
Contributions - Employer	\$ 8,593	\$ 9,492	\$ 8,754	\$ 5,815	\$ 2,424	\$ 670	\$ 513	\$ 553	\$ 828	\$ 903
Contributions - Employee	645	708	653	633	766	670	513	553	828	903
Net Investment Income	14,532	3,393	3,196	14,504	11,908	11,494	8,124	43,005	(7,827)	13,011
Benefit Payments, Including Refunds of Employee Contributions	(521)	(2,215)	(2,529)	(3,394)	(2,529)	(2,529)	(2,529)	(8,749)	(2,529)	(5,168)
Administrative Expense	(303)	(457)	(639)	(775)	(791)	(726)	(619)	(724)	(1,086)	(993)
Net Change in Plan Fiduciary Net Position	\$ 22,946	\$ 10,921	\$ 9,435	\$ 16,783	\$ 11,778	\$ 9,579	\$ 6,002	\$ 34,638	\$ (9,786)	\$ 8,656
Plan Fiduciary Net Position, Beginning	83,450	106,396	117,317	126,752	143,535	155,313	164,892	170,894	205,532	195,746
Plan Fiduciary Net Position, Ending (b)	\$ 106,396	\$ 117,317	\$ 126,752	\$ 143,535	\$ 155,313	\$ 164,892	\$ 170,894	\$ 205,532	\$ 195,746	\$ 204,402
Net Pension Liability (Asset), Ending (a - b)	\$ 6,139	\$ (36,662)	\$ (60,570)	\$ (70,948)	\$ (79,865)	\$ (83,967)	\$ (92,127)	\$ (127,653)	\$ (108,979)	\$ (94,977)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	94.54%	145.46%	191.52%	197.74%	205.85%	203.76%	216.96%	263.91%	225.60%	186.80%
Covered Payroll	\$ 12,900	\$ 14,150	\$ 13,050	\$ 12,650	\$ 11,150	\$ 13,400	\$ 10,250	\$ 11,050	\$ 16,550	\$ 18,050
Net Pension Liability (Asset) as a Percentage of Covered Payroll	47.59%	(259.10)%	(464.14)%	(560.85)%	(716.28)%	(626.62)%	(898.80)%	(1,155.23)%	(658.48)%	(526.19)%

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially Determined Contribution	\$ 553,936	\$ 571,701	\$ 605,528	\$ 324,544	\$ 329,920	\$ 337,602	\$ 341,107	\$ 271,045	\$ 561,309	\$ 641,622
Less: Contributions in Relation to the Actuarially Determined Contribution	(553,936)	(571,701)	(605,528)	(324,544)	(329,920)	(340,764)	(344,302)	(378,059)	(561,309)	(641,622)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (3,162)</u>	<u>\$ (3,195)</u>	<u>\$ (107,014)</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 6,830,280	\$ 7,049,319	\$ 7,466,416	\$ 7,530,057	\$ 7,664,557	\$ 7,891,608	\$ 7,988,493	\$ 8,798,621	\$ 8,699,090	\$ 9,503,187
Contributions as a Percentage of Covered Payroll	8.11%	8.11%	8.11%	4.31%	4.30%	4.32%	4.31%	4.30%	6.45%	6.75%

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially Determined Contribution	\$ 9,492	\$ 8,754	\$ 5,815	\$ 2,424	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Less: Contributions in Relation to the Actuarially Determined Contribution	(9,492)	(8,754)	(5,815)	(2,424)	(670)	(513)	(553)	(828)	(903)	(773)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (670)	\$ (513)	\$ (553)	\$ (828)	\$ (903)	\$ (773)
Covered Payroll	\$ 14,150	\$ 13,050	\$ 12,650	\$ 11,150	\$ 13,400	\$ 10,250	\$ 11,050	\$ 16,550	\$ 18,050	\$ 15,450
Contributions as a Percentage of Covered Payroll	67.08%	67.08%	45.97%	21.74%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

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	2021	2022	2023	2024
Contractually Required Contribution	\$ 4,202	\$ 9,390	\$ 3,494	\$ 4,529	\$ 4,682	\$ 4,931	\$ 7,184	\$ 6,161
Less: Contributions in Relation to the Contractually Required Contribution	(4,202)	(9,390)	(3,494)	(4,529)	(4,682)	(4,931)	(7,184)	(6,161)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 105,058	\$ 234,751	\$ 180,107	\$ 223,110	\$ 231,784	\$ 245,307	\$ 250,323	\$ 208,861
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	1.94%	2.03%	2.02%	2.01%	2.87%	2.95%

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

Note 2: Beginning in FY 2019, the school department placed the actuarially determined contribution rate of covered payroll into the pension plan and placed the remainder of the four percent contractually required contribution into the Pension Stabilization Reserve Trust (SRT).

2019: Pension - 1.94%, SRT - 2.02%

2020: Pension - 2.03%, SRT - 1.97%

2021: Pension - 2.02%, SRT - 1.98%

2022: Pension - 2.01%, SRT - 1.99%

2023: Pension - 2.87%, SRT - 1.13%

2024: Pension - 2.95%, SRT - 1.05%

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 78,125	\$ 65,412	\$ 69,925	\$ 62,831	\$ 50,144	\$ 45,169	\$ 45,249	\$ 47,096	\$ 41,065	\$ 36,217
Less: Contributions in Relation to the Contractually Required Contribution	(78,125)	(65,412)	(69,925)	(62,831)	(50,144)	(45,169)	(45,249)	(47,096)	(41,065)	(36,217)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 864,218	\$ 723,582	\$ 773,511	\$ 691,974	\$ 479,387	\$ 424,921	\$ 440,592	\$ 457,241	\$ 472,553	\$ 531,820
Contributions as a Percentage of Covered Payroll	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%	10.30%	8.69%	6.81%

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

	2017	2018	2019	2020	2021	2022	2023
School Department's Proportion of the Net Pension Liability (Asset)	0.160070%	0.026863%	0.017020%	0.017680%	0.016060%	0.014365%	0.012585%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (4,222)	\$ (12,183)	\$ (9,608)	\$ (10,054)	\$ (17,397)	\$ (4,351)	\$ (5,337)
Covered Payroll	\$ 105,058	\$ 234,751	\$ 180,107	\$ 223,110	\$ 231,784	\$ 245,307	\$ 250,323
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(4.02)%	(5.19)%	(5.33)%	(4.51)%	(7.51)%	(1.77)%	(2.13)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	126.81%	126.97%	123.07%	116.52%	121.53%	104.55%	104.97%

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

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	2020	2021	2022	2023
School Department's Proportion of the Net Pension Liability (Asset)	0.022474%	0.023086%	0.020045%	0.021882%	0.019761%	0.014297%	0.012767%	0.013424%	0.013894%	0.014562%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (3,652)	\$ 9,457	\$ 125,270	\$ (7,159)	\$ (69,538)	\$ (146,995)	\$ (97,358)	\$ (579,002)	\$ (170,396)	\$ (171,685)
Covered Payroll	\$ 882,110	\$ 864,218	\$ 723,582	\$ 773,511	\$ 691,974	\$ 479,387	\$ 424,921	\$ 440,592	\$ 457,241	\$ 472,553
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)%	(22.91)%	(131.41)%	(37.27)%	(36.33)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%	104.42%	104.11%

CARROLL COUNTY, TENNESSEE**Schedule of Changes in the Total OPEB Liability and Related Ratios**

Carroll County Public Utility - Enterprise Fund

For the Fiscal Year Ended June 30

	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability							
Service Cost	\$ 15,911	\$ 16,707	\$ 17,631	\$ 18,174	\$ 18,316	\$ 14,666	\$ 15,646
Interest	8,093	9,462	7,783	3,510	5,278	7,910	9,149
Differences Between Actual and Expected Experience	0	(45,052)	0	17,785	0	(829)	0
Changes in Assumptions or Other Inputs	0	(2,757)	(17,943)	724	(18,318)	6,488	31,281
Benefit Payments	(2,959)	(982)	0	(14,949)	(21,608)	(30,858)	(29,488)
Administrative Expense	0	0	0	0	0	0	4,609
Net Change in Total OPEB Liability	\$ 21,045	\$ (22,622)	\$ 7,471	\$ 25,244	\$ (16,332)	\$ (2,623)	\$ 31,197
Total OPEB Liability, Beginning	223,945	244,990	222,368	229,839	255,083	238,751	236,128
Total OPEB Liability, Ending	\$ 244,990	\$ 222,368	\$ 229,839	\$ 255,083	\$ 238,751	\$ 236,128	\$ 267,325
Covered Employee Payroll	\$ 2,739,110	\$ 2,885,917	\$ 3,001,523	\$ 2,917,138	\$ 3,477,838	\$ 3,095,872	\$ 3,457,730
Average Future Service	6.63	6.85	6.79	7.36	7.36	7.35	7.35
Net OPEB Liability as a Percentage of Covered Employee Payroll	8.94%	7.71%	7.66%	8.74%	6.86%	7.63%	7.73%

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

Note 2: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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

	2017	2018	2019	2020	2021	2022	2023
Total OPEB Liability							
Service Cost	\$ 15,832	\$ 14,960	\$ 12,000	\$ 6,889	\$ 10,504	\$ 15,129	\$ 12,305
Interest	5,906	7,289	5,905	3,687	3,616	4,339	6,446
Differences Between Actual and Expected Experience	0	(60,125)	(60,829)	29,594	(365)	(19,431)	47,301
Changes in Assumptions or Other Inputs	(8,842)	5,094	(8,862)	16,089	20,272	(14,421)	15,738
Benefit Payments	(8,052)	(10,998)	(831)	(1,529)	(1,031)	(1,735)	(1,472)
Net Change in Total OPEB Liability	\$ 4,844	\$ (43,780)	\$ (52,617)	\$ 54,730	\$ 32,996	\$ (16,119)	\$ 80,318
Total OPEB Liability, Beginning	190,456	195,300	151,520	98,903	153,633	186,629	170,510
 Total OPEB Liability, Ending	 \$ 195,300	 \$ 151,520	 \$ 98,903	 \$ 153,633	 \$ 186,629	 \$ 170,510	 \$ 250,828
 Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	 \$ 57,896	 \$ 44,366	 \$ 21,112	 \$ 35,629	 \$ 47,110	 \$ 45,535	 \$ 83,770
Employer Proportionate Share of the Total OPEB Liability	137,404	107,154	77,791	118,004	139,519	124,975	167,058
 Covered Employee Payroll	 \$ 1,891,656	 \$ 1,627,265	 \$ 1,589,886	 \$ 1,582,372	 \$ 1,680,353	 \$ 1,738,062	 \$ 1,539,598
Net OPEB Liability as a Percentage of Covered Employee Payroll	10.32%	9.31%	6.22%	9.71%	11.11%	9.81%	16.29%

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%
2020	2.21%
2021	2.16%
2022	3.54%
2023	3.65%

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

- For the 2019 plan year - from 5.4% to 6.75%
- For the 2020 plan year - from 6.75% to 6.03%
- For the 2021 plan year - from 6.03% to 9.02%
- For the 2022 plan year - from 9.02% to 7.36%
- For the 2023 plan year - from 7.36% to 8.37%
- For the 2024 plan year - from 8.37% to 10.31%

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, 2024

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2024 were calculated based on the June 30, 2022, 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	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation; averaging 4%
Investment Rate of Return	6.75%, 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	2.125%

Changes of assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.5 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality 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.

Other General Government Fund – The Other General Government Fund is used to account for proceeds received from the American Rescue Plan Act.

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 principal 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.

CARROLL COUNTY, TENNESSEE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds				
	Solid Waste / Sanitation	Drug Control	Other General Government	Constitu - tional Officers - Fees	Total
ASSETS					
Cash	\$ 500	\$ 0	\$ 0	\$ 6,994	\$ 7,494
Equity in Pooled Cash and Investments	827,020	279,965	1,960,404	0	3,067,389
Accounts Receivable	3,274,497	0	0	0	3,274,497
Allowance for Uncollectibles	(3,013,201)	0	0	0	(3,013,201)
Due from Component Units	0	0	0	0	0
Property Taxes Receivable	400,406	0	0	0	400,406
Allowance for Uncollectible Property Taxes	(12,106)	0	0	0	(12,106)
Total Assets	\$ 1,477,116	\$ 279,965	\$ 1,960,404	\$ 6,994	\$ 3,724,479
LIABILITIES					
Payroll Deductions Payable	\$ 9,067	\$ 0	\$ 0	\$ 0	\$ 9,067
Due to Other Funds	581	0	0	20,490	21,071
Due to State of Tennessee	6	0	0	0	6
Total Liabilities	\$ 9,654	\$ 0	\$ 0	\$ 20,490	\$ 30,144
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	\$ 380,796	\$ 0	\$ 0	\$ 0	\$ 380,796
Deferred Delinquent Property Taxes	4,929	0	0	0	4,929
Other Deferred/Unavailable Revenue	244,045	0	0	0	244,045
Total Deferred Inflows of Resources	\$ 629,770	\$ 0	\$ 0	\$ 0	\$ 629,770

(Continued)

CARROLL COUNTY, TENNESSEE
Combining Balance Sheet
Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds				
	Solid Waste / Sanitation	Drug Control	Other General Government	Constitu - tional Officers - Fees	Total
FUND BALANCES					
Restricted:					
Restricted for General Government	\$ 0	\$ 0	\$ 1,960,404	\$ 0	\$ 1,960,404
Restricted for Public Safety	0	279,965	0	0	279,965
Restricted for Debt Service	0	0	0	0	0
Committed:					
Committed for Public Health and Welfare	837,692	0	0	0	837,692
Committed for Debt Service	0	0	0	0	0
Unassigned	0	0	0	(13,496)	(13,496)
Total Fund Balances	\$ 837,692	\$ 279,965	\$ 1,960,404	\$ (13,496)	\$ 3,064,565
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,477,116	\$ 279,965	\$ 1,960,404	\$ 6,994	\$ 3,724,479

(Continued)

CARROLL COUNTY, TENNESSEE
Combining Balance Sheet
Nonmajor Governmental Funds (Cont.)

	Debt Service Fund		Total Nonmajor Governmental Funds
	General Debt Service		
ASSETS			
Cash	\$	0	\$ 7,494
Equity in Pooled Cash and Investments		684,867	3,752,256
Accounts Receivable		0	3,274,497
Allowance for Uncollectibles		0	(3,013,201)
Due from Component Units		161,586	161,586
Property Taxes Receivable		204,510	604,916
Allowance for Uncollectible Property Taxes		(8,286)	(20,392)
Total Assets	\$	1,042,677	\$ 4,767,156
LIABILITIES			
Payroll Deductions Payable	\$	0	\$ 9,067
Due to Other Funds		0	21,071
Due to State of Tennessee		0	6
Total Liabilities	\$	0	\$ 30,144
DEFERRED INFLOWS OF RESOURCES			
Deferred Current Property Taxes	\$	189,689	\$ 570,485
Deferred Delinquent Property Taxes		4,094	9,023
Other Deferred/Unavailable Revenue		0	244,045
Total Deferred Inflows of Resources	\$	193,783	\$ 823,553

(Continued)

CARROLL COUNTY, TENNESSEE

Combining Balance Sheet

Nonmajor Governmental Funds (Cont.)

	Debt Service Fund		Total Nonmajor Governmental Funds
	General Debt Service		
FUND BALANCES			
Restricted:			
Restricted for General Government	\$	0	\$ 1,960,404
Restricted for Public Safety		0	279,965
Restricted for Debt Service		203,575	203,575
Committed:			
Committed for Public Health and Welfare		0	837,692
Committed for Debt Service		645,319	645,319
Unassigned		0	(13,496)
Total Fund Balances	\$	848,894	\$ 3,913,459
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 \$	 1,042,677	 \$ 4,767,156

CARROLL COUNTY, TENNESSEE**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances**

Nonmajor Governmental Funds

For the Year Ended June 30, 2024

	Special Revenue Funds					
	Solid Waste / Sanitation	Drug Control	Other General Government	Constitu - tional Officers - Fees	Total	
Revenues						
Local Taxes	\$ 405,875	\$ 0	\$ 0	\$ 0	\$ 405,875	
Fines, Forfeitures, and Penalties	0	67,479	0	0	67,479	
Charges for Current Services	1,554,660	0	0	110,834	1,665,494	
Other Local Revenues	73,460	0	7,796	0	81,256	
State of Tennessee	24,424	0	0	0	24,424	
Federal Government	0	0	306,425	0	306,425	
Total Revenues	\$ 2,058,419	\$ 67,479	\$ 314,221	\$ 110,834	\$ 2,550,953	
Expenditures						
Current:						
Administration of Justice	\$ 0	\$ 0	\$ 0	\$ 124,330	\$ 124,330	
Public Safety	0	109,390	0	0	109,390	
Public Health and Welfare	2,084,648	0	0	0	2,084,648	
Other Operations	0	0	1,585,275	0	1,585,275	
Highways	349	0	0	0	349	
Debt Service:						
Principal on Debt	0	0	0	0	0	
Interest on Debt	0	0	0	0	0	
Other Debt Service	0	0	0	0	0	
Total Expenditures	\$ 2,084,997	\$ 109,390	\$ 1,585,275	\$ 124,330	\$ 3,903,992	
Excess (Deficiency) of Revenues						
Over Expenditures	\$ (26,578)	\$ (41,911)	\$ (1,271,054)	\$ (13,496)	\$ (1,353,039)	

(Continued)

CARROLL COUNTY, TENNESSEE
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds				
	Solid Waste / Sanitation	Drug Control	Other General Government	Constitu - tional Officers - Fees	Total
Other Financing Sources (Uses)					
Transfers In	\$ 28,994	\$ 0	\$ 0	\$ 0	\$ 28,994
Transfers Out	0	0	(624,536)	0	(624,536)
Total Other Financing Sources (Uses)	\$ 28,994	\$ 0	\$ (624,536)	\$ 0	\$ (595,542)
Net Change in Fund Balances	\$ 2,416	\$ (41,911)	\$ (1,895,590)	\$ (13,496)	\$ (1,948,581)
Fund Balance, July 1, 2023	835,276	321,876	3,855,994	0	5,013,146
Fund Balance, June 30, 2024	\$ 837,692	\$ 279,965	\$ 1,960,404	\$ (13,496)	\$ 3,064,565

(Continued)

CARROLL COUNTY, TENNESSEE**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances**

Nonmajor Governmental Funds (Cont.)

	Debt Service Fund		Total Nonmajor Governmental Funds
	General Debt Service		
Revenues			
Local Taxes	\$ 446,425	\$	852,300
Fines, Forfeitures, and Penalties	0		67,479
Charges for Current Services	0		1,665,494
Other Local Revenues	0		81,256
State of Tennessee	0		24,424
Federal Government	0		306,425
Total Revenues	<u>\$ 446,425</u>	<u>\$</u>	<u>2,997,378</u>
Expenditures			
Current:			
Administration of Justice	\$ 0	\$	124,330
Public Safety	0		109,390
Public Health and Welfare	0		2,084,648
Other Operations	0		1,585,275
Highways	0		349
Debt Service:			
Principal on Debt	315,000		315,000
Interest on Debt	115,650		115,650
Other Debt Service	8,233		8,233
Total Expenditures	<u>\$ 438,883</u>	<u>\$</u>	<u>4,342,875</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 7,542</u>	<u>\$</u>	<u>(1,345,497)</u>

(Continued)

CARROLL COUNTY, TENNESSEE
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Cont.)

	Debt Service Fund		Total Nonmajor Governmental Funds
	General Debt Service		
Other Financing Sources (Uses)			
Transfers In	\$ 25,248	\$ 54,242	
Transfers Out	0	(624,536)	
Total Other Financing Sources (Uses)	<u>\$ 25,248</u>	<u>\$ (570,294)</u>	
Net Change in Fund Balances	\$ 32,790	\$ (1,915,791)	
Fund Balance, July 1, 2023	<u>816,104</u>	<u>5,829,250</u>	
Fund Balance, June 30, 2024	<u><u>\$ 848,894</u></u>	<u><u>\$ 3,913,459</u></u>	

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, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 405,875	\$ 425,850	\$ 425,850	\$ (19,975)
Charges for Current Services	1,554,660	1,837,500	1,837,500	(282,840)
Other Local Revenues	73,460	85,000	85,000	(11,540)
State of Tennessee	24,424	98,800	98,800	(74,376)
Total Revenues	<u>\$ 2,058,419</u>	<u>\$ 2,447,150</u>	<u>\$ 2,447,150</u>	<u>\$ (388,731)</u>
Expenditures				
Public Health and Welfare				
Waste Pickup	\$ 1,601,989	\$ 1,723,538	\$ 1,723,538	\$ 121,549
Recycling Center	482,659	589,964	591,828	109,169
Highways				
Litter and Trash Collection	349	48,600	48,600	48,251
Total Expenditures	<u>\$ 2,084,997</u>	<u>\$ 2,362,102</u>	<u>\$ 2,363,966</u>	<u>\$ 278,969</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (26,578)</u>	<u>\$ 85,048</u>	<u>\$ 83,184</u>	<u>\$ (109,762)</u>
Other Financing Sources (Uses)				
Transfers In	\$ 28,994	\$ 0	\$ 0	\$ 28,994
Total Other Financing Sources	<u>\$ 28,994</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 28,994</u>
Net Change in Fund Balance	\$ 2,416	\$ 85,048	\$ 83,184	\$ (80,768)
Fund Balance, July 1, 2023	<u>835,276</u>	<u>855,970</u>	<u>855,970</u>	<u>(20,694)</u>
Fund Balance, June 30, 2024	<u><u>\$ 837,692</u></u>	<u><u>\$ 941,018</u></u>	<u><u>\$ 939,154</u></u>	<u><u>\$ (101,462)</u></u>

CARROLL COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Fines, Forfeitures, and Penalties	\$ 67,479	\$ 161,000	\$ 161,000	\$ (93,521)
Other Local Revenues	0	5,000	5,000	(5,000)
Total Revenues	\$ 67,479	\$ 166,000	\$ 166,000	\$ (98,521)
Expenditures				
Public Safety				
Drug Enforcement	\$ 109,390	\$ 117,530	\$ 127,530	\$ 18,140
Total Expenditures	\$ 109,390	\$ 117,530	\$ 127,530	\$ 18,140
Excess (Deficiency) of Revenues Over Expenditures	\$ (41,911)	\$ 48,470	\$ 38,470	\$ (80,381)
Net Change in Fund Balance	\$ (41,911)	\$ 48,470	\$ 38,470	\$ (80,381)
Fund Balance, July 1, 2023	321,876	168,767	168,767	153,109
Fund Balance, June 30, 2024	\$ 279,965	\$ 217,237	\$ 207,237	\$ 72,728

CARROLL COUNTY, TENNESSEE**Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget**

Other General Government Fund

For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Other Local Revenues	\$ 7,796	\$ 4,000	\$ 4,000	\$ 3,796
Federal Government	306,425	0	289,662	16,763
Total Revenues	<u>\$ 314,221</u>	<u>\$ 4,000</u>	<u>\$ 293,662</u>	<u>\$ 20,559</u>
Expenditures				
Other Operations				
American Rescue Plan Act Grant #1	\$ 1,287,424	\$ 0	\$ 1,287,424	\$ 0
American Rescue Plan Act Grant #6	0	176,000	176,000	176,000
American Rescue Plan Act Grant #7	0	59,201	835	835
American Rescue Plan Act Grant #8	0	125,000	0	0
American Rescue Plan Act Grant #10	0	270,000	248,987	248,987
American Rescue Plan Act Grant A	221,480	484,360	430,473	208,993
American Rescue Plan Act Grant B	0	94,392	8,784	8,784
American Rescue Plan Act Grant C	0	500,000	500,000	500,000
American Rescue Plan Act Grant D	8,189	500,000	446,779	438,590
American Rescue Plan Act Grant H	68,182	0	68,182	0
American Rescue Plan Act Grant I	0	0	22,025	22,025
Total Expenditures	<u>\$ 1,585,275</u>	<u>\$ 2,208,953</u>	<u>\$ 3,189,489</u>	<u>\$ 1,604,214</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,271,054)</u>	<u>\$ (2,204,953)</u>	<u>\$ (2,895,827)</u>	<u>\$ 1,624,773</u>
Other Financing Sources (Uses)				
Transfers Out	<u>\$ (624,536)</u>	<u>\$ (500,000)</u>	<u>\$ (624,536)</u>	<u>\$ 0</u>
Total Other Financing Sources	<u>\$ (624,536)</u>	<u>\$ (500,000)</u>	<u>\$ (624,536)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (1,895,590)	\$ (2,704,953)	\$ (3,520,363)	\$ 1,624,773
Fund Balance, July 1, 2023	<u>3,855,994</u>	<u>3,883,440</u>	<u>3,883,440</u>	<u>(27,446)</u>
Fund Balance, June 30, 2024	<u><u>\$ 1,960,404</u></u>	<u><u>\$ 1,178,487</u></u>	<u><u>\$ 363,077</u></u>	<u><u>\$ 1,597,327</u></u>

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, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 446,425	\$ 468,931	\$ 468,931	\$ (22,506)
Total Revenues	\$ 446,425	\$ 468,931	\$ 468,931	\$ (22,506)
Expenditures				
Principal on Debt				
General Government	\$ 315,000	\$ 315,000	\$ 315,000	\$ 0
Interest on Debt				
General Government	115,650	115,650	115,650	0
Other Debt Service				
General Government	8,233	16,000	16,000	7,767
Total Expenditures	\$ 438,883	\$ 446,650	\$ 446,650	\$ 7,767
Excess (Deficiency) of Revenues Over Expenditures	\$ 7,542	\$ 22,281	\$ 22,281	\$ (14,739)
Other Financing Sources (Uses)				
Transfers In	\$ 25,248	0	\$ 25,248	\$ 0
Total Other Financing Sources	\$ 25,248	0	\$ 25,248	\$ 0
Net Change in Fund Balance	\$ 32,790	\$ 22,281	\$ 47,529	\$ (14,739)
Fund Balance, July 1, 2023	816,104	783,834	783,834	32,270
Fund Balance, June 30, 2024	\$ 848,894	\$ 806,115	\$ 831,363	\$ 17,531

CUSTODIAL FUNDS

Custodial Funds are used to account for assets held by the county in a custodial capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Custodial Funds are reported using the economic resources measurement focus and the accrual basis of accounting. Custodial fund reporting focuses on net position and changes in net position. Custodial funds are distinguished from trust funds by the absence of a trust agreement or equivalent arrangement.

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 - Custodial Fund – The Constitutional Officers - Custodial Fund is used to account for amounts collected in a custodial 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, 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.

CARROLL COUNTY, TENNESSEE
Combining Statement of Net Position
 Custodial Funds
June 30, 2024

	Custodial Funds				
	Cities - Sales Tax	Special School District	Constitu - tional Officers - Custodial	District Attorney General	Total
ASSETS					
Cash	\$ 0	\$ 0	\$ 1,424,582	\$ 0	\$ 1,424,582
Equity in Pooled Cash and Investments	0	461,466	0	123,710	585,176
Accounts Receivable	0	0	16,657	0	16,657
Due from Other Governments	675,894	806,644	0	580	1,483,118
Property Taxes Receivable	0	5,993,264	0	0	5,993,264
Allowance for Uncollectible Property Taxes	0	(182,763)	0	0	(182,763)
Total Assets	<u>\$ 675,894</u>	<u>\$ 7,078,611</u>	<u>\$ 1,441,239</u>	<u>\$ 124,290</u>	<u>\$ 9,320,034</u>
LIABILITIES					
Due to Other Taxing Units	\$ 675,894	\$ 1,386,120	\$ 0	\$ 0	\$ 2,062,014
Total Liabilities	<u>\$ 675,894</u>	<u>\$ 1,386,120</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,062,014</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	\$ 0	\$ 5,692,491	\$ 0	\$ 0	\$ 5,692,491
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 5,692,491</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,692,491</u>
NET POSITION					
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 0	\$ 1,441,239	\$ 124,290	\$ 1,565,529
Total Net Position	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,441,239</u>	<u>\$ 124,290</u>	<u>\$ 1,565,529</u>

CARROLL COUNTY, TENNESSEE
Combining Statement of Changes in Net Position
 Custodial Funds
For the Year Ended June 30, 2024

	Custodial Funds				
	Cities - Sales Tax	Special School District	Constitu - tional Officers - Custodial	District Attorney General	Total
Additions					
Sales Tax Collections for Other Governments	\$ 3,993,616	\$ 0	\$ 0	\$ 0	\$ 3,993,616
ADA - Educational Funds Collected for Cities	0	10,875,775	0	0	10,875,775
Fines/Fees and Other Collections	0	0	7,468,937	0	7,468,937
District Attorney General Collections	0	0	0	19,426	19,426
Total Additions	\$ 3,993,616	\$ 10,875,775	\$ 7,468,937	\$ 19,426	\$ 22,357,754
Deductions					
Payment of Sales Tax Collections for Other Governments	\$ 3,993,616	\$ 0	\$ 0	\$ 0	\$ 3,993,616
Payments to City School Systems	0	10,875,775	0	0	10,875,775
Payments to State	0	0	3,150,179	0	3,150,179
Payments to Cities, Individuals, and Others	0	0	4,619,880	0	4,619,880
Payment of District Attorney General Expenses	0	0	0	5,083	5,083
Total Deductions	\$ 3,993,616	\$ 10,875,775	\$ 7,770,059	\$ 5,083	\$ 22,644,533
Change in Net Position	\$ 0	\$ 0	\$ (301,122)	\$ 14,343	\$ (286,779)
Net Position July 1, 2023	0	0	1,742,361	109,947	1,852,308
Net Position June 30, 2024	\$ 0	\$ 0	\$ 1,441,239	\$ 124,290	\$ 1,565,529

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 school department uses a General Fund and two Special Revenue Funds.

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.

Internal School Fund – The Internal School Fund is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities.

CARROLL COUNTY, TENNESSEE**Statement of Activities**

Discretely Presented Carroll County School Department

For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Total Governmental Activities
Governmental Activities:				
Instruction	\$ 786,564	\$ 108,660	\$ 34,927	\$ (642,977)
Support Services	3,124,088	86,494	2,485	(3,035,109)
Operation of Non-instructional Services	34,644	20,390	0	(14,254)
Total Governmental Activities	\$ 3,945,296	\$ 215,544	\$ 37,412	\$ (3,692,340)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 372,983
Local Option Sales Taxes				160,761
Grants & Contributions not restricted for specific programs				2,598,034
Unrestricted Investment Income				2,468
Miscellaneous				9,300
Total General Revenues				\$ 3,143,546
Change in Net Position				\$ (548,794)
Net Position, July 1, 2023				11,310,732
Net Position, June 30, 2024				\$ 10,761,938

CARROLL COUNTY, TENNESSEE**Balance Sheet - Governmental Funds**

Discretely Presented Carroll County School Department

June 30, 2024

	Major Funds		Nonmajor Fund	
	General Purpose School	School Transportation	Internal School	Total Governmental Funds
ASSETS				
Cash	\$ 0	\$ 0	\$ 26,796	\$ 26,796
Equity in Pooled Cash and Investments	7,386,508	695,841	0	8,082,349
Accounts Receivable	54,417	0	0	54,417
Due from Other Governments	80,303	0	0	80,303
Property Taxes Receivable	0	375,536	0	375,536
Allowance for Uncollectible Property Taxes	0	(11,354)	0	(11,354)
Restricted Assets	28,631	0	0	28,631
Total Assets	<u>\$ 7,549,859</u>	<u>\$ 1,060,023</u>	<u>\$ 26,796</u>	<u>\$ 8,636,678</u>
LIABILITIES				
Payroll Deductions Payable	\$ 38,271	\$ 2,051	\$ 0	\$ 40,322
Due to Primary Government	0	161,586	0	161,586
Total Liabilities	<u>\$ 38,271</u>	<u>\$ 163,637</u>	<u>\$ 0</u>	<u>\$ 201,908</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	\$ 0	\$ 357,144	\$ 0	\$ 357,144
Deferred Delinquent Property Taxes	0	4,637	0	4,637
Other Deferred/Unavailable Revenue	12,141	0	0	12,141
Total Deferred Inflows of Resources	<u>\$ 12,141</u>	<u>\$ 361,781</u>	<u>\$ 0</u>	<u>\$ 373,922</u>
FUND BALANCES				
Restricted:				
Restricted for Education	\$ 0	\$ 0	\$ 26,796	\$ 26,796
Restricted for Instruction	12,985	0	0	12,985
Restricted for Hybrid Retirement Stabilization Funds	28,631	0	0	28,631
Committed:				
Committed for Education	1,440,596	0	0	1,440,596
Committed for Support Services	0	534,605	0	534,605
Unassigned	6,017,235	0	0	6,017,235
Total Fund Balances	<u>\$ 7,499,447</u>	<u>\$ 534,605</u>	<u>\$ 26,796</u>	<u>\$ 8,060,848</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,549,859</u>	<u>\$ 1,060,023</u>	<u>\$ 26,796</u>	<u>\$ 8,636,678</u>

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, 2024

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 8,060,848
(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	195,039	
Add: other capital assets net of accumulated depreciation	<u>2,023,258</u>	2,394,786
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: net pension liability - agent plan	\$ (155,902)	
Less: net OPEB liability	<u>(167,058)</u>	(322,960)
(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	\$ 486,572	
Less: deferred inflows resources related to pensions	(43,789)	
Add: deferred outflows of resources related to OPEB	67,653	
Less: deferred inflows resources related to OPEB	<u>(74,972)</u>	435,464
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - teacher retirement plan	\$ 5,337	
Add: net pension asset - teacher legacy pension plan	<u>171,685</u>	177,022
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>16,778</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 10,761,938</u></u>

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, 2024

	Major Funds		Nonmajor Fund	Total
	General Purpose School	School Transpor - tation	Internal School	Governmental Funds
Revenues				
Local Taxes	\$ 157,509	\$ 408,043	\$ 0	\$ 565,552
Licenses and Permits	718	0	0	718
Charges for Current Services	215,234	0	0	215,234
Other Local Revenues	11,903	175	27,029	39,107
State of Tennessee	2,198,455	343,365	0	2,541,820
Other Governments and Citizens Groups	23,520	0	0	23,520
Total Revenues	<u>\$ 2,607,339</u>	<u>\$ 751,583</u>	<u>\$ 27,029</u>	<u>\$ 3,385,951</u>
Expenditures				
Current:				
Instruction	\$ 700,603	\$ 0	\$ 0	\$ 700,603
Support Services	1,868,393	806,964	0	2,675,357
Operation of Non-Instructional Services	0	0	34,644	34,644
Capital Outlay	10,402	0	0	10,402
Total Expenditures	<u>\$ 2,579,398</u>	<u>\$ 806,964</u>	<u>\$ 34,644</u>	<u>\$ 3,421,006</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 27,941</u>	<u>\$ (55,381)</u>	<u>\$ (7,615)</u>	<u>\$ (35,055)</u>
Other Financing Sources (Uses)				
Insurance Recovery	\$ 11,249	\$ 26,210	\$ 0	\$ 37,459
Total Other Financing Sources (Uses)	<u>\$ 11,249</u>	<u>\$ 26,210</u>	<u>\$ 0</u>	<u>\$ 37,459</u>
Net Change in Fund Balances	\$ 39,190	\$ (29,171)	\$ (7,615)	\$ 2,404
Fund Balance, July 1, 2023	<u>7,460,257</u>	<u>563,776</u>	<u>34,411</u>	<u>8,058,444</u>
Fund Balance, June 30, 2024	<u>\$ 7,499,447</u>	<u>\$ 534,605</u>	<u>\$ 26,796</u>	<u>\$ 8,060,848</u>

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, 2024

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)		\$	2,404
(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:			
Less: current-year depreciation expense			(387,444)
(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, 2024	\$	16,778	
Less: deferred delinquent property taxes and other deferred June 30, 2023		<u>(13,048)</u>	3,730
(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 liability - agent plan	\$	(77,064)	
Change in net pension asset - teacher retirement plan		986	
Change in net pension asset - teacher legacy pension plan		1,289	
Change in deferred outflows related to pensions		(113,436)	
Change in deferred inflows related to pensions		29,481	
Change in net OPEB liability		(42,083)	
Change in deferred outflows related to OPEB		25,053	
Change in deferred inflows related to OPEB		<u>8,290</u>	<u>(167,484)</u>
Change in net position of governmental activities (Exhibit B)		\$	<u><u>(548,794)</u></u>

CARROLL COUNTY, TENNESSEE**Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget**

Discretely Presented Carroll County School Department

General Purpose School Fund

For the Year Ended June 30, 2024

			Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Actual	Original	Final		
Revenues					
Local Taxes	\$ 157,509	\$ 145,000	\$ 145,000	\$	12,509
Licenses and Permits	718	50	50		668
Charges for Current Services	215,234	261,000	261,000		(45,766)
Other Local Revenues	11,903	115,300	115,300		(103,397)
State of Tennessee	2,198,455	2,176,000	2,179,077		19,378
Other Governments and Citizens Groups	23,520	0	23,520		0
Total Revenues	<u>\$ 2,607,339</u>	<u>\$ 2,697,350</u>	<u>\$ 2,723,947</u>	<u>\$</u>	<u>(116,608)</u>
Expenditures					
Instruction					
Regular Instruction Program	\$ 196	\$ 0	\$ 196	\$	0
Alternative Instruction Program	104,585	106,320	106,820		2,235
Career and Technical Education Program	595,822	625,947	625,947		30,125
Support Services					
Attendance	13,468	17,937	17,937		4,469
Health Services	2,413	4,717	4,717		2,304
Other Student Support	165,570	153,620	177,140		11,570
Career and Technical Education Program	5,346	10,500	10,500		5,154
Technology	111,257	127,269	127,269		16,012
Adult Programs	1,980	2,000	2,000		20
Other Programs	1,077	1,000	2,077		1,000
Board of Education	133,227	153,250	156,250		23,023
Director of Schools	159,291	163,602	163,602		4,311
Office of the Principal	102,739	106,241	106,241		3,502
Fiscal Services	152,688	159,914	159,914		7,226
Operation of Plant	127,131	168,700	168,700		41,569
Maintenance of Plant	81,616	121,634	121,634		40,018
Transportation	810,590	1,802,814	1,802,814		992,224
Capital Outlay					
Regular Capital Outlay	10,402	200,000	200,000		189,598
Total Expenditures	<u>\$ 2,579,398</u>	<u>\$ 3,925,465</u>	<u>\$ 3,953,758</u>	<u>\$</u>	<u>1,374,360</u>
Excess (Deficiency) of Revenues Over Expenditures					
	<u>\$ 27,941</u>	<u>\$ (1,228,115)</u>	<u>\$ (1,229,811)</u>	<u>\$</u>	<u>1,257,752</u>
Other Financing Sources (Uses)					
Insurance Recovery	\$ 11,249	\$ 25,000	\$ 25,000	\$	(13,751)
Total Other Financing Sources	<u>\$ 11,249</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$</u>	<u>(13,751)</u>
Net Change in Fund Balance					
Fund Balance, July 1, 2023	<u>\$ 39,190</u>	<u>\$ (1,203,115)</u>	<u>\$ (1,204,811)</u>	<u>\$</u>	<u>1,244,001</u>
	<u>7,460,257</u>	<u>7,270,274</u>	<u>7,270,274</u>		<u>189,983</u>
Fund Balance, June 30, 2024	<u><u>\$ 7,499,447</u></u>	<u><u>\$ 6,067,159</u></u>	<u><u>\$ 6,065,463</u></u>	<u><u>\$</u></u>	<u><u>1,433,984</u></u>

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, 2024

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Actual	Original	Final	
Revenues				
Local Taxes	\$ 408,043	\$ 453,945	\$ 453,945	\$ (45,902)
Other Local Revenues	175	0	0	175
State of Tennessee	343,365	416,019	416,019	(72,654)
Total Revenues	<u>\$ 751,583</u>	<u>\$ 869,964</u>	<u>\$ 869,964</u>	<u>\$ (118,381)</u>
Expenditures				
Support Services				
Board of Education	\$ 11,235	\$ 11,000	\$ 13,000	\$ 1,765
Transportation	795,729	916,331	914,331	118,602
Total Expenditures	<u>\$ 806,964</u>	<u>\$ 927,331</u>	<u>\$ 927,331</u>	<u>\$ 120,367</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (55,381)</u>	<u>\$ (57,367)</u>	<u>\$ (57,367)</u>	<u>\$ 1,986</u>
Other Financing Sources (Uses)				
Insurance Recovery	\$ 26,210	\$ 0	\$ 0	\$ 26,210
Total Other Financing Sources	<u>\$ 26,210</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 26,210</u>
Net Change in Fund Balance	\$ (29,171)	\$ (57,367)	\$ (57,367)	\$ 28,196
Fund Balance, July 1, 2023	<u>563,776</u>	<u>673,955</u>	<u>673,955</u>	<u>(110,179)</u>
Fund Balance, June 30, 2024	<u><u>\$ 534,605</u></u>	<u><u>\$ 616,588</u></u>	<u><u>\$ 616,588</u></u>	<u><u>\$ (81,983)</u></u>

MISCELLANEOUS SCHEDULES

Exhibit J-1

CARROLL COUNTY, TENNESSEE

Schedule of Changes in Long-term Note and Other Loan

For the Year Ended June 30, 2024

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-23	Paid and/or Matured During Period	Outstanding 6-30-24
NOTE PAYABLE							
Payable through Highway/Public Works Fund							
Equipment	\$ 268,000	4.28 %	11-29-22	11-1-26	\$ 268,000	\$ 63,000	\$ 205,000
Total Note Payable					\$ 268,000	\$ 63,000	\$ 205,000
OTHER LOAN PAYABLE							
Payable through General Debt Service Fund							
Jail Renovation	8,164,130	2.32	2-22-12	3-1-37	\$ 5,140,000	\$ 315,000	\$ 4,825,000
Total Other Loan Payable					\$ 5,140,000	\$ 315,000	\$ 4,825,000

Exhibit J-2

CARROLL COUNTY, TENNESSEE**Schedule of Long-term Debt Requirements by Year**

Year Ending June 30	Note		
	Principal	Interest	Total
2025	\$ 66,000	\$ 9,082	\$ 75,082
2026	68,000	6,158	74,158
2027	71,000	3,145	74,145
Total	\$ 205,000	\$ 18,385	\$ 223,385

Year Ending June 30	Other Loan		
	Principal	Interest	Total
2025	\$ 322,000	\$ 108,563	\$ 430,563
2026	330,000	101,318	431,318
2027	337,000	93,893	430,893
2028	345,000	86,310	431,310
2029	353,000	78,548	431,548
2030	361,000	70,605	431,605
2031	370,000	62,483	432,483
2032	378,000	54,158	432,158
2033	387,000	45,653	432,653
2034	396,000	36,945	432,945
2035	406,000	28,035	434,035
2036	415,000	18,900	433,900
2037	425,000	9,563	434,563
Total	\$ 4,825,000	\$ 794,974	\$ 5,619,974

Exhibit J-3

CARROLL COUNTY, TENNESSEE
Schedule of Transfers
For the Year Ended June 30, 2024

From Fund	To Fund	Purpose	Amount
Other General Government	General	American Rescue Plan funds	\$ 124,536
"	Highway/Public Works	"	500,000
Public Utility	General	Payment in-lieu-of taxes	389,826
"	Solid Waste/Sanitation	"	28,994
"	Highway/Public Works	"	33,857
"	General Debt Service	"	<u>25,248</u>
Total Transfers			<u><u>\$ 1,102,461</u></u>

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, 2024

Official	Salary	Authorization	Bond	Surety
County Mayor		Section 8-24-102, <i>TCA</i>	\$ (1)	Local Government Property and Casualty Fund
Base salary/Total compensation	<u>\$ 115,254</u>			
Highway Commissioners		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	<u>\$ 147,946</u> (2)			
Director of Schools		State Board of Education and County Board of Education	(1)	Tennessee Risk Management Trust
Base salary	\$ 118,773			
Chief executive officer training supplement	1,000			
Total compensation	<u>\$ 119,773</u>			
Trustee		Section 8-24-102, <i>TCA</i>	895,727	RLI Insurance Company
Base salary/Total compensation	<u>\$ 90,715</u>			
Assessor of Property		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	<u>\$ 90,715</u>			
County Clerk		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	<u>\$ 90,715</u>			
Circuit, General Sessions and Juvenile Courts Clerk		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	<u>\$ 90,715</u>			
Clerk and Master		Section 8-24-102, <i>TCA</i> , and Chancery Court Judge	100,000	Auto-Owners Insurance Fund
Base salary	\$ 90,715			
Special commissioner fees	15,143			
Total compensation	<u>\$ 105,858</u>			
Register of Deeds		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	<u>\$ 90,715</u>			
Sheriff		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary	\$ 99,787			
Superintendent of workhouse	9,979			
Law enforcement training supplement	800			
Total compensation	<u>\$ 110,566</u>			
Employee Blanket Bonds:				
Employee Fidelity - County departments			400,000	Local Government Property and Casualty Fund
Employee Fidelity - School Department			400,000	Tennessee Risk Management Trust

(1) Official is under the employee fidelity insurance coverage.

(2) Includes two highway commissioners' salaries at \$73,973 each.

CARROLL COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2024

		Special Revenue Funds						
		General	Solid Waste / Sanitation	Drug Control	Other General Government	Constitu - tional Officers - Fees	Highway / Public Works	
Local Taxes								
County Property Taxes								
Current Property Tax	\$	5,098,347	\$	375,558	\$	0	\$	438,351
Trustee's Collections - Prior Year		175,117		12,910		0		12,119
Circuit Clerk/Clerk and Master Collections - Prior Years		73,338		5,551		0		5,140
Interest and Penalty		39,774		2,960		0		2,619
Pickup Taxes		5		0		0		0
Payments in-Lieu-of Taxes - T.V.A.		12		0		0		0
Payments in-Lieu-of Taxes - Local Utilities		20,439		0		0		0
Payments in-Lieu-of Taxes - Other		120,789		8,896		0		10,388
County Local Option Taxes								
Local Option Sales Tax		856,405		0		0		0
Wheel Tax		570,640		0		0		560,341
Litigation Tax - General		46,912		0		0		0
Litigation Tax - Special Purpose		73,081		0		0		0
Litigation Tax - Jail, Workhouse, or Courthouse		0		0		0		0
Business Tax		272,655		0		0		0
Mineral Severance Tax		0		0		0		12,147
Statutory Local Taxes								
Bank Excise Tax		131,667		0		0		0
Wholesale Beer Tax		64,749		0		0		0
Beer Privilege Tax		899		0		0		0
Total Local Taxes	\$	7,544,829	\$	405,875	\$	0	\$	1,041,105
Licenses and Permits								
Permits								
Building Permits	\$	375	\$	0	\$	0	\$	0
Total Licenses and Permits	\$	375	\$	0	\$	0	\$	0

(Continued)

CARROLL COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

		Special Revenue Funds					
		General	Solid Waste / Sanitation	Drug Control	Other General Government	Constitu - tional Officers - Fees	Highway / Public Works
Fines, Forfeitures, and Penalties							
Circuit Court							
Fines	\$	2,056	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs		4,676	0	0	0	0	0
Drug Control Fines		6,149	0	5,088	0	0	0
Drug Court Fees		1,655	0	0	0	0	0
Jail Fees		3,144	0	0	0	0	0
DUI Treatment Fines		570	0	0	0	0	0
Data Entry Fee - Circuit Court		995	0	0	0	0	0
Victims Assistance Assessments		3,452	0	0	0	0	0
General Sessions Court							
Fines		20,072	0	0	0	0	0
Fines for Littering		95	0	0	0	0	0
Officers Costs		60,163	0	0	0	0	0
Game and Fish Fines		146	0	0	0	0	0
Drug Control Fines		5,536	0	5,904	0	0	0
Drug Court Fees		8,552	0	0	0	0	0
Jail Fees		12,698	0	0	0	0	0
Judicial Commissioner Fees		27	0	0	0	0	0
DUI Treatment Fines		6,018	0	0	0	0	0
Data Entry Fee - General Sessions Court		6,268	0	0	0	0	0
Courtroom Security Fee		48	0	0	0	0	0
Victims Assistance Assessments		18,787	0	0	0	0	0
Juvenile Court							
Officers Costs		76	0	0	0	0	0
Data Entry Fee - Juvenile Court		120	0	0	0	0	0

(Continued)

CARROLL COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other General Government	Constitu - tional Officers - Fees	Highway / Public Works
Fines, Forfeitures, and Penalties (Cont.)						
Chancery Court						
Officers Costs	\$ 1,056	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Data Entry Fee - Chancery Court	3,361	0	0	0	0	0
Courtroom Security Fee	420	0	0	0	0	0
Judicial District Drug Program						
Drug Task Force Forfeitures and Seizures	0	0	44,812	0	0	0
Other Fines, Forfeitures, and Penalties						
Proceeds from Confiscated Property	7,006	0	11,675	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 173,146	\$ 0	\$ 67,479	\$ 0	\$ 0	\$ 0
Charges for Current Services						
General Service Charges						
Residential Waste Collection Charge	\$ 0	\$ 1,536,055	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Disposal Fee	0	495	0	0	0	0
Surcharge - Waste Tire Disposal	0	18,110	0	0	0	0
Fees						
Library Fees	574	0	0	0	0	0
Archives and Records Management Fee	7,914	0	0	0	0	0
Greenbelt Late Application Fee	1,220	0	0	0	0	0
Telephone Commissions	121,528	0	0	0	0	0
Additional Fees - Titling and Registration	21,099	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	110,834	0
Data Processing Fee - Register	7,662	0	0	0	0	0
Data Processing Fee - Sheriff	4,849	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	3,750	0	0	0	0	0
Data Processing Fee - County Clerk	3,138	0	0	0	0	0

(Continued)

CARROLL COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other General Government	Constitu - tional Officers - Fees	Highway / Public Works
Charges for Current Services (Cont.)						
Fees (Cont.)						
Subscription and Electronic Filing Fee - Circuit and General Sessions	\$ 600	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Vehicle Registration Reinstatement Fees	3,035	0	0	0	0	0
Education Charges						
Contract for Instructional Services with Other LEA's	254,832	0	0	0	0	0
Contract for Student Support Services with Other LEA's	222,127	0	0	0	0	0
Total Charges for Current Services	\$ 652,328	\$ 1,554,660	\$ 0	\$ 0	\$ 110,834	\$ 0
Other Local Revenues						
Recurring Items						
Investment Income	\$ 493,554	\$ 0	\$ 0	\$ 7,796	\$ 0	\$ 0
Lease/Rentals/PPP	80,745	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0	3,500
Commissary Sales	77,684	0	0	0	0	0
Sale of Gasoline	299,006	0	0	0	0	0
Sale of Recycled Materials	1,455	73,376	0	0	0	0
Miscellaneous Refunds	110,887	0	0	0	0	4,817
Nonrecurring Items						
Sale of Equipment	0	0	0	0	0	72,860
Sale of Property	1,081	0	0	0	0	0
Contributions and Gifts	8,419	0	0	0	0	0
Other Local Revenues						
Other Local Revenues	94,932	84	0	0	0	0
Total Other Local Revenues	\$ 1,167,763	\$ 73,460	\$ 0	\$ 7,796	\$ 0	\$ 81,177

(Continued)

CARROLL COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other General Government	Constitu - tional Officers - Fees	Highway / Public Works
Fees Received From County Officials						
Excess Fees						
Clerk and Master	\$ 11,396	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fees In-Lieu-of Salary						
County Clerk	314,506	0	0	0	0	0
Circuit Court Clerk	59,846	0	0	0	0	0
General Sessions Court Clerk	129,391	0	0	0	0	0
Juvenile Court Clerk	2,936	0	0	0	0	0
Register	106,710	0	0	0	0	0
Sheriff	12,746	0	0	0	0	0
Trustee	460,731	0	0	0	0	0
Total Fees Received From County Officials	\$ 1,098,262	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State of Tennessee						
General Government Grants						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Airport Maintenance Program	77,505	0	0	0	0	0
Aging Programs	54,838	0	0	0	0	0
Alternative School Program	1,431,605	0	0	0	0	0
Other General Government Grants	99,757	0	0	0	0	0
Public Safety Grants						
Law Enforcement Training Programs	27,606	0	0	0	0	0
School Resource Officer Grants	525,000	0	0	0	0	0
Other Public Safety Grants	242,115	0	0	0	0	0
Health and Welfare Grants						
Health Department Programs	139,400	0	0	0	0	0

(Continued)

CARROLL COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other General Government	Constitu - tional Officers - Fees	Highway / Public Works
State of Tennessee (Cont.)						
Public Works Grants						
State Aid Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,904,739
Litter Program	0	24,424	0	0	0	0
Other State Revenues						
Beer Tax	18,498	0	0	0	0	0
Vehicle Certificate of Title Fees	7,246	0	0	0	0	0
Alcoholic Beverage Tax	99,121	0	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	119,486	0	0	0	0	0
State Revenue Sharing - T.V.A.	572,273	0	0	0	0	0
State Revenue Sharing - Telecommunications	16,001	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	26,256	0	0	0	0	0
Emergency Hospital - Prisoners	7,270	0	0	0	0	0
Contracted Prisoner Boarding	914,168	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	2,760,042
Hybrid/Electric Vehicle Registration Fee	0	0	0	0	0	11,126
Petroleum Special Tax	0	0	0	0	0	18,844
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	170,508	0	0	0	0	0
Other State Revenues	66,397	0	0	0	0	0
Total State of Tennessee	\$ 4,639,214	\$ 24,424	\$ 0	\$ 0	\$ 0	\$ 5,694,751
Federal Government						
Federal Through State						
Civil Defense Reimbursement	\$ 42,262	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	34,852	0	0	0	0	0
Other Federal through State	614,409	0	0	0	0	0

(Continued)

CARROLL COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other General Government	Constitu - tional Officers - Fees	Highway / Public Works
Federal Government (Cont.)						
Direct Federal Revenue						
Asset Forfeiture Funds	\$ 45,844	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
American Rescue Plan Act Grant #6	0	0	0	301,425	0	0
American Rescue Plan Act Grant #10	0	0	0	5,000	0	0
Total Federal Government	\$ 737,367	\$ 0	\$ 0	\$ 306,425	\$ 0	\$ 0
Other Governments and Citizens Groups						
Other Governments						
Prisoner Board	\$ 1,558	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Citizens Groups						
Donations	4,083	0	0	0	0	0
Other						
Other	156	0	0	0	0	0
Opioid Settlement Funds - Past Remediation	99,354	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 105,151	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 16,118,435	\$ 2,058,419	\$ 67,479	\$ 314,221	\$ 110,834	\$ 6,817,033

(Continued)

CARROLL COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service	
	Fund	
	General	Total
	Debt	
	Service	
Local Taxes		
County Property Taxes		
Current Property Tax	\$ 327,251	\$ 6,239,507
Trustee's Collections - Prior Year	14,505	214,651
Circuit Clerk/Clerk and Master Collections - Prior Years	7,546	91,575
Interest and Penalty	3,191	48,544
Pickup Taxes	0	5
Payments in-Lieu-of Taxes - T.V.A.	0	12
Payments in-Lieu-of Taxes - Local Utilities	0	20,439
Payments in-Lieu-of Taxes - Other	7,747	147,820
County Local Option Taxes		
Local Option Sales Tax	0	856,405
Wheel Tax	0	1,130,981
Litigation Tax - General	0	46,912
Litigation Tax - Special Purpose	315	73,396
Litigation Tax - Jail, Workhouse, or Courthouse	85,870	85,870
Business Tax	0	272,655
Mineral Severance Tax	0	12,147
Statutory Local Taxes		
Bank Excise Tax	0	131,667
Wholesale Beer Tax	0	64,749
Beer Privilege Tax	0	899
Total Local Taxes	\$ 446,425	\$ 9,438,234
Licenses and Permits		
Permits		
Building Permits	\$ 0	\$ 375
Total Licenses and Permits	\$ 0	\$ 375

(Continued)

CARROLL COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	<u>Debt Service</u> <u>Fund</u>	
	General Debt Service	Total
Fines, Forfeitures, and Penalties		
Circuit Court		
Fines	\$ 0	\$ 2,056
Officers Costs	0	4,676
Drug Control Fines	0	11,237
Drug Court Fees	0	1,655
Jail Fees	0	3,144
DUI Treatment Fines	0	570
Data Entry Fee - Circuit Court	0	995
Victims Assistance Assessments	0	3,452
General Sessions Court		
Fines	0	20,072
Fines for Littering	0	95
Officers Costs	0	60,163
Game and Fish Fines	0	146
Drug Control Fines	0	11,440
Drug Court Fees	0	8,552
Jail Fees	0	12,698
Judicial Commissioner Fees	0	27
DUI Treatment Fines	0	6,018
Data Entry Fee - General Sessions Court	0	6,268
Courtroom Security Fee	0	48
Victims Assistance Assessments	0	18,787
Juvenile Court		
Officers Costs	0	76
Data Entry Fee - Juvenile Court	0	120

(Continued)

CARROLL COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service		
	Fund		
	General		Total
	Debt		
	Service		
Fines, Forfeitures, and Penalties (Cont.)			
Chancery Court			
Officers Costs	\$	0	\$ 1,056
Data Entry Fee - Chancery Court		0	3,361
Courtroom Security Fee		0	420
Judicial District Drug Program			
Drug Task Force Forfeitures and Seizures		0	44,812
Other Fines, Forfeitures, and Penalties			
Proceeds from Confiscated Property		0	18,681
Total Fines, Forfeitures, and Penalties	\$	0	\$ 240,625
Charges for Current Services			
General Service Charges			
Residential Waste Collection Charge	\$	0	\$ 1,536,055
Solid Waste Disposal Fee		0	495
Surcharge - Waste Tire Disposal		0	18,110
Fees			
Library Fees		0	574
Archives and Records Management Fee		0	7,914
Greenbelt Late Application Fee		0	1,220
Telephone Commissions		0	121,528
Additional Fees - Titling and Registration		0	21,099
Constitutional Officers' Fees and Commissions		0	110,834
Data Processing Fee - Register		0	7,662
Data Processing Fee - Sheriff		0	4,849
Sexual Offender Registration Fee - Sheriff		0	3,750
Data Processing Fee - County Clerk		0	3,138

(Continued)

CARROLL COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service Fund	
	General Debt Service	Total
Charges for Current Services (Cont.)		
Fees (Cont.)		
Subscription and Electronic Filing Fee - Circuit and General Sessions	\$ 0	\$ 600
Vehicle Registration Reinstatement Fees	0	3,035
Education Charges		
Contract for Instructional Services with Other LEA's	0	254,832
Contract for Student Support Services with Other LEA's	0	222,127
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 2,317,822</u>
Other Local Revenues		
Recurring Items		
Investment Income	\$ 0	\$ 501,350
Lease/Rentals/PPP	0	80,745
Sale of Materials and Supplies	0	3,500
Commissary Sales	0	77,684
Sale of Gasoline	0	299,006
Sale of Recycled Materials	0	74,831
Miscellaneous Refunds	0	115,704
Nonrecurring Items		
Sale of Equipment	0	72,860
Sale of Property	0	1,081
Contributions and Gifts	0	8,419
Other Local Revenues		
Other Local Revenues	0	95,016
Total Other Local Revenues	<u>\$ 0</u>	<u>\$ 1,330,196</u>

(Continued)

CARROLL COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service	
	Fund	
	General	Total
	Debt	
	Service	
Fees Received From County Officials		
Excess Fees		
Clerk and Master	\$ 0	\$ 11,396
Fees In-Lieu-of Salary		
County Clerk	0	314,506
Circuit Court Clerk	0	59,846
General Sessions Court Clerk	0	129,391
Juvenile Court Clerk	0	2,936
Register	0	106,710
Sheriff	0	12,746
Trustee	0	460,731
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 1,098,262</u>
State of Tennessee		
General Government Grants		
Juvenile Services Program	\$ 0	\$ 9,000
Airport Maintenance Program	0	77,505
Aging Programs	0	54,838
Alternative School Program	0	1,431,605
Other General Government Grants	0	99,757
Public Safety Grants		
Law Enforcement Training Programs	0	27,606
School Resource Officer Grants	0	525,000
Other Public Safety Grants	0	242,115
Health and Welfare Grants		
Health Department Programs	0	139,400

(Continued)

CARROLL COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service		
	Fund		
	General		Total
	Debt		
	Service		
State of Tennessee (Cont.)			
Public Works Grants			
State Aid Program	\$	0	\$ 2,904,739
Litter Program		0	24,424
Other State Revenues			
Beer Tax		0	18,498
Vehicle Certificate of Title Fees		0	7,246
Alcoholic Beverage Tax		0	99,121
Opioid Settlement Funds - TN Abatement Council		0	119,486
State Revenue Sharing - T.V.A.		0	572,273
State Revenue Sharing - Telecommunications		0	16,001
State Shared Sports Gaming Privilege Tax		0	26,256
Emergency Hospital - Prisoners		0	7,270
Contracted Prisoner Boarding		0	914,168
Gasoline and Motor Fuel Tax		0	2,760,042
Hybrid/Electric Vehicle Registration Fee		0	11,126
Petroleum Special Tax		0	18,844
Registrar's Salary Supplement		0	15,164
Other State Grants		0	170,508
Other State Revenues		0	66,397
Total State of Tennessee	\$	0	\$ 10,358,389
Federal Government			
Federal Through State			
Civil Defense Reimbursement	\$	0	\$ 42,262
Homeland Security Grants		0	34,852
Other Federal through State		0	614,409

(Continued)

CARROLL COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	<u>Debt Service Fund</u>		
	General Debt Service		Total
Federal Government (Cont.)			
Direct Federal Revenue			
Asset Forfeiture Funds	\$ 0	\$	45,844
American Rescue Plan Act Grant #6	0		301,425
American Rescue Plan Act Grant #10	0		5,000
Total Federal Government	<u>\$ 0</u>	<u>\$</u>	<u>1,043,792</u>
Other Governments and Citizens Groups			
Other Governments			
Prisoner Board	\$ 0	\$	1,558
Citizens Groups			
Donations	0		4,083
Other			
Other	0		156
Opioid Settlement Funds - Past Remediation	0		99,354
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$</u>	<u>105,151</u>
Total	<u>\$ 446,425</u>	<u>\$</u>	<u>25,932,846</u>

CARROLL COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Carroll County School Department
For the Year Ended June 30, 2024

	<u>Special Revenue Funds</u>			
	General Purpose School	School Transpor - tation	Internal School	Total
Local Taxes				
County Property Taxes				
Current Property Tax	\$ 0	\$ 352,233	\$ 0	\$ 352,233
Trustee's Collections - Prior Year	0	12,181	0	12,181
Circuit Clerk/Clerk and Master Collections - Prior Years	0	5,270	0	5,270
Interest and Penalty	0	2,821	0	2,821
Payments in-Lieu-of Taxes - Local Utilities	0	27,194	0	27,194
Payments in-Lieu-of Taxes - Other	0	8,344	0	8,344
County Local Option Taxes				
Local Option Sales Tax	157,509	0	0	157,509
Total Local Taxes	<u>\$ 157,509</u>	<u>\$ 408,043</u>	<u>\$ 0</u>	<u>\$ 565,552</u>
Licenses and Permits				
Licenses				
Marriage Licenses	\$ 718	\$ 0	\$ 0	\$ 718
Total Licenses and Permits	<u>\$ 718</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 718</u>
Charges for Current Services				
Education Charges				
Transportation - Other State Systems	\$ 86,184	\$ 0	\$ 0	\$ 86,184
Contract for Instructional Services with Other LEA's	6,324	0	0	6,324
Receipts from Individual Schools	20,390	0	0	20,390
Other Charges for Services	102,336	0	0	102,336
Total Charges for Current Services	<u>\$ 215,234</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 215,234</u>

(Continued)

CARROLL COUNTY, TENNESSEE**Schedule of Detailed Revenues -****All Governmental Fund Types**

Discretely Presented Carroll County School Department (Cont.)

	Special Revenue Funds			
	General Purpose School	School Transpor - tation	Internal School	Total
Other Local Revenues				
Recurring Items				
Investment Income	\$ 2,468	\$ 0	\$ 0	\$ 2,468
Sale of Materials and Supplies	310	0	0	310
Miscellaneous Refunds	6,385	175	0	6,560
Nonrecurring Items				
Sale of Equipment	400	0	0	400
Sale of Property	240	0	0	240
Contributions and Gifts	2,100	0	0	2,100
Other Local Revenues				
Other Local Revenues	0	0	27,029	27,029
Total Other Local Revenues	\$ 11,903	\$ 175	\$ 27,029	\$ 39,107
State of Tennessee				
General Government Grants				
On-behalf Contributions for OPEB	\$ 1,077	\$ 0	\$ 0	\$ 1,077
State Education Funds				
Tennessee Investment in Student Achievement	2,186,136	0	0	2,186,136
Basic Education Program	8,071	0	0	8,071
TISA - On-behalf Payments	196	0	0	196
Career Ladder Program	2,289	0	0	2,289
Other State Revenues				
State Revenue Sharing - T.V.A.	0	343,365	0	343,365
State Revenue Sharing - Telecommunications	686	0	0	686
Total State of Tennessee	\$ 2,198,455	\$ 343,365	\$ 0	\$ 2,541,820
Other Governments and Citizens Groups				
Other Governments				
Contributions	\$ 23,520	\$ 0	\$ 0	\$ 23,520
Total Other Governments and Citizens Groups	\$ 23,520	\$ 0	\$ 0	\$ 23,520
Total	\$ 2,607,339	\$ 751,583	\$ 27,029	\$ 3,385,951

CARROLL COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2024

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	23,650	
Social Security		1,379	
Pensions		911	
Employee and Dependent Insurance		622	
Employer Medicare		337	
Audit Services		12,229	
Dues and Memberships		3,416	
Legal Notices, Recording, and Court Costs		3,980	
Periodicals		666	
Other Charges		587	
Total County Commission			\$ 47,777

Board of Equalization

Board and Committee Members Fees	\$	3,070	
Data Processing Services		6,476	
Total Board of Equalization			9,546

Other Boards and Committees

Board and Committee Members Fees	\$	300	
Legal Notices, Recording, and Court Costs		280	
Total Other Boards and Committees			580

County Mayor/Executive

County Official/Administrative Officer	\$	115,254	
Assistant(s)		53,707	
Secretary(ies)		111,480	
Other Salaries and Wages		633	
Social Security		17,000	
Pensions		17,061	
Employee and Dependent Insurance		17,838	
Unemployment Compensation		133	
Employer Medicare		3,976	
Communication		2,801	
Dues and Memberships		2,269	
Maintenance Agreements		1,806	
Postal Charges		2,897	
Printing, Stationery, and Forms		1,132	
Travel		1,944	
Office Supplies		5,404	
Total County Mayor/Executive			355,335

County Attorney

Consultants	\$	2,250	
Legal Services		125	
Total County Attorney			2,375

(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	\$	81,644	
Deputy(ies)		28,653	
Election Commission		3,000	
Election Workers		18,694	
Social Security		6,774	
Pensions		6,651	
Employee and Dependent Insurance		94	
Unemployment Compensation		84	
Employer Medicare		1,584	
Communication		2,308	
Legal Notices, Recording, and Court Costs		6,253	
Maintenance Agreements		24,028	
Maintenance and Repair Services - Equipment		11,606	
Postal Charges		2,924	
Printing, Stationery, and Forms		2,666	
Travel		1,466	
Office Supplies		9,462	
Office Equipment		922	
Total Election Commission			\$ 208,813

Register of Deeds

County Official/Administrative Officer	\$	90,715	
Deputy(ies)		63,028	
Part-time Personnel		803	
Social Security		8,501	
Pensions		9,400	
Employee and Dependent Insurance		31,607	
Unemployment Compensation		58	
Employer Medicare		1,988	
Communication		3,363	
Data Processing Services		8,636	
Dues and Memberships		969	
Maintenance Agreements		1,806	
Postal Charges		180	
Travel		779	
Other Contracted Services		2,175	
Office Supplies		4,257	
Data Processing Equipment		272	
Total Register of Deeds			228,537

County Buildings

Custodial Personnel	\$	25,595	
Maintenance Personnel		38,743	
Social Security		3,963	
Pensions		3,690	
Employee and Dependent Insurance		144	
Unemployment Compensation		84	

(Continued)

CARROLL COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Employer Medicare	\$	927	
Communication		1,438	
Maintenance Agreements		8,060	
Maintenance and Repair Services - Buildings		83,152	
Maintenance and Repair Services - Equipment		3,736	
Maintenance and Repair Services - Vehicles		2,451	
Permits		465	
Custodial Supplies		4,611	
Electricity		64,254	
Gasoline		2,880	
Natural Gas		14,610	
Tires and Tubes		1,539	
Water and Sewer		17,915	
Other Supplies and Materials		3,955	
Building and Contents Insurance		201,713	
Liability Insurance		210,588	
Other Charges		10,481	
Building Improvements		11,127	
Communication Equipment		25,000	
Data Processing Equipment		45,838	
Total County Buildings			\$ 786,959

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	90,715	
Deputy(ies)		88,006	
Social Security		10,669	
Pensions		10,938	
Employee and Dependent Insurance		13,638	
Unemployment Compensation		112	
Employer Medicare		2,495	
Communication		1,912	
Contracts with Private Agencies		17,665	
Dues and Memberships		1,700	
Maintenance Agreements		1,921	
Postal Charges		2,000	
Travel		406	
Office Supplies		1,582	
Office Equipment		996	
Total Property Assessor's Office			244,755

Reappraisal Program

Data Processing Services	\$	3,798	
Postal Charges		763	
Other Contracted Services		19,800	
Total Reappraisal Program			24,361

(Continued)

CARROLL COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office

County Official/ Administrative Officer	\$	90,715	
Deputy(ies)		59,510	
Part-time Personnel		6,469	
Social Security		9,191	
Pensions		9,194	
Employee and Dependent Insurance		19,932	
Unemployment Compensation		95	
Employer Medicare		2,150	
Communication		2,628	
Data Processing Services		17,607	
Dues and Memberships		1,234	
Maintenance Agreements		1,907	
Postal Charges		12,287	
Travel		1,256	
Office Supplies		1,710	
Total County Trustee's Office			\$ 235,885

County Clerk's Office

County Official/ Administrative Officer	\$	90,715	
Deputy(ies)		128,686	
Bonus Payments		7,200	
Social Security		12,021	
Pensions		13,427	
Employee and Dependent Insurance		29,700	
Unemployment Compensation		112	
Employer Medicare		2,811	
Communication		1,803	
Data Processing Services		3,000	
Dues and Memberships		1,094	
Maintenance Agreements		2,250	
Maintenance and Repair Services - Office Equipment		5,542	
Postal Charges		10,822	
Travel		421	
Office Supplies		4,950	
Office Equipment		3,611	
Total County Clerk's Office			318,165

Administration of Justice

Circuit Court

County Official/ Administrative Officer	\$	90,715	
Deputy(ies)		195,950	
Jury and Witness Expense		10,469	
Social Security		17,494	
Pensions		17,629	
Employee and Dependent Insurance		17,449	
Unemployment Compensation		222	
Employer Medicare		4,091	

(Continued)

CARROLL COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Communication	\$	5,274	
Data Processing Services		38,390	
Dues and Memberships		1,044	
Legal Notices, Recording, and Court Costs		2,872	
Maintenance Agreements		6,519	
Maintenance and Repair Services - Buildings		99,757	
Postal Charges		713	
Travel		661	
Other Contracted Services		50	
Office Supplies		10,978	
Other Charges		309	
Office Equipment		1,007	
Total Circuit Court			\$ 521,593

General Sessions Judge

Judge(s)	\$	130,913	
Assistant(s)		20,000	
Social Security		9,172	
Pensions		9,236	
Employee and Dependent Insurance		6,759	
Unemployment Compensation		27	
Employer Medicare		2,145	
Dues and Memberships		300	
Travel		1,386	
Office Supplies		1,315	
Total General Sessions Judge			181,253

Drug Court

Other Per Diem and Fees	\$	6,007	
Total Drug Court			6,007

Chancery Court

Deputy(ies)	\$	126,629	
Social Security		6,989	
Pensions		7,750	
Employee and Dependent Insurance		23,922	
Unemployment Compensation		112	
Employer Medicare		1,635	
Advertising		13,340	
Communication		2,585	
Data Processing Services		15,196	
Dues and Memberships		1,129	
Maintenance Agreements		1,733	
Postal Charges		1,926	
Office Supplies		3,781	
Total Chancery Court			206,727

(Continued)

CARROLL COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court

Supervisor/Director	\$	48,529	
Youth Service Officer(s)		48,354	
Guidance Personnel		50,277	
Social Security		8,483	
Pensions		9,006	
Employee and Dependent Insurance		13,226	
Unemployment Compensation		84	
Employer Medicare		1,984	
Communication		1,736	
Maintenance Agreements		1,917	
Postal Charges		304	
Travel		76	
Other Contracted Services		2,100	
Office Supplies		469	
Total Juvenile Court			\$ 186,545

Judicial Commissioners

Board and Committee Members Fees	\$	17,000	
Social Security		1,054	
Employer Medicare		246	
Total Judicial Commissioners			18,300

Other Administration of Justice

Contracts with Government Agencies	\$	33,499	
Total Other Administration of Justice			33,499

Victim Assistance Programs

Remittance of Revenue Collected	\$	25,310	
Total Victim Assistance Programs			25,310

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	109,766	
Deputy(ies)		1,081,249	
Detective(s)		24,622	
Investigator(s)		149,886	
Salary Supplements		32,400	
Part-time Personnel		12,585	
School Resource Officer		291,960	
Overtime Pay		113,405	
Other Salaries and Wages		21,540	
In-service Training		15,071	
Social Security		108,695	
Pensions		162,181	
Employee and Dependent Insurance		183,297	
Unemployment Compensation		1,081	
Employer Medicare		25,465	

(Continued)

CARROLL COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Communication	\$	11,209	
Contracts with Other Public Agencies		2,010	
Contracts with Private Agencies		3,042	
Dues and Memberships		2,730	
Maintenance Agreements		34,743	
Maintenance and Repair Services - Equipment		810	
Maintenance and Repair Services - Vehicles		62,019	
Postal Charges		2,739	
Travel		17,479	
Gasoline		144,556	
Instructional Supplies and Materials		16,691	
Law Enforcement Supplies		11,407	
Office Supplies		13,367	
Tires and Tubes		18,705	
Uniforms		13,417	
Other Supplies and Materials		14,628	
Other Charges		92,780	
Data Processing Equipment		3,965	
Motor Vehicles		328,904	
Other Equipment		96,029	
Total Sheriff's Department			\$ 3,224,433

Administration of the Sexual Offender Registry

Remittance of Revenue Collected	\$	1,100	
Other Equipment		37,924	
Total Administration of the Sexual Offender Registry			39,024

Jail

Dispatchers/Radio Operators	\$	326,292	
Guards		1,192,654	
Clerical Personnel		44,629	
Cafeteria Personnel		63,055	
Maintenance Personnel		40,131	
Part-time Personnel		17,706	
Overtime Pay		81,877	
Other Salaries and Wages		32,238	
In-service Training		11,449	
Social Security		106,709	
Pensions		110,569	
Employee and Dependent Insurance		154,493	
Unemployment Compensation		1,780	
Employer Medicare		24,956	
Communication		12,544	
Maintenance Agreements		16,282	
Maintenance and Repair Services - Equipment		2,232	
Medical and Dental Services		633,206	
Travel		3,549	

(Continued)

CARROLL COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Custodial Supplies	\$	31,239	
Electricity		72,437	
Food Supplies		368,674	
Instructional Supplies and Materials		800	
Library Books/Media		1,180	
Natural Gas		39,223	
Prisoners Clothing		4,039	
Uniforms		13,729	
Water and Sewer		90,082	
Other Supplies and Materials		1,504	
Other Equipment		5,353	
Total Jail			\$ 3,504,611

Correctional Incentive Program Improvements

Guidance Personnel	\$	102,621	
Social Security		6,140	
Pensions		6,280	
Employee and Dependent Insurance		5,272	
Unemployment Compensation		56	
Employer Medicare		1,436	
Travel		810	
Other Contracted Services		15,208	
Office Supplies		1,895	
Other Supplies and Materials		3,494	
Total Correctional Incentive Program Improvements			143,212

Juvenile Services

Educational Assistants	\$	1,013,388	
School Resource Officer		2,400	
Social Security		60,814	
Pensions		51,987	
Employee and Dependent Insurance		78,428	
Unemployment Compensation		716	
Employer Medicare		14,178	
Accounting Services		18,968	
Communication		6,446	
Dues and Memberships		863	
Licenses		810	
Maintenance Agreements		5,067	
Maintenance and Repair Services - Equipment		1,166	
Maintenance and Repair Services - Vehicles		5,173	
Medical and Dental Services		6,883	
Postal Charges		269	
Other Contracted Services		2,196	
Custodial Supplies		3,260	
Food Supplies		41,463	
Gasoline		23,476	

(Continued)

CARROLL COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services (Cont.)

Instructional Supplies and Materials	\$	66,758	
Office Supplies		1,119	
Tires and Tubes		3,192	
Other Supplies and Materials		21,196	
Building and Contents Insurance		5,324	
Liability Insurance		18,084	
Workers' Compensation Insurance		8,595	
Other Charges		28,318	
Administration Equipment		8,507	
Motor Vehicles		203,728	
Other Equipment		520	
Total Juvenile Services			\$ 1,703,292

Fire Prevention and Control

Supervisor/Director	\$	41,315	
Social Security		2,481	
Pensions		2,528	
Employee and Dependent Insurance		144	
Unemployment Compensation		28	
Employer Medicare		580	
Communication		2,899	
Dues and Memberships		680	
Maintenance and Repair Services - Equipment		12,879	
Maintenance and Repair Services - Vehicles		56,618	
Postal Charges		198	
Travel		869	
Gasoline		11,482	
Instructional Supplies and Materials		1,467	
Office Supplies		2,319	
Tires and Tubes		5,253	
Other Supplies and Materials		9,579	
Liability Insurance		11,343	
Other Charges		4,936	
Communication Equipment		13,438	
Other Equipment		170,867	
Total Fire Prevention and Control			351,903

Civil Defense

Supervisor/Director	\$	48,525	
Social Security		2,549	
Pensions		2,970	
Employee and Dependent Insurance		14,779	
Unemployment Compensation		28	
Employer Medicare		596	
Communication		5,405	
Dues and Memberships		80	
Maintenance Agreements		2,898	

(Continued)

CARROLL COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Maintenance and Repair Services - Vehicles	\$	50	
Travel		717	
Electricity		9,667	
Gasoline		1,688	
Instructional Supplies and Materials		340	
Natural Gas		1,271	
Office Supplies		3,597	
Water and Sewer		1,608	
Other Supplies and Materials		12,578	
Other Charges		3,436	
Other Equipment		17,745	
Total Civil Defense			\$ 130,527

County Coroner/Medical Examiner

Medical Personnel	\$	18,870	
Other Per Diem and Fees		4,800	
Contracts with Government Agencies		24,400	
Transportation - Other than Students		600	
Total County Coroner/Medical Examiner			48,670

Public Safety Grants Program

Prisoners Clothing	\$	21,481	
Other Supplies and Materials		31,732	
Motor Vehicles		87,524	
Other Equipment		279,260	
Total Public Safety Grants Program			419,997

Public Health and Welfare

Local Health Center

Clerical Personnel	\$	113,166	
Social Security		6,180	
Pensions		6,926	
Employee and Dependent Insurance		26,873	
Unemployment Compensation		84	
Employer Medicare		1,445	
Communication		8,921	
Contracts with Government Agencies		13,030	
Dues and Memberships		375	
Janitorial Services		8,700	
Maintenance and Repair Services - Buildings		4,438	
Maintenance and Repair Services - Office Equipment		150	
Travel		2,988	
Other Contracted Services		217	
Custodial Supplies		2,600	
Drugs and Medical Supplies		1,916	
Office Supplies		1,177	
Utilities		16,564	
Building Improvements		38,500	
Total Local Health Center			254,250

(Continued)

CARROLL COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control

Communication	\$	336	
Maintenance and Repair Services - Vehicles		157	
Pest Control		12,000	
Veterinary Services		728	
Animal Food and Supplies		174	
Gasoline		701	
Total Rabies and Animal Control			\$ 14,096

Alcohol and Drug Programs

Supervisor/Director	\$	37,311	
Deputy(ies)		900	
Salary Supplements		7,704	
Part-time Personnel		26,770	
Bonus Payments		5,500	
Social Security		5,660	
Pensions		3,646	
Employee and Dependent Insurance		144	
Unemployment Compensation		86	
Employer Medicare		1,324	
Advertising		26,118	
Communication		1,043	
Contracts with Other Public Agencies		8,262	
Fiscal Agent Charges		14,570	
Postal Charges		270	
Printing, Stationery, and Forms		980	
Travel		9,452	
Other Supplies and Materials		9,765	
Total Alcohol and Drug Programs			159,505

General Welfare Assistance

Pauper Burials	\$	700	
Total General Welfare Assistance			700

Other Local Welfare Services

Dues and Memberships	\$	18,648	
Total Other Local Welfare Services			18,648

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Supervisor/Director	\$	34,541	
Social Workers		28,747	
Other Salaries and Wages		4,200	
Social Security		3,964	
Pensions		2,994	
Employee and Dependent Insurance		6,772	
Unemployment Compensation		73	
Employer Medicare		927	

(Continued)

CARROLL COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Senior Citizens Assistance (Cont.)

Communication	\$	2,420	
Contracts with Other Public Agencies		1,245	
Contracts with Private Agencies		3,731	
Licenses		810	
Maintenance Agreements		1,732	
Postal Charges		952	
Printing, Stationery, and Forms		1,077	
Travel		3,782	
Food Supplies		2,696	
Gasoline		95	
Office Supplies		123	
Other Charges		8,472	
Total Senior Citizens Assistance			\$ 109,353

Libraries

Assistant(s)	\$	53,688	
Librarians		34,002	
Part-time Personnel		15,026	
Social Security		6,147	
Pensions		5,367	
Employee and Dependent Insurance		5,560	
Unemployment Compensation		139	
Employer Medicare		1,438	
Communication		6,793	
Dues and Memberships		1,433	
Maintenance Agreements		919	
Travel		2,413	
Other Contracted Services		1,621	
Library Books/Media		9,203	
Office Supplies		1,928	
Periodicals		83	
Other Supplies and Materials		1,861	
Other Charges		2,404	
Office Equipment		9,508	
Total Libraries			159,533

Parks and Fair Boards

Supervisor/Director	\$	52,282	
Part-time Personnel		9,977	
Social Security		3,904	
Pensions		3,200	
Employee and Dependent Insurance		144	
Unemployment Compensation		57	
Employer Medicare		913	
Communication		3,130	
Maintenance and Repair Services - Buildings		6,269	
Maintenance and Repair Services - Equipment		629	

(Continued)

CARROLL COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards (Cont.)

Remittance of Revenue Collected	\$	1,500	
Other Contracted Services		1,072	
Custodial Supplies		3,412	
Electricity		20,234	
Natural Gas		9,104	
Office Supplies		1,818	
Water and Sewer		6,336	
Furniture and Fixtures		300	
Total Parks and Fair Boards			\$ 124,281

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	36,025	
Secretary(ies)		8,863	
Other Fringe Benefits		16,892	
Communication		2,075	
Total Agricultural Extension Service			63,855

Forest Service

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

Soil Conservation

Secretary(ies)	\$	26,414	
Social Security		1,439	
Pensions		1,617	
Employee and Dependent Insurance		6,772	
Unemployment Compensation		28	
Employer Medicare		337	
Total Soil Conservation			36,607

Flood Control

Dues and Memberships	\$	26,400	
Total Flood Control			26,400

Other Operations

Industrial Development

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

Other Economic and Community Development

Dues and Memberships	\$	17,000	
Total Other Economic and Community Development			17,000

Airport

Supervisor/Director	\$	50,000	
Part-time Personnel		22,030	

(Continued)

CARROLL COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Other Operations (Cont.)

Airport (Cont.)

Social Security	\$	4,046	
Pensions		3,060	
Unemployment Compensation		83	
Employer Medicare		1,044	
Communication		7,413	
Maintenance and Repair Services - Buildings		20,395	
Maintenance and Repair Services - Equipment		6,798	
Travel		481	
Custodial Supplies		386	
Electricity		10,872	
Gasoline		241,754	
Natural Gas		2,323	
Water and Sewer		8,186	
Liability Insurance		5,910	
Refunds		360	
Airport Improvement		74,467	
Total Airport			\$ 459,608

Veterans' Services

Supervisor/Director	\$	26,208	
Social Security		1,582	
Unemployment Compensation		28	
Employer Medicare		370	
Communication		1,481	
Maintenance Agreements		1,603	
Postal Charges		66	
Travel		748	
Office Supplies		943	
Office Equipment		2,200	
Total Veterans' Services			35,229

Other Charges

Medical Insurance	\$	235,500	
Library Books/Media		12,000	
Trustee's Commission		162,465	
Workers' Compensation Insurance		76,451	
Liability Claims		52,756	
Total Other Charges			539,172

Contributions to Other Agencies

Contributions	\$	58,323	
Total Contributions to Other Agencies			58,323

Total General Fund \$ 15,296,551

(Continued)

CARROLL COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Solid Waste/Sanitation Fund

Public Health and Welfare

Waste Pickup

Clerical Personnel	\$	34,127	
Social Security		1,980	
Pensions		2,089	
Employee and Dependent Insurance		5,272	
Medical Insurance		1,500	
Unemployment Compensation		28	
Employer Medicare		463	
Communication		1,415	
Contracts with Private Agencies		1,436,788	
Legal Services		126	
Legal Notices, Recording, and Court Costs		42	
Maintenance Agreements		1,917	
Postal Charges		528	
Maintenance and Repair Services - Records		112,995	
Office Supplies		1,251	
Other Charges		1,468	
Total Waste Pickup			\$ 1,601,989

Recycling Center

Supervisor/Director	\$	58,739	
Clerical Personnel		25,374	
Other Salaries and Wages		153,910	
Social Security		14,081	
Pensions		14,473	
Employee and Dependent Insurance		27,330	
Medical Insurance		7,500	
Unemployment Compensation		245	
Employer Medicare		3,293	
Communication		1,032	
Contracts with Private Agencies		52,251	
Maintenance and Repair Services - Buildings		5,121	
Maintenance and Repair Services - Equipment		11,526	
Maintenance and Repair Services - Vehicles		8,354	
Transportation - Other than Students		2,706	
Custodial Supplies		68	
Electricity		5,171	
Gasoline		23,900	
Natural Gas		5,640	
Office Supplies		1,077	
Tires and Tubes		4,202	
Other Supplies and Materials		150	
Building and Contents Insurance		8,264	
Liability Insurance		11,403	
Trustee's Commission		24,740	
Workers' Compensation Insurance		8,897	
Other Charges		3,212	
Total Recycling Center			482,659

(Continued)

CARROLL COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Solid Waste/Sanitation Fund (Cont.)

Highways

Litter and Trash Collection

Gasoline	\$	54	
Other Supplies and Materials		228	
Other Charges		67	
Total Litter and Trash Collection			\$ 349

Total Solid Waste/Sanitation Fund \$ 2,084,997

Drug Control Fund

Public Safety

Drug Enforcement

Salary Supplements	\$	9,583	
Social Security		594	
Pensions		481	
Employer Medicare		139	
Dues and Memberships		565	
Veterinary Services		889	
Animal Food and Supplies		640	
Trustee's Commission		683	
Motor Vehicles		85,818	
Special Education Equipment		2,714	
Other Equipment		7,284	
Total Drug Enforcement			\$ 109,390

Total Drug Control Fund 109,390

Other General Government Fund

Other Operations

American Rescue Plan Act Grant #1

Contributions	\$	795,367	
Maintenance and Repair Services - Buildings		85,608	
Building Improvements		55,497	
Voting Machines		45,410	
Other Equipment		305,542	
Total American Rescue Plan Act Grant #1			\$ 1,287,424

American Rescue Plan Act Grant A

Other Contracted Services	\$	27,000	
Other Charges		194,480	
Total American Rescue Plan Act Grant A			221,480

American Rescue Plan Act Grant D

Building Improvements	\$	8,189	
Total American Rescue Plan Act Grant D			8,189

American Rescue Plan Act Grant H

Other Contracted Services	\$	68,182	
Total American Rescue Plan Act Grant H			68,182

Total Other General Government Fund 1,585,275

(Continued)

CARROLL COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Constitutional Officers' Operating Expenses

\$ 124,330

Total Chancery Court

\$ 124,330

Total Constitutional Officers - Fees Fund

\$ 124,330

Highway/Public Works Fund

Highways

Administration

County Official/ Administrative Officer

\$ 147,946

Clerical Personnel

70,650

Communication

3,815

Contracts with Other Public Agencies

7,200

Data Processing Services

13,795

Dues and Memberships

3,811

Evaluation and Testing

1,761

Maintenance and Repair Services - Equipment

247

Maintenance and Repair Services - Office Equipment

192

Medical and Dental Services

7

Printing, Stationery, and Forms

721

Travel

1,169

Tuition

1,200

Custodial Supplies

546

Data Processing Supplies

600

Drugs and Medical Supplies

464

Electricity

5,470

Natural Gas

1,766

Office Supplies

294

Utilities

1,809

Water and Sewer

1,957

Building and Contents Insurance

11,698

Data Processing Equipment

525

Other Equipment

560

Total Administration

\$ 278,203

Highway and Bridge Maintenance

Foremen

\$ 94,017

Equipment Operators

804,715

Advertising

850

Contracts with Private Agencies

3,625

Asphalt - Cold Mix

5,555

Asphalt - Liquid

60,000

Concrete

357

Crushed Stone

16,334

Fertilizer, Lime, and Seed

94

General Construction Materials

1,429

Other Road Materials

941

Road Signs

9,246

(Continued)

CARROLL COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Uniforms	\$	13,860	
Wood Products		1,540	
Chemicals		9,960	
Other Supplies and Materials		2,496	
Total Highway and Bridge Maintenance			\$ 1,025,019

Operation and Maintenance of Equipment

Mechanic(s)	\$	113,897	
Maintenance Personnel		56,932	
Maintenance and Repair Services - Equipment		9,753	
Maintenance and Repair Services - Vehicles		2,346	
Diesel Fuel		103,869	
Equipment and Machinery Parts		194,378	
Garage Supplies		26,593	
Gasoline		53,322	
Lubricants		6,346	
Small Tools		1,754	
Tires and Tubes		38,150	
Other Supplies and Materials		65	
Other Charges		935	
Total Operation and Maintenance of Equipment			608,340

Other Charges

Liability Insurance	\$	37,060	
Trustee's Commission		43,200	
Workers' Compensation Insurance		61,043	
Liability Claims		1,000	
Total Other Charges			142,303

Employee Benefits

Social Security	\$	92,596	
Pensions		78,073	
Medical Insurance		213,703	
Unemployment Compensation		8,340	
Total Employee Benefits			392,712

Capital Outlay

Pipe - Metal	\$	99,187	
Highway Construction		1,167,553	
Highway Equipment		901,000	
Motor Vehicles		49,379	
State Aid Projects		2,904,739	
Other Equipment		7,787	
Total Capital Outlay			5,129,645

(Continued)

CARROLL COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Principal on Debt

Highways and Streets

Principal on Notes

\$ 63,000

Total Highways and Streets

\$ 63,000

Interest on Debt

Highways and Streets

Interest on Notes

\$ 10,661

Total Highways and Streets

10,661

Total Highway/Public Works Fund

\$ 7,649,883

General Debt Service Fund

Principal on Debt

General Government

Principal on Other Loans

\$ 315,000

Total General Government

\$ 315,000

Interest on Debt

General Government

Interest on Other Loans

\$ 115,650

Total General Government

115,650

Other Debt Service

General Government

Trustee's Commission

\$ 8,233

Total General Government

8,233

Total General Debt Service Fund

438,883

Total Governmental Funds - Primary Government

\$ 27,289,309

CARROLL COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Carroll County School Department
For the Year Ended June 30, 2024

General Purpose School Fund

Instruction

Regular Instruction Program

TISA - On-behalf Payments	\$ 196	
Total Regular Instruction Program		\$ 196

Alternative Instruction Program

Teachers	\$ 53,005	
Educational Assistants	18,240	
Certified Substitute Teachers	157	
Non-certified Substitute Teachers	1,751	
Social Security	3,767	
Pensions	4,908	
Medical Insurance	19,490	
Employer Medicare	881	
Instructional Supplies and Materials	2,386	
Total Alternative Instruction Program		104,585

Career and Technical Education Program

Teachers	\$ 409,795	
Bonus Payments	3,200	
Other Salaries and Wages	1,500	
Certified Substitute Teachers	669	
Non-certified Substitute Teachers	4,621	
Social Security	24,350	
Pensions	32,064	
Medical Insurance	59,994	
Employer Medicare	5,695	
Instructional Supplies and Materials	30,797	
Textbooks - Bound	6,019	
Other Supplies and Materials	1,140	
Other Charges	5,944	
Vocational Instruction Equipment	10,034	
Total Career and Technical Education Program		595,822

Support Services

Attendance

Clerical Personnel	\$ 10,712	
Social Security	652	
Pensions	729	
Employer Medicare	152	
Other Contracted Services	1,223	
Total Attendance		13,468

Health Services

Medical Personnel	\$ 1,500	
Social Security	80	
Pensions	102	
Employer Medicare	19	

(Continued)

CARROLL COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Carroll County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Drugs and Medical Supplies	\$	196	
Other Charges		516	
Total Health Services			\$ 2,413

Other Student Support

Career Ladder Program	\$	1,000	
Secretary(ies)		32,779	
Other Salaries and Wages		69,791	
Social Security		6,304	
Pensions		7,053	
Medical Insurance		14,542	
Employer Medicare		1,474	
Lease/SBITA Payments		5,870	
Internet Connectivity		23,520	
Travel		1,244	
Other Supplies and Materials		217	
In Service/Staff Development		315	
Other Charges		1,461	
Total Other Student Support			165,570

Career and Technical Education Program

In Service/Staff Development	\$	5,346	
Total Career and Technical Education Program			5,346

Technology

Other Salaries and Wages	\$	53,237	
Social Security		3,239	
Pensions		3,626	
Medical Insurance		7,004	
Employer Medicare		758	
Internet Connectivity		9,504	
Other Contracted Services		9,778	
Other Supplies and Materials		1,107	
In Service/Staff Development		1,212	
Other Charges		2,125	
Administration Equipment		699	
Other Equipment		18,968	
Total Technology			111,257

Adult Programs

Communication	\$	1,980	
Total Adult Programs			1,980

Other Programs

On-behalf Payments to OPEB	\$	1,077	
Total Other Programs			1,077

(Continued)

CARROLL COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Carroll County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education

Board and Committee Members Fees	\$	7,000	
Social Security		434	
Unemployment Compensation		1,745	
Employer Medicare		102	
Audit Services		3,975	
Dues and Memberships		1,622	
Travel		1,017	
Liability Insurance		72,169	
Trustee's Commission		6,169	
Workers' Compensation Insurance		28,463	
In Service/Staff Development		3,603	
Criminal Investigation of Applicants - TBI		2,112	
Other Charges		4,816	
Total Board of Education			\$ 133,227

Director of Schools

County Official/Administrative Officer	\$	118,733	
Career Ladder Program		1,000	
Social Security		6,865	
Pensions		8,154	
Medical Insurance		9,418	
Employer Medicare		1,605	
Communication		6,957	
Dues and Memberships		1,262	
Postal Charges		1,642	
Travel		1,099	
In Service/Staff Development		2,556	
Total Director of Schools			159,291

Office of the Principal

Principals	\$	80,574	
Career Ladder Program		1,000	
Bonus Payments		800	
Social Security		5,055	
Pensions		5,610	
Medical Insurance		7,538	
Employer Medicare		1,182	
Dues and Memberships		100	
In Service/Staff Development		439	
Administration Equipment		441	
Total Office of the Principal			102,739

Fiscal Services

Accountants/Bookkeepers	\$	55,888	
Clerical Personnel		47,960	
Social Security		6,002	

(Continued)

CARROLL COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Carroll County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services (Cont.)

Pensions	\$	7,072	
Medical Insurance		15,985	
Employer Medicare		1,404	
Data Processing Services		16,360	
Data Processing Supplies		274	
Office Supplies		1,078	
In Service/Staff Development		97	
Other Charges		568	
Total Fiscal Services			\$ 152,688

Operation of Plant

Janitorial Services	\$	37,200	
Disposal Fees		4,994	
Other Contracted Services		5,555	
Custodial Supplies		7,733	
Electricity		41,877	
Natural Gas		22,398	
Water and Sewer		7,374	
Total Operation of Plant			127,131

Maintenance of Plant

Maintenance Personnel	\$	42,271	
Social Security		2,561	
Pensions		2,879	
Medical Insurance		9,217	
Employer Medicare		599	
Maintenance and Repair Services - Buildings		14,223	
Maintenance and Repair Services - Equipment		5,339	
Other Contracted Services		610	
Other Supplies and Materials		2,025	
Other Charges		35	
Maintenance Equipment		1,857	
Total Maintenance of Plant			81,616

Transportation

Bus Drivers	\$	639,337	
Other Salaries and Wages		75,616	
Social Security		44,295	
Pensions		37,447	
Employer Medicare		10,359	
Communication		3,381	
Other Charges		155	
Total Transportation			810,590

(Continued)

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

General Purpose School Fund (Cont.)

Capital Outlay

Regular Capital Outlay

Building Improvements	\$ 10,402	
Total Regular Capital Outlay		\$ 10,402

Total General Purpose School Fund \$ 2,579,398

School Transportation Fund

Support Services

Board of Education

Trustee's Commission	\$ 11,235	
Total Board of Education		\$ 11,235

Transportation

Supervisor/Director	\$ 58,245	
Mechanic(s)	121,625	
Clerical Personnel	34,704	
Other Salaries and Wages	600	
Social Security	12,322	
Pensions	12,772	
Medical Insurance	20,903	
Employer Medicare	2,882	
Laundry Service	6,386	
Maintenance and Repair Services - Equipment	3,005	
Maintenance and Repair Services - Vehicles	63,775	
Medical and Dental Services	4,196	
Other Contracted Services	2,468	
Diesel Fuel	233,580	
Garage Supplies	2,327	
Gasoline	18,276	
Lubricants	14,437	
Small Tools	1,525	
Tires and Tubes	37,898	
Vehicle Parts	134,532	
Gravel and Chert	821	
Other Supplies and Materials	934	
In Service/Staff Development	2,392	
Other Charges	3,720	
Other Equipment	1,404	
Total Transportation		795,729

Total School Transportation Fund 806,964

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$ 34,644	
Total Community Services		\$ 34,644

Total Internal School Fund 34,644

Total Governmental Funds - Carroll County School Department \$ 3,421,006

SINGLE AUDIT SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's 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*

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, 2024, 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 November 25, 2024. Our report includes references to other auditors who audited the financial statements of the Carroll County Board of Public Utilities (a major proprietary fund and a fiduciary fund), the Carroll County Indigent Care Board (a fiduciary fund), the Internal School Fund of the Carroll County School Department (a discretely presented component unit), and the Carroll County Emergency Communications District (a discretely presented component unit) 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.

Report on 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 identified the following deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be a significant deficiency: 2024-001.

Report on 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 no disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Carroll County's Response to the Finding

Government Auditing Standards require the auditor to perform limited procedures on Carroll County's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Carroll County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

November 25, 2024

JEM/gc



JASON E. MUMPOWER
Comptroller

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

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Carroll County's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Carroll County's major federal programs for the year ended June 30, 2024. Carroll County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Carroll County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Carroll County, Tennessee, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Carroll County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Carroll County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Carroll County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for noncompliance resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Carroll County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Carroll County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Carroll County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Carroll County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carroll County, Tennessee, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Carroll County's basic financial statements. We issued our report thereon dated November 25, 2024, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

November 25, 2024

JEM/gc

CARROLL COUNTY, TENNESSEE, AND THE CARROLL COUNTY SCHOOL DEPARTMENT
Schedule of Expenditures of Federal Awards and State Grants (1) (2)
For the Year-Ended June 30, 2024

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Passed-through Entity Identifying Number	Amount Passed-through to Subrecipients	Expenditures
U.S. Department of Agriculture: Passed-through State Department of Health: WIC Special Supplemental Nutrition Program for Women, Infants, and Childrer	10.557	GG-24-80125-01	0	\$ 16,152
Total U.S. Department of Agriculture				\$ 16,152
U.S. Department of Housing and Urban Development: Passed-through State Department of Economic and Community Development: Community Development Block Grants/State's programs	14.228	(4)	0	\$ 52,191
Total U.S. Department of Housing and Urban Development				\$ 52,191
U.S. Department of Justice: Direct Program: Federal Asset Forfeiture Program	16.U01	N/A	0	\$ 45,844
Total U.S. Department of Justice				\$ 45,844
U.S. Department of Transportation: Passed-through State Department of Transportation: COVID 19 - Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs	20.106	(5)	0	\$ 75,000
Alcohol Open Container Requirements	20.607	Z24THS039	0	23,545
Total U.S. Department of Transportation				\$ 98,545
U.S. Department of the Treasury: Passed-through State Department of Environment and Conservation: COVID 19 - Coronavirus State and Local Fiscal Recovery Funds (ARP)	21.027	N/A	68,182	\$ 276,058 (6)(7)
Passed-through State Department of Health: COVID 19 - Coronavirus State and Local Fiscal Recovery Funds (ARP)	21.027	(4)	0	28,875 (6)
Total U.S. Department of the Treasury				\$ 304,933
U.S. National Foundation on the Arts and the Humanities: Passed-through Tennessee Secretary of State: Grants to States	45.310	30501-00824-09	0	\$ 2,460
Total U.S. National Foundation on the Arts and the Humanities				\$ 2,460
U.S. Department of Education: Passed-through State Department of Education: COVID 19 - Education Stabilization Fund (ESSER EANS)	84.425R	N/A	0	\$ 81,718
Total U.S. Department of Education				\$ 81,718
U.S. Election Assistance Commission: Passed-through Tennessee Secretary of State: HAVA Election Security Grants	90.404	(4)	0	\$ 2,403
Total U.S. Election Assistance Commission				\$ 2,403
U.S. Department of Health and Human Services: Passed-through Northwest Tennessee Development District: Aging Cluster: (3) Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	(4)	0	\$ 46,838 (6)
COVID 19 - Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	(4)	0	840 (6)
Passed-through State Department of Health: COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (ARP)	93.323	Z-23-273097-01	0	419,997
Maternal and Child Health Services Block Grant to the States	93.994	GG-24-80125-01	0	16,837
Passed-through State Department of Mental Health and Substance Abuse Services: Opioid STR	93.788	DGA 78005_2022-2023_005	0	49,618
COVID 19 - Block Grants for Prevention and Treatment of Substance Abuse	93.959	DGA 73278_2021-2023_006	0	19,202 (6)
Block Grants for Prevention and Treatment of Substance Abuse	93.959	DGA 78127_2023-2024_006	0	61,267 (6)
Total U.S. Department of Health and Human Services				\$ 614,599

(Continued)

CARROLL COUNTY, TENNESSEE, AND THE CARROLL COUNTY SCHOOL DEPARTMENT
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Passed-through Entity Identifying Number	Amount Passed-through to Subrecipients	Expenditures
U.S. Department of Homeland Security:				
Passed-through State Department of Military:				
Disaster Grants - Public Assistance	97.036	FEMA-4712-DR-TN		\$ 170,140
Emergency Management Performance Grants	97.042	34101-37432	0	42,262
Homeland Security Grant Program	97.067	34101-18622	0	11,307
Total U.S. Department of Homeland Security				<u>\$ 223,709</u>
Total Expenditures of Federal Grants				<u>\$ 1,442,554</u>

State Grants		Contract Number		
Evidence-Based Programming Project - State Office of Criminal Justice Programs	N/A	(4)	\$	153,849
Courtroom Security Grant - State Administrative Office of the Courts	N/A	(4)		99,757
Competitive Grant Application for Senior Centers - State Commission on Aging and Disability	N/A	(4)		8,000
Juvenile Court Prevention Services - State Department of Children's Services	N/A	(4)		638,139
Juvenile Court State Supplement Funds - State Department of Children's Services	N/A	(4)		9,000
Recruitment Grant - State Department of Commerce and Insurance	N/A	33501-2425228		34,000
Non-Public School Security Grant - State Department of Education	N/A	(4)		11,428
State Direct Appropriations Grant - State Department of Children's Services	N/A	(4)		700,000
Transportation of Mental Health Patients - State Department of Finance and Administration	N/A	(4)		7,270
VCIF Community Crime Prevention - State Department of Finance and Administration	N/A	(4)		9,918
Local Health Services - State Department of Health	N/A	GG-24-80125-00		139,400
Adult Changing Table Grant - State Department of Intellectual and Developmental Disabilities	N/A	34401-99327		5,000
Drug Coalition Grant - State Department of Mental Health and Substance Abuse Services	N/A	(4)		44,348
Statewide School Resource Officer Grant Program - State Department of Safety and Homeland Security	N/A	(4)		434,765
Airport Maintenance Program - State Department of Transportation	N/A	40100-49630		67,769
Litter Grant - State Department of Transportation	N/A	(4)		24,424
Volunteer Firefighter Equipment and Training Grant Program - State Department of Commerce and Insurance	N/A	33501-2425510		59,300
Student Ticket Subsidy - Tennessee Arts Commission	N/A	(4)		320
Top Grant - Tennessee Secretary of State	N/A	(4)		<u>4,872</u>
Total State Grants			\$	<u>2,451,559</u>

ALN = Assistance Listing Number
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 \$47,678.
(4) Information not available.
(5) 40100-22520: \$30,000; 40100-30300: \$13,000; 40100-47260: \$32,000.
(6) Total for ALN 21.027 is \$304,933; Total for ALN 93.044 is \$47,678; Total for ALN 93.959 is \$80,469.
(7) SUBRECIPIENT AMOUNTS

The following amounts was paid to a subrecipient:		Amount Provided to Subrecipient
Subrecipient	ALN	
Cedar Grove Utility District	21.027	<u>\$ 68,182</u>

CARROLL COUNTY, TENNESSEE
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2024

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, 2024.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	ALN	Current Status
OFFICE OF COUNTY MAYOR					
2023	212	2023-001	General ledger payroll deduction accounts were not reconciled with payroll reports and payments in the General, Solid Waste/Sanitation, and Drug Control funds.	N/A	Corrected
2023	212	2023-002	The office had deficiencies in budget operations.	N/A	Corrected
OFFICE OF TRUSTEE					
2023	213	2023-003	The office did not review its software audit log.	N/A	Corrected
OFFICE OF CLERK AND MASTER					
2023	214	2023-004	The clerk and master did not obtain a letter of agreement or court decree to authorize deputy hires.	N/A	Corrected

Prior-year Federal Awards Findings

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

CARROLL COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

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

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * Assistance Listing Number: 21.027 COVID 19 - Coronavirus State and Local Fiscal Recovery Funds (ARP)
 - * Assistance Listing Number: 93.323 COVID 19- Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (ARP)
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **NO**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF CLERK AND MASTER

FINDING 2024-001

THE CLERK AND MASTER HAD A DEFICIT OF \$13,496 IN THE FEE AND COMMISSION ACCOUNT

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

On June 30, 2024, the clerk and master had a deficit of \$13,496 in the fee and commission account. This deficit resulted from the payment of expenses for the official's salary, benefits, travel, and office supplies that exceeded the amount of fees collected by the office. As a result of this deficit, funds held on behalf of litigants, heirs, and others were used to pay for these expenses. This deficiency is the result of management's failure to provide sufficient oversight and management's failure to properly monitor the fee and commission account.

RECOMMENDATION

The clerk and master should take steps to liquidate the deficit in the fee and commission account. The clerk and master should also consider turning over all fees and commissions to the county trustee and having all expenses of the office paid through the General Fund, as provided for in Section 8-22-104(a)(3), *Tennessee Code Annotated*.

MANAGEMENT'S RESPONSE – CLERK AND MASTER

We concur with the finding.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2024.

CARROLL COUNTY, TENNESSEE
MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2024

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

Finding Number	Title of Finding	Corrective Action Plan Page Number

OFFICE OF CLERK AND MASTER

2024-001	The clerk and master had a deficit of \$13,496 in the fee and commission account.	196

**CARROLL COUNTY CHANCERY COURT
KENNETH TODD – CLERK & MASTER
99 COURT SQUARE, SUITE 105
HUNTINGDON, TN 38344
PHONE: (731) 986-1920 FAX: (731) 986-6051**

CORRECTIVE ACTION PLAN:

FINDING: THE CLERK & MASTER HAD A DEFICIT OF \$13,496 IN THE FEE AND COMMISSION ACCOUNT.

RESPONSE AND CORRECTIVE ACTION PLAN PREPARED BY:
KENNETH TODD – CLERK & MASTER

PERSON RESPONSIBLE FOR IMPLEMENTING THE CORRECTIVE ACTION PLAN: KENNETH TODD – CLERK & MASTER

ANTICIPATED COMPLETION DATE OF PLAN IMPLEMENTATION:
JUNE 30, 2025

REPEAT FINDING: NO

REASON CORRECTIVE ACTION WAS NOT TAKEN IN THE PRIOR YEAR: N/A

CORRECTIVE ACTION PLAN:
THIS OFFICE HAS BEEN A HYBRID FEE OFFICE SINCE BEFORE 1982 WHEN I WAS FIRST APPOINTED CLERK & MASTER. I DO NOT KNOW THE REASONS WHY THIS WAS DONE. OVER THE PAST FEW YEARS THE ACCOUNT HAS RUN A DEFICIT. I HAVE DISCUSSED THIS MATTER WITH THE COUNTY MAYOR. IF WE CHANGE THE OFFICE FROM FEE STATUS, WE WILL HAVE TO AMEND THE BUDGET. A BETTER COURSE OF ACTION WILL BE TO CHANGE AT THE END OF THE FISCAL YEAR TO COINCIDE WITH THE BUDGET PREPARATION PROCESS. THE DEFICIT WILL BECOME LESS AS THE OFFICE BEGINS TO COLLECT DELINQUENT TAXES AND PROCEED WITH THE TAX SALE IN MARCH OR APRIL, 2025.


KENNETH TODD – CLERK & MASTER

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 covering all county departments. The county recently adopted a private act centralizing operations of the offices under the supervision of the mayor and highway commissioners; however, the school department was not included in this centralization. Sound business practices dictate that establishing a central system covering all county departments 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.