

ANNUAL FINANCIAL REPORT

CARTER COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2019



DIVISION OF LOCAL GOVERNMENT AUDIT



ANNUAL FINANCIAL REPORT
CARTER COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2019

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

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CARTER COUNTY, TENNESSEE

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Summary of Audit Findings

Annual Financial Report
Carter County, Tennessee
For the Year Ended June 30, 2019

Scope

We have audited the basic financial statements of Carter County as of and for the year ended June 30, 2019.

Results

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

Our audit resulted in four 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:

OFFICES OF DIRECTOR OF SCHOOLS AND FINANCE DIRECTOR

- ◆ The School Department had deficiencies in the use of federal Head Start Program Grant funds, which resulted in questioned costs.

CARTER COUNTY

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

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

- ◆ The offices had deficiencies in budget operations.

SOLID WASTE DEPARTMENT

- ◆ The department had accounting deficiencies.

INTRODUCTORY SECTION

Carter County Officials
June 30, 2019

Officials

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

Board of County Commissioners

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

Board of Education

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

Financial Management Committee

Bradley Johnson, Chairman	Rusty Barnett, County Mayor
Ginger Holdren	Roger Colbaugh, Road Superintendent
Travis Hill	Kevin Ward, Director of Schools
Dexter Lunceford, Sheriff	

Audit Committee

Rai Lynn Anderson, Chairman	Margaret Moses
Carter Honeycutt	Margaret Pate

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy 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, 2019, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carter County, Tennessee, as of June 30, 2019, 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.

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 and related ratios, schedules of county and school contributions, schedule of school's proportionate share of the net pension liability, and schedule 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 the other information such as the introductory section and management's corrective action plans are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by Title

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

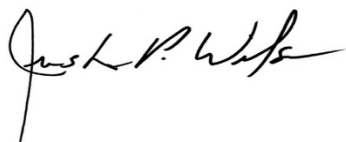
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Carter County School Department (a discretely presented component unit), schedule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

The introductory section and management's corrective action plans have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2020, 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,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 28, 2020

JPW/tg

BASIC FINANCIAL STATEMENTS

Exhibit A

Carter County, Tennessee
Statement of Net Position
June 30, 2019

	Primary Government Governmental Activities	Component Unit Carter County School Department
<u>ASSETS</u>		
Cash	\$ 27,388	\$ 1,137,701
Equity in Pooled Cash and Investments	21,941,455	13,659,020
Accounts Receivable	160,825	70,888
Due from Other Governments	1,502,158	1,020,970
Due from Component Units	36,835	0
Property Taxes Receivable	12,776,448	6,363,023
Allowance for Uncollectible Property Taxes	(196,307)	(97,767)
Prepaid Items	496	0
Cash Shortage	1,799	0
Net Pension Asset - Agent Plan	1,662,745	993,821
Net Pension Asset - Teacher Retirement Plan	0	161,797
Net Pension Asset - Teacher Legacy Pension Plan	0	1,999,645
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	74,029
Capital Assets:		
Assets Not Depreciated:		
Land	2,036,425	828,228
Construction in Progress	762,169	197,409
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	25,884,178	23,065,665
Other Capital Assets	3,041,870	1,970,012
Infrastructure	18,648,931	0
Total Assets	<u>\$ 88,287,415</u>	<u>\$ 51,444,441</u>

DEFERRED OUTFLOW OF RESOURCES

Deferred Charge on Refunding	\$ 224,145	\$ 0
Pension Changes in Experience	99,768	472,992
Pension Changes in Assumptions	447,910	1,456,348
Pension Contributions after Measurement Date	1,323,127	2,892,834
Pension Changes in Proportion	0	146,862
OPEB Changes in Experience	78,319	1,819,527
OPEB Changes in Assumptions	0	717,350
OPEB Contributions After Measurement Date	0	688,018
OPEB Changes in Proportion	0	1,164,998
Total Deferred Outflows of Resources	<u>\$ 2,173,269</u>	<u>\$ 9,358,929</u>

LIABILITIES

Accounts Payable	\$ 593,499	\$ 322,606
Accrued Payroll	412,769	52,605
Accrued Interest Payable	104,072	0
Payroll Deductions Payable	131,524	724,203
Contracts Payable	30,350	187,539
Retainage Payable	0	9,870
Other Withholding Taxes	1,576	2,906
Due to Primary Government	0	36,835
Due to State of Tennessee	0	5,113

(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	\$ 17,988	\$ 414,782
Noncurrent Liabilities:		
Due Within One Year - Debt	1,164,000	0
Due Within One Year - Other	623,308	177,561
Due in More Than One Year - Debt	18,586,463	0
Due in More Than One Year - Other	3,939,235	19,761,893
Total Liabilities	<u>\$ 25,604,784</u>	<u>\$ 21,695,913</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 12,101,784	\$ 6,027,022
Pension Changes in Experience	404,848	2,946,102
Pension Changes in Investment Earnings	140,341	528,226
Pension Changes in Proportion	0	99,950
OPEB Changes in Experience	49,917	86,727
OPEB Changes in Assumptions	0	355,730
Total Deferred Inflows of Resources	<u>\$ 12,696,890</u>	<u>\$ 10,043,757</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 32,438,151	\$ 26,061,314
Restricted for:		
General Government	600,583	0
Finance	58,443	0
Administration of Justice	233,609	0
Public Safety	856,718	0
Public Health and Welfare	181,647	0
Highways	3,580,590	0
Debt Service	3,091,984	0
Education	0	3,815,067
Capital Projects	874,011	109,137
Pensions	1,662,745	3,229,292
Unrestricted	<u>8,580,529</u>	<u>(4,151,110)</u>
Total Net Position	<u>\$ 52,159,010</u>	<u>\$ 29,063,700</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, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Government	Unit
					Governmental Activities	Carter County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 2,494,065	\$ 926,519	\$ 30,164	\$ 0	\$ (1,537,382)	\$ 0
Finance	1,888,793	1,444,938	0	0	(443,855)	0
Administration of Justice	1,321,726	987,791	9,000	54,799	(270,136)	0
Public Safety	9,949,248	2,283,000	195,378	0	(7,470,870)	0
Public Health and Welfare	2,272,175	1,318,285	961,464	0	7,574	0
Social, Cultural, and Recreational Services	365,947	2,982	0	0	(362,965)	0
Agriculture and Natural Resources	133,497	0	0	0	(133,497)	0
Highways	3,633,228	238,623	2,516,818	412,449	(465,338)	0
Interest on Long-term Debt	688,300	0	0	0	(688,300)	0
Total Primary Government	<u>\$ 22,746,979</u>	<u>\$ 7,202,138</u>	<u>\$ 3,712,824</u>	<u>\$ 467,248</u>	<u>\$ (11,364,769)</u>	<u>\$ 0</u>
Component Unit:						
Carter County School Department	<u>\$ 51,422,040</u>	<u>\$ 725,454</u>	<u>\$ 8,539,703</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (42,156,883)</u>
Total Component Unit	<u>\$ 51,422,040</u>	<u>\$ 725,454</u>	<u>\$ 8,539,703</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (42,156,883)</u>

(Continued)

Exhibit B

Carter County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Government	Unit
					Governmental Activities	Carter County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 9,990,139	\$ 6,118,783
Property Taxes Levied for Highway/Public Works					1,087,953	0
Property Taxes Levied for Debt Service					1,195,724	0
Local Option Sales Taxes					1,118,744	4,520,581
Litigation Tax - General					114,503	0
Litigation Tax - Jail, Workhouse, or Courthouse					64,775	0
Litigation Tax - Special					9,738	0
Litigation Tax - Courtroom Security					121,623	0
Other County Local Option Taxes					115,012	0
Hotel/Motel Tax					130,835	0
Business Tax					383,542	0
Mineral Severance Tax					83,642	0
Mixed Drink Tax					2,772	1,798
Beer Privilege Tax					153,843	0
Grants and Contributions Not Restricted to Specific Programs					793,546	33,331,182
Unrestricted Investment Income					674,899	157,174
Miscellaneous					251,199	76,448
Gain on Investments					0	3,737
Total General Revenues					<u>\$ 16,292,489</u>	<u>\$ 44,209,703</u>
Change in Net Position					\$ 4,927,720	\$ 2,052,820
Net Position, July 1, 2018					<u>47,231,290</u>	<u>27,010,880</u>
Net Position, June 30, 2019					<u><u>\$ 52,159,010</u></u>	<u><u>\$ 29,063,700</u></u>

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

Exhibit C-1

Carter County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2019

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash	\$ 4,798	\$ 0	\$ 0	\$ 22,590	\$ 27,388
Equity in Pooled Cash and Investments	13,144,114	3,802,312	4,432,433	562,596	21,941,455
Accounts Receivable	96,214	6,812	0	57,799	160,825
Due from Other Governments	1,061,981	425,864	0	14,313	1,502,158
Due from Other Funds	39,986	16,947	54,969	109,038	220,940
Due from Component Units	18,889	17,946	0	0	36,835
Property Taxes Receivable	9,624,022	1,220,514	1,931,912	0	12,776,448
Allowance for Uncollectible Property Taxes	(153,622)	(18,114)	(24,571)	0	(196,307)
Prepaid Items	496	0	0	0	496
Cash Shortage	1,799	0	0	0	1,799
Total Assets	<u>\$ 23,838,677</u>	<u>\$ 5,472,281</u>	<u>\$ 6,394,743</u>	<u>\$ 766,336</u>	<u>\$ 36,472,037</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 461,707	\$ 63,169	\$ 0	\$ 68,623	\$ 593,499
Accrued Payroll	344,593	52,275	0	15,901	412,769
Payroll Deductions Payable	112,847	14,753	0	3,924	131,524
Contracts Payable	11,350	19,000	0	0	30,350
Other Withholding Taxes	1,262	136	0	178	1,576
Due to Other Funds	175,599	0	0	45,341	220,940
Other Current Liabilities	5,555	0	0	12,433	17,988
Total Liabilities	<u>\$ 1,112,913</u>	<u>\$ 149,333</u>	<u>\$ 0</u>	<u>\$ 146,400</u>	<u>\$ 1,408,646</u>

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 9,080,666	\$ 1,159,971	\$ 1,861,147	\$ 0	\$ 12,101,784
Deferred Delinquent Property Taxes	288,838	31,445	34,235	0	354,518
Other Deferred/Unavailable Revenue	157,499	203,453	0	0	360,952
Total Deferred Inflows of Resources	<u>\$ 9,527,003</u>	<u>\$ 1,394,869</u>	<u>\$ 1,895,382</u>	<u>\$ 0</u>	<u>\$ 12,817,254</u>
<u>FUND BALANCES</u>					
Nonspendable:					
Prepaid Items	\$ 496	\$ 0	\$ 0	\$ 0	\$ 496
Restricted:					
Restricted for General Government	600,583	0	0	0	600,583
Restricted for Finance	58,443	0	0	0	58,443
Restricted for Administration of Justice	233,609	0	0	0	233,609
Restricted for Public Safety	821,327	0	0	35,391	856,718
Restricted for Public Health and Welfare	118,318	0	0	63,329	181,647
Restricted for Highways/Public Works	0	3,442,324	0	0	3,442,324
Restricted for Debt Service	0	0	3,161,821	0	3,161,821
Restricted for Capital Projects	841,756	0	0	32,255	874,011
Committed:					
Committed for Public Safety	528,617	0	0	0	528,617
Committed for Public Health and Welfare	8,717	0	0	438,068	446,785
Committed for Social, Cultural, and Recreational Services	0	0	0	34,227	34,227
Committed for Highways/Public Works	0	485,755	0	0	485,755
Committed for Debt Service	0	0	1,337,540	0	1,337,540
Committed for Capital Projects	0	0	0	16,666	16,666
Assigned:					
Assigned for Administration of Justice	42,610	0	0	0	42,610

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>FUND BALANCES (Cont.)</u>					
Assigned (Cont.):					
Assigned for Public Safety	\$ 206,854	\$ 0	\$ 0	\$ 0	\$ 206,854
Assigned for Public Health and Welfare	39,438	0	0	0	39,438
Assigned for Other Operations	98,567	0	0	0	98,567
Unassigned	9,599,426	0	0	0	9,599,426
Total Fund Balances	<u>\$ 13,198,761</u>	<u>\$ 3,928,079</u>	<u>\$ 4,499,361</u>	<u>\$ 619,936</u>	<u>\$ 22,246,137</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 23,838,677</u>	<u>\$ 5,472,281</u>	<u>\$ 6,394,743</u>	<u>\$ 766,336</u>	<u>\$ 36,472,037</u>

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

Carter County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2019

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)		\$ 22,246,137
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 2,036,425	
Add: construction in progress	762,169	
Add: infrastructure net of accumulated depreciation	18,648,931	
Add: buildings and improvements net of accumulated depreciation	25,884,178	
Add: other capital assets net of accumulated depreciation	<u>3,041,870</u>	50,373,573
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other loans payable	\$ (1,815,041)	
Less: bonds payable	(17,560,000)	
Add: deferred amount on refunding	224,145	
Less: compensated absences payable	(932,027)	
Less: landfill closure/postclosure care costs	(1,770,034)	
Less: other postemployment benefits liability	(1,860,482)	
Less: accrued interest on bonds and other loans payable	(104,072)	
Less: unamortized premium on debt	<u>(375,422)</u>	(24,192,933)
(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	\$ 1,870,805	
Less: deferred inflows of resources related to pensions	(545,189)	
Add: deferred outflows of resources related to OPEB	78,319	
Less: deferred inflows of resources related to OPEB	<u>(49,917)</u>	1,354,018
(4) Net pension assets are not current financial resources and are not reported in governmental funds.		1,662,745
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>715,470</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 52,159,010</u></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, 2019

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>					
Local Taxes	\$ 12,228,446	\$ 1,201,797	\$ 1,245,520	\$ 197,673	\$ 14,873,436
Licenses and Permits	605,566	100	0	0	605,666
Fines, Forfeitures, and Penalties	275,234	0	0	23,023	298,257
Charges for Current Services	259,401	0	0	1,063,655	1,323,056
Other Local Revenues	1,143,415	210,364	60,000	132,731	1,546,510
Fees Received From County Officials	2,124,517	0	0	0	2,124,517
State of Tennessee	1,786,156	2,979,255	41,342	28,330	4,835,083
Federal Government	247,210	26,027	0	0	273,237
Other Governments and Citizens Groups	1,780,336	33,558	0	3,622	1,817,516
Total Revenues	\$ 20,450,281	\$ 4,451,101	\$ 1,346,862	\$ 1,449,034	\$ 27,697,278
<u>Expenditures</u>					
Current:					
General Government	\$ 2,587,842	\$ 0	\$ 0	\$ 9,753	\$ 2,597,595
Finance	1,765,152	0	0	284	1,765,436
Administration of Justice	1,422,622	0	0	5,685	1,428,307
Public Safety	9,826,248	0	0	38,375	9,864,623
Public Health and Welfare	1,453,287	0	0	1,381,395	2,834,682
Social, Cultural, and Recreational Services	165,780	0	0	29,552	195,332
Agriculture and Natural Resources	133,497	0	0	0	133,497
Other Operations	631,100	0	0	10,703	641,803
Highways	49,180	3,796,276	0	0	3,845,456
Debt Service:					
Principal on Debt	0	0	1,284,873	0	1,284,873
Interest on Debt	0	0	688,576	0	688,576
Other Debt Service	0	0	39,348	0	39,348
Total Expenditures	\$ 18,034,708	\$ 3,796,276	\$ 2,012,797	\$ 1,475,747	\$ 25,319,528

(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	\$ 2,415,573	\$ 654,825	\$ (665,935)	\$ (26,713)	\$ 2,377,750
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 180,045	\$ 0	\$ 0	\$ 0	\$ 180,045
Transfers In	62,278	55,162	183,035	106,311	406,786
Transfers Out	(344,508)	0	0	(62,278)	(406,786)
Total Other Financing Sources (Uses)	\$ (102,185)	\$ 55,162	\$ 183,035	\$ 44,033	\$ 180,045
<u>Extraordinary Item</u>					
Fire Damage Expenditures	\$ 0	\$ 0	\$ 0	\$ (404,715)	\$ (404,715)
Total Extraordinary Item	\$ 0	\$ 0	\$ 0	\$ (404,715)	\$ (404,715)
Net Change in Fund Balances	\$ 2,313,388	\$ 709,987	\$ (482,900)	\$ (387,395)	\$ 2,153,080
Fund Balance, July 1, 2018	10,885,373	3,218,092	4,982,261	1,007,331	20,093,057
Fund Balance, June 30, 2019	\$ 13,198,761	\$ 3,928,079	\$ 4,499,361	\$ 619,936	\$ 22,246,137

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, 2019

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)		\$ 2,153,080
(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	\$ 2,475,950	
Less: current-year depreciation expense	(2,217,974)	257,976
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value of assets disposed	\$ (2,763)	(2,763)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2019	\$ 715,470	
Less: deferred delinquent property taxes and other deferred June 30, 2018	(738,049)	(22,579)
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt related items:		
Add: change in unamortized premium on debt issuances	\$ 23,612	
Add: principal payments on other loans	158,000	
Add: principal payments on notes	126,873	
Add: principal payments on bonds	1,000,000	
Less: change in deferred amount on refunding	(28,809)	1,279,676
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 5,473	
Change in compensated absences payable	54,569	
Change in landfill closure/postclosure care costs	117,499	
Change in OPEB liability	(44,162)	
Change in net pension liability/asset	1,097,157	
Change in deferred outflows related to pensions	(131,048)	
Change in deferred inflows related to pensions	66,695	
Change in deferred outflows related to OPEB	78,319	
Change in deferred inflows related to OPEB	17,828	1,262,330
Change in net position of governmental activities (Exhibit B)		\$ 4,927,720

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, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 12,228,446	\$ 0	\$ 0	\$ 12,228,446	\$ 11,693,729	\$ 11,608,829	\$ 619,617
Licenses and Permits	605,566	0	0	605,566	445,500	516,500	89,066
Fines, Forfeitures, and Penalties	275,234	0	0	275,234	215,600	222,050	53,184
Charges for Current Services	259,401	0	0	259,401	84,500	85,900	173,501
Other Local Revenues	1,143,415	0	0	1,143,415	284,700	550,006	593,409
Fees Received From County Officials	2,124,517	0	0	2,124,517	1,927,150	1,946,150	178,367
State of Tennessee	1,786,156	0	0	1,786,156	829,564	1,266,916	519,240
Federal Government	247,210	0	0	247,210	30,000	363,421	(116,211)
Other Governments and Citizens Groups	1,780,336	0	0	1,780,336	990,588	1,515,025	265,311
Total Revenues	\$ 20,450,281	\$ 0	\$ 0	\$ 20,450,281	\$ 16,501,331	\$ 18,074,797	\$ 2,375,484
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 157,200	\$ (41,717)	\$ 0	\$ 115,483	\$ 93,643	\$ 120,647	\$ 5,164
Board of Equalization	4,508	0	0	4,508	5,629	5,629	1,121
County Mayor/Executive	261,549	0	0	261,549	210,156	271,156	9,607
County Attorney	62,756	0	0	62,756	60,738	62,838	82
Election Commission	372,208	0	0	372,208	397,175	399,010	26,802
Register of Deeds	251,521	0	0	251,521	273,174	280,710	29,189
Planning	358,372	0	0	358,372	342,604	413,604	55,232
County Buildings	1,119,728	0	303,974	1,423,702	590,493	2,096,511	672,809
<u>Finance</u>							
Accounting and Budgeting	441,079	0	0	441,079	461,973	468,874	27,795
Property Assessor's Office	431,153	0	0	431,153	444,904	446,026	14,873
Reappraisal Program	92,964	0	0	92,964	108,809	109,688	16,724
County Trustee's Office	349,127	0	0	349,127	371,008	371,008	21,881
County Clerk's Office	450,829	0	0	450,829	475,939	475,939	25,110
<u>Administration of Justice</u>							
Circuit Court	727,113	0	0	727,113	763,151	763,672	36,559
General Sessions Court	259,246	0	0	259,246	258,773	267,673	8,427

(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 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice (Cont.)</u>							
Drug Court	\$ 13,149	\$ 0	\$ 0	\$ 13,149	\$ 8,854	\$ 13,354	\$ 205
Chancery Court	352,254	0	0	352,254	358,453	359,953	7,699
Other Administration of Justice	9,023	0	0	9,023	26,500	26,500	17,477
Courtroom Security	61,837	0	0	61,837	0	67,187	5,350
<u>Public Safety</u>							
Sheriff's Department	4,853,028	(37,000)	101,287	4,917,315	4,512,975	5,069,348	152,033
Jail	3,803,013	0	0	3,803,013	3,513,202	4,022,474	219,461
Juvenile Services	218,939	0	0	218,939	210,090	240,859	21,920
Fire Prevention and Control	437,795	0	0	437,795	415,000	452,500	14,705
Rescue Squad	344,700	0	0	344,700	272,700	344,700	0
Other Emergency Management	145,017	0	0	145,017	131,531	156,506	11,489
Inspection and Regulation	5,082	0	0	5,082	5,744	5,744	662
County Coroner/Medical Examiner	15,515	0	0	15,515	15,103	17,413	1,898
Other Public Safety	3,159	0	0	3,159	3,725	3,725	566
<u>Public Health and Welfare</u>							
Local Health Center	437,643	0	0	437,643	171,012	9,712	(427,931)
Rabies and Animal Control	629,975	0	0	629,975	338,678	666,162	36,187
Ambulance/Emergency Medical Services	203,663	0	0	203,663	203,663	203,663	0
Crippled Children Services	27,809	0	0	27,809	27,809	27,809	0
General Welfare Assistance	12,000	0	0	12,000	12,000	12,000	0
Other Local Welfare Services	13,240	0	0	13,240	7,400	14,440	1,200
Other Public Health and Welfare	128,957	0	0	128,957	133,520	143,722	14,765
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	46,180	0	0	46,180	45,580	46,180	0
Libraries	65,600	0	0	65,600	65,600	65,600	0
Parks and Fair Boards	37,000	0	0	37,000	37,000	37,000	0
Other Social, Cultural, and Recreational	17,000	0	0	17,000	17,000	17,000	0
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	111,497	0	0	111,497	116,218	118,049	6,552

(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 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Agriculture and Natural Resources (Cont.)</u>							
Flood Control	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,950	\$ 1,950	\$ 1,950
Other Agriculture and Natural Resources	22,000	0	0	22,000	22,000	22,000	0
<u>Other Operations</u>							
Tourism	151,819	0	0	151,819	90,000	197,700	45,881
Industrial Development	45,000	0	0	45,000	0	45,000	0
Other Economic and Community Development	59,380	0	0	59,380	53,262	59,762	382
Veterans' Services	40,236	0	0	40,236	50,588	50,637	10,401
Miscellaneous	334,665	0	0	334,665	219,000	368,139	33,474
<u>Highways</u>							
Litter and Trash Collection	49,180	0	0	49,180	48,516	50,900	1,720
Total Expenditures	\$ 18,034,708	\$ (78,717)	\$ 405,261	\$ 18,361,252	\$ 15,992,842	\$ 19,490,673	\$ 1,129,421
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,415,573	\$ 78,717	\$ (405,261)	\$ 2,089,029	\$ 508,489	\$ (1,415,876)	\$ 3,504,905
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 180,045	\$ 0	\$ 0	\$ 180,045	\$ 0	\$ 172,362	\$ 7,683
Transfers In	62,278	0	0	62,278	0	0	62,278
Transfers Out	(344,508)	0	0	(344,508)	(242,000)	(460,216)	115,708
Total Other Financing Sources	\$ (102,185)	\$ 0	\$ 0	\$ (102,185)	\$ (242,000)	\$ (287,854)	\$ 185,669
Net Change in Fund Balance	\$ 2,313,388	\$ 78,717	\$ (405,261)	\$ 1,986,844	\$ 266,489	\$ (1,703,730)	\$ 3,690,574
Fund Balance, July 1, 2018	10,885,373	(78,717)	0	10,806,656	8,500,000	9,237,114	1,569,542
Fund Balance, June 30, 2019	\$ 13,198,761	\$ 0	\$ (405,261)	\$ 12,793,500	\$ 8,766,489	\$ 7,533,384	\$ 5,260,116

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, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,201,797	\$ 0	\$ 0	\$ 1,201,797	\$ 1,257,110	\$ 1,257,110	\$ (55,313)
Licenses and Permits	100	0	0	100	0	0	100
Other Local Revenues	210,364	0	0	210,364	182,000	182,000	28,364
State of Tennessee	2,979,255	0	0	2,979,255	2,689,500	3,288,280	(309,025)
Federal Government	26,027	0	0	26,027	12,500	12,500	13,527
Other Governments and Citizens Groups	33,558	0	0	33,558	5,000	5,000	28,558
Total Revenues	\$ 4,451,101	\$ 0	\$ 0	\$ 4,451,101	\$ 4,146,110	\$ 4,744,890	\$ (293,789)
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 379,328	\$ 0	\$ 0	\$ 379,328	\$ 419,249	\$ 404,868	\$ 25,540
Highway and Bridge Maintenance	2,010,288	0	71,788	2,082,076	2,549,700	2,341,555	259,479
Operation and Maintenance of Equipment	721,893	0	41,583	763,476	699,395	794,261	30,785
Other Charges	109,349	0	0	109,349	110,000	118,806	9,457
Employee Benefits	110,179	0	0	110,179	66,441	111,679	1,500
Capital Outlay	465,239	(316,167)	247,311	396,383	401,000	1,139,584	743,201
Total Expenditures	\$ 3,796,276	\$ (316,167)	\$ 360,682	\$ 3,840,791	\$ 4,245,785	\$ 4,910,753	\$ 1,069,962
Excess (Deficiency) of Revenues Over Expenditures	\$ 654,825	\$ 316,167	\$ (360,682)	\$ 610,310	\$ (99,675)	\$ (165,863)	\$ 776,173
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 55,162	\$ 0	\$ 0	\$ 55,162	\$ 0	\$ 0	\$ 55,162
Total Other Financing Sources	\$ 55,162	\$ 0	\$ 0	\$ 55,162	\$ 0	\$ 0	\$ 55,162
Net Change in Fund Balance	\$ 709,987	\$ 316,167	\$ (360,682)	\$ 665,472	\$ (99,675)	\$ (165,863)	\$ 831,335
Fund Balance, July 1, 2018	3,218,092	(316,167)	0	2,901,925	2,266,374	2,266,374	635,551
Fund Balance, June 30, 2019	\$ 3,928,079	\$ 0	\$ (360,682)	\$ 3,567,397	\$ 2,166,699	\$ 2,100,511	\$ 1,466,886

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

Exhibit D

Carter County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2019

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,732,940
Equity in Pooled Cash and Investments	274,119
Accounts Receivable	11,475
Due from Other Governments	1,359,522
Property Taxes Receivable	3,434,179
Allowance for Uncollectible Property Taxes	<u>(52,766)</u>
Total Assets	<u><u>\$ 6,759,469</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 5,015,054
Due to Litigants, Heirs, and Others	<u>1,744,415</u>
Total Liabilities	<u><u>\$ 6,759,469</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, 2019

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

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, 2019.

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

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

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

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

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

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

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not

measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

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

Carter County reports the following major governmental funds:

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

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

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

Additionally, Carter County reports the following fund types:

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

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

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

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

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

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

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

1. Deposits and Investments

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

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

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

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 outstanding at the end of the fiscal year is referred to as due to/from other funds.

Property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to .80 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 (\$3,816), the remaining balance in the employee flexible spending clearing account (\$857), and the remaining balance in the payroll tax clearing account (\$882). Other Current Liabilities of the nonmajor governmental funds consist of asset seizures that have not been awarded to the county as of June 30, 2019 (\$12,433).

Retainage payable in the discretely presented Carter County School Department's General Purpose School Fund represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the General Purpose School Fund.

The balance in the account Other Current Liabilities totaling \$414,782 on the Statement of Net Position for the school department represents the remaining balances in the teachers' insurance clearing account and the payroll tax clearing account of \$414,092 and \$690, respectively.

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. Prepays are offset in the nonspendable fund balance account in governmental funds.

4. Restricted Assets

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

5. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$10,000 or more and an

estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

Property, plant, equipment, and infrastructure of the primary government and the discretely presented school department are depreciated using the straight-line method over the following estimated useful lives:

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

6. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the

government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension changes in experience, pension changes in investment earnings, pension changes in proportion, OPEB changes in experience, OPEB changes in assumptions, and various receivables for revenues, which do not meet the availability criteria for governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

7. **Compensated Absences**

Primary Government

It is the county's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since Carter County does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

Discretely Presented School Department

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

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

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

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. Debt premiums and discounts are deferred and are amortized over the life of the new

debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences, termination benefits, 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 \$11,140,330 of restricted net position for the Primary Government, of which \$1,931,000 is restricted by enabling legislation.

As of June 30, 2019, Carter County had \$1,815,041 in outstanding debt for capital purposes for the discretely presented Carter County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public school systems in the county (City of Elizabethton School System and City of Johnson City School System) based on an average daily attendance proration. This debt is a liability of Carter County, but the capital assets acquired are reported in the financial statements of the school department, the City of Elizabethton School System, and the City of Johnson City School System. Therefore, Carter County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county’s intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission 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 encumbrances (\$110,363), amounts assigned for industrial purposes (\$98,567), amounts for jail repairs and purchase of vehicles (\$105,567) and various other assignments (\$72,972). Assigned fund balance in the school department’s General Purpose School Fund consists of amounts assigned for encumbrances (\$488,486), fund balance appropriated for use in the 2019-20 budget (\$24,505), and various other assignments (\$96,250).

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 20 percent of projected annual expenditures.

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

E. Pension Plans

Primary Government

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Carter County’s participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Carter County’s fiduciary net position have been determined on the same

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

Discretely Presented Carter County School Department

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

F. Other Postemployment Benefit (OPEB) Plans

Primary Government

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

Discretely Presented Carter County School Department

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

Exhibit C-2 includes explanations of the nature of individual elements of

items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

Discretely Presented Carter County School Department

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

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

Primary Government

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

Discretely Presented Carter County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor/Executive, County

Attorney, etc.). Management, with budget committee approval, may make revisions within major categories, but only the county commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

At June 30, 2019, Carter County and the Carter County School Department had encumbrances in the following budgeted funds:

Funds	Amount
Primary Government	
General	\$ 405,261
Highway/Public Works	360,682
Discretely Presented School Department	
General Purpose School	488,486
Central Cafeteria	180,716

B. Cash Shortage (Prior Year)

On December 7, 2017, the Comptroller's Division of Investigations issued an investigative report on the Elizabethton-Carter County Animal Shelter (ECCAS) for the period December 1, 2015, through June 2, 2017. This report disclosed a total cash shortage of \$9,516, which consisted of certain fees totaling \$9,236 that were diverted to a citizen's organization, and donations totaling \$280 that were unaccounted for. All funds collected by or for the benefit of the ECCAS should have been deposited with the Carter County Trustee and reported in the General Fund. This report is available at www.comptroller.tn.gov. As of June 30, 2019, the citizen's organization had paid \$7,717 into the General Fund to liquidate a portion of the cash shortage, leaving an unpaid balance of \$1,799 at June 30, 2019. On February 18, 2020, the county commission approved writing off the remaining balance of this cash shortage.

C. Expenditures Exceeded Appropriations

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

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
<u>Primary Government</u>	
General:	
Local Health Center	\$ 427,931
Solid Waste/Sanitation:	
Miscellaneous	506
Sports and Recreation:	
Miscellaneous	30
<u>Discretely Presented School Department</u>	
General Purpose School:	
Special Education Program	14,818
Career and Technical Education Program	184
Office of the Principal	19,919
Early Childhood Education	1,742

Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by greater than anticipated revenues in the respective funds.

D. Pending Investigation

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

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer.

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool 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. 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 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, 2019.

TCRS Stabilization Trust

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

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

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

Investments are reported at fair value or amortized cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the securities and securities transactions are recorded in the financial statements on a trade-date basis. The fair value of assets of the TRGT held at June 30, 2019, represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets held are categorized for fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

- Level 1 - Unadjusted quoted prices for identical assets or liabilities in active markets that can be accessed at the measurement date.
- Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; assets or liabilities that have a bid-ask spread price in an inactive

dealer market, brokered market and principal-to-principal market; and Level 1 assets or liabilities that are adjusted.

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

Investments using the Net Asset Value (“NAV”) per share have no readily determinable fair value and have been determined using amortized cost, which approximates fair value.

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

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

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

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

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

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

At June 30, 2019, the Carter County School Department had the following investments held by the trust on its behalf.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 22,949
Developed Market International Equity	N/A	N/A	10,364
Emerging Market International Equity	N/A	N/A	2,961
U.S. Fixed Income	N/A	N/A	14,806
Real Estate	N/A	N/A	7,403
Short-term Securities	N/A	N/A	740
Investments at Amortized Cost using the NAV:			
Private Equity and Strategic Lending	N/A	N/A	14,806
Total			<u>\$ 74,029</u>

Investment by Fair Value Level	Fair Value 6-30-19	Fair Value Measurements Using			Amortized Cost NAV
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
U.S. Equity	\$ 22,949	\$ 22,949	\$ 0	\$ 0	0
Developed Market International Equity	10,364	10,364	0	0	0
Emerging Market International Equity	2,961	2,961	0	0	0
U.S. Fixed Income	14,806	0	14,806	0	0
Real Estate	7,403	0	0	7,403	0
Short-term Securities	740	0	740	0	0
Private Equity and Strategic Lending	14,806	0	0	0	14,806
Total	<u>\$ 74,029</u>	<u>\$ 36,274</u>	<u>\$ 15,546</u>	<u>\$ 7,403</u>	<u>14,806</u>

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

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

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

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

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

For further information concerning the school department's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2019/ag18092.pdf>

B. Capital Assets

Capital assets activity for the year ended June 30, 2019, was as follows:

Primary Government**Governmental Activities:**

	Balance 7-1-18	Increases	Decreases	Balance 6-30-19
Capital Assets Not Depreciated:				
Land	\$ 2,035,287	\$ 1,138	\$ 0	\$ 2,036,425
Construction in Progress	1,949,824	1,132,645	(2,320,300)	762,169
Total Capital Assets Not Depreciated	<u>\$ 3,985,111</u>	<u>\$ 1,133,783</u>	<u>\$ (2,320,300)</u>	<u>\$ 2,798,594</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 33,773,301	\$ 1,311,853	\$ 0	\$ 35,085,154
Infrastructure	27,686,116	1,731,201	0	29,417,317
Other Capital Assets	7,453,382	619,413	(43,866)	8,028,929
Total Capital Assets Depreciated	<u>\$ 68,912,799</u>	<u>\$ 3,662,467</u>	<u>\$ (43,866)</u>	<u>\$ 72,531,400</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 8,331,483	\$ 869,493	\$ 0	\$ 9,200,976
Infrastructure	10,049,906	718,480	0	10,768,386
Other Capital Assets	4,398,161	630,001	(41,103)	4,987,059
Total Accumulated Depreciation	<u>\$ 22,779,550</u>	<u>\$ 2,217,974</u>	<u>\$ (41,103)</u>	<u>\$ 24,956,421</u>
Total Capital Assets Depreciated, Net	<u>\$ 46,133,249</u>	<u>\$ 1,444,493</u>	<u>\$ (2,763)</u>	<u>\$ 47,574,979</u>
Governmental Activities Capital Assets, Net	<u>\$ 50,118,360</u>	<u>\$ 2,578,276</u>	<u>\$ (2,323,063)</u>	<u>\$ 50,373,573</u>

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

Governmental Activities:

General Government	\$ 58,553
Finance	4,343
Public Safety	950,492
Public Health and Welfare	184,038
Highways	<u>1,020,548</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,217,974</u>

Discretely Presented Carter County School Department

Governmental Activities:

	Balance 7-1-18	Increases	Decreases	Balance 6-30-19
Capital Assets Not Depreciated:				
Land	\$ 828,228	\$ 0	\$ 0	\$ 828,228
Construction in Progress	457,410	770,913	(1,030,914)	197,409
Total Capital Assets Not Depreciated	<u>\$ 1,285,638</u>	<u>\$ 770,913</u>	<u>\$ (1,030,914)</u>	<u>\$ 1,025,637</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 50,482,643	\$ 1,378,379	\$ 0	\$ 51,861,022
Other Capital Assets	7,853,114	598,959	(94,875)	8,357,198
Total Capital Assets Depreciated	<u>\$ 58,335,757</u>	<u>\$ 1,977,338</u>	<u>\$ (94,875)</u>	<u>\$ 60,218,220</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 27,902,271	\$ 893,086	\$ 0	\$ 28,795,357
Other Capital Assets	6,037,099	440,572	(90,485)	6,387,186
Total Accumulated Depreciation	<u>\$ 33,939,370</u>	<u>\$ 1,333,658</u>	<u>\$ (90,485)</u>	<u>\$ 35,182,543</u>
Total Capital Assets Depreciated, Net	<u>\$ 24,396,387</u>	<u>\$ 643,680</u>	<u>\$ (4,390)</u>	<u>\$ 25,035,677</u>
Governmental Activities Capital Assets, Net	<u>\$ 25,682,025</u>	<u>\$ 1,414,593</u>	<u>\$ (1,035,304)</u>	<u>\$ 26,061,314</u>

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

Governmental Activities:

Instruction	\$ 711,968
Support Services	569,793
Operation of Non-instructional Services	<u>51,897</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,333,658</u>

C. Impairment Losses for Capital Assets

Primary Government

In the nonmajor governmental funds financial statements, an extraordinary item is reflected for expenditures incurred (\$404,715) due to damage caused by a fire at the landfill that was sustained in the prior fiscal year. These expenditures were for the completion of a contract for the construction of a new building (\$247,480) and the cost of a replacement vehicle (\$157,235). These costs were capitalized during the fiscal year ended June 30, 2019. Insurance recoveries related to this fire (\$401,922) were reported in the prior fiscal year.

D. Construction Commitments

At June 30, 2019, the county had uncompleted construction contracts of \$303,974 in the General Fund for health department renovations, architectural services, and security system installation. Funding for these future expenditures is expected to be provided from grants and available fund balance.

At June 30, 2019, the county had uncompleted construction contracts of \$150,804 in the Highway/Public Works Fund for architectural and engineering services for bridge and road projects. Funding for these future expenditures is expected to be received from state aid funds.

At June 30, 2019, the discretely presented Carter County School Department had uncompleted construction contracts of \$211,622 in the General Purpose School Fund. Funding has been received for these future expenditures.

During prior years, Carter County was notified that an estate had pledged \$500,000 for improvements at the Elizabethton-Carter County Animal Shelter. Additionally, the estate would fund the purchase of a van. During prior years the county had received \$245,078 for a completed improvement at the shelter and \$29,972 for a transit van. During the current fiscal year, the county received \$229,000 from the estate, of which \$227,000 was used for completed improvements at the shelter, with \$2,000 remaining in reserve at June 30, 2019.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2019, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 39,986
Highway/Public Works	General	11,592
"	Nonmajor governmental	5,355
General Debt service	General	54,969
Nonmajor governmental	General	109,038
Discretely Presented School		
Department:		
General Purpose School	Central Cafeteria	31,185
"	Nonmajor governmental	10,481
Nonmajor governmental	General Purpose School	91,303

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

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
Primary Government:		
Component Unit:		
School Department:		
General	General Purpose School	\$ 18,889
Highway/Public Works	"	17,946

Interfund Transfers:

Interfund transfers for the year ended June 30, 2019, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In			
	General Fund	Highway/ Public Works Fund	General Debt Service Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 55,162	\$ 183,035	\$ 106,311
Nonmajor Governmental Funds	62,278	0	0	0
Total	\$ 62,278	\$ 55,162	\$ 183,035	\$ 106,311

Transfers to the Nonmajor Governmental Funds represent amounts for fund operations. Transfers to the General Debt Service Fund represent contributions towards debt service principal and interest requirements. Transfers to the Highway/Public Works Fund represents the transfer of unclaimed property funds received in prior years. Transfers to the General Fund were made to consolidate operations of the Courthouse and Jail Maintenance Fund with the General Fund.

Discretely Presented Carter County School Department

Transfer Out	Transfer In General Purpose School
Central Cafeteria	\$ 154,000
Total	\$ 154,000

Transfers to the 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.

F. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

General Obligation Bonds - Carter County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other loans.

General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds outstanding were issued for original terms of up to 25 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2019, 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. Other loans outstanding were issued for original terms of up to 24 years. There were no capital outlay notes outstanding at June 30, 2019. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All other loans included in long-term debt as of June 30, 2019, will be retired from the General Debt Service fund.

General obligation bonds and other loans outstanding as of June 30, 2019, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-19
General Obligation Bonds - Refunding	3.29%	5-1-35	\$ 24,800,000	\$ 17,560,000
Direct Borrowing and Direct Placement:				
Other Loans	Variable	5-25-29	3,530,041	1,815,041

In a prior year, Carter County entered into a loan agreement with the Montgomery County Public Building Authority (PBA). The loan agreement provides for the PBA to make funds available for loan to Carter County on an as-needed basis for various renovation and construction projects for the discretely presented Carter County School Department. The loan is repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent daily or weekly. In addition, the county pays various other fees (trustee, administrator, and debt remarketing) in connection with this loan. At June 30, 2019, the interest rate was 1.93 percent and other fees amounted to .79 percent.

The annual requirements to amortize all general obligation bonds and other loans outstanding as of June 30, 2019, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2020	\$ 1,000,000	\$ 624,431	\$ 1,624,431
2021	1,050,000	584,432	1,634,432
2022	1,075,000	552,931	1,627,931
2023	1,150,000	520,681	1,670,681
2024	1,100,000	486,182	1,586,182
2025-2029	6,185,000	1,891,343	8,076,343
2030-2034	5,000,000	800,000	5,800,000
2035	1,000,000	40,000	1,040,000
Total	<u>\$ 17,560,000</u>	<u>\$ 5,500,000</u>	<u>\$ 23,060,000</u>

Year Ending June 30	Other Loans - Direct Placement			
	Principal	Interest	Other Fees	Total
2020	\$ 164,000	\$ 35,030	\$ 14,272	\$ 213,302
2021	169,000	31,865	12,983	213,848
2022	174,000	28,603	11,654	214,257
2023	180,000	25,245	10,286	215,531
2024	186,000	21,771	8,870	216,641
2025-2029	942,041	52,752	21,492	1,016,285
Total	<u>\$ 1,815,041</u>	<u>\$ 195,266</u>	<u>\$ 79,557</u>	<u>\$ 2,089,864</u>

There is \$4,499,361 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$306, based on the 2010 federal census. Total debt per capita, including bonds, other loans, and unamortized debt premiums totaled \$344, based on the 2010 federal census.

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2019, was as follows:

Governmental Activities:

	Bonds	Notes - Direct Placement	Other Loans - Direct Placement
Balance, July 1, 2018	\$ 18,560,000	\$ 126,873	\$ 1,973,041
Reductions	(1,000,000)	(126,873)	(158,000)
Balance, June 30, 2019	<u>\$ 17,560,000</u>	<u>\$ 0</u>	<u>\$ 1,815,041</u>
Balance Due Within One Year	<u>\$ 1,000,000</u>	<u>\$ 0</u>	<u>\$ 164,000</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2019	\$ 19,375,041
Less: Balance Due Within One Year - Debt	(1,164,000)
Add: Unamortized Premium on Debt	<u>375,422</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 18,586,463</u>

G. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2019, was as follows:

Governmental Activities:

	Compensated Absences	Landfill Closure/ Postclosure Care Costs	Other Postemployment Benefits
Balance, July 1, 2018	\$ 986,596	\$ 1,887,533	\$ 1,816,320
Additions	771,505	0	207,720
Reductions	<u>(826,074)</u>	<u>(117,499)</u>	<u>(163,558)</u>
Balance, June 30, 2019	<u>\$ 932,027</u>	<u>\$ 1,770,034</u>	<u>\$ 1,860,482</u>
Balance Due Within One Year	<u>\$ 466,014</u>	<u>\$ 157,294</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2019	\$ 4,562,543
Less: Balance Due Within One Year - Other	<u>(623,308)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 3,939,235</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, 2019, was as follows:

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2018	\$ 592,411	\$ 13,228,394
Additions	232,326	7,069,890
Reductions	(217,537)	(966,030)
Balance, June 30, 2019	<u>\$ 607,200</u>	<u>\$ 19,332,254</u>
Balance Due Within One Year	<u>\$ 177,561</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2019	\$ 19,939,454
Less: Balance Due Within One Year - Other	<u>(177,561)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 19,761,893</u>

These long-term obligations will be paid from the employing funds.

H. On-Behalf Payments - Discretely Presented Carter County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Carter County School Department. These payments are made by the state to the Local Education Group Insurance Plan. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2019, were \$243,847. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Carter County and the discretely presented Carter County School Department joined the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. Carter County and the Carter County School Department pay annual premiums to the TN-RMT for their general liability, property, casualty, and

workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

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

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

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 83, *Certain Asset Retirement Obligations*; Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements* became effective for the year ended June 30, 2019. In addition, Carter County early implemented the provisions of GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*.

GASB Statement No. 83, *Certain Asset Retirement Obligations* establishes accounting and reporting requirements for certain asset retirement obligations (AROs) associated with tangible capital assets. The scope of this statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, and expense/expenditures. In addition, this standard establishes note disclosure requirements for AROs.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements* addresses note disclosure requirements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should report when disclosing information related to debt. These required disclosures include direct borrowings and direct placements, unused lines of credit, assets pledged as collateral for debt, terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant acceleration clauses.

GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period* amends paragraphs 5 through 22 of GASB Statement No. 62. This standard establishes that interest cost incurred before the end of a construction period should be recognized as an

expense/expenditure. The changes adopted to conform with this standard are to be applied prospectively.

C. Contingent Liabilities

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

D. Changes in Administration

On August 31, 2018, Leon Humphrey left the Office of County Mayor and was succeeded by Rusty Barnett, and Edrie Bristol left the Office of Register of Deeds and was succeeded by Jarrod Ellis.

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 \$1,770,034 reported as postclosure care liability at June 30, 2019, represents amounts based on what it would cost to perform all postclosure care in 2019. 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

The Upper East Tennessee Juvenile Detention Center was formed through cooperative agreements between Carter County and the counties of Greene, Hawkins, Johnson, Sullivan, Unicoi, and Washington for the operation of a program to divert youth from commitment to the Department of Correction facilities. This program is governed by a board of directors designated by the counties. The board of directors has contracted with ElyJenn Health Services, LLC, to undertake the management of this program. Operation costs to the

counties are allocated according to percentages based on population. Carter County's participation is 12.3 percent. The counties also pay a daily fee for individuals from their counties using the facility.

Discretely Presented School Department

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

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

Administrative Offices:

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

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

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 Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 62.59 percent, the non-certified employees of the discretely presented school department comprise 37.41 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

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

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

if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions plus any accumulated interest.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2018, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	497
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	788
Active Employees	579
Total	<u><u>1,864</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Carter County makes employer contributions at a rate higher than the minimum rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2019, the employer contribution for Carter County was \$2,104,317 based on a rate of 14.94 percent of covered payroll. The minimum rate set by the Board of Trustees was 10.48 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Carter County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Carter County's net pension liability (asset) was measured as of June 30, 2018, 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, 2018, 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, 2018, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity	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, 2017	\$ 47,803,724	\$ 48,712,299	\$ (908,575)
Changes for the Year:			
Service Cost	\$ 1,143,055	\$ 0	\$ 1,143,055
Interest	3,466,250	0	3,466,250
Differences Between Expected and Actual Experience	29,062	0	29,062
Changes in Assumptions	0	0	0
Contributions-Employer	0	2,007,168	(2,007,168)
Contributions-Employees	0	388,330	(388,330)
Net Investment Income	0	4,046,199	(4,046,199)
Benefit Payments, Including Refunds of Employee Contributions	(2,272,875)	(2,272,875)	0
Administrative Expense	0	(55,339)	55,339
Other Changes	0	0	0
Net Changes	\$ 2,365,492	\$ 4,113,483	\$ (1,747,991)
Balance, June 30, 2018	\$ 50,169,216	\$ 52,825,782	\$ (2,656,566)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	62.59%	\$ 31,400,912	\$ 33,063,657	\$ (1,662,745)
School Department	37.41%	18,768,304	19,762,125	(993,821)
Total		\$ 50,169,216	\$ 52,825,782	\$ (2,656,566)

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% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability \$ 3,673,550 \$ (2,656,566) \$ (7,935,729)

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

Pension Expense. For the year ended June 30, 2019, Carter County recognized pension expense of \$470,001.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, 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	\$ 159,400	\$ 646,826
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	224,222
Changes in Assumptions	715,625	0
Contributions Subsequent to the Measurement Date of June 30, 2018 (1)	2,104,317	N/A
Total	<u>\$ 2,979,342</u>	<u>\$ 871,048</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2018,” 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	\$ 1,870,805	\$ 545,189
School Department	1,108,537	325,859
Total	<u>\$ 2,979,342</u>	<u>\$ 871,048</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
2020	\$ 332,057
2021	124,841
2022	(356,308)
2023	(96,612)
2024	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, 2019, Carter County reported a payable of \$102,272 for the outstanding amount of contributions due to the pension plan at year end.

Discretely Presented Carter County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Carter County and non-certified employees of the discretely presented Carter County School Department are provided a

defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 62.59 percent and the non-certified employees of the discretely presented school department comprise 37.41 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

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

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants

retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2019, to the Teacher Retirement Plan were \$68,531 which is 1.94 percent of covered payroll. In addition, employer contributions of \$70,292 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, 2019, the school department reported a liability (asset) of (\$161,797) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2018, 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, 2018, the school department's proportion was .356751 percent. The proportion as of June 30, 2017, was .392973 percent.

Pension Expense. For the year ended June 30, 2019, the school department recognized pension expense of \$55,560.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, 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	\$ 9,164	\$ 6,444
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	9,139
Changes in Assumptions	7,633	0
Changes in Proportion of Net Pension Liability (Asset)	8,768	4,915
LEA's Contributions Subsequent to the Measurement Date of June 30, 2018	68,531	N/A
Total	\$ 94,096	\$ 20,498

The school department's employer contributions of \$68,531, 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, 2020. 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
2020	\$ (879)
2021	(1,169)
2022	(2,472)
2023	(83)
2024	1,134
Thereafter	8,534

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, 2018, 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, 2018, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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 Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability	\$ 25,014	\$ (161,797)	\$ (299,432)

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, 2019, the Carter County School Department reported a payable of \$13,435 for the outstanding amount of contributions due to the pension plan at year end.

Teacher Legacy Pension Plan

General Information About the Pension Plan

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

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

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Carter County School Department for the year ended June 30, 2019, to the Teacher Legacy Pension Plan were \$2,043,113, which is 10.46 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, 2019, the school department reported a liability (asset) of (\$1,999,645) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2018, 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, 2018, the school department's proportion was .568256 percent. The proportion measured at June 30, 2017, was .564806 percent.

Pension Expense. For the year ended June 30, 2019, the school department recognized (negative) pension expense of (\$574,083).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, 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	\$ 404,196	\$ 2,697,680
Changes in Assumptions	1,181,000	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	435,206
Changes in Proportion of Net Pension Liability (Asset)	138,094	95,035
LEA's Contributions Subsequent to the Measurement Date of June 30, 2018	2,043,113	N/A
Total	<u>\$ 3,766,403</u>	<u>\$ 3,227,921</u>

The school department's employer contributions of \$2,043,113 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, 2020. 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
2020	\$ 410,541
2021	(640,266)
2022	(1,092,387)
2023	(182,518)
2024	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, 2018, 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, 2018, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

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 Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability \$ 15,414,527 \$ (1,999,645) \$ (16,407,447)

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, 2019, the Carter County School Department reported a payable of \$403,633 for the outstanding amount of contributions due to the pension plan at year end.

2. Deferred Compensation

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 \$176,268 and teachers contributed \$111,532 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 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, 2017, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	10
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	0
Active Employees	239
Total	<u>249</u>

Total OPEB Liability

The plan’s total OPEB liability of \$1,860,482 was measured as of June 30, 2019, and was determined by an actuarial valuation as of July 1, 2017.

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	3.50%
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, 2019.

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, 2018	<u>\$ 1,816,320</u>
Changes for the Year:	
Service Cost	\$ 53,795
Interest	63,740
Changes in Benefit Terms	0
Difference between Expected and Actuarial Experience	90,185
Changes in Assumption and Other Inputs	0
Benefit Payments	(65,586)
Implicit Rate Subsidy	(97,972)
Net Changes	<u>\$ 44,162</u>
Balance June 30, 2019	<u><u>\$ 1,860,482</u></u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the primary government recognized OPEB expense of \$120,487. At June 30, 2019, the county 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	\$ 78,319	\$ 49,917
Changes of Assumptions/Inputs	0	0
Net Difference Between Projected and Actual Investment Earnings	<u>0</u>	<u>0</u>
Total	<u><u>\$ 78,319</u></u>	<u><u>\$ 49,917</u></u>

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

<u>Year Ending June 30</u>	<u>Primary Government</u>
2020	\$ 2,952
2021	2,952
2022	2,952
2023	2,952
2024	2,952
Thereafter	13,637

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:

	1% Decrease 2.50%	Current Discount Rate 3.50%	1% Increase 4.50%
Total OPEB Liability	\$ 2,122,529	\$ 1,860,482	\$ 1,643,974

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

	1% Decrease 3.5%	Current Trend Rate 4.5%	1% Increase 5.5%
Total OPEB Liability	\$ 1,608,884	\$ 1,860,482	\$ 2,164,033

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, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.62%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 6.75% for the 2019 calendar year, and gradually decreasing over a 32-year period to an ultimate trend rate of 3.53% with .32% added to approximate the effect of the excise tax
Retirees Share of Benefit Related Cost	Discussed under Benefits Provided

The discount rate was 3.62 percent, based on the daily rate of Fidelity’s 20-year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System

(TCRS). These mortality rates were used in the July 1, 2018, actuarial valuation of the TCRS.

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

Changes in Assumptions. The discount rate changed from 3.56 percent as of the beginning of the measurement period to 3.62 percent as of the measurement date of June 30, 2018. The assumed initial costs and premium amounts were revised to reflect rates adopted for the 2019 plan year. The assumed initial trend rate applicable to the 2019 plan year was revised from 5.4 percent to 6.75 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 \$245 to \$462 per month depending on years of service and coverage selected. The school department provides a direct subsidy for noncertified retirees ranging from \$445 to \$615 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, 20 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, 2018, the following employees were covered by the benefit terms:

	<u>School Department</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	90
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	672
Total	<u><u>762</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 \$688,018 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> 78.9378%	<u>TN</u> 21.0622%	
Balance July 1, 2017	\$ 9,905,962	\$ 4,302,347	\$ 14,208,309
Changes for the Year:			
Service Cost	\$ 497,685	\$ 132,793	\$ 630,478
Interest	401,567	107,146	508,713
Changes in Benefit Terms	1,844,438	492,133	2,336,571
Difference between Expected and Actuarial Experience	1,886,733	503,418	2,390,151
Changes in Proportion	1,309,764	(1,309,764)	0
Changes in Assumption and Other Inputs	808,154	215,632	1,023,786
Benefit Payments	(866,884)	(231,302)	(1,098,186)
Net Changes	\$ 5,881,457	\$ (89,944)	\$ 5,791,513
Balance June 30, 2018	\$ 15,787,419	\$ 4,212,403	\$ 19,999,822

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 \$651,438 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 78.9378 percent and the State of Tennessee's share was 21.0622 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the school department recognized OPEB expense of \$3,793,078, which includes expenses funded by subsidies provided by the state. At June 30, 2019, 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	\$ 1,674,740	\$ 0
Changes of Assumptions/Inputs	717,350	355,730
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributors As Benefits Came Due	1,164,998	0
Benefits Paid After the Measurement Date of June 30, 2018	688,018	0
Total	<u>\$ 4,245,106</u>	<u>\$ 355,730</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
2020	\$ 397,950
2021	397,950
2022	397,950
2023	397,950
2024	397,950
Thereafter	1,211,607

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

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

<u>Discount Rate</u>	1% Decrease 2.62%	Current Discount Rate 3.62%	1% Increase 4.62%
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Proportionate Share of the Collective Total OPEB Liability	\$ 16,850,674	\$ 15,787,419	\$ 14,771,385
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Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>	1% Decrease 5.75 to 2.85%	Current Rates 6.75 to 3.85%	1% Increase 7.75 to 4.85%
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Proportionate Share of the Collective Total OPEB Liability	\$ 14,171,567	\$ 15,787,419	\$ 17,667,082
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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 ten

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, 2017, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	96
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	0
Active Employees	856
Total	<u>952</u>

Total OPEB Liability

The plan’s total OPEB liability of \$3,544,835 was measured as of June 30, 2019, and was determined by an actuarial valuation as of July 1, 2017, which was then 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	3.50%
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, 2019.

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, 2018	\$ 3,322,432
Changes for the Year:	
Service Cost	\$ 38,476
Interest	116,349
Changes in Benefit Terms	0
Difference between Expected and Actuarial Experience	166,724
Changes in Assumption and Other Inputs	0
Benefit Payments	(73,327)
Implicit Rate Subsidy	(25,819)
Net Changes	<u>\$ 222,403</u>
Balance June 30, 2019	<u>\$ 3,544,835</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the school department recognized OPEB expense of \$161,275. At June 30, 2019, the school department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 144,787	\$ 86,727
Changes of Assumptions/Inputs	0	0
Net Difference Between Projected and Actual Investment Earnings	0	0
Total	<u>\$ 144,787</u>	<u>\$ 86,727</u>

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
2020	\$ 6,450
2021	6,450
2022	6,450
2023	6,450
2024	6,450
Thereafter	25,807

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:

	1% Decrease 2.50%	Current Discount Rate 3.50%	1% Increase 4.50%
Total OPEB Liability	\$ 4,108,868	\$ 3,544,835	\$ 3,108,324

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:

	1% Decrease 3.5%	Current Trend Rate 4.5%	1% Increase 5.5%
Total OPEB Liability	\$ 3,496,149	\$ 3,544,835	\$ 3,659,177

J. 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.

K. 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.

L. Subsequent Events

On August 3, 2019, a fire occurred at the Carter County Recycling Center, damaging the building and contents inside. Carter County leased the building, which was owned by the State of Tennessee. As of the date of this report, \$99,500 has been received in insurance recovery for damaged equipment with repairs and claims still ongoing. In December 2019, the county purchased a building for \$380,000 to be used as the new recycling center.

On January 14, 2020, the county’s General Debt Service Fund issued a \$272,187 three-year interfund capital outlay note to the General Fund for the purchase of sheriff’s department vehicles.

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

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

Note: The agent plan is a single plan that is participated in by 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
Actuarially Determined Contribution	\$ 1,642,354	\$ 1,799,438	\$ 1,887,726	\$ 1,919,806	\$ 1,567,849	\$ 1,476,120
Less Contributions in Relation to the Actuarially Determined Contribution	(1,642,354)	(1,799,438)	(1,887,726)	(1,919,806)	(2,007,169)	(2,104,317)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (439,320)	\$ (628,197)
Covered Payroll	\$ 11,631,366	\$ 12,044,428	\$ 12,637,078	\$ 12,850,190	\$ 13,434,863	\$ 14,085,116
Contributions as a Percentage of Covered Payroll	14.12%	14.94%	14.94%	14.94%	14.94%	14.94%

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

Note: The agent plan is a single plan that is participated in by 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*
Contractually Required Contribution	\$ 28,892	\$ 60,931	\$ 103,169	\$ 124,703	\$ 68,531
Less Contributions in Relation to the Contractually Required Contribution	(28,892)	(60,931)	(103,169)	(124,703)	(68,531)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 722,287	\$ 1,523,278	\$ 2,579,247	\$ 3,117,577	\$ 3,532,540
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%

* - In FY 2019, the school department placed the actuarially determined contribution into the pension plan and placed \$70,292 into the Pension Stabilization Reserve Trust.

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

Exhibit E-4

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

	2014	2015	2016	2017	2018	2019
Contractually Required Contribution	\$ 1,864,442	\$ 1,862,080	\$ 1,826,476	\$ 1,804,892	\$ 1,806,782	\$ 2,043,113
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)
Contribution Deficiency (Excess)	\$ 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
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%

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

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
School Department's Proportion of the Net Pension Liability/Asset	0.347636%	0.346198%	0.392973%	0.356751%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (13,985)	\$ (36,040)	\$ (103,679)	\$ (161,797)
Covered Payroll	\$ 722,287	\$ 1,523,278	\$ 2,579,247	\$ 3,117,577
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%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%	126.97%

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

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
School Department's Proportion of the Net Pension Liability/Asset	0.534930%	0.550239%	0.559709%	0.564806%	0.568256%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (86,924)	\$ 225,397	\$ 3,497,874	\$ (184,795)	\$ (1,999,645)
Covered Payroll	\$ 20,995,964	\$ 20,599,747	\$ 20,204,373	\$ 19,965,598	\$ 19,898,460
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%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%	101.49%

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

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

	2018	2019
Total OPEB Liability		
Service Cost	\$ 50,675	\$ 53,795
Interest	68,057	63,740
Changes in Benefit Terms	0	0
Differences Between Actual and Expected Experience	(67,745)	90,185
Changes in Assumptions or Other Inputs	0	0
Benefit Payments	(85,020)	(65,586)
Implicit Rate Subsidy	0	(97,972)
Net Change in Total OPEB Liability	\$ (34,033)	\$ 44,162
Total OPEB Liability, Beginning	1,850,353	1,816,320
Total OPEB Liability, Ending	<u>\$ 1,816,320</u>	<u>\$ 1,860,482</u>
Covered Employee Payroll	\$ 8,897,803	\$ 9,025,064
Net OPEB Liability as a Percentage of Covered Employee Payroll	20.41%	20.61%

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

Note 2: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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
Total OPEB Liability		
Service Cost	\$ 681,507	\$ 630,478
Interest	434,429	508,713
Changes in Benefit Terms	0	2,336,571
Differences Between Actual and Expected Experience	0	2,390,151
Changes in Assumptions or Other Inputs	(583,190)	1,023,786
Benefit Payments	(1,041,256)	(1,098,186)
Net Change in Total OPEB Liability	\$ (508,510)	\$ 5,791,513
Total OPEB Liability, Beginning	14,716,819	14,208,309
Total OPEB Liability, Ending	<u>\$ 14,208,309</u>	<u>\$ 19,999,822</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 4,302,347	\$ 4,212,403
Employer Proportionate Share of the Total OPEB Liability	9,905,962	15,787,419
Covered Employee Payroll	\$ 22,341,444	\$ 28,713,977
Net OPEB Liability as a Percentage of Covered Employee Payroll	44.34%	54.98%

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%

(b) The assumed initial trend rate applicable to the 2019 plan year was revised from 5.4% to 6.75%.

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 Plan
Discretely Presented Carter County School Department
For the Fiscal Year Ended June 30

	2018	2019
Total OPEB Liability		
Service Cost	\$ 36,187	\$ 38,476
Interest	120,379	116,349
Changes in Benefit Terms	0	0
Differences Between Actual and Expected Experience	(117,701)	166,724
Changes in Assumptions or Other Inputs	0	0
Benefit Payments	(33,935)	(73,327)
Implicit Rate Subsidy	(25,819)	(25,819)
Net Change in Total OPEB Liability	\$ (20,889)	\$ 222,403
Total OPEB Liability, Beginning	3,343,321	3,322,432
Total OPEB Liability, Ending	<u>\$ 3,322,432</u>	<u>\$ 3,544,835</u>
 Covered Employee Payroll	 \$ 29,793,895	 \$ 28,351,948
Net OPEB Liability as a Percentage of Covered Employee Payroll	11.15%	12.50%

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

Note 2: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

CARTER COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2019

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2019 were calculated based on the June 30, 2017, actuarial valuation.

Methods and assumptions used to determine contribution rates:

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

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

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Courthouse and Jail Maintenance Fund – The Courthouse and Jail Maintenance Fund is used to account for a special tax levied by private act on litigation and the recording of certain instruments. The proceeds of the tax must be used to pay for improvements and maintenance on the courthouse and jail. This fund was closed during the year and operations transferred to the General Fund.

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, 2019

	Special Revenue Funds						
	Solid Waste / Sanitation	Health Department	Drug Control	Sports and Recreation	Constitu - tional Officers - Fees	Total	
<u>ASSETS</u>							
Cash	\$ 10,330	\$ 0	\$ 0	\$ 0	\$ 12,260	\$ 22,590	
Equity in Pooled Cash and Investments	329,349	125,668	49,052	9,606	0	513,675	
Accounts Receivable	30,073	0	0	0	27,726	57,799	
Due from Other Governments	14,313	0	0	0	0	14,313	
Due from Other Funds	82,428	418	1,192	25,000	0	109,038	
Total Assets	\$ 466,493	\$ 126,086	\$ 50,244	\$ 34,606	\$ 39,986	\$ 717,415	
<u>LIABILITIES</u>							
Accounts Payable	\$ 63,165	\$ 2,659	\$ 2,420	\$ 379	\$ 0	\$ 68,623	
Accrued Payroll	15,901	0	0	0	0	15,901	
Payroll Deductions Payable	3,924	0	0	0	0	3,924	
Other Withholding Taxes	178	0	0	0	0	178	
Due to Other Funds	5,355	0	0	0	39,986	45,341	
Other Current Liabilities	0	0	12,433	0	0	12,433	
Total Liabilities	\$ 88,523	\$ 2,659	\$ 14,853	\$ 379	\$ 39,986	\$ 146,400	
<u>FUND BALANCES</u>							
Restricted:							
Restricted for Public Safety	\$ 0	\$ 0	\$ 35,391	\$ 0	\$ 0	\$ 35,391	
Restricted for Public Health and Welfare	0	63,329	0	0	0	63,329	
Restricted for Capital Projects	0	0	0	0	0	0	

(Continued)

Exhibit F-1

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

	Special Revenue Funds					Total
	Solid Waste / Sanitation	Health Department	Drug Control	Sports and Recreation	Constitu - tional Officers - Fees	
<u>FUND BALANCES (Cont.)</u>						
Committed:						
Committed for Public Health and Welfare	\$ 377,970	\$ 60,098	\$ 0	\$ 0	\$ 0	\$ 438,068
Committed for Social, Cultural, and Recreational Services	0	0	0	34,227	0	34,227
Committed for Capital Projects	0	0	0	0	0	0
Total Fund Balances	<u>\$ 377,970</u>	<u>\$ 123,427</u>	<u>\$ 35,391</u>	<u>\$ 34,227</u>	<u>\$ 0</u>	<u>\$ 571,015</u>
Total Liabilities and Fund Balances	<u>\$ 466,493</u>	<u>\$ 126,086</u>	<u>\$ 50,244</u>	<u>\$ 34,606</u>	<u>\$ 39,986</u>	<u>\$ 717,415</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	\$ 22,590
Equity in Pooled Cash and Investments	48,921	562,596
Accounts Receivable	0	57,799
Due from Other Governments	0	14,313
Due from Other Funds	0	109,038
Total Assets	<u>\$ 48,921</u>	<u>\$ 766,336</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 68,623
Accrued Payroll	0	15,901
Payroll Deductions Payable	0	3,924
Other Withholding Taxes	0	178
Due to Other Funds	0	45,341
Other Current Liabilities	0	12,433
Total Liabilities	<u>\$ 0</u>	<u>\$ 146,400</u>
<u>FUND BALANCES</u>		
Restricted:		
Restricted for Public Safety	\$ 0	\$ 35,391
Restricted for Public Health and Welfare	0	63,329
Restricted for Capital Projects	32,255	32,255

(Continued)

Exhibit F-1

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

FUND BALANCES (Cont.)

Committed:

Committed for Public Health and Welfare

Committed for Social, Cultural, and Recreational Services

Committed for Capital Projects

Total Fund Balances

Total Liabilities and Fund Balances

<u>Capital Projects Fund</u>		Total	
General		Nonmajor	
Capital		Governmental	
Projects		Funds	
\$ 0		\$ 438,068	
0		34,227	
16,666		16,666	
<u>\$ 48,921</u>		<u>\$ 619,936</u>	
<u>\$ 48,921</u>		<u>\$ 766,336</u>	

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, 2019

	Special Revenue Funds				
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Health Department	Drug Control	Sports and Recreation
<u>Revenues</u>					
Local Taxes	\$ 3,673	\$ 0	\$ 169,000	\$ 0	\$ 25,000
Fines, Forfeitures, and Penalties	0	0	0	23,023	0
Charges for Current Services	0	1,057,766	0	0	0
Other Local Revenues	0	128,380	0	1,190	2,982
State of Tennessee	0	28,330	0	0	0
Other Governments and Citizens Groups	0	0	0	3,622	0
Total Revenues	<u>\$ 3,673</u>	<u>\$ 1,214,476</u>	<u>\$ 169,000</u>	<u>\$ 27,835</u>	<u>\$ 27,982</u>
<u>Expenditures</u>					
Current:					
General Government	\$ 0	\$ 0	\$ 9,654	\$ 0	\$ 0
Finance	0	0	0	0	0
Administration of Justice	0	0	0	0	0
Public Safety	0	0	0	38,375	0
Public Health and Welfare	0	1,285,378	96,017	0	0
Social, Cultural, and Recreational Services	0	0	0	0	29,552
Other Operations	44	10,506	0	123	30
Total Expenditures	<u>\$ 44</u>	<u>\$ 1,295,884</u>	<u>\$ 105,671</u>	<u>\$ 38,498</u>	<u>\$ 29,582</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 3,629</u>	<u>\$ (81,408)</u>	<u>\$ 63,329</u>	<u>\$ (10,663)</u>	<u>\$ (1,600)</u>

(Continued)

Exhibit F-2

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

	Special Revenue Funds				
	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Health Department	Drug Control	Sports and Recreation
<u>Other Financing Sources (Uses)</u>					
Transfers In	\$ 0	\$ 81,311	\$ 0	\$ 0	\$ 25,000
Transfers Out	(62,278)	0	0	0	0
Total Other Financing Sources (Uses)	<u>\$ (62,278)</u>	<u>\$ 81,311</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 25,000</u>
<u>Extraordinary Item</u>					
Fire Damage Expenditures	\$ 0	\$ (404,715)	\$ 0	\$ 0	\$ 0
Total Extraordinary Item	<u>\$ 0</u>	<u>\$ (404,715)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ (58,649)	\$ (404,812)	\$ 63,329	\$ (10,663)	\$ 23,400
Fund Balance, July 1, 2018	<u>58,649</u>	<u>782,782</u>	<u>60,098</u>	<u>46,054</u>	<u>10,827</u>
Fund Balance, June 30, 2019	<u><u>\$ 0</u></u>	<u><u>\$ 377,970</u></u>	<u><u>\$ 123,427</u></u>	<u><u>\$ 35,391</u></u>	<u><u>\$ 34,227</u></u>

(Continued)

Exhibit F-2

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

	Special Revenue Funds (Cont.)		Capital Projects Fund		Total Nonmajor Governmental Funds
	Constitu- tional Officers - Fees	Total	General Capital Projects		
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 197,673	\$ 0	\$	197,673
Fines, Forfeitures, and Penalties	0	23,023	0		23,023
Charges for Current Services	5,889	1,063,655	0		1,063,655
Other Local Revenues	179	132,731	0		132,731
State of Tennessee	0	28,330	0		28,330
Other Governments and Citizens Groups	0	3,622	0		3,622
Total Revenues	\$ 6,068	\$ 1,449,034	\$ 0	\$	1,449,034
<u>Expenditures</u>					
Current:					
General Government	\$ 99	\$ 9,753	\$ 0	\$	9,753
Finance	284	284	0		284
Administration of Justice	5,685	5,685	0		5,685
Public Safety	0	38,375	0		38,375
Public Health and Welfare	0	1,381,395	0		1,381,395
Social, Cultural, and Recreational Services	0	29,552	0		29,552
Other Operations	0	10,703	0		10,703
Total Expenditures	\$ 6,068	\$ 1,475,747	\$ 0	\$	1,475,747
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ (26,713)	\$ 0	\$	(26,713)

(Continued)

Exhibit F-2

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

	Special Revenue Funds (Cont.)		Capital Projects Fund		Total Nonmajor Governmental Funds
	Constitu - tional Officers - Fees	Total	General Capital Projects		
<u>Other Financing Sources (Uses)</u>					
Transfers In	\$ 0	\$ 106,311	\$ 0	\$ 0	\$ 106,311
Transfers Out	0	(62,278)	0	0	(62,278)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 44,033</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 44,033</u>
<u>Extraordinary Item</u>					
Fire Damage Expenditures	\$ 0	\$ (404,715)	\$ 0	\$ 0	\$ (404,715)
Total Extraordinary Item	<u>\$ 0</u>	<u>\$ (404,715)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (404,715)</u>
Net Change in Fund Balances	\$ 0	\$ (387,395)	\$ 0	\$ 0	\$ (387,395)
Fund Balance, July 1, 2018	0	958,410	48,921		1,007,331
Fund Balance, June 30, 2019	<u>\$ 0</u>	<u>\$ 571,015</u>	<u>\$ 48,921</u>	<u>\$ 0</u>	<u>\$ 619,936</u>

Exhibit F-3

Carter County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Courthouse and Jail Maintenance Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 3,673	\$ 10,500	\$ 10,500	\$ (6,827)
Total Revenues	\$ 3,673	\$ 10,500	\$ 10,500	\$ (6,827)
<u>Expenditures</u>				
<u>General Government</u>				
County Buildings	\$ 0	\$ 5,600	\$ 5,600	\$ 5,600
<u>Administration of Justice</u>				
Other Administration of Justice	0	4,800	4,800	4,800
<u>Other Operations</u>				
Miscellaneous	44	100	100	56
Total Expenditures	\$ 44	\$ 10,500	\$ 10,500	\$ 10,456
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,629	\$ 0	\$ 0	\$ 3,629
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (62,278)	\$ 0	\$ (62,278)	\$ 0
Total Other Financing Sources	\$ (62,278)	\$ 0	\$ (62,278)	\$ 0
Net Change in Fund Balance	\$ (58,649)	\$ 0	\$ (62,278)	\$ 3,629
Fund Balance, July 1, 2018	58,649	50,049	50,049	8,600
Fund Balance, June 30, 2019	\$ 0	\$ 50,049	\$ (12,229)	\$ 12,229

Exhibit F-4

Carter County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 1,057,766	\$ 0	\$ 1,057,766	\$ 676,000	\$ 939,610	\$ 118,156
Other Local Revenues	128,380	0	128,380	105,000	105,000	23,380
State of Tennessee	28,330	0	28,330	22,000	115,523	(87,193)
Total Revenues	\$ 1,214,476	\$ 0	\$ 1,214,476	\$ 803,000	\$ 1,160,133	\$ 54,343
<u>Expenditures</u>						
<u>Public Health and Welfare</u>						
Convenience Centers	\$ 40,737	\$ 0	\$ 40,737	\$ 67,007	\$ 58,753	\$ 18,016
Recycling Center	61,106	0	61,106	100,840	99,332	38,226
Landfill Operation and Maintenance	1,183,535	0	1,183,535	867,153	1,348,334	164,799
<u>Other Operations</u>						
Miscellaneous	10,506	0	10,506	10,000	10,000	(506)
Total Expenditures	\$ 1,295,884	\$ 0	\$ 1,295,884	\$ 1,045,000	\$ 1,516,419	\$ 220,535
Excess (Deficiency) of Revenues Over Expenditures	\$ (81,408)	\$ 0	\$ (81,408)	\$ (242,000)	\$ (356,286)	\$ 274,878
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 15,399	\$ (15,399)
Transfers In	81,311	0	81,311	242,000	252,000	(170,689)
Total Other Financing Sources	\$ 81,311	\$ 0	\$ 81,311	\$ 242,000	\$ 267,399	\$ (186,088)
<u>Extraordinary Item</u>						
Fire Damage Expenditures	(404,715)	404,715	0	0	0	0
Total Extraordinary Item	\$ (404,715)	\$ 404,715	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balance	\$ (404,812)	\$ 404,715	\$ (97)	\$ 0	\$ (88,887)	\$ 88,790
Fund Balance, July 1, 2018	782,782	(404,715)	378,067	180,999	180,999	197,068
Fund Balance, June 30, 2019	\$ 377,970	\$ 0	\$ 377,970	\$ 180,999	\$ 92,112	\$ 285,858

Exhibit F-5

Carter County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Health Department Fund
For the Year Ended June 30, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 169,000	\$ 0	\$ 169,000	\$ 0	\$ 169,000	\$ 0
State of Tennessee	0	0	0	169,000	0	0
Total Revenues	<u>\$ 169,000</u>	<u>\$ 0</u>	<u>\$ 169,000</u>	<u>\$ 169,000</u>	<u>\$ 169,000</u>	<u>\$ 0</u>
<u>Expenditures</u>						
<u>General Government</u>						
County Buildings	\$ 9,654	\$ (9,654)	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Health and Welfare</u>						
Local Health Center	96,017	0	96,017	169,000	169,000	72,983
Total Expenditures	<u>\$ 105,671</u>	<u>\$ (9,654)</u>	<u>\$ 96,017</u>	<u>\$ 169,000</u>	<u>\$ 169,000</u>	<u>\$ 72,983</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 63,329</u>	<u>\$ 9,654</u>	<u>\$ 72,983</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 72,983</u>
Net Change in Fund Balance	\$ 63,329	\$ 9,654	\$ 72,983	\$ 0	\$ 0	\$ 72,983
Fund Balance, July 1, 2018	60,098	(9,654)	50,444	242,948	242,948	(192,504)
Fund Balance, June 30, 2019	<u><u>\$ 123,427</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 123,427</u></u>	<u><u>\$ 242,948</u></u>	<u><u>\$ 242,948</u></u>	<u><u>\$ (119,521)</u></u>

Exhibit F-6

Carter County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 23,023	\$ 27,800	\$ 28,571	\$ (5,548)
Other Local Revenues	1,190	12,000	12,000	(10,810)
Other Governments and Citizens Groups	3,622	0	3,611	11
Total Revenues	<u>\$ 27,835</u>	<u>\$ 39,800</u>	<u>\$ 44,182</u>	<u>\$ (16,347)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Sheriff's Department	\$ 38,375	\$ 39,000	\$ 56,277	\$ 17,902
<u>Other Operations</u>				
Miscellaneous	123	800	800	677
Total Expenditures	<u>\$ 38,498</u>	<u>\$ 39,800</u>	<u>\$ 57,077</u>	<u>\$ 18,579</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (10,663)</u>	<u>\$ 0</u>	<u>\$ (12,895)</u>	<u>\$ 2,232</u>
Net Change in Fund Balance	\$ (10,663)	0	(12,895)	2,232
Fund Balance, July 1, 2018	<u>46,054</u>	<u>44,024</u>	<u>44,024</u>	<u>2,030</u>
Fund Balance, June 30, 2019	<u><u>\$ 35,391</u></u>	<u><u>\$ 44,024</u></u>	<u><u>\$ 31,129</u></u>	<u><u>\$ 4,262</u></u>

Exhibit F-7

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, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 25,000	\$ 0	\$ 25,000	\$ 0
Other Local Revenues	2,982	0	0	2,982
Other Governments and Citizens Groups	0	25,000	0	0
Total Revenues	<u>\$ 27,982</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 2,982</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Parks and Fair Boards	\$ 29,552	\$ 25,000	\$ 50,000	\$ 20,448
<u>Other Operations</u>				
Miscellaneous	30	0	0	(30)
Total Expenditures	<u>\$ 29,582</u>	<u>\$ 25,000</u>	<u>\$ 50,000</u>	<u>\$ 20,418</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,600)</u>	<u>\$ 0</u>	<u>\$ (25,000)</u>	<u>\$ 23,400</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 25,000	\$ 0	\$ 25,000	\$ 0
Total Other Financing Sources	<u>\$ 25,000</u>	<u>\$ 0</u>	<u>\$ 25,000</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 23,400	\$ 0	\$ 0	\$ 23,400
Fund Balance, July 1, 2018	10,827	16,739	16,739	(5,912)
Fund Balance, June 30, 2019	<u><u>\$ 34,227</u></u>	<u><u>\$ 16,739</u></u>	<u><u>\$ 16,739</u></u>	<u><u>\$ 17,488</u></u>

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, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,245,520	\$ 1,023,605	\$ 1,023,605	\$ 221,915
Other Local Revenues	60,000	60,000	60,000	0
State of Tennessee	41,342	40,000	40,000	1,342
Total Revenues	<u>\$ 1,346,862</u>	<u>\$ 1,123,605</u>	<u>\$ 1,123,605</u>	<u>\$ 223,257</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	0
Education	284,873	258,947	385,820	100,947
<u>Interest on Debt</u>				
General Government	654,431	658,749	658,749	4,318
Education	34,145	59,192	60,385	26,240
<u>Other Debt Service</u>				
General Government	27,134	45,000	45,000	17,866
Education	12,214	18,600	18,600	6,386
Total Expenditures	<u>\$ 2,012,797</u>	<u>\$ 2,040,488</u>	<u>\$ 2,168,554</u>	<u>\$ 155,757</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (665,935)</u>	<u>\$ (916,883)</u>	<u>\$ (1,044,949)</u>	<u>\$ 379,014</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 183,035	0	\$ 128,066	\$ 54,969
Total Other Financing Sources	<u>\$ 183,035</u>	<u>0</u>	<u>\$ 128,066</u>	<u>\$ 54,969</u>
Net Change in Fund Balance	\$ (482,900)	(916,883)	(916,883)	433,983
Fund Balance, July 1, 2018	4,982,261	4,725,150	4,725,150	257,111
Fund Balance, June 30, 2019	<u><u>\$ 4,499,361</u></u>	<u><u>\$ 3,808,267</u></u>	<u><u>\$ 3,808,267</u></u>	<u><u>\$ 691,094</u></u>

Fiduciary Funds

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

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

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

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

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

Exhibit H-1

Carter County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2019

	Agency Funds				Total
	Cities - Sales Tax	City School ADA - Elizabethton	City School ADA - Johnson City	Constitu - tional Officers - Agency	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 1,732,940	\$ 1,732,940
Equity in Pooled Cash and Investments	0	263,019	11,100	0	274,119
Accounts Receivable	0	0	0	11,475	11,475
Due from Other Governments	937,488	406,138	15,896	0	1,359,522
Property Taxes Receivable	0	3,295,256	138,923	0	3,434,179
Allowance for Uncollectible Property Taxes	0	(50,631)	(2,135)	0	(52,766)
Total Assets	\$ 937,488	\$ 3,913,782	\$ 163,784	\$ 1,744,415	\$ 6,759,469
<u>LIABILITIES</u>					
Due to Other Taxing Units	\$ 937,488	\$ 3,913,782	\$ 163,784	\$ 0	\$ 5,015,054
Due to Litigants, Heirs, and Others	0	0	0	1,744,415	1,744,415
Total Liabilities	\$ 937,488	\$ 3,913,782	\$ 163,784	\$ 1,744,415	\$ 6,759,469

Exhibit H-2

Carter County, Tennessee
Combining Statement of Changes in Assets
and Liabilities - All Agency Funds
For the Year Ended June 30, 2019

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 5,370,843	\$ 5,370,843	\$ 0
Due from Other Governments	868,055	937,488	868,055	937,488
Total Assets	<u>\$ 868,055</u>	<u>\$ 6,308,331</u>	<u>\$ 6,238,898</u>	<u>\$ 937,488</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 868,055	\$ 6,308,331	\$ 6,238,898	\$ 937,488
Total Liabilities	<u>\$ 868,055</u>	<u>\$ 6,308,331</u>	<u>\$ 6,238,898</u>	<u>\$ 937,488</u>
<u>City School ADA - Elizabethton Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 263,409	\$ 5,555,099	\$ 5,555,489	\$ 263,019
Due from Other Governments	367,972	406,138	367,972	406,138
Property Taxes Receivable	3,199,083	3,295,256	3,199,083	3,295,256
Allowance for Uncollectible Property Taxes	(48,405)	(50,631)	(48,405)	(50,631)
Total Assets	<u>\$ 3,782,059</u>	<u>\$ 9,205,862</u>	<u>\$ 9,074,139</u>	<u>\$ 3,913,782</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 3,782,059	\$ 9,205,862	\$ 9,074,139	\$ 3,913,782
Total Liabilities	<u>\$ 3,782,059</u>	<u>\$ 9,205,862</u>	<u>\$ 9,074,139</u>	<u>\$ 3,913,782</u>
<u>City School ADA - Johnson City Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 9,349	\$ 234,546	\$ 232,795	\$ 11,100
Due from Other Governments	13,241	15,896	13,241	15,896
Property Taxes Receivable	115,303	138,923	115,303	138,923
Allowance for Uncollectible Property Taxes	(1,745)	(2,135)	(1,745)	(2,135)
Total Assets	<u>\$ 136,148</u>	<u>\$ 387,230</u>	<u>\$ 359,594</u>	<u>\$ 163,784</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 136,148	\$ 387,230	\$ 359,594	\$ 163,784
Total Liabilities	<u>\$ 136,148</u>	<u>\$ 387,230</u>	<u>\$ 359,594</u>	<u>\$ 163,784</u>

(Continued)

Exhibit H-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,789,839	\$ 9,516,856	\$ 9,573,755	\$ 1,732,940
Accounts Receivable	29,014	11,475	29,014	11,475
Total Assets	<u>\$ 1,818,853</u>	<u>\$ 9,528,331</u>	<u>\$ 9,602,769</u>	<u>\$ 1,744,415</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	<u>\$ 1,818,853</u>	<u>\$ 9,528,331</u>	<u>\$ 9,602,769</u>	<u>\$ 1,744,415</u>
Total Liabilities	<u>\$ 1,818,853</u>	<u>\$ 9,528,331</u>	<u>\$ 9,602,769</u>	<u>\$ 1,744,415</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,789,839	\$ 9,516,856	\$ 9,573,755	\$ 1,732,940
Equity in Pooled Cash and Investments	272,758	11,160,488	11,159,127	274,119
Accounts Receivable	29,014	11,475	29,014	11,475
Due from Other Governments	1,249,268	1,359,522	1,249,268	1,359,522
Property Taxes Receivable	3,314,386	3,434,179	3,314,386	3,434,179
Allowance for Uncollectible Property Taxes	(50,150)	(52,766)	(50,150)	(52,766)
Total Assets	<u>\$ 6,605,115</u>	<u>\$ 25,429,754</u>	<u>\$ 25,275,400</u>	<u>\$ 6,759,469</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 4,786,262	\$ 15,901,423	\$ 15,672,631	\$ 5,015,054
Due to Litigants, Heirs, and Others	<u>1,818,853</u>	<u>9,528,331</u>	<u>9,602,769</u>	<u>1,744,415</u>
Total Liabilities	<u>\$ 6,605,115</u>	<u>\$ 25,429,754</u>	<u>\$ 25,275,400</u>	<u>\$ 6,759,469</u>

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 three 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.

Exhibit I-1

Carter County, Tennessee
Statement of Activities
Discretely Presented Carter County School Department
For the Year Ended June 30, 2019

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	\$ 29,476,186	\$ 0	\$ 4,594,462	0	\$ (24,881,724)
Support Services	16,610,126	204,084	989,936	0	(15,416,106)
Operation of Non-instructional Services	5,335,728	521,370	2,955,305	0	(1,859,053)
Total Governmental Activities	\$ 51,422,040	\$ 725,454	\$ 8,539,703	0	\$ (42,156,883)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 6,118,783
Local Option Sales Taxes					4,520,581
Mixed Drink Tax					1,798
Grants and Contributions Not Restricted for Specific Programs					33,331,182
Unrestricted Investment Income					157,174
Miscellaneous					76,448
Gain on Investments					3,737
Total General Revenues					\$ 44,209,703
Change in Net Position					\$ 2,052,820
Net Position, July 1, 2018					27,010,880
Net Position, June 30, 2019					\$ 29,063,700

Exhibit I-2

Carter County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Carter County School Department
June 30, 2019

	Major Funds		Nonmajor Funds	
	General Purpose School	Central Cafeteria	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash	\$ 1,135,557	\$ 2,144	\$ 0	\$ 1,137,701
Equity in Pooled Cash and Investments	9,520,043	3,622,430	516,547	13,659,020
Accounts Receivable	60,387	10,501	0	70,888
Due from Other Governments	889,447	9,486	122,037	1,020,970
Due from Other Funds	41,666	0	91,303	132,969
Property Taxes Receivable	6,363,023	0	0	6,363,023
Allowance for Uncollectible Property Taxes	(97,767)	0	0	(97,767)
Restricted Assets	74,029	0	0	74,029
Total Assets	<u>\$ 17,986,385</u>	<u>\$ 3,644,561</u>	<u>\$ 729,887</u>	<u>\$ 22,360,833</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 234,290	\$ 12,265	\$ 76,051	\$ 322,606
Accrued Payroll	33,500	0	19,105	52,605
Payroll Deductions Payable	652,497	6,366	65,340	724,203
Contracts Payable	187,539	0	0	187,539
Retainage Payable	9,870	0	0	9,870
Other Withholding Taxes	0	0	2,906	2,906
Due to Other Funds	91,303	31,185	10,481	132,969
Due to Primary Government	36,835	0	0	36,835
Due to State of Tennessee	0	0	5,113	5,113
Other Current Liabilities	414,782	0	0	414,782
Total Liabilities	<u>\$ 1,660,616</u>	<u>\$ 49,816</u>	<u>\$ 178,996</u>	<u>\$ 1,889,428</u>

(Continued)

Exhibit I-2

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

	<u>Major Funds</u>		<u>Nonmajor Funds</u>	
	General Purpose School	Central Cafeteria	Other Govern- mental Funds	Total Governmental Funds
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 6,027,022	\$ 0	\$ 0	\$ 6,027,022
Deferred Delinquent Property Taxes	176,559	0	0	176,559
Other Deferred/Unavailable Revenue	414,591	0	0	414,591
Total Deferred Inflows of Resources	<u>\$ 6,618,172</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,618,172</u>
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Education	\$ 119,431	\$ 3,594,745	\$ 100,891	\$ 3,815,067
Restricted for Capital Projects	109,137	0	0	109,137
Restricted for Hybrid Retirement Stabilization Funds	74,029	0	0	74,029
Committed:				
Committed for Education	7,270	0	450,000	457,270
Assigned:				
Assigned for Education	397,619	0	0	397,619
Assigned for Capital Projects	211,622	0	0	211,622
Unassigned	8,788,489	0	0	8,788,489
Total Fund Balances	<u>\$ 9,707,597</u>	<u>\$ 3,594,745</u>	<u>\$ 550,891</u>	<u>\$ 13,853,233</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 17,986,385</u>	<u>\$ 3,644,561</u>	<u>\$ 729,887</u>	<u>\$ 22,360,833</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, 2019

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)		\$	13,853,233
(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		197,409	
Add: building and improvements net of accumulated depreciation		23,065,665	
Add: other capital assets net of accumulated depreciation		<u>1,970,012</u>	26,061,314
(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	\$	(607,200)	
Less: other postemployment benefits liability		<u>(19,332,254)</u>	(19,939,454)
(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	\$	4,969,036	
Less: deferred inflows of resources related to pensions		(3,574,278)	
Add: deferred outflows of resources related to OPEB		4,389,893	
Less: deferred inflows of resources related to OPEB		<u>(442,457)</u>	5,342,194
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$	993,821	
Add: net pension asset - teacher retirement plan		161,797	
Add: net pension asset - teacher legacy pension plan		<u>1,999,645</u>	3,155,263
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>591,150</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>29,063,700</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, 2019

	Major Funds		Nonmajor Funds	
	General Purpose School	Central Cafeteria	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>				
Local Taxes	\$ 10,812,028	\$ 0	\$ 0	\$ 10,812,028
Licenses and Permits	1,092	0	0	1,092
Charges for Current Services	241,981	483,089	0	725,070
Other Local Revenues	222,987	88,038	0	311,025
State of Tennessee	32,372,939	29,019	0	32,401,958
Federal Government	347,654	2,781,563	4,458,085	7,587,302
Other Governments and Citizens Groups	61,298	0	1,176,387	1,237,685
Total Revenues	\$ 44,059,979	\$ 3,381,709	\$ 5,634,472	\$ 53,076,160
<u>Expenditures</u>				
Current:				
Instruction	\$ 26,345,751	\$ 0	\$ 2,997,232	\$ 29,342,983
Support Services	14,612,620	0	1,368,992	15,981,612
Operation of Non-Instructional Services	967,844	3,202,759	1,272,638	5,443,241
Capital Outlay	1,458,734	0	0	1,458,734
Total Expenditures	\$ 43,384,949	\$ 3,202,759	\$ 5,638,862	\$ 52,226,570
Excess (Deficiency) of Revenues Over Expenditures	\$ 675,030	\$ 178,950	\$ (4,390)	\$ 849,590
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 131,692	\$ 0	\$ 0	\$ 131,692
Transfers In	154,000	0	0	154,000
Transfers Out	0	(154,000)	0	(154,000)
Total Other Financing Sources (Uses)	\$ 285,692	\$ (154,000)	\$ 0	\$ 131,692

(Continued)

Exhibit I-4

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

	Major Funds		Nonmajor Funds	
	General Purpose School	Central Cafeteria	Other Govern- mental Funds	Total Governmental Funds
Net Change in Fund Balances	\$ 960,722	\$ 24,950	\$ (4,390)	\$ 981,282
Fund Balance, July 1, 2018	8,746,875	3,569,795	555,281	12,871,951
Fund Balance, June 30, 2019	<u>\$ 9,707,597</u>	<u>\$ 3,594,745</u>	<u>\$ 550,891</u>	<u>\$ 13,853,233</u>

Exhibit I-5

Carter County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Discretely Presented Carter County School Department
For the Year Ended June 30, 2019

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)		\$	981,282
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital assets purchased in the current period	\$	1,717,337	
Less: current-year depreciation expense		(1,333,658)	383,679
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.			
Less: book value of assets disposed			(4,390)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2019	\$	591,150	
Less: deferred delinquent property taxes and other deferred June 30, 2018		(600,041)	(8,891)
(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 compensated absences payable	\$	(14,789)	
Change in other postemployment benefits liability		(6,103,860)	
Change in net pension asset/liability		2,523,802	
Change in deferred outflows related to pensions		(65,312)	
Change in deferred inflows related to pensions		773,190	
Change in deferred outflows related to OPEB		3,567,959	
Change in deferred inflows related to OPEB		20,150	701,140
Change in net position of governmental activities (Exhibit B)		\$	<u>2,052,820</u>

Exhibit I-6

Carter County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Carter County School Department
June 30, 2019

	<u>Special Revenue Funds</u>		
	School Federal Projects	Other Education Special Revenue	Total Nonmajor Governmental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 501,804	\$ 14,743	\$ 516,547
Due from Other Governments	118,334	3,703	122,037
Due from Other Funds	54,646	36,657	91,303
Total Assets	<u>\$ 674,784</u>	<u>\$ 55,103</u>	<u>\$ 729,887</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 76,051	\$ 0	\$ 76,051
Accrued Payroll	19,105	0	19,105
Payroll Deductions Payable	48,821	16,519	65,340
Other Withholding Taxes	0	2,906	2,906
Due to Other Funds	7,394	3,087	10,481
Due to State of Tennessee	5,113	0	5,113
Total Liabilities	<u>\$ 156,484</u>	<u>\$ 22,512</u>	<u>\$ 178,996</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 68,300	\$ 32,591	\$ 100,891
Committed:			
Committed for Education	450,000	0	450,000
Total Fund Balances	<u>\$ 518,300</u>	<u>\$ 32,591</u>	<u>\$ 550,891</u>
Total Liabilities and Fund Balances	<u>\$ 674,784</u>	<u>\$ 55,103</u>	<u>\$ 729,887</u>

Exhibit I-7

Carter County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Carter County School Department
For the Year Ended June 30, 2019

	<u>Special Revenue Funds</u>		Total
	School Federal Projects	Other Education Special Revenue	Nonmajor Governmental Funds
<u>Revenues</u>			
Federal Government	\$ 4,346,852	\$ 111,233	\$ 4,458,085
Other Governments and Citizens Groups	0	1,176,387	1,176,387
Total Revenues	<u>\$ 4,346,852</u>	<u>\$ 1,287,620</u>	<u>\$ 5,634,472</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 2,997,232	\$ 0	\$ 2,997,232
Support Services	1,367,685	1,307	1,368,992
Operation of Non-Instructional Services	0	1,272,638	1,272,638
Total Expenditures	<u>\$ 4,364,917</u>	<u>\$ 1,273,945</u>	<u>\$ 5,638,862</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (18,065)</u>	<u>\$ 13,675</u>	<u>\$ (4,390)</u>
Net Change in Fund Balances	\$ (18,065)	\$ 13,675	\$ (4,390)
Fund Balance, July 1, 2018	<u>536,365</u>	<u>18,916</u>	<u>555,281</u>
Fund Balance, June 30, 2019	<u>\$ 518,300</u>	<u>\$ 32,591</u>	<u>\$ 550,891</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, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 10,812,028	\$ 0	\$ 0	\$ 10,812,028	\$ 9,918,496	\$ 10,277,160	\$ 534,868
Licenses and Permits	1,092	0	0	1,092	1,200	1,200	(108)
Charges for Current Services	241,981	0	0	241,981	226,000	251,105	(9,124)
Other Local Revenues	222,987	0	0	222,987	11,200	97,309	125,678
State of Tennessee	32,372,939	0	0	32,372,939	30,649,000	32,401,161	(28,222)
Federal Government	347,654	0	0	347,654	77,889	317,926	29,728
Other Governments and Citizens Groups	61,298	0	0	61,298	1,000	1,000	60,298
Total Revenues	\$ 44,059,979	\$ 0	\$ 0	\$ 44,059,979	\$ 40,884,785	\$ 43,346,861	\$ 713,118
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 21,035,840	\$ (92,463)	\$ 90,652	\$ 21,034,029	\$ 21,301,311	\$ 22,080,715	\$ 1,046,686
Alternative Instruction Program	173,435	0	0	173,435	177,752	191,767	18,332
Special Education Program	3,666,207	0	0	3,666,207	3,660,703	3,735,553	69,346
Career and Technical Education Program	1,470,269	0	0	1,470,269	1,511,866	1,564,297	94,028
<u>Support Services</u>							
Health Services	494,671	0	0	494,671	432,671	544,171	49,500
Other Student Support	1,389,462	0	0	1,389,462	1,298,040	1,514,888	125,426
Regular Instruction Program	1,466,007	0	0	1,466,007	1,455,930	1,489,250	23,243
Alternative Instruction Program	122,754	0	0	122,754	123,747	126,107	3,353
Special Education Program	465,477	0	0	465,477	387,726	450,659	(14,818)
Career and Technical Education Program	176,239	0	0	176,239	169,657	176,055	(184)
Technology	398,500	0	0	398,500	375,521	400,673	2,173
Other Programs	267,607	0	0	267,607	0	268,744	1,137
Board of Education	963,402	0	0	963,402	857,132	970,562	7,160
Director of Schools	443,437	0	0	443,437	456,652	448,052	4,615
Office of the Principal	2,716,351	0	0	2,716,351	2,647,181	2,696,432	(19,919)
Fiscal Services	154,000	0	0	154,000	154,000	154,000	0
Operation of Plant	2,859,491	0	0	2,859,491	2,834,876	2,859,682	191

(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 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Maintenance of Plant	\$ 733,032	\$ 0	\$ 0	\$ 733,032	\$ 741,071	\$ 746,258	\$ 13,226
Transportation	1,953,648	(110,519)	186,212	2,029,341	2,239,002	2,254,052	224,711
Central and Other	8,542	0	0	8,542	0	24,000	15,458
<u>Operation of Non-Instructional Services</u>							
Community Services	656,501	0	0	656,501	201,127	730,759	74,258
Early Childhood Education	311,343	0	0	311,343	0	309,601	(1,742)
<u>Capital Outlay</u>							
Regular Capital Outlay	1,458,734	(920,770)	211,622	749,586	262,381	786,632	37,046
Total Expenditures	\$ 43,384,949	\$ (1,123,752)	\$ 488,486	\$ 42,749,683	\$ 41,288,346	\$ 44,522,909	\$ 1,773,226
Excess (Deficiency) of Revenues Over Expenditures	\$ 675,030	\$ 1,123,752	\$ (488,486)	\$ 1,310,296	\$ (403,561)	\$ (1,176,048)	\$ 2,486,344
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 131,692	\$ 0	\$ 0	\$ 131,692	\$ 0	\$ 71,675	\$ 60,017
Transfers In	154,000	0	0	154,000	154,000	154,000	0
Transfers Out	0	0	0	0	0	(30,732)	30,732
Total Other Financing Sources	\$ 285,692	\$ 0	\$ 0	\$ 285,692	\$ 154,000	\$ 194,943	\$ 90,749
Net Change in Fund Balance	\$ 960,722	\$ 1,123,752	\$ (488,486)	\$ 1,595,988	\$ (249,561)	\$ (981,105)	\$ 2,577,093
Fund Balance, July 1, 2018	8,746,875	(1,123,752)	0	7,623,123	5,750,000	5,750,000	1,873,123
Fund Balance, June 30, 2019	\$ 9,707,597	\$ 0	\$ (488,486)	\$ 9,219,111	\$ 5,500,439	\$ 4,768,895	\$ 4,450,216

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, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 4,346,852	\$ 4,088,459	\$ 4,862,791	\$ (515,939)
Total Revenues	\$ 4,346,852	\$ 4,088,459	\$ 4,862,791	\$ (515,939)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,684,012	\$ 1,723,566	\$ 1,819,550	\$ 135,538
Special Education Program	1,219,500	1,109,509	1,398,901	179,401
Career and Technical Education Program	93,720	94,710	94,710	990
<u>Support Services</u>				
Other Student Support	267,776	288,457	288,217	20,441
Regular Instruction Program	459,574	516,144	528,784	69,210
Special Education Program	594,894	279,098	686,700	91,806
Career and Technical Education Program	1,000	1,000	1,000	0
Board of Education	15	0	65	50
Transportation	44,426	75,975	77,596	33,170
Total Expenditures	\$ 4,364,917	\$ 4,088,459	\$ 4,895,523	\$ 530,606
Excess (Deficiency) of Revenues Over Expenditures	\$ (18,065)	\$ 0	\$ (32,732)	\$ 14,667
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 0	\$ 32,732	\$ (32,732)
Total Other Financing Sources	\$ 0	\$ 0	\$ 32,732	\$ (32,732)
Net Change in Fund Balance	\$ (18,065)	\$ 0	\$ 0	\$ (18,065)
Fund Balance, July 1, 2018	536,365	1,872	1,872	534,493
Fund Balance, June 30, 2019	\$ 518,300	\$ 1,872	\$ 1,872	\$ 516,428

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, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 483,089	\$ 0	\$ 0	\$ 483,089	\$ 551,434	\$ 551,434	\$ (68,345)
Other Local Revenues	88,038	0	0	88,038	7,000	7,000	81,038
State of Tennessee	29,019	0	0	29,019	31,000	31,000	(1,981)
Federal Government	2,781,563	0	0	2,781,563	2,495,000	2,716,477	65,086
Total Revenues	<u>\$ 3,381,709</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,381,709</u>	<u>\$ 3,084,434</u>	<u>\$ 3,305,911</u>	<u>\$ 75,798</u>
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Food Service	\$ 3,202,759	\$ (171,312)	\$ 180,716	\$ 3,212,163	\$ 3,606,608	\$ 4,027,293	\$ 815,130
Total Expenditures	<u>\$ 3,202,759</u>	<u>\$ (171,312)</u>	<u>\$ 180,716</u>	<u>\$ 3,212,163</u>	<u>\$ 3,606,608</u>	<u>\$ 4,027,293</u>	<u>\$ 815,130</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 178,950</u>	<u>\$ 171,312</u>	<u>\$ (180,716)</u>	<u>\$ 169,546</u>	<u>\$ (522,174)</u>	<u>\$ (721,382)</u>	<u>\$ 890,928</u>
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (154,000)	\$ 0	\$ 0	\$ (154,000)	\$ 0	\$ (154,000)	\$ 0
Total Other Financing Sources	<u>\$ (154,000)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (154,000)</u>	<u>\$ 0</u>	<u>\$ (154,000)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 24,950	\$ 171,312	\$ (180,716)	\$ 15,546	\$ (522,174)	\$ (875,382)	\$ 890,928
Fund Balance, July 1, 2018	<u>3,569,795</u>	<u>(171,312)</u>	<u>0</u>	<u>3,398,483</u>	<u>4,222,911</u>	<u>4,222,911</u>	<u>(824,428)</u>
Fund Balance, June 30, 2019	<u>\$ 3,594,745</u>	<u>\$ 0</u>	<u>\$ (180,716)</u>	<u>\$ 3,414,029</u>	<u>\$ 3,700,737</u>	<u>\$ 3,347,529</u>	<u>\$ 66,500</u>

Exhibit 1-11

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, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 111,233	\$ 110,000	\$ 110,000	\$ 1,233
Other Governments and Citizens Groups	1,176,387	1,001,533	1,135,690	40,697
Total Revenues	\$ 1,287,620	\$ 1,111,533	\$ 1,245,690	\$ 41,930
<u>Expenditures</u>				
<u>Support Services</u>				
Operation of Plant	\$ 1,307	\$ 1,480	\$ 1,585	\$ 278
<u>Operation of Non-Instructional Services</u>				
Early Childhood Education	1,272,638	1,114,133	1,327,827	55,189
Total Expenditures	\$ 1,273,945	\$ 1,115,613	\$ 1,329,412	\$ 55,467
Excess (Deficiency) of Revenues Over Expenditures	\$ 13,675	\$ (4,080)	\$ (83,722)	\$ 97,397
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 0	\$ 79,642	\$ (79,642)
Total Other Financing Sources	\$ 0	\$ 0	\$ 79,642	\$ (79,642)
Net Change in Fund Balance	\$ 13,675	\$ (4,080)	\$ (4,080)	\$ 17,755
Fund Balance, July 1, 2018	18,916	4,080	4,080	14,836
Fund Balance, June 30, 2019	\$ 32,591	\$ 0	\$ 0	\$ 32,591

MISCELLANEOUS SCHEDULES

Exhibit J-1

Carter County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds
For the Year Ended June 30, 2019

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-18	Paid and/or Matured During Period	Outstanding 6-30-19
<u>NOTES PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
School Renovations	\$ 1,024,700	3.49 %	5-22-08	5-22-20	\$ 126,873	\$ 126,873	\$ 0
Total Notes Payable					<u>\$ 126,873</u>	<u>\$ 126,873</u>	<u>\$ 0</u>
<u>OTHER LOANS PAYABLE</u>							
<u>Public Building Authority Loan Agreements</u>							
<u>Payable through General Debt Service Fund</u>							
County and School Renovation and Construction	3,530,041	Variable	11-21-05	5-25-29	\$ 1,973,041	\$ 158,000	\$ 1,815,041
Total Other Loans Payable					<u>\$ 1,973,041</u>	<u>\$ 158,000</u>	<u>\$ 1,815,041</u>
<u>BONDS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
General Obligation Refunding Bonds, Series 2010	24,800,000	3.29	10-7-10	5-1-35	\$ 18,560,000	\$ 1,000,000	\$ 17,560,000
Total Bonds Payable					<u>\$ 18,560,000</u>	<u>\$ 1,000,000</u>	<u>\$ 17,560,000</u>

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

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2020	\$ 164,000	\$ 35,030	\$ 14,272	\$ 213,302
2021	169,000	31,865	12,983	213,848
2022	174,000	28,603	11,654	214,257
2023	180,000	25,245	10,286	215,531
2024	186,000	21,771	8,870	216,641
2025	191,000	18,181	7,408	216,589
2026	198,000	14,495	5,906	218,401
2027	204,000	10,674	4,349	219,023
2028	211,000	6,738	2,745	220,483
2029	138,041	2,664	1,084	141,789
Total	<u>\$ 1,815,041</u>	<u>\$ 195,266</u>	<u>\$ 79,557</u>	<u>\$ 2,089,864</u>

Year Ending June 30	Bonds		
	Principal	Interest	Total
2020	\$ 1,000,000	\$ 624,431	\$ 1,624,431
2021	1,050,000	584,432	1,634,432
2022	1,075,000	552,931	1,627,931
2023	1,150,000	520,681	1,670,681
2024	1,100,000	486,182	1,586,182
2025	1,150,000	453,181	1,603,181
2026	1,200,000	418,681	1,618,681
2027	1,225,000	382,681	1,607,681
2028	1,300,000	344,400	1,644,400
2029	1,310,000	292,400	1,602,400
2030	1,000,000	240,000	1,240,000
2031	1,000,000	200,000	1,200,000
2032	1,000,000	160,000	1,160,000
2033	1,000,000	120,000	1,120,000
2034	1,000,000	80,000	1,080,000
2035	1,000,000	40,000	1,040,000
Total	<u>\$ 17,560,000</u>	<u>\$ 5,500,000</u>	<u>\$ 23,060,000</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, 2019

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Solid Waste/Sanitation	Operations	\$ 81,311
"	Sports and Recreation	"	25,000
"	Highway/Public Works	Transfer of unclaimed property	55,162
		funds from prior year	
"	General Debt Service	debt retirement	183,035
Courthouse and Jail Maintenance	General	To consolidate operations	62,278
		with General Fund	
Total Transfers Primary Government			<u>\$ 406,786</u>
<u>DISCRETELY PRESENTED CARTER COUNTY SCHOOL DEPARTMENT</u>			
Central Cafeteria	General Purpose School	Indirect costs	<u>\$ 154,000</u>
Total Transfers Discretely Presented Carter County School Department			<u>\$ 154,000</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, 2019

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor:				
Leon Humphrey (7-1-18 through 8-31-18)	Section 8-24-102, <i>TCA</i>	\$ 22,239 (1)	\$ 400,000	Tennessee Risk Management Trust
Rusty Barnett (9-1-18 through 6-30-19)	Section 8-24-102, <i>TCA</i>	82,889 (1)	400,000	"
Director of Schools	State Board of Education and County Board of Education	97,000 (2)	400,000	"
Road Superintendent	Section 8-24-102, <i>TCA</i>	94,122	400,000	"
Trustee	Section 8-24-102, <i>TCA</i>	85,566	400,000	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	85,566	400,000	"
Finance Director	County Commission	85,566	400,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	85,566	400,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	85,566	400,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> and Chancery Court Judge	85,566 (3)	400,000	"
Register of Deeds:				
Edrie Bristol (7-1-18 through 8-31-18)	Section 8-24-102, <i>TCA</i>	18,101 (1)	400,000	"
Jarrold Ellis (9-1-18 through 6-30-19)	Section 8-24-102, <i>TCA</i>	67,465 (1)	400,000	"
Sheriff	Section 8-24-102, <i>TCA</i> , and County Commission	100,122 (4)	400,000	"
Employee Blanket Bonds:				
Public Employee Dishonesty - County Departments			400,000	Tennessee Risk Management Trust
Public Employee Dishonesty - School Department			400,000	"

- (1) Due to calculation errors, former county mayor and register of deeds were overpaid by \$4,367 and \$3,554, respectively. Current county mayor and register of deeds were also underpaid by these respective amounts. (See Finding 2019-002)
- (2) Includes a chief executive officer's training supplement of \$1,000. Does not include contractual payments for travel allowance of \$2,400.
- (3) Does not include special commissioner fees of \$5,685.
- (4) Includes a county workhouse supplement of \$6,000. Does not include a law enforcement training supplement of \$600.

Exhibit J-5

Carter County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2019

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Health Department	Drug Control	Sports and Recreation
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 9,576,063	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	241,650	0	0	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	59,936	0	0	0	0	0
Interest and Penalty	69,435	0	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	13,776	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	180,723	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	3,163	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	924,743	0	0	169,000	0	25,000
Hotel/Motel Tax	130,835	0	0	0	0	0
Litigation Tax - General	114,503	0	0	0	0	0
Litigation Tax - Special Purpose	6,065	3,673	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	64,775	0	0	0	0	0
Litigation Tax - Courthouse Security	121,623	0	0	0	0	0
Business Tax	383,542	0	0	0	0	0
Mixed Drink Tax	2,772	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
Other County Local Option Taxes	115,012	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	65,987	0	0	0	0	0
Beer Privilege Tax	153,843	0	0	0	0	0
Total Local Taxes	\$ 12,228,446	\$ 3,673	\$ 0	\$ 169,000	\$ 0	\$ 25,000

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Health Department	Drug Control	Sports and Recreation
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 1,629	\$ 0	\$ 0	\$ 0	\$ 0	0
Animal Registration	22,539	0	0	0	0	0
Cable TV Franchise	384,300	0	0	0	0	0
<u>Permits</u>						
Beer Permits	2,060	0	0	0	0	0
Building Permits	124,438	0	0	0	0	0
Electrical Permits	59,095	0	0	0	0	0
Other Permits	11,505	0	0	0	0	0
Total Licenses and Permits	\$ 605,566	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 6,830	\$ 0	\$ 0	\$ 0	\$ 0	0
Drug Control Fines	0	0	0	0	7,154	0
Drug Court Fees	3,253	0	0	0	0	0
Jail Fees	2,558	0	0	0	0	0
Judicial Commissioner Fees	669	0	0	0	0	0
DUI Treatment Fines	1,140	0	0	0	0	0
Data Entry Fee - Circuit Court	1,160	0	0	0	0	0
Courtroom Security Fee	389	0	0	0	0	0
<u>Criminal Court</u>						
Fines	65,560	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	92,178	0	0	0	0	0
Officers Costs	46,441	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Health Department	Drug Control	Sports and Recreation
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>General Sessions Court (Cont.)</u>						
Drug Control Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,767	\$ 0
Drug Court Fees	7,577	0	0	0	0	0
Jail Fees	8,395	0	0	0	0	0
Judicial Commissioner Fees	350	0	0	0	0	0
DUI Treatment Fines	9,284	0	0	0	0	0
Data Entry Fee - General Sessions Court	16,908	0	0	0	0	0
Courtroom Security Fee	520	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	543	0	0	0	0	0
Jail Fees	418	0	0	0	0	0
Data Entry Fee - Juvenile Court	1,745	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	3,449	0	0	0	0	0
Data Entry Fee - Chancery Court	4,613	0	0	0	0	0
Courtroom Security Fee	176	0	0	0	0	0
<u>Other Courts - In-county</u>						
Jail Fees	142	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	176	0	0	0	14,102	0
Other Fines, Forfeitures, and Penalties	760	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 275,234	\$ 0	\$ 0	\$ 0	\$ 23,023	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Transfer Waste Stations Collection Charge	\$ 0	\$ 0	\$ 992,721	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Health Department	Drug Control	Sports and Recreation
<u>Charges for Current Services (Cont.)</u>						
<u>General Service Charges (Cont.)</u>						
Tipping Fees	\$ 0	\$ 0	\$ 65,045	\$ 0	\$ 0	\$ 0
Patient Charges	13,049	0	0	0	0	0
Work Release Charges for Board	2,255	0	0	0	0	0
<u>Fees</u>						
Copy Fees	5,116	0	0	0	0	0
Archives and Records Management Fee	118,031	0	0	0	0	0
Telephone Commissions	82,359	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	0
Data Processing Fee - Register	15,364	0	0	0	0	0
Data Processing Fee - Sheriff	10,006	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	5,850	0	0	0	0	0
Data Processing Fee - County Clerk	6,086	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	1,285	0	0	0	0	0
Total Charges for Current Services	\$ 259,401	\$ 0	\$ 1,057,766	\$ 0	\$ 0	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 614,720	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	9,682	0	0	0	0	0
Sale of Materials and Supplies	38	0	0	0	0	0
Commissary Sales	27,802	0	0	0	0	0
Sale of Gasoline	0	0	0	0	0	0
Sale of Recycled Materials	197	0	95,755	0	0	0
Sale of Animals/Livestock	2,455	0	0	0	0	0
Miscellaneous Refunds	213,135	0	32,625	0	190	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Health Department	Drug Control	Sports and Recreation
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items</u>						
Sale of Equipment	\$ 20,543	\$ 0	\$ 0	\$ 0	\$ 1,000	\$ 0
Damages Recovered from Individuals	640	0	0	0	0	0
Contributions and Gifts	252,191	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	2,012	0	0	0	0	2,982
Total Other Local Revenues	<u>\$ 1,143,415</u>	<u>\$ 0</u>	<u>\$ 128,380</u>	<u>\$ 0</u>	<u>\$ 1,190</u>	<u>\$ 2,982</u>
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 491,899	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	157,900	0	0	0	0	0
General Sessions Court Clerk	361,141	0	0	0	0	0
Clerk and Master	168,764	0	0	0	0	0
Register	202,551	0	0	0	0	0
Sheriff	15,664	0	0	0	0	0
Trustee	726,598	0	0	0	0	0
Total Fees Received From County Officials	<u>\$ 2,124,517</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	32,400	0	0	0	0	0
Other Public Safety Grants	54,799	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	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	\$ 449,480	\$ 0	\$ 0	\$ 0	\$ 0	0
Other Health and Welfare Grants	221,034	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	18,819	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	68,759	0	0	0	0	0
Beer Tax	17,959	0	0	0	0	0
Vehicle Certificate of Title Fees	8,037	0	0	0	0	0
Alcoholic Beverage Tax	104,613	0	0	0	0	0
State Revenue Sharing - T.V.A.	0	0	0	0	0	0
State Revenue Sharing - Telecommunications	65,472	0	0	0	0	0
Emergency Hospital - Prisoners	32,945	0	0	0	0	0
Contracted Prisoner Boarding	663,092	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	8,295	0	0	0	0	0
Other State Grants	15,000	0	0	0	0	0
Other State Revenues	1,288	0	28,330	0	0	0
Total State of Tennessee	\$ 1,786,156	\$ 0	\$ 28,330	\$ 0	\$ 0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Solid Waste / Sanitation	Health Department	Drug Control	Sports and Recreation
<u>Federal Government</u>						
<u>Federal Through State</u>						
Civil Defense Reimbursement	\$ 41,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Law Enforcement Grants	6,460	0	0	0	0	0
Other Federal through State	36,560	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Police Service (Lake Area)	14,028	0	0	0	0	0
Forest Service	18,372	0	0	0	0	0
Other Direct Federal Revenue	130,290	0	0	0	0	0
Total Federal Government	<u>\$ 247,210</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	\$ 1,015,767	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	135,476	0	0	0	0	0
Contracted Services	614,292	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	14,801	0	0	0	3,622	0
Total Other Governments and Citizens Groups	<u>\$ 1,780,336</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,622</u>	<u>\$ 0</u>
Total	<u>\$ 20,450,281</u>	<u>\$ 3,673</u>	<u>\$ 1,214,476</u>	<u>\$ 169,000</u>	<u>\$ 27,835</u>	<u>\$ 27,982</u>

(Continued)

Exhibit J-5

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

	Special Revenue Funds		Debt Service Fund		
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service		Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 0	\$ 1,040,253	\$ 1,135,007	\$	11,751,323
Trustee's Collections - Prior Year	0	32,152	51,589		325,391
Circuit Clerk/Clerk and Master Collections - Prior Years	0	8,044	13,487		81,467
Interest and Penalty	0	8,994	13,887		92,316
Payments in-Lieu-of Taxes - T.V.A.	0	1,575	1,934		17,285
Payments in-Lieu-of Taxes - Local Utilities	0	19,627	21,420		221,770
Payments in-Lieu-of Taxes - Other	0	344	375		3,882
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0		1,118,743
Hotel/Motel Tax	0	0	0		130,835
Litigation Tax - General	0	0	0		114,503
Litigation Tax - Special Purpose	0	0	0		9,738
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0		64,775
Litigation Tax - Courthouse Security	0	0	0		121,623
Business Tax	0	0	0		383,542
Mixed Drink Tax	0	0	0		2,772
Mineral Severance Tax	0	83,642	0		83,642
Other County Local Option Taxes	0	0	0		115,012
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	7,166	7,821		80,974
Beer Privilege Tax	0	0	0		153,843
Total Local Taxes	\$ 0	\$ 1,201,797	\$ 1,245,520	\$	14,873,436

(Continued)

Exhibit J-5

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

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>		
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service		Total
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$	1,629
Animal Registration	0	0	0		22,539
Cable TV Franchise	0	0	0		384,300
<u>Permits</u>					
Beer Permits	0	0	0		2,060
Building Permits	0	0	0		124,438
Electrical Permits	0	0	0		59,095
Other Permits	0	100	0		11,605
Total Licenses and Permits	\$ 0	\$ 100	\$ 0	\$	605,666
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$	6,830
Drug Control Fines	0	0	0		7,154
Drug Court Fees	0	0	0		3,253
Jail Fees	0	0	0		2,558
Judicial Commissioner Fees	0	0	0		669
DUI Treatment Fines	0	0	0		1,140
Data Entry Fee - Circuit Court	0	0	0		1,160
Courtroom Security Fee	0	0	0		389
<u>Criminal Court</u>					
Fines	0	0	0		65,560
<u>General Sessions Court</u>					
Fines	0	0	0		92,178
Officers Costs	0	0	0		46,441

(Continued)

Exhibit J-5

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

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>		
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service		Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>General Sessions Court (Cont.)</u>					
Drug Control Fines	\$ 0	\$ 0	\$ 0	\$	1,767
Drug Court Fees	0	0	0		7,577
Jail Fees	0	0	0		8,395
Judicial Commissioner Fees	0	0	0		350
DUI Treatment Fines	0	0	0		9,284
Data Entry Fee - General Sessions Court	0	0	0		16,908
Courtroom Security Fee	0	0	0		520
<u>Juvenile Court</u>					
Fines	0	0	0		543
Jail Fees	0	0	0		418
Data Entry Fee - Juvenile Court	0	0	0		1,745
<u>Chancery Court</u>					
Officers Costs	0	0	0		3,449
Data Entry Fee - Chancery Court	0	0	0		4,613
Courtroom Security Fee	0	0	0		176
<u>Other Courts - In-county</u>					
Jail Fees	0	0	0		142
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0		14,278
Other Fines, Forfeitures, and Penalties	0	0	0		760
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$	298,257
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Transfer Waste Stations Collection Charge	\$ 0	\$ 0	\$ 0	\$	992,721

(Continued)

Exhibit J-5

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

	Special Revenue Funds		Debt Service Fund		
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service		Total
<u>Charges for Current Services (Cont.)</u>					
<u>General Service Charges (Cont.)</u>					
Tipping Fees	\$ 0	\$ 0	\$ 0	\$	65,045
Patient Charges	0	0	0		13,049
Work Release Charges for Board	0	0	0		2,255
<u>Fees</u>					
Copy Fees	0	0	0		5,116
Archives and Records Management Fee	0	0	0		118,031
Telephone Commissions	0	0	0		82,359
Constitutional Officers' Fees and Commissions	204	0	0		204
Special Commissioner Fees/Special Master Fees	5,685	0	0		5,685
Data Processing Fee - Register	0	0	0		15,364
Data Processing Fee - Sheriff	0	0	0		10,006
Sexual Offender Registration Fee - Sheriff	0	0	0		5,850
Data Processing Fee - County Clerk	0	0	0		6,086
Vehicle Insurance Coverage and Reinstatement Fees	0	0	0		1,285
Total Charges for Current Services	\$ 5,889	\$ 0	\$ 0	\$	1,323,056
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 179	\$ 0	\$ 60,000	\$	674,899
Lease/Rentals	0	0	0		9,682
Sale of Materials and Supplies	0	0	0		38
Commissary Sales	0	0	0		27,802
Sale of Gasoline	0	202,663	0		202,663
Sale of Recycled Materials	0	1,326	0		97,278
Sale of Animals/Livestock	0	0	0		2,455
Miscellaneous Refunds	0	5,249	0		251,199

(Continued)

Exhibit J-5

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

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>		
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service		Total
<u>Other Local Revenues (Cont.)</u>					
<u>Nonrecurring Items</u>					
Sale of Equipment	\$ 0	\$ 0	\$ 0	\$	21,543
Damages Recovered from Individuals	0	976	0		1,616
Contributions and Gifts	0	150	0		252,341
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0		4,994
Total Other Local Revenues	\$ 179	\$ 210,364	\$ 60,000	\$	1,546,510
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$	491,899
Circuit Court Clerk	0	0	0		157,900
General Sessions Court Clerk	0	0	0		361,141
Clerk and Master	0	0	0		168,764
Register	0	0	0		202,551
Sheriff	0	0	0		15,664
Trustee	0	0	0		726,598
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$	2,124,517
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$	9,000
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0		32,400
Other Public Safety Grants	0	0	0		54,799

(Continued)

Exhibit J-5

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

	Special Revenue Funds		Debt Service Fund		
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service		Total
<u>State of Tennessee (Cont.)</u>					
<u>Health and Welfare Grants</u>					
Health Department Programs	\$ 0	\$ 0	\$ 0	\$	449,480
Other Health and Welfare Grants	0	0	0		221,034
<u>Public Works Grants</u>					
Bridge Program	0	206,491	0		206,491
State Aid Program	0	205,958	0		205,958
Litter Program	0	0	0		18,819
<u>Other State Revenues</u>					
Income Tax	0	0	0		68,759
Beer Tax	0	0	0		17,959
Vehicle Certificate of Title Fees	0	0	0		8,037
Alcoholic Beverage Tax	0	0	0		104,613
State Revenue Sharing - T.V.A.	0	50,138	41,342		91,480
State Revenue Sharing - Telecommunications	0	0	0		65,472
Emergency Hospital - Prisoners	0	0	0		32,945
Contracted Prisoner Boarding	0	0	0		663,092
Gasoline and Motor Fuel Tax	0	2,475,234	0		2,475,234
Petroleum Special Tax	0	41,434	0		41,434
Registrar's Salary Supplement	0	0	0		15,164
State Shared Sales Tax - Cities	0	0	0		8,295
Other State Grants	0	0	0		15,000
Other State Revenues	0	0	0		29,618
Total State of Tennessee	\$ 0	\$ 2,979,255	\$ 41,342	\$	4,835,083

(Continued)

Exhibit J-5

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

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>		
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service		Total
<u>Federal Government</u>					
<u>Federal Through State</u>					
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$	41,500
Law Enforcement Grants	0	0	0		6,460
Other Federal through State	0	0	0		36,560
<u>Direct Federal Revenue</u>					
Police Service (Lake Area)	0	0	0		14,028
Forest Service	0	26,027	0		44,399
Other Direct Federal Revenue	0	0	0		130,290
Total Federal Government	\$ 0	\$ 26,027	\$ 0	\$	273,237
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 0	\$ 0	\$ 0	\$	1,015,767
Contributions	0	0	0		135,476
Contracted Services	0	33,558	0		647,850
<u>Citizens Groups</u>					
Donations	0	0	0		18,423
Total Other Governments and Citizens Groups	\$ 0	\$ 33,558	\$ 0	\$	1,817,516
Total	\$ 6,068	\$ 4,451,101	\$ 1,346,862	\$	27,697,278

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, 2019

	Special Revenue Funds					
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Total	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 5,856,667	\$ 0	\$ 0	\$ 0	\$ 5,856,667	
Trustee's Collections - Prior Year	174,486	0	0	0	174,486	
Circuit Clerk/Clerk and Master Collections - Prior Years	43,178	0	0	0	43,178	
Interest and Penalty	49,010	0	0	0	49,010	
Payments in-Lieu-of Taxes - T.V.A.	13,529	0	0	0	13,529	
Payments in-Lieu-of Taxes - Local Utilities	110,496	0	0	0	110,496	
Payments in-Lieu-of Taxes - Other	1,934	0	0	0	1,934	
<u>County Local Option Taxes</u>						
Local Option Sales Tax	4,520,581	0	0	0	4,520,581	
Mixed Drink Tax	1,798	0	0	0	1,798	
<u>Statutory Local Taxes</u>						
Bank Excise Tax	40,349	0	0	0	40,349	
Total Local Taxes	\$ 10,812,028	\$ 0	\$ 0	\$ 0	\$ 10,812,028	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 1,092	\$ 0	\$ 0	\$ 0	\$ 1,092	
Total Licenses and Permits	\$ 1,092	\$ 0	\$ 0	\$ 0	\$ 1,092	
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Lunch Payments - Children	\$ 0	\$ 0	\$ 131,105	\$ 0	\$ 131,105	
Lunch Payments - Adults	0	0	70,118	0	70,118	
Income from Breakfast	0	0	78,155	0	78,155	

(Continued)

Exhibit J-6

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

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Total
<u>Charges for Current Services (Cont.)</u>					
<u>Education Charges (Cont.)</u>					
Special Milk Sales	\$ 0	\$ 0	\$ 229	\$ 0	\$ 229
A la Carte Sales	0	0	76,339	0	76,339
Contract for Instructional Services with Other LEA's	11,400	0	0	0	11,400
Receipts from Individual Schools	65,157	0	0	0	65,157
Community Service Fees - Children	165,424	0	0	0	165,424
Other Charges for Services	0	0	127,143	0	127,143
Total Charges for Current Services	\$ 241,981	\$ 0	\$ 483,089	\$ 0	\$ 725,070
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 90,077	\$ 0	\$ 70,834	\$ 0	\$ 160,911
Lease/Rentals	9,491	0	0	0	9,491
Sale of Recycled Materials	384	0	0	0	384
Commodity Rebates	0	0	11,052	0	11,052
Miscellaneous Refunds	36,078	0	5,902	0	41,980
<u>Nonrecurring Items</u>					
Sale of Equipment	13,385	0	250	0	13,635
Damages Recovered from Individuals	290	0	0	0	290
Contributions and Gifts	73,282	0	0	0	73,282
Total Other Local Revenues	\$ 222,987	\$ 0	\$ 88,038	\$ 0	\$ 311,025
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 243,847	\$ 0	\$ 0	\$ 0	\$ 243,847

(Continued)

Exhibit J-6

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

	Special Revenue Funds				Total
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds</u>					
Basic Education Program	\$ 30,221,197	\$ 0	\$ 0	\$ 0	\$ 30,221,197
Early Childhood Education	305,956	0	0	0	305,956
School Food Service	0	0	29,019	0	29,019
Driver Education	16,691	0	0	0	16,691
Other State Education Funds	309,092	0	0	0	309,092
Coordinated School Health	99,902	0	0	0	99,902
Family Resource Centers	29,612	0	0	0	29,612
Career Ladder Program	156,309	0	0	0	156,309
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	788,129	0	0	0	788,129
Other State Grants	118,985	0	0	0	118,985
Safe Schools	60,300	0	0	0	60,300
Other State Revenues	22,919	0	0	0	22,919
Total State of Tennessee	\$ 32,372,939	\$ 0	\$ 29,019	\$ 0	\$ 32,401,958
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,871,702	\$ 0	\$ 1,871,702
USDA - Commodities	0	0	221,477	0	221,477
Breakfast	0	0	688,384	0	688,384
USDA - Other	33,190	0	0	111,233	144,423
Vocational Education - Basic Grants to States	0	116,442	0	0	116,442
Other Vocational	0	84,313	0	0	84,313
Title I Grants to Local Education Agencies	0	2,003,093	0	0	2,003,093

(Continued)

Exhibit J-6

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

	Special Revenue Funds					
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Total	
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Special Education - Grants to States	\$ 120,725	\$ 1,693,931	\$ 0	\$ 0	\$ 1,814,656	
Special Education Preschool Grants	0	86,262	0	0	86,262	
English Language Acquisition Grants	0	3,966	0	0	3,966	
Eisenhower Professional Development State Grants	0	311,215	0	0	311,215	
Other Federal through State	115,658	47,630	0	0	163,288	
<u>Direct Federal Revenue</u>						
Forest Service	78,081	0	0	0	78,081	
Total Federal Government	\$ 347,654	\$ 4,346,852	\$ 2,781,563	\$ 111,233	\$ 7,587,302	
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contracted Services	\$ 0	\$ 0	\$ 0	\$ 1,176,387	\$ 1,176,387	
<u>Citizens Groups</u>						
Donations	61,298	0	0	0	61,298	
Total Other Governments and Citizens Groups	\$ 61,298	\$ 0	\$ 0	\$ 1,176,387	\$ 1,237,685	
Total	\$ 44,059,979	\$ 4,346,852	\$ 3,381,709	\$ 1,287,620	\$ 53,076,160	

Exhibit J-7

Carter County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2019

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	56,945	
Social Security		3,361	
Pensions		5,479	
Employer Medicare		827	
Audit Services		21,821	
Dues and Memberships		5,852	
Legal Notices, Recording, and Court Costs		885	
Postal Charges		43	
Printing, Stationery, and Forms		192	
Travel		7,029	
Other Contracted Services		11,580	
Software		953	
Other Supplies and Materials		308	
In Service/Staff Development		125	
Other Charges		83	
Communication Equipment		41,717	
Total County Commission			\$ 157,200

Board of Equalization

Board and Committee Members Fees	\$	4,100	
Social Security		254	
Employer Medicare		59	
Other Supplies and Materials		95	
Total Board of Equalization			4,508

County Mayor/Executive

County Official/Administrative Officer	\$	105,128
Secretary(ies)		27,077
Part-time Personnel		2,950
Other Salaries and Wages		11,709
Social Security		9,243
Pensions		21,429
Life Insurance		66
Medical Insurance		15,081
Dental Insurance		431
Unemployment Compensation		131
Employer Medicare		2,162
Communication		164
Legal Notices, Recording, and Court Costs		121
Postal Charges		100
Rentals		1,679
Travel		1,289
Library Books/Media		200
Office Supplies		693
Periodicals		96
Other Supplies and Materials		424
Access Fees		25

(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.)

Tax Relief Program	\$	60,316	
Other Charges		210	
Furniture and Fixtures		423	
Office Equipment		402	
Total County Mayor/Executive			\$ 261,549

County Attorney

Other Salaries and Wages	\$	650	
Social Security		40	
Pensions		97	
Employer Medicare		9	
Legal Services		61,960	
Total County Attorney			62,756

Election Commission

Supervisor/Director	\$	77,009	
Deputy(ies)		30,785	
Data Processing Personnel		24,802	
Other Salaries and Wages		9,493	
Board and Committee Members Fees		13,157	
Election Workers		70,963	
Social Security		11,449	
Pensions		19,810	
Life Insurance		108	
Medical Insurance		25,591	
Dental Insurance		706	
Unemployment Compensation		114	
Employer Medicare		2,677	
Legal Notices, Recording, and Court Costs		7,575	
Maintenance Agreements		18,145	
Postal Charges		4,741	
Rentals		6,253	
Travel		7,649	
Office Supplies		3,988	
Periodicals		96	
Software		1,599	
Other Supplies and Materials		22,878	
In Service/Staff Development		2,150	
Data Processing Equipment		4,980	
Office Equipment		5,490	
Total Election Commission			372,208

Register of Deeds

County Official/Administrative Officer	\$	85,566	
Deputy(ies)		78,763	
Social Security		10,255	
Pensions		24,668	

(Continued)

Exhibit J-7

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

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

Life Insurance	\$	138	
Medical Insurance		24,677	
Dental Insurance		902	
Unemployment Compensation		274	
Employer Medicare		2,398	
Bank Charges		138	
Communication		95	
Data Processing Services		11,511	
Dues and Memberships		837	
Maintenance and Repair Services - Office Equipment		129	
Rentals		1,664	
Travel		1,491	
Office Supplies		5,254	
Other Supplies and Materials		704	
In Service/Staff Development		300	
Data Processing Equipment		1,575	
Office Equipment		182	
Total Register of Deeds			\$ 251,521

Planning

Supervisor/Director	\$	47,647
Data Processing Personnel		20,778
Foremen		30,859
Clerical Personnel		4,482
Other Salaries and Wages		50,907
Board and Committee Members Fees		3,450
Social Security		8,749
Pensions		20,389
Life Insurance		159
Medical Insurance		29,933
Dental Insurance		1,039
Unemployment Compensation		298
Employer Medicare		2,047
Advertising		20
Communication		345
Contracts with Government Agencies		14,100
Legal Notices, Recording, and Court Costs		69
Maintenance Agreements		2,000
Maintenance and Repair Services - Office Equipment		82
Maintenance and Repair Services - Vehicles		260
Postal Charges		237
Rentals		1,919
Travel		1,180
Remittance of Revenue Collected		63,218
Permits		70
Penalties		630
Gasoline		1,703

(Continued)

Exhibit J-7

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

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

Office Supplies	\$	662	
In Service/Staff Development		634	
Other Charges		42	
Motor Vehicles		50,464	
Total Planning			\$ 358,372

County Buildings

Custodial Personnel	\$	47,057	
Social Security		2,774	
Pensions		6,797	
Life Insurance		66	
Medical Insurance		15,081	
Dental Insurance		431	
Unemployment Compensation		121	
Employer Medicare		649	
Architects		18,816	
Communication		62,327	
Evaluation and Testing		4,425	
Maintenance and Repair Services - Buildings		54,232	
Maintenance and Repair Services - Equipment		43,080	
Maintenance and Repair Services - Vehicles		528	
Pest Control		5,244	
Disposal Fees		1,284	
Permits		20	
Other Contracted Services		9,399	
Custodial Supplies		11,660	
Electricity		221,159	
Equipment and Machinery Parts		116	
Gasoline		569	
Natural Gas		41,950	
Tires and Tubes		387	
Water and Sewer		24,529	
Software		4,040	
Other Supplies and Materials		399	
Boiler Insurance		5,314	
Building and Contents Insurance		59,013	
Workers' Compensation Insurance		2,354	
Access Fees		400	
Other Charges		20,965	
Building Improvements		200,959	
Furniture and Fixtures		26,564	
Health Equipment		850	
Other Capital Outlay		226,169	
Total County Buildings			1,119,728

(Continued)

Exhibit J-7

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

General Fund (Cont.)FinanceAccounting and Budgeting

Supervisor/Director	\$	85,566	
Deputy(ies)		47,646	
Accountants/Bookkeepers		142,128	
Part-time Personnel		6,782	
Social Security		17,114	
Pensions		41,161	
Life Insurance		216	
Medical Insurance		37,549	
Dental Insurance		1,411	
Unemployment Compensation		378	
Employer Medicare		4,003	
Accounting Services		6,900	
Legal Notices, Recording, and Court Costs		2,984	
Maintenance Agreements		26,198	
Postal Charges		6,667	
Printing, Stationery, and Forms		579	
Rentals		959	
Travel		105	
Data Processing Supplies		3,003	
Office Supplies		5,044	
Fines, Assessments, and Penalties		260	
Other Charges		2,733	
Office Equipment		1,693	
Total Accounting and Budgeting			\$ 441,079

Property Assessor's Office

County Official/Administrative Officer	\$	85,566
Deputy(ies)		178,369
Social Security		15,198
Pensions		39,936
Life Insurance		252
Medical Insurance		73,034
Dental Insurance		1,646
Unemployment Compensation		336
Employer Medicare		3,554
Audit Services		6,975
Communication		787
Contracts with Government Agencies		10,589
Dues and Memberships		1,887
Legal Notices, Recording, and Court Costs		142
Maintenance Agreements		3,000
Maintenance and Repair Services - Vehicles		1,984
Postal Charges		2,200
Printing, Stationery, and Forms		166
Rentals		1,400
Gasoline		1,471
Office Supplies		2,242

(Continued)

Exhibit J-7

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

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

In Service/Staff Development	\$	30	
Office Equipment		389	
Total Property Assessor's Office			\$ 431,153

Reappraisal Program

Deputy(ies)	\$	54,182	
Part-time Personnel		1,495	
Social Security		3,407	
Pensions		7,579	
Life Insurance		60	
Medical Insurance		14,624	
Dental Insurance		392	
Unemployment Compensation		131	
Employer Medicare		797	
Communication		600	
Data Processing Services		6,245	
Postal Charges		43	
Gasoline		1,471	
Office Supplies		1,593	
Office Equipment		345	
Total Reappraisal Program			92,964

County Trustee's Office

County Official/Administrative Officer	\$	85,566	
Deputy(ies)		108,306	
Clerical Personnel		16,931	
Bonus Payments		1,010	
Social Security		13,200	
Pensions		32,149	
Life Insurance		216	
Medical Insurance		45,699	
Dental Insurance		1,411	
Unemployment Compensation		276	
Employer Medicare		3,087	
Contracts with Government Agencies		21,053	
Dues and Memberships		837	
Legal Notices, Recording, and Court Costs		248	
Maintenance Agreements		12,464	
Postal Charges		2,135	
Rentals		1,467	
Travel		6	
Office Supplies		2,915	
Office Equipment		151	
Total County Trustee's Office			349,127

County Clerk's Office

County Official/Administrative Officer	\$	85,566
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(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.)

Deputy(ies)	\$	173,444	
Part-time Personnel		5,773	
Bonus Payments		5,034	
Social Security		16,148	
Pensions		39,403	
Life Insurance		285	
Medical Insurance		69,005	
Dental Insurance		1,862	
Unemployment Compensation		537	
Employer Medicare		3,883	
Communication		1,260	
Dues and Memberships		877	
Maintenance Agreements		21,410	
Maintenance and Repair Services - Equipment		95	
Postal Charges		13,369	
Printing, Stationery, and Forms		922	
Rentals		4,274	
Travel		667	
Office Supplies		6,650	
Other Supplies and Materials		215	
In Service/Staff Development		150	
Total County Clerk's Office			\$ 450,829

Administration of JusticeCircuit Court

County Official/Administrative Officer	\$	85,566	
Clerical Personnel		314,327	
Part-time Personnel		80,723	
Social Security		29,524	
Pensions		60,292	
Life Insurance		417	
Medical Insurance		99,700	
Dental Insurance		2,724	
Unemployment Compensation		1,058	
Employer Medicare		6,910	
Dues and Memberships		1,212	
Legal Notices, Recording, and Court Costs		63	
Maintenance Agreements		14,400	
Postal Charges		5,156	
Printing, Stationery, and Forms		357	
Rentals		6,882	
Travel		2,812	
Permits		93	
Office Supplies		8,680	
Other Supplies and Materials		167	
In Service/Staff Development		220	
Furniture and Fixtures		1,275	
Office Equipment		4,555	
Total Circuit Court			727,113

(Continued)

Exhibit J-7

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

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

Judge(s)	\$	167,026	
Secretary(ies)		25,911	
Social Security		10,078	
Pensions		29,611	
Life Insurance		69	
Medical Insurance		8,226	
Dental Insurance		235	
Unemployment Compensation		63	
Employer Medicare		2,871	
Communication		441	
Dues and Memberships		857	
Maintenance Agreements		350	
Maintenance and Repair Services - Equipment		850	
Medical and Dental Services		8,550	
Postal Charges		143	
Travel		1,418	
Library Books/Media		562	
Office Supplies		925	
Office Equipment		1,060	
Total General Sessions Court			\$ 259,246

Drug Court

Remittance of Revenue Collected	\$	13,149	
Total Drug Court			13,149

Chancery Court

County Official/Administrative Officer	\$	85,566	
Clerical Personnel		131,314	
Social Security		13,435	
Pensions		32,644	
Life Insurance		174	
Medical Insurance		51,335	
Dental Insurance		1,137	
Unemployment Compensation		192	
Employer Medicare		3,142	
Dues and Memberships		997	
Maintenance Agreements		19,707	
Postal Charges		4,165	
Rentals		2,009	
Travel		137	
Office Supplies		6,234	
Periodicals		66	
Total Chancery Court			352,254

Other Administration of Justice

Jury and Witness Expense	\$	6,258	
Legal Notices, Recording, and Court Costs		63	

(Continued)

Exhibit J-7

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

General Fund (Cont.)Administration of Justice (Cont.)Other Administration of Justice (Cont.)

Maintenance and Repair Services - Vehicles	\$	300	
Medical and Dental Services		400	
Postal Charges		1,068	
Printing, Stationery, and Forms		415	
Other Charges		519	
Total Other Administration of Justice			\$ 9,023

Courtroom Security

Freight Expenses	\$	50	
Other Equipment		61,787	
Total Courtroom Security			61,837

Public SafetySheriff's Department

County Official/Administrative Officer	\$	100,122	
Deputy(ies)		1,195,945	
Investigator(s)		391,525	
Accountants/Bookkeepers		33,876	
Dispatchers/Radio Operators		158,344	
Clerical Personnel		81,723	
Part-time Personnel		163,918	
School Resource Officer		406,263	
Overtime Pay		232,768	
In-service Training		20,630	
Social Security		167,451	
Pensions		383,602	
Life Insurance		1,063	
Medical Insurance		488,041	
Dental Insurance		14,538	
Unemployment Compensation		4,555	
Employer Medicare		39,294	
Advertising		1,982	
Communication		34,306	
Confidential Drug Enforcement Payments		1,500	
Dues and Memberships		3,100	
Evaluation and Testing		3,612	
Maintenance Agreements		15,648	
Maintenance and Repair Services - Buildings		618	
Maintenance and Repair Services - Equipment		7,798	
Maintenance and Repair Services - Vehicles		76,401	
Medical and Dental Services		9,005	
Postal Charges		3,226	
Printing, Stationery, and Forms		1,800	
Rentals		22,954	
Towing Services		3,100	
Transportation - Other than Students		6,843	
Travel		29,449	

(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.)

Disposal Fees	\$	1,070	
Other Contracted Services		4,167	
Gasoline		146,426	
Law Enforcement Supplies		3,910	
Office Supplies		13,028	
Tires and Tubes		13,534	
Uniforms		30,074	
Vehicle Parts		34,644	
Software		799	
Other Supplies and Materials		389	
Liability Insurance		10,721	
Premiums on Corporate Surety Bonds		81	
Vehicle and Equipment Insurance		32,164	
Workers' Compensation Insurance		54,045	
In Service/Staff Development		4,225	
Other Charges		1,182	
Building Improvements		86,712	
Law Enforcement Equipment		141,581	
Motor Vehicles		153,826	
Office Equipment		13,950	
Other Capital Outlay		1,500	
Total Sheriff's Department			\$ 4,853,028

Jail

Guards	\$	1,407,488
Cafeteria Personnel		80,603
Maintenance Personnel		88,687
Part-time Personnel		26,693
Overtime Pay		211,895
In-service Training		800
Social Security		110,445
Pensions		262,609
Life Insurance		743
Medical Insurance		371,219
Dental Insurance		12,230
Unemployment Compensation		4,180
Employer Medicare		25,830
Contracts with Government Agencies		3,350
Maintenance and Repair Services - Buildings		39,999
Maintenance and Repair Services - Equipment		32,478
Medical and Dental Services		634,804
Printing, Stationery, and Forms		173
Other Contracted Services		661
Custodial Supplies		36,963
Equipment and Machinery Parts		193
Food Supplies		339,447
Law Enforcement Supplies		3,508

(Continued)

Exhibit J-7

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

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

Prisoners Clothing	\$	13,774	
Propane Gas		36	
Uniforms		22,466	
Other Supplies and Materials		337	
Liability Insurance		10,221	
Workers' Compensation Insurance		53,545	
In Service/Staff Development		1,000	
Other Charges		4,188	
Law Enforcement Equipment		1,774	
Other Equipment		674	
Total Jail			\$ 3,803,013

Juvenile Services

Youth Service Officer(s)	\$	57,420	
Social Security		3,432	
Pensions		8,313	
Life Insurance		63	
Medical Insurance		14,395	
Dental Insurance		412	
Unemployment Compensation		124	
Employer Medicare		803	
Communication		313	
Contracts with Government Agencies		132,064	
Medical and Dental Services		105	
Travel		995	
Office Supplies		500	
Total Juvenile Services			218,939

Fire Prevention and Control

Contributions	\$	436,885	
Other Charges		910	
Total Fire Prevention and Control			437,795

Rescue Squad

Contributions	\$	72,000	
Other Charges		272,700	
Total Rescue Squad			344,700

Other Emergency Management

Supervisor/Director	\$	38,045	
Deputy(ies)		25,462	
In-service Training		1,019	
Social Security		3,937	
Pensions		9,488	
Life Insurance		72	
Medical Insurance		9,140	
Dental Insurance		470	

(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.)

Unemployment Compensation	\$	107	
Employer Medicare		921	
Communication		2,666	
Dues and Memberships		50	
Maintenance and Repair Services - Equipment		300	
Maintenance and Repair Services - Office Equipment		330	
Maintenance and Repair Services - Vehicles		482	
Postal Charges		18	
Printing, Stationery, and Forms		73	
Rentals		500	
Travel		783	
Other Contracted Services		19,495	
Gasoline		2,637	
Instructional Supplies and Materials		34	
Office Supplies		641	
Small Tools		800	
Uniforms		380	
Vehicle Parts		1,592	
Other Supplies and Materials		1,232	
Communication Equipment		139	
Motor Vehicles		18,878	
Office Equipment		450	
Other Equipment		4,876	
Total Other Emergency Management			\$ 145,017

Inspection and Regulation

Supervisor/Director	\$	3,000	
Social Security		186	
Pensions		448	
Unemployment Compensation		5	
Employer Medicare		44	
Office Equipment		1,399	
Total Inspection and Regulation			5,082

County Coroner/Medical Examiner

Other Per Diem and Fees	\$	10,900	
Social Security		676	
Unemployment Compensation		30	
Employer Medicare		158	
Communication		1,250	
Drugs and Medical Supplies		1,791	
Gasoline		312	
Other Supplies and Materials		398	
Total County Coroner/Medical Examiner			15,515

Other Public Safety

Board and Committee Members Fees	\$	2,950	
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(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 (Cont.)

Social Security	\$	83	
Pensions		105	
Unemployment Compensation		2	
Employer Medicare		19	
Total Other Public Safety			\$ 3,159

Public Health and WelfareLocal Health Center

Other Salaries and Wages	\$	280,197	
Social Security		16,967	
Pensions		41,507	
Life Insurance		384	
Medical Insurance		77,922	
Dental Insurance		2,313	
Unemployment Compensation		716	
Employer Medicare		3,968	
Travel		6,769	
Liability Insurance		6,900	
Total Local Health Center			437,643

Rabies and Animal Control

Supervisor/Director	\$	47,646	
Clerical Personnel		19,420	
Attendants		21,284	
Maintenance Personnel		41,907	
Temporary Personnel		10,924	
Part-time Personnel		19,571	
Bonus Payments		3,900	
Social Security		9,950	
Pensions		19,543	
Life Insurance		171	
Medical Insurance		39,986	
Dental Insurance		1,117	
Unemployment Compensation		513	
Employer Medicare		2,327	
Communication		2,011	
Licenses		16	
Maintenance and Repair Services - Buildings		7,290	
Maintenance and Repair Services - Equipment		429	
Maintenance and Repair Services - Vehicles		787	
Pest Control		100	
Postal Charges		26	
Rentals		3,227	
Veterinary Services		30,860	
Disposal Fees		491	
Other Contracted Services		350	
Animal Food and Supplies		8,813	

(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.)

Custodial Supplies	\$	15,437	
Drugs and Medical Supplies		35,894	
Electricity		11,645	
Gasoline		1,904	
Natural Gas		6,427	
Office Supplies		711	
Propane Gas		906	
Uniforms		260	
Water and Sewer		4,360	
Software		347	
Other Supplies and Materials		674	
Workers' Compensation Insurance		1,501	
Building Improvements		11,350	
Heating and Air Conditioning Equipment		30,250	
Other Capital Outlay		215,650	
Total Rabies and Animal Control			\$ 629,975

Ambulance/Emergency Medical Services

Other Contracted Services	\$	203,663	
Total Ambulance/Emergency Medical Services			203,663

Crippled Children Services

Contributions	\$	27,809	
Total Crippled Children Services			27,809

General Welfare Assistance

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

Other Local Welfare Services

Contributions	\$	5,000	
Pauper Burials		8,240	
Total Other Local Welfare Services			13,240

Other Public Health and Welfare

Other Salaries and Wages	\$	4,539	
Social Security		281	
Unemployment Compensation		14	
Employer Medicare		66	
Contributions		114,917	
Travel		338	
Other Contracted Services		1,679	
Other Supplies and Materials		2,123	
Other Charges		5,000	
Total Other Public Health and Welfare			128,957

(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	\$ 46,180	
Total Senior Citizens Assistance		\$ 46,180

Libraries

Contributions	\$ 65,600	
Total Libraries		65,600

Parks and Fair Boards

Contributions	\$ 37,000	
Total Parks and Fair Boards		37,000

Other Social, Cultural, and Recreational

Contributions	\$ 17,000	
Total Other Social, Cultural, and Recreational		17,000

Agriculture and Natural ResourcesAgricultural Extension Service

Other Salaries and Wages	\$ 70,430	
Other Fringe Benefits	29,799	
Communication	1,621	
Contributions	1,363	
Rentals	1,367	
Travel	1,605	
Electricity	2,187	
Gasoline	159	
Natural Gas	1,246	
Water and Sewer	544	
Other Charges	216	
Office Equipment	960	
Total Agricultural Extension Service		111,497

Other Agriculture and Natural Resources

Contracts with Government Agencies	\$ 21,000	
Contributions	1,000	
Total Other Agriculture and Natural Resources		22,000

Other OperationsTourism

Contributions	\$ 128,219	
Other Contracted Services	23,600	
Total Tourism		151,819

Industrial Development

Contributions	\$ 45,000	
Total Industrial Development		45,000

(Continued)

Exhibit J-7

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

General Fund (Cont.)Other Operations (Cont.)Other Economic and Community Development

Contributions	\$	53,262	
Matching Share		6,118	
Total Other Economic and Community Development			\$ 59,380

Veterans' Services

Supervisor/Director	\$	31,379	
Social Security		1,945	
Pensions		4,688	
Life Insurance		36	
Unemployment Compensation		56	
Employer Medicare		455	
Postal Charges		9	
Rentals		658	
Travel		288	
Other Contracted Services		449	
Office Supplies		273	
Total Veterans' Services			40,236

Miscellaneous

Postal Charges	\$	3,864	
Liability Insurance		52,627	
Trustee's Commission		243,447	
Vehicle and Equipment Insurance		5,361	
Workers' Compensation Insurance		9,462	
Other Charges		18,766	
Land		1,138	
Total Miscellaneous			334,665

HighwaysLitter and Trash Collection

Guards	\$	14,427	
Advertising		1,200	
Maintenance and Repair Services - Vehicles		2,548	
Travel		907	
Disposal Fees		1,928	
Instructional Supplies and Materials		13,914	
Prisoners Clothing		1,142	
Vehicle Parts		11,799	
Liability Insurance		500	
Workers' Compensation Insurance		500	
In Service/Staff Development		315	
Total Litter and Trash Collection			49,180

Total General Fund \$ 18,034,708

(Continued)

Exhibit J-7

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

Courthouse and Jail Maintenance FundOther OperationsMiscellaneous

Trustee's Commission

\$ 44

Total Miscellaneous

\$ 44

Total Courthouse and Jail Maintenance Fund

\$ 44

Solid Waste/Sanitation FundPublic Health and WelfareConvenience Centers

Attendants

\$ 15,762

Part-time Personnel

6,180

Overtime Pay

96

Social Security

1,914

Pensions

2,376

Life Insurance

9

Medical Insurance

9,265

Dental Insurance

59

Unemployment Compensation

118

Employer Medicare

448

Communication

595

Maintenance and Repair Services - Buildings

78

Rentals

2,546

Electricity

917

Equipment and Machinery Parts

50

Water and Sewer

289

Other Supplies and Materials

35

Total Convenience Centers

\$ 40,737

Recycling Center

Attendants

\$ 22,612

Part-time Personnel

5,422

Overtime Pay

1,747

Social Security

1,787

Pensions

3,639

Life Insurance

36

Medical Insurance

7,697

Dental Insurance

235

Unemployment Compensation

89

Employer Medicare

418

Communication

612

Maintenance and Repair Services - Buildings

1,195

Maintenance and Repair Services - Equipment

3,142

Rentals

546

Electricity

5,143

Equipment and Machinery Parts

398

Gasoline

558

Office Supplies

237

Propane Gas

1,020

(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.)Recycling Center (Cont.)

Small Tools	\$	85	
Wire		2,313	
Other Charges		1,775	
Office Equipment		400	
Total Recycling Center			\$ 61,106

Landfill Operation and Maintenance

Supervisor/Director	\$	48,676
Truck Drivers		17,124
Attendants		137,036
Temporary Personnel		5,202
Part-time Personnel		26,936
Overtime Pay		16,490
Social Security		14,661
Pensions		31,576
Life Insurance		233
Medical Insurance		52,808
Dental Insurance		1,588
Unemployment Compensation		718
Employer Medicare		3,429
Communication		3,679
Dues and Memberships		100
Evaluation and Testing		19,325
Maintenance and Repair Services - Buildings		9,502
Maintenance and Repair Services - Equipment		57,307
Maintenance and Repair Services - Vehicles		9,959
Pest Control		75
Postal Charges		501
Printing, Stationery, and Forms		1,041
Rentals		1,626
Travel		3,714
Disposal Fees		386,734
Permits		7,146
Crushed Stone		3,323
Custodial Supplies		405
Diesel Fuel		50,210
Electricity		4,186
Equipment Parts - Heavy		5,853
Equipment Parts - Light		1,910
Equipment and Machinery Parts		2,249
Garage Supplies		1,795
Gasoline		7,348
Lubricants		5,997
Office Supplies		2,963
Propane Gas		736
Small Tools		941
Tires and Tubes		19,937

(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.)

Uniforms	\$	3,126	
Vehicle Parts		1,764	
Water and Sewer		976	
Wire		10	
Chemicals		60	
Other Supplies and Materials		155	
Liability Insurance		4,053	
Vehicle and Equipment Insurance		2,144	
Workers' Compensation Insurance		16,312	
In Service/Staff Development		1,181	
Other Charges		3,577	
Solid Waste Equipment		159,105	
Other Capital Outlay		26,033	
Total Landfill Operation and Maintenance			\$ 1,183,535

Other OperationsMiscellaneous

Trustee's Commission	\$	10,506	
Total Miscellaneous			<u>10,506</u>

Total Solid Waste/Sanitation Fund \$ 1,295,884

Health Department FundGeneral GovernmentCounty Buildings

Building Improvements	\$	9,654	
Total County Buildings			\$ 9,654

Public Health and WelfareLocal Health Center

Communication	\$	8,115	
Contracts with Private Agencies		31,680	
Dues and Memberships		375	
Legal Notices, Recording, and Court Costs		7	
Maintenance and Repair Services - Buildings		11,314	
Pest Control		240	
Postal Charges		2,090	
Disposal Fees		3,407	
Custodial Supplies		3,039	
Electricity		23,330	
Natural Gas		4,425	
Office Supplies		1,774	
Uniforms		524	
Water and Sewer		3,148	
Other Supplies and Materials		2,311	
Liability Insurance		57	
Other Charges		181	
Total Local Health Center			<u>96,017</u>

Total Health Department Fund 105,671

(Continued)

Exhibit J-7

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

Drug Control FundPublic SafetySheriff's Department

In-service Training	\$	900	
Confidential Drug Enforcement Payments		13,000	
Travel		2,995	
Veterinary Services		1,829	
Animal Food and Supplies		5,323	
Drugs and Medical Supplies		150	
Other Supplies and Materials		2,171	
Other Charges		2,901	
Law Enforcement Equipment		7,900	
Motor Vehicles		1,206	
Total Sheriff's Department			\$ 38,375

Other OperationsMiscellaneous

Trustee's Commission	\$	123	
Total Miscellaneous			123

Total Drug Control Fund \$ 38,498

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

Contributions	\$	8,200	
Engineering Services		1,000	
Electricity		559	
Access Fees		40	
Other Charges		5,053	
Other Capital Outlay		14,700	
Total Parks and Fair Boards			\$ 29,552

Other OperationsMiscellaneous

Trustee's Commission	\$	30	
Total Miscellaneous			30

Total Sports and Recreation Fund 29,582

Constitutional Officers - Fees FundGeneral GovernmentRegister of Deeds

Bank Charges	\$	99	
Total Register of Deeds			\$ 99

FinanceCounty Clerk's Office

Bank Charges	\$	284	
Total County Clerk's Office			284

(Continued)

Exhibit J-7

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

Constitutional Officers - Fees Fund (Cont.)

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$ 5,685	
Total Chancery Court		\$ 5,685

Total Constitutional Officers - Fees Fund \$ 6,068

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 94,122	
Assistant(s)	47,646	
Secretary(ies)	69,211	
Maintenance Personnel	19,988	
Overtime Pay	3,324	
Social Security	13,495	
Pensions	35,012	
Life Insurance	174	
Medical Insurance	40,854	
Dental Insurance	1,137	
Unemployment Compensation	220	
Employer Medicare	3,156	
Accounting Services	34,400	
Dues and Memberships	3,929	
Evaluation and Testing	1,413	
Maintenance and Repair Services - Buildings	346	
Maintenance and Repair Services - Equipment	320	
Pest Control	460	
Printing, Stationery, and Forms	88	
Rentals	709	
Travel	573	
Disposal Fees	1,134	
Other Contracted Services	250	
Custodial Supplies	1,410	
Office Supplies	3,037	
Periodicals	120	
Other Supplies and Materials	24	
In Service/Staff Development	125	
Building Improvements	2,185	
Communication Equipment	331	
Office Equipment	135	
Total Administration		\$ 379,328

Highway and Bridge Maintenance

Foremen	\$ 100,956
Equipment Operators	83,104
Truck Drivers	320,497
Laborers	264,361
Part-time Personnel	49,429

(Continued)

Exhibit J-7

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

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

Overtime Pay	\$	47,765	
Social Security		52,619	
Pensions		117,538	
Life Insurance		806	
Medical Insurance		251,185	
Dental Insurance		6,178	
Unemployment Compensation		2,024	
Employer Medicare		12,306	
Maintenance and Repair Services - Equipment		400	
Rentals		588	
Other Contracted Services		883	
Asphalt - Hot Mix		402,331	
Asphalt - Liquid		2,376	
Concrete		1,755	
Crushed Stone		114,335	
Equipment Parts - Light		45	
Equipment and Machinery Parts		44	
Garage Supplies		76	
General Construction Materials		3,355	
Other Road Materials		68,186	
Pipe		17,190	
Pipe - Metal		28	
Propane Gas		117	
Road Signs		14,542	
Salt		38,006	
Small Tools		1,491	
Structural Steel		588	
Uniforms		33,837	
Vehicle Parts		21	
Chemicals		1,260	
Other Supplies and Materials		66	
Total Highway and Bridge Maintenance			\$ 2,010,288

Operation and Maintenance of Equipment

Mechanic(s)	\$	88,395	
Overtime Pay		1,672	
Social Security		5,393	
Pensions		13,456	
Life Insurance		108	
Medical Insurance		26,312	
Dental Insurance		706	
Unemployment Compensation		168	
Employer Medicare		1,261	
Freight Expenses		1,123	
Maintenance and Repair Services - Buildings		26	
Maintenance and Repair Services - Equipment		37,617	
Maintenance and Repair Services - Vehicles		5,380	

(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.)

Rentals	\$	1,741	
Towing Services		1,225	
Other Contracted Services		1,752	
Custodial Supplies		14	
Diesel Fuel		109,948	
Equipment Parts - Heavy		211	
Equipment Parts - Light		47	
Equipment and Machinery Parts		134,788	
Garage Supplies		12,027	
Gasoline		218,453	
Lubricants		5,088	
Small Tools		1,424	
Tires and Tubes		35,272	
Vehicle Parts		14,660	
Other Supplies and Materials		3,626	
Total Operation and Maintenance of Equipment			\$ 721,893

Other Charges

Communication	\$	7,762	
Electricity		11,716	
Natural Gas		4,385	
Water and Sewer		2,105	
Liability Insurance		18,368	
Trustee's Commission		48,713	
Vehicle and Equipment Insurance		13,938	
Other Charges		2,362	
Total Other Charges			109,349

Employee Benefits

Workers' Compensation Insurance	\$	110,179	
Total Employee Benefits			110,179

Capital Outlay

Engineering Services	\$	58,881	
Legal Notices, Recording, and Court Costs		110	
Bridge Construction		204,270	
Furniture and Fixtures		870	
Heating and Air Conditioning Equipment		2,739	
Highway Equipment		105,661	
Motor Vehicles		83,207	
Right-of-Way		9,500	
Other Capital Outlay		1	
Total Capital Outlay			465,239

Total Highway/Public Works Fund \$ 3,796,276

(Continued)

Exhibit J-7

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

General Debt Service FundPrincipal on DebtGeneral Government

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

Education

Principal on Notes	\$ 126,873	
Principal on Other Loans	158,000	
Total Education		284,873

Interest on DebtGeneral Government

Interest on Bonds	\$ 654,431	
Total General Government		654,431

Education

Interest on Notes	\$ 1,193	
Interest on Other Loans	32,952	
Total Education		34,145

Other Debt ServiceGeneral Government

Trustee's Commission	\$ 26,951	
Other Debt Service	183	
Total General Government		27,134

Education

Other Debt Service	\$ 12,214	
Total Education		12,214

Total General Debt Service Fund		\$ 2,012,797
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Total Governmental Funds - Primary Government		\$ 25,319,528
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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, 2019

General Purpose School FundInstructionRegular Instruction Program

Teachers	\$ 13,947,656	
Career Ladder Program	87,000	
Homebound Teachers	51,189	
Salary Supplements	118,965	
Educational Assistants	344,064	
Bonus Payments	85,850	
Certified Substitute Teachers	75,807	
Non-certified Substitute Teachers	263,643	
Social Security	883,406	
Pensions	1,436,622	
Life Insurance	7,120	
Medical Insurance	2,293,601	
Dental Insurance	88,413	
Employer Medicare	207,080	
Other Fringe Benefits	323,840	
Contracts with Private Agencies	7,716	
Payments to Schools - Other	19,650	
Other Contracted Services	4,357	
Instructional Supplies and Materials	368,010	
Office Supplies	708	
Textbooks - Bound	258,198	
Software	25,605	
Other Supplies and Materials	4,168	
In Service/Staff Development	17,673	
Other Charges	296	
Regular Instruction Equipment	115,203	
Total Regular Instruction Program		\$ 21,035,840

Alternative Instruction Program

Teachers	\$ 129,290	
Social Security	7,885	
Pensions	11,225	
Life Insurance	81	
Medical Insurance	20,087	
Dental Insurance	849	
Employer Medicare	1,844	
Instructional Supplies and Materials	969	
Office Supplies	285	
Other Supplies and Materials	564	
Other Charges	356	
Total Alternative Instruction Program		173,435

Special Education Program

Teachers	\$ 1,842,018	
Career Ladder Program	8,000	
Homebound Teachers	57,994	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)Instruction (Cont.)Special Education Program (Cont.)

Educational Assistants	\$	438,581	
Speech Pathologist		206,672	
Other Salaries and Wages		16,444	
Social Security		149,608	
Pensions		272,672	
Life Insurance		2,210	
Medical Insurance		570,306	
Dental Insurance		21,134	
Employer Medicare		34,988	
Maintenance and Repair Services - Equipment		1,396	
Penalties		28	
Instructional Supplies and Materials		24,976	
Office Supplies		1,370	
Other Supplies and Materials		10,105	
Other Charges		467	
Furniture and Fixtures		280	
Office Equipment		179	
Special Education Equipment		6,779	
Total Special Education Program			\$ 3,666,207

Career and Technical Education Program

Teachers	\$	970,908	
Career Ladder Program		1,000	
Educational Assistants		23,232	
Social Security		59,771	
Pensions		96,495	
Life Insurance		643	
Medical Insurance		147,817	
Dental Insurance		6,249	
Employer Medicare		13,979	
Data Processing Services		598	
Instructional Supplies and Materials		69,403	
Propane Gas		23	
Textbooks - Bound		3,411	
Software		1,099	
Office Equipment		189	
Vocational Instruction Equipment		75,452	
Total Career and Technical Education Program			1,470,269

Support ServicesHealth Services

Supervisor/Director	\$	44,619	
Medical Personnel		239,395	
Salary Supplements		4,897	
Other Salaries and Wages		18,000	
Certified Substitute Teachers		12,229	

(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.)Health Services (Cont.)

Social Security	\$	18,793	
Pensions		45,852	
Life Insurance		370	
Medical Insurance		83,025	
Dental Insurance		3,702	
Employer Medicare		4,395	
Licenses		200	
Travel		3,905	
Drugs and Medical Supplies		11,868	
Other Supplies and Materials		2,221	
Other Charges		1,000	
Office Equipment		200	
Total Health Services			\$ 494,671

Other Student Support

Career Ladder Program	\$	3,000	
Guidance Personnel		675,093	
Social Security		40,164	
Pensions		64,206	
Life Insurance		378	
Medical Insurance		84,680	
Dental Insurance		3,837	
Employer Medicare		9,393	
Contracts with Government Agencies		373,577	
Evaluation and Testing		13,224	
Other Supplies and Materials		2,925	
Other Equipment		118,985	
Total Other Student Support			1,389,462

Regular Instruction Program

Supervisor/Director	\$	265,992	
Career Ladder Program		9,000	
Librarians		591,473	
Secretary(ies)		5,153	
Other Salaries and Wages		64,286	
Social Security		55,533	
Pensions		97,028	
Life Insurance		450	
Medical Insurance		128,091	
Dental Insurance		4,564	
Employer Medicare		12,987	
Advertising		871	
Communication		1,181	
Maintenance and Repair Services - Equipment		48,062	
Rentals		3,605	
Travel		14,090	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)Support Services (Cont.)Regular Instruction Program (Cont.)

Penalties	\$	16	
Other Contracted Services		6,292	
Library Books/Media		85,396	
Office Supplies		198	
Textbooks - Bound		12	
Tires and Tubes		100	
Software		686	
Other Supplies and Materials		30,922	
In Service/Staff Development		35,603	
Other Charges		4,416	
Total Regular Instruction Program			\$ 1,466,007

Alternative Instruction Program

Supervisor/Director	\$	56,925	
Career Ladder Program		1,000	
Secretary(ies)		15,345	
Other Salaries and Wages		20,568	
Social Security		5,750	
Pensions		8,351	
Life Insurance		54	
Medical Insurance		12,868	
Dental Insurance		548	
Employer Medicare		1,345	
Total Alternative Instruction Program			122,754

Special Education Program

Supervisor/Director	\$	74,381	
Career Ladder Program		1,500	
Psychological Personnel		45,951	
Assessment Personnel		51,630	
Clerical Personnel		28,835	
Social Security		12,254	
Pensions		22,452	
Life Insurance		108	
Medical Insurance		29,838	
Dental Insurance		1,096	
Employer Medicare		2,866	
Communication		317	
Contracts with Private Agencies		38,393	
Maintenance and Repair Services - Equipment		4,551	
Travel		28,207	
Penalties		137	
Other Contracted Services		86,386	
Instructional Supplies and Materials		276	
Office Supplies		558	
Other Supplies and Materials		4,084	

(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.)

In Service/Staff Development	\$	18,145	
Other Charges		9,867	
Other Equipment		3,645	
Total Special Education Program			\$ 465,477

Career and Technical Education Program

Supervisor/Director	\$	67,581	
Career Ladder Program		1,000	
Salary Supplements		2,061	
Secretary(ies)		28,498	
Part-time Personnel		360	
Social Security		6,096	
Pensions		11,837	
Life Insurance		54	
Medical Insurance		13,498	
Dental Insurance		548	
Employer Medicare		1,426	
Dues and Memberships		1,001	
Maintenance and Repair Services - Equipment		8,455	
Rentals		9,250	
Travel		13,445	
Penalties		47	
Office Supplies		99	
In Service/Staff Development		165	
Other Charges		6,044	
Office Equipment		4,774	
Total Career and Technical Education Program			176,239

Technology

Data Processing Personnel	\$	206,532	
Social Security		12,140	
Pensions		30,856	
Life Insurance		135	
Medical Insurance		38,136	
Dental Insurance		1,370	
Employer Medicare		2,839	
Maintenance and Repair Services - Equipment		8,091	
Internet Connectivity		19,904	
Penalties		72	
Other Contracted Services		21,489	
Office Supplies		4,974	
Small Tools		30	
Software		16,502	
Other Supplies and Materials		10,669	
Regular Instruction Equipment		24,761	
Total Technology			398,500

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)Support Services (Cont.)Other Programs

Temporary Personnel	\$	21,926	
Social Security		1,359	
Pensions		157	
Employer Medicare		318	
On-behalf Payments to OPEB		243,847	
Total Other Programs			\$ 267,607

Board of Education

Board and Committee Members Fees	\$	9,850	
Social Security		536	
Pensions		852	
Employer Medicare		143	
Accounting Services		9,500	
Advertising		2,161	
Audit Services		22,500	
Dues and Memberships		12,111	
Evaluation and Testing		1,190	
Legal Services		13,378	
Maintenance Agreements		3,250	
Travel		17,595	
Boiler Insurance		10,544	
Building and Contents Insurance		195,386	
Liability Insurance		64,249	
Trustee's Commission		251,886	
Vehicle and Equipment Insurance		59,308	
Workers' Compensation Insurance		252,229	
In Service/Staff Development		6,915	
Access Fees		5,000	
Criminal Investigation of Applicants - TBI		19,245	
Other Charges		4,849	
Furniture and Fixtures		725	
Total Board of Education			963,402

Director of Schools

County Official/Administrative Officer	\$	97,000	
Salary Supplements		1,000	
Secretary(ies)		107,504	
Clerical Personnel		38,458	
Other Salaries and Wages		1,876	
Social Security		14,429	
Pensions		32,254	
Life Insurance		162	
Medical Insurance		42,819	
Dental Insurance		1,644	
Employer Medicare		3,374	
Communication		62,666	

(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.)

Director of Schools (Cont.)

Dues and Memberships	\$	8,363	
Maintenance Agreements		18,659	
Postal Charges		4,052	
Travel		2,641	
Office Supplies		5,225	
In Service/Staff Development		300	
Other Charges		163	
Communication Equipment		350	
Office Equipment		498	
Total Director of Schools			\$ 443,437

Office of the Principal

Principals	\$	903,206	
Career Ladder Program		13,000	
Assistant Principals		695,688	
Secretary(ies)		243,942	
Clerical Personnel		102,268	
Educational Assistants		8,575	
Bonus Payments		33,500	
Social Security		114,450	
Pensions		215,820	
Life Insurance		1,296	
Medical Insurance		338,778	
Dental Insurance		13,155	
Employer Medicare		26,902	
Maintenance Agreements		5,259	
Office Supplies		512	
Total Office of the Principal			2,716,351

Fiscal Services

Accounting Services	\$	154,000	
Total Fiscal Services			154,000

Operation of Plant

Custodial Personnel	\$	794,569	
Social Security		47,877	
Pensions		73,257	
Life Insurance		832	
Medical Insurance		189,556	
Dental Insurance		8,441	
Employer Medicare		11,197	
Contracts with Private Agencies		54,165	
Evaluation and Testing		3,500	
Laundry Service		184	
Maintenance and Repair Services - Buildings		264	
Pest Control		10,125	

(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.)Operation of Plant (Cont.)

Rentals	\$	11,000	
Disposal Fees		20,574	
Permits		3,080	
Other Contracted Services		46,730	
Custodial Supplies		102,637	
Electricity		1,113,217	
Natural Gas		277,448	
Water and Sewer		90,838	
Total Operation of Plant			\$ 2,859,491

Maintenance of Plant

Supervisor/Director	\$	49,242	
Secretary(ies)		26,895	
Maintenance Personnel		243,597	
Social Security		19,793	
Pensions		48,077	
Life Insurance		297	
Medical Insurance		64,898	
Dental Insurance		3,015	
Employer Medicare		4,629	
Communication		1,100	
Evaluation and Testing		4,532	
Laundry Service		4,894	
Maintenance and Repair Services - Buildings		79,912	
Maintenance and Repair Services - Equipment		101,774	
Rentals		594	
Travel		145	
Other Contracted Services		31,973	
Custodial Supplies		186	
General Construction Materials		1,581	
Small Tools		1,774	
Water and Sewer		9,417	
Chemicals		801	
Other Supplies and Materials		9,861	
Other Charges		7,486	
Other Equipment		16,559	
Total Maintenance of Plant			733,032

Transportation

Supervisor/Director	\$	44,065	
Mechanic(s)		101,061	
Bus Drivers		630,793	
Clerical Personnel		54,131	
Attendants		36,297	
Other Salaries and Wages		2,400	
Social Security		51,156	

(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.)

Pensions	\$	117,105	
Life Insurance		1,529	
Medical Insurance		350,905	
Dental Insurance		15,018	
Employer Medicare		12,138	
Contracts with Parents		6,264	
Evaluation and Testing		9,232	
Laundry Service		3,616	
Maintenance and Repair Services - Equipment		946	
Medical and Dental Services		5,624	
Rentals		1,813	
Travel		1,595	
Disposal Fees		1,163	
Other Contracted Services		2,505	
Crushed Stone		2,069	
Diesel Fuel		132,676	
Garage Supplies		9,635	
Gasoline		69,200	
Lubricants		6,328	
Office Supplies		955	
Propane Gas		57	
Tires and Tubes		27,836	
Vehicle Parts		111,406	
Other Supplies and Materials		461	
Other Charges		10,753	
Transportation Equipment		112,501	
Other Equipment		20,415	
Total Transportation			\$ 1,953,648

Central and Other

Other Supplies and Materials	\$	190	
Regular Instruction Equipment		8,352	
Total Central and Other			8,542

Operation of Non-Instructional ServicesCommunity Services

Supervisor/Director	\$	56,988	
Teachers		141,394	
Clerical Personnel		25,430	
Educational Assistants		155,613	
Part-time Personnel		278	
Overtime Pay		13,577	
Other Salaries and Wages		99,762	
Social Security		29,171	
Pensions		37,748	
Life Insurance		51	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Medical Insurance	\$	12,822	
Dental Insurance		516	
Employer Medicare		6,942	
Travel		2,014	
Penalties		55	
Other Contracted Services		7,000	
Food Supplies		31,657	
Instructional Supplies and Materials		5,026	
Office Supplies		658	
Other Supplies and Materials		393	
In Service/Staff Development		1,874	
Other Charges		17,750	
Office Equipment		1,033	
Other Equipment		8,749	
Total Community Services			\$ 656,501

Early Childhood Education

Supervisor/Director	\$	39,796	
Teachers		127,356	
Clerical Personnel		8,377	
Educational Assistants		38,326	
Other Salaries and Wages		336	
Certified Substitute Teachers		2,867	
Social Security		12,727	
Pensions		19,097	
Life Insurance		162	
Medical Insurance		41,809	
Dental Insurance		1,644	
Employer Medicare		2,976	
Communication		390	
Operating Lease Payments		3,000	
Rentals		150	
Travel		669	
Instructional Supplies and Materials		10,121	
In Service/Staff Development		862	
Other Charges		678	
Total Early Childhood Education			311,343

Capital Outlay

Regular Capital Outlay

Architects	\$	13,108	
Building Improvements		1,398,391	
Other Equipment		1,750	
Other Capital Outlay		45,485	
Total Regular Capital Outlay			1,458,734

Total General Purpose School Fund \$ 43,384,949

(Continued)

Exhibit J-8

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

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	743,193	
Educational Assistants		282,403	
Other Salaries and Wages		99,570	
Certified Substitute Teachers		525	
Social Security		62,987	
Pensions		88,171	
Life Insurance		537	
Medical Insurance		144,559	
Dental Insurance		5,640	
Employer Medicare		15,670	
Instructional Supplies and Materials		117,077	
Other Supplies and Materials		189	
Other Charges		434	
Regular Instruction Equipment		123,057	
Total Regular Instruction Program			\$ 1,684,012

Special Education Program

Teachers	\$	121,124	
Educational Assistants		575,139	
Social Security		41,110	
Pensions		92,966	
Life Insurance		1,242	
Medical Insurance		320,619	
Dental Insurance		12,532	
Employer Medicare		9,614	
Instructional Supplies and Materials		6,744	
Other Supplies and Materials		23,478	
Special Education Equipment		14,932	
Total Special Education Program			1,219,500

Career and Technical Education Program

Instructional Supplies and Materials	\$	6,265	
Other Supplies and Materials		2,010	
Vocational Instruction Equipment		85,445	
Total Career and Technical Education Program			93,720

Support Services

Other Student Support

Social Workers	\$	35,000	
Social Security		2,170	
Pensions		5,229	
Life Insurance		25	
Medical Insurance		6,382	
Dental Insurance		265	
Employer Medicare		508	
Communication		153	

(Continued)

Exhibit J-8

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

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

Evaluation and Testing	\$	154,808	
Travel		18,306	
Other Supplies and Materials		33,785	
In Service/Staff Development		4,690	
Other Charges		6,455	
Total Other Student Support			\$ 267,776

Regular Instruction Program

Supervisor/Director	\$	61,072	
Secretary(ies)		20,614	
Other Salaries and Wages		216,288	
Social Security		17,568	
Pensions		31,532	
Life Insurance		131	
Medical Insurance		38,527	
Dental Insurance		1,377	
Employer Medicare		4,109	
Communication		1,469	
Operating Lease Payments		27	
Maintenance and Repair Services - Equipment		6,138	
Travel		6,336	
Other Supplies and Materials		4,664	
In Service/Staff Development		45,265	
Other Equipment		4,457	
Total Regular Instruction Program			459,574

Special Education Program

Other Salaries and Wages	\$	287,385	
Social Security		17,596	
Pensions		33,924	
Life Insurance		164	
Medical Insurance		47,301	
Dental Insurance		1,721	
Employer Medicare		4,115	
Travel		1,184	
Other Contracted Services		185,526	
Other Supplies and Materials		3,392	
In Service/Staff Development		12,507	
Other Charges		79	
Total Special Education Program			594,894

Career and Technical Education Program

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

(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.)Board of Education

Other Charges	\$ 15	
Total Board of Education		\$ 15

Transportation

Bus Drivers	\$ 9,877	
Other Salaries and Wages	20,095	
Social Security	1,817	
Pensions	1,476	
Life Insurance	25	
Medical Insurance	7,002	
Dental Insurance	265	
Employer Medicare	428	
Other Charges	3,441	
Total Transportation		44,426

Total School Federal Projects Fund \$ 4,364,917

Central Cafeteria FundOperation of Non-Instructional ServicesFood Service

Supervisor/Director	\$ 44,065
Clerical Personnel	26,895
Cafeteria Personnel	830,928
Bonus Payments	15,700
Other Salaries and Wages	34,276
Social Security	57,557
Pensions	96,887
Life Insurance	1,084
Medical Insurance	241,555
Dental Insurance	10,956
Unemployment Compensation	2
Employer Medicare	13,461
Other Fringe Benefits	31,185
Accounting Services	10,041
Audit Services	5,000
Communication	4,964
Dues and Memberships	345
Maintenance and Repair Services - Equipment	29,559
Rentals	2,742
Travel	3,545
Disposal Fees	8,232
Other Contracted Services	59,453
Food Preparation Supplies	117,609
Food Supplies	1,121,741
Office Supplies	4,182
Uniforms	8,237

(Continued)

Exhibit J-8

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

Central Cafeteria Fund (Cont.)Operation of Non-Instructional Services (Cont.)Food Service (Cont.)

Chemicals	\$	608	
USDA - Commodities		221,477	
Other Supplies and Materials		4,803	
In Service/Staff Development		4,614	
Criminal Investigation of Applicants - TBI		1,507	
Other Charges		1,523	
Food Service Equipment		179,833	
Office Equipment		1,953	
Other Capital Outlay		6,240	
Total Food Service			\$ 3,202,759

Total Central Cafeteria Fund \$ 3,202,759

Other Education Special Revenue FundSupport ServicesOperation of Plant

Custodial Personnel	\$	1,214	
Social Security		75	
Employer Medicare		18	
Total Operation of Plant			\$ 1,307

Operation of Non-Instructional ServicesEarly Childhood Education

Supervisor/Director	\$	59,006
Teachers		306,832
Clerical Personnel		31,904
Educational Assistants		109,454
Other Salaries and Wages		135,699
Non-certified Substitute Teachers		4,644
Social Security		37,718
Pensions		75,530
Life Insurance		498
Medical Insurance		126,456
Dental Insurance		4,968
Employer Medicare		8,799
Communication		2,077
Operating Lease Payments		7,016
Maintenance and Repair Services - Buildings		1,847
Maintenance and Repair Services - Equipment		2,245
Rentals		3,848
Travel		13,047
Penalties		312
Food Supplies		111,232
Instructional Supplies and Materials		41,403
Office Supplies		1,480
Utilities		700

(Continued)

Exhibit J-8

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

Other Education Special Revenue Fund (Cont.)
Operation of Non-Instructional Services (Cont.)
Early Childhood Education (Cont.)

Software	\$	100	
Other Supplies and Materials		2,965	
In Service/Staff Development		11,035	
Other Charges		62,402	
Office Equipment		300	
Other Equipment		109,121	
Total Early Childhood Education			<u>\$ 1,272,638</u>

Total Other Education Special Revenue Fund \$ 1,273,945

Total Governmental Funds - Carter County School Department \$ 52,226,570

Exhibit J-9

Carter County, Tennessee
Schedule of Detailed Receipts, Disbursements, and Changes
in Cash Balances - City Agency Funds
For the Year Ended June 30, 2019

	Cities - Sales Tax Fund	City School ADA - Elizabethton Fund	City School ADA - Johnson City Fund	Total
<u>Cash Receipts</u>				
Current Property Taxes	\$ 0	\$ 2,999,908	\$ 126,679	\$ 3,126,587
Trustee's Collections - Prior Years	0	102,142	4,297	106,439
Circuit/Clerk and Master Collections - Prior Years	0	22,358	943	23,301
Interest and Penalty	0	25,362	1,069	26,431
Payments in-Lieu-of Taxes - Local Utilities	0	57,231	2,412	59,643
Payments in-Lieu-of Taxes - Other	0	1,002	42	1,044
Local Option Sales Tax	5,370,843	2,324,686	98,158	7,793,687
Mixed Drink Tax	0	894	38	932
Bank Excise Tax	0	20,892	882	21,774
Marriage Licenses	0	565	24	589
Donations	0	59	2	61
Total Cash Receipts	\$ 5,370,843	\$ 5,555,099	\$ 234,546	\$ 11,160,488
<u>Cash Disbursements</u>				
Remittance of Revenues Collected	\$ 5,317,135	\$ 5,467,987	\$ 229,108	\$ 11,014,230
Trustee's Commission	53,708	87,502	3,687	144,897
Total Cash Disbursements	\$ 5,370,843	\$ 5,555,489	\$ 232,795	\$ 11,159,127
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ (390)	\$ 1,751	\$ 1,361
Cash Balance, July 1, 2018	0	263,409	9,349	272,758
Cash Balance, June 30, 2019	\$ 0	\$ 263,019	\$ 11,100	\$ 274,119

SINGLE AUDIT SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy 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, 2019, 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 28, 2020.

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. 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: 2019-001(A)(B), 2019-003(A)(B), and 2019-004(C).

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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: 2019-001(C), 2019-002, 2019-003(C)(D), and 2019-004(A)(B).

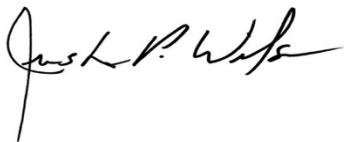
Carter County's Responses to the Findings

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,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 28, 2020

JPW/tg



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy 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, 2019. 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, 2019.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2019-005(C). Our opinion on each major federal program is not modified with respect to this matter.

Carter County's response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Carter County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Carter County is responsible for preparing a corrective action plan to address each noncompliance audit finding included in our auditor's report in accordance with the Uniform Guidance. Carter County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the corrective action plan.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying Schedule of Findings and Questioned Costs as items 2019-005(A)(B), that we consider to be significant deficiencies.

Carter County's response to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Carter County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Carter County is responsible for preparing a corrective action plan to address each internal control audit finding included in our auditor's report in accordance with the Uniform Guidance. Carter County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the corrective action plan.

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.

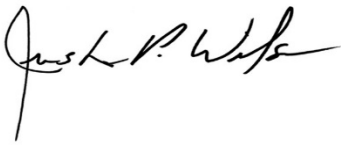
Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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, 2019, and the related notes to the financial statements, which collectively comprise Carter County's basic financial statements. We issued our report thereon dated February 28, 2020, 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,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical stroke extending downwards from the end.

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 28, 2020

JPW/tg

Carter County, Tennessee, and the Carter County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2)
For the Year-Ended June 30, 2019

Federal/Pass-Through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Forest Service Schools and Roads Cluster: (4)			
Schools and Roads - Grants to States	10.665	N/A	\$ 104,108
Passed-through State Department of Education:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	688,384
National School Lunch Program	10.555	N/A	1,871,702 (5)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	221,477 (5)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-19-59575-00	64,119
Passed-through State Department of Human Services:			
Child and Adult Care Food Program	10.558	N/A	147,814
Total U.S. Department of Agriculture			<u>\$ 3,097,604</u>
U.S. Department of the Interior:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	N/A	\$ 105,020
Total U.S. Department of the Interior			<u>\$ 105,020</u>
U.S. Department of Justice:			
Direct Program:			
Bulletproof Vest Partnership Program	16.607	N/A	\$ 6,460
Total U.S. Department of Justice			<u>\$ 6,460</u>
Appalachian Regional Commission:			
Passed-through Governor's Books from Birth Foundation:			
Appalachian Regional Development	23.001	(3)	\$ 6,000
Total Appalachian Regional Commission			<u>\$ 6,000</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	\$ 2,049,877
Special Education Cluster: (4)			
Special Education - Grants to States	84.027	N/A	1,805,044
Special Education - Preschool Grants	84.173	N/A	86,261
Career and Technical Education- Basic Grants to States	84.048	N/A	116,442
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	N/A	84,313
Twenty-first Century Community Learning Centers	84.287	N/A	115,658
Improving Teacher Quality State Grants	84.367	N/A	311,215
Passed-through Greeneville City School Department:			
English Language Acquisition State Grants	84.365	N/A	3,966
Total U.S. Department of Education			<u>\$ 4,572,776</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-19-59575-00	\$ 1,090
Family Planning Services	93.217	GG-19-59575-00	25,954
National State Based Tobacco Control Programs	93.305	GG-19-59575-00	3,305
Medicaid Cluster: (4)			
Medical Assistance Program	93.778	GG-19-59575-00	42,604
Maternal, Infant, and Early Childhood Home Visiting Cluster: (4)			
Maternal, Infant, and Early Childhood Home Visiting Grant Program	93.870	GG-19-59575-00	84
Preventive Health and Health Services Block Grant	93.991	GG-19-59575-00	34,950
Maternal and Child Health Services Block Grant to States	93.994	GG-19-59575-00	16,329
Passed-through State Department of Education:			
CCDF Cluster: (4)			
Child Care and Development Block Grant	93.575	(3)	27,809
Passed-through Upper East Tennessee Human Development Agency:			
Head Start	93.600	(3)	1,162,712
Total U.S. Department of Health and Human Services			<u>\$ 1,314,837</u>

(Continued)

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

Federal/Pass-Through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security: Passed-through State Department of Military: Emergency Management Performance Grants	97.042	34101-00619	\$ 41,500
Total U.S. Department of Homeland Security			\$ 41,500
Total Expenditures of Federal Grants			\$ 9,144,197
		Contract Number	
<u>State Grants</u>			
State Supplement Juvenile Court Improvement Funds - State Commission on Children and Youth	N/A	(3)	\$ 9,000
Coordinated School Health - State Department of Education	N/A	(3)	99,902
Driver's Education - State Department of Education	N/A	(3)	16,691
Early Childhood Education Pilot Project - State Department of Education	N/A	(3)	305,956
Family Resource Center - State Department of Education	N/A	(3)	29,612
Lottery for Education: After School Programs - State Department of Education	N/A	(3)	309,092
Safe Schools Act - State Department of Education	N/A	(3)	60,300
School Safety - State Department of Education	N/A	(3)	118,985
Rural Local Health Services - State Department of Health		GG-19-59575-00	261,045
Law Enforcement Training Program - State Department of Safety	N/A	(3)	32,400
Bridge Program - State Department of Transportation	N/A	(3)	206,491
Litter Program - State Department of Transportation	N/A	Z-19-LIT010	18,819
State Aid Program - State Department of Transportation	N/A	(3)	205,958
Court Security Grant Program - Administrative Office of the Courts	N/A	(3)	54,799
Workbase Learning Grant - State Department of Economic and Community Development	N/A	(3)	8,271
Asset Enhancement Grant Program - State Department of Tourism and Development	N/A	(3)	15,000
Special Needs Grant - State Department of Health	N/A	GG-18-58847-00	201,034
Health Access Grant - State Department of Health	N/A	Z-19-194746-00	20,000
Total State Grants			\$ 1,973,355

CFDA = Catalog of Federal Domestic Assistance

N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Carter County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) Information not available.
- (4) Forest Service Schools and Roads Cluster total \$104,108; Child Nutrition Cluster total \$2,781,563; Special Education Cluster total \$1,891,305; Medicaid Cluster total \$42,604; Maternal, Infant, and Early Childhood Home Visiting Cluster total \$84; CCDF Cluster total \$27,809.
- (5) Total for CFDA No. 10.555 is \$2,093,179.

Carter County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2019

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, 2019.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
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OFFICES OF COUNTY MAYOR, DIRECTOR OF SCHOOLS, HIGHWAY SUPERINTENDENT, AND FINANCE DIRECTOR

2018	212	2018-001	The Accounting Records for Various Funds had not been Maintained Properly	N/A	Corrected
2018	214	2018-002	The Office had Deficiencies in Purchasing Procedures	N/A	Corrected
2018	215	2018-003	The County had Deficiencies in Budget Operations	N/A	Part A., D., and E. Corrected Part B. and C. Not Corrected - See Explanation on Corrective Action Plan

SOLID WASTE DEPARTMENT

2018	217	2018-004	A Cash Shortage of \$97 Existed in the Solid Waste/Sanitation Fund at June 30, 2018	N/A	Corrected
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OFFICES OF DIRECTOR OF SCHOOLS AND FINANCE DIRECTOR

2018	218	2018-005	The School and Finance Departments had Deficiencies in the Administration of the Rehabilitation Services Vocational Rehabilitation Grants to States - School to Work Grant	N/A	Corrected
2018	219	2018-006	The Accounting Records for the School Federal Projects Fund were not Adequately Monitored and Maintained	N/A	Corrected

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

2018	220	2018-007	The Office did not Prepare Adequate Trial Balances of the Execution Dockets	N/A	Corrected
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OTHER FINDING

2018	221	2018-008	The County's Audit Committee is not a Functioning Committee	N/A	Corrected
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Prior-year Federal Award Findings

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

CARTER COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2019

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? **YES**
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)? **YES**
7. Identification of major federal programs:
 - * CFDA Numbers: 10.553 and 10.555 Nutrition Cluster: School Breakfast Program and National School Lunch Program
 - * CFDA Numbers: 84.010 Title I Grants to Local Educational Agencies
 - * CFDA Numbers: 93.600 Head Start
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **NO**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICES OF DIRECTOR OF SCHOOLS AND FINANCE DIRECTOR

FINDING 2019-001

THE SCHOOL DEPARTMENT HAD DEFICIENCIES IN THE USE OF FEDERAL HEAD START PROGRAM GRANT FUNDS, WHICH RESULTED IN QUESTIONED COSTS

(A. and B. – Internal Control – Significant Deficiency Under *Government Auditing Standards* and Title 2 U.S. Code of Federal Regulations, Part 200, Subpart F., *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; C. – Noncompliance Under *Government Auditing Standards* and Title 2 U.S. Code of Federal Regulations, Part 200, Subpart F., *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*)

The school department was awarded a federal Head Start Program Grant (CFDA No. 93.600) for the fiscal year ended June 30, 2019, passed through the Upper East Tennessee Human Development Agency.

We selected the Head Start Program Grant as a major federal program to be audited in compliance with Title 2 U.S. Code of Federal Regulations, Part 200, Subpart F., *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. As part of our audit procedures to document and test internal controls over Activities Allowed or Unallowed and Allowable Costs/Cost Principles, we initially selected a random sample of 25 disbursement items plus an additional four individually significant items for the period July 1, 2018 through June 30, 2019. On January 21, 2020, we received notification that a Fraud Reporting Form had been filed with the Comptroller's Division of Investigations alleging suspected fraud involving vendor purchases of this federal program. Consequently, we expanded our sample to include additional disbursements for the period July 1, 2018, through January 21, 2020. Based on our test work, we noted the following deficiencies, which are the result of a lack of management oversight:

- A. In 30 of 181 applicable instances, purchase orders were either not issued or the actual expenditure exceeded the purchase order amount. Purchase orders are required by policies of the financial management committee and are necessary to control who has purchasing authority for the department and to document

purchasing commitments. The failure to properly issue purchase orders increases the risk of unauthorized purchases. Allowing expenditures to be made in amounts beyond what was approved in the purchase order defeats the purpose of the purchase order system as a budgetary control and increases the risk of expenditures exceeding appropriations or misappropriation of funds.

- B. In eight of 18 applicable instances, employee time sheets were either not signed by the employee and/or were not signed by the Head Start Director indicating approval. We also noted one instance where the bookkeeper signed the Head Start Director's name to the summary time sheet, then signed their name below. Sound business practices as well as policies of the financial management committee dictate that payroll time sheets be maintained and signed by the employee and supervisor as documentation that the time reported is accurate and has been reviewed. The failure to properly document time and leave could lead to inaccurate time records and improper payments.
- C. As a result of our audit procedures, we identified questioned costs totaling \$19,894 for the period of July 1, 2018, through January 21, 2020. Those questioned costs consist of numerous items that appear to be unallowable under the grant criteria.

An investigation by the Comptroller's Division of Investigations, is ongoing in the Carter County Head Start Program. Findings, if any, resulting from the investigation will be included in a subsequent report.

RECOMMENDATION

To strengthen internal controls over purchasing procedures and to document purchasing commitments, purchase orders should be issued for all applicable purchases before purchases are made. Purchases should be limited to amounts approved on the purchase order and any amendments to the purchase order. Employees and the director should sign employees' time sheets as evidence of accuracy, review and approval. The director should sign summary time sheets indicating review and approval. Management should take appropriate action to correct these deficiencies in the use of program grant funds and review the questioned costs with the grantor agency, to determine what, if any, of those costs must be returned to the program.

MANAGEMENT'S RESPONSE – DIRECTOR OF FINANCE

We concur. We are currently updating existing policies and procedures to include consequences for noncompliance with purchasing requirements. All purchase orders and supporting receipts are now reviewed by the Head Start Director prior to submission to the finance department for payment. The finance director will draft and distribute a memo to all officials and department heads regarding current policies and procedures for time records.

CARTER COUNTY

FINDING 2019-002

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

The former county mayor and former register of deeds left office on August 31, 2018. The amounts paid to these officials for the two months they served during the 2018-2019 fiscal year were greater than 2/12ths of the annual salaries appropriated for those officials by the county commission. These overpayments totaled \$4,367 for the former county mayor and \$3,554 for the former register of deeds. These overpayments to the former officials also resulted in the current county mayor and current register of deeds being underpaid for the fiscal year by like amounts. Carter County followed a practice of paying officials every two weeks. These overpayments resulted from miscalculations due to the two-week payroll cycle. We reviewed these overpayments with the finance director, and the director contacted the former officials requesting reimbursement. The former officials did not reimburse the county; however, on September 16, 2019, the county commission voted to forgive the excess amounts paid the two former officials. Additional payments were made to the current county mayor (\$4,367) and current register of deeds (\$3,554) on September 27, 2019, to make up for the amount they were underpaid during the 2018-2019 fiscal year.

Approving the overpayment to the former register of deeds appears to violate state statute since salaries of other county officials were not adjusted proportionately. Section 8-24-102 *Tennessee Code Annotated*, establishes a minimum salary that shall be paid to county officials. This statute also provides that the county commission may appropriate more than the minimum, as long as all general officers of the county are paid the same. This statute also requires the compensation of the sheriff and chief administrative officer of the county highway department must be ten percent greater than the general officers of the county and the county mayor's compensation must be at least five percent higher than the salary paid to any other county constitutional officer. The general officers of the county include the assessor of property, county clerk, clerk and master, various clerks of court including the circuit and general sessions courts clerk, county trustee, and register of deeds.

As of the date of this report, the county commission has not appropriated additional funds, and additional payments have not been made, to the other general officers and constitutional officials as required by the above referenced statute. This noncompliance is due to a lack of management oversight and management's failure to monitor salaries paid to officials.

RECOMMENDATION

County officials should be paid in accordance with state statute. The county should take steps to ensure that all general officers of the county, along with the sheriff, chief administrative officer of the county highway and county mayor are paid in compliance with Section 8-24-102, *TCA*.

MANAGEMENT'S RESPONSE – DIRECTOR OF FINANCE

Several years ago, the county transitioned to lagging payroll dates. At that time, it was understood that county officials were included in the new method. As we examined prior years' payroll records, it became apparent that county officials were in fact not held back. Beginning in October 2019, the pay-cycle for county officials was changed to bi-monthly, which should prevent a repeat of this error. Recommendation regarding payments to other general officers and constitutional officials will be submitted to the county commission for their consideration.

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

FINDING 2019-003

THE OFFICES HAD DEFICIENCIES IN BUDGET OPERATIONS

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

Our examination revealed the following deficiencies in budget operations. These deficiencies exist due to a lack of management oversight and management's failure to hold spending to the limits authorized by the county commission. Some of these issues have been reported in previous audit reports. Management has provided written responses and corrective action plans to address these weaknesses; however, these weaknesses continue to exist.

- A. Budget amendments approved by the county commission did not always specify which revenue accounts, expenditure categories, and line-items were being amended. We also noted significant variances between the dates budget amendments for a health department grant and the Community Development Block Grant were approved by the county commission and when the budget amendments were posted to the financial records. Additionally, we could not determine that the budget amendment for the annual health department grant appropriation posted in the General Fund was approved by the county commission.
- B. The original budget appropriation posted to the accounting records for the Central Cafeteria Fund was \$154,000 less than the amount approved by the county commission. This variance was due to the transfers out appropriation category amount not being posted to the accounting records.
- C. 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:	
Local Health Center	\$ 427,931
Solid Waste/Sanitation:	
Miscellaneous	506
Sports and Recreation	
Miscellaneous	30
School Department:	
General Purpose School:	
Special Education Program	14,818
Career and Technical Education Program	184
Office of the Principal	19,919
Early Childhood Education	1,742

- D. Salaries exceeded appropriations in 51 of 206 salary line-items of the General, Solid Waste, Highway/Public Works, General Purpose School, School Federal Projects, Central Cafeteria, and Head Start funds by amounts ranging from \$6 to \$278,556. Two of these variances related to a \$14,466.67 bonus payment made to the planning director and bonus payments totaling \$1,009.75 made to employees of the trustee's office. Likewise, some of the variances resulted from not recognizing the budget amendment for the annual health department grant as noted in Part A. The budget resolution approved by the county commission states that the salary, wages, or enumeration of each official, employee, or agent of the county will not exceed appropriations that accompany this resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the county commission.

Section 5-9-401, *Tennessee Code Annotated*, states that "All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies."

RECOMMENDATION

The original budget and amendments should be accurately posted to the accounting records in a timely manner after approval by the county commission. Budget amendments should provide details reflecting the source of funding and expenditure categories and line-items being amended. Expenditures should be held within appropriations approved by the county commission.

MANAGEMENT'S RESPONSE – DIRECTOR OF FINANCE

The finance director reviews expenditure reports at least monthly, then prepares and posts necessary budget amendments. We disagree with the portion of this finding regarding the Community Development Block Grant since the approval letter for the grant was dated

September 13, 2018, the local match was approved by the county commission on November 18, 2018, and the budget amendment for both the grant portion and the local match was posted November 20, 2018.

AUDITOR'S COMMENT

On February 21, 2018, the county commission authorized the county mayor to apply for and sign a Community Development Block Grant totaling \$315,000. Total cost of the proposed project was \$507,984 with the county to provide matching funds of \$192,984. No further action was taken during the 2017-2018 fiscal year, and the appropriation was not included in the original budget resolution for the 2018-2019 fiscal year. Based on a review of county commission minutes, the next action taken by the county commission was at the November 19, 2018 meeting, when a resolution to appropriate the local match of \$192,984 was approved. The county commission did not take any action at that time to appropriate the grant portion of the project. Based on the county commission's original authorization to apply for the grant and the appropriation of the matching funds by the county commission, the finance department posted a budget amendment to reflect the entire project in the financial statements. Instead of relying on a grant application approval, which occurred nine months prior, the entire project should be approved by the county commission once the grant funds have been awarded.

MANAGEMENT'S RESPONSE – TRUSTEE

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

SOLID WASTE DEPARTMENT

FINDING 2019-004

THE DEPARTMENT HAD ACCOUNTING DEFICIENCIES

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

On May 1, 2019, we performed a cash count at the Landfill and Little Milligan convenience center locations. As a result of the test performed at the time of the cash count and subsequent to year-end, the following deficiencies were noted in the operations of the solid waste department.

- A. At the time of the cash count, no receipts were available to reconcile with collections on hand at the convenience center. We were informed by employees at the convenience center that it was their practice to fill out receipts prior to remitting funds to the landfill employees. Section 9-2-103, *Tennessee Code Annotated (TCA)*, requires official prenumbered receipts be issued at the time of collections. Without official prenumbered receipts, we were unable to determine if all collections had been accounted for properly. Likewise, we were also unable to determine if all collections were remitted to the county trustee to ensure funds were deposited within three days of collection.

- B. We selected receipts issued at the landfill for the period April 15, 2019, through April 30, 2019, and for the month of December 2019 to test for compliance with the three-day deposit law. We determined that collections for the periods noted above were not remitted to the county trustee for as many as eight days after collection. Section 5-8-207, *TCA*, requires county officials to deposit public funds within three days of collection.
- C. Receipts at the landfill were not always independently verified with collections, as stated in the Corrective Action Plan submitted in the prior year. During the prior fiscal year, a cash shortage occurred at the Landfill, and part of the Corrective Action Plan for the shortage was that each employee's daily deposit would be verified and signed-off by another employee. From our review of collections for the month of December 2019, we noted five deposit sheets that did not include another employee's signature as verification. Independent verifications of daily collections act as a deterrent to fraud and abuse and ensures that errors that are discovered get corrected properly.

These deficiencies are the result of a lack of management oversight with the potential for revenues not to be reported correctly in the county's financial records. Management's failure to issue receipts or verify receipts with deposits weakens internal controls over cash collections by eliminating the audit trail and increasing the risk of fraud and abuse.

RECOMMENDATION

Official prenumbered receipts should be issued at the time of collection. All collections should be remitted to the county trustee within three days as required by state statute. Collections should be independently verified.

MANAGEMENT'S RESPONSE – SOLID WASTE DIRECTOR

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

A finding and recommendation, as a result of our audit of federal awards of Carter County, Tennessee for the year ended June 30, 2019 are presented below. Our audit followed 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).

We reviewed this finding and recommendation with federal program management to provide an opportunity for their response. Responses and/or corrective action plans for all findings, whether related to the financial statements or federal awards, are presented separately in the Management's Corrective Action Plan section of this report.

Findings relating specifically to the audit of the financial statements of Carter County, Tennessee are separately presented under Part II, Findings Relating to the Financial Statements.

FINDING 2019-005

THE SCHOOL DEPARTMENT HAD DEFICIENCIES IN THE USE OF FEDERAL HEAD START PROGRAM GRANT FUNDS, WHICH RESULTED IN QUESTIONED COSTS

(A. and B. – Internal Control – Significant Deficiency Under *Government Auditing Standards* and Title 2 U.S. *Code of Federal Regulations*, Part 200, Subpart F., *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; C. – Noncompliance Under *Government Auditing Standards* and Title 2 U.S. *Code of Federal Regulations*, Part 200, Subpart F., *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*)

Entity	Carter County, Tennessee – School Department
Repeat Finding Number (if applicable)	N/A
CFDA #(s)	93.600
CFDA Title(s)	Head Start
Federal Agency	Department of Health and Human Services
Pass-Through Agency	Upper East Tennessee Human Development Agency
Grant/Contract No(s).	N/A
Federal Award Year(s)	2018-19
Finding Type	Internal Control and Noncompliance
Compliance Requirements	Activities Allowed or Unallowed and Allowable Costs/Cost Principles
Known Questioned Costs	\$19,894

The school department was awarded a federal Head Start Program Grant (CFDA No. 93.600) for the fiscal year ended June 30, 2019, passed through the Upper East Tennessee Human Development Agency.

We selected the Head Start Program Grant as a major federal program to be audited in compliance with Title 2 U.S. *Code of Federal Regulations*, Part 200, *Subpart F., Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. As part of our audit procedures to document and test internal controls over Activities Allowed or Unallowed and Allowable Costs/Cost Principles, we initially selected a random sample of 25 disbursement items plus an additional four individually significant items for the period July 1, 2018 through June 30, 2019. On January 21, 2020, we received notification that a Fraud Reporting Form had been filed with the Comptroller's Division of Investigations alleging suspected fraud involving vendor purchases of this federal program. Consequently, we expanded our sample to include additional disbursements for the period July 1, 2018, through January 21, 2020. Based on our test work, we noted the following deficiencies, which are the result of a lack of management oversight:

- A. In 30 of 181 applicable instances, purchase orders were either not issued or the actual expenditure exceeded the purchase order amount. Purchase orders are required by policies of the financial management committee and are necessary to control who has purchasing authority for the department and to document purchasing commitments. The failure to properly issue purchase orders increases the risk of unauthorized purchases. Allowing expenditures to be made in amounts beyond what was approved in the purchase order defeats the purpose of the purchase order system as a budgetary control and increases the risk of expenditures exceeding appropriations or misappropriation of funds.
- B. In eight of 18 applicable instances, employee time sheets were either not signed by the employee and/or were not signed by the Head Start Director indicating approval. We also noted one instance where the bookkeeper signed the Head Start Director's name to the summary time sheet, then signed their name below. Sound business practices as well as policies of the financial management committee dictate that payroll time sheets be maintained and signed by the employee and supervisor as documentation that the time reported is accurate and has been reviewed. The failure to properly document time and leave could lead to inaccurate time records and improper payments.
- C. As a result of our audit procedures, we identified questioned costs totaling \$19,894 for the period of July 1, 2018, through January 21, 2020. Those questioned costs consist of numerous items that appear to be unallowable under the grant criteria.

An investigation by the Comptroller's Division of Investigations, is ongoing in the Carter County Head Start Program. Findings, if any, resulting from the investigation will be included in a subsequent report.

RECOMMENDATION

To strengthen internal controls over purchasing procedures and to document purchasing commitments, purchase orders should be issued for all applicable purchases before purchases are made. Purchases should be limited to amounts approved on the purchase order and any amendments to the purchase order. Employees and the director should sign employees' time sheets as evidence of accuracy, review and approval. The director should sign summary time sheets indicating review and approval. Management should take appropriate action to correct

these deficiencies in the use of program grant funds and review the questioned costs with the grantor agency, to determine what, if any, of those costs must be returned to the program.

MANAGEMENT'S RESPONSE – DIRECTOR OF FINANCE

We concur. We are currently updating existing policies and procedures to include consequences for noncompliance with purchasing requirements. All purchase orders and supporting receipts are now reviewed by the Head Start Director prior to submission to the finance department for payment. The finance director will draft and distribute a memo to all officials and department heads regarding current policies and procedures for time records.

Carter County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2019

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 DIRECTOR OF FINANCE

2019-001 & 2019-005	The School Department had Deficiencies in the use of Federal Head Start Program Grant Funds, which Resulted in Questioned Costs	229
2019-002	County Officials were not Paid in Compliance with State Statute	230
2019-003	The Offices had Deficiencies in Budget Operations	231

OFFICE OF TRUSTEE

2019-003	The County had Deficiencies in Budget Operations	232
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SOLID WASTE DEPARTMENT

2019-004	The Department had Accounting Deficiencies	233
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Carter County, Tennessee

Department of Finance

Brad Burke, Director of Finance
burkeb@cartercountyttn.gov

Courthouse: Suite 203
801 East Elk Avenue
Elizabethton, TN 37643
Phone: 423-547-4005
Fax: 423-542-3844

Corrective Action Plan

FINDING: CARTER COUNTY SCHOOL DEPARTMENT HAD DEFICIENCIES IN THE USE OF FEDERAL HEAD START GRANT FUNDS, WHICH RESULTED IN QUESTIONED COSTS

Response and Corrective Action Plan Prepared by:
Brad Burke, Finance Director

Person Responsible for Implementing the Corrective Action:
LeeAnn Carr, Head Start Supervisor

Anticipated Completion Date of Corrective Action:
June 30, 2020

Repeat Finding:
No

Planned Corrective Action:

The Head Start Director will ensure that purchase orders are obtained for all purchases, purchases do not exceed the purchase order amount, and time records are properly signed before submission to the Finance Department. The Finance Director will draft and distribute a memo to all officials and department heads regarding policies and procedures for time records. Financial policies and procedures are being reviewed and updated in order to better encourage compliance through accountability and specific consequences for non-compliance. Guidance on allowable and unallowable costs will be provided to all employees in the Head Start Program. We will review the questioned costs with Upper East Tennessee Human Development Agency.

Carter County, Tennessee

Department of Finance

Brad Burke, Director of Finance
burkeb@cartercountyttn.gov

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

Response and Corrective Action Plan Prepared by:
Brad Burke, Finance Director

Person Responsible for Implementing the Corrective Action:
Brad Burke, Finance Director

Anticipated Completion Date of Corrective Action:
April 20, 2020

Repeat Finding:
No

Planned Corrective Action:
Beginning in October 2019, the pay-cycle for county officials was changed to bi-monthly, which should prevent a repeat of this error. Recommendation regarding payments to other general officers and constitutional officials will be presented to the county commission for consideration.

Carter County, Tennessee

Department of Finance

Brad Burke, Director of Finance
burkeb@cartercountyttn.gov

FINDING: THE COUNTY HAD DEFICIENCIES IN BUDGET OPERATIONS

Response and Corrective Action Plan Prepared by:
Brad Burke, Finance Director

Person Responsible for Implementing the Corrective Action:
Brad Burke, Finance Director

Anticipated Completion Date of Corrective Action:
Immediate

Repeat Finding:
Yes (B and C only)

Reason Corrective Action was Not Taken in the Prior Year:
We did not properly identify and communicate details regarding certain year-end obligations.

Planned Corrective Action:

We will review and reconcile postings to the accounting records with the original budget and amendments in order to ensure accuracy and timeliness. We now provide fund balance, revenue, and expenditure account numbers for funding requests presented to the county commission. Minutes will be reviewed to ensure that all amendments, including those arising from motions made on the floor, are properly presented in the minutes. Salary line items will be closely monitored to ensure that any amendments are approved in a timely manner. We will ensure that all year-end obligations are properly identified in order that amendments will be submitted for approval in a timely manner. All grants and associated budgets are now submitted to the county commission for approval.



Randal Lewis
Trustee



801 Elk Avenue
(423) 542-1811
FAX: (423) 547-1505

CARTER COUNTY
STATE OF TENNESSEE
ELIZABETHTON

Corrective Action Plan

FINDING: THE COUNTY HAD DEFICIENCIES IN BUDGET
OPERATIONS

Response and Corrective Action Plan Prepared by:
Randal Lewis, Trustee

Person Responsible for Implementing the Corrective Action:
Randal Lewis, Trustee

Anticipated Completion Date of Corrective Action:
February 20, 2020

Repeat Finding:
No

Planned Corrective Action:

We agree with this finding and in the future any requests for bonus payments will be presented before the appropriate committee and await approval by the full county commission before bonus payments are made.

Signature: Randal Lewis

Title: Carter Co. Trustee

Carter County Solid Waste

BENNY LYONS - MANAGER
(423) 543-6626
Fax: (423) 543-2543



169 Landfill Road
 Elizabethton, TN 37643

CARTER COUNTY
STATE OF TENNESSEE
ELIZABETHTON
Corrective Action Plan

FINDING: Department had accounting deficiencies

Response and Corrective Action Plan Prepared by:
Benny Lyons, Manager Director

Person Responsible for Implementing the Corrective Action:
Benny Lyons, Manager Director

Anticipated Completion Date of Corrective Action:
Date: February 20, 2020

Repeat Finding:

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

Planned Corrective Action:

Additional training has been conducted for accounting personnel. Receipts will be issued at time of collection. All deposits will be independently verified and signed off and will be taken to the Trustee's Office on Monday, Wednesday, and Friday.

Signature: _____

Benny Lyons 2-21-20