



ANNUAL FINANCIAL REPORT

Carter County, Tennessee

For the Year Ended June 30, 2021

Jason E. Mumpower
Comptroller of the Treasury



DIVISION OF
LOCAL GOVERNMENT AUDIT

ANNUAL FINANCIAL REPORT
CARTER COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2021

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

MARK TREECE, CPA, CGFM
Audit Manager

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

CARTER COUNTY, TENNESSEE

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Summary of Audit Findings

Annual Financial Report
Carter County, Tennessee
For the Year Ended June 30, 2021

Scope

We have audited the basic financial statements of Carter County as of and for the year ended June 30, 2021.

Results

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

Our audit resulted in seven 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:

CARTER COUNTY

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

OFFICES OF COUNTY MAYOR, DIRECTOR OF SCHOOLS, HIGHWAY SUPERINTENDENT, AND FINANCE DIRECTOR

- ◆ Carter County did not obtain a current actuarial valuation for other postemployment benefits timely.
-



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

- ◆ The county had deficiencies in budget operations.
 - ◆ Some invoices were not paid timely.
-

OFFICES OF DIRECTOR OF SCHOOLS AND FINANCE DIRECTOR

- ◆ An investigation of the Carter County Head Start program disclosed misappropriation of funds and questionable disbursements.
 - ◆ Fund balance reserve amounts were not calculated in the General Purpose School and School Federal Projects funds.
-

OFFICE OF SHERIFF

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



INTRODUCTORY SECTION

Carter County Officials
June 30, 2021

Officials

Patty Woodby, County Mayor
Roger Colbaugh, Highway Superintendent
Tracy McAbee, Director of Schools
Randal Lewis, Trustee
Ronnie Taylor, Assessor of Property
Mary Gouge, County Clerk
Johnny Blankenship, Circuit and General Sessions Courts Clerk
Andrew LaPorte, Clerk and Master
Jarrod Ellis, Register of Deeds
Dexter Lunceford, Sheriff
Brad Burke, Finance Director

Board of County Commissioners

Travis Hill, Chairman	Mike Hill
Robert Acuff	Ginger Holdren
Gary Bailey	Austin Jaynes
Mark Blevins	Randall Jenkins
Nancy Brown	Bradley Johnson
Willie Campbell	Daniel McInturff
Sonja Culler	Robin McKamey
Kelly Collins	Thomas Proffitt
Aaron Frazier	Jerry Proffitt
Ross Garland	Mark Tester
Isaiah Grindstaff	Charles Von Cannon
Julie Guinn	Layla Ward

Board of Education

Tony Garland, Chairman	Dylan Hill
Keith Bowers, Sr.	Chris Hitechew
David Buck	Creola Miller
Kelly Crain	Danny Ward

Financial Management Committee

Bradley Johnson, Chairman	Patty Woodby, County Mayor
Travis Hill	Roger Colbaugh, Highway Superintendent
Ginger Holdren	Tracy McAbee, Director of Schools
Austin Jaynes	

Audit Committee

Margaret Moses, Chairman	Carter Honeycutt
Travis Hill	Margaret Pate

FINANCIAL SECTION



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, 2021, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Internal School Fund of the Carter County School Department (a discretely presented component unit), which represent 2.02 percent, 3.27 percent, and 2.7 percent, respectively, of the assets, net position, and revenues of the discretely presented component unit. Those amounts were audited by other auditors whose report has been furnished to us. Our opinion, insofar as it relates to amounts attributable to the Carter County School Department's Internal School Fund, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, 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, 2021, 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.

Change in Accounting Principle

As described in Note V.B., Carter County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. GASB 84 defines what is meant by fiduciary activities. It establishes the four types of fiduciary funds for reporting purposes. In addition, GASB 84 changes the title of "Agency" Funds to "Custodial" Funds and requires that Custodial Funds, unlike Agency Funds, should present fund net position. Our opinion is not modified with respect to this matter.

Emphasis of Matter

We draw attention to Note I.D.11., to the financial statements, which describes a restatement to the beginning Custodial Funds net position totaling \$1,784,473 on the Statement of Changes in Net Position – Fiduciary Funds and a restatement to the discretely presented Carter County School Department's beginning net position totaling \$1,120,723 on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability (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 by us and by other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, 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 24, 2022, 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 24, 2022

JEM/tg

BASIC FINANCIAL STATEMENTS

Exhibit A

Carter County, Tennessee
Statement of Net Position
June 30, 2021

	Primary Governmental Activities	Component Unit Carter County School Department
<u>ASSETS</u>		
Cash	\$ 25,061	\$ 2,359,791
Equity in Pooled Cash and Investments	30,777,751	18,330,015
Accounts Receivable	224,790	10,703
Due from Other Governments	1,499,224	3,544,153
Due from Primary Government	0	112,902
Due from Component Units	300,254	0
Property Taxes Receivable	12,858,142	6,291,998
Allowance for Uncollectible Property Taxes	(175,204)	(85,733)
Prepaid Items	3,449	0
Net Pension Asset - Agent Plan	3,303,698	1,894,065
Net Pension Asset - Teacher Retirement Plan	0	180,756
Net Pension Asset - Teacher Legacy Pension Plan	0	4,318,746
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	295,660
Capital Assets:		
Assets Not Depreciated:		
Land	2,205,225	828,228
Construction in Progress	1,270,898	39,803
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	26,106,713	22,203,285
Infrastructure	22,033,335	0
Other Capital Assets	3,271,538	1,525,769
Total Assets	<u>\$ 103,704,874</u>	<u>\$ 61,850,141</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
Pension Changes in Experience	\$ 37,836	\$ 192,587
Pension Changes in Assumptions	151,617	484,930
Pension Changes in Investment Earnings	277,975	1,138,640
Pension Changes in Proportion	0	84,830
Pension Contributions after Measurement Date	716,548	2,315,919
OPEB Changes in Experience	254,486	2,252,034
OPEB Changes in Assumptions	0	1,515,044
OPEB Changes in Proportion	0	935,865
OPEB Contributions after Measurement Date	0	679,886
Total Deferred Outflows of Resources	<u>\$ 1,438,462</u>	<u>\$ 9,599,735</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 802,421	\$ 1,504,270
Accrued Payroll	565,426	843,157
Accrued Interest Payable	34,628	0
Payroll Deductions Payable	81,146	704,260
Contracts Payable	28,000	0
Termination Benefits Payable - Current	0	59,866
Deferred Compensation Payable	0	13
Other Withholding Taxes	1,844	2,906
Due to Primary Government	0	300,254
Due to Component Units	112,902	0
Due to State of Tennessee	0	29,260
Due to Other Governments	5,476,646	0

(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	\$ 37,982	\$ 385,991
Noncurrent Liabilities:		
Due Within One Year - Debt	1,230,000	0
Due Within One Year - Other	551,995	182,674
Due in More Than One Year - Debt	14,573,406	0
Due in More Than One Year - Other	3,839,068	18,221,633
Total Liabilities	<u>\$ 27,335,464</u>	<u>\$ 22,234,284</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 12,291,884	\$ 6,014,906
Pension Changes in Experience	319,240	2,304,698
Pension Changes in Proportion	0	10,896
OPEB Changes in Experience	49,719	1,239,582
OPEB Changes in Assumptions	0	886,995
OPEB Changes in Proportion	0	700,385
Total Deferred Inflows of Resources	<u>\$ 12,660,843</u>	<u>\$ 11,157,462</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 39,084,303	\$ 24,597,085
Restricted for:		
General Government	918,383	0
Finance	69,744	0
Administration of Justice	162,888	0
Public Safety	738,774	0
Public Health and Welfare	224,361	0
Highways	4,542,722	0
Debt Service	1,596,844	0
Education	0	4,047,870
Capital Projects	1,537,291	997,097
Pensions	3,303,698	6,689,227
Unrestricted	<u>12,968,021</u>	<u>1,726,851</u>
Total Net Position	<u>\$ 65,147,029</u>	<u>\$ 38,058,130</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, 2021

					Net (Expense) Revenue and Changes in Net Position	
					Primary Governmental Activities	Component Unit Carter County School Department
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Primary Government:						
Governmental Activities:						
General Government	\$ 3,496,636	\$ 1,220,384	\$ 540,463	\$ 0	\$ (1,735,789)	\$ 0
Finance	2,208,812	1,600,892	0	0	(607,920)	0
Administration of Justice	1,299,553	853,348	10,000	0	(436,205)	0
Public Safety	10,032,288	1,964,312	985,550	0	(7,082,426)	0
Public Health and Welfare	2,879,443	1,689,496	516,959	68,539	(604,449)	0
Social, Cultural, and Recreational Services	488,599	0	0	0	(488,599)	0
Agriculture and Natural Resources	146,656	0	0	0	(146,656)	0
Highways	3,671,371	339,489	2,804,811	2,460,249	1,933,178	0
Interest on Long-term Debt	465,398	0	0	0	(465,398)	0
Total Primary Government	<u>\$ 24,688,756</u>	<u>\$ 7,667,921</u>	<u>\$ 4,857,783</u>	<u>\$ 2,528,788</u>	<u>\$ (9,634,264)</u>	<u>\$ 0</u>
Component Unit:						
Carter County School Department	<u>\$ 54,910,321</u>	<u>\$ 206,221</u>	<u>\$ 13,893,225</u>	<u>\$ 17,361</u>	<u>\$ 0</u>	<u>\$ (40,793,514)</u>
Total Component Unit	<u>\$ 54,910,321</u>	<u>\$ 206,221</u>	<u>\$ 13,893,225</u>	<u>\$ 17,361</u>	<u>\$ 0</u>	<u>\$ (40,793,514)</u>

(Continued)

Exhibit B

Carter County, Tennessee
Statement of Activities (Cont.)

		Net (Expense) Revenue and Changes in Net Position				
					Component Unit	
		Program Revenues			Primary Government	Carter County School Department
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 9,689,056	\$ 6,112,085
Property Taxes Levied for Highway/Public Works					1,196,700	0
Property Taxes Levied for Debt Service					1,606,902	0
Local Option Sales Taxes					1,741,326	6,145,973
Litigation Tax - General					93,677	0
Litigation Tax - Jail, Workhouse, or Courthouse					54,312	0
Litigation Tax - Special					7,606	0
Litigation Tax - Courtroom Security					97,787	0
Other County Local Option Taxes					90,935	0
Hotel/Motel Tax					257,207	0
Business Tax					464,551	0
Mineral Severance Tax					92,349	0
Mixed Drink Tax					1,871	1,054
Beer Privilege Tax					251,923	0
Grants and Contributions Not Restricted to Specific Programs					1,911,752	33,253,741
Unrestricted Investment Income					159,089	18,313
Miscellaneous					269,882	74,349
Gain on Investments					0	47,986
Total General Revenues					\$ 17,986,925	\$ 45,653,501
Change in Net Position						
Net Position, July 1, 2020					\$ 8,352,661	\$ 4,859,987
Restatement - See Note I.D.11.					56,794,368	32,077,420
					0	1,120,723
Net Position, June 30, 2021					\$ 65,147,029	\$ 38,058,130

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, 2021

	Major Funds				Nonmajor Funds	
	General	Other General Government Fund	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>						
Cash	\$ 3,944	\$ 0	\$ 0	\$ 0	\$ 21,117	\$ 25,061
Equity in Pooled Cash and Investments	16,530,678	5,476,646	4,863,540	2,974,636	932,251	30,777,751
Accounts Receivable	148,003	0	10,308	0	66,479	224,790
Due from Other Governments	887,991	0	593,525	0	17,708	1,499,224
Due from Other Funds	88,739	0	21,736	136,093	0	246,568
Due from Component Units	300,254	0	0	0	0	300,254
Property Taxes Receivable	9,970,118	0	1,232,469	1,655,555	0	12,858,142
Allowance for Uncollectible Property Taxes	(135,851)	0	(16,794)	(22,559)	0	(175,204)
Prepaid Items	3,449	0	0	0	0	3,449
Total Assets	\$ 27,797,325	\$ 5,476,646	\$ 6,704,784	\$ 4,743,725	\$ 1,037,555	\$ 45,760,035
<u>LIABILITIES</u>						
Accounts Payable	\$ 544,564	\$ 0	\$ 168,300	\$ 0	\$ 89,557	\$ 802,421
Accrued Payroll	482,102	0	61,078	0	22,246	565,426
Payroll Deductions Payable	72,848	0	6,494	0	1,804	81,146
Contracts Payable	10,000	0	18,000	0	0	28,000
Other Withholding Taxes	1,488	0	160	0	196	1,844
Due to Other Funds	150,532	0	0	0	96,036	246,568
Due to Component Units	112,902	0	0	0	0	112,902
Due to Other Governments	0	5,476,646	0	0	0	5,476,646
Other Current Liabilities	17,241	0	1,332	0	19,409	37,982
Total Liabilities	\$ 1,391,677	\$ 5,476,646	\$ 255,364	\$ 0	\$ 229,248	\$ 7,352,935

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds	
	General	Other General Government Fund	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 9,531,046	\$ 0	\$ 1,178,192	\$ 1,582,646	\$ 0	\$ 12,291,884
Deferred Delinquent Property Taxes	195,277	0	24,139	32,426	0	251,842
Other Deferred/Unavailable Revenue	188,051	0	345,536	0	0	533,587
Total Deferred Inflows of Resources	\$ 9,914,374	\$ 0	\$ 1,547,867	\$ 1,615,072	\$ 0	\$ 13,077,313
<u>FUND BALANCES</u>						
Nonspendable:						
Prepaid Items	\$ 3,449	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,449
Restricted:						
Restricted for General Government	918,383	0	0	0	0	918,383
Restricted for Finance	69,744	0	0	0	0	69,744
Restricted for Administration of Justice	162,888	0	0	0	0	162,888
Restricted for Public Safety	699,174	0	0	0	39,600	738,774
Restricted for Public Health and Welfare	133,351	0	0	0	91,010	224,361
Restricted for Highways/Public Works	0	0	4,272,349	0	0	4,272,349
Restricted for Debt Service	0	0	0	1,599,046	0	1,599,046
Restricted for Capital Projects	1,505,036	0	0	0	32,255	1,537,291
Committed:						
Committed for General Government	296,022	0	0	0	0	296,022
Committed for Public Safety	1,274,978	0	0	0	0	1,274,978
Committed for Public Health and Welfare	1,000	0	0	0	527,896	528,896
Committed for Social, Cultural, and Recreational Services	7,000	0	0	0	100,880	107,880
Committed for Highways/Public Works	0	0	629,204	0	0	629,204
Committed for Debt Service	0	0	0	1,529,607	0	1,529,607
Committed for Capital Projects	0	0	0	0	16,666	16,666

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds	
	General	Other General Government Fund	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>FUND BALANCES (Cont.)</u>						
Assigned:						
Assigned for General Government	\$ 62,502	\$ 0	\$ 0	\$ 0	\$ 0	\$ 62,502
Assigned for Administration of Justice	25,750	0	0	0	0	25,750
Assigned for Public Health and Welfare	348,678	0	0	0	0	348,678
Assigned for Other Operations	118,567	0	0	0	0	118,567
Unassigned	10,864,752	0	0	0	0	10,864,752
Total Fund Balances	\$ 16,491,274	\$ 0	\$ 4,901,553	\$ 3,128,653	\$ 808,307	\$ 25,329,787
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 27,797,325	\$ 5,476,646	\$ 6,704,784	\$ 4,743,725	\$ 1,037,555	\$ 45,760,035

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, 2021

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)		\$ 25,329,787
(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	1,270,898	
Add: buildings and improvements net of accumulated depreciation	26,106,713	
Add: infrastructure net of accumulated depreciation	22,033,335	
Add: other capital assets net of accumulated depreciation	<u>3,271,538</u>	54,887,709
(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	\$ (15,635,000)	
Less: compensated absences payable	(776,372)	
Less: landfill closure/postclosure care costs	(1,492,706)	
Less: other postemployment benefits liability	(2,121,985)	
Less: accrued interest on bonds	(34,628)	
Less: unamortized premium on debt	<u>(168,406)</u>	(20,229,097)
(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	\$ 1,183,976	
Less: deferred inflows of resources related to pensions	(319,240)	
Add: deferred outflows of resources related to OPEB	254,486	
Less: deferred inflows of resources related to OPEB	<u>(49,719)</u>	1,069,503
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in governmental funds.		3,303,698
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>785,429</u>
Net position of governmental activities (Exhibit A)		<u>\$ 65,147,029</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, 2021

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>					
Local Taxes	\$ 12,733,157	\$ 1,323,006	\$ 1,660,448	\$ 246,000	\$ 15,962,611
Licenses and Permits	570,354	200	0	0	570,554
Fines, Forfeitures, and Penalties	240,781	0	0	39,153	279,934
Charges for Current Services	289,345	0	0	1,327,055	1,616,400
Other Local Revenues	663,366	187,745	32,000	199,959	1,083,070
Fees Received From County Officials	2,268,243	0	0	0	2,268,243
State of Tennessee	1,576,502	5,531,227	36,251	39,831	7,183,811
Federal Government	1,719,303	425,662	0	0	2,144,965
Other Governments and Citizens Groups	1,685,747	139,763	0	0	1,825,510
Total Revenues	\$ 21,746,798	\$ 7,607,603	\$ 1,728,699	\$ 1,851,998	\$ 32,935,098
<u>Expenditures</u>					
Current:					
General Government	\$ 2,831,234	\$ 0	\$ 0	\$ 0	\$ 2,831,234
Finance	2,032,900	0	0	227	2,033,127
Administration of Justice	1,341,899	0	0	0	1,341,899
Public Safety	10,018,183	0	0	31,782	10,049,965
Public Health and Welfare	1,233,279	0	0	1,557,185	2,790,464
Social, Cultural, and Recreational Services	180,070	0	0	31,009	211,079
Agriculture and Natural Resources	146,656	0	0	0	146,656
Other Operations	1,463,037	0	0	0	1,463,037
Highways	33,814	6,303,770	0	0	6,337,584
Debt Service:					
Principal on Debt	0	0	1,050,000	0	1,050,000
Interest on Debt	0	0	573,486	0	573,486
Other Debt Service	0	0	219,872	0	219,872
Total Expenditures	\$ 19,281,072	\$ 6,303,770	\$ 1,843,358	\$ 1,620,203	\$ 29,048,403

(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	\$ 2,465,726	\$ 1,303,833	\$ (114,659)	\$ 231,795	\$ 3,886,695
Other Financing Sources (Uses)					
Refunding Debt Issued	\$ 0	\$ 0	\$ 15,635,000	\$ 0	\$ 15,635,000
Premiums on Debt Sold	0	0	182,221	0	182,221
Insurance Recovery	40,113	4,360	0	11,895	56,368
Transfers In	0	53,191	0	19,421	72,612
Transfers Out	(72,612)	0	0	0	(72,612)
Payments to Refunded Debt Escrow Agent	0	0	(15,633,509)	0	(15,633,509)
Total Other Financing Sources (Uses)	\$ (32,499)	\$ 57,551	\$ 183,712	\$ 31,316	\$ 240,080
Net Change in Fund Balances	\$ 2,433,227	\$ 1,361,384	\$ 69,053	\$ 263,111	\$ 4,126,775
Fund Balance, July 1, 2020	14,058,047	3,540,169	3,059,600	545,196	21,203,012
Fund Balance, June 30, 2021	\$ 16,491,274	\$ 4,901,553	\$ 3,128,653	\$ 808,307	\$ 25,329,787

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, 2021

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)		\$ 4,126,775
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 5,039,155	
Less: current-year depreciation expense	<u>(2,463,006)</u>	2,576,149
(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, 2021	\$ 785,429	
Less: deferred delinquent property taxes and other deferred June 30, 2020	<u>(679,110)</u>	106,319
(3) 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: debt principal refunded	\$ 15,510,000	
Less: bond proceeds	<u>(15,635,000)</u>	
Add: change in unamortized premium on debt issuances	183,404	
Add: principal payments on bonds	1,050,000	
Less: change in deferred amount on refunding	<u>(196,805)</u>	911,599
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 62,777	
Change in compensated absences payable	183,911	
Change in landfill closure/postclosure care costs	145,380	
Change in OPEB liability	15,112	
Change in net pension liability/asset	264,851	
Change in deferred outflows related to pensions	(560,024)	
Change in deferred inflows related to pensions	577,413	
Change in deferred outflows related to OPEB	(48,885)	
Change in deferred inflows related to OPEB	<u>(8,716)</u>	631,819
Change in net position of governmental activities (Exhibit B)		<u>\$ 8,352,661</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, 2021

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 12,733,157	\$ 0	\$ 0	\$ 12,733,157	\$ 11,530,933	\$ 11,424,933	\$ 1,308,224
Licenses and Permits	570,354	0	0	570,354	537,800	557,800	12,554
Fines, Forfeitures, and Penalties	240,781	0	0	240,781	168,950	183,950	56,831
Charges for Current Services	289,345	0	0	289,345	16,275	17,775	271,570
Other Local Revenues	663,366	0	0	663,366	624,875	628,284	35,082
Fees Received From County Officials	2,268,243	0	0	2,268,243	2,078,750	2,100,750	167,493
State of Tennessee	1,576,502	0	0	1,576,502	1,414,150	1,743,422	(166,920)
Federal Government	1,719,303	0	0	1,719,303	184,500	2,102,854	(383,551)
Other Governments and Citizens Groups	1,685,747	0	0	1,685,747	1,632,264	1,636,264	49,483
Total Revenues	\$ 21,746,798	\$ 0	\$ 0	\$ 21,746,798	\$ 18,188,497	\$ 20,396,032	\$ 1,350,766
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 111,730	\$ 0	\$ 0	\$ 111,730	\$ 117,599	\$ 750,624	\$ 638,894
Board of Equalization	8,078	0	0	8,078	6,202	10,508	2,430
County Mayor/Executive	262,108	0	0	262,108	264,597	273,858	11,750
County Attorney	64,743	0	0	64,743	66,469	66,469	1,726
Election Commission	369,241	0	0	369,241	410,501	417,736	48,495
Register of Deeds	262,272	0	0	262,272	261,752	270,969	8,697
Planning	251,976	0	0	251,976	351,566	382,163	130,187
County Buildings	1,266,439	(292,296)	56,900	1,031,043	638,615	976,572	(54,471)
Other Facilities	220,786	0	0	220,786	258,065	264,066	43,280
Preservation of Records	13,861	0	0	13,861	0	9,800	(4,061)
<u>Finance</u>							
Accounting and Budgeting	602,067	0	0	602,067	501,391	695,874	93,807
Property Assessor's Office	423,432	0	0	423,432	426,860	483,248	59,816
Reappraisal Program	193,800	0	0	193,800	141,695	191,150	(2,650)
County Trustee's Office	359,868	0	0	359,868	362,853	372,297	12,429
County Clerk's Office	453,733	0	0	453,733	465,267	480,723	26,990

(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 7/1/2020	Add: Encumbrances 6/30/2021	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	\$ 729,196	\$ 0	\$ 0	\$ 729,196	\$ 735,583	\$ 800,380	\$ 71,184
General Sessions Court	252,381	0	0	252,381	252,825	257,857	5,476
Drug Court	0	0	0	0	8,300	8,300	8,300
Chancery Court	354,637	0	0	354,637	360,560	370,603	15,966
Other Administration of Justice	5,685	0	0	5,685	28,425	28,425	22,740
<u>Public Safety</u>							
Sheriff's Department	5,252,561	(349,954)	135,319	5,037,926	4,672,778	5,458,967	421,041
Jail	3,615,409	(48,561)	172,695	3,739,543	3,976,136	3,966,325	226,782
Juvenile Services	204,717	0	0	204,717	218,213	224,409	19,692
Fire Prevention and Control	494,167	0	0	494,167	450,000	502,500	8,333
Rescue Squad	272,700	0	0	272,700	272,700	272,700	0
Other Emergency Management	144,917	0	0	144,917	141,899	185,177	40,260
Inspection and Regulation	3,498	0	0	3,498	3,908	3,908	410
County Coroner/Medical Examiner	27,565	0	0	27,565	20,309	28,275	710
Other Public Safety	2,649	0	0	2,649	4,125	4,125	1,476
<u>Public Health and Welfare</u>							
Local Health Center	439,482	0	0	439,482	760,563	607,465	167,983
Rabies and Animal Control	392,595	0	0	392,595	439,766	475,351	82,756
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	10,000	12,000	0
Other Local Welfare Services	36,301	0	0	36,301	24,000	26,500	(9,801)
Recycling Center	12,776	0	348,470	361,246	0	411,451	50,205
Other Public Health and Welfare	126,462	0	0	126,462	133,962	161,977	35,515
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	55,070	0	0	55,070	55,070	55,070	0
Libraries	75,000	0	0	75,000	75,000	75,000	0
Parks and Fair Boards	25,000	0	0	25,000	100,000	34,000	9,000
Other Social, Cultural, and Recreational	25,000	0	0	25,000	25,000	25,000	0

(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 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	\$ 111,988	\$ 0	\$ 0	\$ 111,988	\$ 123,537	\$ 123,537	\$ 11,549
Flood Control	1,668	0	0	1,668	1,950	1,950	282
Other Agriculture and Natural Resources	33,000	0	0	33,000	33,000	33,000	0
<u>Other Operations</u>							
Tourism	277,972	0	0	277,972	112,750	314,220	36,248
Housing and Urban Development	469,215	0	0	469,215	0	501,200	31,985
Other Economic and Community Development	48,337	0	0	48,337	48,262	412,012	363,675
Veterans' Services	45,567	0	0	45,567	45,442	48,148	2,581
COVID-19 Grant #2	255,425	0	0	255,425	0	798,209	542,784
COVID-19 Grant #3	26,726	0	0	26,726	0	51,849	25,123
COVID-19 Grant #4	30,216	0	0	30,216	0	39,790	9,574
COVID-19 Grant #10	22,455	0	0	22,455	0	22,455	0
Miscellaneous	287,124	0	0	287,124	293,390	304,852	17,728
<u>Highways</u>							
Litter and Trash Collection	33,814	0	0	33,814	50,800	50,800	16,986
Total Expenditures	\$ 19,281,072	\$ (690,811)	\$ 713,384	\$ 19,303,645	\$ 17,993,157	\$ 22,585,316	\$ 3,281,671
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,465,726	\$ 690,811	\$ (713,384)	\$ 2,443,153	\$ 195,340	\$ (2,189,284)	\$ 4,632,437
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 40,113	\$ 0	\$ 0	\$ 40,113	\$ 0	\$ 30,525	\$ 9,588
Transfers Out	(72,612)	0	0	(72,612)	(219,698)	(300,153)	227,541
Total Other Financing Sources	\$ (32,499)	\$ 0	\$ 0	\$ (32,499)	\$ (219,698)	\$ (269,628)	\$ 237,129

(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 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ 2,433,227	\$ 690,811	\$ (713,384)	\$ 2,410,654	\$ (24,358)	\$ (2,458,912)	\$ 4,869,566
Fund Balance, July 1, 2020	14,058,047	(690,811)	0	13,367,236	9,657,397	10,409,087	2,958,149
Fund Balance, June 30, 2021	\$ 16,491,274	\$ 0	\$ (713,384)	\$ 15,777,890	\$ 9,633,039	\$ 7,950,175	\$ 7,827,715

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, 2021

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,323,006	\$ 0	\$ 0	\$ 1,323,006	\$ 1,285,113	\$ 1,285,113	\$ 37,893
Licenses and Permits	200	0	0	200	0	0	200
Other Local Revenues	187,745	0	0	187,745	194,250	194,250	(6,505)
State of Tennessee	5,531,227	0	0	5,531,227	7,067,409	7,802,974	(2,271,747)
Federal Government	425,662	0	0	425,662	20,000	164,836	260,826
Other Governments and Citizens Groups	139,763	0	0	139,763	10,000	135,000	4,763
Total Revenues	\$ 7,607,603	\$ 0	\$ 0	\$ 7,607,603	\$ 8,576,772	\$ 9,582,173	\$ (1,974,570)
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 382,060	\$ 0	\$ 0	\$ 382,060	\$ 449,409	\$ 446,024	\$ 63,964
Highway and Bridge Maintenance	2,494,359	(99,487)	0	2,394,872	2,006,772	2,689,669	294,797
Operation and Maintenance of Equipment	560,714	0	0	560,714	755,688	730,224	169,510
Other Charges	220,168	0	0	220,168	128,500	253,501	33,333
Capital Outlay	2,646,469	(1,713,969)	927,082	1,859,582	5,281,000	5,566,384	3,706,802
Total Expenditures	\$ 6,303,770	\$ (1,813,456)	\$ 927,082	\$ 5,417,396	\$ 8,621,369	\$ 9,685,802	\$ 4,268,406
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,303,833	\$ 1,813,456	\$ (927,082)	\$ 2,190,207	\$ (44,597)	\$ (103,629)	\$ 2,293,836
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 4,360	\$ 0	\$ 0	\$ 4,360	\$ 0	\$ 0	\$ 4,360
Transfers In	53,191	0	0	53,191	0	58,198	(5,007)
Total Other Financing Sources	\$ 57,551	\$ 0	\$ 0	\$ 57,551	\$ 0	\$ 58,198	\$ (647)
Net Change in Fund Balance	\$ 1,361,384	\$ 1,813,456	\$ (927,082)	\$ 2,247,758	\$ (44,597)	\$ (45,431)	\$ 2,293,189
Fund Balance, July 1, 2020	3,540,169	(1,813,456)	0	1,726,713	2,596,074	2,596,074	(869,361)
Fund Balance, June 30, 2021	\$ 4,901,553	\$ 0	\$ (927,082)	\$ 3,974,471	\$ 2,551,477	\$ 2,550,643	\$ 1,423,828

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

Exhibit D-1

Carter County, Tennessee
Statement of Net Position
Fiduciary Funds
June 30, 2021

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 2,715,139
Equity in Pooled Cash and Investments	396,302
Accounts Receivable	11,475
Due from Other Governments	1,610,590
Property Taxes Receivable	3,566,764
Allowance for Uncollectible Property Taxes	<u>(48,612)</u>
Total Assets	<u>\$ 8,251,658</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	<u>\$ 2,044,532</u>
Total Liabilities	<u>\$ 2,044,532</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Current Property Taxes	<u>\$ 3,480,512</u>
Total Deferred Inflows of Resources	<u>\$ 3,480,512</u>
<u>NET POSITION</u>	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 2,726,614</u>
Total Net Position	<u><u>\$ 2,726,614</u></u>

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

Carter County, Tennessee
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2021

Custodial
Funds

ADDITIONS

Sales Tax Collections for Other Governments	\$ 6,779,273
ADA - Educational Funds Collected for Cities	6,921,291
Fines/Fees and Other Collections	9,138,858
Total Additions	<u>\$ 22,839,422</u>

DEDUCTIONS

Payment of Sales Tax Collections to Other Governments	\$ 6,779,273
Payments to City School Systems	6,921,291
Payments to State	6,423,435
Payments to Individuals and Others	1,773,282
Total Deductions	<u>\$ 21,897,281</u>

Net Increase (Decrease) in Fiduciary in Net Position	\$ 942,141
Net Position, July 1, 2020	0
Restatement - See Note I.D.11	1,784,473
Net Position, June 30, 2021	<u><u>\$ 2,726,614</u></u>

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

CARTER COUNTY, TENNESSEE
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CARTER COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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, 2021. Other significant

transactions between the primary government and the school department during the year include \$392,242 paid from the General Purpose School Fund to the county General Fund for School Resource Officers.

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. 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/expenses. 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 and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category includes custodial funds.

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.

Other General Government Special Revenue Fund – This special revenue fund accounts for and reports financial resources and expenditures relating to the American Rescue Plan Act.

Highway/Public Works Fund – This special revenue fund accounts for transactions of the county’s highway department. Local taxes 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.

Custodial Funds – These funds account for amounts collected in a custodial capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Carter County, and the City of Elizabethton and Johnson City school systems’ share of educational revenues.

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.

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

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. The prior year balances (FY 20) are presented in this report. We do not believe using the prior year balances will affect the independent auditor's opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found at <https://www.comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>.

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

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

1. Deposits and Investments

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

The county trustee maintains a cash and internal investment pool that is used by all funds 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 States 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 .71 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 \$3,819 and a portion of the remaining balance in the payroll tax clearing account \$13,422. Other Current Liabilities reflected in the Highway/Public Works Fund totaling \$1,332 represent a portion of the remaining balance in the payroll tax clearing account. Other Current Liabilities of the nonmajor governmental funds totaling \$19,409 consist of asset seizures that have not been awarded to the county as of June 30, 2021. The balance in the Other Current Liabilities account totaling \$385,991 on the Statement of Net Position for the discretely presented Carter County School Department represents the remaining balance in the teachers' insurance clearing account.

Due to Other Governments in the primary government's Other General Government Special Revenue Fund (\$5,476,646) represents American Rescue Plan Act funds received in advance.

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, assumptions, investment earnings, and proportion; pension contributions after the measurement date; OPEB changes in experience, assumptions, and proportion; and OPEB contributions after the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes; pension changes in experience and proportion; OPEB changes in experience, assumptions, and 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. 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 \$13,094,705 of restricted net position for the primary government, of which \$1,692,550 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 \$405,370, industrial/economic purposes \$118,567, and various other assignments \$31,560. Assigned fund balance in the school department's General Purpose School Fund includes amounts assigned for encumbrances \$504,865, fund balance appropriated for use in the 2021-22 budget \$746,104, amounts assigned for energy savings project \$79,852, and various other assignments \$100,892.

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.

11. Restatements

Due to the implementation of GASB Statement 84, a special revenue fund (Internal School Fund) is reflected in the financial statements of the discretely presented Carter County School Department. A restatement of \$1,120,723 has been presented to reflect the beginning balance of this fund.

In prior years, the custodial funds had no measurement focus. However, due to the implementation of GASB Statement 84, these funds have been restated by \$1,784,473 using the economic resources measurement focus and the accrual basis of accounting.

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 Pension 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 Pension Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Pension Plan of TCRS. Investments are reported at fair value.

Discretely Presented 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 and the school department's Internal School Fund (special revenue funds), which are not budgeted, the Other General Government Fund (special revenue fund), which had no expenditures during the year, 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 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, 2021, Carter County and the discretely presented Carter County School Department reported the following encumbrances:

<u>Funds</u>	<u>Amount</u>
Primary Government:	
Major Funds:	
General	\$ 713,384
Highway/Public Works	927,082
School Department:	
Major Fund:	
General Purpose School	504,865

B. 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>	
General:	
County Buildings	\$ 54,471
Preservation of Records	4,061
Reappraisal Program	2,650
Other Local Welfare Services	9,801
<u>Discretely Presented School Department</u>	
General Purpose School:	
Fiscal Services	3,794
Early Childhood Education	1,055
School Federal Projects:	
Special Education Program	9,100
Office of the Principal	3,352

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.

C. Investigation – Head Start Program

On July 19, 2021, the Comptroller's Division of Investigations issued an investigative report on the Carter County Head Start Program. The investigative report disclosed that the former Head Start administrative assistant made at least \$8,657 in unauthorized personal purchases. Additionally, investigators identified questionable disbursements of Head Start funds totaling at least \$6,276. On July 12, 2021, Joyce Parsons, the

former Head Start administrative assistant, was indicted on one count of Theft over \$2,500. As of the date of this report, trial date for Joyce Parsons has been set for March 14, 2022. The report is available at www.comptroller.tn.gov/ia.

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 three methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 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.

In addition, counties may invest in FDIC insured certificates of deposit. The deposit is first made in a bank or savings and loan association, selected by the government entity, with a branch in the state of Tennessee that is authorized to accept county deposits (the depository bank). The depository bank then arranges for the transfer of the moneys into one or more federally insured banks or savings and loan associations, wherever located (secondary depositories), for the account of the county. In turn, the depository bank receives funds from customers of the secondary depositories equal to or greater than the amount initially invested by the county. The balance of county funds

with each secondary depository must not exceed FDIC insurance limits so that all funds are fully insured. Under this program, the trustee must provide the depository bank with a listing of all banks and savings and loan associations holding county funds under the same federal employer identification number (FEIN). To prevent deposits from exceeding FDIC coverage, the depository bank is prohibited from using any of those listed banks or savings and loan associations as secondary depositories. The use of this program must be approved by the county investment committee or finance committee as appropriate for the specific county. Further, the investment committee or finance committee must establish policies and procedures for the investments, including the establishment of controls to ensure that full FDIC insurance coverage is obtained. Service providers used by depositories must be approved by the state treasurer upon concurrence by the commissioner of financial institutions and finance and administration. There are currently only two eligible programs that have been approved by the state treasurer: the Certificate of Deposit Account Registry Service (CDARS) and the Insured Cash Sweep (ICS), which operate through IntraFi Network, LLC.

Investments

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

priced at least two percent below the fair value of the securities on the day of purchase.

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, 2021.

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

On June 30, 2021, the Carter County School Department had the following investments held by the trust on its behalf. These funds are recognized as restricted assets in the General Purpose School Fund of the school department.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 91,655
Developed Market International Equity	N/A	N/A	41,392
Emerging Market International Equity	N/A	N/A	11,826
U.S. Fixed Income	N/A	N/A	59,132
Real Estate	N/A	N/A	29,566
Short-term Securities	N/A	N/A	2,957
NAV - Private Equity and Strategic Lending	N/A	N/A	59,132
Total			<u>\$ 295,660</u>

For further information concerning the legal provisions, investment policies, investment types, and credit risks of the school department's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2020/ag20045.pdf>.

B. Capital Assets

Capital assets activity for the year ended June 30, 2021, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-20	Increases	Decreases	Balance 6-30-21
Capital Assets Not Depreciated:				
Land	\$ 2,205,225	\$ 0	\$ 0	\$ 2,205,225
Construction in Progress	1,335,100	3,108,755	(3,172,957)	1,270,898
Total Capital Assets Not Depreciated	\$ 3,540,325	\$ 3,108,755	\$ (3,172,957)	\$ 3,476,123
Capital Assets Depreciated:				
Buildings and Improvements	\$ 35,792,142	\$ 1,241,582	\$ 0	\$ 37,033,724
Infrastructure	31,442,874	2,955,232	0	34,398,106
Other Capital Assets	8,651,337	906,543	0	9,557,880
Total Capital Assets Depreciated	\$ 75,886,353	\$ 5,103,357	\$ 0	\$ 80,989,710
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 10,065,543	\$ 861,468	\$ 0	\$ 10,927,011
Infrastructure	11,516,678	848,093	0	12,364,771
Other Capital Assets	5,532,897	753,445	0	6,286,342
Total Accumulated Depreciation	\$ 27,115,118	\$ 2,463,006	\$ 0	\$ 29,578,124
Total Capital Assets Depreciated, Net	\$ 48,771,235	\$ 2,640,351	\$ 0	\$ 51,411,586
Governmental Activities Capital Assets, Net	\$ 52,311,560	\$ 5,749,106	\$ (3,172,957)	\$ 54,887,709

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

Governmental Activities:

General Government	\$ 72,744
Finance	11,273
Administration of Justice	125
Public Safety	907,182
Public Health and Welfare	235,191
Highways	<u>1,236,491</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 2,463,006</u></u>

Discretely Presented Carter County School Department**Governmental Activities:**

	Balance 7-1-20	Increases	Decreases	Balance 6-30-21
Capital Assets Not Depreciated:				
Land	\$ 828,228	\$ 0	\$ 0	\$ 828,228
Construction in Progress	43,841	340,930	(344,968)	39,803
Total Capital Assets Not Depreciated	<u>\$ 872,069</u>	<u>\$ 340,930</u>	<u>\$ (344,968)</u>	<u>\$ 868,031</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 52,365,725	\$ 466,759	\$ 0	\$ 52,832,484
Other Capital Assets	8,622,550	232,320	0	8,854,870
Total Capital Assets Depreciated	<u>\$ 60,988,275</u>	<u>\$ 699,079</u>	<u>\$ 0</u>	<u>\$ 61,687,354</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 29,709,008	\$ 920,191	\$ 0	\$ 30,629,199
Other Capital Assets	6,903,767	425,334	0	7,329,101
Total Accumulated Depreciation	<u>\$ 36,612,775</u>	<u>\$ 1,345,525</u>	<u>\$ 0</u>	<u>\$ 37,958,300</u>
Total Capital Assets Depreciated, Net	<u>\$ 24,375,500</u>	<u>\$ (646,446)</u>	<u>\$ 0</u>	<u>\$ 23,729,054</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 25,247,569</u></u>	<u><u>\$ (305,516)</u></u>	<u><u>\$ (344,968)</u></u>	<u><u>\$ 24,597,085</u></u>

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

Governmental Activities:

Instruction	\$ 1,018,228
Support Services	270,119
Operation of Non-instructional Services	<u>57,178</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,345,525</u>

C. Construction Commitments**Primary Government**

At June 30, 2021, the General Fund had an uncompleted construction contract of \$56,900 for an emergency exit door for the clerk and master's office. Funding has been received for these future expenditures.

The Highway/Public Works Fund had uncompleted construction contracts of \$927,082 for bridge and road projects, including architectural and engineering services. Funding for these future expenditures is expected to be received from state aid funds.

Discretely Presented Carter County School Department

At June 30, 2021, the General Purpose School Fund had uncompleted construction contracts of \$193,886 for school renovations. Funding has been received for these future expenditures.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2021, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 88,739
Highway/Public Works	General	14,439
"	Nonmajor governmental	7,297
General Debt Service	General	136,093
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	170,746
School Federal Projects	General Purpose School	77,400
Nonmajor governmental	"	11,357

The amount due to the General Debt Service Fund (\$136,093) from the General Fund resulted from a long-term interfund loan. The loan has a final maturity date of November 1, 2024. However, the total amount of the loan is expected to be received within one year due to accelerated payments being made from the General Fund. 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.

Due to/from Primary Government and Component Unit:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government: General	Component Unit: School Department: General Purpose School	\$ 300,254
Component Unit: School Department: General Purpose School	Primary Government: General	112,902

Interfund Transfers:

Interfund transfers for the year ended June 30, 2021, consisted of the following amounts:

Primary Government

<u>Transfers Out</u>	<u>Transfers In</u>	
	Highway/ Public Works Fund	Nonmajor Governmental Funds
General Fund	\$ 53,191	\$ 19,421
Total	<u>\$ 53,191</u>	<u>\$ 19,421</u>

Transfers to the Highway/Public Works Fund and Nonmajor Governmental Fund represent amounts contributed for employee bonuses.

Discretely Presented Carter County School Department

	Transfers In	
	School Federal Projects Fund	General Purpose School Fund
Transfers Out		
General Purpose School	\$ 750,000	\$ 0
Nonmajor Governmental Funds	0	154,000
Total	\$ 750,000	\$ 154,000

Transfers to the School Federal Projects Fund are for cash flow and transfers to General Purpose School Fund are for indirect costs.

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 general obligation bonds. 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 15 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, 2021, 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, 2021.

General obligation bonds outstanding as of June 30, 2021, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-21
General Obligation Bonds - Refunding (Taxable)	1.1 to 1.8%	5-1-35	\$ 15,635,000	\$ 15,635,000

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2021, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2022	\$ 1,230,000	\$ 207,768	\$ 1,437,768
2023	1,290,000	192,393	1,482,393
2024	1,220,000	176,268	1,396,268
2025	1,255,000	161,017	1,416,017
2026	1,285,000	145,330	1,430,330
2027-2031	5,860,000	490,830	6,350,830
2032-2035	3,495,000	146,025	3,641,025
Total	<u>\$ 15,635,000</u>	<u>\$ 1,519,630</u>	<u>\$ 17,154,630</u>

There is \$3,128,653 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$277, based on the 2020 federal census. Total debt per capita, including bonds and unamortized premiums on bonds totaled \$280, based on the 2020 federal census.

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2021, was as follows:

Governmental Activities:

	Bonds
Balance, July 1, 2020	\$ 16,560,000
Additions	15,635,000
Reductions	<u>(16,560,000)</u>
Balance, June 30, 2021	<u>\$ 15,635,000</u>
Balance Due Within One Year	<u>\$ 1,230,000</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2021	\$ 15,635,000
Less: Balance Due Within One Year - Debt	(1,230,000)
Add: Unamortized Premium on Debt	<u>168,406</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u><u>\$ 14,573,406</u></u>

Advance Refunding

On September 25, 2020, Carter County advance refunded \$15,510,000 of Series 2010 General Obligation Refunding Bonds, with a separate general obligation bond issue. The county issued \$15,635,000 of general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments of the refunded debt. As a result, the refunded bonds were considered defeased, and the liability removed from the county's long-term debt. Because of the advance refunding, total debt service payments over the next 15 years will be reduced by \$2,657,453, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$2,391,843 was obtained.

The defeased Series 2010 bonds were called and redeemed by the escrow agent on May 1, 2021.

F. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2021, was as follows:

Governmental Activities:

	Compensated Absences	Landfill Closure/ Postclosure Care Costs	Other Postemployment Benefits
Balance, July 1, 2020	\$ 960,283	\$ 1,638,086	\$ 2,137,097
Additions	484,857	0	100,261
Reductions	<u>(668,768)</u>	<u>(145,380)</u>	<u>(115,373)</u>
Balance, June 30, 2021	<u>\$ 776,372</u>	<u>\$ 1,492,706</u>	<u>\$ 2,121,985</u>
Balance Due Within One Year	<u>\$ 388,186</u>	<u>\$ 163,809</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2021	\$ 4,391,063
Less: Balance Due Within One Year - Other	<u>(551,995)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u><u>\$ 3,839,068</u></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, 2021, was as follows:

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2020	\$ 620,452	\$ 15,913,849
Additions	219,045	2,611,689
Reductions	<u>(241,595)</u>	<u>(719,133)</u>
Balance, June 30, 2021	<u>\$ 597,902</u>	<u>\$ 17,806,405</u>
Balance Due Within One Year	<u>\$ 182,674</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2021	\$ 18,404,307
Less: Balance Due Within One Year - Other	<u>(182,674)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u><u>\$ 18,221,633</u></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 Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2021, were \$261,637. 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 7-1-20	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-21
Police Vehicles	\$ 272,187	\$ 0	\$ (136,094)	\$ 136,093
Total	\$ 272,187	\$ 0	\$ (136,094)	\$ 136,093

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 Annual Comprehensive 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. Accounting Changes

GASB Statement No. 84, *Fiduciary Activities* establishes additional guidance for the identification, accounting, and reporting of fiduciary activities. The statement clarifies the four types of fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

GASB Statement No. 90, *Majority Equity Interest* modifies previous guidance and provides guidance for the measurement and reporting of majority equity interest in a legally separate organization. This statement also provides guidance for reporting a component unit if a government acquires a 100 percent equity interest in that component unit.

Paragraphs 4 and 5 of GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* became effective during the year. Paragraph 4 establishes certain component unit criteria for a legally separate entity by the primary government in the absence of a governing board. Paragraph 5 clarifies that the financial benefit burden in paragraph 7 of GASB Statement 84 is applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through certain trusts.

C. Contingent Liabilities

The county has received various federal and state grants and other assistance for specific purposes that are subject to review and audit by grantor agencies. Such audits could result in reimbursements to the grantor agencies for expenditures disallowed under the terms of the grants. County management is not aware of any potential disallowances and believes that reimbursements, if any, would not be material.

The 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.

D. Changes in Administration

On June 30, 2020, Kevin Ward left the Office of Director of Schools and was succeeded by Tracy McAbee, and Melissa Moreland left the Office of Clerk and Master and was succeeded by Andrew LaPorte.

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.

E. 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 \$1,492,706 reported as postclosure care liability at June 30, 2021, represents amounts based on what it would cost to perform all postclosure care in 2021. 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.

F. Joint Ventures

Primary Government

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. Complete financial statements for the Juvenile Detention Center can be obtained from its administrative office at the following address:

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

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. Complete financial statements NETCO can be obtained from its administrative office at the following address:

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

G. 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

H. 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 Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 63.56 percent, the non-certified employees of the discretely presented school department comprise 36.44 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 <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

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

Member and beneficiary annuitants 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, 2020, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	514
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	894
Active Employees	575
Total	<u><u>1,983</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 elected to make 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, 2021, the employer contribution for Carter County was \$1,135,025 which is 7.68 percent of covered payroll. Carter County contributed the minimum rate of 3.89 percent of covered payroll in July 2020, and eight percent of covered payroll from August 1, 2020, to June 30, 2021. 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, 2020, 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, 2020, 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, 2020, 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 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, 2019	\$ 51,874,031	\$ 56,706,803	\$ (4,832,772)
Changes for the Year:			
Service Cost	\$ 1,233,659	\$ 0	\$ 1,233,659
Interest	3,759,163	0	3,759,163
Differences Between Expected and Actual Experience	59,878	0	59,878
Contributions-Employer	0	2,187,453	(2,187,453)
Contributions-Employees	0	468,662	(468,662)
Net Investment Income	0	2,814,901	(2,814,901)
Benefit Payments, Including Refunds of Employee Contributions	(2,514,341)	(2,514,341)	0
Administrative Expense	0	(53,325)	53,325
Net Changes	\$ 2,538,359	\$ 2,903,350	\$ (364,991)
Balance, June 30, 2020	\$ 54,412,390	\$ 59,610,153	\$ (5,197,763)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	63.56%	\$ 34,584,515	\$ 37,888,213	\$ (3,303,698)
School Department	36.44%	19,827,875	21,721,940	(1,894,065)
Total		\$ 54,412,390	\$ 59,610,153	\$ (5,197,763)

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:

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

Net Pension Liability (Asset) \$ 1,512,647 \$ (5,197,763) \$ (10,795,806)

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

Pension Expense. For the year ended June 30, 2021, Carter County recognized pension expense of \$725,939.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, 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	\$ 59,528	\$ 502,265
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	437,342	0
Changes in Assumptions	238,541	0
Contributions Subsequent to the Measurement Date of June 30, 2020 (1)	1,135,025	N/A
Total	<u>\$ 1,870,436</u>	<u>\$ 502,265</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2020,” 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	\$ 1,183,976	\$ 319,240
School Department	686,460	183,025
Total	<u>\$ 1,870,436</u>	<u>\$ 502,265</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
2022	\$ (218,247)
2023	41,449
2024	138,061
2025	271,886
2026	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, 2021, Carter County reported a payable of \$86,837 for the outstanding amount of contributions due to the pension plan required at year ended June 30, 2021.

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 Pension Plan, an agent multiple-employer pension plan administered by the

TCRS. The primary government employees comprise 63.56 percent and the non-certified employees of the discretely presented school department comprise 36.44 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 <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to 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, 2021, to the Teacher Retirement Plan were \$95,103 which is 2.02 percent of covered payroll. In addition, employer contributions of \$91,385 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, 2021, the school department reported a liability (asset) of (\$180,756) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2020, 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, 2020, the school department's proportion was .317873 percent. The proportion as of June 30, 2019, was .333822 percent.

Pension Expense or (Negative Pension Expense). For the year ended June 30, 2021, the school department recognized pension expense (negative pension expense) of \$74,831.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, 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	\$ 6,715	\$ 45,297
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	14,725	0
Changes in Assumptions	5,668	0
Changes in Proportion of Net Pension Liability (Asset)	23,263	4,091
LEA's Contributions Subsequent to the Measurement Date of June 30, 2020	95,103	N/A
Total	<u>\$ 145,474</u>	<u>\$ 49,388</u>

The school department's employer contributions of \$95,103, 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, 2022. 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
2022	\$ 263
2023	2,391
2024	3,476
2025	3,785
2026	(1,203)
Thereafter	(7,728)

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, 2020, 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, 2020, 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) \$ 140,598 \$ (180,756) \$ (417,634)

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, 2021, the Carter County School Department reported a payable of \$19,492 for the outstanding amount of contributions due to the pension plan required at year ended June 30, 2021.

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 <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

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

retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to 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.

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, 2021, to the Teacher Legacy Pension Plan were \$1,802,339, which is 10.27 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, 2021, the school department reported a liability (asset) of (\$4,318,746) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2020, 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, 2020, the school department's proportion was .566338 percent. The proportion measured at June 30, 2019, was .582517 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2021, the school department recognized pension expense (negative pension expense) of (\$70,827).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, 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	\$ 164,180	\$ 2,076,376
Changes in Assumptions	392,338	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	964,548	0
Changes in Proportion of Net Pension Liability (Asset)	61,567	6,805
LEA's Contributions Subsequent to the Measurement Date of June 30, 2020	1,802,339	N/A
Total	\$ 3,384,972	\$ 2,083,181

The school department's employer contributions of \$1,802,339 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, 2022. 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
2022	\$ (1,044,947)
2023	(138,220)
2024	43,674
2025	638,944
2026	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, 2020, 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, 2020, 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) \$ 13,431,204 \$ (4,318,746) \$ (19,037,624)

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, 2021, the Carter County School Department reported a payable of \$371,196 for the outstanding amount of contributions due to the pension plan required at year ended June 30, 2021.

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 \$252,584 and teachers contributed \$156,914 to this deferred compensation pension plan.

I. 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 Eligible for Benefits	233
Total	<u><u>240</u></u>

Total OPEB Liability

The plan’s total OPEB liability of \$2,121,985 was measured as of June 30, 2021, 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	2.16%
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, 2021.

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, 2020	<u>\$ 2,137,097</u>
Changes for the Year:	
Service Cost	\$ 52,956
Interest	47,305
Difference between Expected and Actuarial Experience	(20,385)
Benefit Payments	(57,256)
Implicit Rate Subsidy	(37,732)
Net Changes	<u>\$ (15,112)</u>
Balance June 30, 2021	<u><u>\$ 2,121,985</u></u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, the primary government recognized OPEB expense of \$137,477. At June 30, 2021, 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	\$ 254,486	\$ 49,719
Total	\$ 254,486	\$ 49,719

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

Year Ending June 30	Primary Government
2022	\$ 37,216
2023	37,216
2024	37,216
2025	40,782
2026	41,387
Thereafter	10,951

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 1.16%	Current Discount Rate 2.16%	1% Increase 3.16%
Total OPEB Liability	\$ 2,447,209	\$ 2,121,985	\$ 1,855,745

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	\$ 1,821,327	\$ 2,121,985	\$ 2,488,006
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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, 2020, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2020, 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	2.1%
Salary Increases	Salary increases used in the July 1, 2020 TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	2.21%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 9.02% for pre-65 retirees in the 2021 calendar year, and decreasing annually 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 2.21 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, 2020, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2020, valuations were the same as those employed in the July 1, 2019, 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 3.51 percent as of the beginning of the measurement period to 2.21 percent as of the measurement date of June 30, 2020. 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 2021 plan year was revised from 6.03 percent to 9.02 percent. The assumed long term inflation rate was changed from 2.2 percent to 2.1 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, 2020, the following employees were covered by the benefit terms:

Inactive Employees Currently Receiving Benefit Payments	71
Inactive Employees Entitled to But Not Yet Receiving Benefit Payments	0
Active Employees Eligible For Benefits	570
Total	<u><u>641</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 \$679,886 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		<u>Total OPEB Liability</u>
	<u>Carter County</u>	<u>State of</u>	
	<u>School Department</u>	<u>TN</u>	
	<u>74.1420%</u>	<u>25.8580%</u>	
Balance July 1, 2019	\$ 11,529,857	\$ 4,143,160	\$ 15,673,017
Changes for the Year:			
Service Cost	\$ 501,917	\$ 175,050	\$ 676,967
Interest	413,973	144,378	558,351
Difference between Expected and Actuarial Experience	359,265	125,298	484,563
Changes in Proportion	90,433	(90,433)	0
Changes in Assumption and Other Inputs	1,163,324	405,724	1,569,048
Benefit Payments	(661,957)	(230,866)	(892,823)
Net Changes	\$ 1,866,955	\$ 529,151	\$ 2,396,106
Balance June 30, 2020	\$ 13,396,812	\$ 4,672,311	\$ 18,069,123

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 recognized \$323,357 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Carter County School Department's proportionate share of the collective OPEB liability was 74.1420 percent and the State of Tennessee's share was 25.8580 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, the school department recognized OPEB expense of \$1,408,226, including the state's share of the expense. At June 30, 2021, 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	\$ 1,487,253	\$ 1,183,828
Changes of Assumptions/Inputs	1,515,044	886,995
Changes in Proportion	935,865	700,385
Benefits Paid After the Measurement Date of June 30, 2020	679,886	0
Total	<u>\$ 4,618,048</u>	<u>\$ 2,771,208</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
2022	\$ 168,980
2023	168,980
2024	168,980
2025	168,980
2026	178,807
Thereafter	312,228

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

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

<u>Discount Rate</u>	1% Decrease 1.21%	Current Discount Rate 2.21%	1% Increase 3.21%
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Proportionate Share of the Collective Total OPEB Liability	\$ 14,258,561	\$ 13,396,812	\$ 12,562,136
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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.

Healthcare Cost Trend Rate

	1% Decrease 8.02 to 3.5%	Curent Rates 9.02 to 4.5%	1% Increase 10.02 to 5.5%
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Proportionate Share of the

Collective Total OPEB Liability	\$ 12,099,405	\$ 13,396,812	\$ 14,904,975
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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 \$4,409,593 was measured as of June 30, 2021, 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	2.16%
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, 2021.

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, 2020	\$ 4,383,992
Changes for the Year:	
Service Cost	\$ 60,971
Interest	98,234
Difference between Expected and Actuarial Experience	14,072
Benefit Payments	(120,335)
Implicit Rate Subsidy	(27,341)
Net Changes	<u>\$ 25,601</u>
Balance June 30, 2021	<u>\$ 4,409,593</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, the school department recognized OPEB expense of \$270,762. At June 30, 2021, the school department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 764,781	\$ 55,754
Total	<u>\$ 764,781</u>	<u>\$ 55,754</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>
2022	\$ 111,557
2023	111,557
2024	111,557
2025	117,751
2026	118,272
Thereafter	138,333

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>		Current Discount Rate	
	1% Decrease		1% Increase
	1.16%	2.16%	3.16%
Total OPEB Liability	\$ 5,239,493	\$ 4,409,593	\$ 3,873,241

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 Trend Rate	
	1% Decrease		1% Increase
	3.5%	4.5%	5.5%
Total OPEB Liability	\$ 4,318,830	\$ 4,409,593	\$ 4,518,243

J. Termination Benefits

The Carter County Board of Education approved a one-time retirement bonus which was funded in the 2020-21 year budget. The approved bonus amounted to \$15,000 in one payment and was offered 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. Twenty-six individuals accepted the offer and received this bonus payment during the year.

K. Office of Central Accounting, Budgeting, and Purchasing

Office of Director of Finance

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.

L. 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.

M. Subsequent Events

Carolyn Watson was appointed interim finance director on August 9, 2021, overlapping Brad Burke's term as finance director. Brad Burke left Office of Finance Director effective August 23, 2021.

The Carter County Board of Education approved a one-time retirement bonus funded in the 2021-22 year budget. Subsequent to June 30, 2021, fifteen individuals received this bonus payment of \$15,000 each.

REQUIRED SUPPLEMENTARY INFORMATION

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	2020
Total Pension Liability							
Service Cost	\$ 968,307	\$ 946,742	\$ 990,434	\$ 1,076,184	\$ 1,143,055	\$ 1,187,615	\$ 1,233,659
Interest	2,954,231	3,112,630	3,203,218	3,385,810	3,466,250	3,631,000	3,759,163
Differences Between Actual and Expected Experience	196,779	(791,022)	340,372	(814,366)	29,062	(565,653)	59,878
Changes in Assumptions	0	0	0	1,192,709	0	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)	(2,514,341)
Net Change in Total Pension Liability	\$ 2,194,905	\$ 1,221,248	\$ 2,372,725	\$ 2,631,205	\$ 2,365,492	\$ 1,704,815	\$ 2,538,359
Total Pension Liability, Beginning	39,383,641	41,578,546	42,799,794	45,172,519	47,803,724	50,169,216	51,874,031
Total Pension Liability, Ending (a)	\$ 41,578,546	\$ 42,799,794	\$ 45,172,519	\$ 47,803,724	\$ 50,169,216	\$ 51,874,031	\$ 54,412,390
Plan Fiduciary Net Position							
Contributions - Employer	\$ 1,642,354	\$ 1,799,438	\$ 1,887,726	\$ 1,919,806	\$ 2,007,168	\$ 2,104,319	\$ 2,187,453
Contributions - Employee	205,685	258,553	315,826	347,325	388,330	446,800	468,662
Net Investment Income	5,882,079	1,273,583	1,130,452	4,958,056	4,046,199	3,931,510	2,814,901
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)	(2,514,341)
Administrative Expense	(21,508)	(28,327)	(43,750)	(49,238)	(55,339)	(53,461)	(53,325)
Other Changes	0	0	8,928	297	0	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	\$ 2,903,350
Plan Fiduciary Net Position, Beginning	35,566,959	41,351,157	42,607,302	43,745,185	48,712,299	52,825,782	56,706,803
Plan Fiduciary Net Position, Ending (b)	\$ 41,351,157	\$ 42,607,302	\$ 43,745,185	\$ 48,712,299	\$ 52,825,782	\$ 56,706,803	\$ 59,610,153
Net Pension Liability (Asset), Ending (a - b)	\$ 227,389	\$ 192,492	\$ 1,427,334	\$ (908,575)	\$ (2,656,566)	\$ (4,832,772)	\$ (5,197,763)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	99.45%	99.55%	96.84%	101.90%	105.30%	109.32%	109.55%
Covered Payroll	\$ 11,631,366	\$ 12,044,428	\$ 12,637,078	\$ 12,850,190	\$ 13,434,863	\$ 14,085,117	\$ 14,641,576
Net Pension Liability (Asset) as a Percentage of Covered Payroll	1.95%	1.60%	11.29%	(7.07%)	(19.77%)	(34.31%)	(35.50%)

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

Note 2: 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	2021
Actuarially Determined Contribution	\$ 1,642,354	\$ 1,799,438	\$ 1,887,726	\$ 1,919,806	\$ 1,567,849	\$ 1,476,122	\$ 869,710	\$ 574,994
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)	(2,187,453)	(1,135,025)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (439,320)	\$ (628,197)	\$ (1,317,743)	\$ (560,031)
Covered Payroll	\$ 11,631,366	\$ 12,044,428	\$ 12,637,078	\$ 12,850,190	\$ 13,434,863	\$ 14,085,117	\$ 14,641,576	\$ 14,781,347
Contributions as a Percentage of Covered Payroll	14.12%	14.94%	14.94%	14.94%	14.94%	14.94%	14.94%	7.68%

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

Note 2: 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	2021
Contractually Required Contribution	\$ 28,892	\$ 60,931	\$ 103,169	\$ 124,703	\$ 68,531	\$ 81,430	\$ 95,103
Less Contributions in Relation to the Contractually Required Contribution	(28,892)	(60,931)	(103,169)	(124,703)	(68,531)	(81,430)	(95,103)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 722,287	\$ 1,523,278	\$ 2,579,247	\$ 3,117,577	\$ 3,532,541	\$ 4,011,265	\$ 4,708,096
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%	2.02%

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

Note 2: Beginning in FY 2019, the school department placed the actuarially determined contribution rate of covered payroll into the pension plan and placed the remainder of the four percent contractually required contribution into the Pension Stabilization Reserve Trust.
2019: Pension - 1.94%, SRT - 2.02%
2020: Pension - 2.03%, SRT - 1.97%
2021: Pension - 2.02%, SRT - 1.98%

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	2021
Contractually Required Contribution	\$ 1,864,442	\$ 1,862,080	\$ 1,826,476	\$ 1,804,892	\$ 1,806,782	\$ 2,043,113	\$ 2,003,669	\$ 1,802,339
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)	(1,802,339)
Contribution Deficiency (Excess)	\$ 0	\$ 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	\$ 17,549,550
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%

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	2020
School Department's Proportion of the Net Pension Liability (Asset)	0.347636%	0.346198%	0.392973%	0.356751%	0.333822%	0.317873%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (13,985)	\$ (36,040)	\$ (103,679)	\$ (161,797)	\$ (188,438)	\$ (180,756)
Covered Payroll	\$ 722,287	\$ 1,523,278	\$ 2,579,247	\$ 3,117,577	\$ 3,532,541	\$ 4,011,265
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%)	(4.51%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%

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	2020
School Department's Proportion of the Net Pension Liability (Asset)	0.534930%	0.550239%	0.559709%	0.564806%	0.568256%	0.582517%	0.566338%
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)	\$ (4,318,746)
Covered Payroll	\$ 20,995,964	\$ 20,599,747	\$ 20,204,373	\$ 19,965,598	\$ 19,898,460	\$ 19,532,654	\$ 18,849,177
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%)	(22.91%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%

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	2021
Total OPEB Liability				
Service Cost	\$ 50,675	\$ 53,795	\$ 41,241	\$ 52,956
Interest	68,057	63,740	63,083	47,305
Differences Between Actual and Expected Experience	(67,745)	90,185	273,937	(20,385)
Benefit Payments	(85,020)	(65,586)	(63,914)	(57,256)
Implicit Rate Subsidy	0	(97,972)	(37,732)	(37,732)
Net Change in Total OPEB Liability	\$ (34,033)	\$ 44,162	\$ 276,615	\$ (15,112)
Total OPEB Liability, Beginning	1,850,353	1,816,320	1,860,482	2,137,097
Total OPEB Liability, Ending	<u>\$ 1,816,320</u>	<u>\$ 1,860,482</u>	<u>\$ 2,137,097</u>	<u>\$ 2,121,985</u>
Covered Employee Payroll	\$ 8,897,803	\$ 9,025,064	\$ 9,990,375	\$ 10,313,273
Net OPEB Liability as a Percentage of Covered Employee Payroll	20.41%	20.61%	21.39%	20.58%

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

Note 2: Changes in assumptions.

The following are the discount rates used in each period:

2017	3.58%
2018	3.87%
2019	3.50%
2020	2.21%
2021	2.16%

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	2020
Total OPEB Liability				
Service Cost	\$ 681,507	\$ 630,478	\$ 1,051,967	\$ 676,967
Interest	434,429	508,713	745,358	558,351
Changes in Benefit Terms	0	2,336,571	(1,893,708)	0
Differences Between Actual and Expected Experience	0	2,390,151	(2,128,053)	484,563
Changes in Assumptions or Other Inputs	(583,190)	1,023,786	(1,170,504)	1,569,048
Benefit Payments	(1,041,256)	(1,098,186)	(931,865)	(892,823)
Net Change in Total OPEB Liability	\$ (508,510)	\$ 5,791,513	\$ (4,326,805)	\$ 2,396,106
Total OPEB Liability, Beginning	14,716,819	14,208,309	19,999,822	15,673,017
Total OPEB Liability, Ending	<u>\$ 14,208,309</u>	<u>\$ 19,999,822</u>	<u>\$ 15,673,017</u>	<u>\$ 18,069,123</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 4,302,347	\$ 4,212,403	\$ 4,143,160	\$ 4,672,311
Employer Proportionate Share of the Total OPEB Liability	9,905,962	15,787,419	11,529,857	13,396,812
Covered Employee Payroll	\$ 22,341,444	\$ 28,713,977	\$ 29,353,868	\$ 29,148,056
Net OPEB Liability as a Percentage of Covered Employee Payroll	44.34%	54.98%	39.28%	45.96%

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

Note 2: Changes in assumptions.

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

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%
2020	2.21%

(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%
2021 plan year	- from 6.03% to 9.02%

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	2021
Total OPEB Liability				
Service Cost	\$ 36,187	\$ 38,476	\$ 46,815	\$ 60,971
Interest	120,379	116,349	126,162	98,234
Differences Between Actual and Expected Experience	(117,701)	166,724	858,313	14,072
Benefit Payments	(33,935)	(73,327)	(164,792)	(120,335)
Implicit Rate Subsidy	(25,819)	(25,819)	(27,341)	(27,341)
Net Change in Total OPEB Liability	\$ (20,889)	\$ 222,403	\$ 839,157	\$ 25,601
Total OPEB Liability, Beginning	3,343,321	3,322,432	3,544,835	4,383,992
Total OPEB Liability, Ending	<u>\$ 3,322,432</u>	<u>\$ 3,544,835</u>	<u>\$ 4,383,992</u>	<u>\$ 4,409,593</u>
Covered Employee Payroll	\$ 29,793,895	\$ 28,351,948	\$ 28,074,870	\$ 29,625,456
Net OPEB Liability as a Percentage of Covered Employee Payroll	11.15%	12.50%	15.62%	14.88%

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

Note 2: Changes in assumptions.

The following are the discount rates used in each period:

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%
2020	2.16%

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, 2021

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2021 were calculated based on the June 30, 2019, 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: (1) decreased inflation rate from 3 percent to 2.5 percent; (2) decreased the investment rate of return from 7.5 percent to 7.25 percent; (3) decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; (4) decreased salary growth graded ranges from an average of 4.25 percent to an average of 4 percent; and (5) modified mortality assumptions.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Nonmajor Governmental Funds

Special Revenue Funds

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

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for 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

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

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

Exhibit F-1

Carter County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds					Constitu - tional Officers - Fees	Total
	Solid Waste / Sanitation	Health Department	Drug Control	Sports and Recreation			
<u>ASSETS</u>							
Cash	\$ 8,625	\$ 0	\$ 0	\$ 500	\$ 11,992	\$	21,117
Equity in Pooled Cash and Investments	533,942	165,821	60,809	122,758	0		883,330
Accounts Receivable	0	0	0	0	66,479		66,479
Due from Other Governments	17,708	0	0	0	0		17,708
Total Assets	\$ 560,275	\$ 165,821	\$ 60,809	\$ 123,258	\$ 78,471	\$	988,634
<u>LIABILITIES</u>							
Accounts Payable	\$ 60,666	\$ 4,713	\$ 1,800	\$ 22,378	\$ 0	\$	89,557
Accrued Payroll	22,246	0	0	0	0		22,246
Payroll Deductions Payable	1,804	0	0	0	0		1,804
Other Withholding Taxes	196	0	0	0	0		196
Due to Other Funds	7,565	10,000	0	0	78,471		96,036
Other Current Liabilities	0	0	19,409	0	0		19,409
Total Liabilities	\$ 92,477	\$ 14,713	\$ 21,209	\$ 22,378	\$ 78,471	\$	229,248
<u>FUND BALANCES</u>							
Restricted:							
Restricted for Public Safety	\$ 0	\$ 0	\$ 39,600	\$ 0	\$ 0	\$	39,600
Restricted for Public Health and Welfare	0	91,010	0	0	0		91,010
Restricted for Capital Projects	0	0	0	0	0		0
Committed:							
Committed for Public Health and Welfare	467,798	60,098	0	0	0		527,896

(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 (Cont.):						
Committed for Social, Cultural, and Recreational Services	\$ 0	\$ 0	\$ 0	\$ 100,880	\$ 0	\$ 100,880
Committed for Capital Projects	0	0	0	0	0	0
Total Fund Balances	<u>\$ 467,798</u>	<u>\$ 151,108</u>	<u>\$ 39,600</u>	<u>\$ 100,880</u>	<u>\$ 0</u>	<u>\$ 759,386</u>
Total Liabilities and Fund Balances	<u>\$ 560,275</u>	<u>\$ 165,821</u>	<u>\$ 60,809</u>	<u>\$ 123,258</u>	<u>\$ 78,471</u>	<u>\$ 988,634</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	\$	21,117
Equity in Pooled Cash and Investments	48,921		932,251
Accounts Receivable	0		66,479
Due from Other Governments	0		17,708
Total Assets	\$ 48,921	\$	1,037,555
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$	89,557
Accrued Payroll	0		22,246
Payroll Deductions Payable	0		1,804
Other Withholding Taxes	0		196
Due to Other Funds	0		96,036
Other Current Liabilities	0		19,409
Total Liabilities	\$ 0	\$	229,248
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Public Safety	\$ 0	\$	39,600
Restricted for Public Health and Welfare	0		91,010
Restricted for Capital Projects	32,255		32,255
Committed:			
Committed for Public Health and Welfare	0		527,896

(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>FUND BALANCES (Cont.)</u>				
Committed (Cont.):				
Committed for Social, Cultural, and Recreational Services	\$	0	\$	100,880
Committed for Capital Projects		16,666		16,666
Total Fund Balances	\$	48,921	\$	808,307
Total Liabilities and Fund Balances	\$	48,921	\$	1,037,555

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, 2021

	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	\$ 77,000	\$ 0	\$ 246,000
Fines, Forfeitures, and Penalties	0	0	39,153	0	0	39,153
Charges for Current Services	1,326,828	0	0	0	227	1,327,055
Other Local Revenues	199,806	0	153	0	0	199,959
State of Tennessee	39,831	0	0	0	0	39,831
Total Revenues	\$ 1,566,465	\$ 169,000	\$ 39,306	\$ 77,000	\$ 227	\$ 1,851,998
<u>Expenditures</u>						
Current:						
Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 227	\$ 227
Public Safety	0	0	31,782	0	0	31,782
Public Health and Welfare	1,408,917	148,268	0	0	0	1,557,185
Social, Cultural, and Recreational Services	0	0	0	31,009	0	31,009
Total Expenditures	\$ 1,408,917	\$ 148,268	\$ 31,782	\$ 31,009	\$ 227	\$ 1,620,203
Excess (Deficiency) of Revenues Over Expenditures	\$ 157,548	\$ 20,732	\$ 7,524	\$ 45,991	\$ 0	\$ 231,795
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 11,895	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,895
Transfers In	19,421	0	0	0	0	19,421
Total Other Financing Sources (Uses)	\$ 31,316	\$ 0	\$ 0	\$ 0	\$ 0	\$ 31,316

(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	\$ 188,864	\$ 20,732	\$ 7,524	\$ 45,991	\$ 0	\$ 263,111
Fund Balance, July 1, 2020	278,934	130,376	32,076	54,889	0	496,275
Fund Balance, June 30, 2021	\$ 467,798	\$ 151,108	\$ 39,600	\$ 100,880	\$ 0	\$ 759,386

(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>		Total Nonmajor Governmental Funds	
	General	Capital	Projects	
<u>Revenues</u>				
Local Taxes	\$	0	\$	246,000
Fines, Forfeitures, and Penalties		0		39,153
Charges for Current Services		0		1,327,055
Other Local Revenues		0		199,959
State of Tennessee		0		39,831
Total Revenues	\$	0	\$	1,851,998
<u>Expenditures</u>				
Current:				
Finance	\$	0	\$	227
Public Safety		0		31,782
Public Health and Welfare		0		1,557,185
Social, Cultural, and Recreational Services		0		31,009
Total Expenditures	\$	0	\$	1,620,203
Excess (Deficiency) of Revenues				
Over Expenditures	\$	0	\$	231,795
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$	0	\$	11,895
Transfers In		0		19,421
Total Other Financing Sources (Uses)	\$	0	\$	31,316

(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	\$ 263,111
Fund Balance, July 1, 2020	48,921	545,196
Fund Balance, June 30, 2021	<u>\$ 48,921</u>	<u>\$ 808,307</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, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 1,326,828	\$ 1,241,000	\$ 1,241,000	\$ 85,828
Other Local Revenues	199,806	122,000	122,000	77,806
State of Tennessee	39,831	22,500	22,500	17,331
Total Revenues	<u>\$ 1,566,465</u>	<u>\$ 1,385,500</u>	<u>\$ 1,385,500</u>	<u>\$ 180,965</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Convenience Centers	\$ 43,498	\$ 37,133	\$ 49,586	\$ 6,088
Recycling Center	129,284	145,635	194,998	65,714
Landfill Operation and Maintenance	1,236,135	1,410,628	1,452,247	216,112
<u>Other Operations</u>				
Miscellaneous	0	11,800	0	0
Total Expenditures	<u>\$ 1,408,917</u>	<u>\$ 1,605,196</u>	<u>\$ 1,696,831</u>	<u>\$ 287,914</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 157,548</u>	<u>\$ (219,696)</u>	<u>\$ (311,331)</u>	<u>\$ 468,879</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 11,895	\$ 0	\$ 5,600	\$ 6,295
Transfers In	19,421	219,698	241,955	(222,534)
Total Other Financing Sources	<u>\$ 31,316</u>	<u>\$ 219,698</u>	<u>\$ 247,555</u>	<u>\$ (216,239)</u>
Net Change in Fund Balance	\$ 188,864	\$ 2	\$ (63,776)	\$ 252,640
Fund Balance, July 1, 2020	<u>278,934</u>	<u>134,889</u>	<u>134,889</u>	<u>144,045</u>
Fund Balance, June 30, 2021	<u>\$ 467,798</u>	<u>\$ 134,891</u>	<u>\$ 71,113</u>	<u>\$ 396,685</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, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 169,000	\$ 0	\$ 169,000	\$ 0
Total Revenues	<u>\$ 169,000</u>	<u>\$ 0</u>	<u>\$ 169,000</u>	<u>\$ 0</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Local Health Center	\$ 148,268	\$ 169,000	\$ 169,000	\$ 20,732
Total Expenditures	<u>\$ 148,268</u>	<u>\$ 169,000</u>	<u>\$ 169,000</u>	<u>\$ 20,732</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 20,732</u>	<u>\$ (169,000)</u>	<u>\$ 0</u>	<u>\$ 20,732</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 169,000	\$ 0	\$ 0
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 169,000</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 20,732	\$ 0	\$ 0	\$ 20,732
Fund Balance, July 1, 2020	<u>130,376</u>	<u>162,008</u>	<u>162,008</u>	<u>(31,632)</u>
Fund Balance, June 30, 2021	<u><u>\$ 151,108</u></u>	<u><u>\$ 162,008</u></u>	<u><u>\$ 162,008</u></u>	<u><u>\$ (10,900)</u></u>

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, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 39,153	\$ 27,800	\$ 27,800	\$ 11,353
Other Local Revenues	153	12,000	12,000	(11,847)
Total Revenues	\$ 39,306	\$ 39,800	\$ 39,800	\$ (494)
<u>Expenditures</u>				
<u>Public Safety</u>				
Sheriff's Department	\$ 31,782	\$ 39,300	\$ 56,504	\$ 24,722
<u>Other Operations</u>				
Miscellaneous	0	500	0	0
Total Expenditures	\$ 31,782	\$ 39,800	\$ 56,504	\$ 24,722
Excess (Deficiency) of Revenues Over Expenditures	\$ 7,524	\$ 0	\$ (16,704)	\$ 24,228
Net Change in Fund Balance	\$ 7,524	\$ 0	\$ (16,704)	\$ 24,228
Fund Balance, July 1, 2020	32,076	15,543	15,543	16,533
Fund Balance, June 30, 2021	\$ 39,600	\$ 15,543	\$ (1,161)	\$ 40,761

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, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 77,000	\$ 0	\$ 77,000	\$ 0
Total Revenues	\$ 77,000	\$ 0	\$ 77,000	\$ 0
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Parks and Fair Boards	\$ 31,009	\$ 75,000	\$ 77,000	\$ 45,991
Total Expenditures	\$ 31,009	\$ 75,000	\$ 77,000	\$ 45,991
Excess (Deficiency) of Revenues Over Expenditures	\$ 45,991	\$ (75,000)	\$ 0	\$ 45,991
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 75,000	\$ 0	\$ 0
Total Other Financing Sources	\$ 0	\$ 75,000	\$ 0	\$ 0
Net Change in Fund Balance	\$ 45,991	\$ 0	\$ 0	\$ 45,991
Fund Balance, July 1, 2020	54,889	17,179	17,179	37,710
Fund Balance, June 30, 2021	\$ 100,880	\$ 17,179	\$ 17,179	\$ 83,701

Major Governmental Fund

General Debt Service Fund

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

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, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,660,448	\$ 1,610,050	\$ 1,610,050	\$ 50,398
Other Local Revenues	32,000	32,000	32,000	0
State of Tennessee	36,251	38,000	38,000	(1,749)
Total Revenues	<u>\$ 1,728,699</u>	<u>\$ 1,680,050</u>	<u>\$ 1,680,050</u>	<u>\$ 48,649</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,050,000	\$ 1,050,000	\$ 1,050,000	\$ 0
<u>Interest on Debt</u>				
General Government	573,486	584,431	584,431	10,945
<u>Other Debt Service</u>				
General Government	219,872	42,800	228,812	8,940
Total Expenditures	<u>\$ 1,843,358</u>	<u>\$ 1,677,231</u>	<u>\$ 1,863,243</u>	<u>\$ 19,885</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (114,659)</u>	<u>\$ 2,819</u>	<u>\$ (183,193)</u>	<u>\$ 68,534</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 15,635,000	\$ 0	\$ 15,635,000	\$ 0
Premiums on Debt Sold	182,221	0	182,221	0
Payments to Refunded Debt Escrow Agent	(15,633,509)	0	(15,633,509)	0
Total Other Financing Sources	<u>\$ 183,712</u>	<u>\$ 0</u>	<u>\$ 183,712</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 69,053	\$ 2,819	\$ 519	\$ 68,534
Fund Balance, July 1, 2020	<u>3,059,600</u>	<u>3,064,592</u>	<u>3,064,592</u>	<u>(4,992)</u>
Fund Balance, June 30, 2021	<u><u>\$ 3,128,653</u></u>	<u><u>\$ 3,067,411</u></u>	<u><u>\$ 3,065,111</u></u>	<u><u>\$ 63,542</u></u>

Custodial Funds

Custodial Funds are used to account for assets held by the county in a custodial capacity or as an agent for individuals, private organizations, and other governments. Custodial Funds are reported using the economic resources measurement focus and the accrual basis of accounting. Custodial fund reporting focuses on net position and changes in net position. Custodial funds are distinguished from trust funds by the absence of a trust agreement or equivalent arrangement.

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

City School ADA - Elizabethton Fund and City School ADA – Johnson City Fund – These two funds are used to account for the city school systems' shares of education revenues collected by the county that must be apportioned between the various school systems on an average daily attendance basis. These collections are remitted to the city school systems on a monthly basis.

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

Exhibit H-1

Carter County, Tennessee
Combining Statement of Net Position
Custodial Funds
June 30, 2021

	Custodial Funds				
	Cities -	City	City	Constitu -	
	Sales	School	School	tional	
	Tax	ADA -	ADA -	Officers -	
		Elizabethton	Johnson City	Custodial	Total
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 2,715,139	\$ 2,715,139
Equity in Pooled Cash and Investments	0	396,302	0	0	396,302
Accounts Receivable	0	0	0	11,475	11,475
Due from Other Governments	1,159,301	451,289	0	0	1,610,590
Property Taxes Receivable	0	3,476,548	90,216	0	3,566,764
Allowance for Uncollectible Property Taxes	0	(47,370)	(1,242)	0	(48,612)
Total Assets	<u>\$ 1,159,301</u>	<u>\$ 4,276,769</u>	<u>\$ 88,974</u>	<u>\$ 2,726,614</u>	<u>\$ 8,251,658</u>
<u>LIABILITIES</u>					
Due to Other Taxing Units	\$ 1,159,301	\$ 885,231	\$ 0	\$ 0	\$ 2,044,532
Total Liabilities	<u>\$ 1,159,301</u>	<u>\$ 885,231</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,044,532</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 3,391,538	\$ 88,974	\$ 0	\$ 3,480,512
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 3,391,538</u>	<u>\$ 88,974</u>	<u>\$ 0</u>	<u>\$ 3,480,512</u>
<u>NET POSITION</u>					
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 0	\$ 0	\$ 2,726,614	\$ 2,726,614
Total Net Position	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,726,614</u>	<u>\$ 2,726,614</u>

Exhibit H-2

Carter County, Tennessee
Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended June 30, 2021

	Custodial Funds				
	Cities - Sales Tax	City School ADA - Elizabethton	City School ADA - Johnson City	Constitu - tional Officers - Custodial	Total
<u>Additions</u>					
Sales Tax Collections for Other Governments	\$ 6,779,273	\$ 0	\$ 0	\$ 0	\$ 6,779,273
ADA - Educational Funds Collected for Cities	0	6,738,278	183,013	0	6,921,291
Fines/Fees and Other Collections	0	0	0	9,138,858	9,138,858
Total Additions	\$ 6,779,273	\$ 6,738,278	\$ 183,013	\$ 9,138,858	\$ 22,839,422
<u>Deductions</u>					
Payment of Sales Tax Collections for Other Governments	\$ 6,779,273	\$ 0	\$ 0	\$ 0	\$ 6,779,273
Payments to City School Systems	0	6,738,278	183,013	0	6,921,291
Payments to State	0	0	0	6,423,435	6,423,435
Payments to Individuals and Others	0	0	0	1,773,282	1,773,282
Total Deductions	\$ 6,779,273	\$ 6,738,278	\$ 183,013	\$ 8,196,717	\$ 21,897,281
Change in Net Position	\$ 0	\$ 0	\$ 0	\$ 942,141	\$ 942,141
Net Position July 1, 2020	0	0	0	0	0
Restatement - See Note I.D.11	0	0	0	1,784,473	1,784,473
Net Position June 30, 2021	\$ 0	\$ 0	\$ 0	\$ 2,726,614	\$ 2,726,614

Carter County School Department

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 four Special Revenue Funds.

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.

Internal School Fund – The Internal School Fund is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities.

Exhibit I-1

Carter County, Tennessee
Statement of Activities
Discretely Presented Carter County School Department
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 32,367,824	\$ 0	\$ 8,731,091	\$ 0	\$ (23,636,733)
Support Services	16,052,975	35,963	1,149,265	17,361	(14,850,386)
Operation of Non-instructional Services	6,489,522	170,258	4,012,869	0	(2,306,395)
Total Governmental Activities	<u>\$ 54,910,321</u>	<u>\$ 206,221</u>	<u>\$ 13,893,225</u>	<u>\$ 17,361</u>	<u>\$ (40,793,514)</u>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 6,112,085
Local Option Sales Taxes					6,145,973
Mixed Drink Tax					1,054
Grants and Contributions Not Restricted for Specific Programs					33,253,741
Unrestricted Investment Income					18,313
Miscellaneous					74,349
Gain on Investments					47,986
Total General Revenues					<u>\$ 45,653,501</u>
Change in Net Position					\$ 4,859,987
Net Position, July 1, 2020					32,077,420
Restatement - See Note I.D.11.					<u>1,120,723</u>
Net Position, June 30, 2021					<u>\$ 38,058,130</u>

Exhibit I-2

Carter County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Carter County School Department
June 30, 2021

	Major Funds		Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash	\$ 1,107,457	\$ 0	\$ 1,252,334	\$ 2,359,791
Equity in Pooled Cash and Investments	14,517,423	895,627	2,916,965	18,330,015
Accounts Receivable	0	0	10,703	10,703
Due from Other Governments	1,782,401	1,669,741	92,011	3,544,153
Due from Other Funds	170,746	77,400	11,357	259,503
Due from Primary Government	112,902	0	0	112,902
Property Taxes Receivable	6,291,998	0	0	6,291,998
Allowance for Uncollectible Property Taxes	(85,733)	0	0	(85,733)
Restricted Assets	295,660	0	0	295,660
Total Assets	<u>\$ 24,192,854</u>	<u>\$ 2,642,768</u>	<u>\$ 4,283,370</u>	<u>\$ 31,118,992</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 509,507	\$ 951,390	\$ 43,373	\$ 1,504,270
Accrued Payroll	440,966	354,888	47,303	843,157
Payroll Deductions Payable	608,113	73,589	22,558	704,260
Termination Benefits Payable - Current	59,866	0	0	59,866
Future Compensation Payable	13	0	0	13
Other Withholding Taxes	0	0	2,906	2,906
Due to Other Funds	88,757	0	170,746	259,503
Due to Primary Government	300,254	0	0	300,254
Due to State of Tennessee	25,050	4,210	0	29,260
Other Current Liabilities	385,991	0	0	385,991
Total Liabilities	<u>\$ 2,418,517</u>	<u>\$ 1,384,077</u>	<u>\$ 286,886</u>	<u>\$ 4,089,480</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	School Federal Projects	Other Govern- mental Funds	Total Governmental Funds
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 6,014,906	\$ 0	\$ 0	\$ 6,014,906
Deferred Delinquent Property Taxes	123,237	0	0	123,237
Other Deferred/Unavailable Revenue	648,365	0	0	648,365
Total Deferred Inflows of Resources	<u>\$ 6,786,508</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,786,508</u>
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Education	\$ 92,695	\$ 58,691	\$ 3,896,484	\$ 4,047,870
Restricted for Capital Projects	997,097	0	0	997,097
Restricted for Hybrid Retirement Stabilization Funds	295,660	0	0	295,660
Committed:				
Committed for Education	13,077	1,200,000	100,000	1,313,077
Assigned:				
Assigned for Education	1,237,827	0	0	1,237,827
Assigned for Capital Projects	193,886	0	0	193,886
Unassigned	12,157,587	0	0	12,157,587
Total Fund Balances	<u>\$ 14,987,829</u>	<u>\$ 1,258,691</u>	<u>\$ 3,996,484</u>	<u>\$ 20,243,004</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 24,192,854</u>	<u>\$ 2,642,768</u>	<u>\$ 4,283,370</u>	<u>\$ 31,118,992</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, 2021

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)		\$	20,243,004
(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		39,803	
Add: building and improvements net of accumulated depreciation		22,203,285	
Add: other capital assets net of accumulated depreciation		<u>1,525,769</u>	24,597,085
(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	\$	(597,902)	
Less: other postemployment benefits liability		<u>(17,806,405)</u>	(18,404,307)
(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	\$	4,216,906	
Less: deferred inflows of resources related to pensions		(2,315,594)	
Add: deferred outflows of resources related to OPEB		5,382,829	
Less: deferred inflows of resources related to OPEB		<u>(2,826,962)</u>	4,457,179
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$	1,894,065	
Add: net pension asset - teacher retirement plan		180,756	
Add: net pension asset - teacher legacy pension plan		<u>4,318,746</u>	6,393,567
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>771,602</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>38,058,130</u></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, 2021

	Major Funds		Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>				
Local Taxes	\$ 12,189,083	\$ 0	\$ 0	\$ 12,189,083
Licenses and Permits	996	0	0	996
Charges for Current Services	67,568	0	137,601	205,169
Other Local Revenues	107,468	0	1,651,636	1,759,104
State of Tennessee	32,870,255	0	27,449	32,897,704
Federal Government	1,171,045	7,509,963	2,495,602	11,176,610
Other Governments and Citizens Groups	37,184	0	1,223,480	1,260,664
Total Revenues	\$ 46,443,599	\$ 7,509,963	\$ 5,535,768	\$ 59,489,330
<u>Expenditures</u>				
Current:				
Instruction	\$ 27,037,235	\$ 5,571,738	\$ 0	\$ 32,608,973
Support Services	14,306,409	1,830,546	1,389	16,138,344
Operation of Non-Instructional Services	772,460	107,675	5,688,593	6,568,728
Capital Outlay	467,025	0	0	467,025
Total Expenditures	\$ 42,583,129	\$ 7,509,959	\$ 5,689,982	\$ 55,783,070
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,860,470	\$ 4	\$ (154,214)	\$ 3,706,260
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 70,189	\$ 0	\$ 0	\$ 70,189
Transfers In	154,000	750,000	0	904,000
Transfers Out	(750,000)	0	(154,000)	(904,000)
Total Other Financing Sources (Uses)	\$ (525,811)	\$ 750,000	\$ (154,000)	\$ 70,189

(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	School Federal Projects	Other Govern- mental Funds	Total Governmental Funds
Net Change in Fund Balances	\$ 3,334,659	\$ 750,004	\$ (308,214)	\$ 3,776,449
Restatement - See Note I.D.11	0	0	1,120,723	1,120,723
Fund Balance, July 1, 2020	11,653,170	508,687	3,183,975	15,345,832
Fund Balance, June 30, 2021	\$ 14,987,829	\$ 1,258,691	\$ 3,996,484	\$ 20,243,004

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, 2021

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)		\$ 3,776,449
(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	\$ 695,041	
Less: current-year depreciation expense	<u>(1,345,525)</u>	(650,484)
(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, 2021	\$ 771,602	
Less: deferred delinquent property taxes and other deferred June 30, 2020	<u>(552,344)</u>	219,258
(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	\$ 22,550	
Change in other postemployment benefits liability	(1,892,556)	
Change in net pension asset/liability	(1,578,120)	
Change in deferred outflows related to pensions	(86,943)	
Change in deferred inflows related to pensions	3,685,347	
Change in deferred outflows related to OPEB	896,883	
Change in deferred inflows related to OPEB	<u>467,603</u>	<u>1,514,764</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 4,859,987</u>

Exhibit I-6

Carter County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Carter County School Department
June 30, 2021

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Central Cafeteria	Other Education Special Revenue	Internal School	
<u>ASSETS</u>				
Cash	\$ 4,952	\$ 0	\$ 1,247,382	\$ 1,252,334
Equity in Pooled Cash and Investments	2,811,836	105,129	0	2,916,965
Accounts Receivable	4,874	5,829	0	10,703
Due from Other Governments	92,011	0	0	92,011
Due from Other Funds	0	11,357	0	11,357
Total Assets	<u>\$ 2,913,673</u>	<u>\$ 122,315</u>	<u>\$ 1,247,382</u>	<u>\$ 4,283,370</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 39,818	\$ 906	\$ 2,649	\$ 43,373
Accrued Payroll	45,305	1,998	0	47,303
Payroll Deductions Payable	6,559	15,999	0	22,558
Other Withholding Taxes	0	2,906	0	2,906
Due to Other Funds	170,746	0	0	170,746
Total Liabilities	<u>\$ 262,428</u>	<u>\$ 21,809</u>	<u>\$ 2,649</u>	<u>\$ 286,886</u>
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Education	\$ 2,651,245	\$ 506	\$ 1,244,733	\$ 3,896,484
Committed:				
Committed for Education	0	100,000	0	100,000
Total Fund Balances	<u>\$ 2,651,245</u>	<u>\$ 100,506</u>	<u>\$ 1,244,733</u>	<u>\$ 3,996,484</u>
Total Liabilities and Fund Balances	<u>\$ 2,913,673</u>	<u>\$ 122,315</u>	<u>\$ 1,247,382</u>	<u>\$ 4,283,370</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, 2021

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Central Cafeteria	Other Education Special Revenue	Internal School	
<u>Revenues</u>				
Charges for Current Services	\$ 137,601	\$ 0	\$ 0	\$ 137,601
Other Local Revenues	39,241	0	1,612,395	1,651,636
State of Tennessee	27,449	0	0	27,449
Federal Government	2,346,447	149,155	0	2,495,602
Other Governments and Citizens Groups	26,350	1,197,130	0	1,223,480
Total Revenues	<u>\$ 2,577,088</u>	<u>\$ 1,346,285</u>	<u>\$ 1,612,395</u>	<u>\$ 5,535,768</u>
<u>Expenditures</u>				
Current:				
Support Services	\$ 0	\$ 1,389	\$ 0	\$ 1,389
Operation of Non-Instructional Services	2,853,614	1,346,594	1,488,385	5,688,593
Total Expenditures	<u>\$ 2,853,614</u>	<u>\$ 1,347,983</u>	<u>\$ 1,488,385</u>	<u>\$ 5,689,982</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (276,526)</u>	<u>\$ (1,698)</u>	<u>\$ 124,010</u>	<u>\$ (154,214)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (154,000)	\$ 0	\$ 0	\$ (154,000)
Total Other Financing Sources (Uses)	<u>\$ (154,000)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (154,000)</u>
Net Change in Fund Balances	\$ (430,526)	\$ (1,698)	\$ 124,010	\$ (308,214)
Restatement - See Note I.D.11	0	0	1,120,723	1,120,723
Fund Balance, July 1, 2020	<u>3,081,771</u>	<u>102,204</u>	<u>0</u>	<u>3,183,975</u>
Fund Balance, June 30, 2021	<u>\$ 2,651,245</u>	<u>\$ 100,506</u>	<u>\$ 1,244,733</u>	<u>\$ 3,996,484</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, 2021

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 12,189,083	\$ 0	\$ 0	\$ 12,189,083	\$ 10,448,806	\$ 10,451,006	\$ 1,738,077
Licenses and Permits	996	0	0	996	1,200	1,200	(204)
Charges for Current Services	67,568	0	0	67,568	271,389	271,389	(203,821)
Other Local Revenues	107,468	0	0	107,468	11,200	26,753	80,715
State of Tennessee	32,870,255	0	0	32,870,255	31,099,505	33,508,065	(637,810)
Federal Government	1,171,045	0	0	1,171,045	159,250	942,193	228,852
Other Governments and Citizens Groups	37,184	0	0	37,184	0	2,962	34,222
Total Revenues	\$ 46,443,599	\$ 0	\$ 0	\$ 46,443,599	\$ 41,991,350	\$ 45,203,568	\$ 1,240,031
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 21,093,697	\$ 0	\$ 119,869	\$ 21,213,566	\$ 20,666,873	\$ 22,057,217	\$ 843,651
Alternative Instruction Program	66,067	0	0	66,067	177,437	176,371	110,304
Special Education Program	3,831,425	0	0	3,831,425	3,868,874	3,903,574	72,149
Career and Technical Education Program	1,403,549	0	0	1,403,549	1,460,750	1,520,285	116,736
COVID-19 Expenditures	642,497	0	0	642,497	0	644,497	2,000
<u>Support Services</u>							
Health Services	479,630	0	0	479,630	536,368	549,868	70,238
Other Student Support	1,445,355	0	0	1,445,355	1,385,349	1,574,486	129,131
Regular Instruction Program	1,277,529	0	0	1,277,529	1,437,408	1,450,844	173,315
Alternative Instruction Program	132,456	0	0	132,456	130,765	135,429	2,973
Special Education Program	504,538	0	0	504,538	503,757	559,879	55,341
Career and Technical Education Program	226,519	0	0	226,519	226,675	237,044	10,525
Technology	570,274	(17,983)	98,116	650,407	510,970	653,890	3,483
Other Programs	261,637	0	0	261,637	0	261,637	0
Board of Education	676,124	0	0	676,124	972,554	698,178	22,054
Director of Schools	407,620	0	0	407,620	408,393	408,863	1,243
Office of the Principal	2,540,503	0	0	2,540,503	2,532,429	2,585,719	45,216
Fiscal Services	433,888	0	0	433,888	171,150	430,094	(3,794)

(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 7/1/2020	Add: Encumbrances 6/30/2021	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	\$ 2,743,650	\$ 0	\$ 0	\$ 2,743,650	\$ 2,974,555	\$ 2,984,236	\$ 240,586
Maintenance of Plant	835,227	(33,838)	0	801,389	948,413	945,413	144,024
Transportation	1,771,459	(94,118)	92,994	1,770,335	2,073,564	2,219,539	449,204
<u>Operation of Non-Instructional Services</u>							
Food Service	5,775	0	0	5,775	0	10,000	4,225
Community Services	461,854	0	0	461,854	357,485	932,885	471,031
Early Childhood Education	304,831	0	0	304,831	302,893	303,776	(1,055)
<u>Capital Outlay</u>							
Regular Capital Outlay	467,025	(243,223)	193,886	417,688	817,802	939,602	521,914
Total Expenditures	\$ 42,583,129	\$ (389,162)	\$ 504,865	\$ 42,698,832	\$ 42,464,464	\$ 46,183,326	\$ 3,484,494
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,860,470	\$ 389,162	\$ (504,865)	\$ 3,744,767	\$ (473,114)	\$ (979,758)	\$ 4,724,525
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 70,189	\$ 0	\$ 0	\$ 70,189	\$ 0	\$ 0	\$ 70,189
Transfers In	154,000	0	0	154,000	154,000	154,000	0
Transfers Out	(750,000)	0	0	(750,000)	(31,400)	(781,400)	31,400
Total Other Financing Sources	\$ (525,811)	\$ 0	\$ 0	\$ (525,811)	\$ 122,600	\$ (627,400)	\$ 101,589
Net Change in Fund Balance	\$ 3,334,659	\$ 389,162	\$ (504,865)	\$ 3,218,956	\$ (350,514)	\$ (1,607,158)	\$ 4,826,114
Fund Balance, July 1, 2020	11,653,170	(389,162)	0	11,264,008	8,870,000	8,870,000	2,394,008
Fund Balance, June 30, 2021	\$ 14,987,829	\$ 0	\$ (504,865)	\$ 14,482,964	\$ 8,519,486	\$ 7,262,842	\$ 7,220,122

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, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 7,509,963	\$ 4,053,669	\$ 12,848,083	\$ (5,338,120)
Total Revenues	\$ 7,509,963	\$ 4,053,669	\$ 12,848,083	\$ (5,338,120)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 4,368,240	\$ 1,575,949	\$ 6,970,961	\$ 2,602,721
Special Education Program	1,058,201	1,113,690	1,663,256	605,055
Career and Technical Education Program	145,297	94,754	145,301	4
<u>Support Services</u>				
Health Services	71,800	0	78,673	6,873
Other Student Support	336,059	367,991	610,872	274,813
Regular Instruction Program	685,396	538,018	2,059,668	1,374,272
Special Education Program	372,949	288,109	363,849	(9,100)
Career and Technical Education Program	0	2,500	0	0
Technology	127,973	0	172,310	44,337
Office of the Principal	66,602	0	63,250	(3,352)
Operation of Plant	36,207	0	39,765	3,558
Transportation	133,560	72,658	447,503	313,943
<u>Operation of Non-Instructional Services</u>				
Food Service	107,675	0	107,675	0
<u>Capital Outlay</u>				
Regular Capital Outlay	0	0	125,000	125,000
Total Expenditures	\$ 7,509,959	\$ 4,053,669	\$ 12,848,083	\$ 5,338,124
Excess (Deficiency) of Revenues Over Expenditures	\$ 4	\$ 0	\$ 0	\$ 4
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 750,000	\$ 0	\$ 750,000	\$ 0
Total Other Financing Sources	\$ 750,000	\$ 0	\$ 750,000	\$ 0
Net Change in Fund Balance	\$ 750,004	\$ 0	\$ 750,000	\$ 4
Fund Balance, July 1, 2020	508,687	1,872	1,872	506,815
Fund Balance, June 30, 2021	\$ 1,258,691	\$ 1,872	\$ 751,872	\$ 506,819

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, 2021

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 137,601	\$ 0	\$ 137,601	\$ 477,700	\$ 477,700	\$ (340,099)
Other Local Revenues	39,241	0	39,241	45,000	45,000	(5,759)
State of Tennessee	27,449	0	27,449	29,200	29,200	(1,751)
Federal Government	2,346,447	0	2,346,447	2,786,043	2,786,043	(439,596)
Other Governments and Citizens Groups	26,350	0	26,350	0	26,350	0
Total Revenues	<u>\$ 2,577,088</u>	<u>\$ 0</u>	<u>\$ 2,577,088</u>	<u>\$ 3,337,943</u>	<u>\$ 3,364,293</u>	<u>\$ (787,205)</u>
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 2,853,614	\$ (137,458)	\$ 2,716,156	\$ 3,850,994	\$ 3,877,344	\$ 1,161,188
Total Expenditures	<u>\$ 2,853,614</u>	<u>\$ (137,458)</u>	<u>\$ 2,716,156</u>	<u>\$ 3,850,994</u>	<u>\$ 3,877,344</u>	<u>\$ 1,161,188</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (276,526)</u>	<u>\$ 137,458</u>	<u>\$ (139,068)</u>	<u>\$ (513,051)</u>	<u>\$ (513,051)</u>	<u>\$ 373,983</u>
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (154,000)	0	\$ (154,000)	\$ (154,000)	\$ (154,000)	0
Total Other Financing Sources	<u>\$ (154,000)</u>	<u>0</u>	<u>\$ (154,000)</u>	<u>\$ (154,000)</u>	<u>\$ (154,000)</u>	<u>0</u>
Net Change in Fund Balance	<u>\$ (430,526)</u>	<u>\$ 137,458</u>	<u>\$ (293,068)</u>	<u>\$ (667,051)</u>	<u>\$ (667,051)</u>	<u>\$ 373,983</u>
Fund Balance, July 1, 2020	<u>3,081,771</u>	<u>(137,458)</u>	<u>2,944,313</u>	<u>2,544,774</u>	<u>2,544,774</u>	<u>399,539</u>
Fund Balance, June 30, 2021	<u><u>\$ 2,651,245</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 2,651,245</u></u>	<u><u>\$ 1,877,723</u></u>	<u><u>\$ 1,877,723</u></u>	<u><u>\$ 773,522</u></u>

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, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 149,155	\$ 110,000	\$ 205,372	\$ (56,217)
Other Governments and Citizens Groups	1,197,130	1,043,710	1,208,965	(11,835)
Total Revenues	<u>\$ 1,346,285</u>	<u>\$ 1,153,710</u>	<u>\$ 1,414,337</u>	<u>\$ (68,052)</u>
<u>Expenditures</u>				
<u>Support Services</u>				
Operation of Plant	\$ 1,389	\$ 1,458	\$ 1,458	\$ 69
<u>Operation of Non-Instructional Services</u>				
Early Childhood Education	1,205,590	1,152,252	1,235,008	29,418
COVID-19 Expenditures	141,004	0	177,871	36,867
Total Expenditures	<u>\$ 1,347,983</u>	<u>\$ 1,153,710</u>	<u>\$ 1,414,337</u>	<u>\$ 66,354</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,698)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,698)</u>
Net Change in Fund Balance	\$ (1,698)	\$ 0	\$ 0	\$ (1,698)
Fund Balance, July 1, 2020	<u>102,204</u>	<u>0</u>	<u>0</u>	<u>102,204</u>
Fund Balance, June 30, 2021	<u><u>\$ 100,506</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 100,506</u></u>

MISCELLANEOUS SCHEDULES

Exhibit J-1

Carter County, Tennessee
Schedule of Changes in Long-term Bonds
For the Year Ended June 30, 2021

Description of Indebtedness	Original Amount of Issue	Interest Rate		Date of Issue	Last Maturity Date	Outstanding 7-1-20	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-21
<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	\$ 16,560,000	\$ 0	\$ 1,050,000	\$ 15,510,000	\$ 0
General Obligation Refunding Bonds, Series 2020 (taxable)	15,635,000	1.1 to 1.8		9-25-20	5-1-35	0	15,635,000	0		15,635,000
Total Bonds Payable						<u>\$ 16,560,000</u>	<u>\$ 15,635,000</u>	<u>\$ 1,050,000</u>	<u>\$ 15,510,000</u>	<u>\$ 15,635,000</u>

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2022	\$ 1,230,000	\$ 207,768	\$ 1,437,768
2023	1,290,000	192,393	1,482,393
2024	1,220,000	176,268	1,396,268
2025	1,255,000	161,018	1,416,018
2026	1,285,000	145,330	1,430,330
2027	1,290,000	129,268	1,419,268
2028	1,345,000	113,143	1,458,143
2029	1,315,000	96,330	1,411,330
2030	970,000	81,865	1,051,865
2031	940,000	70,225	1,010,225
2032	915,000	57,535	972,535
2033	885,000	43,810	928,810
2034	860,000	29,650	889,650
2035	835,000	15,030	850,030
Total	<u>\$ 15,635,000</u>	<u>\$ 1,519,630</u>	<u>\$ 17,154,630</u>

Exhibit J-3

Carter County, Tennessee

Schedule of Transfers

Primary Government and Discretely Presented Carter County School Department

For the Year Ended June 30, 2021

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Solid Waste/Sanitation	Operations - Employee bonuses	\$ 19,421
"	Highway/Public Works	"	<u>53,191</u>
Total Transfers Primary Government			<u><u>\$ 72,612</u></u>
<u>DISCRETELY PRESENTED CARTER COUNTY SCHOOL DEPARTMENT</u>			
Central Cafeteria	General Purpose School	Indirect costs	\$ 154,000
General Purpose School	School Federal Projects	Cash Flow	<u>750,000</u>
Total Transfers Discretely Presented Carter County School Department			<u><u>\$ 904,000</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, 2021

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor:				
Rusty Barnett (7-1-20 through 9-21-20)	Section 8-24-102, <i>TCA</i>	\$ 25,212	\$ 400,000	Tennessee Risk Management Trust
Patty Woodby (9-22-20 through 6-30-21)	Section 8-24-102, <i>TCA</i>	85,734	400,000	"
Highway Superintendent	Section 8-24-102, <i>TCA</i>	99,813	400,000	"
Director of Schools	State Board of Education and County Board of Education	96,000 (1)	400,000	"
Trustee	Section 8-24-102, <i>TCA</i>	90,740	400,000	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	90,740	400,000	"
Finance Director	County Commission	90,740	400,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	90,740	400,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	90,740	400,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i>	90,740	400,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	90,740	400,000	"
Sheriff	Section 8-24-102, <i>TCA</i> , and County Commission	105,813 (2)	400,000	"
Employee Blanket Bonds:				
Public Employee Dishonesty - County Departments			400,000	Tennessee Risk Management Trust
Public Employee Dishonesty - School Department			400,000	"

(1) Does not include contractual payments for travel allowance of \$3,600 and moving allowance of \$2,000.

(2) Includes a county workhouse supplement of \$6,000. Does not include a law enforcement training supplement of \$800.

Exhibit J-5

Carter County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2021

	Special Revenue Funds					Constitu - tional Officers -
	General	Solid Waste / Sanitation	Health Department	Drug Control	Sports and Recreation	Fees
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 9,331,817	\$ 0	\$ 0	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	242,142	0	0	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	75,447	0	0	0	0	0
Interest and Penalty	77,794	0	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	12,248	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	161,460	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	3,027	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	1,458,649	0	169,000	0	77,000	0
Hotel/Motel Tax	257,207	0	0	0	0	0
Litigation Tax - General	93,677	0	0	0	0	0
Litigation Tax - Special Purpose	7,606	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	54,312	0	0	0	0	0
Litigation Tax - Courthouse Security	97,787	0	0	0	0	0
Business Tax	464,551	0	0	0	0	0
Mixed Drink Tax	1,871	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
Other County Local Option Taxes	90,935	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	50,704	0	0	0	0	0
Beer Privilege Tax	251,923	0	0	0	0	0
Total Local Taxes	\$ 12,733,157	\$ 0	\$ 169,000	\$ 0	\$ 77,000	\$ 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	\$ 1,282	\$ 0	\$ 0	\$ 0	\$ 0	0
Animal Registration	25,639	0	0	0	0	0
Cable TV Franchise	395,038	0	0	0	0	0
<u>Permits</u>						
Beer Permits	2,456	0	0	0	0	0
Building Permits	123,776	0	0	0	0	0
Other Permits	22,163	0	0	0	0	0
Total Licenses and Permits	\$ 570,354	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 4,281	\$ 0	\$ 0	\$ 0	\$ 0	0
Drug Control Fines	0	0	0	19,498	0	0
Drug Court Fees	1,355	0	0	0	0	0
Jail Fees	2,919	0	0	0	0	0
Judicial Commissioner Fees	1,208	0	0	0	0	0
DUI Treatment Fines	1,484	0	0	0	0	0
Data Entry Fee - Circuit Court	1,308	0	0	0	0	0
Courtroom Security Fee	388	0	0	0	0	0
Victims Assistance Assessments	2,124	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	120,032	0	0	0	0	0
Officers Costs	38,160	0	0	0	0	0
Drug Control Fines	0	0	0	2,537	0	0
Drug Court Fees	7,945	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>						
Jail Fees	\$ 10,815	\$ 0	\$ 0	\$ 0	\$ 0	0
Judicial Commissioner Fees	270	0	0	0	0	0
DUI Treatment Fines	10,867	0	0	0	0	0
Data Entry Fee - General Sessions Court	12,736	0	0	0	0	0
Courtroom Security Fee	382	0	0	0	0	0
Victims Assistance Assessments	11,366	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	382	0	0	0	0	0
Jail Fees	195	0	0	0	0	0
Data Entry Fee - Juvenile Court	1,042	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	3,347	0	0	0	0	0
Data Entry Fee - Chancery Court	3,809	0	0	0	0	0
<u>Other Courts - In-county</u>						
Jail Fees	128	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	0	3,620	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	156	0	0	13,498	0	0
Other Fines, Forfeitures, and Penalties	4,082	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 240,781	\$ 0	\$ 0	\$ 39,153	\$ 0	0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Transfer Waste Stations Collection Charge	\$ 0	\$ 1,237,697	\$ 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 -
	General	Solid Waste / Sanitation	Health Department	Drug Control	Sports and Recreation	Fees
<u>Charges for Current Services (Cont.)</u>						
<u>General Service Charges (Cont.)</u>						
Tipping Fees	\$ 0	\$ 89,131	\$ 0	\$ 0	\$ 0	\$ 0
Patient Charges	8,460	0	0	0	0	0
Work Release Charges for Board	805	0	0	0	0	0
<u>Fees</u>						
Copy Fees	2,837	0	0	0	0	0
Archives and Records Management Fee	113,969	0	0	0	0	0
Greenbelt Late Application Fee	950	0	0	0	0	0
Telephone Commissions	123,660	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	227
Data Processing Fee - Register	16,110	0	0	0	0	0
Data Processing Fee - Sheriff	9,243	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	5,996	0	0	0	0	0
Data Processing Fee - County Clerk	4,625	0	0	0	0	0
Vehicle Registration Reinstatement Fees	2,690	0	0	0	0	0
Total Charges for Current Services	\$ 289,345	\$ 1,326,828	\$ 0	\$ 0	\$ 0	\$ 227
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 127,089	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	245,019	37,111	0	0	0	0
Commissary Sales	22,644	0	0	0	0	0
Sale of Gasoline	0	0	0	0	0	0
Sale of Recycled Materials	27	136,397	0	0	0	0
Sale of Animals/Livestock	10,160	0	0	0	0	0
Miscellaneous Refunds	242,205	26,298	0	153	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>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items</u>						
Sale of Equipment	\$ 3,961	\$ 0	\$ 0	\$ 0	\$ 0	0
Damages Recovered from Individuals	5,495	0	0	0	0	0
Contributions and Gifts	2,626	0	0	0	0	0
Performance Bond Forfeitures	1,000	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	3,140	0	0	0	0	0
Total Other Local Revenues	\$ 663,366	\$ 199,806	\$ 0	\$ 153	\$ 0	0
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 592,168	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	135,894	0	0	0	0	0
General Sessions Court Clerk	266,312	0	0	0	0	0
Clerk and Master	179,226	0	0	0	0	0
Register	302,942	0	0	0	0	0
Sheriff	12,404	0	0	0	0	0
Trustee	779,297	0	0	0	0	0
Total Fees Received From County Officials	\$ 2,268,243	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 10,000	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	46,400	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	\$ 405,064	\$ 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	43,803	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	41,299	0	0	0	0	0
Beer Tax	18,369	0	0	0	0	0
Vehicle Certificate of Title Fees	8,194	0	0	0	0	0
Alcoholic Beverage Tax	124,420	0	0	0	0	0
State Revenue Sharing - T.V.A.	0	0	0	0	0	0
State Revenue Sharing - Telecommunications	77,017	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	15,381	0	0	0	0	0
Contracted Prisoner Boarding	457,704	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 Grants	296,092	14,565	0	0	0	0
Other State Revenues	8,546	25,266	0	0	0	0
Total State of Tennessee	\$ 1,576,502	\$ 39,831	\$ 0	\$ 0	\$ 0	0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 68,539	\$ 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
Disaster Relief	5,400	0	0	0	0	0
Law Enforcement Grants	7,140	0	0	0	0	0
COVID-19 Grant #2	845,265	0	0	0	0	0
COVID-19 Grant #3	34,578	0	0	0	0	0
COVID-19 Grant #4	16,841	0	0	0	0	0
COVID-19 Grant D	9,219	0	0	0	0	0
Other Federal through State	0	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Police Service (Lake Area)	7,335	0	0	0	0	0
FHA Grant	468,465	0	0	0	0	0
Forest Service	17,400	0	0	0	0	0
Other Direct Federal Revenue	197,621	0	0	0	0	0
Total Federal Government	<u>\$ 1,719,303</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	\$ 848,153	\$ 0	\$ 0	\$ 0	\$ 0	0
Contributions	158,076	0	0	0	0	0
Contracted Services	656,647	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	22,871	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 1,685,747</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
Total	<u>\$ 21,746,798</u>	<u>\$ 1,566,465</u>	<u>\$ 169,000</u>	<u>\$ 39,306</u>	<u>\$ 77,000</u>	<u>\$ 227</u>

(Continued)

Exhibit J-5

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

	Special Revenue Fund	Debt Service Fund	
	Highway / Public Works	General Debt Service	Total
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	\$ 1,153,754	\$ 1,549,807	\$ 12,035,378
Trustee's Collections - Prior Year	30,932	49,611	322,685
Circuit Clerk/Clerk and Master Collections - Prior Years	8,346	9,521	93,314
Interest and Penalty	9,347	13,379	100,520
Payments in-Lieu-of Taxes - T.V.A.	1,672	2,391	16,311
Payments in-Lieu-of Taxes - Local Utilities	19,963	26,815	208,238
Payments in-Lieu-of Taxes - Other	374	503	3,904
<u>County Local Option Taxes</u>			
Local Option Sales Tax	0	0	1,704,649
Hotel/Motel Tax	0	0	257,207
Litigation Tax - General	0	0	93,677
Litigation Tax - Special Purpose	0	0	7,606
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	54,312
Litigation Tax - Courthouse Security	0	0	97,787
Business Tax	0	0	464,551
Mixed Drink Tax	0	0	1,871
Mineral Severance Tax	92,349	0	92,349
Other County Local Option Taxes	0	0	90,935
<u>Statutory Local Taxes</u>			
Bank Excise Tax	6,269	8,421	65,394
Beer Privilege Tax	0	0	251,923
Total Local Taxes	\$ 1,323,006	\$ 1,660,448	\$ 15,962,611

(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	\$ 1,282
Animal Registration	0	0	25,639
Cable TV Franchise	0	0	395,038
<u>Permits</u>			
Beer Permits	0	0	2,456
Building Permits	0	0	123,776
Other Permits	200	0	22,363
Total Licenses and Permits	\$ 200	\$ 0	\$ 570,554
<u>Fines, Forfeitures, and Penalties</u>			
<u>Circuit Court</u>			
Fines	\$ 0	\$ 0	\$ 4,281
Drug Control Fines	0	0	19,498
Drug Court Fees	0	0	1,355
Jail Fees	0	0	2,919
Judicial Commissioner Fees	0	0	1,208
DUI Treatment Fines	0	0	1,484
Data Entry Fee - Circuit Court	0	0	1,308
Courtroom Security Fee	0	0	388
Victims Assistance Assessments	0	0	2,124
<u>General Sessions Court</u>			
Fines	0	0	120,032
Officers Costs	0	0	38,160
Drug Control Fines	0	0	2,537
Drug Court Fees	0	0	7,945

(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>			
Jail Fees	\$ 0	\$ 0	\$ 10,815
Judicial Commissioner Fees	0	0	270
DUI Treatment Fines	0	0	10,867
Data Entry Fee - General Sessions Court	0	0	12,736
Courtroom Security Fee	0	0	382
Victims Assistance Assessments	0	0	11,366
<u>Juvenile Court</u>			
Fines	0	0	382
Jail Fees	0	0	195
Data Entry Fee - Juvenile Court	0	0	1,042
<u>Chancery Court</u>			
Officers Costs	0	0	3,347
Data Entry Fee - Chancery Court	0	0	3,809
<u>Other Courts - In-county</u>			
Jail Fees	0	0	128
<u>Judicial District Drug Program</u>			
Drug Task Force Forfeitures and Seizures	0	0	3,620
<u>Other Fines, Forfeitures, and Penalties</u>			
Proceeds from Confiscated Property	0	0	13,654
Other Fines, Forfeitures, and Penalties	0	0	4,082
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 279,934
<u>Charges for Current Services</u>			
<u>General Service Charges</u>			
Transfer Waste Stations Collection Charge	\$ 0	\$ 0	\$ 1,237,697

(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 (Cont.)</u>			
<u>General Service Charges (Cont.)</u>			
Tipping Fees	\$ 0	\$ 0	\$ 89,131
Patient Charges	0	0	8,460
Work Release Charges for Board	0	0	805
<u>Fees</u>			
Copy Fees	0	0	2,837
Archives and Records Management Fee	0	0	113,969
Greenbelt Late Application Fee	0	0	950
Telephone Commissions	0	0	123,660
Constitutional Officers' Fees and Commissions	0	0	227
Data Processing Fee - Register	0	0	16,110
Data Processing Fee - Sheriff	0	0	9,243
Sexual Offender Registration Fee - Sheriff	0	0	5,996
Data Processing Fee - County Clerk	0	0	4,625
Vehicle Registration Reinstatement Fees	0	0	2,690
Total Charges for Current Services	\$ 0	\$ 0	\$ 1,616,400
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$ 0	\$ 32,000	\$ 159,089
Lease/Rentals	0	0	282,130
Commissary Sales	0	0	22,644
Sale of Gasoline	182,265	0	182,265
Sale of Recycled Materials	5,254	0	141,678
Sale of Animals/Livestock	0	0	10,160
Miscellaneous Refunds	226	0	268,882

(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	\$ 0	\$ 0	\$ 3,961
Damages Recovered from Individuals	0	0	5,495
Contributions and Gifts	0	0	2,626
Performance Bond Forfeitures	0	0	1,000
<u>Other Local Revenues</u>			
Other Local Revenues	0	0	3,140
Total Other Local Revenues	\$ 187,745	\$ 32,000	\$ 1,083,070
<u>Fees Received From County Officials</u>			
<u>Fees In-Lieu-of Salary</u>			
County Clerk	\$ 0	\$ 0	\$ 592,168
Circuit Court Clerk	0	0	135,894
General Sessions Court Clerk	0	0	266,312
Clerk and Master	0	0	179,226
Register	0	0	302,942
Sheriff	0	0	12,404
Trustee	0	0	779,297
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 2,268,243
<u>State of Tennessee</u>			
<u>General Government Grants</u>			
Juvenile Services Program	\$ 0	\$ 0	\$ 10,000
<u>Public Safety Grants</u>			
Law Enforcement Training Programs	0	0	46,400

(Continued)

Exhibit J-5

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

	Special Revenue Fund	Debt Service Fund	
	Highway / Public Works	General Debt Service	Total
<u>State of Tennessee (Cont.)</u>			
<u>Health and Welfare Grants</u>			
Health Department Programs	\$ 0	\$ 0	\$ 405,064
<u>Public Works Grants</u>			
Bridge Program	1,886,848	0	1,886,848
State Aid Program	203,252	0	203,252
Litter Program	0	0	43,803
<u>Other State Revenues</u>			
Income Tax	0	0	41,299
Beer Tax	0	0	18,369
Vehicle Certificate of Title Fees	0	0	8,194
Alcoholic Beverage Tax	0	0	124,420
State Revenue Sharing - T.V.A.	43,156	36,251	79,407
State Revenue Sharing - Telecommunications	0	0	77,017
State Shared Sports Gaming Privilege Tax	0	0	15,381
Contracted Prisoner Boarding	0	0	457,704
Gasoline and Motor Fuel Tax	2,541,281	0	2,541,281
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 Grants	815,256	0	1,125,913
Other State Revenues	0	0	33,812
Total State of Tennessee	\$ 5,531,227	\$ 36,251	\$ 7,183,811
<u>Federal Government</u>			
<u>Federal Through State</u>			
Community Development	\$ 0	\$ 0	\$ 68,539

(Continued)

Exhibit J-5

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

	Special Revenue Fund	Debt Service Fund	
	Highway / Public Works	General Debt Service	Total
<u>Federal Government (Cont.)</u>			
<u>Federal Through State (Cont.)</u>			
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 41,500
Disaster Relief	243,969	0	249,369
Law Enforcement Grants	0	0	7,140
COVID-19 Grant #2	0	0	845,265
COVID-19 Grant #3	0	0	34,578
COVID-19 Grant #4	0	0	16,841
COVID-19 Grant D	0	0	9,219
Other Federal through State	12,207	0	12,207
<u>Direct Federal Revenue</u>			
Police Service (Lake Area)	0	0	7,335
FHA Grant	0	0	468,465
Forest Service	24,650	0	42,050
Other Direct Federal Revenue	144,836	0	342,457
Total Federal Government	<u>\$ 425,662</u>	<u>\$ 0</u>	<u>\$ 2,144,965</u>
<u>Other Governments and Citizens Groups</u>			
<u>Other Governments</u>			
Prisoner Board	\$ 0	\$ 0	\$ 848,153
Contributions	0	0	158,076
Contracted Services	139,763	0	796,410
<u>Citizens Groups</u>			
Donations	0	0	22,871
Total Other Governments and Citizens Groups	<u>\$ 139,763</u>	<u>\$ 0</u>	<u>\$ 1,825,510</u>
Total	<u>\$ 7,607,603</u>	<u>\$ 1,728,699</u>	<u>\$ 32,935,098</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, 2021

	Special Revenue Funds					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Internal School	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 5,891,673	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,891,673
Trustee's Collections - Prior Year	157,515	0	0	0	0	157,515
Circuit Clerk/Clerk and Master Collections - Prior Years	46,289	0	0	0	0	46,289
Interest and Penalty	48,803	0	0	0	0	48,803
Payments in-Lieu-of Taxes - T.V.A.	13,376	0	0	0	0	13,376
Payments in-Lieu-of Taxes - Local Utilities	101,929	0	0	0	0	101,929
Payments in-Lieu-of Taxes - Other	1,911	0	0	0	0	1,911
<u>County Local Option Taxes</u>						
Local Option Sales Tax	5,894,520	0	0	0	0	5,894,520
Mixed Drink Tax	1,054	0	0	0	0	1,054
<u>Statutory Local Taxes</u>						
Bank Excise Tax	32,013	0	0	0	0	32,013
Total Local Taxes	<u>\$ 12,189,083</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 12,189,083</u>
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 996	\$ 0	\$ 0	\$ 0	\$ 0	\$ 996
Total Licenses and Permits	<u>\$ 996</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 996</u>
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Lunch Payments - Children	\$ 0	\$ 0	\$ 21,224	\$ 0	\$ 0	\$ 21,224
Lunch Payments - Adults	0	0	43,786	0	0	43,786
Income from Breakfast	0	0	19,243	0	0	19,243

(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	Internal School	
<u>Charges for Current Services (Cont.)</u>						
<u>Education Charges (Cont.)</u>						
Special Milk Sales	\$ 0	\$ 0	\$ 160	\$ 0	\$ 0	\$ 160
A la Carte Sales	0	0	25,447	0	0	25,447
Receipts from Individual Schools	34,911	0	0	0	0	34,911
Community Service Fees - Children	32,657	0	0	0	0	32,657
Other Charges for Services	0	0	27,741	0	0	27,741
Total Charges for Current Services	\$ 67,568	\$ 0	\$ 137,601	\$ 0	\$ 0	\$ 205,169
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 50,561	\$ 0	\$ 15,738	\$ 0	\$ 0	\$ 66,299
Lease/Rentals	6,062	0	0	0	0	6,062
Sale of Recycled Materials	1,052	0	0	0	0	1,052
Rebates	0	0	4,874	0	0	4,874
Miscellaneous Refunds	30,617	0	17,129	0	0	47,746
<u>Nonrecurring Items</u>						
Sale of Equipment	3,382	0	0	0	0	3,382
Damages Recovered from Individuals	2,114	0	0	0	0	2,114
Contributions and Gifts	13,680	0	1,500	0	0	15,180
<u>Other Local Revenues</u>						
Other Local Revenues	0	0	0	0	1,612,395	1,612,395
Total Other Local Revenues	\$ 107,468	\$ 0	\$ 39,241	\$ 0	\$ 1,612,395	\$ 1,759,104

(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	Internal School	Total	
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
On-behalf Contributions for OPEB	\$ 261,637	\$ 0	\$ 0	\$ 0	\$ 0	\$ 261,637	
<u>Health and Welfare Grants</u>							
Other Health and Welfare Grants	1,500	0	0	0	0	1,500	
<u>State Education Funds</u>							
Basic Education Program	30,051,091	0	0	0	0	30,051,091	
Early Childhood Education	300,681	0	0	0	0	300,681	
School Food Service	0	0	27,449	0	0	27,449	
Driver Education	6,816	0	0	0	0	6,816	
Other State Education Funds	783,118	0	0	0	0	783,118	
Coordinated School Health	99,963	0	0	0	0	99,963	
Family Resource Centers	29,612	0	0	0	0	29,612	
Career Ladder Program	107,632	0	0	0	0	107,632	
<u>Other State Revenues</u>							
State Revenue Sharing - T.V.A.	783,715	0	0	0	0	783,715	
Other State Grants	157,880	0	0	0	0	157,880	
Safe Schools	158,186	0	0	0	0	158,186	
Other State Revenues	128,424	0	0	0	0	128,424	
Total State of Tennessee	\$ 32,870,255	\$ 0	\$ 27,449	\$ 0	\$ 0	\$ 32,897,704	
<u>Federal Government</u>							
<u>Federal Through State</u>							
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,447,553	\$ 0	\$ 0	\$ 1,447,553	
USDA - Commodities	0	0	236,043	0	0	236,043	
Breakfast	0	0	661,123	0	0	661,123	

(Continued)

Exhibit J-6

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

	General Purpose School	Special Revenue Funds				Total
		School Federal Projects	Central Cafeteria	Other Education Special Revenue	Internal School	
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
USDA - Other	\$ 20,193	\$ 0	\$ 0	\$ 8,113	\$ 0	\$ 28,306
Vocational Education - Basic Grants to States	0	151,743	0	0	0	151,743
Other Vocational	0	100,533	0	0	0	100,533
Title I Grants to Local Education Agencies	0	2,026,103	0	0	0	2,026,103
Special Education - Grants to States	45,970	1,185,505	0	0	0	1,231,475
Special Education Preschool Grants	0	62,345	0	0	0	62,345
English Language Acquisition Grants	0	2,741	0	0	0	2,741
Education for Homeless Children and Youth	0	20,174	0	0	0	20,174
21st Century Community Learning Centers	91,481	0	0	0	0	91,481
Eisenhower Professional Development State Grants	0	268,187	0	0	0	268,187
Disaster Relief	17,361	0	0	0	0	17,361
COVID-19 Grant #1	385,273	1,514,656	0	0	0	1,899,929
COVID-19 Grant #2	0	100,000	0	0	0	100,000
COVID-19 Grant #4	143,520	0	1,728	0	0	145,248
COVID-19 Grant B	0	2,077,976	0	0	0	2,077,976
COVID-19 Grant C	80,800	0	0	0	0	80,800
COVID-19 Grant D	49,950	0	0	0	0	49,950
Other Federal through State	221,972	0	0	0	0	221,972
<u>Direct Federal Revenue</u>						
Forest Service	73,949	0	0	0	0	73,949
COVID-19 Grant #10	0	0	0	141,042	0	141,042
Other Direct Federal Revenue	40,576	0	0	0	0	40,576
Total Federal Government	\$ 1,171,045	\$ 7,509,963	\$ 2,346,447	\$ 149,155	\$ 0	\$ 11,176,610

(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	Internal School	
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 26,350	\$ 0	\$ 0	\$ 26,350
Contracted Services	0	0	0	1,197,130	0	1,197,130
<u>Citizens Groups</u>						
Donations	37,184	0	0	0	0	37,184
Total Other Governments and Citizens Groups	\$ 37,184	\$ 0	\$ 26,350	\$ 1,197,130	\$ 0	\$ 1,260,664
Total	\$ 46,443,599	\$ 7,509,963	\$ 2,577,088	\$ 1,346,285	\$ 1,612,395	\$ 59,489,330

Exhibit J-7

Carter County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2021

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	60,125	
Social Security		3,542	
Pensions		3,084	
Employer Medicare		873	
Audit Services		22,970	
Dues and Memberships		2,735	
Legal Notices, Recording, and Court Costs		1,206	
Travel		75	
Other Contracted Services		10,791	
Other Supplies and Materials		72	
Liability Insurance		2,875	
Workers' Compensation Insurance		2,387	
In Service/Staff Development		995	
Total County Commission			\$ 111,730

Board of Equalization

Board and Committee Members Fees	\$	7,280	
Social Security		451	
Employer Medicare		106	
Legal Notices, Recording, and Court Costs		142	
Other Supplies and Materials		99	
Total Board of Equalization			8,078

County Mayor/Executive

County Official/Administrative Officer	\$	110,946	
Secretary(ies)		34,179	
Part-time Personnel		1,435	
Bonus Payments		1,250	
Social Security		8,913	
Pensions		11,221	
Life Insurance		43	
Medical Insurance		14,381	
Dental Insurance		488	
Unemployment Compensation		33	
Employer Medicare		2,085	
Data Processing Services		736	
Legal Notices, Recording, and Court Costs		786	
Maintenance Agreements		519	
Postal Charges		17	
Rentals		242	
Travel		1,814	
Data Processing Supplies		369	
Office Supplies		1,287	
Software		832	
Other Supplies and Materials		587	
Liability Insurance		2,044	
Workers' Compensation Insurance		323	

(Continued)

Exhibit J-7

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

General Fund (Cont.)General Government (Cont.)County Mayor/Executive (Cont.)

In Service/Staff Development	\$	425	
Access Fees		425	
Tax Relief Program		58,388	
Other Charges		24	
Furniture and Fixtures		2,340	
Office Equipment		5,976	
Total County Mayor/Executive			\$ 262,108

County Attorney

Other Salaries and Wages	\$	600	
Social Security		37	
Pensions		46	
Employer Medicare		9	
Legal Services		64,050	
Workers' Compensation Insurance		1	
Total County Attorney			64,743

Election Commission

Supervisor/Director	\$	81,666
Deputy(ies)		31,826
Data Processing Personnel		25,678
Bonus Payments		2,500
Other Salaries and Wages		12,995
Board and Committee Members Fees		13,004
Election Workers		81,688
Social Security		12,054
Pensions		10,898
Life Insurance		65
Medical Insurance		22,432
Dental Insurance		732
Unemployment Compensation		56
Employer Medicare		2,819
Communication		3,629
Data Processing Services		2,452
Legal Notices, Recording, and Court Costs		7,286
Maintenance Agreements		18,002
Pest Control		420
Postal Charges		7,493
Printing, Stationery, and Forms		738
Rentals		6,374
Travel		119
Data Processing Supplies		3,751
Office Supplies		1,490
Software		962
Other Supplies and Materials		9,387
Liability Insurance		2,844
Workers' Compensation Insurance		310

(Continued)

Exhibit J-7

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

General Fund (Cont.)General Government (Cont.)Election Commission (Cont.)

Other Charges	\$	300	
Data Processing Equipment		4,051	
Office Equipment		1,220	
Total Election Commission			\$ 369,241

Register of Deeds

County Official/Administrative Officer	\$	90,740	
Deputy(ies)		81,543	
Bonus Payments		3,750	
Social Security		10,819	
Pensions		13,540	
Life Insurance		86	
Medical Insurance		26,511	
Dental Insurance		976	
Unemployment Compensation		84	
Employer Medicare		2,530	
Other Fringe Benefits		3,111	
Bank Charges		105	
Communication		1,210	
Data Processing Services		13,360	
Dues and Memberships		863	
Postal Charges		85	
Rentals		1,761	
Travel		790	
Data Processing Supplies		331	
Office Supplies		6,244	
Software		2,020	
Liability Insurance		1,444	
Workers' Compensation Insurance		369	
Total Register of Deeds			262,272

Planning

Supervisor/Director	\$	51,833	
Deputy(ies)		12,051	
Data Processing Personnel		23,161	
Part-time Personnel		10,856	
Bonus Payments		5,625	
Other Salaries and Wages		58,832	
Board and Committee Members Fees		2,200	
Social Security		10,108	
Pensions		11,488	
Life Insurance		85	
Medical Insurance		20,645	
Dental Insurance		956	
Unemployment Compensation		207	
Employer Medicare		2,364	
Other Fringe Benefits		8,038	

(Continued)

Exhibit J-7

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

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

Advertising	\$	198	
Communication		1,495	
Data Processing Services		702	
Dues and Memberships		589	
Legal Notices, Recording, and Court Costs		253	
Maintenance Agreements		5,460	
Maintenance and Repair Services - Vehicles		1,337	
Pest Control		408	
Postal Charges		531	
Rentals		1,545	
Penalties		11	
Other Contracted Services		11,000	
Data Processing Supplies		48	
Gasoline		1,694	
Office Supplies		489	
Software		416	
Liability Insurance		2,906	
Vehicle and Equipment Insurance		1,999	
Workers' Compensation Insurance		259	
In Service/Staff Development		478	
Other Charges		35	
Office Equipment		1,674	
Total Planning			\$ 251,976

County Buildings

Custodial Personnel	\$	50,592
Bonus Payments		2,500
Social Security		3,191
Pensions		3,793
Life Insurance		41
Medical Insurance		13,782
Dental Insurance		468
Unemployment Compensation		75
Employer Medicare		746
Architects		20,938
Communication		39,658
Consultants		1,000
Contracts with Private Agencies		12,384
Data Processing Services		197
Maintenance and Repair Services - Buildings		97,999
Maintenance and Repair Services - Equipment		20,755
Pest Control		2,208
Disposal Fees		1,450
Permits		190
Other Contracted Services		12,399
Custodial Supplies		8,982
Electricity		197,662

(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.)

Equipment and Machinery Parts	\$	13	
Gasoline		113	
Natural Gas		43,815	
Vehicle Parts		96	
Water and Sewer		23,055	
Other Supplies and Materials		1,067	
Boiler Insurance		5,077	
Building and Contents Insurance		56,374	
Liability Insurance		10,400	
Vehicle and Equipment Insurance		333	
Workers' Compensation Insurance		972	
Other Charges		2,750	
Building Improvements		486,879	
Furniture and Fixtures		15,596	
Heating and Air Conditioning Equipment		3,893	
Maintenance Equipment		783	
Other Equipment		5,506	
Other Capital Outlay		118,707	
Total County Buildings			\$ 1,266,439

Other Facilities

Maintenance Personnel	\$	76,645
Bonus Payments		2,500
Social Security		4,589
Pensions		6,122
Life Insurance		43
Medical Insurance		11,269
Dental Insurance		488
Unemployment Compensation		56
Employer Medicare		1,073
Other Fringe Benefits		3,111
Architects		44,544
Communication		4,887
Licenses		100
Maintenance and Repair Services - Buildings		5,591
Maintenance and Repair Services - Equipment		1,652
Permits		115
Penalties		28
Other Contracted Services		9,279
Electricity		15,686
Gasoline		821
Natural Gas		6,764
Small Tools		579
Water and Sewer		7,746
Other Supplies and Materials		312
Boiler Insurance		1,200
Building and Contents Insurance		5,278

(Continued)

Exhibit J-7

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

General Fund (Cont.)General Government (Cont.)Other Facilities (Cont.)

Liability Insurance	\$	3,000	
Trustee's Commission		1,778	
Vehicle and Equipment Insurance		333	
Workers' Compensation Insurance		1,384	
Other Charges		13	
Other Capital Outlay		3,800	
Total Other Facilities			\$ 220,786

Preservation of Records

Disposal Fees	\$	1,439	
Software		5,022	
Other Charges		15	
Office Equipment		7,385	
Total Preservation of Records			13,861

FinanceAccounting and Budgeting

Supervisor/Director	\$	90,740	
Deputy(ies)		49,753	
Accountants/Bookkeepers		200,627	
Purchasing Personnel		31,121	
Bonus Payments		10,000	
Social Security		22,742	
Pensions		29,047	
Life Insurance		176	
Medical Insurance		51,516	
Dental Insurance		1,992	
Unemployment Compensation		358	
Employer Medicare		5,319	
Other Fringe Benefits		9,594	
Accounting Services		6,900	
Data Processing Services		3	
Dues and Memberships		35	
Legal Notices, Recording, and Court Costs		3,482	
Maintenance Agreements		27,228	
Postal Charges		6,030	
Rentals		1,080	
Travel		1,239	
Penalties		3,159	
Data Processing Supplies		5,088	
Office Supplies		2,804	
Periodicals		369	
Software		7,827	
Liability Insurance		2,906	
Workers' Compensation Insurance		743	
In Service/Staff Development		945	
Other Charges		7,557	

(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.)

Data Processing Equipment	\$	20,950	
Furniture and Fixtures		294	
Office Equipment		443	
Total Accounting and Budgeting			\$ 602,067

Property Assessor's Office

County Official/Administrative Officer	\$	90,740	
Deputy(ies)		160,790	
Bonus Payments		6,250	
Social Security		15,379	
Pensions		19,860	
Life Insurance		117	
Medical Insurance		44,684	
Dental Insurance		1,445	
Unemployment Compensation		140	
Employer Medicare		3,597	
Other Fringe Benefits		3,111	
Audit Services		7,860	
Communication		684	
Contracts with Government Agencies		10,650	
Data Processing Services		212	
Dues and Memberships		1,850	
Maintenance Agreements		3,000	
Maintenance and Repair Services - Vehicles		1,405	
Postal Charges		13,117	
Printing, Stationery, and Forms		452	
Rentals		1,734	
Data Processing Supplies		491	
Gasoline		882	
Office Supplies		2,185	
Software		707	
Liability Insurance		2,277	
Vehicle and Equipment Insurance		1,000	
Workers' Compensation Insurance		202	
Motor Vehicles		27,706	
Office Equipment		905	
Total Property Assessor's Office			423,432

Reappraisal Program

Deputy(ies)	\$	76,583	
Part-time Personnel		1,652	
Bonus Payments		3,750	
Social Security		4,985	
Pensions		6,258	
Life Insurance		61	
Medical Insurance		21,234	
Dental Insurance		488	

(Continued)

Exhibit J-7

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

General Fund (Cont.)Finance (Cont.)Reappraisal Program (Cont.)

Unemployment Compensation	\$	84	
Employer Medicare		1,166	
Communication		684	
Data Processing Services		6,282	
Postal Charges		1,000	
Data Processing Supplies		2,854	
Gasoline		882	
Office Supplies		1,845	
Software		416	
Liability Insurance		1,068	
Workers' Compensation Insurance		95	
Motor Vehicles		62,413	
Total Reappraisal Program			\$ 193,800

County Trustee's Office

County Official/Administrative Officer	\$	90,740	
Deputy(ies)		112,103	
Clerical Personnel		18,982	
Bonus Payments		6,250	
Social Security		13,980	
Pensions		17,562	
Life Insurance		130	
Medical Insurance		47,448	
Dental Insurance		1,464	
Unemployment Compensation		140	
Employer Medicare		3,270	
Contracts with Government Agencies		21,298	
Dues and Memberships		1,108	
Legal Notices, Recording, and Court Costs		259	
Maintenance Agreements		13,968	
Postal Charges		3,121	
Rentals		1,467	
Data Processing Supplies		1,725	
Office Supplies		1,138	
Software		624	
Liability Insurance		1,561	
Workers' Compensation Insurance		430	
Office Equipment		1,100	
Total County Trustee's Office			359,868

County Clerk's Office

County Official/Administrative Officer	\$	90,740	
Deputy(ies)		179,973	
Part-time Personnel		6,920	
Bonus Payments		8,125	
Social Security		17,127	
Pensions		21,371	

(Continued)

Exhibit J-7

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

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

Life Insurance	\$	147	
Medical Insurance		52,138	
Dental Insurance		1,867	
Unemployment Compensation		245	
Employer Medicare		4,076	
Other Fringe Benefits		6,223	
Communication		1,330	
Data Processing Services		979	
Dues and Memberships		928	
Maintenance Agreements		23,344	
Postal Charges		17,970	
Printing, Stationery, and Forms		875	
Rentals		4,554	
Data Processing Supplies		4,053	
Office Supplies		4,218	
Software		160	
Liability Insurance		2,191	
Workers' Compensation Insurance		404	
Data Processing Equipment		3,775	
Total County Clerk's Office			\$ 453,733

Administration of JusticeCircuit Court

County Official/Administrative Officer	\$	90,740
Clerical Personnel		328,423
Part-time Personnel		66,847
Bonus Payments		16,250
Social Security		30,727
Pensions		32,737
Life Insurance		259
Medical Insurance		74,971
Dental Insurance		2,684
Unemployment Compensation		506
Employer Medicare		7,186
Other Fringe Benefits		3,111
Data Processing Services		13,938
Dues and Memberships		991
Legal Notices, Recording, and Court Costs		63
Maintenance Agreements		14,400
Postal Charges		3,877
Rentals		6,543
Travel		796
Data Processing Supplies		741
Office Supplies		8,276
Software		5,146
Liability Insurance		4,344
Workers' Compensation Insurance		853

(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.)

In Service/Staff Development	\$	210	
Data Processing Equipment		8,774	
Office Equipment		5,803	
Total Circuit Court			\$ 729,196

General Sessions Court

Judge(s)	\$	174,113	
Secretary(ies)		24,924	
Bonus Payments		1,250	
Social Security		10,330	
Pensions		15,352	
Life Insurance		43	
Medical Insurance		11,269	
Dental Insurance		488	
Unemployment Compensation		28	
Employer Medicare		2,870	
Other Fringe Benefits		3,111	
Communication		369	
Dues and Memberships		1,354	
Maintenance Agreements		350	
Postal Charges		143	
Penalties		10	
Data Processing Supplies		579	
Library Books/Media		717	
Office Supplies		350	
Software		416	
Liability Insurance		2,906	
Workers' Compensation Insurance		404	
Furniture and Fixtures		875	
Office Equipment		130	
Total General Sessions Court			252,381

Chancery Court

County Official/Administrative Officer	\$	90,740	
Clerical Personnel		136,186	
Bonus Payments		5,000	
Social Security		13,243	
Pensions		17,856	
Life Insurance		108	
Medical Insurance		23,568	
Dental Insurance		976	
Unemployment Compensation		112	
Employer Medicare		3,097	
Other Fringe Benefits		12,446	
Data Processing Services		1,022	
Dues and Memberships		1,380	
Legal Notices, Recording, and Court Costs		12,148	

(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.)

Maintenance Agreements	\$	19,271	
Postal Charges		5,004	
Rentals		2,018	
Travel		283	
Data Processing Supplies		1,520	
Office Supplies		2,718	
Periodicals		1,200	
Liability Insurance		4,344	
Workers' Compensation Insurance		137	
Office Equipment		260	
Total Chancery Court	\$		354,637

Other Administration of Justice

Jury and Witness Expense	\$	3,764	
Legal Notices, Recording, and Court Costs		316	
Medical and Dental Services		298	
Postal Charges		460	
Data Processing Supplies		495	
Vehicle and Equipment Insurance		333	
Other Charges		19	
Total Other Administration of Justice			5,685

Public SafetySheriff's Department

County Official/Administrative Officer	\$	105,813	
Assistant(s)		71,927	
Deputy(ies)		500,095	
Investigator(s)		372,944	
Captain(s)		193,846	
Lieutenant(s)		312,695	
Sergeant(s)		248,866	
Accountants/Bookkeepers		34,016	
Data Processing Personnel		20,266	
Salary Supplements		46,400	
Dispatchers/Radio Operators		183,688	
Clerical Personnel		71,466	
Part-time Personnel		93,767	
School Resource Officer		503,818	
Overtime Pay		254,381	
Bonus Payments		97,802	
Social Security		189,095	
Pensions		226,789	
Life Insurance		1,494	
Medical Insurance		375,972	
Dental Insurance		16,464	
Unemployment Compensation		2,342	
Employer Medicare		44,388	

(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.)

Other Fringe Benefits	\$	106,827	
Advertising		2,023	
Communication		71,525	
Data Processing Services		1,414	
Confidential Drug Enforcement Payments		1,500	
Dues and Memberships		3,567	
Evaluation and Testing		5,305	
Operating Lease Payments		15,528	
Maintenance Agreements		20,711	
Maintenance and Repair Services - Buildings		1,949	
Maintenance and Repair Services - Equipment		3,720	
Maintenance and Repair Services - Vehicles		56,452	
Medical and Dental Services		250	
Pest Control		1,800	
Postal Charges		1,852	
Printing, Stationery, and Forms		1,343	
Rentals		23,508	
Towing Services		1,025	
Transportation - Other than Students		4,870	
Travel		13,085	
Remittance of Revenue Collected		1,450	
Disposal Fees		1,814	
Other Contracted Services		17,677	
Data Processing Supplies		5,482	
Gasoline		113,896	
Law Enforcement Supplies		3,761	
Office Supplies		5,204	
Tires and Tubes		19,510	
Uniforms		35,912	
Vehicle Parts		38,588	
Software		1,971	
Other Supplies and Materials		394	
Liability Insurance		17,006	
Vehicle and Equipment Insurance		28,323	
Workers' Compensation Insurance		74,866	
In Service/Staff Development		7,430	
Other Charges		1,365	
Data Processing Equipment		25,791	
Law Enforcement Equipment		136,387	
Motor Vehicles		393,480	
Office Equipment		14,699	
Other Capital Outlay		967	
Total Sheriff's Department			\$ 5,252,561

Jail

Captain(s)	\$	46,716
Lieutenant(s)		36,072

(Continued)

Exhibit J-7

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

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

Sergeant(s)	\$	258,423	
Guards		812,356	
Cafeteria Personnel		126,507	
Maintenance Personnel		67,753	
Part-time Personnel		67,879	
Overtime Pay		286,410	
Bonus Payments		61,152	
Social Security		108,828	
Pensions		122,188	
Life Insurance		950	
Medical Insurance		221,482	
Dental Insurance		10,694	
Unemployment Compensation		2,006	
Employer Medicare		25,452	
Other Fringe Benefits		59,377	
Contracts with Government Agencies		2,680	
Evaluation and Testing		6,600	
Maintenance Agreements		10,481	
Maintenance and Repair Services - Buildings		39,050	
Maintenance and Repair Services - Equipment		31,429	
Medical and Dental Services		653,827	
Printing, Stationery, and Forms		2,022	
Travel		1,206	
Other Contracted Services		188	
Custodial Supplies		29,852	
Data Processing Supplies		940	
Drugs and Medical Supplies		2,989	
Equipment and Machinery Parts		646	
Food Preparation Supplies		4,165	
Food Supplies		319,671	
Law Enforcement Supplies		2,608	
Prisoners Clothing		7,449	
Uniforms		29,220	
Software		150	
Other Supplies and Materials		8,186	
Liability Insurance		15,568	
Vehicle and Equipment Insurance		666	
Workers' Compensation Insurance		43,033	
In Service/Staff Development		4,270	
Other Charges		22,561	
Motor Vehicles		48,561	
Other Equipment		13,146	
Total Jail			\$ 3,615,409

Juvenile Services

Youth Service Officer(s)	\$	62,268
Bonus Payments		2,500

(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	\$	3,931	
Pensions		5,004	
Life Insurance		43	
Medical Insurance		11,269	
Dental Insurance		488	
Unemployment Compensation		56	
Employer Medicare		919	
Other Fringe Benefits		3,111	
Communication		308	
Contracts with Government Agencies		110,077	
Evaluation and Testing		191	
Postal Charges		5	
Data Processing Supplies		372	
Office Supplies		435	
Software		416	
Liability Insurance		2,906	
Workers' Compensation Insurance		84	
Furniture and Fixtures		334	
Total Juvenile Services			\$ 204,717

Fire Prevention and Control

Contributions	\$	494,167	
Total Fire Prevention and Control			494,167

Rescue Squad

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

Other Emergency Management

Supervisor/Director	\$	44,680	
Deputy(ies)		28,573	
Bonus Payments		2,500	
In-service Training		1,020	
Social Security		4,562	
Pensions		5,284	
Life Insurance		41	
Medical Insurance		9,250	
Dental Insurance		285	
Unemployment Compensation		78	
Employer Medicare		1,067	
Communication		4,731	
Data Processing Services		49	
Dues and Memberships		110	
Maintenance and Repair Services - Buildings		1,575	
Maintenance and Repair Services - Office Equipment		60	
Maintenance and Repair Services - Vehicles		639	
Pest Control		20	

(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.)

Postal Charges	\$	5	
Printing, Stationery, and Forms		79	
Rentals		284	
Travel		292	
Other Contracted Services		15,817	
Data Processing Supplies		83	
Electricity		3,227	
Gasoline		1,721	
Instructional Supplies and Materials		150	
Office Supplies		97	
Small Tools		99	
Uniforms		983	
Vehicle Parts		126	
Water and Sewer		361	
Software		416	
Other Supplies and Materials		1,045	
Liability Insurance		1,906	
Vehicle and Equipment Insurance		1,000	
Workers' Compensation Insurance		160	
In Service/Staff Development		470	
Hazardous Waste Cleanup		400	
Furniture and Fixtures		1,760	
Office Equipment		6,429	
Other Equipment		3,483	
Total Other Emergency Management			\$ 144,917

Inspection and Regulation

Supervisor/Director	\$	3,035	
Social Security		182	
Pensions		234	
Unemployment Compensation		4	
Employer Medicare		43	
Total Inspection and Regulation			3,498

County Coroner/Medical Examiner

Bonus Payments	\$	625	
Other Per Diem and Fees		17,572	
Social Security		1,128	
Unemployment Compensation		28	
Employer Medicare		264	
Communication		490	
Maintenance and Repair Services - Vehicles		2,105	
Drugs and Medical Supplies		1,617	
Gasoline		397	
Liability Insurance		2,906	
Premiums on Corporate Surety Bonds		100	
Vehicle and Equipment Insurance		333	
Total County Coroner/Medical Examiner			27,565

(Continued)

Exhibit J-7

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

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

Board and Committee Members Fees	\$	2,550	
Social Security		39	
Pensions		50	
Unemployment Compensation		1	
Employer Medicare		9	
Total Other Public Safety			\$ 2,649

Public Health and WelfareLocal Health Center

Bonus Payments	\$	13,750	
Other Salaries and Wages		291,287	
Social Security		18,587	
Pensions		23,484	
Life Insurance		214	
Medical Insurance		53,712	
Dental Insurance		2,419	
Unemployment Compensation		334	
Employer Medicare		4,347	
Other Fringe Benefits		16,076	
Travel		2,861	
Liability Insurance		5,059	
Workers' Compensation Insurance		7,352	
Total Local Health Center			439,482

Rabies and Animal Control

Supervisor/Director	\$	49,322	
Deputy(ies)		8,615	
Attendants		85,031	
Part-time Personnel		51,637	
Overtime Pay		3,509	
Bonus Payments		9,375	
Social Security		12,615	
Pensions		11,831	
Life Insurance		112	
Medical Insurance		36,111	
Dental Insurance		1,260	
Unemployment Compensation		296	
Employer Medicare		2,950	
Other Fringe Benefits		519	
Communication		2,377	
Data Processing Services		364	
Licenses		22	
Maintenance and Repair Services - Buildings		2,626	
Maintenance and Repair Services - Vehicles		921	
Pest Control		300	
Postal Charges		61	
Printing, Stationery, and Forms		442	

(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.)

Rentals	\$	3,188	
Veterinary Services		36,669	
Disposal Fees		803	
Other Contracted Services		600	
Animal Food and Supplies		11,920	
Custodial Supplies		10,033	
Data Processing Supplies		67	
Drugs and Medical Supplies		10,756	
Electricity		7,766	
Gasoline		2,632	
Office Supplies		432	
Propane Gas		5,477	
Uniforms		405	
Water and Sewer		3,874	
Software		763	
Other Supplies and Materials		2,732	
Liability Insurance		4,444	
Vehicle and Equipment Insurance		1,333	
Workers' Compensation Insurance		3,933	
Other Charges		1,200	
Data Processing Equipment		2,077	
Other Equipment		1,195	
Total Rabies and Animal Control			\$ 392,595

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	\$	15,000	
Pauper Burials		5,975	
Remittance of Revenue Collected		15,326	
Total Other Local Welfare Services			36,301

Recycling Center

Solid Waste Equipment	\$	12,776	
Total Recycling Center			12,776

Other Public Health and Welfare

Contracts with Other Public Agencies	\$	121,462	
Contributions		5,000	
Total Other Public Health and Welfare			126,462

(Continued)

Exhibit J-7

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

General Fund (Cont.)Social, Cultural, and Recreational ServicesSenior Citizens Assistance

Contributions	\$ 55,070	
Total Senior Citizens Assistance		\$ 55,070

Libraries

Contributions	\$ 75,000	
Total Libraries		75,000

Parks and Fair Boards

Contributions	\$ 25,000	
Total Parks and Fair Boards		25,000

Other Social, Cultural, and Recreational

Contributions	\$ 25,000	
Total Other Social, Cultural, and Recreational		25,000

Agriculture and Natural ResourcesAgricultural Extension Service

Other Salaries and Wages	\$ 72,655	
Other Fringe Benefits	30,187	
Communication	1,974	
Contributions	1,254	
Data Processing Services	136	
Pest Control	408	
Rentals	559	
Travel	147	
Electricity	2,037	
Natural Gas	1,247	
Water and Sewer	465	
Other Charges	85	
Office Equipment	834	
Total Agricultural Extension Service		111,988

Flood Control

Data Processing Supplies	\$ 179	
Office Supplies	300	
Other Supplies and Materials	1,189	
Total Flood Control		1,668

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	\$ 254,603	
Other Contracted Services	23,369	
Total Tourism		277,972

(Continued)

Exhibit J-7

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

General Fund (Cont.)Other Operations (Cont.)Housing and Urban Development

Remittance of Revenue Collected	\$	750	
Other Contracted Services		468,465	
Total Housing and Urban Development			\$ 469,215

Other Economic and Community Development

Contracts with Other Public Agencies	\$	20,075	
Contributions		28,262	
Total Other Economic and Community Development			48,337

Veterans' Services

Supervisor/Director	\$	37,021	
Bonus Payments		1,250	
Social Security		2,373	
Pensions		2,963	
Life Insurance		22	
Unemployment Compensation		28	
Employer Medicare		612	
Postal Charges		15	
Rentals		368	
Other Contracted Services		449	
Office Supplies		133	
Software		228	
Workers' Compensation Insurance		105	
Total Veterans' Services			45,567

COVID-19 Grant #2

Communication	\$	53	
Janitorial Services		11,105	
Maintenance Agreements		112	
Maintenance and Repair Services - Buildings		38,882	
Other Contracted Services		21,674	
Custodial Supplies		14,040	
Electricity		449	
Office Supplies		1,214	
Software		3,820	
Other Supplies and Materials		12,244	
Other Charges		42	
Data Processing Equipment		15,936	
Motor Vehicles		33,399	
Office Equipment		25,834	
Other Equipment		54,922	
Other Capital Outlay		21,699	
Total COVID-19 Grant #2			255,425

COVID-19 Grant #3

Election Workers	\$	17,408	
Social Security		768	

(Continued)

Exhibit J-7

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

General Fund (Cont.)Other Operations (Cont.)COVID-19 Grant #3 (Cont.)

Pensions	\$	2	
Employer Medicare		180	
Other Supplies and Materials		8,368	
Total COVID-19 Grant #3			\$ 26,726

COVID-19 Grant #4

Other Supplies and Materials	\$	1,625	
Other Equipment		28,591	
Total COVID-19 Grant #4			30,216

COVID-19 Grant #10

Other Supplies and Materials	\$	22,455	
Total COVID-19 Grant #10			22,455

Miscellaneous

Postal Charges	\$	2,804	
Rentals		80	
Refunds		39,662	
Trustee's Commission		244,233	
Vehicle and Equipment Insurance		333	
Other Charges		12	
Total Miscellaneous			287,124

HighwaysLitter and Trash Collection

Guards	\$	15,396	
Disposal Fees		1,658	
Instructional Supplies and Materials		14,820	
Vehicle Parts		251	
Other Supplies and Materials		689	
Liability Insurance		500	
Workers' Compensation Insurance		500	
Total Litter and Trash Collection			33,814

Total General Fund \$ 19,281,072

Solid Waste/Sanitation FundPublic Health and WelfareConvenience Centers

Attendants	\$	17,448	
Part-time Personnel		5,971	
Bonus Payments		1,875	
Social Security		1,568	
Pensions		1,445	
Life Insurance		11	
Unemployment Compensation		54	
Employer Medicare		367	

(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.)

Communication	\$	2,048	
Maintenance and Repair Services - Buildings		5,595	
Printing, Stationery, and Forms		555	
Electricity		818	
Equipment and Machinery Parts		244	
Water and Sewer		288	
Building and Contents Insurance		300	
Liability Insurance		1,709	
Trustee's Commission		879	
Workers' Compensation Insurance		2,323	
Total Convenience Centers			\$ 43,498

Recycling Center

Attendants	\$	41,754	
Part-time Personnel		5,106	
Overtime Pay		2,833	
Bonus Payments		2,500	
Social Security		3,188	
Pensions		3,600	
Life Insurance		41	
Medical Insurance		3,998	
Dental Insurance		447	
Unemployment Compensation		95	
Employer Medicare		746	
Other Fringe Benefits		2,593	
Communication		768	
Maintenance and Repair Services - Buildings		7,097	
Maintenance and Repair Services - Equipment		7,627	
Electricity		5,218	
Equipment and Machinery Parts		65	
Small Tools		8	
Water and Sewer		184	
Wire		6,611	
Building and Contents Insurance		2,100	
Liability Insurance		1,709	
Trustee's Commission		1,288	
Vehicle and Equipment Insurance		833	
Workers' Compensation Insurance		3,551	
Other Charges		77	
Building Construction		24,704	
Solid Waste Equipment		543	
Total Recycling Center			129,284

Landfill Operation and Maintenance

Supervisor/Director	\$	50,428
Equipment Operators		44,209
Truck Drivers		96,870

(Continued)

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.)

Laborers	\$ 6,881
Attendants	49,772
Part-time Personnel	34,674
Overtime Pay	19,670
Bonus Payments	12,500
Social Security	19,345
Pensions	21,552
Life Insurance	191
Medical Insurance	42,223
Dental Insurance	2,236
Unemployment Compensation	385
Employer Medicare	4,524
Other Fringe Benefits	8,557
Advertising	614
Communication	4,812
Dues and Memberships	395
Evaluation and Testing	16,220
Maintenance and Repair Services - Equipment	23,451
Maintenance and Repair Services - Vehicles	18,845
Pest Control	300
Postal Charges	353
Travel	1,987
Disposal Fees	530,717
Permits	7,146
Penalties	129
Crushed Stone	7,017
Custodial Supplies	637
Data Processing Supplies	911
Diesel Fuel	61,243
Electricity	4,667
Equipment and Machinery Parts	26,612
Garage Supplies	1,102
Gasoline	2,712
Lubricants	4,701
Office Supplies	253
Propane Gas	1,402
Road Signs	110
Small Tools	70
Tires and Tubes	39,489
Uniforms	3,874
Vehicle Parts	18,601
Water and Sewer	1,364
Software	416
Building and Contents Insurance	2,600
Liability Insurance	2,906
Trustee's Commission	11,944
Vehicle and Equipment Insurance	7,831

(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.)

Workers' Compensation Insurance	\$	12,138	
Other Charges		2,897	
Motor Vehicles		1,652	
Total Landfill Operation and Maintenance			\$ 1,236,135

Total Solid Waste/Sanitation Fund \$ 1,408,917

Health Department FundPublic Health and WelfareLocal Health Center

Advertising	\$	730	
Communication		10,692	
Contracts with Government Agencies		62,914	
Contracts with Private Agencies		30,480	
Dues and Memberships		200	
Maintenance and Repair Services - Buildings		5,470	
Pest Control		220	
Postal Charges		2,466	
Disposal Fees		3,146	
Custodial Supplies		2,648	
Electricity		21,263	
Natural Gas		3,769	
Office Supplies		173	
Water and Sewer		3,672	
Other Supplies and Materials		425	
Total Local Health Center			\$ 148,268

Total Health Department Fund 148,268

Drug Control FundPublic SafetySheriff's Department

Confidential Drug Enforcement Payments	\$	5,000	
Travel		8,595	
Veterinary Services		260	
Animal Food and Supplies		380	
Other Supplies and Materials		236	
Trustee's Commission		411	
In Service/Staff Development		13,000	
Other Charges		500	
Law Enforcement Equipment		3,400	
Total Sheriff's Department			\$ 31,782

Total Drug Control Fund 31,782

(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	\$	22,750	
Penalties		29	
Electricity		549	
Access Fees		325	
Other Charges		2,769	
Other Capital Outlay		4,587	
Total Parks and Fair Boards			\$ 31,009

Total Sports and Recreation Fund \$ 31,009

Constitutional Officers - Fees FundFinanceCounty Clerk's Office

Constitutional Officers' Operating Expenses	\$	227	
Total County Clerk's Office			\$ 227

Total Constitutional Officers - Fees Fund 227

Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$	99,813	
Assistant(s)		49,228	
Secretary(ies)		72,198	
Maintenance Personnel		23,966	
Overtime Pay		3,144	
Bonus Payments		5,000	
Social Security		15,377	
Pensions		19,476	
Life Insurance		90	
Medical Insurance		32,903	
Dental Insurance		1,220	
Unemployment Compensation		112	
Employer Medicare		3,596	
Other Fringe Benefits		3,111	
Accounting Services		37,840	
Dues and Memberships		3,832	
Evaluation and Testing		478	
Legal Notices, Recording, and Court Costs		282	
Pest Control		400	
Rentals		200	
Disposal Fees		167	
Permits		250	
Other Contracted Services		330	
Custodial Supplies		878	
Data Processing Supplies		917	
Drugs and Medical Supplies		585	

(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.)

Office Supplies	\$	351	
Periodicals		120	
Software		832	
Workers' Compensation Insurance		1,258	
Other Charges		325	
Communication Equipment		1,900	
Office Equipment		1,881	
Total Administration			\$ 382,060

Highway and Bridge Maintenance

Foremen	\$	106,660	
Equipment Operators		127,661	
Truck Drivers		337,932	
Laborers		200,004	
Part-time Personnel		82,574	
Overtime Pay		57,088	
Bonus Payments		38,750	
Social Security		58,363	
Pensions		66,487	
Life Insurance		577	
Medical Insurance		191,300	
Dental Insurance		6,546	
Unemployment Compensation		997	
Employer Medicare		13,649	
Other Fringe Benefits		17,891	
Rentals		326	
Asphalt - Hot Mix		852,617	
Asphalt - Liquid		3,258	
Crushed Stone		160,435	
Equipment and Machinery Parts		244	
Garage Supplies		54	
Other Road Materials		16,761	
Pipe		27,975	
Pipe - Metal		68	
Road Signs		7,393	
Salt		37,071	
Small Tools		1,650	
Uniforms		19,963	
Chemicals		1,290	
Other Supplies and Materials		1,116	
Workers' Compensation Insurance		57,355	
Other Charges		304	
Total Highway and Bridge Maintenance			2,494,359

Operation and Maintenance of Equipment

Mechanic(s)	\$	61,798
Overtime Pay		1,860

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Operation and Maintenance of Equipment (Cont.)

Bonus Payments	\$	2,500	
Social Security		4,113	
Pensions		5,113	
Life Insurance		41	
Medical Insurance		14,643	
Dental Insurance		468	
Unemployment Compensation		56	
Employer Medicare		962	
Freight Expenses		429	
Maintenance and Repair Services - Buildings		2,465	
Maintenance and Repair Services - Equipment		27,678	
Maintenance and Repair Services - Vehicles		9,758	
Towing Services		675	
Disposal Fees		400	
Custodial Supplies		119	
Diesel Fuel		138,108	
Equipment and Machinery Parts		77,483	
Garage Supplies		11,974	
Gasoline		128,572	
Lubricants		8,440	
Small Tools		2,688	
Tires and Tubes		34,383	
Vehicle Parts		22,156	
Other Supplies and Materials		1,416	
Workers' Compensation Insurance		2,416	
Total Operation and Maintenance of Equipment			\$ 560,714

Other Charges

Communication	\$	7,536	
Asphalt		108,712	
Electricity		12,357	
Natural Gas		4,304	
Water and Sewer		1,894	
Building and Contents Insurance		3,047	
Liability Insurance		9,643	
Refunds		966	
Trustee's Commission		51,025	
Vehicle and Equipment Insurance		19,498	
Other Charges		1,186	
Total Other Charges			220,168

Capital Outlay

Engineering Services	\$	326,701	
Legal Notices, Recording, and Court Costs		98	
Bridge Construction		1,597,185	
Furniture and Fixtures		848	
Heating and Air Conditioning Equipment		453	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay (Cont.)

Highway Equipment	\$	427,519	
Motor Vehicles		25,930	
Right-of-Way		15,015	
State Aid Projects		241,091	
Other Capital Outlay		11,629	
Total Capital Outlay			\$ 2,646,469

Total Highway/Public Works Fund \$ 6,303,770

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	1,050,000	
Total General Government			\$ 1,050,000

Interest on Debt

General Government

Interest on Bonds	\$	573,486	
Total General Government			573,486

Other Debt Service

General Government

Trustee's Commission	\$	33,701	
Underwriter's Discount		99,441	
Other Debt Issuance Charges		84,271	
Other Debt Service		2,459	
Total General Government			219,872

Total General Debt Service Fund 1,843,358

Total Governmental Funds - Primary Government \$ 29,048,403

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, 2021

General Purpose School FundInstructionRegular Instruction Program

Teachers	\$ 13,127,305	
Career Ladder Program	55,412	
Homebound Teachers	45,159	
Salary Supplements	311,524	
Educational Assistants	351,371	
Bonus Payments	116,846	
Certified Substitute Teachers	37,311	
Non-certified Substitute Teachers	94,547	
Social Security	833,151	
Pensions	1,312,532	
Life Insurance	7,495	
Medical Insurance	2,235,482	
Dental Insurance	77,925	
Unemployment Compensation	8,085	
Employer Medicare	201,961	
Termination Benefits	471,196	
Other Fringe Benefits	428,842	
Contracts with Private Agencies	142,402	
Payments to Schools - Other	328,185	
Other Contracted Services	11,011	
Instructional Supplies and Materials	159,194	
Office Supplies	1,495	
Textbooks - Bound	635,946	
Software	15,407	
Other Supplies and Materials	905	
In Service/Staff Development	42,242	
Other Charges	624	
Data Processing Equipment	30,525	
Regular Instruction Equipment	9,617	
Total Regular Instruction Program		\$ 21,093,697

Alternative Instruction Program

Teachers	\$ 47,466	
Bonus Payments	387	
Social Security	2,923	
Pensions	4,914	
Life Insurance	25	
Medical Insurance	7,162	
Dental Insurance	268	
Unemployment Compensation	74	
Employer Medicare	684	
Instructional Supplies and Materials	1,125	
Other Supplies and Materials	465	
Other Charges	574	
Total Alternative Instruction Program		66,067

(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

Teachers	\$	1,836,088	
Career Ladder Program		5,500	
Homebound Teachers		48,909	
Educational Assistants		519,601	
Speech Pathologist		248,434	
Bonus Payments		18,556	
Social Security		157,053	
Pensions		241,093	
Life Insurance		2,203	
Medical Insurance		647,450	
Dental Insurance		22,376	
Unemployment Compensation		1,575	
Employer Medicare		36,728	
Rentals		846	
Instructional Supplies and Materials		23,620	
Software		5,200	
Other Supplies and Materials		11,021	
Special Education Equipment		5,172	
Total Special Education Program			\$ 3,831,425

Career and Technical Education Program

Teachers	\$	875,625	
Educational Assistants		11,965	
Bonus Payments		6,836	
Non-certified Substitute Teachers		164	
Social Security		54,143	
Pensions		80,920	
Life Insurance		504	
Medical Insurance		131,743	
Dental Insurance		5,098	
Unemployment Compensation		537	
Employer Medicare		12,662	
Evaluation and Testing		3,119	
Licenses		100	
Maintenance and Repair Services - Equipment		521	
Travel		5,417	
Remittance of Revenue Collected		10,154	
Other Contracted Services		600	
Instructional Supplies and Materials		75,376	
Propane Gas		24	
Textbooks - Bound		9,092	
Liability Insurance		215	
Other Charges		145	
Vocational Instruction Equipment		110,721	
Other Equipment		7,868	
Total Career and Technical Education Program			1,403,549

(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.)COVID-19 Expenditures

Communication	\$	48,000	
Other Supplies and Materials		513,697	
Vocational Instruction Equipment		80,800	
Total COVID-19 Expenditures			\$ 642,497

Support ServicesHealth Services

Supervisor/Director	\$	46,226	
Medical Personnel		236,794	
Salary Supplements		1,500	
Bonus Payments		4,229	
Other Salaries and Wages		14,940	
Certified Substitute Teachers		2,985	
Social Security		17,701	
Pensions		23,646	
Life Insurance		361	
Medical Insurance		97,404	
Dental Insurance		4,738	
Unemployment Compensation		203	
Employer Medicare		4,140	
Licenses		200	
Travel		670	
Drugs and Medical Supplies		6,351	
Office Supplies		300	
Other Supplies and Materials		11,687	
In Service/Staff Development		325	
Other Charges		2,800	
Data Processing Equipment		2,430	
Total Health Services			479,630

Other Student Support

Career Ladder Program	\$	3,000	
Guidance Personnel		627,517	
Salary Supplements		4,000	
Bonus Payments		5,019	
Social Security		38,203	
Pensions		58,827	
Life Insurance		328	
Medical Insurance		84,571	
Dental Insurance		3,488	
Unemployment Compensation		374	
Employer Medicare		8,935	
Contracts with Government Agencies		394,242	
Evaluation and Testing		76,356	
Other Contracted Services		8,250	
Office Supplies		600	
Other Equipment		131,645	
Total Other Student Support			1,445,355

(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

Supervisor/Director	\$	221,832	
Career Ladder Program		7,500	
Librarians		576,109	
Secretary(ies)		5,782	
Bonus Payments		9,128	
Other Salaries and Wages		27,210	
Social Security		50,390	
Pensions		85,549	
Life Insurance		364	
Medical Insurance		113,731	
Dental Insurance		3,874	
Unemployment Compensation		521	
Employer Medicare		11,793	
Licenses		5,792	
Maintenance Agreements		10,813	
Payments to Schools - Other		28,000	
Rentals		11,067	
Travel		4,742	
Library Books/Media		59,663	
Office Supplies		799	
Other Supplies and Materials		434	
In Service/Staff Development		35,555	
Other Charges		6,881	
Total Regular Instruction Program			\$ 1,277,529

Alternative Instruction Program

Supervisor/Director	\$	63,917	
Career Ladder Program		1,000	
Secretary(ies)		14,417	
Bonus Payments		454	
Other Salaries and Wages		21,185	
Social Security		6,014	
Pensions		7,867	
Life Insurance		50	
Medical Insurance		15,549	
Dental Insurance		537	
Unemployment Compensation		59	
Employer Medicare		1,407	
Total Alternative Instruction Program			132,456

Special Education Program

Supervisor/Director	\$	76,422	
Psychological Personnel		49,067	
Assessment Personnel		46,490	
Clerical Personnel		47,043	
Bonus Payments		2,414	

(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	\$	7,142	
Social Security		13,744	
Pensions		19,295	
Life Insurance		118	
Medical Insurance		36,635	
Dental Insurance		1,261	
Unemployment Compensation		121	
Employer Medicare		3,214	
Communication		331	
Contracts with Private Agencies		184,000	
Operating Lease Payments		303	
Rentals		2,868	
Travel		799	
Office Supplies		911	
Other Supplies and Materials		7,064	
Other Charges		3,627	
Other Equipment		1,669	
Total Special Education Program			\$ 504,538

Career and Technical Education Program

Supervisor/Director	\$	68,627	
Career Ladder Program		1,000	
Salary Supplements		11,813	
Secretary(ies)		26,540	
Bonus Payments		779	
Other Salaries and Wages		52,750	
Social Security		9,631	
Pensions		15,757	
Life Insurance		76	
Medical Insurance		21,486	
Dental Insurance		805	
Unemployment Compensation		82	
Employer Medicare		2,252	
Dues and Memberships		180	
Maintenance and Repair Services - Equipment		1,420	
Rentals		5,321	
Travel		2,058	
Office Supplies		1,600	
Other Charges		1,207	
Office Equipment		3,135	
Total Career and Technical Education Program			226,519

Technology

Supervisor/Director	\$	51,387
Data Processing Personnel		184,839
Social Security		13,977

(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 (Cont.)

Pensions	\$	18,209	
Life Insurance		149	
Medical Insurance		40,620	
Dental Insurance		1,583	
Unemployment Compensation		137	
Employer Medicare		3,269	
Communication		24,237	
Maintenance and Repair Services - Equipment		24,169	
Internet Connectivity		47,507	
Other Contracted Services		17,051	
Data Processing Supplies		515	
Office Supplies		444	
Small Tools		468	
Uniforms		760	
Software		17,164	
Other Supplies and Materials		1,091	
Data Processing Equipment		92,924	
Motor Vehicles		27,814	
Office Equipment		1,960	
Total Technology			\$ 570,274

Other Programs

On-behalf Payments to OPEB	\$	261,637	
Total Other Programs			261,637

Board of Education

Secretary(ies)	\$	300	
Board and Committee Members Fees		14,025	
Social Security		767	
Pensions		884	
Employer Medicare		994	
Accounting Services		9,500	
Advertising		3,343	
Audit Services		17,000	
Dues and Memberships		6,847	
Legal Services		22,450	
Maintenance Agreements		3,250	
Travel		5,219	
Other Contracted Services		7,500	
Boiler Insurance		5,147	
Building and Contents Insurance		222,532	
Liability Insurance		56,691	
Premiums on Corporate Surety Bonds		37,089	
Refunds		26,569	
Workers' Compensation Insurance		216,047	
In Service/Staff Development		8,145	

(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.)

Access Fees	\$	8,500	
Criminal Investigation of Applicants - TBI		2,355	
Other Charges		695	
Furniture and Fixtures		275	
Total Board of Education			\$ 676,124

Director of Schools

County Official/Administrative Officer	\$	96,000	
Salary Supplements		1,000	
Secretary(ies)		113,712	
Clerical Personnel		39,510	
Other Salaries and Wages		1,552	
Social Security		14,831	
Pensions		21,374	
Life Insurance		144	
Medical Insurance		55,842	
Dental Insurance		1,529	
Unemployment Compensation		147	
Employer Medicare		3,469	
Dues and Memberships		12,774	
Maintenance Agreements		31,335	
Postal Charges		4,898	
Travel		3,501	
Office Supplies		3,216	
Other Charges		2,786	
Total Director of Schools			407,620

Office of the Principal

Principals	\$	921,306	
Career Ladder Program		6,000	
Accountants/Bookkeepers		228,824	
Assistant Principals		547,401	
Secretary(ies)		146,318	
Educational Assistants		8,834	
Bonus Payments		10,407	
Social Security		109,083	
Pensions		178,324	
Life Insurance		1,154	
Medical Insurance		337,408	
Dental Insurance		12,288	
Unemployment Compensation		1,064	
Employer Medicare		25,639	
Advertising		100	
Maintenance Agreements		2,420	
Travel		473	
Office Supplies		3,460	
Total Office of the Principal			2,540,503

(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.)Fiscal Services

Accounting Services	\$	169,400	
Fiscal Agent Charges		1,608	
Trustee's Commission		262,880	
Total Fiscal Services			\$ 433,888

Operation of Plant

Custodial Personnel	\$	780,691	
Social Security		46,731	
Pensions		38,228	
Life Insurance		786	
Medical Insurance		215,958	
Dental Insurance		8,852	
Unemployment Compensation		471	
Employer Medicare		10,930	
Communication		51,648	
Contracts with Private Agencies		102,137	
Evaluation and Testing		11,090	
Laundry Service		271	
Payments to Schools - Other		81,011	
Pest Control		19,235	
Disposal Fees		19,368	
Penalties		30	
Custodial Supplies		14,946	
Electricity		1,007,912	
Natural Gas		259,854	
Water and Sewer		73,501	
Total Operation of Plant			2,743,650

Maintenance of Plant

Supervisor/Director	\$	53,719	
Secretary(ies)		27,702	
Maintenance Personnel		245,133	
Social Security		20,062	
Pensions		24,557	
Life Insurance		242	
Medical Insurance		59,877	
Dental Insurance		3,233	
Unemployment Compensation		212	
Employer Medicare		4,692	
Contracts with Private Agencies		72	
Evaluation and Testing		62,416	
Laundry Service		4,211	
Maintenance and Repair Services - Buildings		93,161	
Maintenance and Repair Services - Equipment		71,888	
Rentals		3,614	
Other Contracted Services		2,050	

(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 (Cont.)

Custodial Supplies	\$	1,681	
Equipment and Machinery Parts		218	
General Construction Materials		5,881	
Office Supplies		477	
Road Signs		500	
Small Tools		1,764	
Chemicals		2,008	
Other Charges		2,250	
Building Improvements		86,543	
Heating and Air Conditioning Equipment		49,795	
Maintenance Equipment		7,269	
Total Maintenance of Plant			\$ 835,227

Transportation

Supervisor/Director	\$	51,387	
Mechanic(s)		100,024	
Bus Drivers		551,633	
Clerical Personnel		53,475	
Attendants		28,251	
Overtime Pay		27,578	
Other Salaries and Wages		7,415	
Social Security		47,542	
Pensions		58,777	
Life Insurance		1,247	
Medical Insurance		309,439	
Dental Insurance		12,798	
Unemployment Compensation		524	
Employer Medicare		11,332	
Evaluation and Testing		9,697	
Laundry Service		3,019	
Maintenance and Repair Services - Equipment		1,167	
Maintenance and Repair Services - Vehicles		5,175	
Medical and Dental Services		60	
Rentals		4,569	
Travel		1,435	
Disposal Fees		1,432	
Other Contracted Services		12,209	
Crushed Stone		1,943	
Custodial Supplies		8,177	
Diesel Fuel		88,085	
Garage Supplies		16,904	
Gasoline		37,843	
Lubricants		17,755	
Office Supplies		446	
Propane Gas		300	
Tires and Tubes		30,645	

(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.)

Vehicle Parts	\$	114,544	
Trustee's Commission		6	
Vehicle and Equipment Insurance		55,634	
In Service/Staff Development		675	
Other Charges		2,548	
Transportation Equipment		95,769	
Total Transportation			\$ 1,771,459

Operation of Non-Instructional ServicesFood Service

Food Supplies	\$	5,775	
Total Food Service			5,775

Community Services

Supervisor/Director	\$	57,824	
Teachers		133,990	
Clerical Personnel		17,324	
Educational Assistants		97,374	
Overtime Pay		3,668	
Other Salaries and Wages		41,816	
Social Security		20,323	
Pensions		23,862	
Life Insurance		58	
Medical Insurance		17,503	
Dental Insurance		566	
Unemployment Compensation		107	
Employer Medicare		4,918	
Contracts with Government Agencies		1,500	
Travel		690	
Data Processing Supplies		409	
Food Preparation Supplies		110	
Food Supplies		19,021	
Instructional Supplies and Materials		1,509	
Office Supplies		1,050	
Other Supplies and Materials		1,395	
Trustee's Commission		169	
In Service/Staff Development		329	
Other Charges		10,787	
Data Processing Equipment		3,237	
Other Equipment		2,315	
Total Community Services			461,854

Early Childhood Education

Supervisor/Director	\$	20,000	
Teachers		124,490	
Clerical Personnel		8,700	

(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.)Early Childhood Education (Cont.)

Educational Assistants	\$	39,494	
Bonus Payments		4,155	
Certified Substitute Teachers		110	
Non-certified Substitute Teachers		533	
Social Security		11,907	
Pensions		16,937	
Life Insurance		157	
Medical Insurance		42,481	
Dental Insurance		1,671	
Unemployment Compensation		116	
Employer Medicare		2,783	
Retirement - Hybrid Stabilization		18	
Communication		322	
Travel		148	
Instructional Supplies and Materials		7,924	
Other Supplies and Materials		12,943	
In Service/Staff Development		138	
Other Charges		384	
Regular Instruction Equipment		9,420	
Total Early Childhood Education			\$ 304,831

Capital OutlayRegular Capital Outlay

Architects	\$	8,439	
Building Improvements		345,684	
Other Capital Outlay		112,902	
Total Regular Capital Outlay			467,025

Total General Purpose School Fund \$ 42,583,129

School Federal Projects FundInstructionRegular Instruction Program

Teachers	\$	702,741	
Educational Assistants		313,207	
Other Salaries and Wages		624,510	
Certified Substitute Teachers		7,820	
Non-certified Substitute Teachers		262	
Social Security		95,403	
Pensions		119,751	
Life Insurance		474	
Medical Insurance		129,693	
Dental Insurance		5,044	
Unemployment Compensation		638	
Employer Medicare		23,142	
Retirement - Hybrid Stabilization		48	

(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.)Instruction (Cont.)Regular Instruction Program (Cont.)

Other Contracted Services	\$	108,772	
Instructional Supplies and Materials		611,400	
Software		23,890	
Other Supplies and Materials		17,346	
Other Charges		63,645	
Regular Instruction Equipment		1,520,454	
Total Regular Instruction Program			\$ 4,368,240

Special Education Program

Teachers	\$	181,912	
Homebound Teachers		2,000	
Educational Assistants		491,966	
Speech Pathologist		6,331	
Social Security		40,135	
Pensions		54,536	
Life Insurance		998	
Medical Insurance		257,020	
Dental Insurance		10,088	
Unemployment Compensation		325	
Employer Medicare		9,385	
Instructional Supplies and Materials		68	
Other Supplies and Materials		285	
Special Education Equipment		3,152	
Total Special Education Program			1,058,201

Career and Technical Education Program

Other Salaries and Wages	\$	755	
Social Security		36	
Pensions		59	
Employer Medicare		8	
Instructional Supplies and Materials		14,694	
Other Supplies and Materials		2,294	
Vocational Instruction Equipment		127,451	
Total Career and Technical Education Program			145,297

Support ServicesHealth Services

Supervisor/Director	\$	4,500	
Medical Personnel		16,750	
Other Salaries and Wages		2,592	
Social Security		1,478	
Pensions		1,882	
Employer Medicare		346	
Drugs and Medical Supplies		44,252	
Total Health Services			71,800

(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

Guidance Personnel	\$	3,240	
Social Workers		75,090	
Social Security		4,766	
Pensions		6,304	
Life Insurance		50	
Medical Insurance		13,685	
Dental Insurance		537	
Unemployment Compensation		50	
Employer Medicare		1,139	
Communication		5,150	
Evaluation and Testing		151,576	
Travel		1,070	
Other Contracted Services		35,646	
Other Supplies and Materials		26,964	
In Service/Staff Development		6,446	
Other Charges		4,346	
Total Other Student Support	\$		336,059

Regular Instruction Program

Supervisor/Director	\$	55,870	
Secretary(ies)		23,128	
Other Salaries and Wages		299,358	
Social Security		22,520	
Pensions		38,082	
Life Insurance		156	
Medical Insurance		44,658	
Dental Insurance		1,663	
Unemployment Compensation		240	
Employer Medicare		5,267	
Communication		1,594	
Operating Lease Payments		4,685	
Travel		2,755	
Other Supplies and Materials		45,313	
In Service/Staff Development		96,883	
Other Equipment		43,224	
Total Regular Instruction Program			685,396

Special Education Program

Other Salaries and Wages	\$	242,663	
Social Security		14,895	
Pensions		22,733	
Life Insurance		131	
Medical Insurance		38,333	
Dental Insurance		1,395	
Unemployment Compensation		111	
Employer Medicare		3,484	

(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.)Special Education Program (Cont.)

Contracts with Private Agencies	\$ 48,905	
In Service/Staff Development	299	
Total Special Education Program		\$ 372,949

Technology

Other Equipment	\$ 127,973	
Total Technology		127,973

Office of the Principal

Principals	\$ 47,500	
Social Security	2,945	
Pensions	4,889	
Employer Medicare	689	
Communication	10,579	
Total Office of the Principal		66,602

Operation of Plant

Custodial Personnel	\$ 14,387	
Social Security	892	
Pensions	988	
Employer Medicare	209	
Janitorial Services	19,731	
Total Operation of Plant		36,207

Transportation

Bus Drivers	\$ 6,341	
Other Salaries and Wages	27,053	
Social Security	2,047	
Pensions	507	
Life Insurance	15	
Medical Insurance	4,274	
Dental Insurance	161	
Unemployment Compensation	29	
Employer Medicare	479	
Contracts with Parents	437	
Vehicle Parts	7,072	
Transportation Equipment	85,145	
Total Transportation		133,560

Operation of Non-Instructional ServicesFood Service

Cafeteria Personnel	\$ 39,410	
Social Security	2,646	
Employer Medicare	619	
Food Supplies	35,000	
Other Charges	30,000	
Total Food Service		107,675

Total School Federal Projects Fund \$ 7,509,959

(Continued)

Exhibit J-8

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

Central Cafeteria FundOperation of Non-Instructional ServicesFood Service

Supervisor/Director	\$	51,387	
Salary Supplements		15,900	
Clerical Personnel		27,702	
Cafeteria Personnel		904,429	
Temporary Personnel		9,499	
Other Salaries and Wages		32,792	
Social Security		62,611	
Pensions		59,660	
Life Insurance		1,063	
Medical Insurance		283,044	
Dental Insurance		11,027	
Unemployment Compensation		246	
Employer Medicare		14,642	
Other Fringe Benefits		16,746	
Accounting Services		22,090	
Communication		5,257	
Contracts with Government Agencies		10,500	
Contracts with Private Agencies		72	
Dues and Memberships		45	
Maintenance Agreements		7,260	
Maintenance and Repair Services - Equipment		40,726	
Rentals		1,312	
Travel		1,074	
Disposal Fees		22,188	
Other Contracted Services		7,869	
Food Preparation Supplies		83,975	
Food Supplies		740,743	
Office Supplies		1,934	
Uniforms		11,220	
Chemicals		1,132	
USDA - Commodities		236,043	
Other Supplies and Materials		2,782	
In Service/Staff Development		17	
Criminal Investigation of Applicants - TBI		246	
Other Charges		478	
Food Service Equipment		158,037	
Office Equipment		966	
Other Capital Outlay		6,900	
Total Food Service			\$ 2,853,614

Total Central Cafeteria Fund \$ 2,853,614

Other Education Special Revenue FundSupport ServicesOperation of Plant

Custodial Personnel	\$	1,289
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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.)

Other Education Special Revenue Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Social Security	\$	80	
Unemployment Compensation		1	
Employer Medicare		19	
Total Operation of Plant			\$ 1,389

Operation of Non-Instructional Services

Early Childhood Education

Supervisor/Director	\$	52,750	
Teachers		337,204	
Clerical Personnel		19,300	
Educational Assistants		139,872	
Other Salaries and Wages		148,185	
Certified Substitute Teachers		7,493	
Non-certified Substitute Teachers		381	
Social Security		41,527	
Pensions		60,914	
Life Insurance		520	
Medical Insurance		154,541	
Dental Insurance		5,540	
Unemployment Compensation		379	
Employer Medicare		9,712	
Retirement - Hybrid Stabilization		2,082	
Communication		5,625	
Contracts with Private Agencies		72	
Dues and Memberships		504	
Operating Lease Payments		80	
Maintenance and Repair Services - Equipment		8,354	
Rentals		10,737	
Travel		2,837	
Custodial Supplies		132	
Food Supplies		8,113	
Instructional Supplies and Materials		80,710	
Office Supplies		695	
Utilities		2,731	
Other Supplies and Materials		65,851	
Liability Insurance		675	
Workers' Compensation Insurance		750	
In Service/Staff Development		13,143	
Other Charges		24,181	
Total Early Childhood Education			1,205,590

COVID-19 Expenditures

Teachers	\$	6,250	
Social Security		378	
Pensions		642	
Employer Medicare		88	

(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.)

COVID-19 Expenditures (Cont.)

Maintenance and Repair Services - Buildings	\$	12,049	
Custodial Supplies		551	
Instructional Supplies and Materials		60,956	
Other Charges		60,090	
Total COVID-19 Expenditures			<u>\$ 141,004</u>

Total Other Education Special Revenue Fund \$ 1,347,983

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$	1,488,385	
Total Community Services			<u>\$ 1,488,385</u>

Total Internal School Fund 1,488,385

Total Governmental Funds - Carter County School Department \$ 55,783,070

Exhibit J-9

Carter County, Tennessee

Schedule of Detailed Additions, Deductions, and Changes in Net Position - City Custodial Funds

For the Year Ended June 30, 2021

	Cities - Sales Tax Fund	City School ADA - Elizabethton Fund	City School ADA - Johnson City Fund	Total
<u>Additions</u>				
Current Property Taxes	\$ 0	\$ 3,255,122	\$ 84,939	\$ 3,340,061
Trustee's Collections - Prior Years	0	99,609	2,877	102,486
Circuit/Clerk and Master Collections - Prior Years	0	25,032	840	25,872
Interest and Penalty	0	26,842	768	27,610
Payments in-Lieu-of Taxes - Local Utilities	0	56,328	1,475	57,803
Payments in-Lieu-of Taxes - Other	0	1,056	28	1,084
Local Option Sales Tax	6,779,273	3,255,361	91,588	10,126,222
Mixed Drink Tax	0	634	18	652
Bank Excise Tax	0	17,687	461	18,148
Marriage Licenses	0	547	17	564
Donations	0	60	2	62
Total Additions	<u>\$ 6,779,273</u>	<u>\$ 6,738,278</u>	<u>\$ 183,013</u>	<u>\$ 13,700,564</u>
<u>Deductions</u>				
Remittance of Revenues Collected	\$ 6,711,815	\$ 6,637,425	\$ 180,377	\$ 13,529,617
Trustee's Commission	67,458	100,853	2,636	170,947
Total Deductions	<u>\$ 6,779,273</u>	<u>\$ 6,738,278</u>	<u>\$ 183,013</u>	<u>\$ 13,700,564</u>
Excess of Additions Over (Under) Deductions	\$ 0	\$ 0	\$ 0	\$ 0
Net Position, July 1, 2020	0	0	0	0
Net Position, June 30, 2021	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

SINGLE AUDIT SECTION



JASON E. MUMPOWER
Comptroller

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

Independent Auditor's Report

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, 2021, 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 24, 2022. Our report includes a reference to other auditors who audited the financial statements of the Internal School Fund of the discretely presented Carter County School Department, as described in our report on Carter County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Carter County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be significant deficiencies: 2021-003(C), 2021-004, 2021-005, and 2021-006.

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: 2021-001, 2021-002, 2021-003(A)(B), and 2021-007.

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 24, 2022

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, 2021. 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, 2021.

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, 2021, and the related notes to the financial statements, which collectively comprise Carter County's basic financial statements. We issued our report thereon dated February 24, 2022, 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 24, 2022

JEM/tg

Carter County, Tennessee, and the Carter County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (8)
For the Year-Ended June 30, 2021

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listings 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	\$ 98,599
Passed-through Natural Resources Conservation Service:			
Emergency Watershed Protection Program	10.923	N/A	144,836
Passed-through State Department of Education:			
Child Nutrition Cluster: (5)			
School Breakfast Program	10.553	N/A	661,123
National School Lunch Program	10.555	N/A	1,447,553 (7)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	236,043 (7)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-21-66969-00	74,879 (6)
Passed-through State Department of Human Services:			
Child and Adult Care Food Program	10.558	N/A	8,113
Total U.S. Department of Agriculture			<u>\$ 2,671,146</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants	14.228	12758	\$ 68,539
Home Investment Partnership Program	14.239	HM1802	468,465
Total U.S. Department of Housing and Urban Development			<u>\$ 537,004</u>
U.S. Department of the Interior:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	N/A	\$ 125,579
Total U.S. Department of the Interior			<u>\$ 125,579</u>
U.S. Department of Justice:			
Direct Program:			
Bulletproof Vest Partnership Program	16.607	N/A	\$ 7,140
Passed-through State Department of Finance and Administration:			
COVID 19 - Coronavirus Emergency Supplemental Funding Program	16.034	N/A	9,219
Total U.S. Department of Justice			<u>\$ 16,359</u>
U.S. Department of Labor:			
Passed-through State Department of Labor and Workforce Development:			
COVID 19 - Unemployment Insurance	17.225	N/A	\$ 9,641
Total U.S. Department of Labor			<u>\$ 9,641</u>
U.S. Department of Treasury:			
Passed-through State Department of Finance and Administration:			
COVID 19 - Coronavirus Relief Fund	21.019	N/A	\$ 845,265 (7)
Passed-through State Department of Education:			
COVID 19 - Coronavirus Relief Fund	21.019	N/A	285,557 (7)
Total U.S. Department of Treasury			<u>\$ 1,130,822</u>
Appalachian Regional Commission:			
Passed-through Governor's Books from Birth Foundation:			
Appalachian Regional Development	23.001	TN-16307-C5	\$ 4,000
Total Appalachian Regional Commission			<u>\$ 4,000</u>

(Continued)

Carter County, Tennessee, and the Carter County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (8) (Cont.)

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listings Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education:			
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	(4)	\$ 100,533
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	2,026,103
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	N/A	1,231,475
Special Education - Preschool Grants	84.173	N/A	62,345
Career and Technical Education- Basic Grants to States	84.048	N/A	151,743 (7)
COVID 19 - Career and Technical Education- Basic Grants to States	84.048	N/A	80,800 (7)
Education for Homeless Children and Youth	84.196	N/A	20,174
Twenty-first Century Community Learning Centers	84.287	N/A	91,481
Improving Teacher Quality State Grants	84.367	N/A	268,187
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER I)	84.425D	N/A	1,514,656 (7)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	N/A	2,077,976 (7)
Passed-through Greeneville City School Department:			
English Language Acquisition State Grants	84.365	N/A	2,741
Total U.S. Department of Education			<u>\$ 7,628,214</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
COVID 19 - 2020 Supplemental Election Security Grant	90.404	(4)	\$ 34,578
Total U.S. Election Assistance Commission			<u>\$ 34,578</u>
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-21-66969-00	\$ 355 (6)
Family Planning Services	93.217	GG-21-66969-00	7,460 (6)
Medicaid Cluster: (5)			
Medical Assistance Program	93.778	GG-21-66969-00	36,659 (6)
Preventative Health and Health Services Block Grant	93.991	GG-21-66969-00	12,355 (6)
Maternal and Child Health Services Block Grant to States	93.994	GG-21-66969-00	23,334 (6)
Passed-through State Department of Education:			
477 Cluster: (5)			
Temporary Assistance for Needy Families	93.558	N/A	221,442
Passed-through Upper East Tennessee Human Development Agency:			
Head Start Cluster: (5)			
Head Start	93.600	(4)	1,198,828 (7)
COVID 19 - Head Start	93.600	(4)	141,042 (7)
Total U.S. Department of Health and Human Services			<u>\$ 1,641,475</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	63407-32767	\$ 288,307
Emergency Management Performance Grants	97.042	34101-00619	41,500
Total U.S. Department of Homeland Security			<u>\$ 329,807</u>
Total Expenditures of Federal Grants			<u>\$ 14,128,625</u>

(Continued)

Carter County, Tennessee, and the Carter County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (8) (Cont.)

		Contract Number	Expenditures
<u>State Grants</u>			
State Supplement Juvenile Court Improvement Funds - State Commission on Children and Youth	N/A	(4)	\$ 10,000
Tourism Enhancement Grant - State Department of Economic and Community Development	N/A	(4)	22,256
Coordinated School Health - State Department of Education	N/A	(4)	99,963
Driver's Education - State Department of Education	N/A	(4)	6,816
Early Childhood Education Pilot Project - State Department of Education	N/A	(4)	300,681
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)	268,628
Safe Schools Act - State Department of Education	N/A	(4)	158,186
Rural Local Health Services - State Department of Health		GG-21-66969-00	250,023 (6)
Three Star Grant - State Department of Economic and Community Development	N/A	(4)	29,638
Bridge Program - State Department of Transportation	N/A	(4)	1,886,848
Civics Grant - State Department of Education	N/A	(4)	944
Litter Program - State Department of Transportation	N/A	(4)	43,803
State Aid Program - State Department of Transportation	N/A	(4)	203,252
Disaster Relief Grant - State Department of Military	N/A	(4)	44,455
Summer Learning Camps - State Department of Education	N/A	(4)	340,879
State Direct Appropriations Grant FY 2020 - State Department of Finance and Administration	N/A	(4)	1,174,998
Total State Grants			<u>\$ 4,870,982</u>

FAL = Federal Assistance Listings
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 minimus 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 \$98,599; Child Nutrition Cluster total \$2,344,719; Special Education Cluster total \$1,293,820; Medicaid Cluster total \$36,659; 477 Cluster total \$221,442; Head Start Cluster total \$1,339,870.
- (6) Programs with pass-through entity identifying number GG-21-66969-00 are part of a multi-service contract.
- (7) Totals for FAL No. 10.555, \$1,683,596; FAL No. 21.019, \$1,130,822; FAL No. 84.048, \$232,543; FAL No. 84.425D, \$3,592,632; FAL No 93.600 \$1,339,870.
- (8) For the year ended June 30, 2021, Carter County received donated PPE valued at \$536,472 (\$402,354 federal and \$134,118 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, 2021

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, 2021.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	FAL Number	Current Status
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OFFICES OF DIRECTOR OF SCHOOLS AND FINANCE DIRECTOR

2020	222	2020-001	The Carter County Head Start Program is currently under investigation.	N/A	Completed
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CARTER COUNTY

2020	222	2020-002	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, SOLID WASTE DEPARTMENT, AND FINANCE DIRECTOR

2020	223	2020-003	The county had deficiencies in budget operations.	N/A	Not Corrected - See Explanation on Corrective Action Plan
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SOLID WASTE DEPARTMENT

2020	225	2020-004	The department had accounting deficiencies.	N/A	Corrected
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OFFICE OF SHERIFF

2020	226	2020-005	The sheriff did not obtain a letter of agreement or court decree to authorize deputy hires.	N/A	Not Corrected - See Explanation on Corrective Action Plan
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CARTER COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

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:
 - * Assistance Listings Numbers: 10.553 and 10.555 Child Nutrition Cluster: School Breakfast Program and National School Lunch Program
 - * Assistance Listings Number: 21.019 COVID 19 - Coronavirus Relief Fund
 - * Assistance Listings Number: 84.425D COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER I and ESSER II)
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

FINDING 2021-001

COUNTY OFFICIALS WERE NOT PAID IN COMPLIANCE WITH STATE STATUTE (Noncompliance Under *Government Auditing Standards*)

As noted in prior years' reports, certain former county officials were overpaid for the fiscal year ended June 30, 2019, which resulted in subsequent county officials being under paid. The county commission voted to forgive the excess amounts paid the two former officials and authorized additional payments to the then-current county mayor and current register of deeds, which were paid in September 2019. The action taken by the county commission by approving the overpayment appears to violate Section 8-24-102 *Tennessee Code Annotated (TCA)*, since salaries of other county officials were not adjusted proportionately.

As of the date of this report, no further action has been taken to correct the violation first brought to management's attention in 2019. This noncompliance is due to management's failure to correct the finding noted in the past two years' audit reports and the failure to implement their corrective action plan.

RECOMMENDATION

County officials should be paid in accordance with state statutes. The county should take steps to ensure that all general officers of the county, along with the sheriff, chief administrative office of the county highway, 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.

OFFICES OF COUNTY MAYOR, DIRECTOR OF SCHOOLS, HIGHWAY SUPERINTENDENT, AND FINANCE DIRECTOR

FINDING 2021-002

**CARTER COUNTY DID NOT OBTAIN A CURRENT
ACTUARIAL VALUATION FOR OTHER
POSTEMPLOYMENT BENEFITS TIMELY**

(Noncompliance Under *Government Auditing Standards*)

Carter County general government provides postemployment healthcare benefits through a commercial plan that allows county and highway department employees to continue insurance coverage after retirement, provided the employee has met certain employment requirements, until Medicare coverage begins and with premiums for single coverage being paid by the county.

The Carter County School Department provides postemployment benefits for a dental, life, and termination benefits commercial plan that allows school department employees to continue insurance coverage for dental and life benefits after retirement, provided the employee has met certain employment requirements, until Medicare coverage begins and with premiums for single coverage being paid by the school department.

Carter County did not obtain an actuarial valuation for the measurement and recognition of other postemployment benefits (OPEB) in a timely manner. This data is necessary for the preparation of government-wide financial statements and note disclosures as required by Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. GASB is the standard-setting body for accounting principles that state and local governments are required to follow. Carter County contracts with an actuary to provide the required information for the disclosures. The other postemployment benefits information was not received from the actuary until January 25, 2022, which is over six months after the financial statement date.

This deficiency is the result of management's oversight. Sound business practices dictate that records and information necessary to be used in the preparation of financial statements and note disclosures should be available timely.

RECOMMENDATION

The county should take steps to ensure that the other postemployment benefits information is prepared and received on a timely basis.

MANAGEMENT'S RESPONSE

No formal management's response was submitted. However, explanation to the finding is included in the Corrective Action Plan.

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

FINDING 2021-003

THE COUNTY HAD DEFICIENCIES IN BUDGET OPERATIONS

(A. and B. – Noncompliance Under *Government Auditing Standards*; C. – Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Our examination revealed the following deficiencies in budget operations. The 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 deficiencies have been reported in previous audit reports. Management has provided written responses and corrective action plans to address these deficiencies; however, these deficiencies 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:	
General:	
County Buildings	\$ 54,471
Preservation of Records	4,061
Reappraisal Program	2,650
Other Local Welfare Services	9,801
School Department:	
General Purpose School:	
Fiscal Services	\$ 3,794
Early Childhood Education	1,055
School Federal Projects:	
Special Education Program	\$ 9,100
Office of the Principal	3,352

- B. Salaries exceeded appropriations in 32 of 255 salary line-items of the General, Solid Waste/Sanitation, General Purpose School, School Federal Projects, and Other Education Special Revenue funds by amounts ranging from \$6 to \$86,576 for a total of \$230,328. The budget resolution approved by the county commission states that the salary, wages, or remuneration 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.

- C. Two budget amendments approved by the county commission were not posted to the accounting records, numerous amendments were not posted as approved by the county commission, and amendments were posted that had not been approved by the county commission. Accurate budgetary statements are necessary to provide county officials and departments with available spending limits. We have recognized the amendments as approved by the county commission in the financial statements of this report.

RECOMMENDATION

Expenditures should be held within appropriations approved by the county commission. Budget amendments should be posted accurately to the accounting records after approval 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.

FINDING 2021-004

SOME INVOICES WERE NOT PAID TIMELY

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Our examination revealed late charges were assessed and paid in ten instances totaling \$204. These late charges were assessed because the invoices were not being approved and provided to the finance department timely. The payment of late charges increases the costs of goods and services and results in the unnecessary expenditure of county funds.

RECOMMENDATION

Invoices should be submitted for payment and processed timely to avoid late charges.

MANAGEMENT'S RESPONSE

No formal management's response was submitted. However, explanation to the finding is included in the Corrective Action Plan.

OFFICES OF DIRECTOR OF SCHOOLS AND FINANCE DIRECTOR

FINDING 2021-005

AN INVESTIGATION OF THE CARTER COUNTY HEAD START PROGRAM DISCLOSED MISAPPROPRIATION OF FUNDS AND QUESTIONABLE DISBURSEMENTS

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

On July 19, 2021, the Comptroller's Division of Investigations issued an investigative report on the Carter County Head Start Program. The investigation was initiated after Carter County Head Start officials identified and reported questionable purchases. The investigation was limited to selected records for the period July 1, 2017 through January 31, 2020. The investigative report disclosed that the former Head Start administrative assistant made at least \$8,657 in unauthorized personal purchases. Additionally, investigators identified questionable disbursements of Head Start funds totaling at least \$6,276. On July 12, 2021, Joyce Parsons, the former Head Start administrative assistant, was indicted on one count of theft over \$2,500. As of the date of this report, the trial date for Joyce Parsons has been set for March 14, 2022. The complete report is available at www.comptroller.tn.gov/ia.

MANAGEMENT'S RESPONSE

No formal management's response was submitted. However, explanation to the finding is included in the Corrective Action Plan.

FINDING 2021-006

FUND BALANCE RESERVE AMOUNTS WERE NOT CALCULATED IN THE GENERAL PURPOSE SCHOOL AND SCHOOL FEDERAL PROJECTS FUNDS

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Restricted, committed, and assigned fund balance amounts were reflected in the accounting records of the General Purpose School and School Federal Projects funds; however, these balances had not been updated since June 30, 2020. Auditors used alternate methods to determine amounts which should have been recognized for restricted, committed, and assigned fund balances in the financial statements of this report. From our review of accounting records and school board minutes, as well as other audit procedures, we determined that, even though these balances had not been updated, they were materially correct. This deficiency is the result of a lack of management oversight. We presented audit adjustments to management that they approved and agreed to post to properly present the fund balance amounts in the financial statements of this report

RECOMMENDATION

Management should ensure that calculation of ending restricted, committed, and assigned fund balance amounts is performed and reflected correctly in the accounting records.

Calculations should include documentation to support beginning balances, detailed revenues and expenditures, and ending balances.

MANAGEMENT'S RESPONSE

No formal management's response was submitted. However, explanation to the finding is included in the Corrective Action Plan.

OFFICE OF SHERIFF

FINDING 2021-007

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, 2021.

Carter County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2021

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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OFFICE OF FINANCE DIRECTOR

2021-001	County officials were not paid in compliance with state statute.	233
2021-002	Carter County did not obtain a current actuarial valuation for other postemployment benefits timely.	234
2021-003	The county had deficiencies in budget operations.	234
2021-004	Some invoices were not paid timely.	235
2021-005	An investigation of the Carter County Head Start Program disclosed misappropriation of funds and questionable disbursements.	236
2021-006	Fund balance reserve amounts were not calculated in the General Purpose School and School Federal Projects funds.	236

OFFICE OF SHERIFF

2021-007	The sheriff did not obtain a letter of agreement or court decree to authorize deputy hires.	238
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Carter County, Tennessee Finance Department

Carolyn Watson, Finance Director
watsonc@cartercountyttn.gov

801 E. Elk Ave., Suite 203
Elizabethton, TN 37643

Phone 423.547.4005
Fax 423.542.3844

Corrective Action Plan

FINDING: COUNTY OFFICIALS WERE NOT PAID IN COMPLIANCE WITH
STATE STATUTE

Response and Corrective Action Plan Prepared by:
Carolyn Watson Finance Director

Person Responsible for Implementing the Corrective Action:
Carolyn Watson

Anticipated Completion Date of Corrective Action:
Unknown

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
The County Commission voted not to raise the salaries of the other county officials and not to pursue legal action against the former officials that were overpaid.

Planned Corrective Action:
Recommendation regarding payments to other general officers and constitutional officials will again be presented to County Commission for consideration.

FINDING: CARTER COUNTY DID NOT OBTAIN A CURRENT ACTUARIAL VALUATION FOR OTHER POSTEMPLOYMENT BENEFITS TIMELY

Response and Corrective Action Plan Prepared by:
Carolyn Watson Finance Director

Person Responsible for Implementing the Corrective Action:
Carolyn Watson

Anticipated Completion Date of Corrective Action:
Spring 2022

Repeat Finding:
No

Reason Corrective Action was Not Taken in the Prior Year:
N/A

Planned Corrective Action:
Carter County will be seeking a new vendor for this service to insure a timely reporting response to the audit request.

FINDING: THE COUNTY HAD DEFICIENCIES IN BUDGET OPERATIONS

Response and Corrective Action Plan Prepared by:
Carolyn Watson Finance Director

Person Responsible for Implementing the Corrective Action:
Carolyn Watson Finance Director

Anticipated Completion Date of Corrective Action:
June 2022

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
The process of enhancing the budgeting, recording, and reporting process took longer than anticipated.

Planned Corrective Action:

Carter County Finance Department will review and monitor purchase orders and check requests, as well as departmental expense reports, on a quarterly basis to identify and to communicate issues with department directors and elected officials to correct any overages or budgetary concerns that have not been addressed previously.

FINDING: SOME INVOICES WERE NOT PAID TIMELY

Response and Corrective Action Plan Prepared by:

Carolyn Watson Finance Director

Person Responsible for Implementing the Corrective Action:

All Carter County Department Directors and Elected Officials

Anticipated Completion Date of Corrective Action:

Spring 2022

Repeat Finding:

No

Reason Corrective Action was Not Taken in the Prior Year:

N/A

Planned Corrective Action:

Carter County Finance Department will note all invoices that are not received for payment on a timely basis. Email reminders will be sent to department directors and elected officials as a reminder when invoices are not received timely. If delays are due to postal delivery issues, that will be noted.

FINDING: **AN INVESTIGATION OF THE CARTER COUNTY HEAD START PROGRAM DISCLOSED MISAPPROPRIATION OF FUNDS AND QUESTIONABLE DISBURSEMENTS**

Response and Corrective Action Plan Prepared by:
Carolyn Watson Finance Director

Person Responsible for Implementing the Corrective Action:
Carter County Finance Department and Carter County Head Start Administration

Anticipated Completion Date of Corrective Action:
In Progress

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
Incident was still under investigation

Planned Corrective Action:
Carter County Finance Department is closely monitoring all disbursements and credit card charges to ensure they are properly charged within the line item requested and are reasonable and appropriate. Head Start Director is closely monitoring all expenses and reviewing invoices and credit card disbursements.

FINDING: **FUND BALANCE RESERVE AMOUNTS WERE NOT CALCULATED IN THE GENERAL PURPOSE SCHOOL FUND AND SCHOOL FEDERAL PROJECT FUND**

Response and Corrective Action Plan Prepared by:
Carolyn Watson Finance Director

Person Responsible for Implementing the Corrective Action:
Carolyn Watson Finance Director

Anticipated Completion Date of Corrective Action:
June 30, 2022

Repeat Finding:
No

Reason Corrective Action was Not Taken in the Prior Year:
N/A

Planned Corrective Action:
Finance Department will reconcile reserve accounts and make sure that necessary entries are made at year end.

Signature:

A handwritten signature in black ink, appearing to read "Sarah D. Don", written over a horizontal line.



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

Ref: Corrective Action Plan

Finding: The Sheriff did not obtain a Letter of Agreement or Court Decree to authorize deputy hires

Corrective action plan prepared by: Sheriff Dexter Lunceford

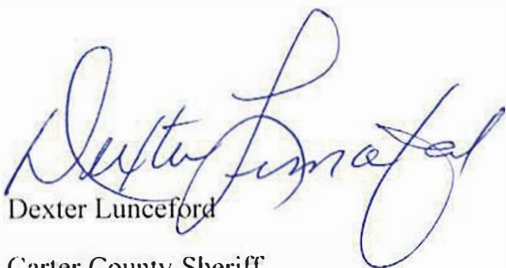
Person responsible for implementing corrective action plan: Sheriff Dexter Lunceford

Anticipated completion date: N/A

Repeat finding: yes

Reason corrective action was not taken previous year: Same as this year, disagree with finding.

Planned corrective action: None.


Dexter Lunceford
Carter County Sheriff

AUDITOR'S COMMENTS ON SHERIFF'S CORRECTIVE ACTION PLAN

FINDING 2021-007

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” 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.”

As noted last year, 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 \$6.3 million in personnel and benefits costs incurred by the sheriff during the year ended June 30, 2021.