



## ANNUAL FINANCIAL REPORT

### Carter County, Tennessee

*For the Year Ended June 30, 2020*

**Jason E. Mumpower**  
*Comptroller of the Treasury*



**DIVISION OF**  
**LOCAL GOVERNMENT AUDIT**

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

***COMPTROLLER OF THE TREASURY***  
***JASON E. MUMPOWER***

***DIVISION OF LOCAL GOVERNMENT AUDIT***  
***JAMES R. ARNETTE***  
***Director***

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***ANNA GRACE SMITH***  
***GREG BRUSH, CISA***  
***State Auditors***

This financial report is available at [www.comptroller.tn.gov](http://www.comptroller.tn.gov)

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## CARTER COUNTY, TENNESSEE

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## ***Summary of Audit Findings***

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

### ***Scope***

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

### ***Results***

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

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

### ***Findings***

The following are summaries of the audit findings:

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#### **OFFICES OF DIRECTOR OF SCHOOLS AND FINANCE DIRECTOR**

- ◆ The Carter County Head Start Program is currently being investigated.

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#### **CARTER COUNTY**

- ◆ County officials were not paid in compliance with state statute.

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#### **OFFICES OF COUNTY MAYOR, DIRECTOR OF SCHOOLS, HIGHWAY SUPERINTENDENT, SOLID WASTE DEPARTMENT, AND FINANCE DIRECTOR**

- ◆ The county had deficiencies in budget operations.
-

## **SOLID WASTE DEPARTMENT**

- ♦ The department had accounting deficiencies.
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## **OFFICE OF SHERIFF**

- ♦ The sheriff did not obtain a letter of agreement or court decree to authorize deputy hires.

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## INTRODUCTORY SECTION

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Carter County Officials  
June 30, 2020

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**Officials**

Rusty Barnett, County Mayor  
Roger Colbaugh, Highway Superintendent  
Kevin Ward, Director of Schools  
Randal Lewis, Trustee  
Ronnie Taylor, Assessor of Property  
Mary Gouge, County Clerk  
Johnny Blankenship, Circuit and General Sessions Courts Clerk  
Melissa Moreland, Clerk and Master  
Jarrod Ellis, Register of Deeds  
Dexter Lunceford, Sheriff  
Brad Burke, Finance Director

**Board of County Commissioners**

Ray Lyons, Chairman	Travis Hill
Robert Acuff	Ginger Holdren
Gary Bailey	Austin Jaynes
Mark Blevins	Randall Jenkins
Nancy Brown	Bradley Johnson
Willie Campbell	Robin McKamey
Sonja Culler	David Miller
Kelly Collins	Jerry Proffitt
Aaron Frazier	Mark Tester
Ross Garland	Charles Von Cannon
Isaiah Grindstaff	Layla Ward
Mike Hill	Patty Woodby

**Board of Education**

Jerry Stout, Chairman	Kelly Crain
LaDonna Stout-Boone	Tony Garland
David Buck	Creola Miller
Keith Bowers, Sr.	Danny Ward

**Financial Management Committee**

Bradley Johnson, Chairman	Rusty Barnett, County Mayor
Ginger Holdren	Roger Colbaugh, Highway Superintendent
Travis Hill	Kevin Ward, Director of Schools
Austin Jaynes	

**Audit Committee**

Margaret Moses, Acting Chairman	Margaret Pate
Carter Honeycutt	

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## FINANCIAL SECTION

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JASON E. MUMPOWER  
*Comptroller*

## Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

### **Report on the Financial Statements**

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

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

### ***Other Matters***

#### ***Required Supplementary Information***

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

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

#### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Carter County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Carter County School Department (a discretely presented component unit), miscellaneous schedules and other information such as the introductory section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is also presented

for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

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

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

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2021, on our consideration of Carter 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 Carter 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 Carter County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower  
Comptroller of the Treasury  
Nashville, Tennessee

February 16, 2021

JEM/tg

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## BASIC FINANCIAL STATEMENTS

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## Exhibit A

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

	Primary Government Governmental Activities	Component Unit Carter County School Department
<u>ASSETS</u>		
Cash	\$ 63,455	\$ 1,088,298
Equity in Pooled Cash and Investments	20,754,999	15,294,859
Accounts Receivable	211,426	22,887
Due from Other Governments	2,157,893	1,034,259
Property Taxes Receivable	12,802,800	6,396,960
Allowance for Uncollectible Property Taxes	(214,030)	(106,941)
Prepaid Items	7,035	0
Net Pension Asset - Agent Plan	3,038,847	1,793,925
Net Pension Asset - Teacher Retirement Plan	0	188,438
Net Pension Asset - Teacher Legacy Pension Plan	0	5,989,324
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	156,288
Capital Assets:		
Assets Not Depreciated:		
Land	2,205,225	828,228
Construction in Progress	1,335,100	43,841
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	25,726,599	22,656,717
Infrastructure	19,926,196	0
Other Capital Assets	3,118,440	1,718,783
Total Assets	<u>\$ 91,133,985</u>	<u>\$ 57,105,866</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
Deferred Charge on Refunding	\$ 196,805	\$ 0
Pension Changes in Experience	53,771	331,161
Pension Changes in Assumptions	299,990	990,732
Pension Contributions after Measurement Date	1,390,239	2,882,315
Pension Changes in Proportion	0	99,641
OPEB Changes in Experience	303,371	2,240,940
OPEB Changes in Assumptions	0	583,902
OPEB Contributions after Measurement Date	0	643,574
OPEB Changes in Proportion	0	1,017,530
Total Deferred Outflows of Resources	<u>\$ 2,244,176</u>	<u>\$ 8,789,795</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 532,976	\$ 686,252
Accrued Payroll	448,447	1,179
Accrued Interest Payable	97,405	0
Payroll Deductions Payable	138,203	688,824
Contracts Payable	525,993	57,764
Termination Benefits Payable - Current	0	62,916
Deferred Compensation Payable	0	342
Other Withholding Taxes	1,576	2,906
Due to State of Tennessee	0	12,629

(Continued)

## Exhibit A

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

	Primary Government Governmental Activities	Component Unit Carter County School Department
<u>LIABILITIES (CONT.)</u>		
Other Current Liabilities	\$ 22,194	\$ 363,830
Noncurrent Liabilities:		
Due Within One Year - Debt	1,050,000	0
Due Within One Year - Other	641,054	182,580
Due in More Than One Year - Debt	15,861,810	0
Due in More Than One Year - Other	4,094,412	16,351,721
Total Liabilities	<u>\$ 23,414,070</u>	<u>\$ 18,410,943</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 12,232,067	\$ 6,111,792
Pension Changes in Experience	489,376	3,980,187
Pension Changes in Investment Earnings	407,277	1,959,660
Pension Changes in Proportion	0	61,094
OPEB Changes in Experience	41,003	1,441,299
OPEB Changes in Assumptions	0	1,036,345
OPEB Changes in Proportion	0	816,921
Total Deferred Inflows of Resources	<u>\$ 13,169,723</u>	<u>\$ 15,407,298</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 35,399,750	\$ 25,247,569
Restricted for:		
General Government	776,631	0
Finance	54,483	0
Administration of Justice	247,154	0
Public Safety	628,030	0
Public Health and Welfare	190,199	0
Highways	3,105,317	0
Debt Service	1,557,102	0
Education	0	3,268,781
Capital Projects	1,129,010	96,637
Pensions	3,038,847	8,127,975
Unrestricted	<u>10,667,845</u>	<u>(4,663,542)</u>
Total Net Position	<u>\$ 56,794,368</u>	<u>\$ 32,077,420</u>

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



Exhibit B

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Government Activities	Unit Carter County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 2,360,550	\$ 1,175,044	\$ 16,984	\$ 0	\$ (1,168,522)	\$ 0
Finance	2,023,130	1,451,155	0	0	(571,975)	0
Administration of Justice	1,379,427	964,937	9,000	0	(405,490)	0
Public Safety	10,797,136	2,288,686	161,540	0	(8,346,910)	0
Public Health and Welfare	2,689,734	1,637,154	767,047	258,536	(26,997)	0
Social, Cultural, and Recreational Services	429,594	0	0	0	(429,594)	0
Agriculture and Natural Resources	148,005	0	0	0	(148,005)	0
Highways	4,222,504	395,996	2,553,476	1,093,878	(179,154)	0
Interest on Long-term Debt	628,990	0	0	0	(628,990)	0
Total Primary Government	<u>\$ 24,679,070</u>	<u>\$ 7,912,972</u>	<u>\$ 3,508,047</u>	<u>\$ 1,352,414</u>	<u>\$ (11,905,637)</u>	<u>\$ 0</u>
Component Unit:						
Carter County School Department	<u>\$ 49,299,150</u>	<u>\$ 536,228</u>	<u>\$ 6,877,364</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (41,885,558)</u>
Total Component Unit	<u>\$ 49,299,150</u>	<u>\$ 536,228</u>	<u>\$ 6,877,364</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (41,885,558)</u>

(Continued)

Exhibit B

Carter County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Government	Unit
					Governmental Activities	Carter County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 9,358,973	\$ 6,216,999
Property Taxes Levied for Highway/Public Works					1,164,306	0
Property Taxes Levied for Debt Service					1,910,152	0
Local Option Sales Taxes					1,311,163	4,913,157
Litigation Tax - General					133,821	0
Litigation Tax - Jail, Workhouse, or Courthouse					72,556	0
Litigation Tax - Special					10,975	0
Litigation Tax - Courtroom Security					141,391	0
Other County Local Option Taxes					141,034	0
Hotel/Motel Tax					154,682	0
Business Tax					400,834	0
Mineral Severance Tax					83,061	0
Mixed Drink Tax					2,857	1,863
Beer Privilege Tax					171,800	0
Grants and Contributions Not Restricted to Specific Programs					804,781	33,655,314
Unrestricted Investment Income					623,043	61,621
Miscellaneous					55,566	45,436
Gain on Investments					0	4,888
Total General Revenues					<u>\$ 16,540,995</u>	<u>\$ 44,899,278</u>
Change in Net Position					\$ 4,635,358	\$ 3,013,720
Net Position, July 1, 2019					<u>52,159,010</u>	<u>29,063,700</u>
Net Position, June 30, 2020					<u>\$ 56,794,368</u>	<u>\$ 32,077,420</u>

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

## Exhibit C-1

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash	\$ 4,221	\$ 0	\$ 0	\$ 59,234	\$ 63,455
Equity in Pooled Cash and Investments	14,378,481	3,341,259	2,498,210	537,049	20,754,999
Accounts Receivable	111,615	7,538	0	92,273	211,426
Due from Other Governments	1,154,567	894,189	0	109,137	2,157,893
Due from Other Funds	101,659	12,034	554,374	10	668,077
Property Taxes Receivable	9,915,597	1,227,164	1,660,039	0	12,802,800
Allowance for Uncollectible Property Taxes	(163,279)	(20,515)	(30,236)	0	(214,030)
Prepaid Items	7,035	0	0	0	7,035
Total Assets	\$ 25,509,896	\$ 5,461,669	\$ 4,682,387	\$ 797,703	\$ 36,451,655
<u>LIABILITIES</u>					
Accounts Payable	\$ 326,618	\$ 88,955	\$ 0	\$ 117,403	\$ 532,976
Accrued Payroll	369,987	59,206	0	19,254	448,447
Payroll Deductions Payable	121,046	13,231	0	3,926	138,203
Contracts Payable	183,291	342,702	0	0	525,993
Other Withholding Taxes	1,237	166	0	173	1,576
Due to Other Funds	562,097	0	0	105,980	668,077
Other Current Liabilities	15,166	1,257	0	5,771	22,194
Total Liabilities	\$ 1,579,442	\$ 505,517	\$ 0	\$ 252,507	\$ 2,337,466
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 9,484,664	\$ 1,172,458	\$ 1,574,945	\$ 0	\$ 12,232,067
Deferred Delinquent Property Taxes	233,421	29,818	47,842	0	311,081

(Continued)

## Exhibit C-1

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>					
Other Deferred/Unavailable Revenue	\$ 154,322	\$ 213,707	\$ 0	\$ 0	\$ 368,029
Total Deferred Inflows of Resources	\$ 9,872,407	\$ 1,415,983	\$ 1,622,787	\$ 0	\$ 12,911,177
<u>FUND BALANCES</u>					
Nonspendable:					
Prepaid Items	\$ 7,034	\$ 0	\$ 0	\$ 0	\$ 7,034
Restricted:					
Restricted for General Government	776,631	0	0	0	776,631
Restricted for Finance	54,483	0	0	0	54,483
Restricted for Administration of Justice	247,154	0	0	0	247,154
Restricted for Public Safety	595,954	0	0	32,076	628,030
Restricted for Public Health and Welfare	119,921	0	0	70,278	190,199
Restricted for Highways/Public Works	0	2,966,070	0	0	2,966,070
Restricted for Debt Service	0	0	1,606,665	0	1,606,665
Restricted for Capital Projects	1,096,755	0	0	32,255	1,129,010
Committed:					
Committed for General Government	62,445	0	0	0	62,445
Committed for Public Safety	931,570	0	0	0	931,570
Committed for Public Health and Welfare	1,000	0	0	339,032	340,032
Committed for Social, Cultural, and Recreational Services	0	0	0	54,889	54,889
Committed for Highways/Public Works	0	574,099	0	0	574,099
Committed for Debt Service	0	0	1,452,935	0	1,452,935
Committed for Capital Projects	0	0	0	16,666	16,666
Assigned:					
Assigned for General Government	112,189	0	0	0	112,189

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>FUND BALANCES (Cont.)</u>					
Assigned (Cont.):					
Assigned for Administration of Justice	\$ 27,750	\$ 0	\$ 0	\$ 0	\$ 27,750
Assigned for Public Safety	359,707	0	0	0	359,707
Assigned for Public Health and Welfare	208	0	0	0	208
Assigned for Other Operations	118,567	0	0	0	118,567
Unassigned	9,546,679	0	0	0	9,546,679
Total Fund Balances	<u>\$ 14,058,047</u>	<u>\$ 3,540,169</u>	<u>\$ 3,059,600</u>	<u>\$ 545,196</u>	<u>\$ 21,203,012</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 25,509,896</u>	<u>\$ 5,461,669</u>	<u>\$ 4,682,387</u>	<u>\$ 797,703</u>	<u>\$ 36,451,655</u>

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

Exhibit C-2

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

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 21,203,012
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 2,205,225	
Add: construction in progress	1,335,100	
Add: buildings and improvements net of accumulated depreciation	25,726,599	
Add: infrastructure net of accumulated depreciation	19,926,196	
Add: other capital assets net of accumulated depreciation	<u>3,118,440</u>	52,311,560
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (16,560,000)	
Add: deferred amount on refunding	196,805	
Less: compensated absences payable	(960,283)	
Less: landfill closure/postclosure care costs	(1,638,086)	
Less: other postemployment benefits liability	(2,137,097)	
Less: accrued interest on bonds	(97,405)	
Less: unamortized premium on debt	<u>(351,810)</u>	(21,547,876)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years:		
Add: deferred outflows of resources related to pensions	\$ 1,744,000	
Less: deferred inflows of resources related to pensions	(896,653)	
Add: deferred outflows of resources related to OPEB	303,371	
Less: deferred inflows of resources related to OPEB	<u>(41,003)</u>	1,109,715
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in governmental funds.		3,038,847
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>679,110</u>
Net position of governmental activities (Exhibit A)		<u>\$ 56,794,368</u>

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

## Exhibit C-3

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>					
Local Taxes	\$ 11,896,842	\$ 1,311,354	\$ 1,952,118	\$ 294,000	\$ 15,454,314
Licenses and Permits	610,179	0	0	0	610,179
Fines, Forfeitures, and Penalties	266,704	0	0	28,752	295,456
Charges for Current Services	314,307	0	0	1,378,196	1,692,503
Other Local Revenues	813,347	209,094	60,000	120,463	1,202,904
Fees Received From County Officials	2,143,168	0	0	0	2,143,168
State of Tennessee	1,614,956	3,683,473	37,099	113,096	5,448,624
Federal Government	471,194	25,444	0	0	496,638
Other Governments and Citizens Groups	1,819,389	186,902	0	711	2,007,002
Total Revenues	<u>\$ 19,950,086</u>	<u>\$ 5,416,267</u>	<u>\$ 2,049,217</u>	<u>\$ 1,935,218</u>	<u>\$ 29,350,788</u>
<u>Expenditures</u>					
Current:					
General Government	\$ 2,681,465	\$ 0	\$ 0	\$ 0	\$ 2,681,465
Finance	1,864,735	0	0	75	1,864,810
Administration of Justice	1,444,052	0	0	6,555	1,450,607
Public Safety	10,608,729	0	0	56,827	10,665,556
Public Health and Welfare	1,695,890	0	0	1,986,275	3,682,165
Social, Cultural, and Recreational Services	186,829	0	0	104,338	291,167
Agriculture and Natural Resources	148,005	0	0	0	148,005
Other Operations	508,047	0	0	14,413	522,460
Highways	39,283	5,832,899	0	0	5,872,182
Debt Service:					
Principal on Debt	0	0	2,815,041	0	2,815,041
Interest on Debt	0	0	631,929	0	631,929
Other Debt Service	0	0	42,008	0	42,008
Total Expenditures	<u>\$ 19,177,035</u>	<u>\$ 5,832,899</u>	<u>\$ 3,488,978</u>	<u>\$ 2,168,483</u>	<u>\$ 30,667,395</u>

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	\$ 773,051	\$ (416,632)	\$ (1,439,761)	\$ (233,265)	\$ (1,316,607)
Other Financing Sources (Uses)					
Insurance Recovery	\$ 86,235	\$ 28,722	\$ 0	\$ 158,525	\$ 273,482
Total Other Financing Sources (Uses)	\$ 86,235	\$ 28,722	\$ 0	\$ 158,525	\$ 273,482
Net Change in Fund Balances	\$ 859,286	\$ (387,910)	\$ (1,439,761)	\$ (74,740)	\$ (1,043,125)
Fund Balance, July 1, 2019	13,198,761	3,928,079	4,499,361	619,936	22,246,137
Fund Balance, June 30, 2020	\$ 14,058,047	\$ 3,540,169	\$ 3,059,600	\$ 545,196	\$ 21,203,012

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



Exhibit C-4

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

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

Net change in fund balances - total governmental funds (Exhibit C-3) \$ (1,043,125)

(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	\$ 4,253,637	
Less: current-year depreciation expense	(2,343,753)	1,909,884
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
Add: assets donated and capitalized	\$ 62,000	
Less: book value of assets disposed	(33,897)	28,103
(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, 2020	\$ 679,110	
Less: deferred delinquent property taxes and other deferred June 30, 2019	(715,470)	(36,360)
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt related items.		
Add: change in unamortized premium on debt issuances	\$ 23,612	
Add: principal payments on other loans	1,815,041	
Add: principal payments on bonds	1,000,000	
Less: change in deferred amount on refunding	(27,340)	2,811,313
(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	\$ 6,667	
Change in compensated absences payable	(28,256)	
Change in landfill closure/postclosure care costs	131,948	
Change in OPEB liability	(276,615)	
Change in net pension liability/asset	1,376,102	
Change in deferred outflows related to pensions	(126,805)	
Change in deferred inflows related to pensions	(351,464)	
Change in deferred outflows related to OPEB	225,052	
Change in deferred inflows related to OPEB	8,914	965,543
Change in net position of governmental activities (Exhibit B)		<u>\$ 4,635,358</u>

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

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 11,896,842	\$ 0	\$ 0	\$ 11,896,842	\$ 11,242,775	\$ 10,966,275	\$ 930,567
Licenses and Permits	610,179	0	0	610,179	572,950	572,950	37,229
Fines, Forfeitures, and Penalties	266,704	0	0	266,704	205,445	217,066	49,638
Charges for Current Services	314,307	0	0	314,307	19,130	96,000	218,307
Other Local Revenues	813,347	0	0	813,347	545,180	737,474	75,873
Fees Received From County Officials	2,143,168	0	0	2,143,168	1,987,400	1,987,442	155,726
State of Tennessee	1,614,956	0	0	1,614,956	1,261,299	1,597,732	17,224
Federal Government	471,194	0	0	471,194	703,200	1,037,317	(566,123)
Other Governments and Citizens Groups	1,819,389	0	0	1,819,389	1,674,363	1,962,424	(143,035)
Total Revenues	\$ 19,950,086	\$ 0	\$ 0	\$ 19,950,086	\$ 18,211,742	\$ 19,174,680	\$ 775,406
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 133,674	\$ 0	\$ 0	\$ 133,674	\$ 112,552	\$ 175,499	\$ 41,825
Board of Equalization	4,512	0	0	4,512	5,801	5,801	1,289
County Mayor/Executive	267,866	0	0	267,866	273,533	279,158	11,292
County Attorney	63,066	0	0	63,066	63,236	63,236	170
Election Commission	317,758	0	0	317,758	342,538	348,988	31,230
Register of Deeds	272,031	0	0	272,031	264,238	275,799	3,768
Planning	315,381	0	0	315,381	351,998	355,362	39,981
County Buildings	1,095,410	(303,974)	292,296	1,083,732	648,367	1,546,178	462,446
Other Facilities	201,802	0	0	201,802	0	227,673	25,871
Preservation of Records	9,965	0	0	9,965	0	9,965	0
<u>Finance</u>							
Accounting and Budgeting	488,775	0	0	488,775	455,081	509,053	20,278
Property Assessor's Office	434,432	0	0	434,432	576,843	457,301	22,869
Reappraisal Program	110,082	0	0	110,082	0	123,696	13,614
County Trustee's Office	360,225	0	0	360,225	365,862	370,914	10,689
County Clerk's Office	471,221	0	0	471,221	480,693	501,219	29,998

(Continued)

## Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice</u>							
Circuit Court	\$ 748,422	\$ 0	\$ 0	\$ 748,422	\$ 770,401	\$ 784,748	\$ 36,326
General Sessions Court	259,715	0	0	259,715	262,443	263,342	3,627
Drug Court	12,324	0	0	12,324	7,300	15,300	2,976
Chancery Court	413,973	0	0	413,973	378,125	422,858	8,885
Other Administration of Justice	9,618	0	0	9,618	27,100	27,394	17,776
Courtroom Security	0	0	0	0	0	600	600
<u>Public Safety</u>							
Sheriff's Department	5,568,754	(101,287)	349,954	5,817,421	4,691,882	5,870,361	52,940
Jail	3,934,167	0	48,561	3,982,728	3,938,829	4,092,901	110,173
Juvenile Services	221,096	0	0	221,096	214,680	234,136	13,040
Fire Prevention and Control	426,269	0	0	426,269	440,000	440,000	13,731
Rescue Squad	272,700	0	0	272,700	272,700	272,700	0
Other Emergency Management	124,590	0	0	124,590	125,572	134,871	10,281
Inspection and Regulation	3,693	0	0	3,693	4,705	4,705	1,012
County Coroner/Medical Examiner	54,866	0	0	54,866	19,103	57,978	3,112
Other Public Safety	2,594	0	0	2,594	4,333	4,333	1,739
<u>Public Health and Welfare</u>							
Local Health Center	465,577	0	0	465,577	649,408	581,372	115,795
Rabies and Animal Control	425,469	0	0	425,469	420,416	470,921	45,452
Ambulance/Emergency Medical Services	213,663	0	0	213,663	213,663	213,663	0
Crippled Children Services	0	0	0	0	27,809	27,809	27,809
General Welfare Assistance	12,000	0	0	12,000	12,000	13,750	1,750
Other Local Welfare Services	33,453	0	0	33,453	23,400	35,563	2,110
Recycling Center	421,438	0	0	421,438	0	430,000	8,562
Other Public Health and Welfare	124,290	0	0	124,290	138,751	148,453	24,163
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	52,570	0	0	52,570	52,570	52,570	0
Libraries	75,000	0	0	75,000	75,000	75,000	0
Parks and Fair Boards	39,259	0	0	39,259	150,000	45,000	5,741

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Social, Cultural, and Recreational Services (Cont.)</u>							
Other Social, Cultural, and Recreational	\$ 20,000	\$ 0	\$ 0	\$ 20,000	\$ 25,000	\$ 25,000	\$ 5,000
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	115,005	0	0	115,005	121,788	129,196	14,191
Flood Control	0	0	0	0	1,950	1,950	1,950
Other Agriculture and Natural Resources	33,000	0	0	33,000	33,000	33,000	0
<u>Other Operations</u>							
Tourism	138,343	0	0	138,343	125,000	196,470	58,127
Housing and Urban Development	12	0	0	12	500,000	500,000	499,988
Other Economic and Community Development	33,262	0	0	33,262	53,262	53,262	20,000
Veterans' Services	45,058	0	0	45,058	43,312	45,392	334
Miscellaneous	291,372	0	0	291,372	311,040	295,746	4,374
<u>Highways</u>							
Litter and Trash Collection	39,283	0	0	39,283	50,178	50,800	11,517
Total Expenditures	\$ 19,177,035	\$ (405,261)	\$ 690,811	\$ 19,462,585	\$ 18,125,462	\$ 21,300,986	\$ 1,838,401
Excess (Deficiency) of Revenues Over Expenditures	\$ 773,051	\$ 405,261	\$ (690,811)	\$ 487,501	\$ 86,280	\$ (2,126,306)	\$ 2,613,807
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 272,187	\$ (272,187)
Insurance Recovery	86,235	0	0	86,235	0	83,924	2,311
Transfers Out	0	0	0	0	(105,629)	(121,420)	121,420
Total Other Financing Sources	\$ 86,235	\$ 0	\$ 0	\$ 86,235	\$ (105,629)	\$ 234,691	\$ (148,456)
Net Change in Fund Balance	\$ 859,286	\$ 405,261	\$ (690,811)	\$ 573,736	\$ (19,349)	\$ (1,891,615)	\$ 2,465,351
Fund Balance, July 1, 2019	13,198,761	(405,261)	0	12,793,500	8,827,329	9,772,939	3,020,561
Fund Balance, June 30, 2020	\$ 14,058,047	\$ 0	\$ (690,811)	\$ 13,367,236	\$ 8,807,980	\$ 7,881,324	\$ 5,485,912

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

Exhibit C-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,311,354	\$ 0	\$ 0	\$ 1,311,354	\$ 1,286,774	\$ 1,286,774	\$ 24,580
Licenses and Permits	0	0	0	0	600	600	(600)
Other Local Revenues	209,094	0	0	209,094	197,400	215,066	(5,972)
State of Tennessee	3,683,473	0	0	3,683,473	3,994,934	6,300,474	(2,617,001)
Federal Government	25,444	0	0	25,444	20,000	20,000	5,444
Other Governments and Citizens Groups	186,902	0	0	186,902	7,500	40,996	145,906
Total Revenues	\$ 5,416,267	\$ 0	\$ 0	\$ 5,416,267	\$ 5,507,208	\$ 7,863,910	\$ (2,447,643)
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 403,909	\$ 0	\$ 0	\$ 403,909	\$ 445,999	\$ 461,264	\$ 57,355
Highway and Bridge Maintenance	2,061,949	(71,788)	99,487	2,089,648	2,359,589	2,395,305	305,657
Operation and Maintenance of Equipment	685,826	(41,583)	0	644,243	774,741	856,940	212,697
Other Charges	116,898	0	0	116,898	120,250	125,721	8,823
Employee Benefits	0	0	0	0	116,500	44,629	44,629
Capital Outlay	2,564,317	(247,311)	1,713,969	4,030,975	1,838,500	5,165,374	1,134,399
Total Expenditures	\$ 5,832,899	\$ (360,682)	\$ 1,813,456	\$ 7,285,673	\$ 5,655,579	\$ 9,049,233	\$ 1,763,560
Excess (Deficiency) of Revenues Over Expenditures	\$ (416,632)	\$ 360,682	\$ (1,813,456)	\$ (1,869,406)	\$ (148,371)	\$ (1,185,323)	\$ (684,083)
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 28,722	\$ 0	\$ 0	\$ 28,722	\$ 0	\$ 0	\$ 28,722
Transfers In	0	0	0	0	0	11,899	(11,899)
Total Other Financing Sources	\$ 28,722	\$ 0	\$ 0	\$ 28,722	\$ 0	\$ 11,899	\$ 16,823

(Continued)

Exhibit C-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ (387,910)	\$ 360,682	\$ (1,813,456)	\$ (1,840,684)	\$ (148,371)	\$ (1,173,424)	\$ (667,260)
Fund Balance, July 1, 2019	3,928,079	(360,682)	0	3,567,397	3,305,696	3,329,007	238,390
Fund Balance, June 30, 2020	<u>\$ 3,540,169</u>	<u>\$ 0</u>	<u>\$ (1,813,456)</u>	<u>\$ 1,726,713</u>	<u>\$ 3,157,325</u>	<u>\$ 2,155,583</u>	<u>\$ (428,870)</u>

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

Exhibit D

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,772,999
Equity in Pooled Cash and Investments	322,209
Accounts Receivable	11,474
Due from Other Governments	1,467,759
Property Taxes Receivable	3,420,351
Allowance for Uncollectible Property Taxes	<u>(57,179)</u>
Total Assets	<u><u>\$ 6,937,613</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 5,153,140
Due to Litigants, Heirs, and Others	<u>1,784,473</u>
Total Liabilities	<u><u>\$ 6,937,613</u></u>

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

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**CARTER COUNTY, TENNESSEE**  
**Index of Notes to the Financial Statements**

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Carter 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 Carter County:

**A. Reporting Entity**

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

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

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

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

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

Administrative Office:

Carter County Emergency Communications District  
529 South Sycamore Street  
Elizabethton, TN 37643

**Related Organization** – The Carter County Industrial Development Board is a related organization of Carter County. The county commission elects the board members, but the county’s accountability for the organization does not extend beyond making the elections.

**B. Government-wide and Fund Financial Statements**

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

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

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

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

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

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

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

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

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

Fiduciary fund financial statements are reported using the economic resources measurement focus, except for agency funds, which have no measurement focus, and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Carter County reports the following major governmental funds:

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

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

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

Additionally, Carter County reports the following fund types:

**Capital Projects Fund** – The General Capital Projects Fund accounts for financial resources to be used in the acquisition or construction of capital facilities or other capital assets.

**Agency Funds** – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Carter County, and City of Elizabethton and Johnson City school systems’ share of educational revenues. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Carter 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.

**Central Cafeteria Fund** – This special revenue fund is used to account for cafeteria operations in each of the schools. Charges for current services and federal grants are the foundational revenues of this fund.

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

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

**1. Deposits and Investments**

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

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

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

the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Investment Pool complied with accounting principles generally accepted in the United 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 State of America. Carter County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

All other investments are reported at fair value. Other than the pension stabilization trust discussed in Note IV.A., no investments required to be reported at fair value were held at the balance sheet date.

## **2. Receivables and Payables**

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

Long-term receivables between funds, as reported in Due from Other Funds in the General Debt Service Fund financial statements, are included in committed fund balance.

Property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to .87 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.

Most payables are disaggregated on the face of the financial statements. Other Current Liabilities reflected in the General Fund represent contractor's deposits relating to the HOME Investment Partnerships Program Grant \$3,818, the remaining balance in the employee flexible spending clearing account \$278, and a portion of the remaining balance in the payroll tax clearing account \$11,070. Other Current Liabilities reflected in the Highway/Public Works Fund represent a portion of the remaining balance in the payroll tax clearing account \$1,257. Other Current Liabilities of the nonmajor governmental funds consist of asset seizures that have not been awarded to the county as of June 30, 2020, \$5,771.

The balance in the account Other Current Liabilities totaling \$363,830 on the Statement of Net Position for the school department represents the remaining balance in the teachers' insurance clearing account.

### **3. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as an expenditure when consumed rather than when purchased. Prepaids are offset in the nonspendable fund balance account in governmental funds.

4. **Restricted Assets**

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

5. **Capital Assets**

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$10,000 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 and the discretely presented school department are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	40
Other Capital Assets	5 - 10
Infrastructure	40



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

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These items are for pension changes in experience, pension changes in assumptions, pension contributions after the measurement date, pension changes in proportion, OPEB changes in experience, OPEB changes in assumptions, OPEB contributions after the measurement date, OPEB changes in proportion, and the deferred charge on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

**7. Compensated Absences**

**Primary Government**

It is the county's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since Carter County does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements. 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.

### **Discretely Presented School Department**

The school department has various policies related to vacation and sick leave benefits. Certain employees of the school department are allowed to accumulate unused vacation benefits but are only paid for 40 days of their unused vacation leave upon termination. The school department, in accordance with policy, allows all certified personnel to accumulate an unlimited amount of earned but unused sick leave benefits, which will be paid to employees at a rate of \$15 per day upon retirement. A liability for these benefits is accrued when incurred in the government-wide financial statements but is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

Non-certified employees are allowed to accumulate earned but unused sick leave benefits. There is no liability for unpaid accumulated sick leave since the school department does not have a policy to pay any amounts to these employees when they separate from service with the government.

### **8. Long-term Debt and Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities 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, other postemployment benefits, and landfill closure/postclosure care costs are recognized to the extent that the

liabilities have matured (come due for payment) each period.

**9. Net Position and Fund Balance**

In the government-wide financial statements 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.

The government-wide Statement of Net Position reports \$10,726,773 of restricted net position for the primary government, of which \$1,647,718 is restricted by enabling legislation.

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 makes assignments for the general government and the Board of Education makes assignments for the school department. Assigned fund balance in the General Fund includes fund balance assigned for encumbrances of \$458,102, industrial/economic purposes \$118,567, and various other assignments \$41,752. Assigned fund balance in the school department's General Purpose School Fund includes amounts assigned for encumbrances \$389,162, fund balance appropriated for use in the 2020-21 budget \$280,511, amounts assigned for energy savings project \$79,852, and various other assignments \$109,685.

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

#### **10. Minimum Fund Balance Policy**

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

General Fund – Beginning unassigned fund balance will be four months budgeted average expenses for the year and will not at any point be less than 25 percent of projected annual expenditures.

General Debt Service Fund – Beginning cash or investments will be 40 percent of the current year debt service obligations or an amount equal to the debt service fund expenditure requirements during the first six months of the fiscal year, whichever is greater.

**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 Carter County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Carter County's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

**Discretely Presented Carter County School Department**

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

**F. Other Postemployment Benefit (OPEB) Plans**

**Primary Government**

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

**Discretely Presented Carter 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 Carter 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 plans are 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 Carter 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 Carter 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 (special revenue fund), which is not budgeted, and capital projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year-end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances

may not legally exceed appropriations authorized by the county commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

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

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

At June 30, 2020, Carter County and the Carter County School Department reported the following encumbrances:

Funds	Amount
Primary Government	
Major Funds:	
General	\$ 690,811
Highway/Public Works	1,813,456
School Department:	
Major Funds:	
General Purpose School	389,162
Central Cafeteria	137,458

**B. Cash Shortage (Prior Year)**

On December 7, 2017, the Comptroller's Division of Investigations issued an investigative report on the Elizabethton-Carter County Animal Shelter (ECCAS) for the period December 1, 2015, through June 2, 2017. This report disclosed a total cash shortage of \$9,516, which consisted of certain fees totaling \$9,236 that were diverted to a citizen's organization, and donations totaling \$280 that were unaccounted for. All funds collected by or for the benefit of the ECCAS should have been deposited with the Carter County Trustee and reported in the General Fund. This report is available at [www.comptroller.tn.gov](http://www.comptroller.tn.gov). In prior years, the citizen's organization paid \$7,717 into the General Fund to liquidate a portion of the cash shortage, leaving an unpaid balance of \$1,799. On February 18, 2020, the county commission approved writing off the remaining balance of this cash shortage on the financial statements of the General Fund.

**C. Expenditures Exceeded Appropriations**

Expenditures exceeded appropriations approved by the county commission in several major appropriation categories (the legal level of control) in the following funds:

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
<u>Primary Government</u>	
Solid Waste/Sanitation:	
Miscellaneous	\$ 2,392
General Debt Service:	
Education	2,498
<u>Discretely Presented School Department</u>	
General Purpose School:	
Special Education Program	33,392
Technology	3,909
School Federal Projects:	
Special Education Program	5,864

Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balances in the respective funds.

**D. Pending Investigation**

The Comptroller of the Treasury, Department of Investigations is conducting an investigation related to allegations received involving the Head Start Program in the discretely presented Carter County School Department. A report, if any, resulting from this investigation can be found on the Comptroller of the Treasury's website, <https://www.comptroller.tn.gov/ia/> and may be disclosed in a subsequent report.

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

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



## **Deposits**

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

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

## **Investments**

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

agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

Other than the Carter County School Department's investment in the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust discussed below, the county had no pooled and nonpooled investments as of June 30, 2020.

### **TCRS Stabilization Trust**

**Legal Provisions.** The Carter 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 Carter County School Department may not impose any restrictions on investments placed by the trust on their behalf.

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

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments and interest and dividend income. Interest income is recognized when earned. Securities and securities transactions are recorded in the financial statements on a trade-date basis. The fair value of assets of the TRGT held at June 30, 2020, represents the price that would be received

to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets held are categorized for fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

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

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

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

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

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

U.S. Treasury Bills, Bonds, Notes and Futures classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Debt and debt derivative securities classified in Level 2 are valued using a bid-ask spread price from multiple independent brokers, dealers, or market principals, which are known to be

actively involved in the market. Level 3 debt securities are valued using proprietary information, a single pricing source, or other unobservable inputs related to similar assets or liabilities.

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

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

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

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 48,448
Developed Market International Equity	N/A	N/A	21,880
Emerging Market International Equity	N/A	N/A	6,252
U.S. Fixed Income	N/A	N/A	31,258
Real Estate	N/A	N/A	15,629
Short-term Securities	N/A	N/A	1,563
NAV - Private Equity and Strategic Lending	N/A	N/A	31,258
Total			<u>\$ 156,288</u>

Investment by Fair Value Level	Fair Value Measurements Using					NAV		
	Fair Value	Quoted	Significant	Significant				
		Prices in					Other	Unobservable
		Active					Observable	Inputs
		Markets for					Inputs	Inputs
		Assets	(Level 2)	(Level 3)				
	6-30-20	(Level 1)	(Level 2)	(Level 3)				
U.S. Equity	\$ 48,448	\$ 48,448	\$ 0	\$ 0	0			
Developed Market								
International Equity	21,880	21,880	0	0	0			
Emerging Market								
International Equity	6,252	6,252	0	0	0			
U.S. Fixed Income	31,258	0	31,258	0	0			
Real Estate	15,629	0	0	15,629	0			
Short-term Securities	1,563	0	1,563	0	0			
Private Equity and								
Strategic Lending	31,258	0	0	0	31,258			
Total	\$ 156,288	\$ 76,580	\$ 32,821	\$ 15,629	\$ 31,258			

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

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

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

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

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

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

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

## **B. Capital Assets**

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

### **Primary Government**

#### **Governmental Activities:**

	Balance 7-1-19	Increases	Decreases	Balance 6-30-20
Capital Assets Not Depreciated:				
Land	\$ 2,036,425	\$ 168,800	\$ 0	\$ 2,205,225
Construction in Progress	762,169	2,406,099	(1,833,168)	1,335,100
Total Capital Assets Not Depreciated	\$ 2,798,594	\$ 2,574,899	\$ (1,833,168)	\$ 3,540,325
Capital Assets Depreciated:				
Buildings and Improvements	\$ 35,085,154	\$ 706,988	\$ 0	\$ 35,792,142
Infrastructure	29,417,317	2,025,557	0	31,442,874
Other Capital Assets	8,028,929	841,361	(218,953)	8,651,337
Total Capital Assets Depreciated	\$ 72,531,400	\$ 3,573,906	\$ (218,953)	\$ 75,886,353
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 9,200,976	\$ 864,567	\$ 0	\$ 10,065,543
Infrastructure	10,768,386	748,292	0	11,516,678
Other Capital Assets	4,987,059	730,894	(185,056)	5,532,897
Total Accumulated Depreciation	\$ 24,956,421	\$ 2,343,753	\$ (185,056)	\$ 27,115,118
Total Capital Assets Depreciated, Net	\$ 47,574,979	\$ 1,230,153	\$ (33,897)	\$ 48,771,235
Governmental Activities Capital Assets, Net	\$ 50,373,573	\$ 3,805,052	\$ (1,867,065)	\$ 52,311,560

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

**Governmental Activities:**

General Government	\$ 71,488
Finance	4,343
Public Safety	937,706
Public Health and Welfare	236,474
Highways	<u>1,093,742</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 2,343,753</u></u>

**Discretely Presented Carter County School Department**

**Governmental Activities:**

	Balance 7-1-19	Increases	Decreases	Balance 6-30-20
Capital Assets Not Depreciated:				
Land	\$ 828,228	\$ 0	\$ 0	\$ 828,228
Construction in Progress	197,409	153,247	(306,815)	<u>43,841</u>
Total Capital Assets Not Depreciated	<u>\$ 1,025,637</u>	<u>\$ 153,247</u>	<u>\$ (306,815)</u>	<u>\$ 872,069</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 51,861,022	\$ 504,703	\$ 0	\$ 52,365,725
Other Capital Assets	8,357,198	265,352	0	<u>8,622,550</u>
Total Capital Assets Depreciated	<u>\$ 60,218,220</u>	<u>\$ 770,055</u>	<u>\$ 0</u>	<u>\$ 60,988,275</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 28,795,357	\$ 913,651	\$ 0	\$ 29,709,008
Other Capital Assets	6,387,186	516,581	0	<u>6,903,767</u>
Total Accumulated Depreciation	<u>\$ 35,182,543</u>	<u>\$ 1,430,232</u>	<u>\$ 0</u>	<u>\$ 36,612,775</u>
Total Capital Assets Depreciated, Net	<u>\$ 25,035,677</u>	<u>\$ (660,177)</u>	<u>\$ 0</u>	<u>\$ 24,375,500</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 26,061,314</u></u>	<u><u>\$ (506,930)</u></u>	<u><u>\$ (306,815)</u></u>	<u><u>\$ 25,247,569</u></u>

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

**Governmental Activities:**

Instruction	\$ 1,061,616
Support Services	316,814
Operation of Non-instructional Services	<u>51,802</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,430,232</u></u>

**C. Construction Commitments**

At June 30, 2020, the county had uncompleted construction contracts of \$292,296 in the General Fund for architectural services, security system installation, new emergency operations center, and courthouse security renovations. Funding for these future expenditures is expected to be provided from grants and available fund balance.

At June 30, 2020, the county had uncompleted construction contracts of \$1,601,882 in the Highway/Public Works Fund for bridge and road projects, including architectural and engineering services. Funding for these future expenditures is expected to be received from state aid funds.

At June 30, 2020, the discretely presented Carter County School Department had uncompleted construction contracts of \$277,061 in the General Purpose School Fund. Funding has been received for these future expenditures.

**D. Interfund Receivables, Payables, and Transfers**

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



**Due to/from Other Funds:**

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 101,659
Highway/Public Works	General	7,713
"	Nonmajor governmental	4,321
General Debt Service	General	554,374
Nonmajor governmental	General	10
Discretely Presented School		
Department:		
General Purpose School	Nonmajor governmental	9,611
Central Cafeteria	General Purpose School	574
Nonmajor governmental	"	55,395

A portion of the amount due to the General Debt Service Fund (\$272,187) from the General Fund resulted from a long-term interfund loan. The amount of the loan not expected to be received within one year is \$204,140. See Note IV.H for further details of this loan.

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

**Interfund Transfers:**

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

**Discretely Presented Carter County School Department**

Transfers Out	Transfers In	
	General Purpose School	Nonmajor Governmental Funds
General Purpose School	\$ 0	\$ 100,000
Central Cafeteria	154,000	0
Total	\$ 154,000	\$ 100,000

Transfers to the General Purpose School Fund are for indirect costs. Transfers to the nonmajor governmental funds represent amounts for cash flow purposes.

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

**E. Long-term Debt**

**Primary Government**

**General Obligation Bonds, Notes, and Other Loans**

General Obligation Bonds - Carter County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other loans. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds outstanding were issued for original terms of up to 25 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2020, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements - Carter County issues other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes and other loans are direct obligations and pledge the full faith, and credit, and taxing authority of the government. There were no other loans or capital outlay notes outstanding at June 30, 2020.

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

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-20
General Obligation Bonds - Refunding	3.29%	5-1-35	\$ 24,800,000	\$ 16,560,000

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2021	\$ 1,050,000	\$ 584,432	\$ 1,634,432
2022	1,075,000	552,931	1,627,931
2023	1,150,000	520,681	1,670,681
2024	1,100,000	486,182	1,586,182
2025	1,150,000	453,181	1,603,181
2026-2030	6,035,000	1,678,162	7,713,162
2031-2035	5,000,000	600,000	5,600,000
Total	<u>\$ 16,560,000</u>	<u>\$ 4,875,569</u>	<u>\$ 21,435,569</u>

There is \$3,059,600 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$288, based on the 2010 federal census. Total debt per capita, including bonds and unamortized debt premiums totaled \$295, based on the 2010 federal census.

#### Changes in Long-term Debt

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

Governmental Activities:

	Bonds	Other Loans - Direct Placement
Balance, July 1, 2019	\$ 17,560,000	\$ 1,815,041
Reductions	<u>(1,000,000)</u>	<u>(1,815,041)</u>
Balance, June 30, 2020	<u>\$ 16,560,000</u>	<u>\$ 0</u>
Balance Due Within One Year	<u>\$ 1,050,000</u>	<u>\$ 0</u>

#### Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2020	\$ 16,560,000
Less: Balance Due Within One Year - Debt	(1,050,000)
Add: Unamortized Premium on Debt	<u>351,810</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 15,861,810</u>

**F. Long-term Obligations**

**Changes in Long-term Obligations**

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

Governmental Activities:

	Compensated Absences	Landfill Closure/ Postclosure Care Costs	Other Postemployment Benefits
Balance, July 1, 2019	\$ 932,027	\$ 1,770,034	\$ 1,860,482
Additions	638,376	0	378,261
Reductions	(610,120)	(131,948)	(101,646)
Balance, June 30, 2020	<u>\$ 960,283</u>	<u>\$ 1,638,086</u>	<u>\$ 2,137,097</u>
Balance Due Within One Year	<u>\$ 480,142</u>	<u>\$ 160,912</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2020	\$ 4,735,466
Less: Balance Due Within One Year - Other	<u>(641,054)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 4,094,412</u>

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General and Highway/Public Works funds. Landfill closure/postclosure care costs will be paid from the Solid Waste/Sanitation Fund.

**Discretely Presented Carter County School Department**

**Changes in Long-term Obligations**

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

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2019	\$ 607,200	\$ 19,332,254
Additions	223,067	2,353,492
Reductions	(209,815)	(5,771,897)
Balance, June 30, 2020	<u>\$ 620,452</u>	<u>\$ 15,913,849</u>
Balance Due Within One Year	<u>\$ 182,580</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2020	\$ 16,534,301
Less: Balance Due Within One Year - Other	<u>(182,580)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 16,351,721</u>

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

**G. On-Behalf Payments - Discretely Presented Carter County School Department**

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Carter County School Department. These payments are made by the state to the Local Education Group Insurance Plan. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2020, were \$249,249. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**H. Internal Financing**

In-lieu-of issuing debt with financial institutions, Carter County chose to internally finance the purchase of seven police vehicles with idle county funds. Internally reported notes receivable from idle funds due to the General Debt Service Fund from the General Fund are reflected below:

	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date
Police Vehicles	\$ 272,187	0 %	1-14-20	11-1-24
	Outstanding 7-1-19	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-20
Police Vehicles	\$ 0	\$ 272,187	\$ 0	\$ 272,187
Total	\$ 0	\$ 272,187	\$ 0	\$ 272,187

## V. OTHER INFORMATION

### A. Risk Management

Carter County and the discretely presented Carter County School Department joined 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. Carter County and the Carter County School Department pay annual premiums to the TN-RMT for their general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

The primary government continues to carry commercial insurance for employee health and accident. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

### B. Contingent Liabilities

The county is involved in several pending lawsuits. Based on letters from attorneys, management believes that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

**C. Landfill Closure/Postclosure Care Costs**

Carter County has active permits on file with the state Department of Environment and Conservation for a sanitary landfill (Elizabethton Carter County Sanitary Landfill) and a demolition landfill. The county has provided financial assurances for estimated closure and postclosure liabilities as required by the State of Tennessee. These financial assurances are on file with the Department of Environment and Conservation.

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Carter County closed its sanitary landfill in 2000. The \$1,638,086 reported as postclosure care liability at June 30, 2020, represents amounts based on what it would cost to perform all postclosure care in 2020. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Carter County bills the City of Elizabethton for one-half of the postclosure expenditures in accordance with a written agreement with the city.

**D. Joint Ventures**

The Upper East Tennessee Juvenile Detention Center was formed through cooperative agreements between Carter County and the counties of Greene, Hawkins, Johnson, Sullivan, Unicoi, and Washington for the operation of a program to divert youth from commitment to the Department of Correction facilities. This program is governed by a board of directors designated by the counties. The board of directors has contracted with ElyJenn Health Services, LLC, to undertake the management of this program. Operation costs to the counties are allocated according to percentages based on population. Carter County's participation is 12.3 percent. The counties also pay a daily fee for individuals from their counties using the facility.

**Discretely Presented School Department**

The discretely presented school department participates in the Northeast Tennessee Cooperative (NETCO). The cooperative was established through a contractual agreement between the Boards of Education of Carter County and various other counties and cities in the upper East Tennessee area. The cooperative was authorized through Chapter 49 of *Tennessee Code Annotated*, and was established to obtain lower prices for food supplies, materials, equipment, and services by combining the purchasing requirements of each member's school food service systems. The cooperative has contracted with a coordinating district (Johnson City School System) and a service provider to provide this service. NETCO is governed by a representative committee,

including one representative from each of the member districts and an executive council, consisting of the chair, vice chair, secretary, treasurer, and a member-at-large from the representative committee.

Carter County does not have an equity interest in any of the above-noted joint ventures. Complete financial statements for the Upper East Tennessee Juvenile Detention Center and NETCO can be obtained from their respective administrative offices at the following addresses:

Administrative Offices:

Upper East Tennessee Regional  
Juvenile Detention Center  
307 Wesley Street  
Johnson City, TN 37601

Northeast Tennessee Cooperative  
100 East Maple Street  
P.O. Box 1517  
Johnson City, TN 37605

**E. Jointly Governed Organization**

**Primary Government**

Carter County is a participant in the Watauga River Regional Water Authority with the City of Elizabethton, North Elizabethton Utility District, Siam Utility District, Roan Mountain Utility District, and the South Elizabethton Utility District. The authority was created by Chapter 29, Private Acts of 2001, to plan, operate, and maintain a water and wastewater system in Carter County and the City of Elizabethton. The authority is governed by a five-member board of directors consisting of the Carter County mayor or a named designee and one director to be selected by each of the governing bodies of the four individual utility districts.

Carter County is a participant in Carter County Joint Economic and Community Development Board with the cities of Elizabethton, Johnson City, and Watauga. The purpose is to foster communications relative to economic and community development between and among government entities, industry, and private citizens. The board of directors consists of the mayors of Carter County and each city or the mayor's designee, the president of Elizabethton/Carter County Chamber of Commerce, the director of the Elizabethton Electric System or the director's designee, the director of the Tennessee College of Applied Technology in Elizabethton, Tennessee, or the director's designee, and the following four members elected by the board: a qualified land owner, and individuals employed in the county school system and individuals employed in the financial and manufacturing areas of the private sector.



Carter County is a participant in the joint governance of the Alliance for Business and Training (AB&T), which administers funds received under the Workforce Innovation and Opportunity Act for the Northeast Tennessee Local Workforce Development Area. An interlocal consortium agreement between Carter, Greene, Hancock, Hawkins, Johnson, Sullivan, Unicoi, and Washington counties established the Northeast Tennessee Workforce Development Board and the governing structure of AB&T. The county mayors represent each county in the consortium. The Sullivan County Mayor serves as the chief local elected county official of the consortium by the majority approval of the local elected county officials in the consortium agreement and approves appointments of board members of the workforce development board following a nomination process specified in the agreement. The board has no financial activity but provides oversight for workforce development programs of the Development Area. Those programs are funded by grants passed through the state Department of Labor to AB&T.

Mayors of the participating counties, along with four members jointly appointed by the mayors, serve as the governing board of AB&T. The consortium agreement calls for any liability for disallowed costs of the grant programs to be shared by member counties of the consortium based on each county's percent of the population of the local workforce development area. However, that contingent liability is to be mitigated by \$3 million of insurance coverage provided by AB&T to indemnify the counties pursuant to the consortium agreement.

Complete financial information for the Alliance for Business and Training can be obtained from the following address.

Alliance for Business and Training  
386 Hwy 91  
PO Box 249  
Elizabethton, TN 37643

## **F. Retirement Commitments**

### **1. Tennessee Consolidated Retirement System (TCRS)**

#### **Primary Government**

#### **General Information About the Pension Plan**

*Plan Description.* Employees of Carter County and non-certified employees of the discretely presented Carter County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 62.88 percent, the non-certified employees of the discretely presented school department comprise 37.12 percent of the plan based on contribution data. The TCRS was created by state

statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at [www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies](http://www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies).

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

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

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	505
Inactive Employees Entitled to But Not Yet Receiving Benefits	836
Active Employees	595
Total	<u><u>1,936</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. Carter County makes employer contributions at a rate higher than the minimum rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2020, the employer contribution for Carter County was \$2,187,455 based on a rate of 14.94 percent of covered payroll. The minimum rate set by the Board of Trustees was 5.94 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Carter 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)**

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

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

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

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

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

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

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

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

### Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2018	\$ 50,169,216	\$ 52,825,782	\$ (2,656,566)
Changes for the Year:			
Service Cost	\$ 1,187,615	\$ 0	\$ 1,187,615
Interest	3,631,000	0	3,631,000
Differences Between Expected and Actual Experience	(565,653)	0	(565,653)
Contributions-Employer	0	2,104,319	(2,104,319)
Contributions-Employees	0	446,800	(446,800)
Net Investment Income	0	3,931,510	(3,931,510)
Benefit Payments, Including Refunds of Employee Contributions	(2,548,147)	(2,548,147)	0
Administrative Expense	0	(53,461)	53,461
Net Changes	\$ 1,704,815	\$ 3,881,021	\$ (2,176,206)
Balance, June 30, 2019	\$ 51,874,031	\$ 56,706,803	\$ (4,832,772)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	62.88%	\$ 32,618,391	\$ 35,657,238	\$ (3,038,847)
School Department	37.12%	19,255,640	21,049,565	(1,793,925)
Total		\$ 51,874,031	\$ 56,706,803	\$ (4,832,772)

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

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

Net Pension Liability (Asset) \$ 1,677,107 \$ (4,832,772) \$ (10,260,211)

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

*Pension Expense.* For the year ended June 30, 2020, Carter County recognized pension expense of \$795,467.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 85,514	\$ 778,269
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	647,705
Changes in Assumptions	477,083	0
Contributions Subsequent to the Measurement Date of June 30, 2019 (1)	2,187,455	N/A
Total	<u>\$ 2,750,052</u>	<u>\$ 1,425,974</u>

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 1,744,000	\$ 896,653
School Department	1,006,052	529,321
Total	<u>\$ 2,750,052</u>	<u>\$ 1,425,974</u>

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

Year Ending June 30	Amount
2021	\$ (8,984)
2022	(490,133)
2023	(230,437)
2024	(133,825)
2025	0
Thereafter	0

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

### **Payable to the Pension Plan**

At June 30, 2020, Carter County reported a payable of \$155,910 for the outstanding amount of contributions due to the pension plan at year end.

### **Discretely Presented Carter County School Department**

#### **Non-certified Employees**

#### **General Information About the Pension Plan**

*Plan Description.* As noted above under the primary government, employees of Carter County and non-certified employees of the discretely presented Carter County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 62.88 percent and the non-certified employees of the discretely presented school department comprise 37.12 percent of the plan based on contribution data.

#### **Certified Employees**

#### **Teacher Retirement Plan**

#### **General Information About the Pension Plan**

*Plan Description.* Teachers of the Carter County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher



Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at [www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies](http://www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies).

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

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing

TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2020, to the Teacher Retirement Plan were \$81,430 which is 2.03 percent of covered payroll. In addition, employer contributions of \$77,315 were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension Liabilities (Assets).* At June 30, 2020, the school department reported a liability (asset) of (\$188,438) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2019, the school department's proportion was .333822 percent. The proportion as of June 30, 2018, was .356751 percent.

*Pension Expense.* For the year ended June 30, 2020, the school department recognized pension expense of \$60,253.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 7,813	\$ 32,896
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	7,967
Changes in Assumptions	6,547	0
Changes in Proportion of Net Pension Liability (Asset)	17,708	4,503
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	81,430	N/A
Total	<u>\$ 113,498</u>	<u>\$ 45,366</u>

The school department's employer contributions of \$81,430, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2021	\$ (2,880)
2022	(4,099)
2023	(1,865)
2024	(725)
2025	(401)
Thereafter	(3,327)

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

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

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

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

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

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

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

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

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

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

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

Net Pension Liability (Asset) \$ 59,705 \$ (188,438) \$ (371,862)

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

### **Payable to the Pension Plan**

At June 30, 2020, the Carter County School Department reported a payable of \$15,272 for the outstanding amount of contributions due to the pension plan at year end.

### **Teacher Legacy Pension Plan**

#### **General Information About the Pension Plan**

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

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit.

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

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Carter County School Department for the year ended June 30, 2020, to the Teacher Legacy Pension Plan were \$2,003,669, which is 10.63 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension Liability (Assets).* At June 30, 2020, the school department reported a liability (asset) of (\$5,989,324) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an

actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2019, the school department's proportion was .582517 percent. The proportion measured at June 30, 2018, was .568256 percent.

*Pension Expense.* For the year ended June 30, 2020, the school department recognized pension expense of \$794,429.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 291,605	\$ 3,658,398
Changes in Assumptions	807,092	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	1,711,265
Changes in Proportion of Net Pension Liability (Asset)	81,933	56,591
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	2,003,669	N/A
Total	<u>\$ 3,184,299</u>	<u>\$ 5,426,254</u>

The school department's employer contributions of \$2,003,669 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:



Year Ending June 30	Amount
2021	\$ (1,226,932)
2022	(1,690,771)
2023	(757,539)
2024	(570,382)
2025	0
Thereafter	0

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

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

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

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

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

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

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

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

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

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

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

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

Net Pension Liability (Asset)    \$ 12,246,437    \$ (5,989,324)    \$ (20,495,367)

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

### **Payable to the Pension Plan**

At June 30, 2020, the Carter County School Department reported a payable of \$377,153 for the outstanding amount of contributions due to the pension plan at year end.

## **2. Deferred Compensation**

Carter County offers its employees an optional deferred compensation plan established pursuant to IRC Section 457. All costs of administering and funding this program are the responsibility of plan participants. The Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 457 establish participation, contribution, and withdrawal provisions for the plans.

Teachers hired after July 1, 2014, by the Carter County 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 a minimum of 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 \$167,325 and teachers contributed \$105,861 to this deferred compensation pension plan.

## **G. Other Postemployment Benefits (OPEB)**

### **Primary Government**

*Plan Description.* Carter County participates in a commercial postemployment benefits plan administered by BlueCross BlueShield for

medical benefits for retirees under the age of 65. For reporting purposes the plan is considered to be 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.

*Benefits Provided.* Benefits provided by the plan are established and may be amended by the county commission. To be eligible for benefits, retirees who were hired on or prior to December 31, 2007, must be age 55 with at least 20 years of service or have ten years of service and be over the age of 60. Those hired subsequent to December 31, 2007, must be age 55 with at least 20 years of service or be age 52 with at least 25 years of service to be eligible for benefits. Benefits are paid until the retirees reach age 65, provided they are not covered under another health insurance plan. Carter County pays 100 percent of the costs for single coverage. Family coverage is not provided under the plan, other than through COBRA.

Employees Covered by Benefit Terms

At the actuarial valuation date of July 1, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	7
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	0
Active Employees	233
Total	<u>240</u>

**Total OPEB Liability**

The plan’s total OPEB liability of \$2,137,097 was measured as of June 30, 2020, and was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to the measurement date.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the actuarial valuation 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	2.5%
Discount Rate	2.21%
Healthcare Cost Trend Rates	4.5%
Retirees share of Benefit-related Cost	See discussion under Benefits Provided

The discount rate was based on the Bond Buyer GO 20 index as of June 30, 2020.

The mortality assumption is based on Group Annuity 1983 Mortality Table. Mortality improvements have not been considered in that table.

The actuarial assumptions used in the valuation were based on plan data and costs presented by the county with concurrence by the actuary.

#### Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2019	<u>\$ 1,860,482</u>
Changes for the Year:	
Service Cost	\$ 41,241
Interest	63,083
Difference between Expected and Actuarial Experience	273,937
Benefit Payments	(63,914)
Implicit Rate Subsidy	<u>(37,732)</u>
Net Changes	<u>\$ 276,615</u>
Balance June 30, 2020	<u><u>\$ 2,137,097</u></u>

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2020, the primary government recognized OPEB expense of \$144,295. At June 30, 2020, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 303,371	\$ 41,003
Total	<u>\$ 303,371</u>	<u>\$ 41,003</u>

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

<u>Year Ending June 30</u>	<u>Primary Government</u>
2021	\$ 39,971
2022	39,971
2023	39,971
2024	39,971
2025	43,537
Thereafter	58,946

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

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

<u>Discount Rate</u>	1% Decrease 1.21%	Current Discount Rate 2.21%	1% Increase 3.21%
Total OPEB Liability	\$ 2,466,052	\$ 2,137,097	\$ 1,869,612

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

<u>Healthcare Cost Trend Rate</u>	Current		
	1%	Trend	1%
	Decrease	Rate	Increase
	3.5%	4.5%	5.5%

Total OPEB Liability      \$ 1,858,328   \$ 2,137,097   \$ 2,474,976

### **Discretely Presented Carter County School Department**

#### **Closed Local Education (LEP) OPEB Plan**

The discretely presented Carter County School Department provides OPEB benefits to its retirees through a 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.

*Plan Description.* Employees of the Carter 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.

Once the certified retirees of Carter County School Department reach Medicare eligibility, they 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 was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date.

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

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

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

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

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

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

*Benefits Provided.* The Carter County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff,



and disabled participants. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with *TCA 8-27-301* establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. Carter County School Department provides a direct subsidy for certified retirees ranging from \$251 to \$433 per month depending on years of service and coverage selected. The school department provides a direct subsidy for noncertified retirees ranging from \$456 to \$590 depending on years of service and coverage selected. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retiree's premiums based on years of service. Retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 25 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

#### Employees Covered by Benefit Terms

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

	<u>School Department</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	68
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	600
Total	<u><u>668</u></u>

A state insurance committee, created in accordance with *TCA 8-27-301*, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$643,574 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	Carter County School Department 73.5650%	State of TN 26.4350%	Total OPEB Liability
Balance July 1, 2018	\$ 15,787,419	\$ 4,212,403	\$ 19,999,822
Changes for the Year:			
Service Cost	\$ 773,880	\$ 278,087	\$ 1,051,967
Interest	548,323	197,035	745,358
Changes in Benefit Terms	(1,393,107)	(500,601)	(1,893,708)
Difference between Expected and Actuarial Experience	(1,565,503)	(562,550)	(2,128,053)
Changes in Proportion	(1,074,546)	1,074,546	0
Changes in Assumption and Other Inputs	(861,082)	(309,422)	(1,170,504)
Benefit Payments	(685,527)	(246,338)	(931,865)
Net Changes	\$ (4,257,562)	\$ (69,243)	\$ (4,326,805)
Balance June 30, 2019	\$ 11,529,857	\$ 4,143,160	\$ 15,673,017

The Carter 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 Carter 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 is required by GASB Statement No. 75 to recognized revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department employees. The amount of the subsidy is equal to the nonemployer share of collective OPEB expenses. During the year, collective OPEB expenses for Carter County School employees was negative. Consequently, the school department has recorded the negative collective OPEB expense (\$190,872) and recorded negative operating grants and contributions revenues (\$81,389) for the nonemployer share of the collective OPEB expense.

During the year, the Carter County School Department's proportionate share of the collective OPEB liability was 73.5650 percent and the State of Tennessee's share was 26.4350 percent.

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2020, the school department recognized (negative) OPEB expense of (\$190,872), which includes expenses funded by subsidies provided by the state. At June 30, 2020, the school

department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 1,363,188	\$ 1,370,058
Changes of Assumptions/Inputs	583,902	1,036,345
Changes in Proportion	1,017,530	816,921
Benefits Paid After the Measurement Date of June 30, 2019	643,574	0
Total	<u>\$ 3,608,194</u>	<u>\$ 3,223,324</u>

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

Year Ending June 30	School Department
2021	\$ (38,580)
2022	(38,580)
2023	(38,580)
2024	(38,580)
2025	(38,580)
Thereafter	(65,804)

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

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

<u>Discount Rate</u>	Current	
1% Decrease	Discount Rate	1% Increase
2.51%	3.51%	4.51%

Proportionate Share of the Collective Total OPEB Liability	\$ 12,319,347	\$ 11,529,857	\$ 10,775,750
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*Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>	1% Decrease	Current Rates	1% Increase
	5.03 to 3.5%	6.03 to 4.5%	7.03 to 5.5%

Proportionate Share of the Collective Total OPEB Liability	\$ 10,412,793	\$ 11,529,857	\$ 12,830,315
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### **Dental, Life, and Retirement Bonus Plan**

*Plan Description.* In addition to health insurance coverage provided to pre-65 retirees discussed under the closed LEA plan, the Carter County School Department also provides other postemployment benefits to pre-65 retirees for dental insurance and basic life insurance coverage of \$10,000. The school department also provides a \$5,000 retirement bonus to eligible retirees. Dental coverage is provided through BlueCross BlueShield. Life insurance is provided through MetLife. The retirement bonus is provided through payments to retirees from the General Purpose School Fund. For reporting purposes, the plan is considered to be 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.

*Benefits Provided.* Benefits provided by the plan are established and may be amended by the Board of Education. To be eligible for benefits, certified retirees must be age 55 or retire with 25 or more years of service and have been employed with the school department for at least 15 years, with the five years preceding retirement having been with the school department. Full-

time non-certified employees are eligible for benefits if they retire with: (a) 15 or more years of service and have attained age 60; (b) 17 or more years of service and have attained age 55; (c) 30 or more years of service at any age. Years of service for non-certified employees must be established with the TCRS, with the last five years of service with the school department.

Carter County School Department pays the entire premium for dental insurance and the premium for basic life insurance of \$10,000 for the retiree. These benefits are provided from the date of retirement until the earlier of age 65, Medicare eligibility, or upon obtaining coverage through another individual health insurance plan. Spouse and dependent coverage is not provided under the plan. Retirees may purchase a limited amount of additional life insurance for themselves or their family by paying the full cost of that coverage.

Carter County School Department also provides a retirement bonus payment available to all full-time certified and non-certified personnel who meet the eligibility requirements. To be eligible, certified personnel must have been employed with the Carter County School System for at least 30 years, or who are retiring with 29 years of service and one year of sick days for a total of 30 years, with the ten years preceding retirement having been employed with the Carter County School System. Non-certified personnel must have been employed with the Carter County School System for at least 30 years, with the ten years preceding retirement having been with the Carter County School System. The plan gives certified and non-certified personnel who have met the above requirements a one-time bonus of \$5,000 when the employee retires.

Employees Covered by Benefit Terms

At the actuarial valuation date of July 1, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	72
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	0
Active Employees	853
Total	<u><u>925</u></u>

**Total OPEB Liability**

The plan's total OPEB liability of \$4,383,992 was measured as of June 30, 2020, and was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to the measurement date.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the actuarial valuation 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
Discount Rate	2.21%
Healthcare Cost Trend Rates	4.5%
Retirees share of Benefit-related Cost	See discussion under Benefits Provided

The discount rate was based on the Bond Buyer GO 20 index as of June 30, 2020.

The mortality assumption is based on Group Annuity 1983 Mortality Table. Mortality improvements have not been considered in that table.

The actuarial assumptions used in the valuation were based on plan data and costs presented by the school department with concurrence by the actuary.

#### Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2019	<u>\$ 3,544,835</u>
Changes for the Year:	
Service Cost	\$ 46,815
Interest	126,162
Difference between Expected and Actuarial Experience	858,313
Benefit Payments	(164,792)
Implicit Rate Subsidy	<u>(27,341)</u>
Net Changes	<u>\$ 839,157</u>
Balance June 30, 2020	<u><u>\$ 4,383,992</u></u>

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2020, the school department recognized OPEB expense of \$282,839. At June 30, 2020, the school department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 877,752	\$ 71,241
Total	<u>\$ 877,752</u>	<u>\$ 71,241</u>

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

<u>Year Ending June 30</u>	<u>School Department</u>
2021	\$ 109,862
2022	109,862
2023	109,862
2024	109,862
2025	116,056
Thereafter	251,007

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

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

<u>Discount Rate</u>	1% Decrease 1.21%	Current Discount Rate 2.21%	1% Increase 3.21%
Total OPEB Liability	\$ 5,264,012	\$ 4,383,992	\$ 3,723,547

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

<u>Healthcare Cost Trend Rate</u>	Current		
	1%	Trend	1%
	Decrease	Rate	Increase
	3.50%	4.50%	5.50%

Total OPEB Liability	\$ 4,297,209	\$ 4,383,992	\$ 4,488,113
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## **H. Office of Central Accounting, Budgeting, and Purchasing**

Carter County operates under the provisions of the County Financial Management System of 1981. This act provides for a central system of accounting, budgeting, and purchasing for all county departments. The act also provides for the creation of a finance department operated under the direction of the finance director.

### **I. Purchasing Law**

The County Financial Management System of 1981 provides for the finance director or a deputy appointed by the finance director to serve as the county purchasing agent. The finance director serves as the purchasing agent for Carter County. Purchases exceeding \$25,000 are required to be competitively bid.

### **J. Subsequent Events**

Director of Schools Kevin Ward retired effective June 30, 2020, and was succeeded by Tracy McAbee on July 1, 2020.

Clerk and Master Melissa Moreland retired effective June 30, 2020, and was succeeded by Andrew LaPorte on July 1, 2020.

The Carter County Board of Education approved a one-time retirement bonus which was to be funded in the 2020-21 year budget and payable on July 5, 2020. The approved bonus amounts to \$15,000 to all full-time certified personnel, meeting the qualifications for retirement set forth by TCRS, and with the ten years preceding retirement having been with the Carter County School Department. On July 2, 2020, 24 individuals received this bonus payment, totaling \$360,000, and on July 20, 2020, two individuals received this bonus payment totaling \$30,000.

County Mayor Rusty Barnett passed away on September 21, 2020. Patty Woodby served as interim mayor and was appointed by county commission to fill the vacancy on November 23, 2020.

On September 25, 2020, Carter County issued \$15,635,000 in general obligation refunding bonds.



Carter County was notified in December 2020 that due to a sales tax calculation error by the state, the county's January 2021 sales tax report would be approximately \$113,000 less than anticipated and that the county would owe the City of Elizabethton an additional amount of approximately \$45,000. As of the date of this report, the additional amount has not been paid to the City of Elizabethton.

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## REQUIRED SUPPLEMENTARY INFORMATION

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Exhibit E-1

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

	2014	2015	2016	2017	2018	2019
<b>Total Pension Liability</b>						
Service Cost	\$ 968,307	\$ 946,742	\$ 990,434	\$ 1,076,184	\$ 1,143,055	\$ 1,187,615
Interest	2,954,231	3,112,630	3,203,218	3,385,810	3,466,250	3,631,000
Differences Between Actual and Expected Experience	196,779	(791,022)	340,372	(814,366)	29,062	(565,653)
Changes in Assumptions	0	0	0	1,192,709	0	0
Benefit Payments, Including Refunds of Employee Contributions	(1,924,412)	(2,047,102)	(2,161,299)	(2,209,132)	(2,272,875)	(2,548,147)
Net Change in Total Pension Liability	\$ 2,194,905	\$ 1,221,248	\$ 2,372,725	\$ 2,631,205	\$ 2,365,492	\$ 1,704,815
Total Pension Liability, Beginning	39,383,641	41,578,546	42,799,794	45,172,519	47,803,724	50,169,216
Total Pension Liability, Ending (a)	\$ 41,578,546	\$ 42,799,794	\$ 45,172,519	\$ 47,803,724	\$ 50,169,216	\$ 51,874,031
<b>Plan Fiduciary Net Position</b>						
Contributions - Employer	\$ 1,642,354	\$ 1,799,438	\$ 1,887,726	\$ 1,919,806	\$ 2,007,168	\$ 2,104,319
Contributions - Employee	205,685	258,553	315,826	347,325	388,330	446,800
Net Investment Income	5,882,079	1,273,583	1,130,452	4,958,056	4,046,199	3,931,510
Benefit Payments, Including Refunds of Employee Contributions	(1,924,412)	(2,047,102)	(2,161,299)	(2,209,132)	(2,272,875)	(2,548,147)
Administrative Expense	(21,508)	(28,327)	(43,750)	(49,238)	(55,339)	(53,461)
Other Changes	0	0	8,928	297	0	0
Net Change in Plan Fiduciary Net Position	\$ 5,784,198	\$ 1,256,145	\$ 1,137,883	\$ 4,967,114	\$ 4,113,483	\$ 3,881,021
Plan Fiduciary Net Position, Beginning	35,566,959	41,351,157	42,607,302	43,745,185	48,712,299	52,825,782
Plan Fiduciary Net Position, Ending (b)	\$ 41,351,157	\$ 42,607,302	\$ 43,745,185	\$ 48,712,299	\$ 52,825,782	\$ 56,706,803
Net Pension Liability (Asset), Ending (a - b)	\$ 227,389	\$ 192,492	\$ 1,427,334	\$ (908,575)	\$ (2,656,566)	\$ (4,832,772)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	99.45%	99.55%	96.84%	101.90%	105.30%	109.32%
Covered Payroll	\$ 11,631,366	\$ 12,044,428	\$ 12,637,078	\$ 12,850,190	\$ 13,434,863	\$ 14,085,117
Net Pension Liability (Asset) as a Percentage of Covered Payroll	1.95%	1.60%	11.29%	(7.07%)	(19.77%)	(34.31%)

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

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

Exhibit E-2

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

	2014	2015	2016	2017	2018	2019	2020
Actuarially Determined Contribution	\$ 1,642,354	\$ 1,799,438	\$ 1,887,726	\$ 1,919,806	\$ 1,567,849	\$ 1,476,122	\$ 869,719
Less Contributions in Relation to the Actuarially Determined Contribution	(1,642,354)	(1,799,438)	(1,887,726)	(1,919,806)	(2,007,169)	(2,104,319)	(2,187,455)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (439,320)	\$ (628,197)	\$ (1,317,736)
Covered Payroll	\$ 11,631,366	\$ 12,044,428	\$ 12,637,078	\$ 12,850,190	\$ 13,434,863	\$ 14,085,117	\$ 14,641,735
Contributions as a Percentage of Covered Payroll	14.12%	14.94%	14.94%	14.94%	14.94%	14.94%	14.94%

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

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

Exhibit E-3

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

	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 28,892	\$ 60,931	\$ 103,169	\$ 124,703	\$ 68,531	\$ 81,430
Less Contributions in Relation to the Contractually Required Contribution	(28,892)	(60,931)	(103,169)	(124,703)	(68,531)	(81,430)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 722,287	\$ 1,523,278	\$ 2,579,247	\$ 3,117,577	\$ 3,532,541	\$ 4,011,264
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%

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

Exhibit E-4

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

	2014	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 1,864,442	\$ 1,862,080	\$ 1,826,476	\$ 1,804,892	\$ 1,806,782	\$ 2,043,113	\$ 2,003,669
Less Contributions in Relation to the Contractually Required Contribution	(1,864,442)	(1,862,080)	(1,826,476)	(1,804,892)	(1,806,782)	(2,043,113)	(2,003,669)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 20,995,964	\$ 20,599,747	\$ 20,204,373	\$ 19,965,598	\$ 19,898,460	\$ 19,532,654	\$ 18,849,177
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%

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

## Exhibit E-5

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

	2015	2016	2017	2018	2019
School Department's Proportion of the Net Pension Liability/Asset	0.347636%	0.346198%	0.392973%	0.356751%	0.333822%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (13,985)	\$ (36,040)	\$ (103,679)	\$ (161,797)	\$ (188,438)
Covered Payroll	\$ 722,287	\$ 1,523,278	\$ 2,579,247	\$ 3,117,577	\$ 3,532,541
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94%)	(2.37%)	(4.02%)	(5.19%)	(5.33%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%	126.97%	123.07%

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

Exhibit E-6

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

	2014	2015	2016	2017	2018	2019
School Department's Proportion of the Net Pension Liability/Asset	0.534930%	0.550239%	0.559709%	0.564806%	0.568256%	0.582517%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (86,924)	\$ 225,397	\$ 3,497,874	\$ (184,795)	\$ (1,999,645)	\$ (5,989,324)
Covered Payroll	\$ 20,995,964	\$ 20,599,747	\$ 20,204,373	\$ 19,965,598	\$ 19,898,460	\$ 19,532,654
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41%)	1.09%	17.31%	(0.93%)	(10.05%)	(30.66%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%

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



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

	2018	2019	2020
<b>Total OPEB Liability</b>			
Service Cost	\$ 50,675	\$ 53,795	\$ 41,241
Interest	68,057	63,740	63,083
Differences Between Actual and Expected Experience	(67,745)	90,185	273,937
Benefit Payments	(85,020)	(65,586)	(63,914)
Implicit Rate Subsidy	0	(97,972)	(37,732)
Net Change in Total OPEB Liability	\$ (34,033)	\$ 44,162	\$ 276,615
Total OPEB Liability, Beginning	1,850,353	1,816,320	1,860,482
Total OPEB Liability, Ending	<u>\$ 1,816,320</u>	<u>\$ 1,860,482</u>	<u>\$ 2,137,097</u>
Covered Employee Payroll	\$ 8,897,803	\$ 9,025,064	\$ 9,990,375
Net OPEB Liability as a Percentage of Covered Employee Payroll	20.41%	20.61%	21.39%

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:

2017	3.58%
2018	3.87%
2019	3.50%
2020	2.21%

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

Exhibit E-8

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

	2017	2018	2019
<b>Total OPEB Liability</b>			
Service Cost	\$ 681,507	\$ 630,478	\$ 1,051,967
Interest	434,429	508,713	745,358
Changes in Benefit Terms	0	2,336,571	(1,893,708)
Differences Between Actual and Expected Experience	0	2,390,151	(2,128,053)
Changes in Assumptions or Other Inputs	(583,190)	1,023,786	(1,170,504)
Benefit Payments	(1,041,256)	(1,098,186)	(931,865)
Net Change in Total OPEB Liability	\$ (508,510)	\$ 5,791,513	\$ (4,326,805)
Total OPEB Liability, Beginning	14,716,819	14,208,309	19,999,822
Total OPEB Liability, Ending	<u>\$ 14,208,309</u>	<u>\$ 19,999,822</u>	<u>\$ 15,673,017</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 4,302,347	\$ 4,212,403	\$ 4,143,160
Employer Proportionate Share of the Total OPEB Liability	9,905,962	15,787,419	11,529,857
Covered Employee Payroll	\$ 22,341,444	\$ 28,713,977	\$ 29,353,868
Net OPEB Liability as a Percentage of Covered Employee Payroll	44.34%	54.98%	39.28%

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

Note 2: Changes in assumptions.

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

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

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

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

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

Carter County, TennesseeSchedule of Changes in the Total OPEB Liability and Related Ratios - Dental, Life, and Retirement Bonus PlanDiscretely Presented Carter County School DepartmentFor the Fiscal Year Ended June 30

	2018	2019	2020
<b>Total OPEB Liability</b>			
Service Cost	\$ 36,187	\$ 38,476	\$ 46,815
Interest	120,379	116,349	126,162
Differences Between Actual and Expected Experience	(117,701)	166,724	858,313
Benefit Payments	(33,935)	(73,327)	(164,792)
Implicit Rate Subsidy	(25,819)	(25,819)	(27,341)
Net Change in Total OPEB Liability	\$ (20,889)	\$ 222,403	\$ 839,157
Total OPEB Liability, Beginning	3,343,321	3,322,432	3,544,835
 Total OPEB Liability, Ending	 \$ 3,322,432	 \$ 3,544,835	 \$ 4,383,992
 Covered Employee Payroll	 \$ 29,793,895	 \$ 28,351,948	 \$ 28,074,870
Net OPEB Liability as a Percentage of Covered Employee Payroll	11.15%	12.50%	15.62%

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%

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

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

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

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

Methods and assumptions used to determine contribution rates:

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

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

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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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.

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Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for Carter County’s transfer station, convenience centers, and class IV landfill operations.

Health Department Fund – The Health Department Fund is used to account for transactions of the Carter County Health Department.

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

Sports and Recreation Fund – The Sports and Recreation Fund is used to account for transactions of the Carter County Parks and Recreation Board.

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

# Capital Projects Fund

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

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General Capital Projects Fund – The General Capital Projects Fund is used to account for general capital expenditures of the county.

Exhibit F-1

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

	Special Revenue Funds						
	Solid Waste / Sanitation	Health Department	Drug Control	Sports and Recreation	Constitu - tional Officers - Fees	Total	
<u>ASSETS</u>							
Cash	\$ 7,395	\$ 0	\$ 0	\$ 500	\$ 51,339	\$	59,234
Equity in Pooled Cash and Investments	228,938	146,363	38,051	74,776	0		488,128
Accounts Receivable	52,262	0	0	0	40,011		92,273
Due from Other Governments	109,137	0	0	0	0		109,137
Due from Other Funds	10	0	0	0	0		10
Total Assets	\$ 397,742	\$ 146,363	\$ 38,051	\$ 75,276	\$ 91,350	\$	748,782
<u>LIABILITIES</u>							
Accounts Payable	\$ 90,825	\$ 5,987	\$ 204	\$ 20,387	\$ 0	\$	117,403
Accrued Payroll	19,254	0	0	0	0		19,254
Payroll Deductions Payable	3,926	0	0	0	0		3,926
Other Withholding Taxes	173	0	0	0	0		173
Due to Other Funds	4,630	10,000	0	0	91,350		105,980
Other Current Liabilities	0	0	5,771	0	0		5,771
Total Liabilities	\$ 118,808	\$ 15,987	\$ 5,975	\$ 20,387	\$ 91,350	\$	252,507
<u>FUND BALANCES</u>							
Restricted:							
Restricted for Public Safety	\$ 0	\$ 0	\$ 32,076	\$ 0	\$ 0	\$	32,076
Restricted for Public Health and Welfare	0	70,278	0	0	0		70,278
Restricted for Capital Projects	0	0	0	0	0		0

(Continued)



Exhibit F-1

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

	Special Revenue Funds					Total
	Solid Waste / Sanitation	Health Department	Drug Control	Sports and Recreation	Constitu - tional Officers - Fees	
<u>FUND BALANCES (Cont.)</u>						
Committed:						
Committed for Public Health and Welfare	\$ 278,934	\$ 60,098	\$ 0	\$ 0	\$ 0	\$ 339,032
Committed for Social, Cultural, and Recreational Services	0	0	0	54,889	0	54,889
Committed for Capital Projects	0	0	0	0	0	0
Total Fund Balances	<u>\$ 278,934</u>	<u>\$ 130,376</u>	<u>\$ 32,076</u>	<u>\$ 54,889</u>	<u>\$ 0</u>	<u>\$ 496,275</u>
Total Liabilities and Fund Balances	<u>\$ 397,742</u>	<u>\$ 146,363</u>	<u>\$ 38,051</u>	<u>\$ 75,276</u>	<u>\$ 91,350</u>	<u>\$ 748,782</u>

(Continued)

Exhibit F-1

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

	Capital Projects Fund		Total Nonmajor Governmental Funds	
	General Capital Projects			
<u>ASSETS</u>				
Cash	\$	0	\$	59,234
Equity in Pooled Cash and Investments		48,921		537,049
Accounts Receivable		0		92,273
Due from Other Governments		0		109,137
Due from Other Funds		0		10
Total Assets	\$	48,921	\$	797,703
<u>LIABILITIES</u>				
Accounts Payable	\$	0	\$	117,403
Accrued Payroll		0		19,254
Payroll Deductions Payable		0		3,926
Other Withholding Taxes		0		173
Due to Other Funds		0		105,980
Other Current Liabilities		0		5,771
Total Liabilities	\$	0	\$	252,507
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Public Safety	\$	0	\$	32,076
Restricted for Public Health and Welfare		0		70,278
Restricted for Capital Projects		32,255		32,255

(Continued)

Exhibit F-1

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

FUND BALANCES (Cont.)

Committed:

Committed for Public Health and Welfare  
 Committed for Social, Cultural, and Recreational Services  
 Committed for Capital Projects  
 Total Fund Balances

Total Liabilities and Fund Balances

<u>Capital Projects Fund</u>		Total Nonmajor Governmental Funds	
General Capital Projects			
\$	0	\$	339,032
	0		54,889
	16,666		16,666
\$	48,921	\$	545,196
\$	48,921	\$	797,703

Exhibit F-2

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

	Special Revenue Funds					
	Solid Waste / Sanitation	Health Department	Drug Control	Sports and Recreation	Constitu - tional Officers - Fees	Total
<u>Revenues</u>						
Local Taxes	\$ 0	\$ 169,000	\$ 0	\$ 125,000	\$ 0	\$ 294,000
Fines, Forfeitures, and Penalties	0	0	28,752	0	0	28,752
Charges for Current Services	1,371,641	0	0	0	6,555	1,378,196
Other Local Revenues	96,118	0	24,270	0	75	120,463
State of Tennessee	113,096	0	0	0	0	113,096
Other Governments and Citizens Groups	0	0	711	0	0	711
Total Revenues	\$ 1,580,855	\$ 169,000	\$ 53,733	\$ 125,000	\$ 6,630	\$ 1,935,218
<u>Expenditures</u>						
Current:						
Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 75	\$ 75
Administration of Justice	0	0	0	0	6,555	6,555
Public Safety	0	0	56,827	0	0	56,827
Public Health and Welfare	1,824,224	162,051	0	0	0	1,986,275
Social, Cultural, and Recreational Services	0	0	0	104,338	0	104,338
Other Operations	14,192	0	221	0	0	14,413
Total Expenditures	\$ 1,838,416	\$ 162,051	\$ 57,048	\$ 104,338	\$ 6,630	\$ 2,168,483
Excess (Deficiency) of Revenues Over Expenditures	\$ (257,561)	\$ 6,949	\$ (3,315)	\$ 20,662	\$ 0	\$ (233,265)
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 158,525	\$ 0	\$ 0	\$ 0	\$ 0	\$ 158,525
Total Other Financing Sources (Uses)	\$ 158,525	\$ 0	\$ 0	\$ 0	\$ 0	\$ 158,525

(Continued)

Exhibit F-2

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

	Special Revenue Funds					Total
	Solid Waste / Sanitation	Health Department	Drug Control	Sports and Recreation	Constitu - tional Officers - Fees	
Net Change in Fund Balances	\$ (99,036)	\$ 6,949	\$ (3,315)	\$ 20,662	\$ 0	\$ (74,740)
Fund Balance, July 1, 2019	377,970	123,427	35,391	34,227	0	571,015
Fund Balance, June 30, 2020	<u>\$ 278,934</u>	<u>\$ 130,376</u>	<u>\$ 32,076</u>	<u>\$ 54,889</u>	<u>\$ 0</u>	<u>\$ 496,275</u>

(Continued)

## Exhibit F-2

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

	<u>Capital</u> <u>Projects Fund</u>		<u>Total</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	
	<u>General</u>		<u>Capital</u>	
	<u>Projects</u>			
<u>Revenues</u>				
Local Taxes	\$	0	\$	294,000
Fines, Forfeitures, and Penalties		0		28,752
Charges for Current Services		0		1,378,196
Other Local Revenues		0		120,463
State of Tennessee		0		113,096
Other Governments and Citizens Groups		0		711
Total Revenues	\$	0	\$	1,935,218
<u>Expenditures</u>				
Current:				
Finance	\$	0	\$	75
Administration of Justice		0		6,555
Public Safety		0		56,827
Public Health and Welfare		0		1,986,275
Social, Cultural, and Recreational Services		0		104,338
Other Operations		0		14,413
Total Expenditures	\$	0	\$	2,168,483
Excess (Deficiency) of Revenues				
Over Expenditures	\$	0	\$	(233,265)
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$	0	\$	158,525
Total Other Financing Sources (Uses)	\$	0	\$	158,525

(Continued)

Exhibit F-2

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

	Capital Projects Fund	Total Nonmajor Governmental Funds
Net Change in Fund Balances	\$ 0	\$ (74,740)
Fund Balance, July 1, 2019	48,921	619,936
Fund Balance, June 30, 2020	<u>\$ 48,921</u>	<u>\$ 545,196</u>

## Exhibit F-3

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 1,371,641	\$ 1,002,000	\$ 1,277,000	\$ 94,641
Other Local Revenues	96,118	95,000	95,000	1,118
State of Tennessee	113,096	22,500	116,023	(2,927)
Total Revenues	<u>\$ 1,580,855</u>	<u>\$ 1,119,500</u>	<u>\$ 1,488,023</u>	<u>\$ 92,832</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Convenience Centers	\$ 32,963	\$ 36,260	\$ 37,078	\$ 4,115
Recycling Center	157,225	101,220	196,622	39,397
Landfill Operation and Maintenance	1,634,036	1,076,652	1,727,243	93,207
<u>Other Operations</u>				
Miscellaneous	14,192	11,000	11,800	(2,392)
Total Expenditures	<u>\$ 1,838,416</u>	<u>\$ 1,225,132</u>	<u>\$ 1,972,743</u>	<u>\$ 134,327</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (257,561)</u>	<u>\$ (105,632)</u>	<u>\$ (484,720)</u>	<u>\$ 227,159</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 158,525	\$ 0	\$ 108,627	\$ 49,898
Transfers In	0	105,629	109,521	(109,521)
Total Other Financing Sources	<u>\$ 158,525</u>	<u>\$ 105,629</u>	<u>\$ 218,148</u>	<u>\$ (59,623)</u>
Net Change in Fund Balance	<u>\$ (99,036)</u>	<u>\$ (3)</u>	<u>\$ (266,572)</u>	<u>\$ 167,536</u>
Fund Balance, July 1, 2019	<u>377,970</u>	<u>242,191</u>	<u>266,573</u>	<u>111,397</u>
Fund Balance, June 30, 2020	<u><u>\$ 278,934</u></u>	<u><u>\$ 242,188</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 278,933</u></u>



## Exhibit F-4

Carter County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Health Department Fund  
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 169,000	\$ 0	\$ 169,000	\$ 0
Total Revenues	\$ 169,000	\$ 0	\$ 169,000	\$ 0
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Local Health Center	\$ 162,051	\$ 169,000	\$ 169,000	\$ 6,949
Total Expenditures	\$ 162,051	\$ 169,000	\$ 169,000	\$ 6,949
Excess (Deficiency) of Revenues Over Expenditures	\$ 6,949	\$ (169,000)	\$ 0	\$ 6,949
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 169,000	\$ 0	\$ 0
Total Other Financing Sources	\$ 0	\$ 169,000	\$ 0	\$ 0
Net Change in Fund Balance	\$ 6,949	\$ 0	\$ 0	\$ 6,949
Fund Balance, July 1, 2019	123,427	94,001	94,001	29,426
Fund Balance, June 30, 2020	\$ 130,376	\$ 94,001	\$ 94,001	\$ 36,375

## Exhibit F-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 28,752	\$ 27,800	\$ 27,800	\$ 952
Other Local Revenues	24,270	12,000	29,000	(4,730)
Other Governments and Citizens Groups	711	0	2,112	(1,401)
Total Revenues	<u>\$ 53,733</u>	<u>\$ 39,800</u>	<u>\$ 58,912</u>	<u>\$ (5,179)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Sheriff's Department	\$ 56,827	\$ 39,000	\$ 68,886	\$ 12,059
<u>Other Operations</u>				
Miscellaneous	221	800	800	579
Total Expenditures	<u>\$ 57,048</u>	<u>\$ 39,800</u>	<u>\$ 69,686</u>	<u>\$ 12,638</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (3,315)</u>	<u>\$ 0</u>	<u>\$ (10,774)</u>	<u>\$ 7,459</u>
Net Change in Fund Balance	\$ (3,315)	\$ 0	\$ (10,774)	\$ 7,459
Fund Balance, July 1, 2019	<u>35,391</u>	<u>33,804</u>	<u>33,804</u>	<u>1,587</u>
Fund Balance, June 30, 2020	<u><u>\$ 32,076</u></u>	<u><u>\$ 33,804</u></u>	<u><u>\$ 23,030</u></u>	<u><u>\$ 9,046</u></u>

## Exhibit F-6

Carter County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Sports and Recreation Fund  
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 125,000	\$ 0	\$ 125,000	\$ 0
Other Governments and Citizens Groups	0	0	25,000	(25,000)
Total Revenues	\$ 125,000	\$ 0	\$ 150,000	\$ (25,000)
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Parks and Fair Boards	\$ 104,338	\$ 125,000	\$ 175,000	\$ 70,662
Total Expenditures	\$ 104,338	\$ 125,000	\$ 175,000	\$ 70,662
Excess (Deficiency) of Revenues Over Expenditures	\$ 20,662	\$ (125,000)	\$ (25,000)	\$ 45,662
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 125,000	\$ 0	\$ 0
Total Other Financing Sources	\$ 0	\$ 125,000	\$ 0	\$ 0
Net Change in Fund Balance	\$ 20,662	\$ 0	\$ (25,000)	\$ 45,662
Fund Balance, July 1, 2019	34,227	24,275	25,000	9,227
Fund Balance, June 30, 2020	\$ 54,889	\$ 24,275	\$ 0	\$ 54,889

# **Major Governmental Fund**

## **General Debt Service Fund**

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

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## Exhibit G

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,952,118	\$ 1,924,700	\$ 1,924,700	\$ 27,418
Other Local Revenues	60,000	60,000	60,000	0
State of Tennessee	37,099	38,000	38,000	(901)
Total Revenues	<u>\$ 2,049,217</u>	<u>\$ 2,022,700</u>	<u>\$ 2,022,700</u>	<u>\$ 26,517</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	0
Education	1,815,041	1,815,041	1,815,041	0
<u>Interest on Debt</u>				
General Government	624,431	624,431	624,431	0
Education	7,498	5,000	5,000	(2,498)
<u>Other Debt Service</u>				
General Government	39,028	42,900	42,900	3,872
Education	2,980	6,500	6,500	3,520
Total Expenditures	<u>\$ 3,488,978</u>	<u>\$ 3,493,872</u>	<u>\$ 3,493,872</u>	<u>\$ 4,894</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,439,761)</u>	<u>\$ (1,471,172)</u>	<u>\$ (1,471,172)</u>	<u>\$ 31,411</u>
Net Change in Fund Balance	\$ (1,439,761)	\$ (1,471,172)	\$ (1,471,172)	\$ 31,411
Fund Balance, July 1, 2019	<u>4,499,361</u>	<u>4,255,223</u>	<u>4,255,223</u>	<u>244,138</u>
Fund Balance, June 30, 2020	<u><u>\$ 3,059,600</u></u>	<u><u>\$ 2,784,051</u></u>	<u><u>\$ 2,784,051</u></u>	<u><u>\$ 275,549</u></u>

# Fiduciary Funds

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

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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 areas 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.

City School ADA - Elizabethton Fund – The City School ADA - Elizabethton Fund is used to account for the city school system's share of education revenues collected by the county, which must be apportioned to the system on an average daily attendance basis. These collections are remitted to the city school system on a monthly basis.

City School ADA – Johnson City Fund – The City School ADA – Johnson City Fund is used to account for the city school system's share of education revenues collected by the county, which must be apportioned to the system on an average daily attendance basis. These collections are remitted to the city school system on a monthly basis.

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

Exhibit H-1

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

	Agency Funds				Total
	Cities - Sales Tax	City School ADA - Elizabethton	City School ADA - Johnson City	Constitu - tional Officers - Agency	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 1,772,999	\$ 1,772,999
Equity in Pooled Cash and Investments	0	310,857	11,352	0	322,209
Accounts Receivable	0	0	0	11,474	11,474
Due from Other Governments	1,000,414	449,730	17,615	0	1,467,759
Property Taxes Receivable	0	3,299,598	120,753	0	3,420,351
Allowance for Uncollectible Property Taxes	0	(55,161)	(2,018)	0	(57,179)
Total Assets	\$ 1,000,414	\$ 4,005,024	\$ 147,702	\$ 1,784,473	\$ 6,937,613
<u>LIABILITIES</u>					
Due to Other Taxing Units	\$ 1,000,414	\$ 4,005,024	\$ 147,702	\$ 0	\$ 5,153,140
Due to Litigants, Heirs, and Others	0	0	0	1,784,473	1,784,473
Total Liabilities	\$ 1,000,414	\$ 4,005,024	\$ 147,702	\$ 1,784,473	\$ 6,937,613

## Exhibit H-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 5,594,824	\$ 5,594,824	\$ 0
Due from Other Governments	937,488	1,000,414	937,488	1,000,414
Total Assets	<u>\$ 937,488</u>	<u>\$ 6,595,238</u>	<u>\$ 6,532,312</u>	<u>\$ 1,000,414</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 937,488	\$ 6,595,238	\$ 6,532,312	\$ 1,000,414
Total Liabilities	<u>\$ 937,488</u>	<u>\$ 6,595,238</u>	<u>\$ 6,532,312</u>	<u>\$ 1,000,414</u>
<u>City School ADA - Elizabethton Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 263,019	\$ 5,826,062	\$ 5,778,224	\$ 310,857
Due from Other Governments	406,138	449,730	406,138	449,730
Property Taxes Receivable	3,295,256	3,299,598	3,295,256	3,299,598
Allowance for Uncollectible Property Taxes	(50,631)	(55,161)	(50,631)	(55,161)
Total Assets	<u>\$ 3,913,782</u>	<u>\$ 9,520,229</u>	<u>\$ 9,428,987</u>	<u>\$ 4,005,024</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 3,913,782	\$ 9,520,229	\$ 9,428,987	\$ 4,005,024
Total Liabilities	<u>\$ 3,913,782</u>	<u>\$ 9,520,229</u>	<u>\$ 9,428,987</u>	<u>\$ 4,005,024</u>
<u>City School ADA - Johnson City Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 11,100	\$ 223,947	\$ 223,695	\$ 11,352
Due from Other Governments	15,896	17,615	15,896	17,615
Property Taxes Receivable	138,923	120,753	138,923	120,753
Allowance for Uncollectible Property Taxes	(2,135)	(2,018)	(2,135)	(2,018)
Total Assets	<u>\$ 163,784</u>	<u>\$ 360,297</u>	<u>\$ 376,379</u>	<u>\$ 147,702</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 163,784	\$ 360,297	\$ 376,379	\$ 147,702
Total Liabilities	<u>\$ 163,784</u>	<u>\$ 360,297</u>	<u>\$ 376,379</u>	<u>\$ 147,702</u>

( Continued)



## Exhibit H-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,732,940	\$ 11,157,901	\$ 11,117,842	\$ 1,772,999
Accounts Receivable	11,475	11,474	11,475	11,474
Total Assets	<u>\$ 1,744,415</u>	<u>\$ 11,169,375</u>	<u>\$ 11,129,317</u>	<u>\$ 1,784,473</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	<u>\$ 1,744,415</u>	<u>\$ 11,169,375</u>	<u>\$ 11,129,317</u>	<u>\$ 1,784,473</u>
Total Liabilities	<u>\$ 1,744,415</u>	<u>\$ 11,169,375</u>	<u>\$ 11,129,317</u>	<u>\$ 1,784,473</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,732,940	\$ 11,157,901	\$ 11,117,842	\$ 1,772,999
Equity in Pooled Cash and Investments	274,119	11,644,833	11,596,743	322,209
Accounts Receivable	11,475	11,474	11,475	11,474
Due from Other Governments	1,359,522	1,467,759	1,359,522	1,467,759
Property Taxes Receivable	3,434,179	3,420,351	3,434,179	3,420,351
Allowance for Uncollectible Property Taxes	(52,766)	(57,179)	(52,766)	(57,179)
Total Assets	<u>\$ 6,759,469</u>	<u>\$ 27,645,139</u>	<u>\$ 27,466,995</u>	<u>\$ 6,937,613</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 5,015,054	\$ 16,475,764	\$ 16,337,678	\$ 5,153,140
Due to Litigants, Heirs, and Others	<u>1,744,415</u>	<u>11,169,375</u>	<u>11,129,317</u>	<u>1,784,473</u>
Total Liabilities	<u>\$ 6,759,469</u>	<u>\$ 27,645,139</u>	<u>\$ 27,466,995</u>	<u>\$ 6,937,613</u>

# Carter County School Department

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

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

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

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

Other Education Special Revenue Fund – The Other Education Special Revenue Fund is used to account for the Head Start Program.

Exhibit I-1

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

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	\$ 29,422,548	\$ 0	\$ 4,090,407	\$ (25,332,141)
Support Services	14,708,784	60,906	148,538	(14,499,340)
Operation of Non-instructional Services	5,167,818	475,322	2,638,419	(2,054,077)
Total Governmental Activities	<u>\$ 49,299,150</u>	<u>\$ 536,228</u>	<u>\$ 6,877,364</u>	<u>\$ (41,885,558)</u>
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 6,216,999
Local Option Sales Taxes				4,913,157
Mixed Drink Tax				1,863
Grants and Contributions Not Restricted for Specific Programs				33,655,314
Unrestricted Investment Income				61,621
Miscellaneous				45,436
Gain on Investments				4,888
Total General Revenues				<u>\$ 44,899,278</u>
Change in Net Position				\$ 3,013,720
Net Position, July 1, 2019				<u>29,063,700</u>
Net Position, June 30, 2020				<u>\$ 32,077,420</u>

## Exhibit I-2

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

	<u>Major Funds</u>		<u>Nonmajor Funds</u>	
	<u>General Purpose School</u>	<u>Central Cafeteria</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash	\$ 1,085,296	\$ 3,002	\$ 0	\$ 1,088,298
Equity in Pooled Cash and Investments	11,651,892	3,037,479	605,488	15,294,859
Accounts Receivable	3,343	18,844	700	22,887
Due from Other Governments	929,336	67,619	37,304	1,034,259
Due from Other Funds	9,611	574	55,395	65,580
Property Taxes Receivable	6,396,960	0	0	6,396,960
Allowance for Uncollectible Property Taxes	(106,941)	0	0	(106,941)
Restricted Assets	156,288	0	0	156,288
Total Assets	<u>\$ 20,125,785</u>	<u>\$ 3,127,518</u>	<u>\$ 698,887</u>	<u>\$ 23,952,190</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 648,691	\$ 34,838	\$ 2,723	\$ 686,252
Accrued Payroll	1,179	0	0	1,179
Payroll Deductions Payable	618,130	10,909	59,785	688,824
Contracts Payable	57,764	0	0	57,764
Termination Benefits Payable - Current	62,916	0	0	62,916
Future Compensation Payable	0	0	342	342
Other Withholding Taxes	0	0	2,906	2,906
Due to Other Funds	55,969	0	9,611	65,580
Due to State of Tennessee	0	0	12,629	12,629
Other Current Liabilities	363,830	0	0	363,830
Total Liabilities	<u>\$ 1,808,479</u>	<u>\$ 45,747</u>	<u>\$ 87,996</u>	<u>\$ 1,942,222</u>

(Continued)

## Exhibit I-2

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

	Major Funds		Nonmajor Funds	
	General Purpose School	Central Cafeteria	Other Govern- mental Funds	Total Governmental Funds
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 6,111,792	\$ 0	\$ 0	\$ 6,111,792
Deferred Delinquent Property Taxes	155,432	0	0	155,432
Other Deferred/Unavailable Revenue	396,912	0	0	396,912
Total Deferred Inflows of Resources	<u>\$ 6,664,136</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,664,136</u>
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Education	\$ 126,119	\$ 3,081,771	\$ 60,891	\$ 3,268,781
Restricted for Capital Projects	96,637	0	0	96,637
Restricted for Hybrid Retirement Stabilization Funds	156,288	0	0	156,288
Committed:				
Committed for Education	12,402	0	550,000	562,402
Assigned:				
Assigned for Education	582,149	0	0	582,149
Assigned for Capital Projects	277,061	0	0	277,061
Unassigned	10,402,514	0	0	10,402,514
Total Fund Balances	<u>\$ 11,653,170</u>	<u>\$ 3,081,771</u>	<u>\$ 610,891</u>	<u>\$ 15,345,832</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 20,125,785</u>	<u>\$ 3,127,518</u>	<u>\$ 698,887</u>	<u>\$ 23,952,190</u>

Exhibit I-3

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

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 15,345,832
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 828,228	
Add: construction in progress	43,841	
Add: building and improvements net of accumulated depreciation	22,656,717	
Add: other capital assets net of accumulated depreciation	<u>1,718,783</u>	25,247,569
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: compensated absences payable	\$ (620,452)	
Less: other postemployment benefits liability	<u>(15,913,849)</u>	(16,534,301)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 4,303,849	
Less: deferred inflows of resources related to pensions	(6,000,941)	
Add: deferred outflows of resources related to OPEB	4,485,946	
Less: deferred inflows of resources related to OPEB	<u>(3,294,565)</u>	(505,711)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan	\$ 1,793,925	
Add: net pension asset - teacher retirement plan	188,438	
Add: net pension asset - teacher legacy pension plan	<u>5,989,324</u>	7,971,687
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>552,344</u>
Net position of governmental activities (Exhibit A)		<u>\$ 32,077,420</u>

## Exhibit I-4

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

	Major Funds		Nonmajor Funds	
	General Purpose School	Central Cafeteria	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>				
Local Taxes	\$ 11,345,233	\$ 0	\$ 0	\$ 11,345,233
Licenses and Permits	891	0	0	891
Charges for Current Services	181,948	354,198	0	536,146
Other Local Revenues	87,490	90,083	0	177,573
State of Tennessee	32,656,271	28,998	0	32,685,269
Federal Government	279,537	2,491,880	4,188,007	6,959,424
Other Governments and Citizens Groups	17,746	0	960,032	977,778
Total Revenues	\$ 44,569,116	\$ 2,965,159	\$ 5,148,039	\$ 52,682,314
<u>Expenditures</u>				
Current:				
Instruction	\$ 26,723,159	\$ 0	\$ 2,915,120	\$ 29,638,279
Support Services	14,376,726	0	1,196,453	15,573,179
Operation of Non-Instructional Services	903,875	3,324,133	1,076,466	5,304,474
Capital Outlay	680,581	0	0	680,581
Total Expenditures	\$ 42,684,341	\$ 3,324,133	\$ 5,188,039	\$ 51,196,513
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,884,775	\$ (358,974)	\$ (40,000)	\$ 1,485,801
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 6,798	\$ 0	\$ 0	\$ 6,798
Transfers In	154,000	0	100,000	254,000
Transfers Out	(100,000)	(154,000)	0	(254,000)
Total Other Financing Sources (Uses)	\$ 60,798	\$ (154,000)	\$ 100,000	\$ 6,798

(Continued)

Exhibit I-4

Carter County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Governmental Funds  
Discretely Presented Carter County School Department (Cont.)

	Major Funds		Nonmajor Funds	
	General Purpose School	Central Cafeteria	Other Govern- mental Funds	Total Governmental Funds
Net Change in Fund Balances	\$ 1,945,573	\$ (512,974)	\$ 60,000	\$ 1,492,599
Fund Balance, July 1, 2019	9,707,597	3,594,745	550,891	13,853,233
Fund Balance, June 30, 2020	<u>\$ 11,653,170</u>	<u>\$ 3,081,771</u>	<u>\$ 610,891</u>	<u>\$ 15,345,832</u>



Exhibit I-5

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

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$ 1,492,599
(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	\$ 616,487	
Less: current-year depreciation expense	<u>(1,430,232)</u>	(813,745)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2020	\$ 552,344	
Less: deferred delinquent property taxes and other deferred June 30, 2019	<u>(591,150)</u>	(38,806)
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	\$ (13,252)	
Change in other postemployment benefits liability	3,418,405	
Change in net pension asset/liability	4,816,424	
Change in deferred outflows related to pensions	(665,187)	
Change in deferred inflows related to pensions	(2,426,663)	
Change in deferred outflows related to OPEB	96,053	
Change in deferred inflows related to OPEB	<u>(2,852,108)</u>	<u>2,373,672</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 3,013,720</u>

Exhibit I-6

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

	<u>Special Revenue Funds</u>		
	<u>School Federal Projects</u>	<u>Other Education Special Revenue</u>	<u>Total Nonmajor Governmental Funds</u>
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 483,820	\$ 121,668	\$ 605,488
Accounts Receivable	700	0	700
Due from Other Governments	37,304	0	37,304
Due from Other Funds	55,395	0	55,395
Total Assets	<u>\$ 577,219</u>	<u>\$ 121,668</u>	<u>\$ 698,887</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 1,761	\$ 962	\$ 2,723
Payroll Deductions Payable	44,213	15,572	59,785
Future Compensation Payable	318	24	342
Other Withholding Taxes	0	2,906	2,906
Due to Other Funds	9,611	0	9,611
Due to State of Tennessee	12,629	0	12,629
Total Liabilities	<u>\$ 68,532</u>	<u>\$ 19,464</u>	<u>\$ 87,996</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 58,687	\$ 2,204	\$ 60,891
Committed:			
Committed for Education	450,000	100,000	550,000
Total Fund Balances	<u>\$ 508,687</u>	<u>\$ 102,204</u>	<u>\$ 610,891</u>
Total Liabilities and Fund Balances	<u>\$ 577,219</u>	<u>\$ 121,668</u>	<u>\$ 698,887</u>

## Exhibit I-7

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

	<u>Special Revenue Funds</u>		<u>Total</u>
	<u>School</u>	<u>Other</u>	<u>Nonmajor</u>
	<u>Federal</u>	<u>Education</u>	<u>Governmental</u>
	<u>Projects</u>	<u>Special</u>	<u>Funds</u>
		<u>Revenue</u>	
<u>Revenues</u>			
Federal Government	\$ 4,100,612	\$ 87,395	\$ 4,188,007
Other Governments and Citizens Groups	0	960,032	960,032
Total Revenues	<u>\$ 4,100,612</u>	<u>\$ 1,047,427</u>	<u>\$ 5,148,039</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 2,915,120	\$ 0	\$ 2,915,120
Support Services	1,195,105	1,348	1,196,453
Operation of Non-Instructional Services	0	1,076,466	1,076,466
Total Expenditures	<u>\$ 4,110,225</u>	<u>\$ 1,077,814</u>	<u>\$ 5,188,039</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>\$ (9,613)</u>	<u>\$ (30,387)</u>	<u>\$ (40,000)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 0	\$ 100,000	\$ 100,000
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>
Net Change in Fund Balances	\$ (9,613)	\$ 69,613	\$ 60,000
Fund Balance, July 1, 2019	<u>518,300</u>	<u>32,591</u>	<u>550,891</u>
Fund Balance, June 30, 2020	<u><u>\$ 508,687</u></u>	<u><u>\$ 102,204</u></u>	<u><u>\$ 610,891</u></u>

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 11,345,233	\$ 0	\$ 0	\$ 11,345,233	\$ 10,466,551	\$ 10,466,551	\$ 878,682
Licenses and Permits	891	0	0	891	1,200	1,200	(309)
Charges for Current Services	181,948	0	0	181,948	220,464	220,464	(38,516)
Other Local Revenues	87,490	0	0	87,490	11,200	32,706	54,784
State of Tennessee	32,656,271	0	0	32,656,271	31,100,128	32,692,849	(36,578)
Federal Government	279,537	0	0	279,537	204,464	329,655	(50,118)
Other Governments and Citizens Groups	17,746	0	0	17,746	0	16,350	1,396
Total Revenues	\$ 44,569,116	\$ 0	\$ 0	\$ 44,569,116	\$ 42,004,007	\$ 43,759,775	\$ 809,341
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 21,343,622	\$ (90,652)	\$ 0	\$ 21,252,970	\$ 20,770,132	\$ 21,626,440	\$ 373,470
Alternative Instruction Program	154,903	0	0	154,903	172,613	175,997	21,094
Special Education Program	3,704,220	0	0	3,704,220	3,694,913	3,753,432	49,212
Career and Technical Education Program	1,502,354	0	0	1,502,354	1,444,651	1,567,510	65,156
COVID-19 Expenditures	18,060	0	0	18,060	0	18,060	0
<u>Support Services</u>							
Health Services	490,176	0	0	490,176	530,306	543,116	52,940
Other Student Support	1,253,001	0	0	1,253,001	1,280,772	1,400,159	147,158
Regular Instruction Program	1,387,610	0	0	1,387,610	1,498,625	1,522,432	134,822
Alternative Instruction Program	132,998	0	0	132,998	128,554	138,117	5,119
Special Education Program	514,646	0	0	514,646	444,377	481,254	(33,392)
Career and Technical Education Program	228,841	0	0	228,841	226,439	240,536	11,695
Technology	533,014	0	17,983	550,997	521,090	547,088	(3,909)
Other Programs	249,593	0	0	249,593	0	250,489	896
Board of Education	950,859	0	0	950,859	1,038,332	1,040,063	89,204
Director of Schools	409,137	0	0	409,137	457,778	425,382	16,245
Office of the Principal	2,470,334	0	0	2,470,334	2,472,095	2,520,750	50,416
Fiscal Services	171,044	0	0	171,044	154,000	171,044	0

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Operation of Plant	\$ 2,767,183	\$ 0	\$ 0	\$ 2,767,183	\$ 2,886,680	\$ 2,984,166	\$ 216,983
Maintenance of Plant	861,036	0	33,838	894,874	954,366	978,133	83,259
Transportation	1,955,285	(186,212)	94,118	1,863,191	2,192,137	2,232,420	369,229
Central and Other	1,969	0	0	1,969	0	9,370	7,401
<u>Operation of Non-Instructional Services</u>							
Food Service	0	0	0	0	0	923	923
Community Services	603,182	0	0	603,182	308,210	811,978	208,796
Early Childhood Education	300,693	0	0	300,693	0	306,715	6,022
<u>Capital Outlay</u>							
Regular Capital Outlay	680,581	(211,622)	243,223	712,182	926,033	1,029,027	316,845
Total Expenditures	\$ 42,684,341	\$ (488,486)	\$ 389,162	\$ 42,585,017	\$ 42,102,103	\$ 44,774,601	\$ 2,189,584
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,884,775	\$ 488,486	\$ (389,162)	\$ 1,984,099	\$ (98,096)	\$ (1,014,826)	\$ 2,998,925
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 6,798	\$ 0	\$ 0	\$ 6,798	\$ 0	\$ 0	\$ 6,798
Transfers In	154,000	0	0	154,000	154,000	154,000	0
Transfers Out	(100,000)	0	0	(100,000)	(31,400)	(131,400)	31,400
Total Other Financing Sources	\$ 60,798	\$ 0	\$ 0	\$ 60,798	\$ 122,600	\$ 22,600	\$ 38,198
Net Change in Fund Balance	\$ 1,945,573	\$ 488,486	\$ (389,162)	\$ 2,044,897	\$ 24,504	\$ (992,226)	\$ 3,037,123
Fund Balance, July 1, 2019	9,707,597	(488,486)	0	9,219,111	7,565,430	7,565,430	1,653,681
Fund Balance, June 30, 2020	\$ 11,653,170	\$ 0	\$ (389,162)	\$ 11,264,008	\$ 7,589,934	\$ 6,573,204	\$ 4,690,804

## Exhibit I-9

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 4,100,612	\$ 3,886,552	\$ 4,499,449	\$ (398,837)
Total Revenues	\$ 4,100,612	\$ 3,886,552	\$ 4,499,449	\$ (398,837)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,530,354	\$ 1,546,690	\$ 1,680,868	\$ 150,514
Special Education Program	1,267,068	1,130,441	1,261,204	(5,864)
Career and Technical Education Program	117,698	100,695	117,698	0
<u>Support Services</u>				
Other Student Support	247,398	262,539	290,783	43,385
Regular Instruction Program	466,070	506,568	575,937	109,867
Special Education Program	433,648	254,658	486,845	53,197
Career and Technical Education Program	1,153	1,153	2,306	1,153
Transportation	46,836	83,808	83,808	36,972
Total Expenditures	\$ 4,110,225	\$ 3,886,552	\$ 4,499,449	\$ 389,224
Excess (Deficiency) of Revenues Over Expenditures	\$ (9,613)	\$ 0	\$ 0	\$ (9,613)
Net Change in Fund Balance	\$ (9,613)	\$ 0	\$ 0	\$ (9,613)
Fund Balance, July 1, 2019	518,300	1,872	1,872	516,428
Fund Balance, June 30, 2020	\$ 508,687	\$ 1,872	\$ 1,872	\$ 506,815

Exhibit I-10

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 354,198	\$ 0	\$ 0	\$ 354,198	\$ 472,800	\$ 472,800	\$ (118,602)
Other Local Revenues	90,083	0	0	90,083	29,000	30,900	59,183
State of Tennessee	28,998	0	0	28,998	29,200	29,200	(202)
Federal Government	2,491,880	0	0	2,491,880	2,515,000	2,723,347	(231,467)
Total Revenues	\$ 2,965,159	\$ 0	\$ 0	\$ 2,965,159	\$ 3,046,000	\$ 3,256,247	\$ (291,088)
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Food Service	\$ 3,324,133	\$ (180,716)	\$ 137,458	\$ 3,280,875	\$ 3,239,098	\$ 3,662,722	\$ 381,847
Total Expenditures	\$ 3,324,133	\$ (180,716)	\$ 137,458	\$ 3,280,875	\$ 3,239,098	\$ 3,662,722	\$ 381,847
Excess (Deficiency) of Revenues Over Expenditures	\$ (358,974)	\$ 180,716	\$ (137,458)	\$ (315,716)	\$ (193,098)	\$ (406,475)	\$ 90,759
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (154,000)	\$ 0	\$ 0	\$ (154,000)	\$ (154,000)	\$ (154,000)	\$ 0
Total Other Financing Sources	\$ (154,000)	\$ 0	\$ 0	\$ (154,000)	\$ (154,000)	\$ (154,000)	\$ 0
Net Change in Fund Balance	\$ (512,974)	\$ 180,716	\$ (137,458)	\$ (469,716)	\$ (347,098)	\$ (560,475)	\$ 90,759
Fund Balance, July 1, 2019	3,594,745	(180,716)	0	3,414,029	3,369,665	3,369,665	44,364
Fund Balance, June 30, 2020	\$ 3,081,771	\$ 0	\$ (137,458)	\$ 2,944,313	\$ 3,022,567	\$ 2,809,190	\$ 135,123

## Exhibit I-11

Carter County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Carter County School Department  
Other Education Special Revenue Fund  
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 87,395	\$ 110,000	\$ 110,000	\$ (22,605)
Other Governments and Citizens Groups	960,032	1,056,400	1,004,915	(44,883)
Total Revenues	<u>\$ 1,047,427</u>	<u>\$ 1,166,400</u>	<u>\$ 1,114,915</u>	<u>\$ (67,488)</u>
<u>Expenditures</u>				
<u>Support Services</u>				
Operation of Plant	\$ 1,348	\$ 1,458	\$ 1,458	\$ 110
<u>Operation of Non-Instructional Services</u>				
Early Childhood Education	1,076,466	1,164,942	1,142,347	65,881
Total Expenditures	<u>\$ 1,077,814</u>	<u>\$ 1,166,400</u>	<u>\$ 1,143,805</u>	<u>\$ 65,991</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (30,387)</u>	<u>\$ 0</u>	<u>\$ (28,890)</u>	<u>\$ (1,497)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 100,000	\$ 0	\$ 100,000	\$ 0
Total Other Financing Sources	<u>\$ 100,000</u>	<u>\$ 0</u>	<u>\$ 100,000</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 69,613	\$ 0	\$ 71,110	\$ (1,497)
Fund Balance, July 1, 2019	<u>32,591</u>	<u>0</u>	<u>0</u>	<u>32,591</u>
Fund Balance, June 30, 2020	<u>\$ 102,204</u>	<u>\$ 0</u>	<u>\$ 71,110</u>	<u>\$ 31,094</u>



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## MISCELLANEOUS SCHEDULES

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Exhibit J-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-19	Paid and/or Matured During Period	Outstanding 6-30-20
<u>OTHER LOANS PAYABLE</u>							
<u>Public Building Authority Loan Agreements</u>							
<u>Payable through General Debt Service Fund</u>							
County and School Renovation and Construction	\$ 3,530,041	Variable	11-21-05	5-25-20	\$ 1,815,041	\$ 1,815,041	\$ 0
Total Other Loans Payable					<u>\$ 1,815,041</u>	<u>\$ 1,815,041</u>	<u>\$ 0</u>
<u>BONDS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
General Obligation Refunding Bonds, Series 2010	24,800,000	3.29 %	10-7-10	5-1-35	\$ 17,560,000	\$ 1,000,000	\$ 16,560,000
Total Bonds Payable					<u>\$ 17,560,000</u>	<u>\$ 1,000,000</u>	<u>\$ 16,560,000</u>

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2021	\$ 1,050,000	\$ 584,432	\$ 1,634,432
2022	1,075,000	552,931	1,627,931
2023	1,150,000	520,681	1,670,681
2024	1,100,000	486,182	1,586,182
2025	1,150,000	453,181	1,603,181
2026	1,200,000	418,681	1,618,681
2027	1,225,000	382,681	1,607,681
2028	1,300,000	344,400	1,644,400
2029	1,310,000	292,400	1,602,400
2030	1,000,000	240,000	1,240,000
2031	1,000,000	200,000	1,200,000
2032	1,000,000	160,000	1,160,000
2033	1,000,000	120,000	1,120,000
2034	1,000,000	80,000	1,080,000
2035	1,000,000	40,000	1,040,000
Total	<u>\$ 16,560,000</u>	<u>\$ 4,875,569</u>	<u>\$ 21,435,569</u>

Exhibit J-3

Carter County, Tennessee  
Schedule of Transfers  
Discretely Presented Carter County School Department  
For the Year Ended June 30, 2020

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>DISCRETELY PRESENTED CARTER</u>			
<u>COUNTY SCHOOL DEPARTMENT</u>			
Central Cafeteria	General Purpose School	Indirect costs	\$ 154,000
General Purpose School	Other Education Special Revenue	Cash Flow	<u>100,000</u>
Total Transfers Discretely Presented Carter County School Department			<u><u>\$ 254,000</u></u>

Exhibit J-4

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 111,965 (1)	\$ 400,000	Tennessee Risk Management Trust
Highway Superintendent	Section 8-24-102, <i>TCA</i>	96,475	400,000	"
Director of Schools	State Board of Education and County Board of Education	96,000 (2)	400,000	"
Trustee	Section 8-24-102, <i>TCA</i>	87,705	400,000	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	87,705	400,000	"
Finance Director	County Commission	87,705	400,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	87,705	400,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	87,705	400,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> and Chancery Court Judge	87,705 (3)	400,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	91,259 (1)	400,000	"
Sheriff	Section 8-24-102, <i>TCA</i> , and County Commission	102,625 (4)	400,000	"
Employee Blanket Bonds:				
Public Employee Dishonesty - County Departments			400,000	Tennessee Risk Management Trust
Public Employee Dishonesty - School Department			400,000	"

- (1) Includes \$4,367 for the county mayor and \$3,554 for the register of deeds to correct for underpayments to those officials in the prior year (see finding 2020-002 in the Single Audit Section of this report).
- (2) Does not include a chief executive officer supplement of \$1,000, contractual payments for travel allowance of \$2,400, payout of vacation and sick leave of \$8,348, and retirement bonus of \$15,000 paid in July 2020.
- (3) Does not include special commissioner fees of \$6,555.
- (4) Includes a county workhouse supplement of \$6,000. Does not include a law enforcement training supplement of \$1,400.

## Exhibit J-5

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

	Special Revenue Funds					Constitu - tional Officers - Fees
	General	Solid Waste / Sanitation	Health Department	Drug Control	Sports and Recreation	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 8,941,198	\$ 0	\$ 0	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	282,630	0	0	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	75,687	0	0	0	0	0
Interest and Penalty	87,275	0	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	13,365	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	166,980	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	2,996	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	1,007,509	0	169,000	0	125,000	0
Hotel/Motel Tax	154,682	0	0	0	0	0
Litigation Tax - General	133,821	0	0	0	0	0
Litigation Tax - Special Purpose	10,975	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	72,556	0	0	0	0	0
Litigation Tax - Courthouse Security	141,391	0	0	0	0	0
Business Tax	400,834	0	0	0	0	0
Mixed Drink Tax	2,857	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
Other County Local Option Taxes	141,034	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	89,252	0	0	0	0	0
Beer Privilege Tax	171,800	0	0	0	0	0
Total Local Taxes	\$ 11,896,842	\$ 0	\$ 169,000	\$ 0	\$ 125,000	\$ 0

(Continued)

## Exhibit J-5

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

	Special Revenue Funds					Constitu - tional Officers - Fees
	General	Solid Waste / Sanitation	Health Department	Drug Control	Sports and Recreation	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 1,344	\$ 0	\$ 0	\$ 0	\$ 0	0
Animal Registration	33,317	0	0	0	0	0
Cable TV Franchise	388,644	0	0	0	0	0
<u>Permits</u>						
Beer Permits	4,912	0	0	0	0	0
Building Permits	128,240	0	0	0	0	0
Electrical Permits	39,195	0	0	0	0	0
Other Permits	14,527	0	0	0	0	0
Total Licenses and Permits	\$ 610,179	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 6,525	\$ 0	\$ 0	\$ 0	\$ 0	0
Drug Control Fines	0	0	0	13,085	0	0
Drug Court Fees	1,090	0	0	0	0	0
Jail Fees	3,255	0	0	0	0	0
Judicial Commissioner Fees	823	0	0	0	0	0
DUI Treatment Fines	1,421	0	0	0	0	0
Data Entry Fee - Circuit Court	1,226	0	0	0	0	0
Courtroom Security Fee	654	0	0	0	0	0
Victims Assistance Assessments	44	0	0	0	0	0
<u>Criminal Court</u>						
Fines	228	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	133,587	0	0	0	0	0

(Continued)

## Exhibit J-5

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

	Special Revenue Funds					Constitu - tional Officers - Fees
	General	Solid Waste / Sanitation	Health Department	Drug Control	Sports and Recreation	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>General Sessions Court (Cont.)</u>						
Officers Costs	\$ 44,148	\$ 0	\$ 0	\$ 0	\$ 0	0
Drug Control Fines	0	0	0	3,147	0	0
Drug Court Fees	11,234	0	0	0	0	0
Jail Fees	11,394	0	0	0	0	0
Judicial Commissioner Fees	298	0	0	0	0	0
DUI Treatment Fines	11,326	0	0	0	0	0
Data Entry Fee - General Sessions Court	19,597	0	0	0	0	0
Courtroom Security Fee	355	0	0	0	0	0
Victims Assistance Assessments	714	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	174	0	0	0	0	0
Jail Fees	52	0	0	0	0	0
Data Entry Fee - Juvenile Court	1,058	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	2,704	0	0	0	0	0
Data Entry Fee - Chancery Court	4,864	0	0	0	0	0
Courtroom Security Fee	76	0	0	0	0	0
<u>Other Courts - In-county</u>						
Jail Fees	57	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	4,584	0	0	12,520	0	0
Other Fines, Forfeitures, and Penalties	5,216	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 266,704	\$ 0	\$ 0	\$ 28,752	\$ 0	0

(Continued)



## Exhibit J-5

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

	Special Revenue Funds					Constitu - tional Officers -
	General	Solid Waste / Sanitation	Health Department	Drug Control	Sports and Recreation	Fees
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Transfer Waste Stations Collection Charge	\$ 0	\$ 1,294,254	\$ 0	\$ 0	\$ 0	\$ 0
Tipping Fees	0	77,387	0	0	0	0
Patient Charges	16,692	0	0	0	0	0
Work Release Charges for Board	2,715	0	0	0	0	0
<u>Fees</u>						
Copy Fees	4,267	0	0	0	0	0
Archives and Records Management Fee	122,446	0	0	0	0	0
Telephone Commissions	126,745	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	6,555
Data Processing Fee - Register	15,858	0	0	0	0	0
Data Processing Fee - Sheriff	11,155	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	7,800	0	0	0	0	0
Data Processing Fee - County Clerk	3,864	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	2,765	0	0	0	0	0
Total Charges for Current Services	\$ 314,307	\$ 1,371,641	\$ 0	\$ 0	\$ 0	\$ 6,555
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 562,968	\$ 0	\$ 0	\$ 0	\$ 0	\$ 75
Lease/Rentals	161,968	20,420	0	0	0	0
Commissary Sales	28,598	0	0	0	0	0
Sale of Gasoline	0	0	0	0	0	0
Sale of Maps	1,000	0	0	0	0	0
Sale of Recycled Materials	0	47,713	0	0	0	0
Sale of Animals/Livestock	2,670	0	0	0	0	0
Miscellaneous Refunds	27,501	27,985	0	80	0	0

(Continued)

## Exhibit J-5

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

	Special Revenue Funds					Constitu - tional Officers - Fees
	General	Solid Waste / Sanitation	Health Department	Drug Control	Sports and Recreation	
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items</u>						
Sale of Equipment	\$ 6,939	\$ 0	\$ 0	\$ 24,190	\$ 0	\$ 0
Damages Recovered from Individuals	4,431	0	0	0	0	0
Contributions and Gifts	4,680	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	12,592	0	0	0	0	0
Total Other Local Revenues	\$ 813,347	\$ 96,118	\$ 0	\$ 24,270	\$ 0	\$ 75
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 475,020	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	130,549	0	0	0	0	0
General Sessions Court Clerk	360,215	0	0	0	0	0
Clerk and Master	180,703	0	0	0	0	0
Register	228,160	0	0	0	0	0
Sheriff	14,055	0	0	0	0	0
Trustee	754,466	0	0	0	0	0
Total Fees Received From County Officials	\$ 2,143,168	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Grants	0	85,552	0	0	0	0
Other General Government Grants	1,820	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	40,800	0	0	0	0	0

(Continued)

## Exhibit J-5

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

	Special Revenue Funds					Constitu - tional Officers - Fees
	General	Solid Waste / Sanitation	Health Department	Drug Control	Sports and Recreation	
<u>State of Tennessee (Cont.)</u>						
<u>Health and Welfare Grants</u>						
Health Department Programs	\$ 528,806	\$ 0	\$ 0	\$ 0	\$ 0	0
Other Health and Welfare Grants	35,786	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	0	0
State Aid Program	0	0	0	0	0	0
Litter Program	72,287	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	38,013	0	0	0	0	0
Beer Tax	18,175	0	0	0	0	0
Vehicle Certificate of Title Fees	7,061	0	0	0	0	0
Alcoholic Beverage Tax	110,894	0	0	0	0	0
State Revenue Sharing - T.V.A.	0	0	0	0	0	0
State Revenue Sharing - Telecommunications	66,394	0	0	0	0	0
Emergency Hospital - Prisoners	13,302	0	0	0	0	0
Contracted Prisoner Boarding	588,548	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
State Shared Sales Tax - Cities	9,049	0	0	0	0	0
Other State Revenues	59,857	27,544	0	0	0	0
Total State of Tennessee	\$ 1,614,956	\$ 113,096	\$ 0	\$ 0	\$ 0	0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 258,536	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

## Exhibit J-5

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

	Special Revenue Funds					Constitu - tional Officers - Fees
	General	Solid Waste / Sanitation	Health Department	Drug Control	Sports and Recreation	
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Civil Defense Reimbursement	\$ 41,500	\$ 0	\$ 0	\$ 0	\$ 0	0
Law Enforcement Grants	3,740	0	0	0	0	0
Other Federal through State	808	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Police Service (Lake Area)	13,421	0	0	0	0	0
Forest Service	17,961	0	0	0	0	0
Other Direct Federal Revenue	135,228	0	0	0	0	0
Total Federal Government	<u>\$ 471,194</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 981,071	\$ 0	\$ 0	\$ 0	\$ 0	0
Contributions	174,429	0	0	0	0	0
Contracted Services	646,817	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	17,072	0	0	711	0	0
Total Other Governments and Citizens Groups	<u>\$ 1,819,389</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 711</u>	<u>\$ 0</u>	<u>0</u>
Total	<u>\$ 19,950,086</u>	<u>\$ 1,580,855</u>	<u>\$ 169,000</u>	<u>\$ 53,733</u>	<u>\$ 125,000</u>	<u>\$ 6,630</u>

(Continued)

## Exhibit J-5

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

	Special Revenue Fund	Debt Service Fund	Total
	Highway / Public Works	General Debt Service	
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	\$ 1,142,374	\$ 1,832,925	\$ 11,916,497
Trustee's Collections - Prior Year	30,685	33,561	346,876
Circuit Clerk/Clerk and Master Collections - Prior Years	10,153	16,310	102,150
Interest and Penalty	10,321	13,749	111,345
Payments in-Lieu-of Taxes - T.V.A.	1,640	2,433	17,438
Payments in-Lieu-of Taxes - Local Utilities	21,334	34,230	222,544
Payments in-Lieu-of Taxes - Other	383	614	3,993
<u>County Local Option Taxes</u>			
Local Option Sales Tax	0	0	1,301,509
Hotel/Motel Tax	0	0	154,682
Litigation Tax - General	0	0	133,821
Litigation Tax - Special Purpose	0	0	10,975
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	72,556
Litigation Tax - Courthouse Security	0	0	141,391
Business Tax	0	0	400,834
Mixed Drink Tax	0	0	2,857
Mineral Severance Tax	83,061	0	83,061
Other County Local Option Taxes	0	0	141,034
<u>Statutory Local Taxes</u>			
Bank Excise Tax	11,403	18,296	118,951
Beer Privilege Tax	0	0	171,800
Total Local Taxes	\$ 1,311,354	\$ 1,952,118	\$ 15,454,314

(Continued)

## Exhibit J-5

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

	Special Revenue Fund	Debt Service Fund	Total
	Highway / Public Works	General Debt Service	
<u>Licenses and Permits</u>			
<u>Licenses</u>			
Marriage Licenses	\$ 0	\$ 0	\$ 1,344
Animal Registration	0	0	33,317
Cable TV Franchise	0	0	388,644
<u>Permits</u>			
Beer Permits	0	0	4,912
Building Permits	0	0	128,240
Electrical Permits	0	0	39,195
Other Permits	0	0	14,527
Total Licenses and Permits	\$ 0	\$ 0	\$ 610,179
<u>Fines, Forfeitures, and Penalties</u>			
<u>Circuit Court</u>			
Fines	\$ 0	\$ 0	\$ 6,525
Drug Control Fines	0	0	13,085
Drug Court Fees	0	0	1,090
Jail Fees	0	0	3,255
Judicial Commissioner Fees	0	0	823
DUI Treatment Fines	0	0	1,421
Data Entry Fee - Circuit Court	0	0	1,226
Courtroom Security Fee	0	0	654
Victims Assistance Assessments	0	0	44
<u>Criminal Court</u>			
Fines	0	0	228
<u>General Sessions Court</u>			
Fines	0	0	133,587

(Continued)

## Exhibit J-5

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

	Special Revenue Fund	Debt Service Fund	Total
	Highway / Public Works	General Debt Service	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>			
<u>General Sessions Court (Cont.)</u>			
Officers Costs	\$ 0	\$ 0	\$ 44,148
Drug Control Fines	0	0	3,147
Drug Court Fees	0	0	11,234
Jail Fees	0	0	11,394
Judicial Commissioner Fees	0	0	298
DUI Treatment Fines	0	0	11,326
Data Entry Fee - General Sessions Court	0	0	19,597
Courtroom Security Fee	0	0	355
Victims Assistance Assessments	0	0	714
<u>Juvenile Court</u>			
Fines	0	0	174
Jail Fees	0	0	52
Data Entry Fee - Juvenile Court	0	0	1,058
<u>Chancery Court</u>			
Officers Costs	0	0	2,704
Data Entry Fee - Chancery Court	0	0	4,864
Courtroom Security Fee	0	0	76
<u>Other Courts - In-county</u>			
Jail Fees	0	0	57
<u>Other Fines, Forfeitures, and Penalties</u>			
Proceeds from Confiscated Property	0	0	17,104
Other Fines, Forfeitures, and Penalties	0	0	5,216
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 295,456

(Continued)

## Exhibit J-5

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

	Special Revenue Fund	Debt Service Fund	Total
	Highway / Public Works	General Debt Service	
<u>Charges for Current Services</u>			
<u>General Service Charges</u>			
Transfer Waste Stations Collection Charge	\$ 0	\$ 0	\$ 1,294,254
Tipping Fees	0	0	77,387
Patient Charges	0	0	16,692
Work Release Charges for Board	0	0	2,715
<u>Fees</u>			
Copy Fees	0	0	4,267
Archives and Records Management Fee	0	0	122,446
Telephone Commissions	0	0	126,745
Special Commissioner Fees/Special Master Fees	0	0	6,555
Data Processing Fee - Register	0	0	15,858
Data Processing Fee - Sheriff	0	0	11,155
Sexual Offender Registration Fee - Sheriff	0	0	7,800
Data Processing Fee - County Clerk	0	0	3,864
Vehicle Insurance Coverage and Reinstatement Fees	0	0	2,765
Total Charges for Current Services	\$ 0	\$ 0	\$ 1,692,503
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$ 0	\$ 60,000	\$ 623,043
Lease/Rentals	0	0	182,388
Commissary Sales	0	0	28,598
Sale of Gasoline	189,244	0	189,244
Sale of Maps	0	0	1,000
Sale of Recycled Materials	1,846	0	49,559
Sale of Animals/Livestock	0	0	2,670
Miscellaneous Refunds	0	0	55,566

(Continued)



## Exhibit J-5

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

	Special Revenue Fund	Debt Service Fund	Total
	Highway / Public Works	General Debt Service	
<u>Other Local Revenues (Cont.)</u>			
<u>Nonrecurring Items</u>			
Sale of Equipment	\$ 17,666	\$ 0	\$ 48,795
Damages Recovered from Individuals	338	0	4,769
Contributions and Gifts	0	0	4,680
<u>Other Local Revenues</u>			
Other Local Revenues	0	0	12,592
Total Other Local Revenues	<u>\$ 209,094</u>	<u>\$ 60,000</u>	<u>\$ 1,202,904</u>
<u>Fees Received From County Officials</u>			
<u>Fees In-Lieu-of Salary</u>			
County Clerk	\$ 0	\$ 0	\$ 475,020
Circuit Court Clerk	0	0	130,549
General Sessions Court Clerk	0	0	360,215
Clerk and Master	0	0	180,703
Register	0	0	228,160
Sheriff	0	0	14,055
Trustee	0	0	754,466
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,143,168</u>
<u>State of Tennessee</u>			
<u>General Government Grants</u>			
Juvenile Services Program	\$ 0	\$ 0	\$ 9,000
Solid Waste Grants	0	0	85,552
Other General Government Grants	0	0	1,820
<u>Public Safety Grants</u>			
Law Enforcement Training Programs	0	0	40,800

(Continued)

## Exhibit J-5

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

	Special Revenue Fund	Debt Service Fund	Total
	Highway / Public Works	General Debt Service	
<u>State of Tennessee (Cont.)</u>			
<u>Health and Welfare Grants</u>			
Health Department Programs	\$ 0	\$ 0	\$ 528,806
Other Health and Welfare Grants	0	0	35,786
<u>Public Works Grants</u>			
Bridge Program	848,406	0	848,406
State Aid Program	245,472	0	245,472
Litter Program	0	0	72,287
<u>Other State Revenues</u>			
Income Tax	0	0	38,013
Beer Tax	0	0	18,175
Vehicle Certificate of Title Fees	0	0	7,061
Alcoholic Beverage Tax	0	0	110,894
State Revenue Sharing - T.V.A.	46,373	37,099	83,472
State Revenue Sharing - Telecommunications	0	0	66,394
Emergency Hospital - Prisoners	0	0	13,302
Contracted Prisoner Boarding	0	0	588,548
Gasoline and Motor Fuel Tax	2,501,788	0	2,501,788
Petroleum Special Tax	41,434	0	41,434
Registrar's Salary Supplement	0	0	15,164
State Shared Sales Tax - Cities	0	0	9,049
Other State Revenues	0	0	87,401
Total State of Tennessee	\$ 3,683,473	\$ 37,099	\$ 5,448,624
<u>Federal Government</u>			
<u>Federal Through State</u>			
Community Development	\$ 0	\$ 0	\$ 258,536

(Continued)

## Exhibit J-5

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

	Special Revenue Fund	Debt Service Fund	Total
	Highway / Public Works	General Debt Service	
<u>Federal Government (Cont.)</u>			
<u>Federal Through State (Cont.)</u>			
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 41,500
Law Enforcement Grants	0	0	3,740
Other Federal through State	0	0	808
<u>Direct Federal Revenue</u>			
Police Service (Lake Area)	0	0	13,421
Forest Service	25,444	0	43,405
Other Direct Federal Revenue	0	0	135,228
Total Federal Government	<u>\$ 25,444</u>	<u>\$ 0</u>	<u>\$ 496,638</u>
<u>Other Governments and Citizens Groups</u>			
<u>Other Governments</u>			
Prisoner Board	\$ 0	\$ 0	\$ 981,071
Contributions	0	0	174,429
Contracted Services	186,902	0	833,719
<u>Citizens Groups</u>			
Donations	0	0	17,783
Total Other Governments and Citizens Groups	<u>\$ 186,902</u>	<u>\$ 0</u>	<u>\$ 2,007,002</u>
Total	<u>\$ 5,416,267</u>	<u>\$ 2,049,217</u>	<u>\$ 29,350,788</u>

## Exhibit J-6

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

	Special Revenue Funds				Total
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 5,956,079	\$ 0	\$ 0	\$ 0	\$ 5,956,079
Trustee's Collections - Prior Year	173,668	0	0	0	173,668
Circuit Clerk/Clerk and Master Collections - Prior Years	55,306	0	0	0	55,306
Interest and Penalty	53,073	0	0	0	53,073
Payments in-Lieu-of Taxes - T.V.A.	17,207	0	0	0	17,207
Payments in-Lieu-of Taxes - Local Utilities	111,240	0	0	0	111,240
Payments in-Lieu-of Taxes - Other	1,996	0	0	0	1,996
<u>County Local Option Taxes</u>					
Local Option Sales Tax	4,915,347	0	0	0	4,915,347
Mixed Drink Tax	1,863	0	0	0	1,863
<u>Statutory Local Taxes</u>					
Bank Excise Tax	59,454	0	0	0	59,454
Total Local Taxes	\$ 11,345,233	\$ 0	\$ 0	\$ 0	\$ 11,345,233
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 891	\$ 0	\$ 0	\$ 0	\$ 891
Total Licenses and Permits	\$ 891	\$ 0	\$ 0	\$ 0	\$ 891
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Lunch Payments - Children	\$ 0	\$ 0	\$ 98,606	\$ 0	\$ 98,606
Lunch Payments - Adults	0	0	48,080	0	48,080
Income from Breakfast	0	0	53,590	0	53,590

(Continued)

## Exhibit J-6

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

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Total
<u>Charges for Current Services (Cont.)</u>					
<u>Education Charges (Cont.)</u>					
Special Milk Sales	\$ 0	\$ 0	\$ 178	\$ 0	\$ 178
A la Carte Sales	0	0	55,200	0	55,200
Contract for Instructional Services with Other LEA's	12,505	0	0	0	12,505
Receipts from Individual Schools	48,319	0	0	0	48,319
Community Service Fees - Children	121,124	0	0	0	121,124
Other Charges for Services	0	0	98,544	0	98,544
Total Charges for Current Services	\$ 181,948	\$ 0	\$ 354,198	\$ 0	\$ 536,146
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 4,888	\$ 0	\$ 61,621	\$ 0	\$ 66,509
Lease/Rentals	10,324	0	0	0	10,324
Sale of Recycled Materials	82	0	0	0	82
Rebates	0	0	18,978	0	18,978
Miscellaneous Refunds	4,779	0	728	0	5,507
<u>Nonrecurring Items</u>					
Sale of Equipment	10,429	0	0	0	10,429
Damages Recovered from Individuals	198	0	0	0	198
Contributions and Gifts	56,790	0	8,756	0	65,546
Total Other Local Revenues	\$ 87,490	\$ 0	\$ 90,083	\$ 0	\$ 177,573
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 249,249	\$ 0	\$ 0	\$ 0	\$ 249,249

(Continued)

## Exhibit J-6

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

	Special Revenue Funds					
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Total	
<u>State of Tennessee (Cont.)</u>						
<u>Health and Welfare Grants</u>						
Other Health and Welfare Grants	\$ 13,477	\$ 0	\$ 0	\$ 0	\$ 13,477	
<u>State Education Funds</u>						
Basic Education Program	30,527,755	0	0	0	30,527,755	
Early Childhood Education	302,627	0	0	0	302,627	
School Food Service	0	0	28,998	0	28,998	
Driver Education	15,529	0	0	0	15,529	
Other State Education Funds	300,116	0	0	0	300,116	
Coordinated School Health	99,883	0	0	0	99,883	
Internet Connectivity	7,632	0	0	0	7,632	
Family Resource Centers	29,612	0	0	0	29,612	
Career Ladder Program	119,199	0	0	0	119,199	
Other Vocational	36,000	0	0	0	36,000	
<u>Other State Revenues</u>						
State Revenue Sharing - T.V.A.	843,994	0	0	0	843,994	
Other State Grants	56,827	0	0	0	56,827	
Safe Schools	38,377	0	0	0	38,377	
Other State Revenues	15,994	0	0	0	15,994	
Total State of Tennessee	\$ 32,656,271	\$ 0	\$ 28,998	\$ 0	\$ 32,685,269	
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,637,546	\$ 0	\$ 1,637,546	
USDA - Commodities	0	0	208,347	0	208,347	
Breakfast	0	0	644,163	0	644,163	

(Continued)

## Exhibit J-6

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

	Special Revenue Funds				Total
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
USDA - Other	\$ 30,146	\$ 0	\$ 0	\$ 87,395	\$ 117,541
Vocational Education - Basic Grants to States	0	126,072	0	0	126,072
Other Vocational	0	87,946	0	0	87,946
Title I Grants to Local Education Agencies	0	1,950,897	0	0	1,950,897
Special Education - Grants to States	46,960	1,568,732	0	0	1,615,692
Special Education Preschool Grants	0	74,277	0	0	74,277
English Language Acquisition Grants	0	3,954	0	0	3,954
Education for Homeless Children and Youth	0	12,020	0	0	12,020
21st Century Community Learning Centers	107,361	0	0	0	107,361
Eisenhower Professional Development State Grants	0	276,714	0	0	276,714
COVID-19 Grant #1	488	0	1,824	0	2,312
COVID-19 Grant #4	17,388	0	0	0	17,388
Other Federal through State	860	0	0	0	860
<u>Direct Federal Revenue</u>					
Forest Service	76,334	0	0	0	76,334
Total Federal Government	\$ 279,537	\$ 4,100,612	\$ 2,491,880	\$ 87,395	\$ 6,959,424
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 100	\$ 0	\$ 0	\$ 0	\$ 100
Contracted Services	0	0	0	960,032	960,032
<u>Citizens Groups</u>					
Donations	17,646	0	0	0	17,646
Total Other Governments and Citizens Groups	\$ 17,746	\$ 0	\$ 0	\$ 960,032	\$ 977,778
Total	\$ 44,569,116	\$ 4,100,612	\$ 2,965,159	\$ 1,047,427	\$ 52,682,314

## Exhibit J-7

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

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	54,450	
Social Security		3,212	
Pensions		5,520	
Employer Medicare		790	
Audit Services		21,821	
Consultants		26,000	
Dues and Memberships		4,802	
Legal Notices, Recording, and Court Costs		1,060	
Other Supplies and Materials		19	
Workers' Compensation Insurance		2,300	
Other Charges		7,980	
Data Processing Equipment		5,720	
Total County Commission			\$ 133,674

Board of Equalization

Board and Committee Members Fees	\$	4,100	
Social Security		254	
Employer Medicare		59	
Other Supplies and Materials		99	
Total Board of Equalization			4,512

County Mayor/Executive

County Official/Administrative Officer	\$	112,123	
Secretary(ies)		34,462	
Part-time Personnel		178	
Overtime Pay		1,226	
Bonus Payments		250	
Social Security		8,829	
Pensions		21,328	
Life Insurance		43	
Medical Insurance		14,381	
Dental Insurance		456	
Unemployment Compensation		28	
Employer Medicare		2,065	
Legal Notices, Recording, and Court Costs		144	
Maintenance Agreements		1,505	
Postal Charges		9	
Rentals		776	
Travel		4,948	
Library Books/Media		444	
Office Supplies		1,995	
Other Supplies and Materials		200	
Workers' Compensation Insurance		395	
In Service/Staff Development		400	
Access Fees		250	
Tax Relief Program		60,461	
Other Charges		130	
Office Equipment		840	
Total County Mayor/Executive			267,866

(Continued)



## Exhibit J-7

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

General Fund (Cont.)General Government (Cont.)County Attorney

Other Salaries and Wages	\$	600	
Social Security		37	
Pensions		90	
Employer Medicare		9	
Legal Services		62,330	
Total County Attorney			\$ 63,066

Election Commission

Supervisor/Director	\$	75,972	
Deputy(ies)		32,103	
Data Processing Personnel		24,292	
Bonus Payments		500	
Other Salaries and Wages		5,665	
Board and Committee Members Fees		10,852	
Election Workers		33,351	
Social Security		9,825	
Pensions		19,346	
Life Insurance		65	
Medical Insurance		22,432	
Dental Insurance		685	
Unemployment Compensation		75	
Employer Medicare		2,298	
Communication		3,299	
Dues and Memberships		400	
Legal Notices, Recording, and Court Costs		6,769	
Maintenance Agreements		17,845	
Pest Control		420	
Postal Charges		4,063	
Rentals		6,487	
Travel		2,724	
Disposal Fees		1,404	
Office Supplies		4,080	
Software		428	
Other Supplies and Materials		30,493	
Workers' Compensation Insurance		334	
In Service/Staff Development		525	
Data Processing Equipment		951	
Office Equipment		75	
Total Election Commission			317,758

Register of Deeds

County Official/Administrative Officer	\$	91,259	
Deputy(ies)		82,378	
Bonus Payments		750	
Social Security		10,436	
Pensions		25,134	
Life Insurance		86	

(Continued)

## Exhibit J-7

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

General Fund (Cont.)General Government (Cont.)Register of Deeds (Cont.)

Medical Insurance	\$	28,326	
Dental Insurance		913	
Unemployment Compensation		84	
Employer Medicare		2,441	
Other Fringe Benefits		6,223	
Bank Charges		77	
Communication		1,186	
Data Processing Services		13,200	
Dues and Memberships		723	
Postal Charges		86	
Rentals		1,716	
Data Processing Supplies		420	
Office Supplies		5,362	
Software		160	
Workers' Compensation Insurance		391	
Data Processing Equipment		680	
Total Register of Deeds			\$ 272,031

Planning

Supervisor/Director	\$	49,751
Data Processing Personnel		21,692
Foremen		34,727
Part-time Personnel		3,047
Bonus Payments		1,250
Other Salaries and Wages		51,381
Board and Committee Members Fees		2,850
Social Security		10,911
Pensions		24,622
Life Insurance		108
Medical Insurance		30,652
Dental Insurance		1,141
Unemployment Compensation		152
Employer Medicare		2,552
Other Fringe Benefits		12,446
Communication		278
Dues and Memberships		1,358
Legal Notices, Recording, and Court Costs		100
Maintenance Agreements		5,460
Maintenance and Repair Services - Equipment		39
Maintenance and Repair Services - Vehicles		399
Pest Control		374
Postal Charges		361
Rentals		2,572
Travel		3,581
Remittance of Revenue Collected		36,900
Penalties		11
Gasoline		1,770

(Continued)

## Exhibit J-7

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

General Fund (Cont.)General Government (Cont.)Planning (Cont.)

Office Supplies	\$	1,627	
Tires and Tubes		532	
Vehicle and Equipment Insurance		1,176	
Workers' Compensation Insurance		300	
In Service/Staff Development		3,052	
Other Charges		1,271	
Motor Vehicles		3,903	
Office Equipment		3,035	
Total Planning			\$ 315,381

County Buildings

Custodial Personnel	\$	50,962
Bonus Payments		500
Social Security		3,083
Pensions		7,431
Life Insurance		43
Medical Insurance		14,381
Dental Insurance		456
Unemployment Compensation		56
Employer Medicare		721
Architects		13,182
Communication		37,263
Consultants		21,804
Evaluation and Testing		50
Maintenance and Repair Services - Buildings		63,813
Maintenance and Repair Services - Equipment		27,850
Maintenance and Repair Services - Vehicles		715
Pest Control		2,242
Printing, Stationery, and Forms		474
Disposal Fees		1,440
Permits		55
Other Contracted Services		8,779
Custodial Supplies		15,536
Electricity		203,247
Gasoline		151
Natural Gas		43,371
Water and Sewer		23,448
Chemicals		510
Software		6,921
Other Supplies and Materials		234
Boiler Insurance		5,400
Building and Contents Insurance		60,000
Vehicle and Equipment Insurance		294
Workers' Compensation Insurance		1,263
Access Fees		400
Other Charges		5,845
Building Improvements		231,179

(Continued)

## Exhibit J-7

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

General Fund (Cont.)General Government (Cont.)County Buildings (Cont.)

Furniture and Fixtures	\$	6,285	
Heating and Air Conditioning Equipment		11,620	
Maintenance Equipment		450	
Other Equipment		3,700	
Other Capital Outlay		220,256	
Total County Buildings			\$ 1,095,410

Other Facilities

Maintenance Personnel	\$	44,853	
Bonus Payments		500	
Social Security		2,651	
Pensions		6,401	
Life Insurance		25	
Medical Insurance		8,389	
Dental Insurance		266	
Unemployment Compensation		86	
Employer Medicare		620	
Other Fringe Benefits		3,630	
Communication		3,315	
Legal Notices, Recording, and Court Costs		27	
Maintenance and Repair Services - Buildings		3,355	
Maintenance and Repair Services - Equipment		741	
Permits		115	
Other Contracted Services		1,338	
Electricity		12,447	
Equipment and Machinery Parts		746	
Gasoline		304	
Natural Gas		8,305	
Office Supplies		112	
Water and Sewer		4,049	
Other Supplies and Materials		213	
Boiler Insurance		110	
Building and Contents Insurance		5,048	
Other Charges		477	
Data Processing Equipment		232	
Other Capital Outlay		93,447	
Total Other Facilities			201,802

Preservation of Records

Maintenance and Repair Services - Records	\$	9,965	
Total Preservation of Records			9,965

FinanceAccounting and Budgeting

Supervisor/Director	\$	87,705	
Deputy(ies)		49,751	
Accountants/Bookkeepers		148,574	

(Continued)

## Exhibit J-7

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

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

Purchasing Personnel	\$	20,412	
Part-time Personnel		1,730	
Overtime Pay		1,988	
Bonus Payments		1,500	
Social Security		19,437	
Pensions		44,808	
Life Insurance		144	
Medical Insurance		43,621	
Dental Insurance		1,522	
Unemployment Compensation		229	
Employer Medicare		4,546	
Other Fringe Benefits		8,816	
Accounting Services		1,358	
Legal Notices, Recording, and Court Costs		4,111	
Maintenance Agreements		27,615	
Postal Charges		6,108	
Rentals		2,091	
Travel		969	
Data Processing Supplies		1,103	
Office Supplies		5,418	
Software		238	
Premiums on Corporate Surety Bonds		50	
Workers' Compensation Insurance		663	
In Service/Staff Development		660	
Other Charges		2,845	
Data Processing Equipment		470	
Office Equipment		293	
Total Accounting and Budgeting			\$ 488,775

Property Assessor's Office

County Official/Administrative Officer	\$	87,705
Deputy(ies)		184,962
Bonus Payments		1,500
Social Security		16,055
Pensions		39,646
Life Insurance		144
Medical Insurance		58,779
Dental Insurance		1,598
Unemployment Compensation		168
Employer Medicare		3,755
Other Fringe Benefits		3,111
Audit Services		6,860
Communication		685
Contracts with Government Agencies		10,000
Dues and Memberships		1,967
Maintenance Agreements		3,000
Maintenance and Repair Services - Vehicles		3,002

(Continued)

## Exhibit J-7

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

General Fund (Cont.)Finance (Cont.)Property Assessor's Office (Cont.)

Postal Charges	\$	2,366	
Printing, Stationery, and Forms		142	
Rentals		2,014	
Gasoline		1,552	
Office Supplies		2,963	
Other Supplies and Materials		198	
Vehicle and Equipment Insurance		882	
Workers' Compensation Insurance		632	
Office Equipment		746	
Total Property Assessor's Office			\$ 434,432

Reappraisal Program

Deputy(ies)	\$	59,838	
Part-time Personnel		9,723	
Bonus Payments		650	
Social Security		4,303	
Pensions		8,712	
Life Insurance		43	
Medical Insurance		15,242	
Dental Insurance		456	
Unemployment Compensation		101	
Employer Medicare		1,006	
Communication		685	
Data Processing Services		6,267	
Data Processing Supplies		959	
Gasoline		997	
Office Supplies		1,100	
Total Reappraisal Program			110,082

County Trustee's Office

County Official/Administrative Officer	\$	87,705	
Deputy(ies)		113,078	
Clerical Personnel		18,993	
Bonus Payments		1,250	
Social Security		13,365	
Pensions		31,853	
Life Insurance		130	
Medical Insurance		43,853	
Dental Insurance		1,369	
Unemployment Compensation		144	
Employer Medicare		3,126	
Contracts with Government Agencies		21,704	
Dues and Memberships		1,162	
Legal Notices, Recording, and Court Costs		248	
Maintenance Agreements		13,208	
Postal Charges		2,167	
Rentals		1,485	

(Continued)

## Exhibit J-7

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

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

Travel	\$	469	
Office Supplies		2,247	
Workers' Compensation Insurance		460	
In Service/Staff Development		1,555	
Office Equipment		654	
Total County Trustee's Office			\$ 360,225

County Clerk's Office

County Official/Administrative Officer	\$	87,705	
Deputy(ies)		182,039	
Part-time Personnel		7,255	
Bonus Payments		1,900	
Social Security		16,556	
Pensions		39,489	
Life Insurance		162	
Medical Insurance		54,744	
Dental Insurance		1,826	
Unemployment Compensation		222	
Employer Medicare		3,943	
Other Fringe Benefits		6,223	
Communication		1,310	
Dues and Memberships		898	
Maintenance Agreements		22,785	
Postal Charges		14,192	
Printing, Stationery, and Forms		927	
Rentals		4,464	
Data Processing Supplies		435	
Office Supplies		5,949	
Workers' Compensation Insurance		547	
Data Processing Equipment		17,650	
Total County Clerk's Office			471,221

Administration of JusticeCircuit Court

County Official/Administrative Officer	\$	87,705	
Clerical Personnel		356,428	
Part-time Personnel		60,923	
Bonus Payments		3,900	
Social Security		30,823	
Pensions		64,035	
Life Insurance		274	
Medical Insurance		86,382	
Dental Insurance		2,758	
Unemployment Compensation		631	
Employer Medicare		7,209	
Other Fringe Benefits		4,408	
Communication		10	

(Continued)

## Exhibit J-7

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

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

Dues and Memberships	\$	1,427	
Legal Notices, Recording, and Court Costs		443	
Maintenance Agreements		14,400	
Postal Charges		5,160	
Rentals		6,405	
Travel		673	
Office Supplies		8,876	
Software		795	
Workers' Compensation Insurance		830	
In Service/Staff Development		440	
Office Equipment		3,487	
Total Circuit Court			\$ 748,422

General Sessions Court

Judge(s)	\$	171,035	
Secretary(ies)		25,242	
Bonus Payments		250	
Social Security		9,377	
Pensions		28,244	
Life Insurance		43	
Medical Insurance		11,269	
Dental Insurance		456	
Unemployment Compensation		28	
Employer Medicare		2,728	
Other Fringe Benefits		3,111	
Communication		103	
Dues and Memberships		1,104	
Maintenance Agreements		350	
Postal Charges		110	
Library Books/Media		1,061	
Office Supplies		1,236	
Uniforms		258	
Workers' Compensation Insurance		589	
Office Equipment		3,121	
Total General Sessions Court			259,715

Drug Court

Remittance of Revenue Collected	\$	12,324	
Total Drug Court			12,324

Chancery Court

County Official/Administrative Officer	\$	87,705	
Assistant(s)		12,161	
Clerical Personnel		137,371	
Bonus Payments		1,000	
Social Security		14,512	
Pensions		32,577	

(Continued)



## Exhibit J-7

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

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

Life Insurance	\$	100	
Medical Insurance		32,480	
Dental Insurance		1,141	
Unemployment Compensation		140	
Employer Medicare		3,394	
Other Fringe Benefits		12,446	
Dues and Memberships		918	
Legal Notices, Recording, and Court Costs		15,954	
Maintenance Agreements		20,610	
Maintenance and Repair Services - Equipment		336	
Postal Charges		3,185	
Rentals		2,600	
Travel		369	
Office Supplies		5,328	
Periodicals		1,110	
Workers' Compensation Insurance		470	
Other Charges		305	
Data Processing Equipment		26,805	
Office Equipment		956	
Total Chancery Court			\$ 413,973

Other Administration of Justice

Jury and Witness Expense	\$	5,596	
Evaluation and Testing		900	
Medical and Dental Services		300	
Postal Charges		590	
Other Supplies and Materials		1,547	
Vehicle and Equipment Insurance		294	
Other Charges		391	
Total Other Administration of Justice			9,618

Public SafetySheriff's Department

County Official/Administrative Officer	\$	102,625	
Deputy(ies)		1,267,741	
Investigator(s)		481,029	
Accountants/Bookkeepers		31,961	
Salary Supplements		73,200	
Dispatchers/Radio Operators		209,463	
Clerical Personnel		67,725	
Part-time Personnel		114,864	
School Resource Officer		477,346	
Overtime Pay		284,857	
Bonus Payments		21,000	
Social Security		190,445	
Pensions		416,438	
Life Insurance		1,612	

(Continued)

## Exhibit J-7

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

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

Medical Insurance	\$	397,569	
Dental Insurance		16,452	
Unemployment Compensation		2,809	
Employer Medicare		44,651	
Other Fringe Benefits		121,348	
Advertising		872	
Communication		68,853	
Confidential Drug Enforcement Payments		1,500	
Dues and Memberships		3,000	
Evaluation and Testing		4,180	
Operating Lease Payments		15,528	
Maintenance Agreements		18,770	
Maintenance and Repair Services - Buildings		64	
Maintenance and Repair Services - Equipment		7,887	
Maintenance and Repair Services - Vehicles		72,959	
Medical and Dental Services		5,125	
Pest Control		1,800	
Postal Charges		2,857	
Printing, Stationery, and Forms		1,649	
Rentals		26,556	
Towing Services		1,275	
Transportation - Other than Students		4,149	
Travel		29,170	
Remittance of Revenue Collected		2,100	
Disposal Fees		1,600	
Permits		72	
Penalties		52	
Other Contracted Services		5,011	
Custodial Supplies		500	
Gasoline		119,186	
Law Enforcement Supplies		12,013	
Office Supplies		12,523	
Tires and Tubes		16,034	
Uniforms		31,529	
Vehicle Parts		38,388	
Software		276,165	
Other Supplies and Materials		327	
Liability Insurance		11,116	
Premiums on Corporate Surety Bonds		100	
Vehicle and Equipment Insurance		26,467	
Workers' Compensation Insurance		75,865	
In Service/Staff Development		18,886	
Other Charges		578	
Law Enforcement Equipment		201,517	
Motor Vehicles		124,532	
Office Equipment		4,864	
Total Sheriff's Department	\$		5,568,754

(Continued)

## Exhibit J-7

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

General Fund (Cont.)Public Safety (Cont.)Jail

Guards	\$	1,272,597	
Cafeteria Personnel		115,095	
Maintenance Personnel		64,295	
Part-time Personnel		69,187	
Overtime Pay		249,676	
Bonus Payments		13,200	
Social Security		110,124	
Pensions		244,198	
Life Insurance		1,079	
Medical Insurance		258,895	
Dental Insurance		11,279	
Unemployment Compensation		2,255	
Employer Medicare		25,755	
Other Fringe Benefits		66,638	
Contracts with Government Agencies		2,680	
Maintenance Agreements		7,121	
Maintenance and Repair Services - Buildings		31,620	
Maintenance and Repair Services - Equipment		33,529	
Medical and Dental Services		687,515	
Printing, Stationery, and Forms		2,864	
Penalties		30	
Other Contracted Services		512	
Custodial Supplies		39,562	
Drugs and Medical Supplies		6,554	
Equipment Parts - Light		865	
Equipment and Machinery Parts		199	
Food Preparation Supplies		15,486	
Food Supplies		356,582	
Law Enforcement Supplies		3,106	
Prisoners Clothing		14,999	
Propane Gas		75	
Uniforms		16,999	
Other Supplies and Materials		3,497	
Liability Insurance		11,116	
Vehicle and Equipment Insurance		588	
Workers' Compensation Insurance		48,746	
In Service/Staff Development		2,270	
Other Charges		2,119	
Building Improvements		96,336	
Law Enforcement Equipment		40,818	
Other Equipment		171	
Other Capital Outlay		3,935	
Total Jail			\$ 3,934,167

Juvenile Services

Youth Service Officer(s)	\$	62,904
Bonus Payments		500

(Continued)

## Exhibit J-7

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

General Fund (Cont.)Public Safety (Cont.)Juvenile Services (Cont.)

Social Security	\$	3,832	
Pensions		9,155	
Life Insurance		43	
Medical Insurance		14,381	
Dental Insurance		456	
Unemployment Compensation		86	
Employer Medicare		896	
Communication		301	
Contracts with Government Agencies		127,381	
Evaluation and Testing		191	
Postal Charges		7	
Travel		501	
Office Supplies		377	
Workers' Compensation Insurance		85	
Total Juvenile Services			\$ 221,096

Fire Prevention and Control

Contributions	\$	426,269	
Total Fire Prevention and Control			426,269

Rescue Squad

Contributions	\$	272,700	
Total Rescue Squad			272,700

Other Emergency Management

Supervisor/Director	\$	38,332	
Deputy(ies)		27,976	
Overtime Pay		2,677	
Bonus Payments		500	
Social Security		4,308	
Pensions		10,046	
Life Insurance		43	
Medical Insurance		8,052	
Dental Insurance		456	
Unemployment Compensation		54	
Employer Medicare		1,007	
Communication		2,951	
Dues and Memberships		110	
Maintenance and Repair Services - Vehicles		2,845	
Printing, Stationery, and Forms		44	
Rentals		407	
Other Contracted Services		16,588	
Gasoline		1,803	
Office Supplies		238	
Uniforms		423	
Vehicle Parts		152	
Software		182	

(Continued)

## Exhibit J-7

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

General Fund (Cont.)Public Safety (Cont.)Other Emergency Management (Cont.)

Other Supplies and Materials	\$	2,471	
Vehicle and Equipment Insurance		882	
Workers' Compensation Insurance		36	
In Service/Staff Development		470	
Hazardous Waste Cleanup		740	
Other Charges		98	
Other Equipment		699	
Total Other Emergency Management			\$ 124,590

Inspection and Regulation

Supervisor/Director	\$	3,023	
Social Security		188	
Pensions		436	
Unemployment Compensation		2	
Employer Medicare		44	
Total Inspection and Regulation			3,693

County Coroner/Medical Examiner

Bonus Payments	\$	150	
Other Per Diem and Fees		13,800	
Social Security		865	
Unemployment Compensation		54	
Employer Medicare		202	
Communication		1,262	
Maintenance and Repair Services - Vehicles		825	
Drugs and Medical Supplies		1,110	
Gasoline		439	
Premiums on Corporate Surety Bonds		100	
Vehicle and Equipment Insurance		294	
Motor Vehicles		35,765	
Total County Coroner/Medical Examiner			54,866

Other Public Safety

Board and Committee Members Fees	\$	2,450	
Social Security		43	
Pensions		90	
Unemployment Compensation		1	
Employer Medicare		10	
Total Other Public Safety			2,594

Public Health and WelfareLocal Health Center

Bonus Payments	\$	2,750	
Other Salaries and Wages		294,898	
Social Security		18,138	
Pensions		42,898	
Life Insurance		227	

(Continued)

## Exhibit J-7

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

General Fund (Cont.)Public Health and Welfare (Cont.)Local Health Center (Cont.)

Medical Insurance	\$	63,223	
Dental Insurance		2,320	
Unemployment Compensation		369	
Employer Medicare		4,242	
Other Fringe Benefits		15,039	
Travel		7,096	
Liability Insurance		5,140	
Workers' Compensation Insurance		7,893	
In Service/Staff Development		35	
Other Charges		1,309	
Total Local Health Center			\$ 465,577

Rabies and Animal Control

Supervisor/Director	\$	49,751
Attendants		86,503
Part-time Personnel		52,852
Overtime Pay		110
Bonus Payments		1,900
Social Security		11,607
Pensions		19,738
Life Insurance		106
Medical Insurance		34,912
Dental Insurance		1,122
Unemployment Compensation		377
Employer Medicare		2,715
Other Fringe Benefits		4,927
Communication		1,951
Maintenance and Repair Services - Buildings		3,353
Maintenance and Repair Services - Vehicles		1,228
Pest Control		300
Postal Charges		33
Printing, Stationery, and Forms		420
Rentals		3,328
Veterinary Services		37,301
Disposal Fees		639
Other Contracted Services		1,415
Animal Food and Supplies		15,148
Custodial Supplies		10,140
Drugs and Medical Supplies		7,765
Electricity		7,899
Gasoline		1,636
Office Supplies		608
Propane Gas		4,996
Uniforms		417
Water and Sewer		4,519
Software		347
Other Supplies and Materials		4,778

(Continued)

## Exhibit J-7

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

General Fund (Cont.)Public Health and Welfare (Cont.)Rabies and Animal Control (Cont.)

Vehicle and Equipment Insurance	\$	1,176	
Workers' Compensation Insurance		4,942	
Other Charges		3,006	
Building Improvements		41,504	
Total Rabies and Animal Control			\$ 425,469

Ambulance/Emergency Medical Services

Other Contracted Services	\$	213,663	
Total Ambulance/Emergency Medical Services			213,663

General Welfare Assistance

Contributions	\$	12,000	
Total General Welfare Assistance			12,000

Other Local Welfare Services

Contributions	\$	22,495	
Pauper Burials		10,200	
Remittance of Revenue Collected		758	
Total Other Local Welfare Services			33,453

Recycling Center

Building Purchases	\$	380,000	
Other Capital Outlay		41,438	
Total Recycling Center			421,438

Other Public Health and Welfare

Contracts with Other Public Agencies	\$	59,540	
Contributions		63,540	
Other Supplies and Materials		595	
Other Charges		615	
Total Other Public Health and Welfare			124,290

Social, Cultural, and Recreational ServicesSenior Citizens Assistance

Contributions	\$	52,570	
Total Senior Citizens Assistance			52,570

Libraries

Contributions	\$	75,000	
Total Libraries			75,000

Parks and Fair Boards

Contributions	\$	25,000	
Other Capital Outlay		14,259	
Total Parks and Fair Boards			39,259

(Continued)

## Exhibit J-7

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

General Fund (Cont.)Social, Cultural, and Recreational Services (Cont.)Other Social, Cultural, and Recreational

Contributions	\$	20,000	
Total Other Social, Cultural, and Recreational			\$ 20,000

Agriculture and Natural ResourcesAgricultural Extension Service

Other Salaries and Wages	\$	74,231	
Other Fringe Benefits		29,943	
Communication		1,682	
Contributions		1,500	
Pest Control		408	
Rentals		2,031	
Travel		834	
Electricity		1,547	
Gasoline		78	
Natural Gas		1,180	
Water and Sewer		477	
Other Charges		216	
Office Equipment		878	
Total Agricultural Extension Service			115,005

Other Agriculture and Natural Resources

Contracts with Government Agencies	\$	32,000	
Contributions		1,000	
Total Other Agriculture and Natural Resources			33,000

Other OperationsTourism

Contributions	\$	138,343	
Total Tourism			138,343

Housing and Urban Development

Other Contracted Services	\$	12	
Total Housing and Urban Development			12

Other Economic and Community Development

Contributions	\$	33,262	
Total Other Economic and Community Development			33,262

Veterans' Services

Supervisor/Director	\$	34,993	
Bonus Payments		250	
Social Security		2,185	
Pensions		5,089	
Life Insurance		22	
Unemployment Compensation		28	
Employer Medicare		511	
Postal Charges		18	

(Continued)



## Exhibit J-7

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

General Fund (Cont.)Other Operations (Cont.)Veterans' Services (Cont.)

Rentals	\$	341	
Travel		722	
Other Contracted Services		449	
Office Supplies		144	
Uniforms		148	
Workers' Compensation Insurance		158	
Total Veterans' Services			\$ 45,058

Miscellaneous

Postal Charges	\$	375	
Remittance of Revenue Collected		2,470	
Liability Insurance		47,786	
Refunds		158	
Trustee's Commission		240,205	
Vehicle and Equipment Insurance		294	
Other Charges		84	
Total Miscellaneous			291,372

HighwaysLitter and Trash Collection

Guards	\$	18,976	
Maintenance and Repair Services - Vehicles		190	
Disposal Fees		1,893	
Instructional Supplies and Materials		14,490	
Prisoners Clothing		999	
Vehicle Parts		382	
Other Supplies and Materials		1,353	
Liability Insurance		500	
Workers' Compensation Insurance		500	
Total Litter and Trash Collection			39,283

Total General Fund \$ 19,177,035

Solid Waste/Sanitation FundPublic Health and WelfareConvenience Centers

Attendants	\$	17,471	
Part-time Personnel		6,637	
Bonus Payments		400	
Social Security		1,520	
Pensions		2,552	
Life Insurance		11	
Unemployment Compensation		25	
Employer Medicare		355	
Communication		1,473	
Printing, Stationery, and Forms		210	
Rentals		282	

(Continued)

## Exhibit J-7

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

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

Electricity	\$	1,161	
Water and Sewer		288	
Other Charges		578	
Total Convenience Centers			\$ 32,963

Recycling Center

Attendants	\$	23,704	
Part-time Personnel		17,013	
Overtime Pay		2,220	
Bonus Payments		400	
Social Security		2,601	
Pensions		3,721	
Life Insurance		22	
Medical Insurance		7,190	
Dental Insurance		228	
Unemployment Compensation		67	
Employer Medicare		608	
Communication		926	
Maintenance and Repair Services - Buildings		46,795	
Maintenance and Repair Services - Equipment		3,378	
Rentals		182	
Electricity		4,575	
Equipment and Machinery Parts		3,018	
Office Supplies		609	
Propane Gas		2,284	
Small Tools		124	
Water and Sewer		284	
Wire		3,000	
Other Supplies and Materials		326	
Building and Contents Insurance		343	
Other Charges		468	
Other Capital Outlay		33,139	
Total Recycling Center			157,225

Landfill Operation and Maintenance

Supervisor/Director	\$	50,833	
Truck Drivers		45,212	
Attendants		135,152	
Part-time Personnel		49,740	
Overtime Pay		25,056	
Bonus Payments		2,700	
Social Security		18,993	
Pensions		37,067	
Life Insurance		174	
Medical Insurance		42,032	
Dental Insurance		1,921	
Unemployment Compensation		573	

(Continued)

## Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)Public Health and Welfare (Cont.)Landfill Operation and Maintenance (Cont.)

Employer Medicare	\$	4,442	
Other Fringe Benefits		14,002	
Communication		7,290	
Dues and Memberships		295	
Evaluation and Testing		13,372	
Legal Notices, Recording, and Court Costs		327	
Maintenance and Repair Services - Buildings		7,030	
Maintenance and Repair Services - Equipment		45,283	
Maintenance and Repair Services - Vehicles		17,880	
Pest Control		300	
Postal Charges		490	
Travel		1,633	
Disposal Fees		572,031	
Permits		6,946	
Penalties		67	
Crushed Stone		8,912	
Custodial Supplies		1,289	
Diesel Fuel		61,597	
Electricity		3,898	
Equipment and Machinery Parts		40,093	
Garage Supplies		78	
Gasoline		6,553	
Lubricants		6,187	
Office Supplies		3,047	
Propane Gas		2,896	
Road Signs		1,020	
Small Tools		1,020	
Tires and Tubes		28,954	
Uniforms		4,188	
Vehicle Parts		13,355	
Water and Sewer		1,160	
Software		480	
Other Supplies and Materials		373	
Liability Insurance		4,202	
Vehicle and Equipment Insurance		6,764	
Workers' Compensation Insurance		14,720	
In Service/Staff Development		275	
Other Charges		2,193	
Data Processing Equipment		7,556	
Motor Vehicles		42,000	
Building Purchases		1,449	
Solid Waste Equipment		225,517	
Other Capital Outlay		43,419	
Total Landfill Operation and Maintenance	\$		1,634,036

(Continued)

## Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)Other OperationsMiscellaneous

Trustee's Commission	\$ 14,192	
Total Miscellaneous		\$ 14,192

Total Solid Waste/Sanitation Fund \$ 1,838,416

Health Department FundPublic Health and WelfareLocal Health Center

Advertising	\$ 9	
Communication	11,374	
Contracts with Government Agencies	62,914	
Contracts with Private Agencies	30,480	
Dues and Memberships	200	
Maintenance and Repair Services - Buildings	14,481	
Pest Control	260	
Postal Charges	1,130	
Disposal Fees	3,886	
Custodial Supplies	3,121	
Electricity	22,980	
Natural Gas	4,177	
Office Supplies	1,152	
Water and Sewer	4,082	
Other Supplies and Materials	1,017	
Liability Insurance	59	
Other Charges	729	
Total Local Health Center		\$ 162,051

Total Health Department Fund 162,051

Drug Control FundPublic SafetySheriff's Department

Confidential Drug Enforcement Payments	\$ 5,000	
Travel	3,829	
Veterinary Services	418	
Other Supplies and Materials	5,460	
Refunds	218	
In Service/Staff Development	4,934	
Other Charges	999	
Law Enforcement Equipment	3,838	
Motor Vehicles	31,927	
Office Equipment	204	
Total Sheriff's Department		\$ 56,827

Other OperationsMiscellaneous

Trustee's Commission	\$ 221	
Total Miscellaneous		221

Total Drug Control Fund 57,048

(Continued)

## Exhibit J-7

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

Sports and Recreation FundSocial, Cultural, and Recreational ServicesParks and Fair Boards

Contributions	\$	51,100	
Electricity		549	
Access Fees		275	
Other Charges		552	
Other Capital Outlay		51,862	
Total Parks and Fair Boards			\$ 104,338

Total Sports and Recreation Fund \$ 104,338

Constitutional Officers - Fees FundFinanceCounty Clerk's Office

Bank Charges	\$	75	
Total County Clerk's Office			\$ 75

Administration of JusticeChancery Court

Special Commissioner Fees/Special Master Fees	\$	6,555	
Total Chancery Court			6,555

Total Constitutional Officers - Fees Fund 6,630

Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$	96,475	
Assistant(s)		49,846	
Secretary(ies)		72,973	
Maintenance Personnel		24,193	
Overtime Pay		3,265	
Bonus Payments		1,000	
Social Security		14,839	
Pensions		35,670	
Life Insurance		90	
Medical Insurance		28,409	
Dental Insurance		1,141	
Unemployment Compensation		112	
Employer Medicare		3,470	
Other Fringe Benefits		9,334	
Accounting Services		37,840	
Dues and Memberships		4,332	
Evaluation and Testing		1,515	
Legal Notices, Recording, and Court Costs		320	
Maintenance and Repair Services - Buildings		600	
Pest Control		700	
Postal Charges		110	
Printing, Stationery, and Forms		88	

(Continued)

## Exhibit J-7

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Administration (Cont.)

Travel	\$	269	
Disposal Fees		123	
Permits		250	
Penalties		173	
Other Contracted Services		194	
Custodial Supplies		1,807	
Office Supplies		1,836	
Periodicals		120	
Software		79	
Workers' Compensation Insurance		904	
In Service/Staff Development		325	
Building Improvements		1,310	
Communication Equipment		7,859	
Office Equipment		2,338	
Total Administration			\$ 403,909

Highway and Bridge Maintenance

Foremen	\$	107,636
Equipment Operators		95,060
Truck Drivers		351,673
Laborers		226,677
Part-time Personnel		70,125
Overtime Pay		23,260
Bonus Payments		7,850
Social Security		53,527
Pensions		116,901
Life Insurance		578
Medical Insurance		191,329
Dental Insurance		6,353
Unemployment Compensation		1,018
Employer Medicare		12,518
Other Fringe Benefits		27,485
Maintenance and Repair Services - Equipment		1,280
Rentals		4,782
Permits		2,550
Other Contracted Services		1,132
Asphalt - Hot Mix		531,037
Asphalt - Liquid		2,048
Concrete		5,623
Crushed Stone		92,831
Equipment Parts - Light		29
Equipment and Machinery Parts		299
Garage Supplies		130
General Construction Materials		2,602
Other Road Materials		41,343
Pipe		23,992
Pipe - Metal		360

(Continued)

## Exhibit J-7

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Highway and Bridge Maintenance (Cont.)

Propane Gas	\$	1,214	
Road Signs		5,635	
Small Tools		671	
Uniforms		27,072	
Vehicle Parts		8	
Chemicals		965	
Other Supplies and Materials		3,621	
Workers' Compensation Insurance		20,735	
Total Highway and Bridge Maintenance			\$ 2,061,949

Operation and Maintenance of Equipment

Mechanic(s)	\$	85,454	
Overtime Pay		2,976	
Bonus Payments		750	
Social Security		5,412	
Pensions		12,678	
Life Insurance		59	
Medical Insurance		20,635	
Dental Insurance		628	
Unemployment Compensation		110	
Employer Medicare		1,266	
Freight Expenses		1,366	
Maintenance and Repair Services - Buildings		1,150	
Maintenance and Repair Services - Equipment		35,059	
Maintenance and Repair Services - Vehicles		4,508	
Rentals		2,400	
Towing Services		1,100	
Disposal Fees		570	
Other Contracted Services		4,880	
Diesel Fuel		134,326	
Equipment Parts - Heavy		1,998	
Equipment Parts - Light		6,219	
Equipment and Machinery Parts		73,111	
Garage Supplies		12,604	
Gasoline		132,118	
Lubricants		6,260	
Small Tools		4,067	
Tires and Tubes		33,773	
Vehicle Parts		50,286	
Other Supplies and Materials		2,187	
Workers' Compensation Insurance		47,876	
Total Operation and Maintenance of Equipment			685,826

Other Charges

Communication	\$	7,675	
Electricity		11,231	
Natural Gas		4,303	

(Continued)

## Exhibit J-7

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Other Charges (Cont.)

Other Road Materials	\$	487	
Water and Sewer		1,719	
Liability Insurance		20,231	
Trustee's Commission		51,484	
Vehicle and Equipment Insurance		18,221	
Other Charges		<u>1,547</u>	
Total Other Charges			\$ 116,898

Capital Outlay

Engineering Services	\$	348,789	
Legal Notices, Recording, and Court Costs		394	
Liability Insurance		1,000	
Bridge Construction		644,901	
Furniture and Fixtures		1,973	
Highway Equipment		339,513	
Right-of-Way		7,195	
State Aid Projects		247,208	
Other Capital Outlay		<u>973,344</u>	
Total Capital Outlay			<u>2,564,317</u>

Total Highway/Public Works Fund \$ 5,832,899

General Debt Service FundPrincipal on DebtGeneral Government

Principal on Bonds	\$	<u>1,000,000</u>	
Total General Government			\$ 1,000,000

Education

Principal on Other Loans	\$	<u>1,815,041</u>	
Total Education			1,815,041

Interest on DebtGeneral Government

Interest on Bonds	\$	<u>624,431</u>	
Total General Government			624,431

Education

Interest on Other Loans	\$	<u>7,498</u>	
Total Education			7,498

Other Debt ServiceGeneral Government

Trustee's Commission	\$	38,847	
Other Debt Service		<u>181</u>	
Total General Government			39,028

(Continued)



Exhibit J-7

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

<u>General Debt Service Fund (Cont.)</u>			
<u>Other Debt Service (Cont.)</u>			
<u>Education</u>			
Other Debt Service	\$	2,980	
Total Education			\$ 2,980
Total General Debt Service Fund			\$ 3,488,978
Total Governmental Funds - Primary Government			\$ 30,667,395

## Exhibit J-8

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

General Purpose School FundInstructionRegular Instruction Program

Teachers	\$ 13,963,625	
Career Ladder Program	85,500	
Homebound Teachers	51,783	
Salary Supplements	160,971	
Educational Assistants	338,859	
Bonus Payments	15,100	
Certified Substitute Teachers	58,668	
Non-certified Substitute Teachers	162,085	
Social Security	874,916	
Pensions	1,421,512	
Life Insurance	8,177	
Medical Insurance	2,385,273	
Dental Insurance	85,480	
Unemployment Compensation	3,416	
Employer Medicare	207,298	
Termination Benefits	174,184	
Other Fringe Benefits	339,557	
Contracts with Private Agencies	375,264	
Payments to Schools - Other	337,190	
Other Contracted Services	16,750	
Instructional Supplies and Materials	131,177	
Office Supplies	889	
Textbooks - Bound	9,287	
Software	24,041	
Other Supplies and Materials	1,009	
In Service/Staff Development	10,741	
Other Charges	548	
Office Equipment	4,466	
Regular Instruction Equipment	95,856	
Total Regular Instruction Program		\$ 21,343,622

Alternative Instruction Program

Teachers	\$ 114,906	
Social Security	7,033	
Pensions	9,748	
Life Insurance	68	
Medical Insurance	19,100	
Dental Insurance	724	
Unemployment Compensation	30	
Employer Medicare	1,645	
Instructional Supplies and Materials	1,550	
Other Supplies and Materials	99	
Total Alternative Instruction Program		154,903

Special Education Program

Teachers	\$ 1,841,121
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(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Career Ladder Program	\$	6,500	
Homebound Teachers		50,343	
Educational Assistants		447,286	
Speech Pathologist		238,724	
Bonus Payments		21,000	
Other Salaries and Wages		3,165	
Social Security		151,947	
Pensions		269,004	
Life Insurance		1,953	
Medical Insurance		582,171	
Dental Insurance		19,908	
Unemployment Compensation		855	
Employer Medicare		35,534	
Operating Lease Payments		413	
Rentals		1,054	
Instructional Supplies and Materials		6,297	
Other Supplies and Materials		19,249	
Other Charges		1,158	
Special Education Equipment		6,538	
Total Special Education Program			\$ 3,704,220

Career and Technical Education Program

Teachers	\$	981,318	
Career Ladder Program		1,000	
Educational Assistants		23,929	
Bonus Payments		500	
Social Security		60,937	
Pensions		96,157	
Life Insurance		580	
Medical Insurance		154,459	
Dental Insurance		5,903	
Unemployment Compensation		230	
Employer Medicare		14,251	
Evaluation and Testing		8,318	
Travel		1,673	
Remittance of Revenue Collected		5,772	
Penalties		70	
Instructional Supplies and Materials		56,674	
Textbooks - Bound		10,025	
Vocational Instruction Equipment		80,558	
Total Career and Technical Education Program			1,502,354

COVID-19 Expenditures

Remittance of Revenue Collected	\$	17,410	
Other Supplies and Materials		650	
Total COVID-19 Expenditures			18,060

(Continued)

## Exhibit J-8

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

General Purpose School Fund (Cont.)Support ServicesHealth Services

Supervisor/Director	\$	45,289	
Medical Personnel		236,611	
Salary Supplements		4,894	
Bonus Payments		3,500	
Other Salaries and Wages		18,000	
Certified Substitute Teachers		13,574	
Social Security		18,998	
Pensions		44,413	
Life Insurance		334	
Medical Insurance		81,111	
Dental Insurance		3,515	
Unemployment Compensation		131	
Employer Medicare		4,443	
Licenses		300	
Travel		2,648	
Drugs and Medical Supplies		6,464	
Office Supplies		213	
Other Supplies and Materials		2,091	
In Service/Staff Development		315	
Other Charges		500	
Data Processing Equipment		2,832	
Total Health Services			\$ 490,176

Other Student Support

Career Ladder Program	\$	3,000	
Guidance Personnel		628,497	
Bonus Payments		250	
Social Security		37,290	
Pensions		60,966	
Life Insurance		323	
Medical Insurance		82,870	
Dental Insurance		3,434	
Unemployment Compensation		129	
Employer Medicare		8,721	
Contracts with Government Agencies		375,487	
Other Equipment		52,034	
Total Other Student Support			1,253,001

Regular Instruction Program

Supervisor/Director	\$	277,797	
Career Ladder Program		7,000	
Librarians		599,532	
Secretary(ies)		5,153	
Bonus Payments		550	
Other Salaries and Wages		29,310	
Social Security		54,743	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Pensions	\$	97,209	
Life Insurance		420	
Medical Insurance		120,635	
Dental Insurance		4,442	
Unemployment Compensation		157	
Employer Medicare		13,284	
Other Fringe Benefits		12,104	
Advertising		5,898	
Communication		2,085	
Licenses		5,792	
Maintenance Agreements		20,040	
Payments to Schools - Other		28,000	
Printing, Stationery, and Forms		1,965	
Rentals		11,701	
Travel		12,139	
Other Contracted Services		6,047	
Library Books/Media		47,418	
Office Supplies		2,339	
Other Supplies and Materials		6,284	
In Service/Staff Development		10,807	
Other Charges		4,259	
Data Processing Equipment		500	
Total Regular Instruction Program			\$ 1,387,610

Alternative Instruction Program

Supervisor/Director	\$	63,836	
Career Ladder Program		1,000	
Secretary(ies)		14,016	
Bonus Payments		550	
Other Salaries and Wages		21,185	
Social Security		6,007	
Pensions		9,023	
Life Insurance		50	
Medical Insurance		15,360	
Dental Insurance		537	
Unemployment Compensation		29	
Employer Medicare		1,405	
Total Alternative Instruction Program			132,998

Special Education Program

Supervisor/Director	\$	75,455	
Career Ladder Program		1,500	
Psychological Personnel		47,993	
Assessment Personnel		55,209	
Clerical Personnel		29,700	
Bonus Payments		1,500	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Other Salaries and Wages	\$	3,013	
Social Security		13,069	
Pensions		24,617	
Life Insurance		250	
Medical Insurance		30,658	
Dental Insurance		1,073	
Unemployment Compensation		207	
Employer Medicare		3,056	
Communication		381	
Contracts with Private Agencies		141,541	
Rentals		3,984	
Travel		18,357	
Other Contracted Services		24,268	
Office Supplies		2,123	
Other Supplies and Materials		1,078	
In Service/Staff Development		27,559	
Other Charges		1,458	
Other Equipment		6,597	
Total Special Education Program			\$ 514,646

Career and Technical Education Program

Supervisor/Director	\$	68,554	
Career Ladder Program		1,000	
Salary Supplements		2,061	
Secretary(ies)		25,402	
Part-time Personnel		2,871	
Bonus Payments		250	
Other Salaries and Wages		45,684	
Social Security		7,475	
Pensions		14,075	
Life Insurance		76	
Medical Insurance		24,052	
Dental Insurance		671	
Unemployment Compensation		22	
Employer Medicare		1,748	
Dues and Memberships		119	
Maintenance and Repair Services - Equipment		6,262	
Rentals		6,125	
Travel		6,825	
Office Supplies		1,796	
Software		6,013	
In Service/Staff Development		667	
Other Charges		7,093	
Total Career and Technical Education Program			228,841

(Continued)

## Exhibit J-8

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

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

Supervisor/Director	\$	48,388	
Data Processing Personnel		179,246	
Bonus Payments		1,500	
Social Security		13,541	
Pensions		34,233	
Life Insurance		144	
Medical Insurance		40,589	
Dental Insurance		1,583	
Unemployment Compensation		55	
Employer Medicare		3,167	
Communication		19,831	
Maintenance and Repair Services - Equipment		7,816	
Internet Connectivity		47,507	
Travel		2,418	
Penalties		25	
Other Contracted Services		18,702	
Data Processing Supplies		1,110	
Office Supplies		420	
Uniforms		1,200	
Software		20,520	
Other Supplies and Materials		19,345	
In Service/Staff Development		3,000	
Data Processing Equipment		64,516	
Office Equipment		1,859	
Regular Instruction Equipment		2,299	
Total Technology			\$ 533,014

Other Programs

Temporary Personnel	\$	319	
Social Security		20	
Employer Medicare		5	
On-behalf Payments to OPEB		249,249	
Total Other Programs			249,593

Board of Education

Bonus Payments	\$	2,650	
Board and Committee Members Fees		9,900	
Social Security		704	
Pensions		1,464	
Employer Medicare		182	
Accounting Services		1,150	
Advertising		4,042	
Audit Services		29,000	
Dues and Memberships		7,457	
Legal Services		26,366	
Maintenance Agreements		3,250	

(Continued)

## Exhibit J-8

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

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

Travel	\$	18,560	
Other Contracted Services		7,611	
Boiler Insurance		11,166	
Building and Contents Insurance		203,816	
Liability Insurance		57,573	
Premiums on Corporate Surety Bonds		13,958	
Trustee's Commission		259,204	
Vehicle and Equipment Insurance		62,807	
Workers' Compensation Insurance		211,382	
In Service/Staff Development		5,790	
Access Fees		8,500	
Criminal Investigation of Applicants - TBI		1,301	
Other Charges		3,026	
Total Board of Education			\$ 950,859

Director of Schools

County Official/Administrative Officer	\$	96,000	
Salary Supplements		2,145	
Secretary(ies)		111,297	
Clerical Personnel		39,510	
Bonus Payments		1,250	
Other Salaries and Wages		1,992	
Social Security		14,614	
Pensions		33,408	
Life Insurance		149	
Medical Insurance		45,565	
Dental Insurance		1,583	
Unemployment Compensation		57	
Employer Medicare		3,417	
Dues and Memberships		11,243	
Maintenance Agreements		26,833	
Postal Charges		4,916	
Travel		3,780	
Penalties		119	
Office Supplies		3,367	
Other Charges		7,786	
Administration Equipment		106	
Total Director of Schools			409,137

Office of the Principal

Principals	\$	914,736	
Career Ladder Program		7,000	
Assistant Principals		498,372	
Secretary(ies)		235,763	
Clerical Personnel		120,317	
Educational Assistants		8,834	

(Continued)



## Exhibit J-8

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

General Purpose School Fund (Cont.)Support Services (Cont.)Office of the Principal (Cont.)

Bonus Payments	\$	5,850	
Social Security		106,307	
Pensions		203,349	
Life Insurance		1,111	
Medical Insurance		317,904	
Dental Insurance		11,832	
Unemployment Compensation		428	
Employer Medicare		24,990	
Maintenance Agreements		12,344	
Travel		713	
Office Supplies		484	
Total Office of the Principal			\$ 2,470,334

Fiscal Services

Accounting Services	\$	169,400	
Fiscal Agent Charges		1,644	
Total Fiscal Services			171,044

Operation of Plant

Custodial Personnel	\$	804,900	
Bonus Payments		12,600	
Social Security		49,554	
Pensions		73,240	
Life Insurance		753	
Medical Insurance		187,449	
Dental Insurance		7,754	
Unemployment Compensation		406	
Employer Medicare		11,590	
Communication		49,246	
Contracts with Private Agencies		85,032	
Evaluation and Testing		7,062	
Maintenance and Repair Services - Buildings		28	
Payments to Schools - Other		77,812	
Pest Control		19,200	
Rentals		12,750	
Disposal Fees		18,868	
Permits		305	
Penalties		3	
Other Contracted Services		4,954	
Custodial Supplies		18,897	
Electricity		1,013,850	
Natural Gas		210,450	
Water and Sewer		73,967	
Other Equipment		26,513	
Total Operation of Plant			2,767,183

(Continued)

## Exhibit J-8

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

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

Supervisor/Director	\$	53,719	
Secretary(ies)		27,702	
Maintenance Personnel		264,609	
Bonus Payments		2,750	
Social Security		21,440	
Pensions		52,108	
Life Insurance		275	
Medical Insurance		66,883	
Dental Insurance		2,924	
Unemployment Compensation		103	
Employer Medicare		5,015	
Evaluation and Testing		18,971	
Laundry Service		4,256	
Maintenance and Repair Services - Buildings		87,454	
Maintenance and Repair Services - Equipment		81,648	
Rentals		675	
Travel		99	
Disposal Fees		190	
Other Contracted Services		8,181	
Custodial Supplies		1,512	
Equipment and Machinery Parts		2,801	
General Construction Materials		1,673	
Office Supplies		925	
Road Signs		105	
Small Tools		1,986	
Chemicals		4,058	
Other Supplies and Materials		4,673	
Other Charges		9,975	
Building Improvements		86,346	
Heating and Air Conditioning Equipment		33,980	
Maintenance Equipment		14,000	
Total Maintenance of Plant			\$ 861,036

Transportation

Supervisor/Director	\$	48,387
Mechanic(s)		104,281
Bus Drivers		601,235
Clerical Personnel		53,395
Attendants		33,577
Bonus Payments		15,200
Other Salaries and Wages		2,200
Social Security		50,695
Pensions		118,450
Life Insurance		1,396
Medical Insurance		340,373
Dental Insurance		14,247

(Continued)

## Exhibit J-8

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

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

Unemployment Compensation	\$	395	
Employer Medicare		12,022	
Contracts with Parents		4,020	
Evaluation and Testing		9,005	
Laundry Service		2,353	
Maintenance and Repair Services - Equipment		230	
Maintenance and Repair Services - Vehicles		4,673	
Medical and Dental Services		4,257	
Rentals		3,789	
Disposal Fees		1,218	
Penalties		5	
Other Contracted Services		5,340	
Crushed Stone		1,525	
Custodial Supplies		173	
Diesel Fuel		98,138	
Garage Supplies		11,454	
Gasoline		56,732	
Lubricants		15,060	
Natural Gas		2,332	
Office Supplies		2,491	
Propane Gas		12	
Tires and Tubes		12,661	
Vehicle Parts		115,407	
Other Charges		1,653	
Transportation Equipment		193,054	
Other Equipment		13,850	
Total Transportation			\$ 1,955,285

Central and Other

Library Books/Media	\$	330	
Regular Instruction Equipment		1,639	
Total Central and Other			1,969

Operation of Non-Instructional ServicesCommunity Services

Supervisor/Director	\$	57,824	
Teachers		137,832	
Clerical Personnel		56,726	
Educational Assistants		121,201	
Overtime Pay		9,620	
Bonus Payments		250	
Other Salaries and Wages		66,477	
Social Security		26,411	
Pensions		33,089	
Life Insurance		48	
Medical Insurance		14,808	

(Continued)

## Exhibit J-8

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

General Purpose School Fund (Cont.)Operation of Non-Instructional Services (Cont.)Community Services (Cont.)

Dental Insurance	\$	506	
Unemployment Compensation		169	
Employer Medicare		6,337	
Travel		1,332	
Penalties		1	
Other Contracted Services		7,000	
Food Preparation Supplies		220	
Food Supplies		31,535	
Instructional Supplies and Materials		1,170	
Office Supplies		1,565	
Other Supplies and Materials		3,528	
In Service/Staff Development		2,210	
Other Charges		3,572	
Office Equipment		727	
Other Equipment		19,024	
Total Community Services	\$		603,182

Early Childhood Education

Supervisor/Director	\$	38,605	
Teachers		123,084	
Clerical Personnel		8,628	
Educational Assistants		39,485	
Other Salaries and Wages		45	
Non-certified Substitute Teachers		2,132	
Social Security		13,005	
Pensions		17,694	
Life Insurance		151	
Medical Insurance		39,924	
Dental Insurance		1,610	
Unemployment Compensation		65	
Employer Medicare		3,041	
Communication		324	
Operating Lease Payments		3,000	
Travel		495	
Instructional Supplies and Materials		7,764	
Other Supplies and Materials		1,228	
In Service/Staff Development		318	
Other Charges		95	
Total Early Childhood Education			300,693

Capital OutlayRegular Capital Outlay

Architects	\$	59,801	
Building Improvements		418,333	
Other Equipment		192	
Other Capital Outlay		202,255	
Total Regular Capital Outlay			680,581

Total General Purpose School Fund \$ 42,684,341

(Continued)

Exhibit J-8

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

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	646,830	
Educational Assistants		282,277	
Other Salaries and Wages		117,640	
Social Security		58,349	
Pensions		80,201	
Life Insurance		494	
Medical Insurance		141,826	
Dental Insurance		5,259	
Unemployment Compensation		2,167	
Employer Medicare		14,514	
Instructional Supplies and Materials		21,333	
Regular Instruction Equipment		159,464	
Total Regular Instruction Program			\$ 1,530,354

Special Education Program

Teachers	\$	123,926	
Educational Assistants		610,582	
Social Security		43,346	
Pensions		98,473	
Life Insurance		1,305	
Medical Insurance		337,742	
Dental Insurance		13,174	
Unemployment Compensation		2,225	
Employer Medicare		10,135	
Instructional Supplies and Materials		12,480	
Other Supplies and Materials		8,184	
Special Education Equipment		5,496	
Total Special Education Program			1,267,068

Career and Technical Education Program

Vocational Instruction Equipment	\$	117,698	
Total Career and Technical Education Program			117,698

Support Services

Other Student Support

Social Workers	\$	36,000	
Social Security		2,232	
Pensions		5,378	
Life Insurance		25	
Medical Insurance		6,444	
Dental Insurance		268	
Unemployment Compensation		70	
Employer Medicare		522	
Communication		616	
Evaluation and Testing		154,815	
Travel		1,216	

(Continued)

## Exhibit J-8

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

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

Other Supplies and Materials	\$	32,130	
In Service/Staff Development		6,854	
Other Charges		828	
Total Other Student Support			\$ 247,398

Regular Instruction Program

Supervisor/Director	\$	56,211	
Secretary(ies)		21,387	
Other Salaries and Wages		218,919	
Social Security		17,470	
Pensions		32,264	
Life Insurance		131	
Medical Insurance		37,770	
Dental Insurance		1,398	
Unemployment Compensation		432	
Employer Medicare		4,086	
Communication		983	
Operating Lease Payments		4,445	
Travel		3,324	
Other Supplies and Materials		6,149	
In Service/Staff Development		55,189	
Other Equipment		5,912	
Total Regular Instruction Program			466,070

Special Education Program

Other Salaries and Wages	\$	247,253	
Social Security		15,125	
Pensions		29,518	
Life Insurance		141	
Medical Insurance		40,707	
Dental Insurance		1,497	
Unemployment Compensation		276	
Employer Medicare		3,538	
Contracts with Private Agencies		80,523	
Other Supplies and Materials		2,659	
In Service/Staff Development		12,411	
Total Special Education Program			433,648

Career and Technical Education Program

Travel	\$	153	
In Service/Staff Development		1,000	
Total Career and Technical Education Program			1,153

Transportation

Bus Drivers	\$	9,756	
Other Salaries and Wages		25,864	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Social Security	\$	2,293	
Pensions		1,458	
Life Insurance		25	
Medical Insurance		6,160	
Dental Insurance		268	
Unemployment Compensation		79	
Employer Medicare		552	
Contracts with Parents		381	
Total Transportation			\$ 46,836

Total School Federal Projects Fund \$ 4,110,225

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	48,387	
Salary Supplements		15,900	
Clerical Personnel		27,702	
Cafeteria Personnel		962,718	
Bonus Payments		15,550	
Other Salaries and Wages		32,418	
Social Security		66,436	
Pensions		114,740	
Life Insurance		1,084	
Medical Insurance		280,786	
Dental Insurance		11,269	
Unemployment Compensation		4,459	
Employer Medicare		15,537	
Other Fringe Benefits		16,576	
Accounting Services		22,090	
Communication		5,068	
Contracts with Private Agencies		912	
Dues and Memberships		210	
Maintenance Agreements		7,629	
Maintenance and Repair Services - Equipment		39,261	
Travel		3,180	
Remittance of Revenue Collected		1,824	
Disposal Fees		20,755	
Other Contracted Services		16,411	
Food Preparation Supplies		103,760	
Food Supplies		1,055,470	
Office Supplies		2,885	
Uniforms		8,485	
Chemicals		1,870	
USDA - Commodities		208,347	
Other Supplies and Materials		3,909	

(Continued)

Exhibit J-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

In Service/Staff Development	\$	1,221	
Criminal Investigation of Applicants - TBI		281	
Food Service Equipment		168,178	
Motor Vehicles		24,150	
Office Equipment		2,901	
Other Capital Outlay		11,774	
Total Food Service			\$ 3,324,133

Total Central Cafeteria Fund \$ 3,324,133

Other Education Special Revenue Fund

Support Services

Operation of Plant

Custodial Personnel	\$	1,239	
Social Security		86	
Unemployment Compensation		3	
Employer Medicare		20	
Total Operation of Plant			\$ 1,348

Operation of Non-Instructional Services

Early Childhood Education

Supervisor/Director	\$	53,768	
Teachers		275,807	
Clerical Personnel		19,849	
Educational Assistants		108,831	
Other Salaries and Wages		137,759	
Certified Substitute Teachers		16,883	
Non-certified Substitute Teachers		7,207	
Social Security		36,371	
Pensions		70,706	
Life Insurance		519	
Medical Insurance		135,910	
Dental Insurance		5,576	
Unemployment Compensation		1,241	
Employer Medicare		8,506	
Communication		4,015	
Dues and Memberships		459	
Operating Lease Payments		7,316	
Maintenance and Repair Services - Buildings		3,113	
Maintenance and Repair Services - Equipment		915	
Rentals		4,616	
Travel		4,585	
Penalties		174	
Food Supplies		87,567	
Instructional Supplies and Materials		58,967	
Utilities		1,541	

(Continued)



Exhibit J-8

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

Other Education Special Revenue Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Other Supplies and Materials	\$	5,063	
Judgments		793	
In Service/Staff Development		4,341	
Other Charges		13,718	
Office Equipment		350	
Total Early Childhood Education			<u>\$ 1,076,466</u>

Total Other Education Special Revenue Fund		<u>\$ 1,077,814</u>
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Total Governmental Funds - Carter County School Department		<u><u>\$ 51,196,513</u></u>
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Exhibit J-9

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

	Cities - Sales Tax Fund	City School ADA - Elizabethton Fund	City School ADA - Johnson City Fund	Total
<u>Cash Receipts</u>				
Current Property Taxes	\$ 0	\$ 3,060,432	\$ 122,751	\$ 3,183,183
Trustee's Collections - Prior Years	0	121,394	4,445	125,839
Circuit/Clerk and Master Collections - Prior Years	0	28,528	1,042	29,570
Interest and Penalty	0	29,353	1,073	30,426
Payments in-Lieu-of Taxes - Local Utilities	0	57,380	2,086	59,466
Payments in-Lieu-of Taxes - Other	0	1,030	37	1,067
Local Option Sales Tax	5,594,824	2,495,746	91,335	8,181,905
Mixed Drink Tax	0	1,048	38	1,086
Bank Excise Tax	0	30,667	1,122	31,789
Marriage Licenses	0	460	17	477
Donations	0	24	1	25
Total Cash Receipts	\$ 5,594,824	\$ 5,826,062	\$ 223,947	\$ 11,644,833
<u>Cash Disbursements</u>				
Remittance of Revenues Collected	\$ 5,538,876	\$ 5,687,177	\$ 220,367	\$ 11,446,420
Trustee's Commission	55,948	91,047	3,328	150,323
Total Cash Disbursements	\$ 5,594,824	\$ 5,778,224	\$ 223,695	\$ 11,596,743
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ 47,838	\$ 252	\$ 48,090
Cash Balance, July 1, 2019	0	263,019	11,100	274,119
Cash Balance, June 30, 2020	\$ 0	\$ 310,857	\$ 11,352	\$ 322,209

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## **SINGLE AUDIT SECTION**

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JASON E. MUMPOWER  
*Comptroller*

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carter County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Carter County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated February 16, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Carter County'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Carter County's internal control. Accordingly, we do not express an opinion on the effectiveness of Carter County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be a significant deficiency: 2020-004(B).

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Carter County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2020-001, 2020-002, 2020-003, 2020-004(A), and 2020-005.

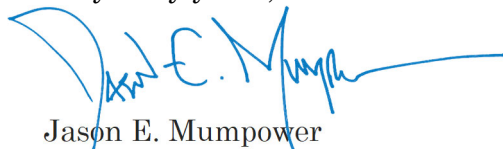
### **Carter County's Responses to the Findings**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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 Carter County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Jason E. Mumpower  
Comptroller of the Treasury  
Nashville, Tennessee

February 16, 2021

JEM/tg



JASON E. MUMPOWER  
*Comptroller*

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

**Independent Auditor's Report**

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

To the County Mayor and Board of County Commissioners:

**Report on Compliance for Each Major Federal Program**

We have audited Carter County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Carter County's major federal programs for the year ended June 30, 2020. Carter County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on Each Major Federal Program***

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

### **Report on Internal Control Over Compliance**

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the

requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carter County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Carter County's basic financial statements. We issued our report thereon dated February 16, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Jason E. Mumpower  
Comptroller of the Treasury  
Nashville, Tennessee

February 16, 2021

JEM/tg



Carter County, Tennessee, and the Carter County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (8) (9)  
For the Year-Ended June 30, 2020

Federal/Pass-Through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Forest Service Schools and Roads Cluster: (5)			
Schools and Roads - Grants to States	10.665	N/A	\$ 101,778
Passed-through State Department of Education:			
Child Nutrition Cluster: (5)			
School Breakfast Program	10.553	N/A	502,012 (7)
COVID 19 - School Breakfast Program	10.553	N/A	142,151 (7)
National School Lunch Program	10.555	N/A	1,412,386 (7)
COVID 19 - National School Lunch Program	10.555	N/A	225,160 (7)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	208,347 (7)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-20-64218-00	81,643 (6)
Passed-through State Department of Human Services:			
Child and Adult Care Food Program	10.558	N/A	119,643
Total U.S. Department of Agriculture			<u>\$ 2,793,120</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants	14.228	(4)	\$ 258,536
Total U.S. Department of Housing and Urban Development			<u>\$ 258,536</u>
U.S. Department of the Interior:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	N/A	\$ 119,301
Total U.S. Department of the Interior			<u>\$ 119,301</u>
U.S. Department of Justice:			
Direct Program:			
Bulletproof Vest Partnership Program	16.607	N/A	\$ 3,740
Total U.S. Department of Justice			<u>\$ 3,740</u>
U.S. Department of Labor:			
Passed-through State Department of Labor and Workforce Development:			
COVID 19 - Unemployment Insurance	17.225	N/A	\$ 19,212
Total U.S. Department of Labor			<u>\$ 19,212</u>
U.S. Department of Education:			
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	(4)	\$ 87,947
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	1,950,897
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	N/A	1,615,692
Special Education - Preschool Grants	84.173	N/A	74,277
Career and Technical Education- Basic Grants to States	84.048	N/A	126,072
Education for Homeless Children and Youth	84.196	N/A	12,020
Twenty-first Century Community Learning Centers	84.287	N/A	107,361
Improving Teacher Quality State Grants	84.367	N/A	276,714
Passed-through Greeneville City School Department:			
English Language Acquisition State Grants	84.365	N/A	3,954
Total U.S. Department of Education			<u>\$ 4,254,934</u>
U.S. Election Assistance Administration:			
Passed-through Tennessee Secretary of State:			
COVID 19 - 2020 Supplemental Election Security Grant (Noncash Assistance)	90.404	(4)	\$ 1,566 (7)
2020 HAVA Election Security Grant	90.404	(4)	1,820 (7)
Total U.S. Election Assistance Administration			<u>\$ 3,386</u>

(Continued)

Carter County, Tennessee, and the Carter County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (8) (9) (Cont.)

Federal/Pass-Through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Injury Prevention and Control Research and State and Community Based Programs	93.136	GG-20-64218-00	\$ 3,788 (6)
Family Planning Services	93.217	GG-20-64218-00	14,562 (6)
National State Based Tobacco Control Programs	93.305	GG-20-64218-00	1,195 (6)
Medicaid Cluster: (5)			
Medical Assistance Program	93.778	GG-20-64218-00	51,395 (6)
HIV Prevention Activities - Health Department Based	93.940	GG-20-64218-00	40,243 (6)
Maternal and Child Health Services Block Grant to States	93.994	GG-20-64218-00	16,068 (6)
Passed-through Upper East Tennessee Human Development Agency:			
Head Start Cluster: (5)			
Head Start	93.600	(4)	990,419
Total U.S. Department of Health and Human Services			<u>\$ 1,117,670</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	34101-00619	\$ 41,500
Total U.S. Department of Homeland Security			<u>\$ 41,500</u>
Total Expenditures of Federal Grants			<u>\$ 8,611,399</u>
		Contract Number	
<u>State Grants</u>			
State Supplement Juvenile Court Improvement Funds - State Commission on Children and Youth	N/A	(4)	\$ 9,000
Coordinated School Health - State Department of Education	N/A	(4)	99,883
Driver's Education - State Department of Education	N/A	(4)	15,529
Early Childhood Education Pilot Project - State Department of Education	N/A	(4)	302,627
Family Resource Center - State Department of Education	N/A	(4)	29,612
Lottery for Education: After School Programs - State Department of Education	N/A	(4)	300,116
Safe Schools Act - State Department of Education	N/A	(4)	38,377
School Safety - State Department of Education	N/A	(4)	31,775
Rural Local Health Services - State Department of Health		GG-20-64218-00	272,672 (6)
Three Star Grant - State Department of Economic and Community Development	N/A	(4)	18,740
Bridge Program - State Department of Transportation	N/A	(4)	848,406
Supporting Postsecondary Access in Rural Counties - State Department of Education	N/A	(4)	36,000
Early Postsecondary Expansion Grant - State Department of Education	N/A	(4)	6,312
Litter Program - State Department of Transportation	N/A	Z-20-LIT010	72,287
State Aid Program - State Department of Transportation	N/A	(4)	245,472
Workbase Learning Grant - State Department of Economic and Community Development	N/A	(4)	15,832
Material Management Convenience Center Grant - State Department of Environment and Conservation	N/A	(4)	83,024
Special Needs Grant - State Department of Health	N/A	GG-18-58847-00	<u>85,552</u>
Total State Grants			<u>\$ 2,511,216</u>

CFDA = Catalog of Federal Domestic Assistance

N/A = Not Applicable

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.

(2) Carter County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.

(3) No amounts (\$0) were passed through to subrecipients.

(4) Information not available.

(5) Forest Service Schools and Roads Cluster total \$101,778; Child Nutrition Cluster total \$2,490,056; Special Education Cluster total \$1,689,969; Medicaid Cluster total \$51,395, Head Start Cluster total \$990,419.

(6) Programs with pass-through entity identifying number GG-20-64218-00 are part of a multi-service contract.

(7) CFDA Totals: CFDA No. 10.553, \$644,163; CFDA No. 10.555, \$1,845,893; CFDA No. 90.404, \$3,386.

(Continued)

Carter County, Tennessee, and the Carter County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (8) (9) (Cont.)

(8) AMOUNTS TRANSFERRED

Program Title	Amounts Transferred
From Student Support and Academic Enrichment Program (CFDA 84.424) to Title I (CFDA 84.010)	\$ 102,548
From Student Support and Academic Enrichment Program (CFDA 84.424) to Improving Teacher Quality State Grants (CFDA 84.367)	50,428
Total amounts transferred	<u>\$ 152,976</u>

(9) For the year ended June 30, 2020, Carter County received donated PPE valued at \$16,176 (\$12,132 federal and \$4,044 state) from the Tennessee Department of Military. These donations were unaudited.

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

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

***Prior-year Financial Statement Findings***

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
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**OFFICES OF DIRECTOR OF SCHOOLS AND FINANCE DIRECTOR**

2019	218	2019-001	The school department had deficiencies in the use of federal Head Start Program grant funds, which resulted in questioned costs.	N/A	Corrected
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**CARTER COUNTY**

2019	220	2019-002	County officials were not paid in compliance with state statute.	N/A	Not Corrected - See Explanation on Corrective Action Plan
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**OFFICES OF COUNTY MAYOR, DIRECTOR OF SCHOOLS, HIGHWAY SUPERINTENDENT, TRUSTEE, AND FINANCE DIRECTOR**

2019	221	2019-003	The offices had deficiencies in budget operations.	N/A	Part A. and B. Corrected Part C. and D. Not Corrected - See Explanation on Corrective Action Plan
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**SOLID WASTE DEPARTMENT**

2019	223	2019-004	The department had accounting deficiencies.	N/A	Part A. Corrected Part B. and C. Not Corrected - See Explanation on Corrective Action Plan
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***Prior-year Federal Award Findings***

**OFFICES OF DIRECTOR OF SCHOOLS AND FINANCE DIRECTOR**

2019	225	2019-005	The school department had deficiencies in the use of federal Head Start Program grant funds, which resulted in questioned costs.	93.600	Corrected
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**CARTER COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2020**

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**PART I, SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements:**

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

**Federal Awards:**

4. Internal Control Over Major Federal Programs:
  - \* Material weakness identified? **NO**
  - \* Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of major federal programs:
  - \* CFDA Numbers: 84.010 Title I Grants to Local Educational Agencies
  - \* CFDA Numbers: 84.027 and 84.173 Special Education Cluster: Special Education - Grants to States and Special Education - Preschool Grants
  - \* CFDA Numbers: 93.600 Head Start
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **NO**

## **PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS**

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

### **OFFICES OF DIRECTOR OF SCHOOLS AND FINANCE DIRECTOR**

#### **FINDING 2020-001**                      **THE CARTER COUNTY HEAD START PROGRAM IS CURRENTLY UNDER INVESTIGATION** (Noncompliance Under *Government Auditing Standards*)

An investigation of the Carter County Head Start Program by the state Comptroller's Division of Investigations is ongoing. Findings, if any, resulting from this investigation will be included in a subsequent report.

#### **MANAGEMENT'S RESPONSE**

No formal management's response was submitted. However, explanation to the finding is included in the Corrective Action Plan.

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### **CARTER COUNTY**

#### **FINDING 2020-002**                      **COUNTY OFFICIALS WERE NOT PAID IN COMPLIANCE WITH STATE STATUTE** (Noncompliance Under *Government Auditing Standards*)

As noted in the prior-year audit report, the former county mayor and the former register of deeds were overpaid when they left office on August 31, 2018, which resulted in the then current county mayor and the current register of deeds being under paid for the fiscal year ended June 30, 2019. On September 16, 2019, the county commission voted to forgive the excess amounts paid the two former officials and authorized additional payments to the then current county mayor (\$4,367) and the current register of deeds (\$3,554), which were paid on September 27, 2019.

Approving the overpayment to the former register of deeds appears to violate state statutes since salaries of other county officials were not adjusted proportionately. Section 8-24-102 *Tennessee Code Annotated (TCA)*, establishes a minimum salary that shall be paid to county officials. This statute also provides that the county commission may appropriate more than the minimum, as long as all general officers of the county are paid the same. This statute also requires the compensation of the sheriff and chief administrative officer of the county highway department must be ten percent greater than the general officers of the county, and

the county mayor's compensation must be at least five percent higher than the salary paid to any other county constitutional officer. The general officers of the county include the assessor of property, county clerk, clerk and master, various clerks of court including the circuit and general sessions courts clerk, county trustee, and register of deeds.

On June 15, 2020, the county commission voted not to appropriate additional funds for the remaining officials' salaries to correct the violation noted in the prior-year report. As of the date of this report, the county commission has not appropriated, and additional payments have not been made, to the other general officers and constitutional officials as required by the above referenced statute. This noncompliance is due to a lack of management oversight and management's failure to correct the finding noted in the prior-year audit report.

### RECOMMENDATION

County officials should be paid in accordance with state statutes. The county should take steps to ensure all general officers of the county, along with the sheriff, chief administrative officer of the county highway department, and county mayor are paid in compliance with Section 8-24-102, *TCA*.

### MANAGEMENT'S RESPONSE

No formal management's response was submitted. However, explanation to the finding is included in the Corrective Action Plan.

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## OFFICES OF COUNTY MAYOR, DIRECTOR OF SCHOOLS, HIGHWAY SUPERINTENDENT, SOLID WASTE DEPARTMENT, AND FINANCE DIRECTOR

### FINDING 2020-003

### **THE COUNTY HAD DEFICIENCIES IN BUDGET OPERATIONS**

(Noncompliance Under *Government Auditing Standards*)

Our examination revealed the following deficiencies in budget operations. These deficiencies existed due to a lack of management oversight and management's failure to hold spending to the limits authorized by the county commission. Some of these issues have been reported in previous audit reports. Management has provided written responses and corrective action plans to address these weaknesses; however, these weaknesses continue to exist.

- A. Expenditures exceeded appropriations approved by the county commission at the major category level (the legal level of control) in the following funds:

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
Primary Government:	
Solid Waste/Sanitation:	
Miscellaneous	\$ 2,392
General Debt Service:	
Education	2,498
School Department:	
General Purpose School:	
Special Education Program	33,392
Technology	3,909
School Federal Projects:	
Special Education Program	5,864

- B. Salaries exceeded appropriations in 33 of 253 salary line-items of the General, Solid Waste, Highway/Public Works, General Purpose School, School Federal Projects, Central Cafeteria, and Head Start funds by amounts as high as \$61,842. The budget resolution approved by the county commission states that the salary, wages, or enumeration of each official, employee, or agent of the county will not exceed appropriations that accompany this resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the county commission.

Section 5-9-401, *Tennessee Code Annotated*, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies.”

#### RECOMMENDATION

Expenditures should be held within appropriations approved by the county commission.

#### MANAGEMENT’S RESPONSE

No formal management’s response was submitted. However, explanation to the finding is included in the Corrective Action Plan.



## **SOLID WASTE DEPARTMENT**

**FINDING 2020-004**

### **THE DEPARTMENT HAD ACCOUNTING DEFICIENCIES**

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

As part of our audit procedures for obtaining reasonable assurance that funds collected at the Landfill and the Roan Mountain Convenience Center were receipted and deposited properly, we judgmentally selected receipts for the month of April 2020 to trace to deposits with the county trustee's office. Our examination revealed the following deficiencies.

- A. From a review of receipts issued at the landfill, we noted six instances where collections were held for as many as six days before being deposited with the county trustee. Section 5-8-207, *Tennessee Code Annotated*, requires county officials to deposit public funds within three days of collection. The delay in depositing funds weakens internal controls over collections and increases the risks of fraud and misappropriation.
- B. Receipts at the landfill were not always independently reconciled with collections, as stated in the corrective action plans submitted for the past two prior years. From our review of collections, we noted five deposit sheets that did not include another employee's signature as verification. Independent verifications of daily collections act as a deterrent to fraud and abuse and ensure errors that are discovered get corrected properly.

These deficiencies are the result of a lack of management oversight, management's failure to correct the finding noted in the prior-year audit report, and management's failure to implement their corrective action plan.

### **RECOMMENDATION**

All collections should be deposited with the county trustee within three days as required by state statute. Collections should be independently reconciled with receipts.

### **MANAGEMENT'S RESPONSE**

No formal management's response was submitted. However, explanation to the finding is included in the Corrective Action Plan.

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## **OFFICE OF SHERIFF**

### **FINDING 2020-005**

### **THE SHERIFF DID NOT OBTAIN A LETTER OF AGREEMENT OR COURT DECREE TO AUTHORIZE DEPUTY HIRES**

(Noncompliance Under *Government Auditing Standards*)

The sheriff did not obtain a letter of agreement or file suit in circuit court to authorize the number and salaries of his deputies. Section 8-20-101, *Tennessee Code Annotated*, requires the sheriff to enter into a letter of agreement with the county mayor concerning the number and the salaries of deputies or to file suit in circuit court. This noncompliance is the result of management's decision based on the sheriff's interpretation that the statute does not require him to obtain a letter of agreement or file suit in circuit court.

### **RECOMMENDATION**

The sheriff should obtain a letter of agreement with the county mayor or petition circuit court for the number and salaries of deputies as required by state statute.

### **MANAGEMENT'S RESPONSE**

No formal management's response was submitted. However, explanation to the finding is included in the Corrective Action Plan.

### **PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

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

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

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

Finding Number	Title of Finding	Corrective Action Plan Page Number
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**FINANCE DIRECTOR**

2020-002	County officials were not paid in compliance with state statute.	229
2020-003	The county had deficiencies in budget operations.	229

**SOLID WASTE DEPARTMENT**

2020-004	The department had accounting deficiencies.	231
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**SHERIFF**

2020-005	The sheriff did not obtain a letter of agreement or court decree to authorize deputy hires.	232
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Carter County, Tennessee  
Finance Department  
Brad Burke, Finance Director

Courthouse - Suite 203  
801 East Elk Avenue  
Elizabethton, TN 37643

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**Corrective Action Plan**

**FINDING: COUNTY OFFICIALS WERE NOT PAID IN COMPLIANCE WITH STATE STATUTE**

**Response and Corrective Action Plan Prepared by:**  
Brad Burke, Finance Director

**Person Responsible for Implementing the Corrective Action:**  
Brad Burke, Finance Director

**Anticipated Completion Date of Corrective Action:**  
Unknown

**Repeat Finding:**  
Yes

**Reason Corrective Action was Not Taken in the Prior Year:**  
This issue was submitted to the County Commission during their meeting held on June 15, 2020; however, the Commission chose not to make payments as recommended by auditors.

**Planned Corrective Action:**  
Recommendation regarding payments to other general officers and constitutional officials will again be presented to County Commission for consideration.

---

**FINDING: THE COUNTY HAD DEFICIENCIES IN BUDGET OPERATIONS**

**Response and Corrective Action Plan Prepared by:**  
Brad Burke, Finance Director

**Person Responsible for Implementing the Corrective Action:**  
Brad Burke, Finance Director

**Anticipated Completion Date of Corrective Action:**  
June 30, 2021

**Repeat Finding:**

Yes

**Reason Corrective Action was Not Taken in the Prior Year:**

The process of enhancing our budgeting, recording, and reporting process has taken longer than anticipated.

**Planned Corrective Action:**

We have and will continue to correct certain payroll related budgeting and reporting issues which enabled salary payments in excess of appropriations in certain line items. For example, location specific budgets are being prepared, and various types of payroll payments are now separately identified to ensure that any issues are properly identified and resolved in a timely manner. We will continue to review detailed expenditure reports on at least a monthly basis to ensure that each line item within a major category is within budget.



# Carter County Solid Waste



BENNY LYONS - MANAGER  
(423) 543-6626  
Fax: (423) 543-2543

169 Landfill Road  
Elizabethton, TN 37643

CARTER COUNTY  
STATE OF TENNESSEE  
ELIZABETHTON  
Corrective Action Plan

**FINDING:** THE DEPARTMENT HAD ACCOUNTING DEFICIENCIES

**Response and Corrective Action Plan Prepared by:**  
Benny Lyons, Director Manager

**Person Responsible for Implementing the Corrective Action:**  
Benny Lyons Director Manager

**Anticipated Completion Date of Corrective Action:**  
Feb. 5 2021

**Repeat Finding:**  
Yes

**Reason Corrective Action was Not Taken in the Prior Year:**  
Change of personnel and short staffed.

**Planned Corrective Action:**  
Additional training has been conducted for accounting personnel

A: The Assistant Manager takes the deposit everyday by 10:00 am.  
On days he is not here one of the ladies in the office takes it to courthouse.

B: Each day the other office lady counts the deposit money and signs off on deposit sheet and then when the Assistant Manager counts each deposit before he takes it to the courthouse and signs off on the deposit sheet.

Signature:



# Carter County Sheriff's Office

900 East Elk Avenue  
Elizabethton, Tennessee 37643  
Phone: 423.542.1846 Fax: 423.542.3156

Dexter Lunceford  
Sheriff

James Parrish  
Chief Deputy

February 2, 2021

**FINDING:** The Sheriff did not obtain a letter of agreement or court decree to authorize deputy hires

**Response and Corrective Action Prepared By:** Dexter Lunceford

**Person Responsible For Implementing the Corrective Action Plan;** Dexter Lunceford

**Anticipated Completion Date of Corrective Action:** Unknown

**Repeat Finding:** No

**Reason Corrective Action Was Not Previously Taken:** N/A

**Planned Corrective Action:** Waiting on opinion from our County Attorney.

Cited TCA 8-20-101 clearly uses the word MAY when referring to law suits or letters of agreement. Therefore, I respectfully disagree with the finding that I am required to do either.

A handwritten signature in blue ink that reads 'Dexter Lunceford'.

Dexter Lunceford  
Carter County Sheriff



## AUDITOR'S COMMENTS ON SHERIFF'S CORRECTIVE ACTION PLAN

FINDING 2020-005

### **THE SHERIFF DID NOT OBTAIN A LETTER OF AGREEMENT OR COURT DECREE TO AUTHORIZE DEPUTY HIRES**

Section 8-20-101 *Tennessee Code Annotated, (TCA)* titled “Application for authority to employ deputies.” This statute provides the authority for constitutional officers to employ deputies when the office cannot be operated solely by the official. In the case of the sheriff, the two approved methods are provided for in paragraphs (a)(2) and (c)(1). Specifically, paragraph (a)(2) provides for the sheriff to “make application to the judge of circuit court in the sheriff’s county, for deputies and assistants, showing the necessity therefor, the number required and the salary that should be paid to each.” Paragraph (c)(1) provides for an alternative method that the official **may** use rather than file suit, in the event the sheriff “agrees with the number of deputies and assistants and the compensation and expenses related thereto, as set forth in the budget adopted by the county legislative body the county mayor and the sheriff may prepare a letter of agreement.”

Since the sheriff has not elected to do either of the methods provided for by statute and it appears that the sheriff agrees with the amounts provided for in the budget adopted by county commission, we recommend that he, and the county mayor, sign a letter of agreement as provided for in the statute and as done by the other constitutional officers in the county. To hire and pay departmental employees without either an order of circuit court or a letter of agreement is in violation of state law and brings into question the propriety of approximately \$6.7 million in personnel and benefits costs incurred by the sheriff during the year ended June 30, 2020.