



ANNUAL FINANCIAL REPORT

Carter County, Tennessee

For the Year Ended June 30, 2023

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
CARTER COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2023

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

MARK TREECE, CPA, CGFM
Audit Manager

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

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Summary of Audit Findings

Annual Financial Report
Carter County, Tennessee
For the Year Ended June 30, 2023

Scope

We have audited the basic financial statements of Carter County as of and for the year ended June 30, 2023.

Results

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

Our audit resulted in 10 findings and recommendations, which we have reviewed with Carter County management. Detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

Findings

The following are summaries of the audit findings:

CARTER COUNTY

- ◆ Original budgets for several funds did not comply with the county's balanced budget policy.
-

OFFICE OF FINANCE DIRECTOR

- ◆ The accounting records for various funds had not been properly maintained.
 - ◆ The county had deficiencies in budget operations.
 - ◆ Deficiencies were noted in the posting of journal entries.
 - ◆ Deficiencies were noted in the maintenance of capital asset records.
 - ◆ Amounts withheld from contractor payments were not deposited into an escrow account.
-



OFFICE OF DIRECTOR OF SCHOOLS

- ◆ An investigation of the Carter County School Department disclosed one deficiency in internal controls and one noncompliance issue.
-

OFFICE OF SOLID WASTE DEPARTMENT

- ◆ The department had accounting deficiencies.
- ◆ The Solid Waste Office did not review its software audit logs.
- ◆ An investigation of the Carter County Solid Waste Department disclosed deficiencies in internal controls.



INTRODUCTORY SECTION

Carter County Officials
June 30, 2023

Officials

Patty Woodby, County Mayor
Shannon Burchett, Interim Road Superintendent
Brandon Carpenter, Director of Schools
Chad Lewis, Trustee
Ronnie Taylor, Assessor of Property
Mary Gouge, County Clerk
Johnny Blankenship, Circuit and General Sessions Courts Clerk
Andrew LaPorte, Clerk and Master
Jarrod Ellis, Register of Deeds
Mike Fraley, Sheriff
Carolyn Watson, Finance Director

Board of County Commissioners

Ginger Holdren, Chairwoman	Nick Holder
Robert Acuff	Bradley Johnson
Nancy Brown	Gary Kemp
Steve Burrough	Daniel McInturff
Donnie Cable	Cody McQueen
Willie Campbell	Angie Odom
Lisa Childress	Jerry Proffitt
Jason Clawson	Thomas Proffitt
Kelly Collins	Jason Rasnick
Danny Deal	Todd Smith
Aaron Frazier	Layla Ward
Julie Guinn	Avery Wynn

Board of Education

Kelly Crain, Chairman	Terry Hubbard
Keith Bowers, Sr.	Gary Oaks
Tony Garland	Jeremiah Tolley
Dylan Hill	Danny Ward

Financial Management Committee

Bradley Johnson, Chairman	Patty Woodby, County Mayor
Robert Acuff	Brandon Carpenter, Director of Schools
Danny Deal	Shannon Burchett, Interim Road Superintendent
Ginger Holdren	

Audit Committee

Carter Honeycutt, Chairman	Donnie Cable
Robert Acuff	Bradley Johnson

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Audit of the Financial Statements

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying 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, 2023, and the respective changes in financial position, and the respective budgetary comparison for the General, Other General Government, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Internal School Fund, a special revenue fund of the discretely presented Carter County School Department, which represent 1.94 percent, 2.44 percent, and 2.83 percent, respectively, of the assets, net position, and revenues of the discretely presented Carter County School Department. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Internal School Fund of the Carter County School Department, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Carter County, Tennessee, and to meet our other ethical responsibilities, in accordance with the

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Carter County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Carter County’s ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Carter County’s basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, combining and individual fund financial statements of the Carter County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of

America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, combining and individual fund financial statements of the Carter County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Requirements by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2024, on our consideration of Carter County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Carter County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Carter County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 23, 2024

JEM/gc

BASIC FINANCIAL STATEMENTS

Exhibit A

Carter County, Tennessee
Statement of Net Position
June 30, 2023

	Primary Government Governmental Activities	Component Unit Carter County School Department
<u>ASSETS</u>		
Cash	\$ 27,445	\$ 2,459,058
Equity in Pooled Cash and Investments	37,712,777	24,957,884
Accounts Receivable	398,137	49,421
Due from Other Governments	1,333,621	2,389,068
Due from Primary Government	0	50,000
Due from Component Units	321,225	0
Property Taxes Receivable	14,902,402	6,113,819
Allowance for Uncollectible Property Taxes	(184,806)	(80,300)
Prepaid Items	662	0
Net Pension Asset - Agent Plan	3,050,772	1,943,126
Net Pension Asset - Teacher Retirement Plan	0	119,783
Net Pension Asset - Teacher Legacy Pension Plan	0	6,663,659
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	505,668
Capital Assets:		
Assets Not Depreciated:		
Land	2,563,094	1,232,973
Construction in Progress	1,872,274	1,409,059
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	25,136,033	20,930,187
Infrastructure	23,216,226	0
Other Capital Assets	5,811,145	1,417,049
Total Assets	<u>\$ 116,161,007</u>	<u>\$ 70,160,454</u>

DEFERRED OUTFLOW OF RESOURCES

Pension Changes in Experience	\$ 904,689	\$ 1,678,919
Pension Changes in Assumptions	1,690,522	5,391,522
Pension Changes in Investment Earnings	76,521	200,439
Pension Changes in Proportion	0	135,975
Pension Contributions after Measurement Date	673,038	2,096,730
OPEB Changes in Experience	205,601	2,134,355
OPEB Changes in Assumptions	0	1,043,363
OPEB Changes in Proportion	0	621,227
OPEB Contributions after Measurement Date	0	837,265
Total Deferred Outflows of Resources	<u>\$ 3,550,371</u>	<u>\$ 14,139,795</u>

LIABILITIES

Accounts Payable	\$ 692,512	\$ 2,042,207
Accrued Payroll	244,149	267,448
Accrued Interest Payable	29,378	0
Payroll Deductions Payable	118,697	610,480
Contracts Payable	0	202,674
Retainage Payable	7,000	0
Termination Benefits Payable - Current	0	113,627
Other Withholding Taxes	1,942	0
Due to Primary Government	0	321,225
Due to Component Units	50,000	0
Due to State of Tennessee	0	32,962
Due to Other Governments	1,295,041	0

(Continued)

Exhibit A

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

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Carter County School Department</u>
<u>LIABILITIES (CONT.)</u>		
Other Current Liabilities	\$ 132,424	\$ 398,157
Noncurrent Liabilities:		
Due Within One Year - Debt	1,220,000	0
Due Within One Year - Other	592,701	141,422
Due in More Than One Year - Debt	12,019,060	0
Due in More Than One Year - Other	3,632,221	14,561,135
Total Liabilities	<u>\$ 20,035,125</u>	<u>\$ 18,691,337</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 14,370,927	\$ 5,872,752
Pension Changes in Experience	479,412	1,504,084
Pension Changes in Proportion	0	158,697
OPEB Changes in Experience	47,064	2,628,102
OPEB Changes in Assumptions	48,122	1,758,597
OPEB Changes in Proportion	0	907,436
Total Deferred Inflows of Resources	<u>\$ 14,945,525</u>	<u>\$ 12,829,668</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 45,359,712	\$ 24,989,268
Restricted for:		
General Government	1,063,916	0
Finance	106,545	0
Administration of Justice	202,009	0
Public Safety	1,052,263	0
Public Health and Welfare	520,845	0
Highways	5,182,774	0
Debt Service	1,471,948	0
Education	0	4,796,635
Capital Projects	1,915,723	4,157,839
Pensions	3,050,772	9,232,236
Unrestricted	<u>24,804,221</u>	<u>9,603,266</u>
Total Net Position	<u>\$ 84,730,728</u>	<u>\$ 52,779,244</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, 2023

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 Government Governmental Activities	Component
						Unit
					Carter County School Department	
Primary Government:						
Governmental Activities:						
General Government	\$ 2,971,969	\$ 1,028,076	\$ 10,658,270	\$ 0	\$ 8,714,377	\$ 0
Finance	2,572,320	1,713,045	0	0	(859,275)	0
Administration of Justice	1,515,164	795,581	9,000	0	(710,583)	0
Public Safety	12,059,013	1,144,273	104,664	0	(10,810,076)	0
Public Health and Welfare	5,758,972	2,001,387	759,051	101,849	(2,896,685)	0
Social, Cultural, and Recreational Services	610,256	0	0	0	(610,256)	0
Agriculture and Natural Resources	123,653	0	0	0	(123,653)	0
Highways	4,130,105	550,882	2,672,859	1,512,356	605,992	0
Interest on Long-term Debt	168,383	0	0	0	(168,383)	0
Total Primary Government	\$ 29,909,835	\$ 7,233,244	\$ 14,203,844	\$ 1,614,205	\$ (6,858,542)	\$ 0
Component Unit:						
Carter County School Department	\$ 58,216,130	\$ 444,798	\$ 15,201,382	\$ 1,169,168	\$ 0	\$ (41,400,782)
Total Component Unit	\$ 58,216,130	\$ 444,798	\$ 15,201,382	\$ 1,169,168	\$ 0	\$ (41,400,782)

(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 Governmental Activities	Component
						Unit
					Carter County School Department	
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes				\$ 10,292,841	\$ 5,952,969	
Property Taxes Levied for Highway/Public Works				1,130,067	0	
Property Taxes Levied for Debt Service				1,413,227	0	
Local Option Sales Taxes				2,140,834	6,941,510	
Litigation Tax - General				101,474	0	
Litigation Tax - Jail, Workhouse, or Courthouse				56,454	0	
Litigation Tax - Special				8,348	0	
Litigation Tax - Courtroom Security				106,821	0	
Other County Local Option Taxes				101,212	0	
Hotel/Motel Tax				371,539	0	
Business Tax				581,430	0	
Mineral Severance Tax				123,792	0	
Mixed Drink Tax				3,654	2,303	
Beer Privilege Tax				213,512	0	
Grants and Contributions Not Restricted to Specific Programs				719,748	32,888,095	
Unrestricted Investment Income				1,718,818	109,720	
Miscellaneous				52,191	91,463	
Total General Revenues				\$ 19,135,962	\$ 45,986,060	
Change in Net Position				\$ 12,277,420	\$ 4,585,278	
Net Position, July 1, 2022				72,453,308	48,193,966	
Net Position, June 30, 2023				\$ 84,730,728	\$ 52,779,244	

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, 2023

	Major Funds			Nonmajor	Total
	General	Other General Government Fund	Highway / Public Works	Funds Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 3,944	\$ 0	\$ 0	\$ 23,501	\$ 27,445
Equity in Pooled Cash and Investments	20,521,906	8,769,297	5,107,887	3,313,687	37,712,777
Accounts Receivable	179,918	0	64,855	153,364	398,137
Due from Other Governments	876,688	0	456,933	0	1,333,621
Due from Other Funds	99,430	0	473,616	1,053,750	1,626,796
Due from Component Units	321,225	0	0	0	321,225
Property Taxes Receivable	12,071,672	0	1,205,342	1,625,388	14,902,402
Allowance for Uncollectible Property Taxes	(149,030)	0	(15,543)	(20,233)	(184,806)
Prepaid Items	662	0	0	0	662
Total Assets	<u>\$ 33,926,415</u>	<u>\$ 8,769,297</u>	<u>\$ 7,293,090</u>	<u>\$ 6,149,457</u>	<u>\$ 56,138,259</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 558,760	\$ 0	\$ 29,522	\$ 104,230	\$ 692,512
Accrued Payroll	206,800	0	24,800	12,549	244,149
Payroll Deductions Payable	100,528	0	12,512	5,657	118,697
Retainage Payable	7,000	0	0	0	7,000
Other Withholding Taxes	1,494	0	208	240	1,942
Due to Other Funds	1,161,339	0	0	465,457	1,626,796
Due to Component Units	50,000	0	0	0	50,000
Due to Other Governments	341,750	953,291	0	0	1,295,041
Other Current Liabilities	95,509	0	10,006	26,909	132,424
Total Liabilities	<u>\$ 2,523,180</u>	<u>\$ 953,291</u>	<u>\$ 77,048</u>	<u>\$ 615,042</u>	<u>\$ 4,168,561</u>

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor	Total
	General	Other General Government Fund	Highway / Public Works	Other Govern- mental Funds	
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 11,644,598	\$ 0	\$ 1,159,296	\$ 1,567,033	\$ 14,370,927
Deferred Delinquent Property Taxes	257,611	0	28,261	35,320	321,192
Other Deferred/Unavailable Revenue	211,178	0	224,756	0	435,934
Total Deferred Inflows of Resources	<u>\$ 12,113,387</u>	<u>\$ 0</u>	<u>\$ 1,412,313</u>	<u>\$ 1,602,353</u>	<u>\$ 15,128,053</u>
<u>FUND BALANCES</u>					
Nonspendable:					
Prepaid Items	\$ 662	\$ 0	\$ 0	\$ 0	\$ 662
Restricted:					
Restricted for General Government	1,063,916	0	0	0	1,063,916
Restricted for Finance	106,545	0	0	0	106,545
Restricted for Administration of Justice	202,009	0	0	0	202,009
Restricted for Public Safety	985,226	0	0	67,037	1,052,263
Restricted for Public Health and Welfare	424,371	0	0	96,474	520,845
Restricted for Highways/Public Works	0	0	5,050,651	0	5,050,651
Restricted for Debt Service	0	0	0	1,466,006	1,466,006
Restricted for Capital Projects	1,883,468	0	0	32,255	1,915,723
Committed:					
Committed for General Government	613,802	0	0	0	613,802
Committed for Public Safety	1,603,479	4,510,136	0	0	6,113,615
Committed for Public Health and Welfare	164,227	0	0	446,544	610,771
Committed for Social, Cultural, and Recreational Services	0	0	0	179,813	179,813
Committed for Highways/Public Works	0	0	753,078	0	753,078
Committed for Debt Service	0	0	0	1,627,267	1,627,267
Committed for Capital Projects	0	0	0	16,666	16,666

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor	Total
	General	Other General Government Fund	Highway / Public Works	Funds Other Govern- mental Funds	
<u>FUND BALANCES (Cont.)</u>					
Committed (Cont.):					
Committed for Other Purposes	\$ 0	\$ 3,305,870	\$ 0	\$ 0	\$ 3,305,870
Assigned:					
Assigned for General Government	5,602	0	0	0	5,602
Assigned for Administration of Justice	25,750	0	0	0	25,750
Assigned for Public Health and Welfare	275,720	0	0	0	275,720
Assigned for Other Operations	118,567	0	0	0	118,567
Assigned for Capital Projects	36,270	0	0	0	36,270
Unassigned	11,780,234	0	0	0	11,780,234
Total Fund Balances	<u>\$ 19,289,848</u>	<u>\$ 7,816,006</u>	<u>\$ 5,803,729</u>	<u>\$ 3,932,062</u>	<u>\$ 36,841,645</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 33,926,415</u>	<u>\$ 8,769,297</u>	<u>\$ 7,293,090</u>	<u>\$ 6,149,457</u>	<u>\$ 56,138,259</u>

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

Exhibit C-2

Carter County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2023

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)		\$ 36,841,645
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 2,563,094	
Add: construction in progress	1,872,274	
Add: buildings and improvements net of accumulated depreciation	25,136,033	
Add: infrastructure net of accumulated depreciation	23,216,226	
Add: other capital assets net of accumulated depreciation	<u>5,811,145</u>	58,598,772
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (13,115,000)	
Less: compensated absences payable	(840,090)	
Less: landfill closure/postclosure care costs	(1,296,822)	
Less: OPEB liability	(2,088,010)	
Less: accrued interest on bonds	(29,378)	
Less: unamortized premium on debt	<u>(124,060)</u>	(17,493,360)
(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	\$ 3,344,770	
Less: deferred inflows of resources related to pensions	(479,412)	
Add: deferred outflows of resources related to OPEB	205,601	
Less: deferred inflows of resources related to OPEB	<u>(95,186)</u>	2,975,773
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in governmental funds.		3,050,772
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>757,126</u>
Net position of governmental activities (Exhibit A)		<u>\$ 84,730,728</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, 2023

	Major Funds			Nonmajor	Total
	General	Other General Government Fund	Highway / Public Works	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 13,923,158	\$ 0	\$ 1,291,321	\$ 1,818,805	\$ 17,033,284
Licenses and Permits	542,528	0	200	0	542,728
Fines, Forfeitures, and Penalties	231,293	0	0	22,193	253,486
Charges for Current Services	219,370	0	0	1,772,057	1,991,427
Other Local Revenues	1,975,920	0	389,216	179,638	2,544,774
Fees Received From County Officials	2,218,916	0	0	0	2,218,916
State of Tennessee	2,171,857	0	4,578,174	67,305	6,817,336
Federal Government	855,461	9,485,229	27,761	0	10,368,451
Other Governments and Citizens Groups	885,240	0	163,051	0	1,048,291
Total Revenues	\$ 23,023,743	\$ 9,485,229	\$ 6,449,723	\$ 3,859,998	\$ 42,818,693
<u>Expenditures</u>					
Current:					
General Government	\$ 4,214,610	\$ 0	\$ 0	\$ 0	\$ 4,214,610
Finance	2,309,851	0	0	0	2,309,851
Administration of Justice	1,530,462	0	0	1,752	1,532,214
Public Safety	10,906,330	900,000	0	25,344	11,831,674
Public Health and Welfare	1,455,525	47,375	0	2,640,157	4,143,057
Social, Cultural, and Recreational Services	166,070	0	0	80,077	246,147
Agriculture and Natural Resources	123,653	0	0	0	123,653
Other Operations	3,052,644	244,453	0	0	3,297,097
Highways	45,701	0	6,367,991	0	6,413,692
Debt Service:					
Principal on Debt	0	0	0	1,290,000	1,290,000
Interest on Debt	0	0	0	192,392	192,392
Other Debt Service	0	0	0	47,778	47,778
Total Expenditures	\$ 23,804,846	\$ 1,191,828	\$ 6,367,991	\$ 4,277,500	\$ 35,642,165

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor	Total
	General	Other General Government Fund	Highway / Public Works	Other Govern- mental Funds	
Excess (Deficiency) of Revenues Over Expenditures	\$ (781,103)	\$ 8,293,401	\$ 81,732	\$ (417,502)	\$ 7,176,528
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 260,878	\$ 0	\$ 0	\$ 0	\$ 260,878
Transfers In	362,768	0	78,733	377,644	819,145
Transfers Out	(341,750)	(477,395)	0	0	(819,145)
Total Other Financing Sources (Uses)	\$ 281,896	\$ (477,395)	\$ 78,733	\$ 377,644	\$ 260,878
Net Change in Fund Balances	\$ (499,207)	\$ 7,816,006	\$ 160,465	\$ (39,858)	\$ 7,437,406
Fund Balance, July 1, 2022	19,789,055	0	5,643,264	3,971,920	29,404,239
Fund Balance, June 30, 2023	\$ 19,289,848	\$ 7,816,006	\$ 5,803,729	\$ 3,932,062	\$ 36,841,645

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, 2023

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)		\$ 7,437,406
(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	\$ 6,565,027	
Less: current-year depreciation expense	<u>(2,424,197)</u>	4,140,830
(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		(36,309)
(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, 2023	\$ 757,126	
Less: deferred delinquent property taxes and other deferred June 30, 2022	<u>(1,388,564)</u>	(631,438)
(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	\$ 21,321	
Add: principal payments on bonds	<u>1,290,000</u>	1,311,321
(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	\$ 2,688	
Change in compensated absences payable	(123,373)	
Change in landfill closure/postclosure care costs	84,428	
Change in OPEB liability	(67,888)	
Change in net pension liability/asset	(5,363,327)	
Change in deferred outflows related to pensions	192,335	
Change in deferred inflows related to pensions	5,360,496	
Change in deferred outflows related to OPEB	(48,885)	
Change in deferred inflows related to OPEB	<u>19,136</u>	<u>55,610</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 12,277,420</u>

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

Exhibit C-5

Carter County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 13,923,158	\$ 0	\$ 0	\$ 13,923,158	\$ 13,253,246	\$ 13,190,506	\$ 732,652
Licenses and Permits	542,528	0	0	542,528	546,050	546,050	(3,522)
Fines, Forfeitures, and Penalties	231,293	0	0	231,293	240,475	240,475	(9,182)
Charges for Current Services	219,370	0	0	219,370	46,700	46,700	172,670
Other Local Revenues	1,975,920	0	0	1,975,920	352,200	357,368	1,618,552
Fees Received From County Officials	2,218,916	0	0	2,218,916	2,162,600	2,162,600	56,316
State of Tennessee	2,171,857	0	0	2,171,857	1,377,496	1,377,496	794,361
Federal Government	855,461	0	0	855,461	179,500	1,824,774	(969,313)
Other Governments and Citizens Groups	885,240	0	0	885,240	1,672,668	1,725,540	(840,300)
Total Revenues	\$ 23,023,743	\$ 0	\$ 0	\$ 23,023,743	\$ 19,830,935	\$ 21,471,509	\$ 1,552,234
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 109,006	\$ 0	\$ 0	\$ 109,006	\$ 192,200	\$ 192,200	\$ 83,194
Board of Equalization	7,235	0	0	7,235	7,602	7,602	367
County Mayor/Executive	282,212	0	0	282,212	357,987	297,285	15,073
County Attorney	82,707	0	0	82,707	83,582	83,582	875
Election Commission	869,184	0	0	869,184	464,302	971,007	101,823
Register of Deeds	411,058	0	0	411,058	281,332	413,902	2,844
Planning	335,845	0	0	335,845	415,230	424,202	88,357
County Buildings	1,948,724	(597,300)	589,532	1,940,956	937,434	2,369,636	428,680
Other General Administration	165,111	0	0	165,111	0	179,552	14,441
Preservation of Records	3,528	0	0	3,528	15,800	15,800	12,272
<u>Finance</u>							
Accounting and Budgeting	694,046	0	0	694,046	791,691	843,314	149,268
Property Assessor's Office	461,499	0	0	461,499	412,467	474,454	12,955
Reappraisal Program	177,161	0	0	177,161	183,346	187,665	10,504
County Trustee's Office	424,146	0	0	424,146	401,680	440,810	16,664
County Clerk's Office	552,999	0	0	552,999	538,936	558,772	5,773

(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 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice</u>							
Circuit Court	\$ 812,380	\$ 0	\$ 0	\$ 812,380	\$ 813,697	\$ 860,080	\$ 47,700
General Sessions Court	270,511	0	0	270,511	274,103	276,376	5,865
Drug Court	8,964	0	0	8,964	14,000	14,000	5,036
Chancery Court	420,196	0	0	420,196	393,623	445,150	24,954
Other Administration of Justice	18,411	0	0	18,411	28,725	30,743	12,332
<u>Public Safety</u>							
Sheriff's Department	5,934,750	(402,876)	0	5,531,874	5,037,558	5,625,596	93,722
Jail	3,674,007	0	50,000	3,724,007	4,112,072	4,915,793	1,191,786
Juvenile Services	230,186	0	0	230,186	237,408	239,681	9,495
Fire Prevention and Control	500,898	0	0	500,898	481,000	501,000	102
Rescue Squad	371,105	0	0	371,105	371,105	371,105	0
Other Emergency Management	162,355	0	0	162,355	159,388	166,093	3,738
Inspection and Regulation	3,639	0	0	3,639	3,834	3,834	195
County Coroner/Medical Examiner	26,611	0	0	26,611	31,990	34,143	7,532
Other Public Safety	2,779	0	0	2,779	3,453	3,453	674
<u>Public Health and Welfare</u>							
Local Health Center	473,030	0	0	473,030	753,183	592,548	119,518
Rabies and Animal Control	493,956	0	0	493,956	500,927	547,836	53,880
Ambulance/Emergency Medical Services	245,000	0	0	245,000	225,000	245,000	0
Crippled Children Services	0	0	0	0	27,809	27,809	27,809
General Welfare Assistance	12,000	0	0	12,000	12,000	12,000	0
Other Local Welfare Services	72,138	0	0	72,138	62,500	65,500	(6,638)
Other Public Health and Welfare	159,401	0	0	159,401	148,202	158,202	(1,199)
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	57,070	0	0	57,070	61,070	61,070	4,000
Libraries	75,000	0	0	75,000	75,000	75,000	0
Parks and Fair Boards	14,000	0	0	14,000	111,670	43,300	29,300
Other Social, Cultural, and Recreational	20,000	0	0	20,000	25,000	25,000	5,000

(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 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	\$ 77,685	\$ 0	\$ 0	\$ 77,685	\$ 128,388	\$ 128,388	\$ 50,703
Flood Control	968	0	0	968	1,950	1,950	982
Other Agriculture and Natural Resources	45,000	0	0	45,000	45,000	45,000	0
<u>Other Operations</u>							
Tourism	364,109	0	0	364,109	225,000	355,000	(9,109)
Housing and Urban Development	288,447	0	0	288,447	0	450,000	161,553
Other Economic and Community Development	2,082,834	0	251,200	2,334,034	13,015	2,337,446	3,412
Veterans' Services	50,901	0	0	50,901	49,527	51,800	899
Miscellaneous	266,353	0	0	266,353	280,865	280,865	14,512
<u>Highways</u>							
Litter and Trash Collection	45,701	0	0	45,701	34,900	34,900	(10,801)
Total Expenditures	\$ 23,804,846	\$ (1,000,176)	\$ 890,732	\$ 23,695,402	\$ 19,826,551	\$ 26,485,444	\$ 2,790,042
Excess (Deficiency) of Revenues Over Expenditures	\$ (781,103)	\$ 1,000,176	\$ (890,732)	\$ (671,659)	\$ 4,384	\$ (5,013,935)	\$ 4,342,276
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 260,878	\$ 0	\$ 0	\$ 260,878	\$ 0	\$ 195,931	\$ 64,947
Transfers In	362,768	0	0	362,768	0	488,768	(126,000)
Transfers Out	(341,750)	0	0	(341,750)	(283,670)	(341,750)	0
Total Other Financing Sources	\$ 281,896	\$ 0	\$ 0	\$ 281,896	\$ (283,670)	\$ 342,949	\$ (61,053)
Net Change in Fund Balance	\$ (499,207)	\$ 1,000,176	\$ (890,732)	\$ (389,763)	\$ (279,286)	\$ (4,670,986)	\$ 4,281,223
Fund Balance, July 1, 2022	19,789,055	(1,000,176)	0	18,788,879	11,767,085	15,111,799	3,677,080
Fund Balance, June 30, 2023	\$ 19,289,848	\$ 0	\$ (890,732)	\$ 18,399,116	\$ 11,487,799	\$ 10,440,813	\$ 7,958,303

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
Other General Government Fund
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 9,485,229	\$ 0	\$ 0	\$ 9,485,229	\$ 0	\$ 3,867,779	\$ 5,617,450
Total Revenues	\$ 9,485,229	\$ 0	\$ 0	\$ 9,485,229	\$ 0	\$ 3,867,779	\$ 5,617,450
<u>Expenditures</u>							
<u>Public Safety</u>							
Fire Prevention and Control	\$ 900,000	\$ 0	\$ 0	\$ 900,000	\$ 0	\$ 750,000	\$ (150,000)
<u>Public Health and Welfare</u>							
Ambulance/Emergency Medical Services	47,375	0	0	47,375	0	47,375	0
<u>Other Operations</u>							
American Rescue Plan Act Grant #1	244,453	(234,117)	4,510,136	4,520,472	0	4,558,856	38,384
Total Expenditures	\$ 1,191,828	\$ (234,117)	\$ 4,510,136	\$ 5,467,847	\$ 0	\$ 5,356,231	\$ (111,616)
Excess (Deficiency) of Revenues Over Expenditures	\$ 8,293,401	\$ 234,117	\$ (4,510,136)	\$ 4,017,382	\$ 0	\$ (1,488,452)	\$ 5,505,834
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (477,395)	\$ 0	\$ 0	\$ (477,395)	\$ 0	\$ (591,944)	\$ 114,549
Total Other Financing Sources	\$ (477,395)	\$ 0	\$ 0	\$ (477,395)	\$ 0	\$ (591,944)	\$ 114,549
Net Change in Fund Balance	\$ 7,816,006	\$ 234,117	\$ (4,510,136)	\$ 3,539,987	\$ 0	\$ (2,080,396)	\$ 5,620,383
Fund Balance, July 1, 2022	0	(234,117)	0	(234,117)	2,080,396	2,080,396	(2,314,513)
Fund Balance, June 30, 2023	\$ 7,816,006	\$ 0	\$ (4,510,136)	\$ 3,305,870	\$ 2,080,396	\$ 0	\$ 3,305,870

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

Exhibit C-7

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, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,291,321	\$ 0	\$ 0	\$ 1,291,321	\$ 1,238,419	\$ 1,238,419	\$ 52,902
Licenses and Permits	200	0	0	200	0	0	200
Other Local Revenues	389,216	0	0	389,216	197,000	217,000	172,216
State of Tennessee	4,578,174	0	0	4,578,174	6,592,434	6,592,434	(2,014,260)
Federal Government	27,761	0	0	27,761	120,000	120,000	(92,239)
Other Governments and Citizens Groups	163,051	0	0	163,051	0	0	163,051
Total Revenues	\$ 6,449,723	\$ 0	\$ 0	\$ 6,449,723	\$ 8,147,853	\$ 8,167,853	\$ (1,718,130)
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 411,577	\$ 0	\$ 0	\$ 411,577	\$ 465,062	\$ 492,626	\$ 81,049
Highway and Bridge Maintenance	2,178,516	(38,231)	0	2,140,285	2,374,120	2,485,875	345,590
Operation and Maintenance of Equipment	849,937	0	0	849,937	1,104,658	1,118,181	268,244
Other Charges	152,746	0	0	152,746	126,820	170,820	18,074
Capital Outlay	2,775,215	(3,014,467)	470,600	231,348	4,142,700	4,249,033	4,017,685
Total Expenditures	\$ 6,367,991	\$ (3,052,698)	\$ 470,600	\$ 3,785,893	\$ 8,213,360	\$ 8,516,535	\$ 4,730,642
Excess (Deficiency) of Revenues Over Expenditures	\$ 81,732	\$ 3,052,698	\$ (470,600)	\$ 2,663,830	\$ (65,507)	\$ (348,682)	\$ 3,012,512
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 78,733	\$ 0	\$ 0	\$ 78,733	\$ 0	\$ 78,733	\$ 0
Total Other Financing Sources	\$ 78,733	\$ 0	\$ 0	\$ 78,733	\$ 0	\$ 78,733	\$ 0
Net Change in Fund Balance	\$ 160,465	\$ 3,052,698	\$ (470,600)	\$ 2,742,563	\$ (65,507)	\$ (269,949)	\$ 3,012,512
Fund Balance, July 1, 2022	5,643,264	(3,052,698)	0	2,590,566	2,928,505	2,928,505	(337,939)
Fund Balance, June 30, 2023	\$ 5,803,729	\$ 0	\$ (470,600)	\$ 5,333,129	\$ 2,862,998	\$ 2,658,556	\$ 2,674,573

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

Exhibit D-1

Carter County, Tennessee
Statement of Net Position
Fiduciary Funds
June 30, 2023

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 4,467,392
Equity in Pooled Cash and Investments	418,286
Accounts Receivable	11,475
Due from Other Governments	2,046,868
Property Taxes Receivable	3,807,185
Allowance for Uncollectible Property Taxes	<u>(50,004)</u>
Total Assets	<u>\$ 10,701,202</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	<u>\$ 2,565,266</u>
Total Liabilities	<u>\$ 2,565,266</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Current Property Taxes	<u>\$ 3,657,069</u>
Total Deferred Inflows of Resources	<u>\$ 3,657,069</u>
<u>NET POSITION</u>	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 4,478,867</u>
Total Net Position	<u><u>\$ 4,478,867</u></u>

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

Carter County, Tennessee
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

	<u>Custodial Funds</u>
<u>ADDITIONS</u>	
Sales Tax Collections for Other Governments	\$ 7,879,347
ADA - Educational Funds Collected for Cities	7,838,027
Fines/Fees and Other Collections	<u>10,149,838</u>
Total Additions	<u>\$ 25,867,212</u>
<u>DEDUCTIONS</u>	
Payment of Sales Tax Collections to Other Governments	\$ 7,879,347
Payments to City School Systems	7,838,027
Payments to State	5,627,828
Payments to Individuals and Others	<u>3,453,564</u>
Total Deductions	<u>\$ 24,798,766</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ 1,068,446
Net Position, July 1, 2022	<u>3,410,421</u>
Net Position, June 30, 2023	<u><u>\$ 4,478,867</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, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

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

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

Administrative Office:

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

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

B. Government-wide and Fund Financial Statements

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

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

Carter County issues all debt for the discretely presented Carter County School Department. There were no debt issues contributed by the county to the school

department during the year ended June 30, 2023. Other significant transactions between the primary government and the school department during the year include \$205,428 paid from the General Purpose School Fund to the county General Fund for School Resource Officers.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary funds financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

lease obligations, are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

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

Carter County reports the following major governmental funds:

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

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

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

Additionally, Carter County reports the following fund types:

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

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

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

share of educational revenues.

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

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

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

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

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

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. The current year (FY 23) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY 22) are presented in this report. We do not believe using the prior year balances will affect the independent auditor's opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found at <https://www.comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>.

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

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

1. Deposits and Investments

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment

Pool; the State Treasurer's Intermediate Term Investment Fund; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

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

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

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

Intermediate Term Investment Fund during the year.

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

2. Receivables and Payables

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

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

Property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to .68 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. The balance in the Due to Other Governments account on the Statement of Net Position for the primary government totaling

\$1,295,041 represents \$953,291 of American Rescue Plan Act funds and \$341,750 of Local Assistance and Tribal Consistency Fund funds received in advance. The balance in the Other Current Liabilities account totaling \$132,434 on the Statement of Net Position for the primary government represents the remaining balance in the payroll tax clearing account, contractor's deposits relating to the HOME Investment Partnerships Program, and asset seizures that have not been awarded to the county as of June 30, 2023. The balance in the Other Current liabilities account totaling \$398,157 on the Statement of Net Position for the discretely presented Carter County School Department represents the remaining balances in the teacher's insurance clearing account and payroll tax clearing account.

Retainage payable in the primary government's General 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 Fund.

3. Prepaid Items

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

4. Restricted Assets

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

5. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items) are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$10,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

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

6. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These items are for pension changes in experience, assumptions, investment earnings, and proportion; pension and OPEB contributions after the measurement date; OPEB changes in experience, assumptions, and proportion.

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

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

7. Compensated Absences

Primary Government

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

Discretely Presented Carter County 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 applicable governmental activities Statement of Net Position. Debt premiums and discounts are deferred and are amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the

reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

9. Net Position and Fund Balance

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

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

The government-wide Statement of Net Position reports \$14,566,795 of restricted net position for the primary government, of which \$2,663,290 is restricted by enabling legislation.

It is the county's policy that restricted amounts would be reduced first followed by unrestricted amounts when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is

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

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

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

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

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the county commission, the county's highest level of decision-making authority and the Board of Education, the school department's highest level of decision-making authority, and shall remain binding unless removed in the same manner. Committed for Other Purposes in the Other General Government Fund represents American Rescue Plan Act funds committed for revenue loss.

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission makes assignments for the general government and the Board of Education makes assignments for the school department. Assigned fund balance in the General Fund includes fund balance assigned for encumbrances of \$287,470, industrial/economic purposes \$118,567, and various other assignments \$55,872. Assigned fund balance in the school department's General Purpose School Fund includes amounts assigned for encumbrances \$39,636, amounts assigned for energy savings project \$79,852, amounts assigned for extended school program \$104,316, and various other assignments \$148,758.

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification

represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds. In the other governmental funds, funds expended that exceed the amounts that are restricted, committed, and assigned are reported as negative unassigned fund balance.

10. Minimum Fund Balance Policy

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

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

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

E. Pension Plans

Primary Government

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

Discretely Presented Carter County School Department

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

Plan. Investments are reported at fair value.

F. Other Postemployment Benefit (OPEB) Plans

Primary Government

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

Discretely Presented Carter County School Department

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Carter County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund and the school department's Internal School Fund (special revenue funds), which are not budgeted, and the General Capital Projects Fund, which adopts project length budgets. All annual appropriations lapse at fiscal year-end.

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

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

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

At June 30, 2023, Carter County and the discretely presented Carter County School Department reported the following encumbrances:

Funds	Amount
Primary Government:	
Major Funds:	
General	\$ 890,732
Other General Government	4,510,136
Highway/Public Works	470,600
School Department:	
Major Funds:	
General Purpose School	39,636
School Federal Projects	410,299

B. Fund Deficit

The School Federal Projects Fund of the discretely presented Carter County School Department had a deficit unassigned fund balance of \$199,443 at June 30, 2023. This deficit occurred because finance department personnel had not requested the reimbursement of year-end liabilities for ESSER III grant expenditures. The deficit was liquidated with the recognition of revenues in August 2023.

C. Expenditures Exceeded Appropriations

Total expenditures exceeded total appropriations of the Other General Government Fund and the General Debt Service Fund by \$111,616 and \$14,477, respectively. Expenditures also exceeded appropriations approved by the county commission in several major appropriation categories (the legal level of control) in the following funds:

Fund/Major Appropriation Category	Amount Overspent
Primary Government:	
General:	
Other Local Welfare Services	\$ 6,638
Other Public Health and Welfare	1,199
Tourism	9,109
Litter and Trash Collection	10,801
Other General Government:	
Fire Prevention and Control	150,000
General Debt Service:	
Other Debt Service - General Government	14,477
School Department:	
General Purpose School:	
Community Services	25,528
Other Education Special Revenue:	
Operation of Plant	556

Salaries exceeded appropriations in 23 of 269 salary line-items of the General, nonmajor Solid Waste/Sanitation, Highway/Public Works, General Purpose School, School Federal Projects, and nonmajor Other Education Special Revenue funds by amounts ranging from \$27 to \$43,190 for a total of \$90,552. The budget resolution approved by the county commission states that the salary, wages, or remuneration of each official, employee or agent of the county will not exceed appropriations that accompany this resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the county commission.

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

D. Appropriations Exceeded Estimated Available Funding

The budget and subsequent amendments approved by the county commission for the Sports and Recreation Fund (a nonmajor governmental fund of the primary government) and the school department's Education Capital Projects Fund resulted in appropriations exceeding estimated available funding by \$13,261 and \$1,413,634, respectively.

E. Original Budgets for Several Funds did not Comply with the County's Balanced Budget Policy

The original budgets for the 2023 fiscal year as developed and approved by the county commission for the General, Solid Waste/Sanitation, Highway/Public Works, General Purpose School, Central Cafeteria, Other Education Special Revenue, and Education Capital Projects funds included using \$279,286; \$28,893; \$65,507; \$911,986; \$578,600; \$28,486; and \$2,762,873 of fund balance, respectively. Therefore, Carter County had not met the criteria of developing a balanced budget for the above noted funds as required by the county's balanced budget policy. This is further discussed in the audit findings and recommendations in the Single Audit section of this report.

F. Results of Investigations

Discretely Presented Carter County School Department

On May 31, 2023, the Comptroller's Division of Investigations issued an investigative report on the Carter County School Department. This report disclosed time and attendance records were not maintained properly as an internal control deficiency, and inspection logs were not properly completed in compliance with state statutes. This report is available at www.comptroller.tn.gov/ia.

Carter County Solid Waste Department

On November 28, 2023, the Comptroller's Division of Investigations issued an investigative report on the Carter County Solid Waste Department (CCSW). This report disclosed three deficiencies in internal controls. The former CCSW director had a questionable business relationship, CCSW maintained insufficient financial policies, and CCSW maintained insufficient supporting documentation for customer charge accounts. This report is available at www.comptroller.tn.gov/ia.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of three methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 90 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

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

In addition, counties may invest in FDIC insured certificates of deposit. The deposit is first made in a bank or savings and loan association, selected by the government entity, with a branch in the state of Tennessee that is authorized

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

Investments

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

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

Other than the Carter County School Department's investment in the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust discussed below, the county had no pooled and nonpooled investments as of June 30, 2023.

TCRS Stabilization Trust

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

The trust is authorized to make investments as directed by the TCRS Board of Trustees. The Carter County School Department may not impose any restrictions on investments placed by the trust on their behalf. It is the intent of the plan trustees to allocate these funds in the future to offset pension costs.

On June 30, 2023, the Carter County School Department had the following investments held by the trust on its behalf. These funds are recognized as restricted assets in the General Purpose School Fund of the school department.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 156,756
Developed Market International Equity	N/A	N/A	70,793
Emerging Market International Equity	N/A	N/A	20,227
U.S. Fixed Income	N/A	N/A	101,134
Real Estate	N/A	N/A	50,567
Short-term Securities	N/A	N/A	5,057
NAV - Private Equity and Strategic Lending	N/A	N/A	101,134
Total			\$ 505,668

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

B. Lease Commitment

Carter County entered into an agreement dated July 1, 2021, with the Tennessee Board of Regents on behalf of Northeast State Community College, for the use of the county-owned Workforce Development Complex. The agreement expires June 30, 2026, with the board being able to terminate its agreement at any time with 90 days' notice. There is no penalty specified for early termination and it is not considered reasonably certain that the board will not exercise the termination option. Therefore, no lease receivable is reported for this agreement. The board is required to make monthly payments of \$11,566 while the agreement is in force.

C. Capital Assets

Capital assets activity for the year ended June 30, 2023, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-22	Increases	Decreases	Balance 6-30-23
Capital Assets Not Depreciated:				
Land	\$ 2,500,225	\$ 62,869	\$ 0	\$ 2,563,094
Construction in Progress	952,651	3,105,867	(2,186,244)	1,872,274
Total Capital Assets Not Depreciated	\$ 3,452,876	\$ 3,168,736	\$ (2,186,244)	\$ 4,435,368
Capital Assets Depreciated:				
Buildings and Improvements	\$ 37,357,701	\$ 458,585	\$ 0	\$ 37,816,286
Infrastructure	35,384,511	1,879,852	0	37,264,363
Other Capital Assets	9,982,530	3,244,098	(1,099,890)	12,126,738
Total Capital Assets Depreciated	\$ 82,724,742	\$ 5,582,535	\$ (1,099,890)	\$ 87,207,387
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 11,803,632	\$ 876,621	\$ 0	\$ 12,680,253
Infrastructure	13,209,764	838,373	0	14,048,137
Other Capital Assets	6,669,971	709,203	(1,063,581)	6,315,593
Total Accumulated Depreciation	\$ 31,683,367	\$ 2,424,197	\$ (1,063,581)	\$ 33,043,983
Total Capital Assets Depreciated, Net	\$ 51,041,375	\$ 3,158,338	\$ (36,309)	\$ 54,163,404
Governmental Activities Capital Assets, Net	\$ 54,494,251	\$ 6,327,074	\$ (2,222,553)	\$ 58,598,772

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

Governmental Activities:

General Government	\$ 87,015
Finance	19,651
Administration of Justice	5,024
Public Safety	896,287
Public Health and Welfare	213,037
Highways	<u>1,203,183</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 2,424,197</u></u>

Net Investment in Capital Assets

Capital Assets (both tangible and intangible)	\$ 58,598,772
Less:	
Outstanding principal of capital debt and other capital borrowings	(13,115,000)
Unamortized balance of original issue premiums on outstanding capital-related debt	<u>(124,060)</u>
Net Investment in Capital Assets	<u><u>\$ 45,359,712</u></u>

Discretely Presented Carter County School Department

Governmental Activities:

	Balance 7-1-22	Increases	Decreases	Balance 6-30-23
Capital Assets Not Depreciated:				
Land	\$ 929,373	\$ 303,600	\$ 0	\$ 1,232,973
Construction in Progress	873,747	715,312	(180,000)	1,409,059
Total Capital Assets Not Depreciated	\$ 1,803,120	\$ 1,018,912	\$ (180,000)	\$ 2,642,032
Capital Assets Depreciated:				
Buildings and Improvements	\$ 52,897,013	\$ 522,535	\$ 0	\$ 53,419,548
Other Capital Assets	9,411,834	67,385	(110,883)	9,368,336
Total Capital Assets Depreciated	\$ 62,308,847	\$ 589,920	\$ (110,883)	\$ 62,787,884
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 31,561,432	\$ 927,929	\$ 0	\$ 32,489,361
Other Capital Assets	7,731,119	331,051	(110,883)	7,951,287
Total Accumulated Depreciation	\$ 39,292,551	\$ 1,258,980	\$ (110,883)	\$ 40,440,648
Total Capital Assets Depreciated, Net	\$ 23,016,296	\$ (669,060)	\$ 0	\$ 22,347,236
Governmental Activities Capital Assets, Net	\$ 24,819,416	\$ 349,852	\$ (180,000)	\$ 24,989,268

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

Governmental Activities:

Instruction	\$ 1,016,945
Support Services	193,713
Operation of Non-instructional Services	48,322
Total Depreciation Expense - Governmental Activities	\$ 1,258,980

D. Construction Commitments

Primary Government

At June 30, 2023, the General Fund had uncompleted construction contracts of \$36,270 for renovations to the finance department and \$553,562 for window and cornice replacement at the courthouse. Funding has been received for these future expenditures.

The Highway/Public Works Fund had uncompleted construction contracts of \$209,310 for bridge and road projects, including architectural and engineering services. Funding for these future expenditures is expected to be received from state aid funds.

Discretely Presented Carter County School Department

The School Federal Projects Fund had an uncompleted construction contract of \$304,903 for architectural and engineering services for an addition to an elementary school. Funding for these future expenditures is being provided by federal grants.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2023, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 99,430
Highway/Public Works	General	442,256
"	Nonmajor governmental	31,360
Nonmajor governmental	General	719,083
"	Nonmajor governmental	334,667
Discretely Presented School Department:		
General Purpose School	School Federal Projects	64,713
"	Central Cafeteria	120,000
School Federal Projects	General Purpose School	64,480

A portion of the amount due between nonmajor governmental funds (\$334,667) resulted from a long-term interfund loan from the General Debt Service Fund to the Solid Waste/Sanitation Fund. The loan has a final maturity date of January 18, 2025. The amount not expected to be received within one year is \$167,334. See Note IV.I. for further details of this loan.

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

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
Primary Government: General	Component Unit: School Department: General Purpose School	\$ 321,225
Component Unit: School Department: General Purpose School	Primary Government: General	50,000

Interfund Transfers:

Interfund transfers for the year ended June 30, 2023, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		
	General Fund	Highway/ Public Works Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 0	\$ 341,750
Other General Government	362,768	78,733	35,894
Total	\$ 362,768	\$ 78,733	\$ 377,644

Transfers from the General Fund to the nonmajor governmental funds were for equipment purchases. Transfers from the Other General Government Fund to the General Fund, Highway/Public Works Fund, and nonmajor governmental funds represent American Rescue Plan Act funds for bonus payments.

Discretely Presented Carter County School Department

Transfers Out	Transfers In	
	General Purpose School Fund	School Federal Projects Fund
General Purpose School	\$ 0	\$ 1,200,000
Central Cafeteria Fund	120,000	0
Total	\$ 120,000	\$ 1,200,000

Transfers to the General Purpose School Fund represent indirect costs. Transfers to the School Federal Projects Fund represent amounts for cash flow purposes.

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

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 general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds outstanding were issued for original terms of 15 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2023, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements - Carter County issues other loans and capital outlay notes to provide funds for the acquisition and construction of major capital facilities and other capital outlay purchases, such as equipment, for the primary government and the discretely presented school department. Capital outlay notes and other loans are direct obligations and pledge the full faith, and credit, and taxing authority of the government. There were no capital outlay notes or other loans outstanding at June 30, 2023.

General obligation bonds outstanding as of June 30, 2023, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-23
General Obligation Bonds - Refunding (Taxable)	1.1 to 1.8%	5-1-35	\$ 15,635,000	\$ 13,115,000

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2023, including interest payments are presented in the following table:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2024	\$ 1,220,000	\$ 176,268	\$ 1,396,268
2025	1,255,000	161,018	1,416,018
2026	1,285,000	145,330	1,430,330
2027	1,290,000	129,268	1,419,268
2028	1,345,000	113,143	1,458,143
2029-2033	5,025,000	349,765	5,374,765
2034-2035	1,695,000	44,680	1,739,680
Total	<u>\$ 13,115,000</u>	<u>\$ 1,119,472</u>	<u>\$ 14,234,472</u>

There is \$3,093,273 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$233, based on the 2020 federal census. Total debt per capita, including bonds and unamortized premiums on bonds totaled \$235, based on the 2020 federal census.

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2023, was as follows:

Governmental Activities:

	Bonds
Balance, July 1, 2022	\$ 14,405,000
Reductions	<u>(1,290,000)</u>
Balance, June 30, 2023	<u>\$ 13,115,000</u>
Balance Due Within One Year	<u>\$ 1,220,000</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2023	\$ 13,115,000
Less: Balance Due Within One Year - Debt	(1,220,000)
Add: Unamortized Premium on Debt	<u>124,060</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u><u>\$ 12,019,060</u></u>

G. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2023, was as follows:

Governmental Activities:

	Compensated Absences	Landfill Closure/ Postclosure Care Costs	Other Postemployment Benefits
Balance, July 1, 2022	\$ 716,717	\$ 1,381,250	\$ 2,020,122
Additions	693,342	0	218,383
Reductions	<u>(569,969)</u>	<u>(84,428)</u>	<u>(150,495)</u>
Balance, June 30, 2023	<u>\$ 840,090</u>	<u>\$ 1,296,822</u>	<u>\$ 2,088,010</u>
Balance Due Within One Year	<u>\$ 420,045</u>	<u>\$ 172,656</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2023	\$ 4,224,922
Less: Balance Due Within One Year - Other	<u>(592,701)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u><u>\$ 3,632,221</u></u>

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

Discretely Presented Carter County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Carter County School Department for the year ended June 30, 2023, was as follows:

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2022	\$ 610,241	\$ 15,834,357
Additions	131,909	1,141,563
Reductions	(186,385)	(2,829,128)
Balance, June 30, 2023	<u>\$ 555,765</u>	<u>\$ 14,146,792</u>
Balance Due Within One Year	<u>\$ 141,422</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2023	\$ 14,702,557
Less: Balance Due Within One Year - Other	<u>(141,422)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 14,561,135</u>

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General Purpose School and School Federal Projects 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 Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2023, were \$324,803. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

I. Internal Financing

In-lieu-of issuing debt with financial institutions, Carter County often chooses to internally finance various capital outlay expenditures with idle county funds. Internally reported note receivable due to the General Debt Service Fund from the Solid Waste/Sanitation Fund (a nonmajor governmental fund) is reflected below:

Fund/Purpose	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date
Solid Waste/ Sanitation				
Fund:				
Solid Waste Equipment	\$ 502,000	0 %	2-24-22	1-18-25
			Paid and/or Matured	
		Outstanding 7-1-22	During Period	Outstanding 6-30-23
Solid Waste/ Sanitation				
Fund:				
Solid Waste Equipment	\$ 502,000	\$ (167,333)	\$	334,667
Total	\$ 502,000	\$ (167,333)	\$	334,667

V. OTHER INFORMATION

A. Risk Management

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

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

The school department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *Tennessee Code Annotated (TCA)*, all local education agencies are eligible to participate. The LEGIF is included in the Annual Comprehensive Financial Report of the State of Tennessee, but the state does

not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

B. Accounting Changes

GASB Statement No. 91, *Conduit Debt Obligations*, became effective for fiscal year ending June 30, 2023. This statement clarifies what is considered conduit debt and the requirements of when to disclose liabilities and commitments concerning conduit debt.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, became effective for fiscal year ending June 30, 2023. This statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, became effective for fiscal year ending June 30, 2023. This standard establishes a definition for SBITAs and provides uniform guidance for accounting and financial reporting for transactions that meet that definition. This statement also establishes criteria for the recognition of implementation costs and requires a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement.

GASB Statement No. 99, *Omnibus 2022*, became effective during the fiscal year. This statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including Financial Guarantees; Derivative Instruments; Leases, PPPs, and SBITAs; LIBOR rate replacement; and other technical updates and corrections.

C. Contingent Liabilities

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

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

D. Changes in Administration

On July 1, 2022, Brandon Carpenter was appointed Director of Schools succeeding Tracy McAbee.

On August 31, 2022, Dexter Lunceford left the Office of Sheriff and was succeeded by Mike Fraley, and Randal Lewis left the Office of Trustee and was succeeded by Chad Lewis.

On May 31, 2023, Roger Colbaugh retired from the Office of Road Superintendent. Shannon Burchett served as Interim Road Superintendent beginning June 1, 2023.

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 \$1,296,822 reported as postclosure care liability at June 30, 2023, represents amounts based on what it would cost to perform all postclosure care in 2023. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Carter County bills the City of Elizabethton for one-half of the postclosure expenditures in accordance with a written agreement with the city.

F. Joint Ventures

Primary Government

The Upper East Tennessee Juvenile Detention Center was formed through cooperative agreements between Carter County and the counties of Greene, Hawkins, Johnson, Sullivan, Unicoi, and Washington for the operation of a

program to divert youth from commitment to the Department of Correction facilities. This program is governed by a board of directors designated by the counties. The board of directors has contracted with ElyJenn Health Services, LLC, to undertake the management of this program. Operation costs to the counties are allocated according to percentages based on population. Carter County's participation is 11.0 percent. The counties also pay a daily fee for individuals from their counties using the facility.

The First Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the First Judicial District; Carter, Unicoi, and Washington counties; and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Carter County did not contribute to the DTF for the year ended June 30, 2023.

Complete financial statements for the Juvenile Detention Center and the First Judicial District Drug Task Force 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

Office of District Attorney General
First Judicial District Drug Task Force
P.O. Box 38
Jonesborough, TN 37659

Discretely Presented School Department

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

including one representative from each of the member districts and an executive council, consisting of the chair, vice chair, secretary, treasurer, and a member-at-large from the representative committee. Complete financial statements NETCO can be obtained from its administrative office at the following address:

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

G. Jointly Governed Organization

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.

In prior years, Carter County participated in the joint governance of the Alliance for Business and Training (AB&T) which administered funds received under the Workforce Innovation and Opportunity Act for the Northeast Tennessee Local Workforce Development Area. AB&T's contracts with the Tennessee Department of Labor for the administration of the funds terminated at June 30, 2022, and AB&T was dissolved in January 2023.

H. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Carter County and non-certified employees of the discretely presented Carter County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 61.09 percent, the non-certified employees of the discretely presented school department comprise 38.91 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

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

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

leaves employment may withdraw their employee contributions plus any accumulated interest.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2022, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	544
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	977
Active Employees	566
 Total	 <u>2,087</u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Carter County elected to make employer contributions at a rate higher than the minimum rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2023, the employer contributions for Carter County were \$1,072,123 based on a rate of six percent of covered payroll. The minimum rate set by the Board of Trustees was 4.36 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, 2022, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	4.88 %	31 %
International Equity Emerging Market	5.37	14
International Equity Private Equity and Strategic Lending	6.09	4
U.S. Fixed Income	6.57	20
Real Estate	1.20	20
Short-term Securities	4.38	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 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from 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, 2021	\$ 60,443,363	\$ 73,771,573	\$ (13,328,210)
Changes for the Year:			
Service Cost	\$ 1,341,914	\$ 0	\$ 1,341,914
Interest	4,075,473	0	4,075,473
Differences Between Expected and Actual Experience	1,942,615	0	1,942,615
Contributions-Employer	0	1,303,947	(1,303,947)
Contributions-Employees	0	582,955	(582,955)
Net Investment Income	0	(2,803,344)	2,803,344
Benefit Payments, Including Refunds of Employee Contributions	(2,815,794)	(2,815,794)	0
Administrative Expense	0	(57,868)	57,868
Net Changes	\$ 4,544,208	\$ (3,790,104)	\$ 8,334,312
Balance, June 30, 2022	\$ 64,987,571	\$ 69,981,469	\$ (4,993,898)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	61.09%	\$ 39,700,907	\$ 42,751,679	\$ (3,050,772)
School Department	38.91%	25,286,664	27,229,790	(1,943,126)
Total		\$ 64,987,571	\$ 69,981,469	\$ (4,993,898)

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 6.75 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Carter County	5.75%	6.75%	7.75%

Net Pension Liability (Asset) \$ 3,967,651 \$ (4,993,898) \$ (12,341,185)

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

Pension Expense (Negative Pension Expense). For the year ended June 30, 2023, Carter County recognized pension expense (negative pension expense) of \$530,409.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, 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	\$ 1,480,911	\$ 784,764
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	125,259	0
Changes in Assumptions	2,767,264	0
Contributions Subsequent to the Measurement Date of June 30, 2022 (1)	1,072,123	N/A
Total	<u>\$ 5,445,557</u>	<u>\$ 784,764</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2022,” will be recognized as a reduction (increase) to net pension liability (asset) in the subsequent fiscal period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 3,444,770	\$ 479,412
School Department	<u>2,100,787</u>	<u>305,352</u>
Total	<u>\$ 5,545,557</u>	<u>\$ 784,764</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
2024	\$ 680,995
2025	814,820
2026	542,934
2027	1,549,924
2028	0
Thereafter	0

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

Discretely Presented Carter County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Carter County and non-certified employees of the discretely presented Carter County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 61.09 percent and the non-certified employees of the discretely presented school department comprise 38.91 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

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

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

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2023, to the Teacher Retirement Plan were \$220,400 which is 2.87 percent of covered payroll. In addition, employer contributions of \$76,877, which is 1.13 percent of covered payroll, were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). At June 30, 2023, the school department reported a liability (asset) of (\$119,783) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022, 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, 2022, the school department's proportion was .395420 percent. The proportion as of June 30, 2021, was .337154 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2023, the school department recognized pension expense (negative pension expense) of \$167,123.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 6,550	\$ 72,776
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	37,756	0
Changes in Assumptions	140,319	0
Changes in Proportion of Net Pension Liability (Asset)	18,901	47,324
LEA's Contributions Subsequent to the Measurement Date of June 30, 2022	220,400	N/A
Total	<u>\$ 423,926</u>	<u>\$ 120,100</u>

The school department's employer contributions of \$220,400, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) to the net pension liability (asset) in the year ending June 30, 2024. 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
2024	\$ 589
2025	973
2026	(5,231)
2027	60,531
2028	4,777
Thereafter	21,787

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, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity Developed Market	4.88	%	31	%
International Equity Emerging Market	5.37		14	
International Equity Private Equity and Strategic Lending	6.09		4	
U.S. Fixed Income	6.57		20	
Real Estate	1.20		20	
Short-term Securities	4.38		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 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the school department's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what the school department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

School Department's		Current	
Proportionate Share of	1%	Discount	1%
the Net Pension	Decrease	Rate	Increase
Liability (Asset)	5.75%	6.75%	7.75%

Net Pension Liability (Asset) \$ 628,789 \$ (119,783) \$ (666,470)

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, 2023, the Carter County School Department reported a payable of \$39,358 for the outstanding amount of contributions due to the pension plan required for the year ended June 30, 2023.

Teacher Legacy Pension Plan

General Information About the Pension Plan

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

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

retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Carter County School Department for the year ended June 30, 2023, to the Teacher Legacy Pension Plan were \$1,477,245, which is 8.69 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liability (Assets). At June 30, 2023, the school department reported a liability (asset) of (\$6,663,659) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022, 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, 2022, the school department's proportion was .543349 percent. The proportion measured at June 30, 2021, was .534693 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2023, the school department recognized pension expense (negative pension expense) of \$79,851.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, 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	\$ 1,096,147	\$ 1,125,956
Changes in Assumptions	4,174,461	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	113,945	0
Changes in Proportion of Net Pension Liability (Asset)	117,074	111,373
LEA's Contributions Subsequent to the Measurement Date of June 30, 2022	1,477,245	N/A
Total	<u>\$ 6,978,872</u>	<u>\$ 1,237,329</u>

The school department's employer contributions of \$1,477,245 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) to the net pension liability (asset) in the year ending June 30, 2024. 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
2024	\$ 687,110
2025	1,257,823
2026	(1,197,707)
2027	3,517,074
2028	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, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	%	Percentage Target Allocations	%
U.S. Equity Developed Market	4.88	%	31	%
International Equity Emerging Market	5.37		14	
International Equity Private Equity and Strategic Lending	6.09		4	
U.S. Fixed Income	6.57		20	
Real Estate	1.20		20	
Short-term Securities	4.38		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 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the school department's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what the school department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
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Net Pension Liability (Asset) \$ 13,198,411 \$ (6,663,659) \$ (23,207,444)

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, 2023, the Carter County School Department reported a payable of \$281,015 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2023.

2. Deferred Compensation

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

Teachers hired after July 1, 2014, by the Carter County School Department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state’s 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher’s salary into their deferred compensation plan. In addition, teachers are required to contribute a minimum of two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$364,446 and teachers contributed \$246,110 to this deferred compensation pension plan.

I. Other Postemployment Benefits (OPEB)

Primary Government

Plan Description. Carter County participates in a commercial postemployment benefits plan administered by BlueCross BlueShield for medical benefits for retirees under the age of 65. For reporting purposes, the plan is considered to be a single employer defined benefit OPEB plan based on criteria in Statement

No. 75 of the Governmental Accounting Standards Board (GASB). The plan is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

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

Employees Covered by Benefit Terms

At the measurement date of June 30, 2023, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	12
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	233
Total	245

Total OPEB Liability

The plan's total OPEB liability of \$2,088,010 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to the measurement date.

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

Actuarial Cost Method	Entry Age Normal
Inflation	2.5%
Discount Rate	4.13%
Healthcare Cost Trend Rates	6.5% for FY23 with and ultimate rate of 3.63% in 2060
Retirees share of Benefit-related Cost	See discussion under Benefits Provided

The discount rate was based on the S&P Municipal Bond 20-Year High Grade as of June 30, 2023.

The mortality assumption is based on the PubG-2010 Mortality Tables projected generationally with scale MP-2020. Mortality assumptions reflect observed current mortality and expected mortality improvements.

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, 2022	\$ 2,020,122
Changes for the Year:	
Service Cost	\$ 133,278
Interest	85,105
Changes in Assumptions	(3,848)
Benefit Payments	(98,043)
Implicit Rate Subsidy	(48,604)
Net Changes	<u>\$ 67,888</u>
Balance June 30, 2023	<u>\$ 2,088,010</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, the primary government recognized OPEB expense of \$244,284. At June 30, 2023, 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	\$ 205,601	\$ 47,064
Changes in Assumptions	0	48,122
Total	<u>\$ 205,601</u>	<u>\$ 95,186</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
2024	\$ 25,901
2025	25,901
2026	29,468
2027	30,072
2028	727
Thereafter	(1,654)

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

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

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	3.13%	4.13%	5.13%
Total OPEB Liability	\$ 2,228,938	\$ 2,088,010	\$ 1,956,796

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

<u>Healthcare Cost Trend Rate</u>	1% Decrease	Current Trend Rate	1% Increase
	5.5%	6.5%	7.5%
Total OPEB Liability	\$ 1,902,943	\$ 2,088,010	\$ 2,302,878

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, 2022, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2022, 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	2.25%
Salary Increases	Salary increases used in the July 1, 2021 TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.54%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 8.37% for pre-65 retirees in the 2022 calendar year, and decreasing annually over a 7 year period to an ultimate trend rate of 4.5%
Retirees Share of Benefit Related Cost	Discussed under Benefits Provided

The discount rate was 3.54 percent, based on an average rating of AA/Aa as shown in the Bond Buyer 20-Year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2022, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2022, valuations were the same as those employed in the July 1, 2021, Pension Actuarial Valuation of the TCRS. These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the PUB-2010 Headcount-weighted employee mortality table for non-disabled pre-retirement mortality, with mortality improvement projected generationally with MP-2020 from 2010. Post-retirement rates are headcount-weighted below median healthy annuitant and adjusted with a 19 percent load for males and an 18 percent load for females, projected generationally with MP-2020 from 2010. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load, projected generationally from 2018 with MP-2020.

Changes in Assumptions. The discount rate changed from 2.16 percent as of the beginning of the measurement period to 3.54 percent as of the measurement date of June 30, 2022. This change in assumption increased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 2022 plan year was revised from 7.36 percent to 8.37 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 of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with 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 \$260 to \$450 per month depending on years of service and coverage selected. The school department provides a direct subsidy for noncertified retirees ranging from \$473 to \$613 depending on years of service and coverage selected. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retiree's premiums based on years of service. Retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 25 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2022, the following employees were covered by the benefit terms:

Inactive Employees Currently Receiving Benefit Payments	86
Inactive Employees Entitled to But Not Yet Receiving Benefit Payments	0
Active Employees Eligible For Benefits	466
 Total	 <u><u>552</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 \$837,265 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability – As of the Measurement Date

	<u>Share of Collective Liability</u>		
	Carter County School Department 70.6932%	State of TN 29.3068%	Total OPEB Liability
Balance July 1, 2021	\$ 13,576,170	\$ 5,276,291	\$ 18,852,461
Changes for the Year:			
Service Cost	\$ 582,192	\$ 241,355	\$ 823,547
Interest	291,784	120,962	412,746
Difference between Expected and Actuarial Experience	(275,348)	(114,149)	(389,497)
Changes in Proportion	(248,757)	248,757	0
Changes in Assumption and Other Inputs	(1,034,510)	(428,869)	(1,463,379)
Benefit Payments	(806,534)	(334,358)	(1,140,892)
Net Changes	<u>\$ (1,491,173)</u>	<u>\$ (266,302)</u>	<u>\$ (1,757,475)</u>
Balance June 30, 2022	<u>\$ 12,084,997</u>	<u>\$ 5,009,989</u>	<u>\$ 17,094,986</u>

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 \$391,331 in revenue for subsidies provided by non-employer 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 70.6932 percent and the State of Tennessee’s share was 29.3068 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, the school department recognized OPEB expense of \$1,206,763 including the state’s share of the expense. At June 30, 2023, 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	\$ 1,518,557	\$ 988,342
Changes of Assumptions/Inputs	993,074	1,737,847
Changes in Proportion	621,227	907,436
Benefits Paid After the Measurement Date of June 30, 2022	<u>837,265</u>	<u>0</u>
Total	<u>\$ 3,970,123</u>	<u>\$ 3,633,625</u>

The amount shown above for “Benefits Paid After the Measurement Date” will be recognized as a reduction to OPEB liability in the following measurement period.

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

Year Ending June 30	School Department
2024	\$ (58,543)
2025	(58,543)
2026	(49,170)
2027	(53,555)
2028	(90,397)
Thereafter	(190,559)

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	Current Discount Rate	1% Increase
	2.54%	3.54%	4.54%

Proportionate Share of the
Collective Total OPEB Liability \$ 12,848,858 \$ 12,084,997 \$ 11,355,719

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	Curent Rates	1% Increase
	7.37 to 3.5%	8.37 to 4.5%	9.37 to 5.5%

Proportionate Share of the
Collective Total OPEB Liability \$ 11,058,496 \$ 12,084,997 \$ 13,260,693

Dental, Life, and Retirement Bonus Plan

Plan Description. In addition to health insurance coverage provided to pre-65 retirees discussed under the closed LEA plan, the Carter County School Department also provides other postemployment benefits to pre-65 retirees for

dental insurance and basic life insurance coverage of \$10,000. The school department also provides a \$5,000 retirement bonus to eligible retirees. Dental coverage is provided through BlueCross BlueShield. Life insurance is provided through MetLife. The retirement bonus is provided through payments to retirees from the General Purpose School Fund. For reporting purposes, the plan is considered to be a single employer defined benefit OPEB plan based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). The plan is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

Benefits Provided. Benefits provided by the plan are established and may be amended by the Board of Education. To be eligible for benefits, certified retirees must be age 55 or retire with 25 or more years of service and have been employed with the school department for at least 15 years, with the five years preceding retirement having been with the school department. Full-time non-certified employees are eligible for benefits if they retire with: (a) 15 or more years of service and have attained age 60; (b) 17 or more years of service and have attained age 55; (c) 30 or more years of service at any age. Years of service for non-certified employees must be established with 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 measurement date of June 30, 2023, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	103
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	912
Total	<u><u>1,015</u></u>

Total OPEB Liability

The plan's total OPEB liability of \$2,061,795 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to the measurement date.

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

Actuarial Cost Method	Entry Age Normal
Discount Rate	4.13%
Healthcare Cost Trend Rates	7% for FY23 with an ultimate rate of 3.6% in 2061
Retirees share of Benefit-related Cost	See discussion under Benefits Provided

The discount rate is based on the S&P Municipal Bond 20-Year High Grade Index as of June 30, 2023, which was 4.13 percent.

The mortality assumption for certified employees is based on the PubT-2010 Mortality Table for Employees projected generationally with scale MP-2020. The mortality assumption for non-certified employees is based on the PubG-2010 Mortality Table for Employees projected generationally with scale MP-2020. Mortality assumptions reflect observed current mortality as well as expected mortality improvements.

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, 2022	\$ 2,258,187
Changes for the Year:	
Service Cost	\$ 178,853
Interest	88,774
Benefit Payments	(439,673)
Assumption and Other Inputs	<u>(24,346)</u>
Net Changes	<u>\$ (196,392)</u>
Balance June 30, 2023	<u>\$ 2,061,795</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, the school department recognized OPEB expense of \$47,560. At June 30, 2023, the school department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions/Inputs Difference Between Expected and Actual Experience	\$ 50,289	\$ 20,750
	<u>615,798</u>	<u>1,639,760</u>
Total	<u>\$ 666,087</u>	<u>\$ 1,660,510</u>

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

<u>Year Ending June 30</u>	<u>School Department</u>
2024	\$ (220,067)
2025	(213,872)
2026	(213,352)
2027	(226,517)
2028	(151,069)
Thereafter	30,454

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

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

<u>Discount Rate</u>	1% Decrease 3.13%	Current Discount Rate 4.13%	1% Increase 5.13%
Total OPEB Liability	\$ 2,236,346	\$ 2,061,795	\$ 1,905,540

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

<u>Healthcare Cost Trend Rate</u>	1% Decrease 6%	Current Trend Rate 7%	1% Increase 8%
Total OPEB Liability	\$ 1,876,403	\$ 2,061,795	\$ 2,274,374

J. Termination Benefits

The Carter County Board of Education approved a one-time retirement bonus funded in the 2022-23 year school department budget. Sixteen individuals received this bonus payment of \$5,000 each which was paid from the General Purpose School Fund during July and August 2023. The liability for this bonus, plus the employees' accrued vacation and sick leave benefits, is reported as Termination Benefits – Current in the General Purpose School Fund at June 30, 2023.

K. Office of Central Accounting, Budgeting, and Purchasing

Office of Director of Finance

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

L. Purchasing Law

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

M. Subsequent Events

On June 30, 2023, the Carter County Board of Education signed a contract totaling \$17,679,000 for a project for an addition to Hunter Elementary school. Funding for this project will be provided first by ESSER III grant funds approved by the Tennessee Department of Education for the 2024 fiscal year, then by available funds in the Education Capital Projects Fund, with any remainder being paid out of the General Purpose School Fund.

Shannon Burchett, who served as interim Road Superintendent as of June 30, 2023, was appointed as Road Superintendent effective August 21, 2023.

On October 23, 2023, Carter County accepted a \$6.3 million grant from the Tennessee Department of Environment and Conservation for development and expansion of the Tweetsie Trail.

On October 25, 2023, the county donated the Workforce Development Complex to the State of Tennessee, effectively terminating the agreement referenced in Note IV.B.

On October 27, 2023, Carter County issued \$2,540,000 in capital outlay notes for jail HVAC improvements.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability									
Service Cost	\$ 968,307	\$ 946,742	\$ 990,434	\$ 1,076,184	\$ 1,143,055	\$ 1,187,615	\$ 1,233,659	\$ 1,234,159	\$ 1,341,914
Interest	2,954,231	3,112,630	3,203,218	3,385,810	3,466,250	3,631,000	3,759,163	3,938,865	4,075,473
Differences Between Actual and Expected Experience	196,779	(791,022)	340,372	(814,366)	29,062	(565,653)	59,878	(1,119,393)	1,942,615
Changes in Assumptions	0	0	0	1,192,709	0	0	0	4,612,108	0
Benefit Payments, Including Refunds of Employee Contributions	(1,924,412)	(2,047,102)	(2,161,299)	(2,209,132)	(2,272,875)	(2,548,147)	(2,514,341)	(2,634,766)	(2,815,794)
Net Change in Total Pension Liability	\$ 2,194,905	\$ 1,221,248	\$ 2,372,725	\$ 2,631,205	\$ 2,365,492	\$ 1,704,815	\$ 2,538,359	\$ 6,030,973	\$ 4,544,208
Total Pension Liability, Beginning	39,383,641	41,578,546	42,799,794	45,172,519	47,803,724	50,169,216	51,874,031	54,412,390	60,443,363
Total Pension Liability, Ending (a)	\$ 41,578,546	\$ 42,799,794	\$ 45,172,519	\$ 47,803,724	\$ 50,169,216	\$ 51,874,031	\$ 54,412,390	\$ 60,443,363	\$ 64,987,571
Plan Fiduciary Net Position									
Contributions - Employer	\$ 1,642,354	\$ 1,799,438	\$ 1,887,726	\$ 1,919,806	\$ 2,007,168	\$ 2,104,319	\$ 2,187,453	\$ 1,112,163	\$ 1,303,947
Contributions - Employee	205,685	258,553	315,826	347,325	388,330	446,800	468,662	497,735	582,955
Net Investment Income	5,882,079	1,273,583	1,130,452	4,958,056	4,046,199	3,931,510	2,814,901	15,238,623	(2,803,344)
Benefit Payments, Including Refunds of Employee Contributions	(1,924,412)	(2,047,102)	(2,161,299)	(2,209,132)	(2,272,875)	(2,548,147)	(2,514,341)	(2,634,766)	(2,815,794)
Administrative Expense	(21,508)	(28,327)	(43,750)	(49,238)	(55,339)	(53,461)	(53,325)	(52,335)	(57,868)
Other Changes	0	0	8,928	297	0	0	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 5,784,198	\$ 1,256,145	\$ 1,137,883	\$ 4,967,114	\$ 4,113,483	\$ 3,881,021	\$ 2,903,350	\$ 14,161,420	\$ (3,790,104)
Plan Fiduciary Net Position, Beginning	35,566,959	41,351,157	42,607,302	43,745,185	48,712,299	52,825,782	56,706,803	59,610,153	73,771,573
Plan Fiduciary Net Position, Ending (b)	\$ 41,351,157	\$ 42,607,302	\$ 43,745,185	\$ 48,712,299	\$ 52,825,782	\$ 56,706,803	\$ 59,610,153	\$ 73,771,573	\$ 69,981,469
Net Pension Liability (Asset), Ending (a - b)	\$ 227,389	\$ 192,492	\$ 1,427,334	\$ (908,575)	\$ (2,656,566)	\$ (4,832,772)	\$ (5,197,763)	\$ (13,328,210)	\$ (4,993,898)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	99.45%	99.55%	96.84%	101.90%	105.30%	109.32%	109.55%	122.05%	107.68%
Covered Payroll	\$ 11,631,366	\$ 12,044,428	\$ 12,637,078	\$ 12,850,190	\$ 13,434,863	\$ 14,085,117	\$ 14,641,576	\$ 14,781,344	\$ 16,302,905
Net Pension Liability (Asset) as a Percentage of Covered Payroll	1.95%	1.60%	11.29%	(7.07%)	(19.77%)	(34.31%)	(35.50%)	(90.17%)	(30.63%)

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

Note 2: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the primary government and non-certified employees of the discretely presented school department.

Exhibit E-2

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 1,642,354	\$ 1,799,438	\$ 1,887,726	\$ 1,919,806	\$ 1,567,849	\$ 1,476,122	\$ 869,710	\$ 947,956	\$ 312,947	\$ 779,064
Less: Contributions in Relation to the Actuarially Determined Contribution	(1,642,354)	(1,799,438)	(1,887,726)	(1,919,806)	(2,007,169)	(2,104,319)	(2,187,453)	(1,112,163)	(1,303,947)	(1,072,123)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (439,320)	\$ (628,197)	\$ (1,317,743)	\$ (164,207)	\$ (991,000)	\$ (293,059)
Covered Payroll	\$ 11,631,366	\$ 12,044,428	\$ 12,637,078	\$ 12,850,190	\$ 13,434,863	\$ 14,085,117	\$ 14,641,576	\$ 14,781,344	\$ 16,302,905	\$ 17,868,437
Contributions as a Percentage of Covered Payroll	14.12%	14.94%	14.94%	14.94%	14.94%	14.94%	14.94%	7.52%	8.00%	6.00%

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

Exhibit E-3

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually Required Contribution	\$ 28,892	\$ 60,931	\$ 103,169	\$ 124,703	\$ 68,531	\$ 81,430	\$ 98,291	\$ 135,727	\$ 220,400
Less: Contributions in Relation to the Contractually Required Contribution	(28,892)	(60,931)	(103,169)	(124,703)	(68,531)	(81,430)	(98,291)	(135,727)	(220,400)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 722,287	\$ 1,523,278	\$ 2,579,247	\$ 3,117,577	\$ 3,532,541	\$ 4,011,265	\$ 4,708,196	\$ 6,752,601	\$ 7,679,417
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%	2.09%	2.01%	2.87%

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

Note 2: Beginning in FY 2019, the school department placed the actuarially determined contribution rate of covered payroll into the pension plan and placed the remainder of the four percent contractually required contribution into the Pension Stabilization Reserve Trust.
 2019: Pension - 1.94%, SRT - 2.02%
 2020: Pension - 2.03%, SRT - 1.97%
 2021: Pension - 2.02%, SRT - 1.98%
 2022: Pension - 2.01%, SRT - 1.99%
 2023: Pension - 2.87%, SRT - 1.13%

Exhibit E-4

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually Required Contribution	\$ 1,864,442	\$ 1,862,080	\$ 1,826,476	\$ 1,804,892	\$ 1,806,782	\$ 2,043,113	\$ 2,003,669	\$ 1,802,339	\$ 1,841,771	\$ 1,477,245
Less: Contributions in Relation to the Contractually Required Contribution	(1,864,442)	(1,862,080)	(1,826,476)	(1,804,892)	(1,806,782)	(2,043,113)	(2,003,669)	(1,802,339)	(1,841,771)	(1,477,245)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 20,995,964	\$ 20,599,747	\$ 20,204,373	\$ 19,965,598	\$ 19,898,460	\$ 19,532,654	\$ 18,849,177	\$ 17,549,550	\$ 17,881,270	\$ 16,999,379
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%	10.30%	8.69%

Exhibit E-5

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

	2015	2016	2017	2018	2019	2020	2021	2022
School Department's Proportion of the Net Pension Liability (Asset)	0.347636%	0.346198%	0.392973%	0.356751%	0.333822%	0.317873%	0.337154%	0.395420%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (13,985)	\$ (36,040)	\$ (103,679)	\$ (161,797)	\$ (188,438)	\$ (180,756)	\$ (365,210)	\$ (119,783)
Covered Payroll	\$ 722,287	\$ 1,523,278	\$ 2,579,247	\$ 3,117,577	\$ 3,532,541	\$ 4,011,265	\$ 4,708,196	\$ 6,752,601
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94%)	(2.37%)	(4.02%)	(5.19%)	(5.33%)	(4.51%)	(7.76%)	(1.77%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%	121.53%	104.55%

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

Exhibit E-6

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
School Department's Proportion of the Net Pension Liability (Asset)	0.534930%	0.550239%	0.559709%	0.564806%	0.568256%	0.582517%	0.566338%	0.534693%	0.543349%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (86,924)	\$ 225,397	\$ 3,497,874	\$ (184,795)	\$ (1,999,645)	\$ (5,989,324)	\$ (4,318,746)	\$ (23,062,613)	\$ (6,663,659)
Covered Payroll	\$ 20,995,964	\$ 20,599,747	\$ 20,204,373	\$ 19,965,598	\$ 19,898,460	\$ 19,532,654	\$ 18,849,177	\$ 17,549,550	\$ 17,881,270
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41%)	1.09%	17.31%	(0.93%)	(10.05%)	(30.66%)	(22.91%)	(131.41%)	(37.27%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%	104.42%

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

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

	2018	2019	2020	2021	2022	2023
Total OPEB Liability						
Service Cost	\$ 50,675	\$ 53,795	\$ 41,241	\$ 52,956	\$ 75,848	\$ 133,278
Interest	68,057	63,740	63,083	47,305	45,881	85,105
Differences Between Actual and Expected Experience	(67,745)	90,185	273,937	(20,385)	(12,618)	0
Changes in Assumptions or Other Inputs	0	0	0	0	(62,751)	(3,848)
Benefit Payments	(85,020)	(65,586)	(63,914)	(57,256)	(99,949)	(98,043)
Implicit Rate Subsidy	0	(97,972)	(37,732)	(37,732)	(48,274)	(48,604)
Net Change in Total OPEB Liability	\$ (34,033)	\$ 44,162	\$ 276,615	\$ (15,112)	\$ (101,863)	\$ 67,888
Total OPEB Liability, Beginning	1,850,353	1,816,320	1,860,482	2,137,097	2,121,985	2,020,122
Total OPEB Liability, Ending	\$ 1,816,320	\$ 1,860,482	\$ 2,137,097	\$ 2,121,985	\$ 2,020,122	\$ 2,088,010
Covered Employee Payroll	\$ 8,897,803	\$ 9,025,064	\$ 9,990,375	\$ 10,313,273	\$ 8,912,884	\$ 9,180,271
Net OPEB Liability as a Percentage of Covered Employee Payroll	20.41%	20.61%	21.39%	20.58%	22.67%	22.74%

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

Note 2: Changes in assumptions.

The following are the discount rates used in each period:

2017	3.58%
2018	3.87%
2019	3.50%
2020	2.21%
2021	2.16%
2022	4.09%
2023	4.13%

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

Exhibit E-8

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

	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service Cost	\$ 681,507	\$ 630,478	\$ 1,051,967	\$ 676,967	\$ 813,824	\$ 823,547
Interest	434,429	508,713	745,358	558,351	406,966	412,746
Changes in Benefit Terms	0	2,336,571	(1,893,708)	0	0	0
Differences Between Actual and Expected Experience	0	2,390,151	(2,128,053)	484,563	1,101,019	(389,497)
Changes in Assumptions or Other Inputs	(583,190)	1,023,786	(1,170,504)	1,569,048	(596,948)	(1,463,379)
Benefit Payments	(1,041,256)	(1,098,186)	(931,865)	(892,823)	(941,523)	(1,140,892)
Net Change in Total OPEB Liability	\$ (508,510)	\$ 5,791,513	\$ (4,326,805)	\$ 2,396,106	\$ 783,338	\$ (1,757,475)
Total OPEB Liability, Beginning	14,716,819	14,208,309	19,999,822	15,673,017	18,069,123	18,852,461
Total OPEB Liability, Ending	\$ 14,208,309	\$ 19,999,822	\$ 15,673,017	\$ 18,069,123	\$ 18,852,461	\$ 17,094,986
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 4,302,347	\$ 4,212,403	\$ 4,143,160	\$ 4,672,311	\$ 5,276,291	\$ 5,009,989
Employer Proportionate Share of the Total OPEB Liability	9,905,962	15,787,419	11,529,857	13,396,812	13,576,170	12,084,997
Covered Employee Payroll	\$ 22,341,444	\$ 28,713,977	\$ 29,353,868	\$ 29,148,056	\$ 28,509,226	\$ 30,333,419
Net OPEB Liability as a Percentage of Covered Employee Payroll	44.34%	54.98%	39.28%	45.96%	47.62%	39.84%

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

Note 2: Changes in assumptions.

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

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%
2020	2.21%
2021	2.16%
2022	3.54%

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

2019 plan year	- from 5.4% to 6.75%
2020 plan year	- from 6.75% to 6.03%
2021 plan year	- from 6.03% to 9.02%
2022 plan year	- from 9.02% to 7.36%
2023 plan year	- from 7.36% to 8.37%

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

Exhibit E-9

Carter County, Tennessee
Schedule 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	2020	2021	2022	2023
Total OPEB Liability						
Service Cost	\$ 36,187	\$ 38,476	\$ 46,815	\$ 60,971	\$ 178,853	\$ 178,853
Interest	120,379	116,349	126,162	98,234	213,186	88,774
Differences Between Actual and Expected Experience	(117,701)	166,724	858,313	14,072	(2,292,121)	0
Changes in Assumptions or Other Inputs	0	0	0	0	71,373	(24,346)
Benefit Payments	(33,935)	(73,327)	(164,792)	(120,335)	(439,673)	(439,673)
Implicit Rate Subsidy	(25,819)	(25,819)	(27,341)	(27,341)	0	0
Other Changes	0	0	0	0	116,976	0
Net Change in Total OPEB Liability	\$ (20,889)	\$ 222,403	\$ 839,157	\$ 25,601	\$ (2,151,406)	\$ (196,392)
Total OPEB Liability, Beginning	3,343,321	3,322,432	3,544,835	4,383,992	4,409,593	2,258,187
Total OPEB Liability, Ending	\$ 3,322,432	\$ 3,544,835	\$ 4,383,992	\$ 4,409,593	\$ 2,258,187	\$ 2,061,795
Covered Employee Payroll	\$ 29,793,895	\$ 28,351,948	\$ 28,074,870	\$ 29,625,456	\$ 29,451,934	\$ 30,335,492
Net OPEB Liability as a Percentage of Covered Employee Payroll	11.15%	12.50%	15.62%	14.88%	7.67%	6.80%

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

Note 2: Changes in assumptions.

The following are the discount rates used in each period:

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%
2020	2.16%
2021	4.00%
2022	4.13%

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

CARTER COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2023

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2023 were calculated based on the July 1, 2021, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.125%

Changes of assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.5 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4 percent; and modified mortality assumptions.

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

Debt Service Fund

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

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

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, 2023

	Special Revenue Funds					Total
	Solid Waste / Sanitation	Health Department	Drug Control	Sports and Recreation	Constitutional Officers - Fees	
<u>ASSETS</u>						
Cash	\$ 9,478	\$ 0	\$ 0	\$ 500	\$ 13,523	\$ 23,501
Equity in Pooled Cash and Investments	414,885	159,434	90,526	11,450	0	676,295
Accounts Receivable	110,503	0	0	0	42,861	153,364
Due from Other Funds	361,750	0	0	190,000	0	551,750
Property Taxes Receivable	105,748	0	0	0	0	105,748
Allowance for Uncollectible Property Taxes	(717)	0	0	0	0	(717)
Total Assets	\$ 1,001,647	\$ 159,434	\$ 90,526	\$ 201,950	\$ 56,384	\$ 1,509,941
<u>LIABILITIES</u>						
Accounts Payable	\$ 90,145	\$ 2,862	\$ 86	\$ 11,137	\$ 0	\$ 104,230
Accrued Payroll	12,549	0	0	0	0	12,549
Payroll Deductions Payable	5,657	0	0	0	0	5,657
Other Withholding Taxes	240	0	0	0	0	240
Due to Other Funds	397,439	0	634	11,000	56,384	465,457
Other Current Liabilities	4,140	0	22,769	0	0	26,909
Total Liabilities	\$ 510,170	\$ 2,862	\$ 23,489	\$ 22,137	\$ 56,384	\$ 615,042
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 105,031	\$ 0	\$ 0	\$ 0	\$ 0	\$ 105,031
Deferred Delinquent Property Taxes	0	0	0	0	0	0
Total Deferred Inflows of Resources	\$ 105,031	\$ 0	\$ 0	\$ 0	\$ 0	\$ 105,031

(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	Constitutional Officers - Fees	
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 0	\$ 67,037	\$ 0	\$ 0	\$ 67,037
Restricted for Public Health and Welfare	0	96,474	0	0	0	96,474
Restricted for Debt Service	0	0	0	0	0	0
Restricted for Capital Projects	0	0	0	0	0	0
Committed:						
Committed for Public Health and Welfare	386,446	60,098	0	0	0	446,544
Committed for Social, Cultural, and Recreational Services	0	0	0	179,813	0	179,813
Committed for Debt Service	0	0	0	0	0	0
Committed for Capital Projects	0	0	0	0	0	0
Total Fund Balances	\$ 386,446	\$ 156,572	\$ 67,037	\$ 179,813	\$ 0	\$ 789,868
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,001,647	\$ 159,434	\$ 90,526	\$ 201,950	\$ 56,384	\$ 1,509,941

(Continued)

Exhibit F-1

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

	<u>Debt Service</u> <u>Fund</u>	<u>Capital</u> <u>Projects Fund</u>	<u>Total</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
	General Debt Service	General Capital Projects	
<u>ASSETS</u>			
Cash	\$ 0	\$ 0	\$ 23,501
Equity in Pooled Cash and Investments	2,588,471	48,921	3,313,687
Accounts Receivable	0	0	153,364
Due from Other Funds	502,000	0	1,053,750
Property Taxes Receivable	1,519,640	0	1,625,388
Allowance for Uncollectible Property Taxes	(19,516)	0	(20,233)
Total Assets	<u>\$ 4,590,595</u>	<u>\$ 48,921</u>	<u>\$ 6,149,457</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 0	\$ 104,230
Accrued Payroll	0	0	12,549
Payroll Deductions Payable	0	0	5,657
Other Withholding Taxes	0	0	240
Due to Other Funds	0	0	465,457
Other Current Liabilities	0	0	26,909
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 615,042</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 1,462,002	\$ 0	\$ 1,567,033
Deferred Delinquent Property Taxes	35,320	0	35,320
Total Deferred Inflows of Resources	<u>\$ 1,497,322</u>	<u>\$ 0</u>	<u>\$ 1,602,353</u>

(Continued)

Exhibit F-1

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

FUND BALANCES

Restricted:

Restricted for Public Safety

Restricted for Public Health and Welfare

Restricted for Debt Service

Restricted for Capital Projects

Committed:

Committed for Public Health and Welfare

Committed for Social, Cultural, and Recreational Services

Committed for Debt Service

Committed for Capital Projects

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	Total Nonmajor Governmental Funds
General Debt Service	General Capital Projects	
\$ 0	\$ 0	\$ 67,037
0	0	96,474
1,466,006	0	1,466,006
0	32,255	32,255
0	0	446,544
0	0	179,813
1,627,267	0	1,627,267
0	16,666	16,666
<u>\$ 3,093,273</u>	<u>\$ 48,921</u>	<u>\$ 3,932,062</u>
<u>\$ 4,590,595</u>	<u>\$ 48,921</u>	<u>\$ 6,149,457</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, 2023

	Special Revenue Funds					Total
	Solid Waste / Sanitation	Health Department	Drug Control	Sports and Recreation	Constitutional Officers - Fees	
<u>Revenues</u>						
Local Taxes	\$ 0	\$ 172,000	\$ 0	\$ 190,000	\$ 0	\$ 362,000
Fines, Forfeitures, and Penalties	0	0	22,193	0	0	22,193
Charges for Current Services	1,770,305	0	0	0	1,752	1,772,057
Other Local Revenues	174,422	0	5,175	41	0	179,638
State of Tennessee	28,252	0	0	0	0	28,252
Total Revenues	<u>\$ 1,972,979</u>	<u>\$ 172,000</u>	<u>\$ 27,368</u>	<u>\$ 190,041</u>	<u>\$ 1,752</u>	<u>\$ 2,364,140</u>
<u>Expenditures</u>						
Current:						
Administration of Justice	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,752	\$ 1,752
Public Safety	0	0	25,344	0	0	25,344
Public Health and Welfare	2,475,268	164,889	0	0	0	2,640,157
Social, Cultural, and Recreational Services	0	0	0	80,077	0	80,077
Debt Service:						
Principal on Debt	0	0	0	0	0	0
Interest on Debt	0	0	0	0	0	0
Other Debt Service	0	0	0	0	0	0
Total Expenditures	<u>\$ 2,475,268</u>	<u>\$ 164,889</u>	<u>\$ 25,344</u>	<u>\$ 80,077</u>	<u>\$ 1,752</u>	<u>\$ 2,747,330</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (502,289)</u>	<u>\$ 7,111</u>	<u>\$ 2,024</u>	<u>\$ 109,964</u>	<u>\$ 0</u>	<u>\$ (383,190)</u>
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 377,644	\$ 0	\$ 0	\$ 0	\$ 0	\$ 377,644
Total Other Financing Sources (Uses)	<u>\$ 377,644</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 377,644</u>
Net Change in Fund Balances	\$ (124,645)	\$ 7,111	\$ 2,024	\$ 109,964	\$ 0	\$ (5,546)
Fund Balance, July 1, 2022	<u>511,091</u>	<u>149,461</u>	<u>65,013</u>	<u>69,849</u>	<u>0</u>	<u>795,414</u>
Fund Balance, June 30, 2023	<u>\$ 386,446</u>	<u>\$ 156,572</u>	<u>\$ 67,037</u>	<u>\$ 179,813</u>	<u>\$ 0</u>	<u>\$ 789,868</u>

(Continued)

Exhibit F-2

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

	Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	General Debt Service	General Capital Projects	
<u>Revenues</u>			
Local Taxes	\$ 1,456,805	\$ 0	\$ 1,818,805
Fines, Forfeitures, and Penalties	0	0	22,193
Charges for Current Services	0	0	1,772,057
Other Local Revenues	0	0	179,638
State of Tennessee	39,053	0	67,305
Total Revenues	<u>\$ 1,495,858</u>	<u>\$ 0</u>	<u>\$ 3,859,998</u>
<u>Expenditures</u>			
Current:			
Administration of Justice	\$ 0	\$ 0	\$ 1,752
Public Safety	0	0	25,344
Public Health and Welfare	0	0	2,640,157
Social, Cultural, and Recreational Services	0	0	80,077
Debt Service:			
Principal on Debt	1,290,000	0	1,290,000
Interest on Debt	192,392	0	192,392
Other Debt Service	47,778	0	47,778
Total Expenditures	<u>\$ 1,530,170</u>	<u>\$ 0</u>	<u>\$ 4,277,500</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (34,312)</u>	<u>\$ 0</u>	<u>\$ (417,502)</u>
Transfers In	\$ 0	\$ 0	\$ 377,644
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 377,644</u>
Net Change in Fund Balances	\$ (34,312)	\$ 0	\$ (39,858)
Fund Balance, July 1, 2022	3,127,585	48,921	3,971,920
Fund Balance, June 30, 2023	<u>\$ 3,093,273</u>	<u>\$ 48,921</u>	<u>\$ 3,932,062</u>

Exhibit F-3

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, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 1,770,305	\$ 0	\$ 1,770,305	\$ 1,485,000	\$ 1,485,000	\$ 285,305
Other Local Revenues	174,422	0	174,422	346,000	346,000	(171,578)
State of Tennessee	28,252	0	28,252	25,000	25,000	3,252
Total Revenues	<u>\$ 1,972,979</u>	<u>\$ 0</u>	<u>\$ 1,972,979</u>	<u>\$ 1,856,000</u>	<u>\$ 1,856,000</u>	<u>\$ 116,979</u>
<u>Expenditures</u>						
<u>Public Health and Welfare</u>						
Convenience Centers	\$ 51,557	\$ 0	\$ 51,557	\$ 49,146	\$ 64,572	\$ 13,015
Recycling Center	157,616	0	157,616	156,465	197,017	39,401
Landfill Operation and Maintenance	2,266,095	(340,290)	1,925,805	1,679,282	2,203,679	277,874
Total Expenditures	<u>\$ 2,475,268</u>	<u>\$ (340,290)</u>	<u>\$ 2,134,978</u>	<u>\$ 1,884,893</u>	<u>\$ 2,465,268</u>	<u>\$ 330,290</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (502,289)</u>	<u>\$ 340,290</u>	<u>\$ (161,999)</u>	<u>\$ (28,893)</u>	<u>\$ (609,268)</u>	<u>\$ 447,269</u>
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 377,644	\$ 0	\$ 377,644	\$ 0	\$ 377,644	\$ 0
Total Other Financing Sources	<u>\$ 377,644</u>	<u>\$ 0</u>	<u>\$ 377,644</u>	<u>\$ 0</u>	<u>\$ 377,644</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (124,645)	\$ 340,290	\$ 215,645	\$ (28,893)	\$ (231,624)	\$ 447,269
Fund Balance, July 1, 2022	511,091	(340,290)	170,801	302,371	302,371	(131,570)
Fund Balance, June 30, 2023	<u>\$ 386,446</u>	<u>\$ 0</u>	<u>\$ 386,446</u>	<u>\$ 273,478</u>	<u>\$ 70,747</u>	<u>\$ 315,699</u>

Exhibit F-4

Carter County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Health Department Fund
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 172,000	\$ 0	\$ 172,000	\$ 0
Total Revenues	\$ 172,000	\$ 0	\$ 172,000	\$ 0
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Local Health Center	\$ 164,889	\$ 172,000	\$ 172,000	\$ 7,111
Total Expenditures	\$ 164,889	\$ 172,000	\$ 172,000	\$ 7,111
Excess (Deficiency) of Revenues Over Expenditures	\$ 7,111	\$ (172,000)	\$ 0	\$ 7,111
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 172,000	\$ 0	\$ 0
Total Other Financing Sources	\$ 0	\$ 172,000	\$ 0	\$ 0
Net Change in Fund Balance	\$ 7,111	\$ 0	\$ 0	\$ 7,111
Fund Balance, July 1, 2022	149,461	20,732	20,732	128,729
Fund Balance, June 30, 2023	\$ 156,572	\$ 20,732	\$ 20,732	\$ 135,840

Exhibit F-5

Carter County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 22,193	\$ 34,100	\$ 34,100	\$ (11,907)
Other Local Revenues	5,175	3,900	3,900	1,275
Total Revenues	<u>\$ 27,368</u>	<u>\$ 38,000</u>	<u>\$ 38,000</u>	<u>\$ (10,632)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Sheriff's Department	\$ 25,344	\$ 38,000	\$ 38,000	\$ 12,656
Total Expenditures	<u>\$ 25,344</u>	<u>\$ 38,000</u>	<u>\$ 38,000</u>	<u>\$ 12,656</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,024</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,024</u>
Net Change in Fund Balance	\$ 2,024	\$ 0	\$ 0	2,024
Fund Balance, July 1, 2022	<u>65,013</u>	<u>22,684</u>	<u>22,684</u>	<u>42,329</u>
Fund Balance, June 30, 2023	<u>\$ 67,037</u>	<u>\$ 22,684</u>	<u>\$ 22,684</u>	<u>\$ 44,353</u>

Exhibit F-6

Carter County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Sports and Recreation Fund
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 190,000	\$ 0	\$ 111,670	\$ 78,330
Other Local Revenues	41	0	0	41
Total Revenues	<u>\$ 190,041</u>	<u>\$ 0</u>	<u>\$ 111,670</u>	<u>\$ 78,371</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Parks and Fair Boards	\$ 80,077	\$ 111,670	\$ 141,670	\$ 61,593
Total Expenditures	<u>\$ 80,077</u>	<u>\$ 111,670</u>	<u>\$ 141,670</u>	<u>\$ 61,593</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 109,964</u>	<u>\$ (111,670)</u>	<u>\$ (30,000)</u>	<u>\$ 139,964</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 111,670	\$ 0	\$ 0
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 111,670</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 109,964	\$ 0	\$ (30,000)	\$ 139,964
Fund Balance, July 1, 2022	<u>69,849</u>	<u>16,739</u>	<u>16,739</u>	<u>53,110</u>
Fund Balance, June 30, 2023	<u>\$ 179,813</u>	<u>\$ 16,739</u>	<u>\$ (13,261)</u>	<u>\$ 193,074</u>

Exhibit F-7

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, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,456,805	\$ 1,447,694	\$ 1,447,694	\$ 9,111
State of Tennessee	39,053	35,000	35,000	4,053
Total Revenues	<u>\$ 1,495,858</u>	<u>\$ 1,482,694</u>	<u>\$ 1,482,694</u>	<u>\$ 13,164</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,290,000	\$ 1,290,000	\$ 1,290,000	\$ 0
<u>Interest on Debt</u>				
General Government	192,392	192,392	192,392	0
<u>Other Debt Service</u>				
General Government	47,778	33,301	33,301	(14,477)
Total Expenditures	<u>\$ 1,530,170</u>	<u>\$ 1,515,693</u>	<u>\$ 1,515,693</u>	<u>\$ (14,477)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (34,312)</u>	<u>\$ (32,999)</u>	<u>\$ (32,999)</u>	<u>\$ (1,313)</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 0	\$ 167,333	\$ 167,333	\$ (167,333)
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 167,333</u>	<u>\$ 167,333</u>	<u>\$ (167,333)</u>
Net Change in Fund Balance	\$ (34,312)	\$ 134,334	\$ 134,334	\$ (168,646)
Fund Balance, July 1, 2022	<u>3,127,585</u>	<u>3,128,653</u>	<u>3,128,653</u>	<u>(1,068)</u>
Fund Balance, June 30, 2023	<u>\$ 3,093,273</u>	<u>\$ 3,262,987</u>	<u>\$ 3,262,987</u>	<u>\$ (169,714)</u>

Custodial Funds

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

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

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

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

Exhibit G-1

Carter County, Tennessee
Combining Statement of Net Position
Custodial Funds
June 30, 2023

	Custodial Funds				
	Cities - Sales Tax	City School ADA - Elizabethton	City School ADA - Johnson City	Constitu - tional Officers - Custodial	Total
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 4,467,392	\$ 4,467,392
Equity in Pooled Cash and Investments	0	403,929	14,357	0	418,286
Accounts Receivable	0	0	0	11,475	11,475
Due from Other Governments	1,360,540	664,029	22,299	0	2,046,868
Property Taxes Receivable	0	3,675,930	131,255	0	3,807,185
Allowance for Uncollectible Property Taxes	0	(48,280)	(1,724)	0	(50,004)
Total Assets	<u>\$ 1,360,540</u>	<u>\$ 4,695,608</u>	<u>\$ 166,187</u>	<u>\$ 4,478,867</u>	<u>\$ 10,701,202</u>
<u>LIABILITIES</u>					
Due to Other Taxing Units	\$ 1,360,540	\$ 1,164,619	\$ 40,107	\$ 0	\$ 2,565,266
Total Liabilities	<u>\$ 1,360,540</u>	<u>\$ 1,164,619</u>	<u>\$ 40,107</u>	<u>\$ 0</u>	<u>\$ 2,565,266</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 3,530,989	\$ 126,080	\$ 0	\$ 3,657,069
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 3,530,989</u>	<u>\$ 126,080</u>	<u>\$ 0</u>	<u>\$ 3,657,069</u>
<u>NET POSITION</u>					
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 0	\$ 0	\$ 4,478,867	\$ 4,478,867
Total Net Position	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,478,867</u>	<u>\$ 4,478,867</u>

Exhibit G-2

Carter County, Tennessee
Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended June 30, 2023

	Custodial Funds				Total
	Cities - Sales Tax	City School ADA - Elizabethton	City School ADA - Johnson City	Constitu - tional Officers - Custodial	
<u>Additions</u>					
Sales Tax Collections for Other Governments	\$ 7,879,347	\$ 0	\$ 0	\$ 0	\$ 7,879,347
ADA - Educational Funds Collected for Cities	0	7,580,314	257,713	0	7,838,027
Fines/Fees and Other Collections	0	0	0	10,149,838	10,149,838
Total Additions	\$ 7,879,347	\$ 7,580,314	\$ 257,713	\$ 10,149,838	\$ 25,867,212
<u>Deductions</u>					
Payment of Sales Tax Collections for Other Governments	\$ 7,879,347	\$ 0	\$ 0	\$ 0	\$ 7,879,347
Payments to City School Systems	0	7,580,314	257,713	0	7,838,027
Payments to State	0	0	0	5,627,828	5,627,828
Payments to Individuals and Others	0	0	0	3,453,564	3,453,564
Total Deductions	\$ 7,879,347	\$ 7,580,314	\$ 257,713	\$ 9,081,392	\$ 24,798,766
Change in Net Position	\$ 0	\$ 0	\$ 0	\$ 1,068,446	\$ 1,068,446
Net Position July 1, 2022	0	0	0	3,410,421	3,410,421
Net Position June 30, 2023	\$ 0	\$ 0	\$ 0	\$ 4,478,867	\$ 4,478,867

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, four Special Revenue Funds, and one Capital Projects Fund.

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

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

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

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

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

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for building construction and renovations of the school department.

Exhibit H-1

Carter County, Tennessee
Statement of Activities
Discretely Presented Carter County School Department
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:					
Instruction	\$ 32,959,330	\$ 0	\$ 8,877,703	\$ 1,120,175	\$ (22,961,452)
Support Services	17,105,282	70,256	996,032	48,993	(15,990,001)
Operation of Non-instructional Services	8,151,518	374,542	5,327,647	0	(2,449,329)
Total Governmental Activities	\$ 58,216,130	\$ 444,798	\$ 15,201,382	\$ 1,169,168	\$ (41,400,782)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 5,952,969
Local Option Sales Taxes					6,941,510
Mixed Drink Tax					2,303
Grants and Contributions Not Restricted for Specific Programs					32,888,095
Unrestricted Investment Income					109,720
Miscellaneous					91,463
Total General Revenues					\$ 45,986,060
Change in Net Position					\$ 4,585,278
Net Position, July 1, 2022					48,193,966
Net Position, June 30, 2023					\$ 52,779,244

Exhibit H-2

Carter County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Carter County School Department
June 30, 2023

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Other Govern- mental Funds	
<u>ASSETS</u>						
Cash	\$ 1,107,457	\$ 0	\$ 2,176	\$ 0	\$ 1,349,425	\$ 2,459,058
Equity in Pooled Cash and Investments	14,723,391	2,124,397	3,799,395	4,195,285	115,416	24,957,884
Accounts Receivable	0	0	38,566	0	10,855	49,421
Due from Other Governments	1,262,968	781,776	63,310	281,014	0	2,389,068
Due from Other Funds	184,713	64,480	0	0	0	249,193
Due from Primary Government	50,000	0	0	0	0	50,000
Property Taxes Receivable	6,113,819	0	0	0	0	6,113,819
Allowance for Uncollectible Property Taxes	(80,300)	0	0	0	0	(80,300)
Restricted Assets	505,668	0	0	0	0	505,668
Total Assets	<u>\$ 23,867,716</u>	<u>\$ 2,970,653</u>	<u>\$ 3,903,447</u>	<u>\$ 4,476,299</u>	<u>\$ 1,475,696</u>	<u>\$ 36,693,811</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 899,539	\$ 443,870	\$ 445,872	\$ 179,050	\$ 73,876	\$ 2,042,207
Accrued Payroll	255,463	8,044	3,941	0	0	267,448
Payroll Deductions Payable	502,497	89,750	4,308	0	13,925	610,480
Contracts Payable	46,867	155,807	0	0	0	202,674
Termination Benefits Payable - Current	113,627	0	0	0	0	113,627
Due to Other Funds	64,480	64,713	120,000	0	0	249,193
Due to Primary Government	321,225	0	0	0	0	321,225
Due to State of Tennessee	25,050	7,912	0	0	0	32,962
Other Current Liabilities	398,157	0	0	0	0	398,157
Total Liabilities	<u>\$ 2,626,905</u>	<u>\$ 770,096</u>	<u>\$ 574,121</u>	<u>\$ 179,050</u>	<u>\$ 87,801</u>	<u>\$ 4,237,973</u>

(Continued)

Exhibit H-2

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Other Govern- mental Funds	
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 5,872,752	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,872,752
Deferred Delinquent Property Taxes	148,953	0	0	0	0	148,953
Other Deferred/Unavailable Revenue	454,851	0	0	139,410	0	594,261
Total Deferred Inflows of Resources	<u>\$ 6,476,556</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 139,410</u>	<u>\$ 0</u>	<u>\$ 6,615,966</u>
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Education	\$ 179,414	\$ 0	\$ 3,329,326	\$ 0	\$ 1,287,895	\$ 4,796,635
Restricted for Capital Projects	0	0	0	4,157,839	0	4,157,839
Restricted for Hybrid Retirement Stabilization Funds	505,668	0	0	0	0	505,668
Committed:						
Committed for Education	13,077	2,400,000	0	0	100,000	2,513,077
Assigned:						
Assigned for Education	366,225	0	0	0	0	366,225
Assigned for Capital Projects	6,337	0	0	0	0	6,337
Unassigned	13,693,534	(199,443)	0	0	0	13,494,091
Total Fund Balances	<u>\$ 14,764,255</u>	<u>\$ 2,200,557</u>	<u>\$ 3,329,326</u>	<u>\$ 4,157,839</u>	<u>\$ 1,387,895</u>	<u>\$ 25,839,872</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 23,867,716</u>	<u>\$ 2,970,653</u>	<u>\$ 3,903,447</u>	<u>\$ 4,476,299</u>	<u>\$ 1,475,696</u>	<u>\$ 36,693,811</u>

Exhibit H-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, 2023

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

Total fund balances - balance sheet - governmental funds (Exhibit H-2)		\$ 25,839,872
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,232,973	
Add: construction in progress	1,409,059	
Add: building and improvements net of accumulated depreciation	20,930,187	
Add: other capital assets net of accumulated depreciation	<u>1,417,049</u>	24,989,268
(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	\$ (555,765)	
Less: OPEB liability	<u>(14,146,792)</u>	(14,702,557)
(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	\$ 9,503,585	
Less: deferred inflows of resources related to pensions	(1,662,781)	
Add: deferred outflows of resources related to OPEB	4,636,210	
Less: deferred inflows of resources related to OPEB	<u>(5,294,135)</u>	7,182,879
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan	\$ 1,943,126	
Add: net pension asset - teacher retirement plan	119,783	
Add: net pension asset - teacher legacy pension plan	<u>6,663,659</u>	8,726,568
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>743,214</u>
Net position of governmental activities (Exhibit A)		<u>\$ 52,779,244</u>

Exhibit H-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, 2023

	Major Funds				Nonmajor	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Other Governmental Funds	
<u>Revenues</u>						
Local Taxes	\$ 11,442,470	\$ 0	\$ 0	\$ 1,630,821	\$ 0	\$ 13,073,291
Licenses and Permits	1,049	0	0	0	0	1,049
Charges for Current Services	164,763	0	267,854	0	0	432,617
Other Local Revenues	464,276	0	159,095	0	1,780,033	2,403,404
State of Tennessee	32,525,117	0	26,296	0	0	32,551,413
Federal Government	317,690	9,316,484	3,374,414	0	128,107	13,136,695
Other Governments and Citizens Groups	1,670	0	5,100	0	1,137,173	1,143,943
Total Revenues	\$ 44,917,035	\$ 9,316,484	\$ 3,832,759	\$ 1,630,821	\$ 3,045,313	\$ 62,742,412
<u>Expenditures</u>						
Current:						
Instruction	\$ 26,638,257	\$ 6,212,155	\$ 0	\$ 0	\$ 0	\$ 32,850,412
Support Services	15,640,753	1,789,120	0	0	2,713	17,432,586
Operation of Non-Instructional Services	1,345,882	69,053	3,979,561	0	2,923,346	8,317,842
Capital Outlay	567,153	1,176,445	0	0	0	1,743,598
Capital Projects	0	0	0	270,881	0	270,881
Total Expenditures	\$ 44,192,045	\$ 9,246,773	\$ 3,979,561	\$ 270,881	\$ 2,926,059	\$ 60,615,319
Excess (Deficiency) of Revenues Over Expenditures	\$ 724,990	\$ 69,711	\$ (146,802)	\$ 1,359,940	\$ 119,254	\$ 2,127,093
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 24,846	\$ 0	\$ 0	\$ 0	\$ 0	\$ 24,846
Transfers In	120,000	1,200,000	0	0	0	1,320,000
Transfers Out	(1,200,000)	0	(120,000)	0	0	(1,320,000)
Total Other Financing Sources (Uses)	\$ (1,055,154)	\$ 1,200,000	\$ (120,000)	\$ 0	\$ 0	\$ 24,846
Net Change in Fund Balances	\$ (330,164)	\$ 1,269,711	\$ (266,802)	\$ 1,359,940	\$ 119,254	\$ 2,151,939
Fund Balance, July 1, 2022	15,094,419	930,846	3,596,128	2,797,899	1,268,641	23,687,933
Fund Balance, June 30, 2023	\$ 14,764,255	\$ 2,200,557	\$ 3,329,326	\$ 4,157,839	\$ 1,387,895	\$ 25,839,872

Exhibit H-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, 2023

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

Net change in fund balances - total governmental funds (Exhibit H-4)		\$ 2,151,939
(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	\$ 1,428,832	
Less: current-year depreciation expense	<u>(1,258,980)</u>	169,852
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2023	\$ 743,214	
Less: deferred delinquent property taxes and other deferred June 30, 2022	<u>(750,748)</u>	(7,534)
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	\$ 54,476	
Change in OPEB liability	1,687,565	
Change in net pension asset/liability	(19,615,366)	
Change in deferred outflows related to pensions	(939,673)	
Change in deferred inflows related to pensions	22,357,638	
Change in deferred outflows related to OPEB	(904,722)	
Change in deferred inflows related to OPEB	<u>(368,897)</u>	2,271,021
Change in net position of governmental activities (Exhibit B)		<u>\$ 4,585,278</u>

Exhibit H-6

Carter County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Carter County School Department
June 30, 2023

	<u>Special Revenue Funds</u>		
	<u>Other</u>		<u>Total</u>
	<u>Education</u>	<u>Internal</u>	<u>Nonmajor</u>
	<u>Special</u>	<u>School</u>	<u>Governmental</u>
	<u>Revenue</u>		<u>Funds</u>
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,349,425	\$ 1,349,425
Equity in Pooled Cash and Investments	115,416	0	115,416
Accounts Receivable	250	10,605	10,855
Total Assets	<u>\$ 115,666</u>	<u>\$ 1,360,030</u>	<u>\$ 1,475,696</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 879	\$ 72,997	\$ 73,876
Payroll Deductions Payable	13,925	0	13,925
Total Liabilities	<u>\$ 14,804</u>	<u>\$ 72,997</u>	<u>\$ 87,801</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 862	\$ 1,287,033	\$ 1,287,895
Committed:			
Committed for Education	100,000	0	100,000
Total Fund Balances	<u>\$ 100,862</u>	<u>\$ 1,287,033</u>	<u>\$ 1,387,895</u>
Total Liabilities and Fund Balances	<u>\$ 115,666</u>	<u>\$ 1,360,030</u>	<u>\$ 1,475,696</u>

Exhibit H-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, 2023

	<u>Special Revenue Funds</u>		
	Other Education Special Revenue	Internal School	Total Nonmajor Governmental Funds
<u>Revenues</u>			
Other Local Revenues	\$ 85	\$ 1,779,948	\$ 1,780,033
Federal Government	128,107	0	128,107
Other Governments and Citizens Groups	1,137,173	0	1,137,173
Total Revenues	<u>\$ 1,265,365</u>	<u>\$ 1,779,948</u>	<u>\$ 3,045,313</u>
<u>Expenditures</u>			
Current:			
Support Services	\$ 2,713	\$ 0	\$ 2,713
Operation of Non-Instructional Services	1,256,043	1,667,303	2,923,346
Total Expenditures	<u>\$ 1,258,756</u>	<u>\$ 1,667,303</u>	<u>\$ 2,926,059</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 6,609</u>	<u>\$ 112,645</u>	<u>\$ 119,254</u>
Net Change in Fund Balances	\$ 6,609	\$ 112,645	\$ 119,254
Fund Balance, July 1, 2022	94,253	1,174,388	1,268,641
Fund Balance, June 30, 2023	<u>\$ 100,862</u>	<u>\$ 1,287,033</u>	<u>\$ 1,387,895</u>

Exhibit H-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, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 11,442,470	\$ 0	\$ 0	\$ 11,442,470	\$ 10,534,332	\$ 10,534,332	\$ 908,138
Licenses and Permits	1,049	0	0	1,049	1,200	1,200	(151)
Charges for Current Services	164,763	0	0	164,763	190,770	190,770	(26,007)
Other Local Revenues	464,276	0	0	464,276	18,025	263,485	200,791
State of Tennessee	32,525,117	0	0	32,525,117	31,690,300	35,542,001	(3,016,884)
Federal Government	317,690	0	0	317,690	110,000	260,618	57,072
Other Governments and Citizens Groups	1,670	0	0	1,670	1,500	38,600	(36,930)
Total Revenues	\$ 44,917,035	\$ 0	\$ 0	\$ 44,917,035	\$ 42,546,127	\$ 46,831,006	\$ (1,913,971)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 20,523,434	\$ 0	\$ 33,299	\$ 20,556,733	\$ 21,042,435	\$ 22,650,125	\$ 2,093,392
Alternative Instruction Program	87,039	0	0	87,039	73,309	90,243	3,204
Special Education Program	4,435,072	0	0	4,435,072	4,357,908	4,509,319	74,247
Career and Technical Education Program	1,592,712	0	0	1,592,712	1,539,276	2,329,592	736,880
<u>Support Services</u>							
Attendance	0	0	0	0	0	1,635	1,635
Health Services	497,844	0	0	497,844	507,275	528,319	30,475
Other Student Support	1,403,827	0	0	1,403,827	1,517,915	1,636,021	232,194
Regular Instruction Program	1,422,993	0	0	1,422,993	1,506,449	1,614,806	191,813
Alternative Instruction Program	130,906	0	0	130,906	147,466	148,816	17,910
Special Education Program	419,169	0	0	419,169	582,254	450,991	31,822
Career and Technical Education Program	190,268	0	0	190,268	186,928	206,209	15,941
Technology	735,186	0	0	735,186	673,479	753,478	18,292
Other Programs	324,803	0	0	324,803	0	324,803	0
Board of Education	688,129	0	0	688,129	683,939	732,814	44,685
Director of Schools	373,454	0	0	373,454	447,034	448,034	74,580
Office of the Principal	2,657,480	0	0	2,657,480	2,705,645	2,744,895	87,415
Fiscal Services	427,757	0	0	427,757	458,700	458,700	30,943

(Continued)

Exhibit H-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 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Operation of Plant	\$ 3,216,900	\$ 0	\$ 0	\$ 3,216,900	\$ 3,342,308	\$ 3,362,116	\$ 145,216
Maintenance of Plant	933,403	(21,900)	0	911,503	1,000,635	1,000,684	89,181
Transportation	2,218,634	0	0	2,218,634	2,474,166	2,512,644	294,010
<u>Operation of Non-Instructional Services</u>							
Food Service	8,168	0	0	8,168	0	8,172	4
Community Services	724,319	0	0	724,319	121,842	698,791	(25,528)
Early Childhood Education	613,395	0	0	613,395	0	617,416	4,021
<u>Capital Outlay</u>							
Regular Capital Outlay	567,153	(26,262)	6,337	547,228	177,750	1,203,750	656,522
Total Expenditures	\$ 44,192,045	\$ (48,162)	\$ 39,636	\$ 44,183,519	\$ 43,546,713	\$ 49,032,373	\$ 4,848,854
Excess (Deficiency) of Revenues Over Expenditures							
	\$ 724,990	\$ 48,162	\$ (39,636)	\$ 733,516	\$ (1,000,586)	\$ (2,201,367)	\$ 2,934,883
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 24,846	\$ 0	\$ 0	\$ 24,846	\$ 0	\$ 0	\$ 24,846
Transfers In	120,000	0	0	120,000	120,000	120,000	0
Transfers Out	(1,200,000)	0	0	(1,200,000)	(31,400)	(1,231,400)	31,400
Total Other Financing Sources	\$ (1,055,154)	\$ 0	\$ 0	\$ (1,055,154)	\$ 88,600	\$ (1,111,400)	\$ 56,246
Net Change in Fund Balance							
Fund Balance, July 1, 2022	\$ (330,164)	\$ 48,162	\$ (39,636)	\$ (321,638)	\$ (911,986)	\$ (3,312,767)	\$ 2,991,129
	15,094,419	(48,162)	0	15,046,257	10,191,577	10,191,577	4,854,680
Fund Balance, June 30, 2023	\$ 14,764,255	\$ 0	\$ (39,636)	\$ 14,724,619	\$ 9,279,591	\$ 6,878,810	\$ 7,845,809

Exhibit H-9

Carter County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Carter County School Department
School Federal Projects Fund
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Other Local Revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,306	\$ 2,306	\$ (2,306)
Federal Government	9,316,484	0	0	9,316,484	9,928,266	22,985,681	(13,669,197)
Total Revenues	\$ 9,316,484	\$ 0	\$ 0	\$ 9,316,484	\$ 9,930,572	\$ 22,987,987	\$ (13,671,503)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 4,086,424	\$ 0	\$ 0	\$ 4,086,424	\$ 3,062,990	\$ 6,371,325	\$ 2,284,901
Special Education Program	1,376,128	0	0	1,376,128	1,418,811	2,212,719	836,591
Career and Technical Education Program	749,603	0	2,809	752,412	1,075,510	752,440	28
<u>Support Services</u>							
Attendance	15,071	0	0	15,071	0	30,142	15,071
Health Services	59,527	0	0	59,527	100	117,315	57,788
Other Student Support	838,804	0	0	838,804	1,031,796	1,084,248	245,444
Regular Instruction Program	507,097	0	0	507,097	575,636	818,044	310,947
Special Education Program	140,677	0	64,395	205,072	453,699	652,175	447,103
Career and Technical Education Program	8,305	0	0	8,305	202,000	8,500	195
Technology	83,572	0	0	83,572	97,056	123,696	40,124
Office of the Principal	23,332	0	0	23,332	23,400	23,332	0
Fiscal Services	9,345	0	0	9,345	56,200	56,200	46,855
Operation of Plant	28,827	0	0	28,827	29,059	57,673	28,846
Transportation	74,563	0	38,190	112,753	151,163	279,695	166,942
<u>Operation of Non-Instructional Services</u>							
Food Service	5,048	0	0	5,048	5,048	5,048	0
Community Services	64,005	0	0	64,005	69,147	64,035	30
<u>Capital Outlay</u>							
Regular Capital Outlay	1,176,445	(444,700)	304,905	1,036,650	1,621,544	10,273,988	9,237,338
Total Expenditures	\$ 9,246,773	\$ (444,700)	\$ 410,299	\$ 9,212,372	\$ 9,873,159	\$ 22,930,575	\$ 13,718,203

(Continued)

Exhibit H-9

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ 69,711	\$ 444,700	\$ (410,299)	\$ 104,112	\$ 57,413	\$ 57,412	\$ 46,700
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 1,200,000	\$ 0	\$ 0	\$ 1,200,000	\$ 0	\$ 1,200,000	\$ 0
Transfers Out	0	0	0	0	(57,413)	(57,413)	57,413
Total Other Financing Sources	\$ 1,200,000	\$ 0	\$ 0	\$ 1,200,000	\$ (57,413)	\$ 1,142,587	\$ 57,413
Net Change in Fund Balance Fund Balance, July 1, 2022	\$ 1,269,711 930,846	\$ 444,700 (444,700)	\$ (410,299) 0	\$ 1,304,112 486,146	\$ 0 0	\$ 1,199,999 0	\$ 104,113 486,146
Fund Balance, June 30, 2023	\$ 2,200,557	\$ 0	\$ (410,299)	\$ 1,790,258	\$ 0	\$ 1,199,999	\$ 590,259

Exhibit H-10

Carter County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Carter County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 267,854	\$ 405,700	\$ 405,700	\$ (137,846)
Other Local Revenues	159,095	20,000	20,000	139,095
State of Tennessee	26,296	27,000	27,000	(704)
Federal Government	3,374,414	2,917,190	3,156,508	217,906
Other Governments and Citizens Groups	5,100	0	5,100	0
Total Revenues	<u>\$ 3,832,759</u>	<u>\$ 3,369,890</u>	<u>\$ 3,614,308</u>	<u>\$ 218,451</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 3,979,561	\$ 3,828,490	\$ 4,502,964	\$ 523,403
Total Expenditures	<u>\$ 3,979,561</u>	<u>\$ 3,828,490</u>	<u>\$ 4,502,964</u>	<u>\$ 523,403</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (146,802)</u>	<u>\$ (458,600)</u>	<u>\$ (888,656)</u>	<u>\$ 741,854</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (120,000)	\$ (120,000)	\$ (120,000)	\$ 0
Total Other Financing Sources	<u>\$ (120,000)</u>	<u>\$ (120,000)</u>	<u>\$ (120,000)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (266,802)	\$ (578,600)	\$ (1,008,656)	\$ 741,854
Fund Balance, July 1, 2022	3,596,128	2,190,173	2,190,173	1,405,955
Fund Balance, June 30, 2023	<u>\$ 3,329,326</u>	<u>\$ 1,611,573</u>	<u>\$ 1,181,517</u>	<u>\$ 2,147,809</u>

Exhibit H-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, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 85	\$ 0	\$ 0	\$ 85
Federal Government	128,107	168,065	168,066	(39,959)
Other Governments and Citizens Groups	1,137,173	1,147,702	1,147,702	(10,529)
Total Revenues	<u>\$ 1,265,365</u>	<u>\$ 1,315,767</u>	<u>\$ 1,315,768</u>	<u>\$ (50,403)</u>
<u>Expenditures</u>				
<u>Support Services</u>				
Operation of Plant	\$ 2,713	\$ 2,157	\$ 2,157	\$ (556)
<u>Operation of Non-Instructional Services</u>				
Early Childhood Education	1,183,511	1,194,031	1,194,032	10,521
COVID-19 Expenditures	72,532	148,065	148,065	75,533
Total Expenditures	<u>\$ 1,258,756</u>	<u>\$ 1,344,253</u>	<u>\$ 1,344,254</u>	<u>\$ 85,498</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 6,609</u>	<u>\$ (28,486)</u>	<u>\$ (28,486)</u>	<u>\$ 35,095</u>
Net Change in Fund Balance	\$ 6,609	\$ (28,486)	\$ (28,486)	\$ 35,095
Fund Balance, July 1, 2022	<u>94,253</u>	<u>180,999</u>	<u>180,999</u>	<u>(86,746)</u>
Fund Balance, June 30, 2023	<u>\$ 100,862</u>	<u>\$ 152,513</u>	<u>\$ 152,513</u>	<u>\$ (51,651)</u>

Exhibit H-12

Carter County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Carter County School Department
Education Capital Projects Fund
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,630,821	\$ 1,368,818	\$ 1,368,818	\$ 262,003
Total Revenues	\$ 1,630,821	\$ 1,368,818	\$ 1,368,818	\$ 262,003
<u>Expenditures</u>				
<u>Capital Projects</u>				
Education Capital Projects	\$ 270,881	\$ 4,131,691	\$ 4,131,691	\$ 3,860,810
Total Expenditures	\$ 270,881	\$ 4,131,691	\$ 4,131,691	\$ 3,860,810
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,359,940	\$ (2,762,873)	\$ (2,762,873)	\$ 4,122,813
Net Change in Fund Balance	\$ 1,359,940	\$ (2,762,873)	\$ (2,762,873)	\$ 4,122,813
Fund Balance, July 1, 2022	2,797,899	1,349,239	1,349,239	1,448,660
Fund Balance, June 30, 2023	\$ 4,157,839	\$ (1,413,634)	\$ (1,413,634)	\$ 5,571,473

MISCELLANEOUS SCHEDULES

Exhibit I-1

Carter County, Tennessee
Schedule of Changes in Long-term Bonds
For the Year Ended June 30, 2023

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-22	Paid and/or Matured During Period	Outstanding 6-30-23
<u>BONDS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
General Obligation Refunding Bonds, Series 2020 (taxable)	\$ 15,635,000	1.1 to 1.8 %	9-25-20	5-1-35	\$ 14,405,000	\$ 1,290,000	\$ 13,115,000
Total Bonds Payable					<u>\$ 14,405,000</u>	<u>\$ 1,290,000</u>	<u>\$ 13,115,000</u>

Exhibit I-2

Carter County, Tennessee

Schedule of Long-term Debt Requirements by Year

Year Ending June 30	Bonds		Total
	Principal	Interest	
2024	\$ 1,220,000	\$ 176,268	\$ 1,396,268
2025	1,255,000	161,018	1,416,018
2026	1,285,000	145,330	1,430,330
2027	1,290,000	129,268	1,419,268
2028	1,345,000	113,143	1,458,143
2029	1,315,000	96,330	1,411,330
2030	970,000	81,865	1,051,865
2031	940,000	70,225	1,010,225
2032	915,000	57,535	972,535
2033	885,000	43,810	928,810
2034	860,000	29,650	889,650
2035	835,000	15,030	850,030
Total	\$ 13,115,000	\$ 1,119,472	\$ 14,234,472

Exhibit I-3

Carter County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Carter County School Department
For the Year Ended June 30, 2023

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Solid Waste/Sanitation	Capital equipment purchase	\$ 341,750
Other General Government	General	Bonus Pay - American Rescue Plan Act funds	362,768
"	Solid Waste/Sanitation	"	35,894
"	Highway/Public Works	"	<u>78,733</u>
Total Transfers Primary Government			<u>\$ 819,145</u>
<u>DISCRETELY PRESENTED CARTER COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	School Federal Projects	Cash flow	\$ 1,200,000
Central Cafeteria	General Purpose School	Indirect costs	<u>120,000</u>
Total Transfers Discretely Presented Carter County School Department			<u>\$ 1,320,000</u>

Exhibit I-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, 2023

Official	Authorization	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ (1)	Tennessee Risk Management Trust
Base salary/Total compensation			
			<u>\$ 118,546</u>
Road Superintendent - Roger Colbaugh (7/1/22 - 5/31/23) (2)	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary			\$ 97,890
Prior term salary correction			3,910
Total compensation			<u>\$ 101,800</u>
Director of Schools	State Board of Education and County Board of Education	(1)	Tennessee Risk Management Trust
Base salary			\$ 96,000
Travel allowance			3,600
Bonus			650
Total compensation			<u>\$ 100,250</u>
Trustee - Randal Lewis (7/1/22-8/31/22)	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary			\$ 16,383
Prior term salary correction			3,554
Total compensation			<u>\$ 19,937</u>
Trustee - Chad Lewis (9/1/22-6/30/23)	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary/Total compensation			\$ 80,800
Total Trustee compensation			<u>\$ 100,737</u>
Assessor of Property	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary			\$ 97,183
Prior term salary correction			3,554
Total compensation			<u>\$ 100,737</u>
County Clerk	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary			\$ 97,183
Prior term salary correction			3,554
Total compensation			<u>\$ 100,737</u>
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary			\$ 97,183
Prior term salary correction			3,554
Total compensation			<u>\$ 100,737</u>
Clerk and Master - Andrew LaPorte	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary			\$ 97,183
Special commissioner fee			1,320
Total compensation			<u>\$ 98,503</u>
Former Clerk and Master - Melissa Moreland			
Prior term salary correction			\$ 3,554
Total Clerk and Master compensation			<u>\$ 102,057</u>
Register of Deeds	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary/Total compensation			\$ 97,183
Sheriff - Dexter Lunceford (7/1/22 - 8/31/22)	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary			\$ 18,033
Superintendent of workhouse			1,000
Law enforcement training supplement			800
Prior term salary correction			3,910
Total compensation			<u>\$ 23,743</u>
Sheriff - Mike Fraley (9/1/22 - 6/30/23)	Section 8-24-102, TCA	(1)	Tennessee Risk Management Trust
Base salary			\$ 88,868
Superintendent of workhouse			5,000
Total compensation			<u>\$ 93,868</u>
Total Sheriff compensation			<u>\$ 117,611</u>
Finance Director	County Commission	(1)	Tennessee Risk Management Trust
Base salary			\$ 97,183
Bonus			2,000
Total compensation			<u>\$ 99,183</u>
Employee Blanket Bonds:			
Employee Fidelity - County Departments		400,000	Tennessee Risk Management Trust
Employee Fidelity - School Department		400,000	"

(1) Official is under the employee fidelity insurance coverage.

(2) Shannon Burchett served as interim Road Superintendent during June 2023, but continued to receive his regular employee pay during that month rather than being paid from the county official budget line item.

Exhibit I-5

Carter County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2023

	Special Revenue Funds					Other General Government Fund
	General	Solid Waste / Sanitation	Health Department	Drug Control	Sports and Recreation	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 9,906,357	\$ 0	\$ 0	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	303,145	0	0	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	43,458	0	0	0	0	0
Interest and Penalty	70,540	0	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	14,079	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	175,317	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	3,856	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	1,773,756	0	172,000	0	190,000	0
Hotel/Motel Tax	371,539	0	0	0	0	0
Litigation Tax - General	101,474	0	0	0	0	0
Litigation Tax - Special Purpose	8,348	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	56,454	0	0	0	0	0
Litigation Tax - Courthouse Security	106,821	0	0	0	0	0
Business Tax	581,430	0	0	0	0	0
Mixed Drink Tax	3,654	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
Other County Local Option Taxes	101,212	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	88,206	0	0	0	0	0
Beer Privilege Tax	213,512	0	0	0	0	0
Total Local Taxes	\$ 13,923,158	\$ 0	\$ 172,000	\$ 0	\$ 190,000	0

(Continued)

Exhibit I-5

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

	Special Revenue Funds						Other General Government Fund
	General	Solid Waste / Sanitation	Health Department	Drug Control	Sports and Recreation		
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Marriage Licenses	\$ 1,700	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Animal Registration	15,472	0	0	0	0	0	0
Cable TV Franchise	362,466	0	0	0	0	0	0
<u>Permits</u>							
Beer Permits	4,446	0	0	0	0	0	0
Building Permits	137,624	0	0	0	0	0	0
Other Permits	20,820	0	0	0	0	0	0
Total Licenses and Permits	\$ 542,528	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	\$ 7,376	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Drug Control Fines	0	0	0	20,880	0	0	0
Drug Court Fees	1,840	0	0	0	0	0	0
Jail Fees	3,307	0	0	0	0	0	0
Judicial Commissioner Fees	58	0	0	0	0	0	0
DUI Treatment Fines	914	0	0	0	0	0	0
Data Entry Fee - Circuit Court	1,166	0	0	0	0	0	0
Courtroom Security Fee	198	0	0	0	0	0	0
Victims Assistance Assessments	4,990	0	0	0	0	0	0
<u>General Sessions Court</u>							
Fines	112,941	0	0	0	0	0	0
Officers Costs	31,333	0	0	0	0	0	0
Drug Control Fines	0	0	0	1,313	0	0	0
Drug Court Fees	7,124	0	0	0	0	0	0

(Continued)

Exhibit I-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Health Department	Drug Control	Sports and Recreation	Other General Government Fund
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>General Sessions Court (Cont.)</u>						
Jail Fees	\$ 7,787	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Judicial Commissioner Fees	66	0	0	0	0	0
DUI Treatment Fines	11,639	0	0	0	0	0
Data Entry Fee - General Sessions Court	14,086	0	0	0	0	0
Courtroom Security Fee	173	0	0	0	0	0
Victims Assistance Assessments	16,554	0	0	0	0	0
<u>Juvenile Court</u>						
Jail Fees	19	0	0	0	0	0
Data Entry Fee - Juvenile Court	1,496	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	1,383	0	0	0	0	0
Data Entry Fee - Chancery Court	4,440	0	0	0	0	0
Courtroom Security Fee	4	0	0	0	0	0
<u>Other Courts - In-county</u>						
Jail Fees	71	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	426	0	0	0	0	0
Other Fines, Forfeitures, and Penalties	1,902	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 231,293	\$ 0	\$ 0	\$ 22,193	\$ 0	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Transfer Waste Stations Collection Charge	\$ 0	\$ 1,663,664	\$ 0	\$ 0	\$ 0	\$ 0
Tipping Fees	0	106,585	0	0	0	0
Patient Charges	14,334	0	0	0	0	0
Work Release Charges for Board	2,675	0	0	0	0	0

(Continued)

Exhibit I-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Health Department	Drug Control	Sports and Recreation	Other General Government Fund
<u>Charges for Current Services (Cont.)</u>						
<u>Fees</u>						
Copy Fees	\$ 3,365	\$ 56	\$ 0	\$ 0	\$ 0	\$ 0
Archives and Records Management Fee	108,437	0	0	0	0	0
Greenbelt Late Application Fee	950	0	0	0	0	0
Telephone Commissions	5,302	0	0	0	0	0
Additional Fees - Titling and Registration	45,225	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	0
Data Processing Fee - Register	15,676	0	0	0	0	0
Data Processing Fee - Sheriff	8,407	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	4,950	0	0	0	0	0
Data Processing Fee - County Clerk	6,129	0	0	0	0	0
Vehicle Registration Reinstatement Fees	3,920	0	0	0	0	0
Total Charges for Current Services	\$ 219,370	\$ 1,770,305	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 1,718,818	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals/PPP	138,790	37,449	0	0	0	0
Commissary Sales	20,589	0	0	0	0	0
Sale of Gasoline	0	0	0	0	0	0
Sale of Recycled Materials	0	131,508	0	0	0	0
Sale of Animals/Livestock	32,375	0	0	0	0	0
Miscellaneous Refunds	40,125	5,465	0	5,175	41	0
<u>Nonrecurring Items</u>						
Sale of Equipment	17,933	0	0	0	0	0
Damages Recovered from Individuals	3,578	0	0	0	0	0
Contributions and Gifts	952	0	0	0	0	0

(Continued)

Exhibit I-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Health Department	Drug Control	Sports and Recreation	Other General Government Fund
<u>Other Local Revenues (Cont.)</u>						
<u>Other Local Revenues</u>						
Other Local Revenues	\$ 2,760	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Local Revenues	\$ 1,975,920	\$ 174,422	\$ 0	\$ 5,175	\$ 41	\$ 0
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 578,104	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	100,236	0	0	0	0	0
General Sessions Court Clerk	285,877	0	0	0	0	0
Clerk and Master	156,558	0	0	0	0	0
Register	232,896	0	0	0	0	0
Sheriff	17,558	0	0	0	0	0
Trustee	847,687	0	0	0	0	0
Total Fees Received From County Officials	\$ 2,218,916	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	36,000	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	419,037	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	0	0
Litter Program	22,686	0	0	0	0	0

(Continued)

Exhibit I-5

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

	Special Revenue Funds						Other General Government Fund
	General	Solid Waste / Sanitation	Health Department	Drug Control	Sports and Recreation		
<u>State of Tennessee (Cont.)</u>							
<u>Other State Revenues</u>							
Beer Tax	\$ 14,102	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Vehicle Certificate of Title Fees	7,456	0	0	0	0	0	0
Alcoholic Beverage Tax	120,962	0	0	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	255,605	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	0	0	0	0	0	0	0
State Revenue Sharing - Telecommunications	67,939	0	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	65,449	0	0	0	0	0	0
Contracted Prisoner Boarding	693,767	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0	0
State Shared Sales Tax - Cities	7,475	0	0	0	0	0	0
Other State Grants	436,675	0	0	0	0	0	0
Other State Revenues	540	28,252	0	0	0	0	0
Total State of Tennessee	\$ 2,171,857	\$ 28,252	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Federal Government</u>							
<u>Federal Through State</u>							
Community Development	\$ 230,774	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Law Enforcement Grants	7,500	0	0	0	0	0	0
COVID-19 Grant D	30,216	0	0	0	0	0	0
American Rescue Plan Act Grant #1	0	0	0	0	0	0	9,485,229
<u>Direct Federal Revenue</u>							
FHA Grant	288,447	0	0	0	0	0	0
Forest Service	19,596	0	0	0	0	0	0

(Continued)

Exhibit I-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Health Department	Drug Control	Sports and Recreation	Other General Government Fund
<u>Federal Government (Cont.)</u>						
<u>Direct Federal Revenue (Cont.)</u>						
Other Direct Federal Revenue	\$ 278,928	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Federal Government	\$ 855,461	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,485,229
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 29,430	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	20,200	0	0	0	0	0
Contracted Services	638,912	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	33,471	0	0	0	0	0
<u>Other</u>						
Opioid Settlement Funds - Past Remediation	163,227	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 885,240	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 23,023,743	\$ 1,972,979	\$ 172,000	\$ 27,368	\$ 190,041	\$ 9,485,229

(Continued)

Exhibit I-5

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

	<u>Special Revenue Funds</u>		<u>Debt Service</u>	
	<u>Constitu -</u>	<u>Highway /</u>	<u>Fund</u>	
	<u>tional</u>	<u>Public</u>	<u>General</u>	
	<u>Officers -</u>	<u>Works</u>	<u>Debt</u>	
	<u>Fees</u>		<u>Service</u>	<u>Total</u>
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 0	\$ 1,086,266	\$ 1,358,454	\$ 12,351,077
Trustee's Collections - Prior Year	0	36,625	39,741	379,511
Circuit Clerk/Clerk and Master Collections - Prior Years	0	5,373	9,855	58,686
Interest and Penalty	0	8,380	10,153	89,073
Payments in-Lieu-of Taxes - T.V.A.	0	1,557	1,934	17,570
Payments in-Lieu-of Taxes - Local Utilities	0	19,230	24,043	218,590
Payments in-Lieu-of Taxes - Other	0	423	529	4,808
<u>County Local Option Taxes</u>				
Local Option Sales Tax	0	0	0	2,135,756
Hotel/Motel Tax	0	0	0	371,539
Litigation Tax - General	0	0	0	101,474
Litigation Tax - Special Purpose	0	0	0	8,348
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	56,454
Litigation Tax - Courthouse Security	0	0	0	106,821
Business Tax	0	0	0	581,430
Mixed Drink Tax	0	0	0	3,654
Mineral Severance Tax	0	123,792	0	123,792
Other County Local Option Taxes	0	0	0	101,212
<u>Statutory Local Taxes</u>				
Bank Excise Tax	0	9,675	12,096	109,977
Beer Privilege Tax	0	0	0	213,512
Total Local Taxes	\$ 0	\$ 1,291,321	\$ 1,456,805	\$ 17,033,284

(Continued)

Exhibit I-5

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

	<u>Special Revenue Funds</u>		<u>Debt Service</u>	
	<u>Constitu -</u>	<u>Highway /</u>	<u>Fund</u>	
	<u>tional</u>	<u>Public</u>	<u>General</u>	
	<u>Officers -</u>	<u>Works</u>	<u>Debt</u>	
	<u>Fees</u>		<u>Service</u>	<u>Total</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 1,700
Animal Registration	0	0	0	15,472
Cable TV Franchise	0	0	0	362,466
<u>Permits</u>				
Beer Permits	0	0	0	4,446
Building Permits	0	0	0	137,624
Other Permits	0	200	0	21,020
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 200</u>	<u>\$ 0</u>	<u>\$ 542,728</u>
<u>Fines, Forfeitures, and Penalties</u>				
<u>Circuit Court</u>				
Fines	\$ 0	\$ 0	\$ 0	\$ 7,376
Drug Control Fines	0	0	0	20,880
Drug Court Fees	0	0	0	1,840
Jail Fees	0	0	0	3,307
Judicial Commissioner Fees	0	0	0	58
DUI Treatment Fines	0	0	0	914
Data Entry Fee - Circuit Court	0	0	0	1,166
Courtroom Security Fee	0	0	0	198
Victims Assistance Assessments	0	0	0	4,990
<u>General Sessions Court</u>				
Fines	0	0	0	112,941
Officers Costs	0	0	0	31,333
Drug Control Fines	0	0	0	1,313
Drug Court Fees	0	0	0	7,124

(Continued)

Exhibit I-5

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

	<u>Special Revenue Funds</u>		<u>Debt Service</u>	
	<u>Constitu -</u>	<u>Highway /</u>	<u>Fund</u>	
	<u>Officers -</u>	<u>Public</u>	<u>General</u>	
	<u>Fees</u>	<u>Works</u>	<u>Debt</u>	
			<u>Service</u>	<u>Total</u>
<u>Fines, Forfeitures, and Penalties (Cont.)</u>				
<u>General Sessions Court (Cont.)</u>				
Jail Fees	\$ 0	\$ 0	\$ 0	7,787
Judicial Commissioner Fees	0	0	0	66
DUI Treatment Fines	0	0	0	11,639
Data Entry Fee - General Sessions Court	0	0	0	14,086
Courtroom Security Fee	0	0	0	173
Victims Assistance Assessments	0	0	0	16,554
<u>Juvenile Court</u>				
Jail Fees	0	0	0	19
Data Entry Fee - Juvenile Court	0	0	0	1,496
<u>Chancery Court</u>				
Officers Costs	0	0	0	1,383
Data Entry Fee - Chancery Court	0	0	0	4,440
Courtroom Security Fee	0	0	0	4
<u>Other Courts - In-county</u>				
Jail Fees	0	0	0	71
<u>Other Fines, Forfeitures, and Penalties</u>				
Proceeds from Confiscated Property	0	0	0	426
Other Fines, Forfeitures, and Penalties	0	0	0	1,902
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	253,486
<u>Charges for Current Services</u>				
<u>General Service Charges</u>				
Transfer Waste Stations Collection Charge	\$ 0	\$ 0	\$ 0	1,663,664
Tipping Fees	0	0	0	106,585
Patient Charges	0	0	0	14,334
Work Release Charges for Board	0	0	0	2,675

(Continued)

Exhibit I-5

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

	<u>Special Revenue Funds</u>		<u>Debt Service</u>	<u>Total</u>
	<u>Constitu -</u> <u>tional</u> <u>Officers -</u> <u>Fees</u>	<u>Highway /</u> <u>Public</u> <u>Works</u>	<u>General</u> <u>Debt</u> <u>Service</u>	
<u>Charges for Current Services (Cont.)</u>				
<u>Fees</u>				
Copy Fees	\$ 0	\$ 0	\$ 0	\$ 3,421
Archives and Records Management Fee	0	0	0	108,437
Greenbelt Late Application Fee	0	0	0	950
Telephone Commissions	0	0	0	5,302
Additional Fees - Titling and Registration	0	0	0	45,225
Special Commissioner Fees/Special Master Fees	1,752	0	0	1,752
Data Processing Fee - Register	0	0	0	15,676
Data Processing Fee - Sheriff	0	0	0	8,407
Sexual Offender Registration Fee - Sheriff	0	0	0	4,950
Data Processing Fee - County Clerk	0	0	0	6,129
Vehicle Registration Reinstatement Fees	0	0	0	3,920
Total Charges for Current Services	\$ 1,752	\$ 0	\$ 0	\$ 1,991,427
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 0	\$ 1,718,818
Lease/Rentals/PPP	0	0	0	176,239
Commissary Sales	0	0	0	20,589
Sale of Gasoline	0	301,737	0	301,737
Sale of Recycled Materials	0	1,239	0	132,747
Sale of Animals/Livestock	0	0	0	32,375
Miscellaneous Refunds	0	1,385	0	52,191
<u>Nonrecurring Items</u>				
Sale of Equipment	0	84,855	0	102,788
Damages Recovered from Individuals	0	0	0	3,578
Contributions and Gifts	0	0	0	952

(Continued)

Exhibit I-5

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

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>		
	<u>Constitu -</u>	<u>Highway /</u>	<u>General</u>	<u>Debt</u>	<u>Total</u>
	<u>Officers -</u>	<u>Public</u>	<u>Service</u>		
	<u>Fees</u>	<u>Works</u>			
<u>Other Local Revenues (Cont.)</u>					
<u>Other Local Revenues</u>					
Other Local Revenues	\$ 0	\$ 0	\$ 0	\$ 0	2,760
Total Other Local Revenues	\$ 0	\$ 389,216	\$ 0	\$ 0	2,544,774
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	578,104
Circuit Court Clerk	0	0	0	0	100,236
General Sessions Court Clerk	0	0	0	0	285,877
Clerk and Master	0	0	0	0	156,558
Register	0	0	0	0	232,896
Sheriff	0	0	0	0	17,558
Trustee	0	0	0	0	847,687
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	2,218,916
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	9,000
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	36,000
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	0	0	419,037
<u>Public Works Grants</u>					
Bridge Program	0	1,881,749	0	0	1,881,749
Litter Program	0	0	0	0	22,686

(Continued)

Exhibit I-5

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

	<u>Special Revenue Funds</u>		<u>Debt Service</u>	
	<u>Constitu -</u>	<u>Highway /</u>	<u>Fund</u>	
	<u>Officers -</u>	<u>Public</u>	<u>Debt</u>	
	<u>Fees</u>	<u>Works</u>	<u>Service</u>	<u>Total</u>
<u>State of Tennessee (Cont.)</u>				
<u>Other State Revenues</u>				
Beer Tax	\$ 0	\$ 0	\$ 0	\$ 14,102
Vehicle Certificate of Title Fees	0	0	0	7,456
Alcoholic Beverage Tax	0	0	0	120,962
Opioid Settlement Funds - TN Abatement Council	0	0	0	255,605
State Revenue Sharing - T.V.A.	0	51,327	39,053	90,380
State Revenue Sharing - Telecommunications	0	0	0	67,939
State Shared Sports Gaming Privilege Tax	0	0	0	65,449
Contracted Prisoner Boarding	0	0	0	693,767
Gasoline and Motor Fuel Tax	0	2,607,758	0	2,607,758
Petroleum Special Tax	0	37,340	0	37,340
Registrar's Salary Supplement	0	0	0	15,164
State Shared Sales Tax - Cities	0	0	0	7,475
Other State Grants	0	0	0	436,675
Other State Revenues	0	0	0	28,792
Total State of Tennessee	\$ 0	\$ 4,578,174	\$ 39,053	\$ 6,817,336
<u>Federal Government</u>				
<u>Federal Through State</u>				
Community Development	\$ 0	\$ 0	\$ 0	\$ 230,774
Law Enforcement Grants	0	0	0	7,500
COVID-19 Grant D	0	0	0	30,216
American Rescue Plan Act Grant #1	0	0	0	9,485,229
<u>Direct Federal Revenue</u>				
FHA Grant	0	0	0	288,447
Forest Service	0	27,761	0	47,357

(Continued)

Exhibit I-5

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

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>		
	<u>Constitu -</u>	<u>Highway /</u>	<u>General</u>		
	<u>Officers -</u>	<u>Public</u>	<u>Debt</u>		
	<u>Fees</u>	<u>Works</u>	<u>Service</u>		<u>Total</u>
<u>Federal Government (Cont.)</u>					
<u>Direct Federal Revenue (Cont.)</u>					
Other Direct Federal Revenue	\$ 0	\$ 0	\$ 0	\$ 278,928	
Total Federal Government	\$ 0	\$ 27,761	\$ 0	\$ 10,368,451	
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 29,430	
Contributions	0	0	0	20,200	
Contracted Services	0	163,051	0	801,963	
<u>Citizens Groups</u>					
Donations	0	0	0	33,471	
<u>Other</u>					
Opioid Settlement Funds - Past Remediation	0	0	0	163,227	
Total Other Governments and Citizens Groups	\$ 0	\$ 163,051	\$ 0	\$ 1,048,291	
Total	\$ 1,752	\$ 6,449,723	\$ 1,495,858	\$ 42,818,693	

Exhibit I-6

Carter County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Carter County School Department
For the Year Ended June 30, 2023

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Internal School
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 5,727,979	\$ 0	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	180,672	0	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	26,943	0	0	0	0
Interest and Penalty	42,058	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	14,358	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	101,379	0	0	0	0
Payments in-Lieu-of Taxes - Other	2,230	0	0	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	5,293,540	0	0	0	0
Mixed Drink Tax	2,303	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	51,008	0	0	0	0
Total Local Taxes	<u>\$ 11,442,470</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 1,049	\$ 0	\$ 0	\$ 0	\$ 0
Total Licenses and Permits	<u>\$ 1,049</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Lunch Payments - Children	\$ 0	\$ 0	\$ 39,073	\$ 0	\$ 0
Lunch Payments - Adults	0	0	66,009	0	0
Income from Breakfast	0	0	45,079	0	0

(Continued)

Exhibit I-6

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

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Internal School
<u>Charges for Current Services (Cont.)</u>					
<u>Education Charges (Cont.)</u>					
Special Milk Sales	\$ 0	\$ 0	\$ 144	\$ 0	\$ 0
A la Carte Sales	0	0	58,868	0	0
Receipts from Individual Schools	58,075	0	0	0	0
Community Service Fees - Children	106,688	0	0	0	0
Other Charges for Services	0	0	58,681	0	0
Total Charges for Current Services	<u>\$ 164,763</u>	<u>\$ 0</u>	<u>\$ 267,854</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 30,087	\$ 0	\$ 109,720	\$ 0	\$ 0
Lease/Rentals/PPP	9,790	0	0	0	0
Sale of Recycled Materials	410	0	0	0	0
Rebates	0	0	46,132	0	0
Miscellaneous Refunds	32,213	0	3,243	85	0
<u>Nonrecurring Items</u>					
Sale of Equipment	11,771	0	0	0	0
Contributions and Gifts	380,005	0	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	0	1,779,948
Total Other Local Revenues	<u>\$ 464,276</u>	<u>\$ 0</u>	<u>\$ 159,095</u>	<u>\$ 85</u>	<u>\$ 1,779,948</u>
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 324,803	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit I-6

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

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Internal School
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds</u>					
Basic Education Program	\$ 29,656,227	\$ 0	\$ 0	\$ 0	\$ 0
Early Childhood Education	608,439	0	0	0	0
School Food Service	0	0	26,296	0	0
Driver Education	1,958	0	0	0	0
Other State Education Funds	652,710	0	0	0	0
Coordinated School Health	70,842	0	0	0	0
Family Resource Centers	29,611	0	0	0	0
Career Ladder Program	68,817	0	0	0	0
Other Vocational	101,096	0	0	0	0
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	848,008	0	0	0	0
Safe Schools	162,606	0	0	0	0
Total State of Tennessee	\$ 32,525,117	\$ 0	\$ 26,296	\$ 0	\$ 0
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,158,491	\$ 0	\$ 0
USDA - Commodities	0	0	263,020	0	0
Breakfast	0	0	713,585	0	0
USDA - Other	50,502	0	239,318	32,482	0
Vocational Education - Basic Grants to States	0	142,781	0	0	0
Other Vocational	0	116,110	0	0	0
Title I Grants to Local Education Agencies	0	1,985,670	0	0	0
Special Education - Grants to States	15,898	1,142,074	0	0	0

(Continued)

Exhibit I-6

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

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Internal School
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
Special Education Preschool Grants	\$ 0	\$ 23,748	\$ 0	\$ 0	\$ 0
English Language Acquisition Grants	0	2,306	0	0	0
Education for Homeless Children and Youth	0	25,644	0	0	0
21st Century Community Learning Centers	129,461	0	0	0	0
Eisenhower Professional Development State Grants	0	235,982	0	0	0
COVID-19 Grant B	0	2,212,416	0	0	0
COVID-19 Grant E	0	786,276	0	0	0
American Rescue Plan Act Grant #1	0	2,377,321	0	0	0
American Rescue Plan Act Grant #2	0	62,693	0	0	0
American Rescue Plan Act Grant #3	0	16,816	0	0	0
American Rescue Plan Act Grant #4	0	52,513	0	0	0
Other Federal through State	38,545	134,134	0	0	0
<u>Direct Federal Revenue</u>					
Forest Service	83,284	0	0	0	0
COVID-19 Grant #10	0	0	0	95,625	0
Total Federal Government	<u>\$ 317,690</u>	<u>\$ 9,316,484</u>	<u>\$ 3,374,414</u>	<u>\$ 128,107</u>	<u>\$ 0</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 0	\$ 5,100	\$ 0	\$ 0
Contracted Services	0	0	0	1,137,173	0
<u>Citizens Groups</u>					
Donations	1,670	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 1,670</u>	<u>\$ 0</u>	<u>\$ 5,100</u>	<u>\$ 1,137,173</u>	<u>\$ 0</u>
Total	<u>\$ 44,917,035</u>	<u>\$ 9,316,484</u>	<u>\$ 3,832,759</u>	<u>\$ 1,265,365</u>	<u>\$ 1,779,948</u>

(Continued)

Exhibit I-6

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

	<u>Capital</u> <u>Projects Fund</u>	
	Education Capital Projects	Total
<u>Local Taxes</u>		
<u>County Property Taxes</u>		
Current Property Tax	\$ 0	\$ 5,727,979
Trustee's Collections - Prior Year	0	180,672
Circuit Clerk/Clerk and Master Collections - Prior Years	0	26,943
Interest and Penalty	0	42,058
Payments in-Lieu-of Taxes - T.V.A.	0	14,358
Payments in-Lieu-of Taxes - Local Utilities	0	101,379
Payments in-Lieu-of Taxes - Other	0	2,230
<u>County Local Option Taxes</u>		
Local Option Sales Tax	1,630,821	6,924,361
Mixed Drink Tax	0	2,303
<u>Statutory Local Taxes</u>		
Bank Excise Tax	0	51,008
Total Local Taxes	<u>\$ 1,630,821</u>	<u>\$ 13,073,291</u>
<u>Licenses and Permits</u>		
<u>Licenses</u>		
Marriage Licenses	\$ 0	\$ 1,049
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 1,049</u>
<u>Charges for Current Services</u>		
<u>Education Charges</u>		
Lunch Payments - Children	\$ 0	\$ 39,073
Lunch Payments - Adults	0	66,009
Income from Breakfast	0	45,079

(Continued)

Exhibit I-6

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

	<u>Capital Projects Fund</u>	
	Education Capital Projects	Total
<u>Charges for Current Services (Cont.)</u>		
<u>Education Charges (Cont.)</u>		
Special Milk Sales	\$ 0	\$ 144
A la Carte Sales	0	58,868
Receipts from Individual Schools	0	58,075
Community Service Fees - Children	0	106,688
Other Charges for Services	0	58,681
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 432,617</u>
<u>Other Local Revenues</u>		
<u>Recurring Items</u>		
Investment Income	\$ 0	\$ 139,807
Lease/Rentals/PPP	0	9,790
Sale of Recycled Materials	0	410
Rebates	0	46,132
Miscellaneous Refunds	0	35,541
<u>Nonrecurring Items</u>		
Sale of Equipment	0	11,771
Contributions and Gifts	0	380,005
<u>Other Local Revenues</u>		
Other Local Revenues	0	1,779,948
Total Other Local Revenues	<u>\$ 0</u>	<u>\$ 2,403,404</u>
<u>State of Tennessee</u>		
<u>General Government Grants</u>		
On-behalf Contributions for OPEB	\$ 0	\$ 324,803

(Continued)

Exhibit I-6

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

	<u>Capital</u> <u>Projects Fund</u>	
	Education Capital Projects	Total
<u>State of Tennessee (Cont.)</u>		
<u>State Education Funds</u>		
Basic Education Program	\$ 0	\$ 29,656,227
Early Childhood Education	0	608,439
School Food Service	0	26,296
Driver Education	0	1,958
Other State Education Funds	0	652,710
Coordinated School Health	0	70,842
Family Resource Centers	0	29,611
Career Ladder Program	0	68,817
Other Vocational	0	101,096
<u>Other State Revenues</u>		
State Revenue Sharing - T.V.A.	0	848,008
Safe Schools	0	162,606
Total State of Tennessee	<u>\$ 0</u>	<u>\$ 32,551,413</u>
<u>Federal Government</u>		
<u>Federal Through State</u>		
USDA School Lunch Program	\$ 0	\$ 2,158,491
USDA - Commodities	0	263,020
Breakfast	0	713,585
USDA - Other	0	322,302
Vocational Education - Basic Grants to States	0	142,781
Other Vocational	0	116,110
Title I Grants to Local Education Agencies	0	1,985,670
Special Education - Grants to States	0	1,157,972

(Continued)

Exhibit I-6

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

	<u>Capital</u> <u>Projects Fund</u>	
	Education Capital Projects	Total
<u>Federal Government (Cont.)</u>		
<u>Federal Through State (Cont.)</u>		
Special Education Preschool Grants	\$ 0	\$ 23,748
English Language Acquisition Grants	0	2,306
Education for Homeless Children and Youth	0	25,644
21st Century Community Learning Centers	0	129,461
Eisenhower Professional Development State Grants	0	235,982
COVID-19 Grant B	0	2,212,416
COVID-19 Grant E	0	786,276
American Rescue Plan Act Grant #1	0	2,377,321
American Rescue Plan Act Grant #2	0	62,693
American Rescue Plan Act Grant #3	0	16,816
American Rescue Plan Act Grant #4	0	52,513
Other Federal through State	0	172,679
<u>Direct Federal Revenue</u>		
Forest Service	0	83,284
COVID-19 Grant #10	0	95,625
Total Federal Government	<u>\$ 0</u>	<u>\$ 13,136,695</u>
<u>Other Governments and Citizens Groups</u>		
<u>Other Governments</u>		
Contributions	\$ 0	\$ 5,100
Contracted Services	0	1,137,173
<u>Citizens Groups</u>		
Donations	0	1,670
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 1,143,943</u>
Total	<u>\$ 1,630,821</u>	<u>\$ 62,742,412</u>

Exhibit I-7

Carter County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2023

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	59,065	
Social Security		3,465	
Pensions		2,005	
Unemployment Compensation		1	
Employer Medicare		857	
Audit Services		23,670	
Dues and Memberships		5,437	
Legal Notices, Recording, and Court Costs		3,031	
Travel		5,076	
Data Processing Supplies		892	
Office Supplies		453	
Liability Insurance		3,406	
Workers' Compensation Insurance		348	
In Service/Staff Development		50	
Other Charges		1,250	
Total County Commission			\$ 109,006

Board of Equalization

Board and Committee Members Fees	\$	6,500	
Social Security		403	
Employer Medicare		94	
Legal Notices, Recording, and Court Costs		142	
Other Supplies and Materials		96	
Total Board of Equalization			7,235

County Mayor/Executive

County Official/Administrative Officer	\$	118,546	
Secretary(ies)		36,993	
Part-time Personnel		1,372	
Bonus Payments		3,125	
Social Security		9,239	
Pensions		9,326	
Life Insurance		41	
Medical Insurance		9,636	
Dental Insurance		164	
Unemployment Compensation		32	
Employer Medicare		2,161	
Data Processing Services		24	
Dues and Memberships		1,850	
Legal Notices, Recording, and Court Costs		275	
Maintenance Agreements		650	
Postal Charges		36	
Travel		4,576	
Office Supplies		1,006	
Software		840	
Other Supplies and Materials		896	
Liability Insurance		3,921	

(Continued)

Exhibit I-7

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Vehicle and Equipment Insurance	\$	488	
Workers' Compensation Insurance		2,113	
In Service/Staff Development		525	
Access Fees		10,092	
Tax Relief Program		58,583	
Other Charges		180	
Furniture and Fixtures		451	
Office Equipment		5,071	
Total County Mayor/Executive			\$ 282,212

County Attorney

Other Salaries and Wages	\$	600	
Social Security		37	
Pensions		36	
Employer Medicare		9	
Legal Services		82,025	
Total County Attorney			82,707

Election Commission

Supervisor/Director	\$	87,465	
Deputy(ies)		35,162	
Data Processing Personnel		28,766	
Part-time Personnel		11,745	
Bonus Payments		6,000	
Other Salaries and Wages		14,145	
Board and Committee Members Fees		15,157	
Election Workers		95,814	
Social Security		14,677	
Pensions		9,346	
Life Insurance		65	
Medical Insurance		25,758	
Dental Insurance		421	
Unemployment Compensation		83	
Employer Medicare		3,433	
Communication		3,479	
Data Processing Services		4,438	
Dues and Memberships		400	
Legal Notices, Recording, and Court Costs		9,354	
Maintenance Agreements		19,502	
Pest Control		420	
Postal Charges		4,229	
Rentals		3,172	
Travel		2,436	
Disposal Fees		835	
Data Processing Supplies		2,499	
Office Supplies		1,828	
Software		3,599	

(Continued)

Exhibit I-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Other Supplies and Materials	\$	17,518	
Liability Insurance		1,442	
Workers' Compensation Insurance		4,109	
In Service/Staff Development		600	
Other Charges		300	
Office Equipment		4,312	
Voting Machines		436,675	
Total Election Commission			\$ 869,184

Register of Deeds

County Official/Administrative Officer	\$	97,183	
Deputy(ies)		90,990	
Bonus Payments		6,000	
Social Security		11,757	
Pensions		11,651	
Life Insurance		86	
Medical Insurance		31,780	
Dental Insurance		421	
Unemployment Compensation		63	
Employer Medicare		2,750	
Other Fringe Benefits		2,127	
Communication		1,210	
Data Processing Services		16,716	
Dues and Memberships		1,093	
Postal Charges		92	
Rentals		1,618	
Travel		978	
Other Contracted Services		111,096	
Data Processing Supplies		2,443	
Office Supplies		2,756	
Software		365	
Liability Insurance		3,683	
Workers' Compensation Insurance		414	
Other Equipment		13,786	
Total Register of Deeds			411,058

Planning

Supervisor/Director	\$	55,964	
Deputy(ies)		50,180	
Data Processing Personnel		29,069	
Part-time Personnel		12,665	
Bonus Payments		8,000	
Other Salaries and Wages		65,953	
Board and Committee Members Fees		3,750	
Social Security		13,698	
Pensions		12,493	
Life Insurance		106	

(Continued)

Exhibit I-7

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Medical Insurance	\$	39,351	
Dental Insurance		690	
Unemployment Compensation		163	
Employer Medicare		3,204	
Other Fringe Benefits		2,051	
Communication		1,022	
Data Processing Services		1,484	
Dues and Memberships		1,379	
Legal Notices, Recording, and Court Costs		389	
Maintenance Agreements		2,020	
Maintenance and Repair Services - Vehicles		110	
Pest Control		408	
Postal Charges		528	
Rentals		1,628	
Travel		3,019	
Permits		3,460	
Penalties		5,785	
Data Processing Supplies		671	
Gasoline		3,810	
Office Supplies		2,538	
Tires and Tubes		560	
Liability Insurance		1,290	
Vehicle and Equipment Insurance		627	
Workers' Compensation Insurance		4,717	
In Service/Staff Development		2,698	
Other Charges		365	
Total Planning			\$ 335,845

County Buildings

Supervisor/Director	\$	40,724
Custodial Personnel		36,307
Maintenance Personnel		57,517
Bonus Payments		6,000
Social Security		8,303
Pensions		7,872
Life Insurance		61
Medical Insurance		25,508
Dental Insurance		444
Unemployment Compensation		63
Employer Medicare		1,942
Other Fringe Benefits		263
Communication		49,245
Consultants		2,125
Engineering Services		202
Evaluation and Testing		4,589
Maintenance and Repair Services - Buildings		49,488
Maintenance and Repair Services - Equipment		22,326

(Continued)

Exhibit I-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Maintenance and Repair Services - Vehicles	\$	683	
Pest Control		2,400	
Printing, Stationery, and Forms		1,027	
Travel		3,250	
Permits		250	
Other Contracted Services		58,441	
Custodial Supplies		8,834	
Data Processing Supplies		54	
Electricity		197,426	
Gasoline		1,179	
Natural Gas		71,998	
Small Tools		744	
Water and Sewer		31,106	
Software		11,261	
Other Supplies and Materials		840	
Boiler Insurance		7,833	
Building and Contents Insurance		86,976	
Liability Insurance		2,912	
Vehicle and Equipment Insurance		602	
Workers' Compensation Insurance		2,657	
Other Charges		2,044	
Building Improvements		30,693	
Furniture and Fixtures		10,504	
Heating and Air Conditioning Equipment		11,322	
Maintenance Equipment		344	
Other Equipment		5,097	
Other Capital Outlay		1,085,268	
Total County Buildings			\$ 1,948,724

Other General Administration

Supervisor/Director	\$	59,604	
Social Security		3,825	
Pensions		3,770	
Life Insurance		22	
Medical Insurance		8,259	
Dental Insurance		140	
Unemployment Compensation		42	
Employer Medicare		895	
Communication		347	
Maintenance and Repair Services - Vehicles		1,620	
Printing, Stationery, and Forms		30	
Travel		785	
Gasoline		106	
Small Tools		1,165	
Uniforms		127	
Other Equipment		84,374	
Total Other General Administration			165,111

(Continued)

Exhibit I-7

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

General Fund (Cont.)

General Government (Cont.)

Preservation of Records

Maintenance and Repair Services - Records	\$ 3,528	
Total Preservation of Records		\$ 3,528

Finance

Accounting and Budgeting

Supervisor/Director	\$ 97,183	
Deputy(ies)	78,570	
Accountants/Bookkeepers	209,682	
Purchasing Personnel	34,989	
Part-time Personnel	9,919	
Bonus Payments	18,000	
Social Security	27,151	
Pensions	25,768	
Life Insurance	182	
Medical Insurance	65,096	
Dental Insurance	1,128	
Unemployment Compensation	285	
Employer Medicare	6,350	
Other Fringe Benefits	6,031	
Accounting Services	2,800	
Consultants	14,400	
Data Processing Services	469	
Legal Notices, Recording, and Court Costs	2,089	
Maintenance Agreements	30,328	
Postal Charges	7,175	
Printing, Stationery, and Forms	530	
Rentals	1,660	
Travel	3,988	
Data Processing Supplies	5,969	
Office Supplies	5,485	
Software	11,061	
Liability Insurance	2,459	
Workers' Compensation Insurance	836	
In Service/Staff Development	1,435	
Other Charges	4,506	
Data Processing Equipment	147	
Furniture and Fixtures	13,884	
Office Equipment	4,491	
Total Accounting and Budgeting		694,046

Property Assessor's Office

County Official/Administrative Officer	\$ 100,737
Deputy(ies)	164,148
Bonus Payments	12,000
Social Security	16,758
Pensions	16,373
Life Insurance	119

(Continued)

Exhibit I-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Medical Insurance	\$	64,606	
Dental Insurance		701	
Unemployment Compensation		111	
Employer Medicare		3,919	
Audit Services		8,925	
Communication		684	
Contracts with Government Agencies		10,801	
Data Processing Services		750	
Dues and Memberships		1,850	
Maintenance Agreements		3,030	
Maintenance and Repair Services - Vehicles		1,570	
Postal Charges		3,053	
Printing, Stationery, and Forms		380	
Rentals		1,370	
Travel		726	
Data Processing Supplies		586	
Gasoline		2,568	
Office Supplies		1,287	
Liability Insurance		570	
Vehicle and Equipment Insurance		1,067	
Workers' Compensation Insurance		184	
Motor Vehicles		42,045	
Office Equipment		581	
Total Property Assessor's Office			\$ 461,499

Reappraisal Program

Deputy(ies)	\$	97,916	
Part-time Personnel		12,396	
Bonus Payments		6,000	
Social Security		7,081	
Pensions		6,235	
Life Insurance		57	
Medical Insurance		25,758	
Dental Insurance		281	
Unemployment Compensation		85	
Employer Medicare		1,656	
Communication		390	
Data Processing Services		6,325	
Travel		324	
Data Processing Supplies		1,584	
Gasoline		1,502	
Office Supplies		391	
Liability Insurance		4,090	
Workers' Compensation Insurance		5,040	
In Service/Staff Development		50	
Total Reappraisal Program			177,161

(Continued)

Exhibit I-7

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office

County Official/Administrative Officer	\$	100,737	
Deputy(ies)		138,233	
Clerical Personnel		8,947	
Bonus Payments		8,000	
Social Security		15,673	
Pensions		14,818	
Life Insurance		108	
Medical Insurance		49,230	
Dental Insurance		701	
Unemployment Compensation		108	
Employer Medicare		3,665	
Communication		3	
Contracts with Government Agencies		24,526	
Data Processing Services		100	
Dues and Memberships		1,103	
Legal Notices, Recording, and Court Costs		302	
Maintenance Agreements		15,852	
Postal Charges		3,889	
Rentals		1,608	
Travel		2,789	
Data Processing Supplies		1,483	
Office Supplies		2,473	
Liability Insurance		4,057	
Premiums on Corporate Surety Bonds		11,880	
Workers' Compensation Insurance		495	
In Service/Staff Development		755	
Office Equipment		12,611	
Total County Trustee's Office			\$ 424,146

County Clerk's Office

County Official/Administrative Officer	\$	100,737
Deputy(ies)		238,284
Part-time Personnel		3,319
Bonus Payments		14,000
Social Security		21,431
Pensions		21,178
Life Insurance		176
Medical Insurance		68,324
Dental Insurance		1,263
Unemployment Compensation		178
Employer Medicare		5,012
Other Fringe Benefits		8,510
Communication		1,295
Data Processing Services		161
Dues and Memberships		993
Maintenance Agreements		24,640
Maintenance and Repair Services - Equipment		150

(Continued)

Exhibit I-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Postal Charges	\$	26,335	
Printing, Stationery, and Forms		995	
Rentals		4,129	
Data Processing Supplies		4,502	
Office Supplies		1,608	
Liability Insurance		4,483	
Workers' Compensation Insurance		621	
Office Equipment		675	
Total County Clerk's Office			\$ 552,999

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	100,737	
Clerical Personnel		376,677	
Part-time Personnel		72,641	
Bonus Payments		32,000	
Social Security		35,491	
Pensions		29,880	
Life Insurance		272	
Medical Insurance		91,556	
Dental Insurance		1,683	
Unemployment Compensation		398	
Employer Medicare		8,301	
Other Fringe Benefits		2,127	
Communication		286	
Data Processing Services		54	
Dues and Memberships		1,313	
Maintenance Agreements		17,823	
Postal Charges		6,160	
Rentals		6,711	
Travel		1,198	
Data Processing Supplies		1,880	
Office Supplies		7,215	
Software		5,850	
Judgments		3,150	
Liability Insurance		2,528	
Workers' Compensation Insurance		928	
In Service/Staff Development		200	
Furniture and Fixtures		1,257	
Office Equipment		4,064	
Total Circuit Court			812,380

General Sessions Court

Judge(s)	\$	184,484	
Secretary(ies)		27,143	
Bonus Payments		2,000	
Social Security		11,100	

(Continued)

Exhibit I-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Pensions	\$	12,844	
Life Insurance		43	
Medical Insurance		14,281	
Dental Insurance		281	
Unemployment Compensation		27	
Employer Medicare		3,055	
Other Fringe Benefits		2,127	
Communication		1,230	
Dues and Memberships		1,129	
Maintenance Agreements		805	
Postal Charges		160	
Penalties		9	
Data Processing Supplies		827	
Office Supplies		940	
Liability Insurance		3,750	
Workers' Compensation Insurance		576	
Office Equipment		3,700	
Total General Sessions Court			\$ 270,511

Drug Court

Remittance of Revenue Collected	\$	8,964	
Total Drug Court			8,964

Chancery Court

County Official/Administrative Officer	\$	100,737	
Clerical Personnel		149,889	
Bonus Payments		8,000	
Social Security		14,924	
Pensions		15,518	
Life Insurance		108	
Medical Insurance		32,408	
Dental Insurance		561	
Unemployment Compensation		84	
Employer Medicare		3,491	
Other Fringe Benefits		8,434	
Data Processing Services		593	
Dues and Memberships		998	
Legal Notices, Recording, and Court Costs		9,124	
Maintenance Agreements		23,147	
Postal Charges		3,919	
Rentals		1,157	
Data Processing Supplies		969	
Office Supplies		3,999	
Periodicals		1,139	
Liability Insurance		1,223	
Refunds		38,396	
Workers' Compensation Insurance		492	
Office Equipment		886	
Total Chancery Court			420,196

(Continued)

Exhibit I-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Other Administration of Justice

Jury and Witness Expense	\$	14,132	
Evaluation and Testing		2,900	
Legal Notices, Recording, and Court Costs		378	
Medical and Dental Services		397	
Postal Charges		513	
Other Charges		91	
Total Other Administration of Justice			\$ 18,411

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	116,811
Assistant(s)		78,409
Deputy(ies)		744,856
Investigator(s)		427,782
Captain(s)		219,138
Lieutenant(s)		334,597
Sergeant(s)		375,493
Accountants/Bookkeepers		20,704
Data Processing Personnel		39,126
Salary Supplements		36,000
Dispatchers/Radio Operators		199,613
Clerical Personnel		145,121
Part-time Personnel		129,457
School Resource Officer		553,634
Overtime Pay		221,005
Bonus Payments		116,000
Social Security		228,884
Pensions		212,535
Life Insurance		1,416
Medical Insurance		443,906
Dental Insurance		8,569
Unemployment Compensation		2,004
Employer Medicare		53,715
Other Fringe Benefits		71,065
Communication		68,133
Data Processing Services		860
Dues and Memberships		2,972
Evaluation and Testing		4,840
Maintenance Agreements		80,066
Maintenance and Repair Services - Buildings		3,504
Maintenance and Repair Services - Equipment		4,292
Maintenance and Repair Services - Vehicles		33,849
Pest Control		1,800
Postal Charges		810
Printing, Stationery, and Forms		1,503
Rentals		18,621
Towing Services		765

(Continued)

Exhibit I-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Transportation - Other than Students	\$	1,084	
Travel		19,844	
Disposal Fees		5,200	
Permits		230	
Penalties		108	
Other Contracted Services		2,441	
Custodial Supplies		495	
Data Processing Supplies		2,602	
Gasoline		177,370	
Law Enforcement Supplies		6,033	
Office Supplies		5,415	
Tires and Tubes		18,934	
Uniforms		36,411	
Vehicle Parts		35,404	
Software		657	
Other Supplies and Materials		439	
Liability Insurance		34,260	
Vehicle and Equipment Insurance		24,623	
Workers' Compensation Insurance		65,097	
In Service/Staff Development		12,865	
Other Charges		1,298	
Data Processing Equipment		739	
Law Enforcement Equipment		81,907	
Motor Vehicles		394,347	
Office Equipment		5,092	
Total Sheriff's Department			\$ 5,934,750

Jail

Captain(s)	\$	84,703
Lieutenant(s)		92,461
Sergeant(s)		113,391
Accountants/Bookkeepers		43,416
Salary Supplements		800
Guards		964,833
Cafeteria Personnel		169,091
Maintenance Personnel		101,447
Part-time Personnel		49,945
Overtime Pay		121,060
Bonus Payments		46,000
Social Security		110,826
Pensions		104,604
Life Insurance		789
Medical Insurance		248,379
Dental Insurance		4,308
Unemployment Compensation		1,402
Employer Medicare		25,919
Other Fringe Benefits		23,820

(Continued)

Exhibit I-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Contracts with Government Agencies	\$	670	
Evaluation and Testing		6,190	
Maintenance Agreements		11,397	
Maintenance and Repair Services - Buildings		33,981	
Maintenance and Repair Services - Equipment		19,299	
Medical and Dental Services		653,156	
Printing, Stationery, and Forms		1,931	
Travel		7,405	
Penalties		30	
Other Contracted Services		27,762	
Custodial Supplies		37,377	
Drugs and Medical Supplies		5,199	
Equipment and Machinery Parts		20,750	
Food Preparation Supplies		2,289	
Food Supplies		384,669	
Law Enforcement Supplies		3,356	
Prisoners Clothing		19,665	
Uniforms		27,626	
Other Supplies and Materials		22,938	
Liability Insurance		28,576	
Vehicle and Equipment Insurance		981	
Workers' Compensation Insurance		43,262	
In Service/Staff Development		4,022	
Other Charges		260	
Other Equipment		4,022	
Total Jail			\$ 3,674,007

Juvenile Services

Youth Service Officer(s)	\$	72,502
Bonus Payments		2,000
Social Security		4,498
Pensions		4,470
Life Insurance		43
Medical Insurance		16,519
Dental Insurance		140
Unemployment Compensation		57
Employer Medicare		1,052
Other Fringe Benefits		51
Communication		333
Contracts with Government Agencies		123,973
Dues and Memberships		190
Evaluation and Testing		432
Travel		1,935
Data Processing Supplies		367
Office Supplies		398
Liability Insurance		738
Workers' Compensation Insurance		121

(Continued)

Exhibit I-7

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

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services (Cont.)

Other Charges	\$	44	
Furniture and Fixtures		<u>323</u>	
Total Juvenile Services	\$		230,186

Fire Prevention and Control

Contributions	\$	<u>500,898</u>	
Total Fire Prevention and Control			500,898

Rescue Squad

Contributions	\$	<u>371,105</u>	
Total Rescue Squad			371,105

Other Emergency Management

Supervisor/Director	\$	50,405	
Deputy(ies)		35,352	
Bonus Payments		6,000	
Social Security		5,470	
Pensions		5,385	
Life Insurance		43	
Medical Insurance		17,499	
Dental Insurance		281	
Unemployment Compensation		61	
Employer Medicare		1,279	
Communication		4,382	
Data Processing Services		12	
Dues and Memberships		110	
Lease/SBITA Payments		1	
Maintenance and Repair Services - Equipment		511	
Maintenance and Repair Services - Vehicles		1,033	
Pest Control		120	
Printing, Stationery, and Forms		70	
Rentals		134	
Travel		247	
Other Contracted Services		15,064	
Data Processing Supplies		94	
Electricity		4,828	
Gasoline		2,604	
Instructional Supplies and Materials		128	
Office Supplies		119	
Small Tools		94	
Tires and Tubes		790	
Uniforms		327	
Vehicle Parts		340	
Water and Sewer		545	
Software		100	
Other Supplies and Materials		1,115	
Liability Insurance		495	

(Continued)

Exhibit I-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

Vehicle and Equipment Insurance	\$	717	
Workers' Compensation Insurance		207	
In Service/Staff Development		1,100	
Hazardous Waste Cleanup		1,315	
Other Charges		803	
Communication Equipment		175	
Furniture and Fixtures		239	
Office Equipment		1,324	
Other Equipment		1,437	
Total Other Emergency Management	\$		162,355

Inspection and Regulation

Supervisor/Director	\$	3,211	
Social Security		189	
Pensions		193	
Unemployment Compensation		2	
Employer Medicare		44	
Total Inspection and Regulation			3,639

County Coroner/Medical Examiner

Bonus Payments	\$	2,000	
Other Per Diem and Fees		18,160	
Social Security		1,237	
Unemployment Compensation		21	
Employer Medicare		289	
Communication		495	
Drugs and Medical Supplies		2,614	
Gasoline		804	
Uniforms		300	
Liability Insurance		99	
Premiums on Corporate Surety Bonds		100	
Vehicle and Equipment Insurance		418	
Workers' Compensation Insurance		74	
Total County Coroner/Medical Examiner			26,611

Other Public Safety

Board and Committee Members Fees	\$	2,650	
Social Security		71	
Pensions		39	
Unemployment Compensation		2	
Employer Medicare		17	
Total Other Public Safety			2,779

Public Health and Welfare

Local Health Center

Bonus Payments	\$	10,000	
Other Salaries and Wages		331,980	

(Continued)

Exhibit I-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Social Security	\$	20,491	
Pensions		20,457	
Life Insurance		196	
Medical Insurance		67,342	
Dental Insurance		1,134	
Unemployment Compensation		279	
Employer Medicare		4,792	
Other Fringe Benefits		2,127	
Travel		6,477	
Liability Insurance		2,403	
Workers' Compensation Insurance		5,352	
Total Local Health Center			\$ 473,030

Rabies and Animal Control

Supervisor/Director	\$	53,385
Deputy(ies)		29,585
Attendants		89,699
Part-time Personnel		64,422
Overtime Pay		7,592
Bonus Payments		12,000
Social Security		15,175
Pensions		11,008
Life Insurance		126
Medical Insurance		34,569
Dental Insurance		596
Unemployment Compensation		268
Employer Medicare		3,618
Other Fringe Benefits		51
Communication		3,848
Data Processing Services		642
Maintenance and Repair Services - Buildings		6,362
Maintenance and Repair Services - Equipment		164
Maintenance and Repair Services - Vehicles		1,695
Pest Control		300
Postal Charges		72
Printing, Stationery, and Forms		343
Rentals		3,083
Veterinary Services		64,897
Disposal Fees		602
Other Contracted Services		1,865
Animal Food and Supplies		21,444
Custodial Supplies		10,439
Data Processing Supplies		124
Drugs and Medical Supplies		12,439
Electricity		10,161
Gasoline		5,485
Office Supplies		715

(Continued)

Exhibit I-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.)

Propane Gas	\$	8,751	
Tires and Tubes		470	
Uniforms		725	
Water and Sewer		4,716	
Software		357	
Other Supplies and Materials		3,000	
Liability Insurance		1,556	
Vehicle and Equipment Insurance		1,465	
Workers' Compensation Insurance		2,686	
Other Charges		60	
Building Improvements		3,200	
Communication Equipment		196	
Total Rabies and Animal Control			\$ 493,956

Ambulance/Emergency Medical Services

Other Contracted Services	\$	245,000	
Total Ambulance/Emergency Medical Services			245,000

General Welfare Assistance

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

Other Local Welfare Services

Contributions	\$	39,500	
Pauper Burials		11,093	
Remittance of Revenue Collected		21,545	
Total Other Local Welfare Services			72,138

Other Public Health and Welfare

Contracts with Other Public Agencies	\$	126,202	
Contributions		32,000	
Other Supplies and Materials		1,199	
Total Other Public Health and Welfare			159,401

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	57,070	
Total Senior Citizens Assistance			57,070

Libraries

Contributions	\$	75,000	
Total Libraries			75,000

Parks and Fair Boards

Contributions	\$	14,000	
Total Parks and Fair Boards			14,000

(Continued)

Exhibit I-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Other Social, Cultural, and Recreational

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

Agriculture and Natural Resources

Agricultural Extension Service

Other Salaries and Wages	\$ 52,167	
Other Fringe Benefits	14,628	
Communication	2,022	
Data Processing Services	337	
Pest Control	408	
Rentals	1,773	
Electricity	2,285	
Natural Gas	1,495	
Water and Sewer	750	
Office Equipment	1,820	
Total Agricultural Extension Service		77,685

Flood Control

Other Supplies and Materials	\$ 968	
Total Flood Control		968

Other Agriculture and Natural Resources

Contracts with Government Agencies	\$ 44,000	
Contributions	1,000	
Total Other Agriculture and Natural Resources		45,000

Other Operations

Tourism

Contributions	\$ 364,109	
Total Tourism		364,109

Housing and Urban Development

Other Supplies and Materials	\$ 288,447	
Total Housing and Urban Development		288,447

Other Economic and Community Development

Contracts with Other Public Agencies	\$ 237,362	
Contributions	1,845,472	
Total Other Economic and Community Development		2,082,834

Veterans' Services

Supervisor/Director	\$ 40,557	
Bonus Payments	2,000	
Social Security	2,638	
Pensions	2,553	
Life Insurance	22	
Unemployment Compensation	21	

(Continued)

Exhibit I-7

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Employer Medicare	\$	617	
Postal Charges		20	
Travel		891	
Other Contracted Services		449	
Office Supplies		300	
Liability Insurance		154	
Workers' Compensation Insurance		135	
Office Equipment		544	
Total Veterans' Services			\$ 50,901

Miscellaneous

Postal Charges	\$	971	
Rentals		2,308	
Trustee's Commission		263,074	
Total Miscellaneous			266,353

Highways

Litter and Trash Collection

Guards	\$	32,023	
Instructional Supplies and Materials		12,338	
Vehicle Parts		340	
Other Supplies and Materials		1,000	
Total Litter and Trash Collection			45,701

Total General Fund \$ 23,804,846

Solid Waste/Sanitation Fund

Public Health and Welfare

Convenience Centers

Laborers	\$	12,177	
Part-time Personnel		25,191	
Bonus Payments		4,000	
Social Security		2,565	
Pensions		824	
Life Insurance		6	
Unemployment Compensation		62	
Employer Medicare		600	
Communication		2,106	
Printing, Stationery, and Forms		572	
Electricity		1,331	
Water and Sewer		294	
Other Supplies and Materials		421	
Building and Contents Insurance		153	
Workers' Compensation Insurance		1,255	
Total Convenience Centers			\$ 51,557

(Continued)

Exhibit I-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

Laborers	\$	11,736	
Attendants		49,705	
Part-time Personnel		26,055	
Overtime Pay		5,871	
Bonus Payments		8,000	
Social Security		6,214	
Pensions		4,208	
Life Insurance		52	
Medical Insurance		8,531	
Dental Insurance		339	
Unemployment Compensation		88	
Employer Medicare		1,453	
Other Fringe Benefits		3,136	
Communication		768	
Maintenance and Repair Services - Buildings		8,605	
Maintenance and Repair Services - Equipment		881	
Pest Control		300	
Electricity		6,309	
Equipment and Machinery Parts		1,071	
Propane Gas		1,779	
Water and Sewer		633	
Wire		7,874	
Other Supplies and Materials		250	
Building and Contents Insurance		486	
Workers' Compensation Insurance		3,272	
Total Recycling Center			\$ 157,616

Landfill Operation and Maintenance

Supervisor/Director	\$	64,713
Equipment Operators		59,060
Truck Drivers		114,595
Laborers		10,580
Attendants		50,004
Part-time Personnel		33,258
Overtime Pay		25,783
Bonus Payments		20,000
Social Security		22,776
Pensions		20,311
Life Insurance		203
Medical Insurance		59,037
Dental Insurance		1,122
Unemployment Compensation		368
Employer Medicare		5,386
Other Fringe Benefits		7,810
Advertising		223
Communication		4,790
Dues and Memberships		299

(Continued)

Exhibit I-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.)

Evaluation and Testing	\$	22,306	
Maintenance and Repair Services - Buildings		3,614	
Maintenance and Repair Services - Equipment		28,569	
Maintenance and Repair Services - Vehicles		26,187	
Pest Control		325	
Postal Charges		566	
Rentals		20,721	
Travel		2,321	
Disposal Fees		565,486	
Permits		5,500	
Penalties		1,168	
Crushed Stone		8,871	
Data Processing Supplies		1,966	
Diesel Fuel		113,438	
Electricity		4,137	
Equipment and Machinery Parts		55,653	
Garage Supplies		490	
Gasoline		12,856	
Lubricants		10,050	
Office Supplies		410	
Propane Gas		2,909	
Road Signs		275	
Small Tools		38	
Tires and Tubes		39,255	
Uniforms		3,545	
Vehicle Parts		22,550	
Water and Sewer		1,182	
Software		1,000	
Other Supplies and Materials		22	
Building and Contents Insurance		5,217	
Trustee's Commission		18,101	
Vehicle and Equipment Insurance		9,715	
Workers' Compensation Insurance		12,851	
In Service/Staff Development		400	
Other Charges		3,493	
Motor Vehicles		20,000	
Solid Waste Equipment		740,590	
Total Landfill Operation and Maintenance			\$ 2,266,095

Total Solid Waste/Sanitation Fund \$ 2,475,268

Health Department Fund

Public Health and Welfare

Local Health Center

Advertising	\$	27
Communication		10,504
Contracts with Government Agencies		62,914

(Continued)

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

Health Department Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Contracts with Private Agencies	\$	39,940	
Dues and Memberships		375	
Maintenance and Repair Services - Buildings		5,014	
Pest Control		180	
Postal Charges		1,997	
Disposal Fees		3,395	
Custodial Supplies		2,457	
Electricity		24,072	
Natural Gas		8,310	
Office Supplies		902	
Water and Sewer		3,826	
Other Supplies and Materials		976	
Total Local Health Center			\$ 164,889

Total Health Department Fund \$ 164,889

Drug Control Fund

Public Safety

Sheriff's Department

Confidential Drug Enforcement Payments	\$	2,687	
Travel		3,619	
Other Supplies and Materials		417	
Trustee's Commission		305	
In Service/Staff Development		4,845	
Law Enforcement Equipment		9,542	
Office Equipment		3,929	
Total Sheriff's Department			\$ 25,344

Total Drug Control Fund 25,344

Sports and Recreation Fund

Social, Cultural, and Recreational Services

Parks and Fair Boards

Contributions	\$	14,500	
Electricity		563	
Other Charges		42,297	
Other Capital Outlay		22,717	
Total Parks and Fair Boards			\$ 80,077

Total Sports and Recreation Fund 80,077

Other General Government Special Revenue Fund

Public Safety

Fire Prevention and Control

Contributions	\$	900,000	
Total Fire Prevention and Control			\$ 900,000

(Continued)

Exhibit I-7

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

Other General Government Special Revenue Fund (Cont.)

Public Health and Welfare

Ambulance/Emergency Medical Services

Contributions	\$ 47,375	
Total Ambulance/Emergency Medical Services		\$ 47,375

Other Operations

American Rescue Plan Act Grant #1

Contributions	\$ 234,117	
Other Contracted Services	10,336	
Total American Rescue Plan Act Grant #1		244,453

Total Other General Government Special Revenue Fund \$ 1,191,828

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$ 1,320	
Constitutional Officers' Operating Expenses	432	
Total Chancery Court		\$ 1,752

Total Constitutional Officers - Fees Fund 1,752

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 101,800
Assistant(s)	53,387
Secretary(ies)	49,086
Clerical Personnel	23,353
Maintenance Personnel	27,213
Overtime Pay	3,123
Bonus Payments	8,000
Social Security	15,944
Pensions	15,869
Life Insurance	283
Medical Insurance	51,128
Dental Insurance	690
Unemployment Compensation	120
Employer Medicare	3,729
Other Fringe Benefits	2,314
Accounting Services	37,840
Dues and Memberships	4,029
Evaluation and Testing	1,685
Legal Notices, Recording, and Court Costs	304
Maintenance and Repair Services - Buildings	734
Pest Control	600
Rentals	430
Disposal Fees	600
Other Contracted Services	338

(Continued)

Exhibit I-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Custodial Supplies	\$	1,693	
Data Processing Supplies		829	
Office Supplies		570	
Periodicals		130	
Workers' Compensation Insurance		1,986	
In Service/Staff Development		350	
Other Charges		85	
Office Equipment		3,335	
Total Administration			\$ 411,577

Highway and Bridge Maintenance

Foremen	\$	116,887	
Equipment Operators		117,548	
Truck Drivers		331,080	
Laborers		250,013	
Part-time Personnel		48,965	
Overtime Pay		30,974	
Bonus Payments		60,000	
Social Security		55,900	
Pensions		53,451	
Life Insurance		540	
Medical Insurance		224,652	
Dental Insurance		3,367	
Unemployment Compensation		723	
Employer Medicare		13,645	
Other Fringe Benefits		8,536	
Permits		350	
Asphalt - Hot Mix		545,937	
Asphalt - Liquid		3,177	
Concrete		101	
Crushed Stone		68,073	
Equipment and Machinery Parts		38	
General Construction Materials		20,000	
Other Road Materials		1,772	
Pipe		16,037	
Road Signs		11,688	
Salt		135,653	
Uniforms		23,181	
Chemicals		130	
Other Supplies and Materials		1,298	
Workers' Compensation Insurance		34,800	
Total Highway and Bridge Maintenance			2,178,516

Operation and Maintenance of Equipment

Mechanic(s)	\$	119,113	
Overtime Pay		2,050	
Bonus Payments		2,000	

(Continued)

Exhibit I-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.)

Social Security	\$	7,636	
Pensions		7,390	
Life Insurance		57	
Medical Insurance		21,283	
Dental Insurance		281	
Unemployment Compensation		63	
Employer Medicare		1,786	
Other Fringe Benefits		4,179	
Freight Expenses		698	
Maintenance and Repair Services - Equipment		64,089	
Maintenance and Repair Services - Vehicles		230	
Towing Services		600	
Disposal Fees		551	
Diesel Fuel		249,457	
Equipment and Machinery Parts		97,865	
Garage Supplies		7,711	
Gasoline		201,133	
Lubricants		13,574	
Small Tools		1,931	
Tires and Tubes		27,011	
Vehicle Parts		13,144	
Other Supplies and Materials		4,625	
Workers' Compensation Insurance		1,480	
Total Operation and Maintenance of Equipment	\$		849,937

Other Charges

Communication	\$	5,005	
Electricity		11,336	
Natural Gas		5,867	
Water and Sewer		3,034	
Liability Insurance		28,324	
Trustee's Commission		51,470	
Vehicle and Equipment Insurance		47,329	
Other Charges		381	
Total Other Charges			152,746

Capital Outlay

Engineering Services	\$	53,591	
Bridge Construction		1,640,691	
Highway Equipment		943,933	
Motor Vehicles		137,000	
Total Capital Outlay			2,775,215

Total Highway/Public Works Fund \$ 6,367,991

(Continued)

Exhibit I-7

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

<u>General Debt Service Fund</u>		
<u>Principal on Debt</u>		
<u>General Government</u>		
Principal on Bonds	<u>\$ 1,290,000</u>	
Total General Government		\$ 1,290,000
 <u>Interest on Debt</u>		
<u>General Government</u>		
Interest on Bonds	<u>\$ 192,392</u>	
Total General Government		192,392
 <u>Other Debt Service</u>		
<u>General Government</u>		
Trustee's Commission	\$ 47,237	
Other Debt Service	<u>541</u>	
Total General Government		<u>47,778</u>
 Total General Debt Service Fund		 <u>\$ 1,530,170</u>
 Total Governmental Funds - Primary Government		 <u><u>\$ 35,642,165</u></u>

Exhibit I-8

Carter County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Carter County School Department
For the Year Ended June 30, 2023

General Purpose School Fund

Instruction

Regular Instruction Program

Supervisor/Director	\$	19,000	
Teachers		12,725,303	
Career Ladder Program		44,500	
Homebound Teachers		473	
Salary Supplements		560,224	
Clerical Personnel		1,422	
Educational Assistants		345,600	
Other Salaries and Wages		5,000	
Certified Substitute Teachers		76,566	
Non-certified Substitute Teachers		266,335	
Social Security		831,728	
Pensions		1,136,962	
Life Insurance		6,794	
Medical Insurance		2,122,959	
Dental Insurance		73,377	
Unemployment Compensation		9,164	
Employer Medicare		194,569	
Termination Benefits		136,252	
Other Fringe Benefits		449,602	
Contracts with Private Agencies		14,047	
Payments to Schools - Other		349,201	
Travel		1,124	
Other Contracted Services		133,965	
Instructional Supplies and Materials		92,358	
Textbooks - Bound		825,840	
Uniforms		28,000	
Software		44,366	
Other Supplies and Materials		12,439	
In Service/Staff Development		3,760	
Other Charges		1,905	
Furniture and Fixtures		10,000	
Regular Instruction Equipment		599	
Total Regular Instruction Program			\$ 20,523,434

Alternative Instruction Program

Teachers	\$	66,997	
Social Security		4,094	
Pensions		5,710	
Life Insurance		33	
Medical Insurance		7,403	
Dental Insurance		279	
Unemployment Compensation		56	
Employer Medicare		957	
Instructional Supplies and Materials		1,510	
Total Alternative Instruction Program			87,039

(Continued)

Exhibit I-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program

Teachers	\$	1,959,620	
Career Ladder Program		4,000	
Homebound Teachers		106,879	
Salary Supplements		12,000	
Educational Assistants		714,071	
Speech Pathologist		373,965	
Social Security		186,301	
Pensions		245,838	
Life Insurance		2,457	
Medical Insurance		732,601	
Dental Insurance		26,114	
Unemployment Compensation		1,271	
Employer Medicare		43,571	
Instructional Supplies and Materials		10,810	
Other Supplies and Materials		14,576	
Special Education Equipment		998	
Total Special Education Program	\$		4,435,072

Career and Technical Education Program

Teachers	\$	978,830	
Educational Assistants		21,835	
Social Security		59,477	
Pensions		81,579	
Life Insurance		522	
Medical Insurance		166,791	
Dental Insurance		5,803	
Unemployment Compensation		224	
Employer Medicare		13,910	
Evaluation and Testing		2,471	
Licenses		100	
Maintenance and Repair Services - Equipment		3,801	
Travel		27,633	
Instructional Supplies and Materials		52,333	
Propane Gas		24	
Textbooks - Bound		12,634	
Liability Insurance		65	
Vocational Instruction Equipment		164,680	
Total Career and Technical Education Program			1,592,712

Support Services

Health Services

Supervisor/Director	\$	30,375	
Medical Personnel		275,587	
Clerical Personnel		11,200	
Certified Substitute Teachers		499	
Social Security		18,784	

(Continued)

Exhibit I-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.)

Pensions	\$	21,646	
Life Insurance		319	
Medical Insurance		90,345	
Dental Insurance		3,529	
Unemployment Compensation		150	
Employer Medicare		4,393	
Licenses		200	
Travel		6,342	
Drugs and Medical Supplies		8,533	
Office Supplies		100	
Other Supplies and Materials		15,708	
In Service/Staff Development		348	
Other Charges		9,786	
Total Health Services			\$ 497,844

Other Student Support

Career Ladder Program	\$	2,000	
Guidance Personnel		757,309	
Psychological Personnel		38,150	
Social Security		48,332	
Pensions		64,770	
Life Insurance		398	
Medical Insurance		109,659	
Dental Insurance		4,129	
Unemployment Compensation		155	
Employer Medicare		11,303	
Communication		180	
Contracts with Government Agencies		205,428	
Evaluation and Testing		31,648	
Travel		1,418	
Other Contracted Services		31,215	
Office Supplies		1,000	
In Service/Staff Development		525	
Regular Instruction Equipment		820	
Other Equipment		95,388	
Total Other Student Support			1,403,827

Regular Instruction Program

Supervisor/Director	\$	288,746	
Career Ladder Program		4,000	
Librarians		631,308	
Other Salaries and Wages		37,065	
Social Security		57,396	
Pensions		78,903	
Life Insurance		373	
Medical Insurance		114,131	

(Continued)

Exhibit I-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.)

Dental Insurance	\$	4,134	
Unemployment Compensation		280	
Employer Medicare		13,423	
Communication		99	
Data Processing Services		5,996	
Licenses		7,495	
Maintenance Agreements		18,812	
Maintenance and Repair Services - Equipment		3,200	
Payments to Schools - Other		28,000	
Printing, Stationery, and Forms		1,659	
Rentals		9,476	
Travel		34,560	
Instructional Supplies and Materials		2,681	
Library Books/Media		44,976	
Office Supplies		3,311	
Other Supplies and Materials		797	
In Service/Staff Development		28,877	
Other Charges		2,827	
Office Equipment		468	
Total Regular Instruction Program			\$ 1,422,993

Alternative Instruction Program

Supervisor/Director	\$	59,797	
Secretary(ies)		15,691	
Other Salaries and Wages		22,914	
Social Security		5,692	
Pensions		6,138	
Life Insurance		50	
Medical Insurance		18,712	
Dental Insurance		558	
Unemployment Compensation		23	
Employer Medicare		1,331	
Total Alternative Instruction Program			130,906

Special Education Program

Supervisor/Director	\$	73,144	
Psychological Personnel		54,421	
Assessment Personnel		42,360	
Clerical Personnel		64,746	
Social Security		13,901	
Pensions		18,052	
Life Insurance		123	
Medical Insurance		43,650	
Dental Insurance		1,367	
Unemployment Compensation		129	
Employer Medicare		3,251	

(Continued)

Exhibit I-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.)

Communication	\$	503	
Contracts with Private Agencies		57,484	
Data Processing Services		520	
Rentals		549	
Travel		27,708	
Office Supplies		807	
Other Supplies and Materials		1,133	
In Service/Staff Development		15,167	
Other Charges		154	
Total Special Education Program			\$ 419,169

Career and Technical Education Program

Supervisor/Director	\$	85,661	
Salary Supplements		2,300	
Secretary(ies)		32,124	
Social Security		6,837	
Pensions		9,388	
Life Insurance		50	
Medical Insurance		16,448	
Dental Insurance		558	
Unemployment Compensation		68	
Employer Medicare		1,599	
Data Processing Services		238	
Rentals		4,168	
Travel		6,658	
Office Supplies		2,500	
Software		2,400	
In Service/Staff Development		850	
Other Charges		1,646	
Office Equipment		16,775	
Total Career and Technical Education Program			190,268

Technology

Supervisor/Director	\$	58,102	
Data Processing Personnel		189,601	
Salary Supplements		15,000	
Social Security		15,887	
Pensions		15,789	
Life Insurance		121	
Medical Insurance		38,876	
Dental Insurance		1,339	
Unemployment Compensation		90	
Employer Medicare		3,716	
Communication		24,728	
Maintenance and Repair Services - Equipment		25,272	
Internet Connectivity		50,445	

(Continued)

Exhibit I-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Technology (Cont.)

Penalties	\$	39	
Other Contracted Services		30,439	
Data Processing Supplies		4,069	
Office Supplies		182	
Small Tools		1,915	
Uniforms		714	
Software		40,659	
Other Supplies and Materials		3,833	
Data Processing Equipment		207,655	
Office Equipment		6,715	
Total Technology			\$ 735,186

Other Programs

On-behalf Payments to OPEB	\$	324,803	
Total Other Programs			324,803

Board of Education

Secretary(ies)	\$	2,100	
Board and Committee Members Fees		16,100	
Social Security		1,113	
Pensions		855	
Employer Medicare		1,049	
Accounting Services		9,200	
Advertising		2,695	
Audit Services		30,000	
Dues and Memberships		7,368	
Legal Services		26,100	
Travel		20,636	
Boiler Insurance		6,228	
Building and Contents Insurance		246,990	
Liability Insurance		100,978	
Premiums on Corporate Surety Bonds		4,099	
Workers' Compensation Insurance		206,951	
In Service/Staff Development		2,145	
Criminal Investigation of Applicants - TBI		2,358	
Other Charges		1,128	
Furniture and Fixtures		36	
Total Board of Education			688,129

Director of Schools

County Official/Administrative Officer	\$	96,000	
Salary Supplements		1,000	
Secretary(ies)		102,718	
Clerical Personnel		42,457	
Other Salaries and Wages		1,750	
Social Security		14,878	

(Continued)

Exhibit I-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.)

Pensions	\$	17,245	
Life Insurance		126	
Medical Insurance		42,732	
Dental Insurance		1,395	
Unemployment Compensation		135	
Employer Medicare		3,480	
Dues and Memberships		12,143	
Maintenance Agreements		26,782	
Postal Charges		2,353	
Travel		5,268	
Office Supplies		2,879	
Other Charges		113	
Total Director of Schools			\$ 373,454

Office of the Principal

Principals	\$	907,411	
Career Ladder Program		4,000	
Accountants/Bookkeepers		247,698	
Assistant Principals		587,195	
Secretary(ies)		194,621	
Educational Assistants		8,710	
Social Security		114,016	
Pensions		156,763	
Life Insurance		1,232	
Medical Insurance		389,745	
Dental Insurance		13,671	
Unemployment Compensation		837	
Employer Medicare		26,791	
Maintenance Agreements		2,212	
Travel		268	
Office Supplies		2,310	
Total Office of the Principal			2,657,480

Fiscal Services

Accounting Services	\$	169,400	
Fiscal Agent Charges		1,608	
Trustee's Commission		256,749	
Total Fiscal Services			427,757

Operation of Plant

Custodial Personnel	\$	908,410	
Social Security		54,967	
Pensions		34,450	
Life Insurance		752	
Medical Insurance		199,091	
Dental Insurance		7,762	

(Continued)

Exhibit I-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.)

Unemployment Compensation	\$	249	
Employer Medicare		12,855	
Communication		35,476	
Contracts with Private Agencies		98,857	
Evaluation and Testing		11,897	
Laundry Service		314	
Payments to Schools - Other		94,501	
Pest Control		19,200	
Disposal Fees		35,709	
Penalties		70	
Other Contracted Services		5,968	
Custodial Supplies		30,381	
Electricity		1,179,065	
Natural Gas		391,033	
Water and Sewer		95,893	
Total Operation of Plant			\$ 3,216,900

Maintenance of Plant

Supervisor/Director	\$	58,102	
Secretary(ies)		29,962	
Maintenance Personnel		255,210	
Social Security		21,024	
Pensions		20,597	
Life Insurance		252	
Medical Insurance		64,888	
Dental Insurance		2,790	
Unemployment Compensation		104	
Employer Medicare		4,917	
Evaluation and Testing		95,355	
Laundry Service		5,042	
Maintenance and Repair Services - Buildings		108,293	
Maintenance and Repair Services - Equipment		83,491	
Rentals		126	
Other Contracted Services		8,875	
Custodial Supplies		1,300	
Equipment and Machinery Parts		539	
General Construction Materials		2,957	
Office Supplies		691	
Small Tools		1,816	
Chemicals		1,924	
Other Supplies and Materials		4,382	
Other Charges		4,275	
Building Improvements		84,609	
Heating and Air Conditioning Equipment		61,402	
Maintenance Equipment		10,480	
Total Maintenance of Plant			933,403

(Continued)

Exhibit I-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

Supervisor/Director	\$	58,102	
Mechanic(s)		89,664	
Bus Drivers		806,980	
Clerical Personnel		62,711	
Attendants		67,029	
Overtime Pay		14,129	
Other Salaries and Wages		5,646	
Social Security		64,310	
Pensions		55,564	
Life Insurance		1,164	
Medical Insurance		328,303	
Dental Insurance		12,722	
Unemployment Compensation		485	
Employer Medicare		15,038	
Evaluation and Testing		1,755	
Laundry Service		2,644	
Maintenance and Repair Services - Vehicles		1,714	
Rentals		3,631	
Travel		2,214	
Disposal Fees		1,382	
Penalties		10	
Other Contracted Services		17,675	
Crushed Stone		6,117	
Custodial Supplies		4,095	
Diesel Fuel		238,516	
Garage Supplies		22,943	
Gasoline		89,462	
Lubricants		19,748	
Office Supplies		1,139	
Propane Gas		146	
Small Tools		458	
Tires and Tubes		27,081	
Vehicle Parts		117,034	
Vehicle and Equipment Insurance		61,493	
In Service/Staff Development		1,225	
Other Charges		369	
Transportation Equipment		15,936	
Total Transportation			\$ 2,218,634

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	8,168	
Total Food Service			8,168

Community Services

Supervisor/Director	\$	61,940	
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(Continued)

Exhibit I-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.)

Teachers	\$	254,817	
Clerical Personnel		25,518	
Educational Assistants		148,754	
Overtime Pay		11,493	
Other Salaries and Wages		61,246	
Social Security		32,947	
Pensions		35,727	
Life Insurance		69	
Medical Insurance		15,121	
Dental Insurance		484	
Unemployment Compensation		2,439	
Employer Medicare		7,970	
Travel		4,009	
Data Processing Supplies		250	
Food Preparation Supplies		4,142	
Food Supplies		49,494	
Instructional Supplies and Materials		1,488	
Office Supplies		345	
Other Supplies and Materials		186	
In Service/Staff Development		854	
Criminal Investigation of Applicants - TBI		37	
Other Charges		2,906	
Food Service Equipment		2,031	
Other Equipment		52	
Total Community Services			\$ 724,319

Early Childhood Education

Supervisor/Director	\$	21,008	
Teachers		279,283	
Clerical Personnel		9,365	
Educational Assistants		91,538	
Certified Substitute Teachers		150	
Non-certified Substitute Teachers		6,825	
Social Security		24,172	
Pensions		30,824	
Life Insurance		309	
Medical Insurance		87,581	
Dental Insurance		3,418	
Employer Medicare		5,653	
Travel		91	
Instructional Supplies and Materials		16,469	
Other Supplies and Materials		32,522	
In Service/Staff Development		1,703	
Other Charges		1,104	
Regular Instruction Equipment		1,380	
Total Early Childhood Education			613,395

(Continued)

Exhibit I-8

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

General Purpose School Fund (Cont.)

Capital Outlay

Regular Capital Outlay

Architects	\$	10,113	
Building Improvements		480,451	
Other Capital Outlay		76,589	
Total Regular Capital Outlay			\$ 567,153

Total General Purpose School Fund

\$ 44,192,045

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	1,858,186	
Educational Assistants		279,182	
Bonus Payments		572,650	
Other Salaries and Wages		369,102	
Social Security		181,975	
Pensions		218,553	
Life Insurance		1,306	
Medical Insurance		344,172	
Dental Insurance		11,355	
Unemployment Compensation		2,320	
Employer Medicare		43,216	
Other Contracted Services		3,540	
Instructional Supplies and Materials		128,618	
Other Supplies and Materials		8,709	
Regular Instruction Equipment		63,540	
Total Regular Instruction Program			\$ 4,086,424

Special Education Program

Teachers	\$	448,317	
Educational Assistants		387,974	
Speech Pathologist		48,275	
Bonus Payments		8,000	
Social Security		52,853	
Pensions		66,357	
Life Insurance		910	
Medical Insurance		266,758	
Dental Insurance		10,016	
Unemployment Compensation		632	
Employer Medicare		12,361	
Other Supplies and Materials		71,245	
Special Education Equipment		2,430	
Total Special Education Program			1,376,128

Career and Technical Education Program

Teachers	\$	86,648	
Other Salaries and Wages		28,156	

(Continued)

Exhibit I-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program (Cont.)

Social Security	\$	3,381	
Pensions		4,883	
Life Insurance		23	
Medical Insurance		11,217	
Dental Insurance		251	
Employer Medicare		791	
Instructional Supplies and Materials		113,671	
Other Supplies and Materials		13,680	
Vocational Instruction Equipment		486,902	
Total Career and Technical Education Program	\$		749,603

Support Services

Attendance

Other Salaries and Wages	\$	14,000	
Social Security		868	
Employer Medicare		203	
Total Attendance			15,071

Health Services

Medical Personnel	\$	38,617	
Social Security		2,319	
Pensions		3,039	
Life Insurance		50	
Medical Insurance		14,402	
Dental Insurance		558	
Employer Medicare		542	
Total Health Services			59,527

Other Student Support

Guidance Personnel	\$	26,780	
Social Workers		325,702	
Bus Drivers		24,300	
Other Salaries and Wages		133,338	
Social Security		30,173	
Pensions		27,729	
Life Insurance		258	
Medical Insurance		86,128	
Dental Insurance		2,851	
Unemployment Compensation		330	
Employer Medicare		7,057	
Evaluation and Testing		70,290	
Travel		19,200	
Other Contracted Services		35,134	
Other Supplies and Materials		38,948	
In Service/Staff Development		6,375	
Other Charges		3,962	
Other Equipment		249	
Total Other Student Support			838,804

(Continued)

Exhibit I-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.)

Regular Instruction Program

Supervisor/Director	\$	78,955	
Secretary(ies)		32,176	
Other Salaries and Wages		265,633	
Social Security		22,965	
Pensions		26,746	
Life Insurance		133	
Medical Insurance		33,833	
Dental Insurance		1,222	
Unemployment Compensation		316	
Employer Medicare		5,371	
Communication		1,106	
Lease/SBITA Payments		4,767	
Travel		6,161	
Other Supplies and Materials		2,986	
In Service/Staff Development		21,704	
Other Equipment		3,023	
Total Regular Instruction Program			\$ 507,097

Special Education Program

Other Salaries and Wages	\$	87,506	
Social Security		5,238	
Pensions		5,250	
Life Insurance		50	
Medical Insurance		16,561	
Dental Insurance		279	
Unemployment Compensation		90	
Employer Medicare		1,225	
Contracts with Private Agencies		20,648	
Travel		1,000	
In Service/Staff Development		2,830	
Total Special Education Program			140,677

Career and Technical Education Program

In Service/Staff Development	\$	8,305	
Total Career and Technical Education Program			8,305

Technology

Data Processing Personnel	\$	57,303	
Social Security		3,325	
Pensions		3,438	
Life Insurance		50	
Medical Insurance		18,106	
Dental Insurance		558	
Unemployment Compensation		14	
Employer Medicare		778	
Total Technology			83,572

(Continued)

Exhibit I-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.)

Office of the Principal

Other Salaries and Wages	\$	20,989	
Social Security		915	
Pensions		1,214	
Employer Medicare		214	
Total Office of the Principal			\$ 23,332

Fiscal Services

Other Contracted Services	\$	9,345	
Total Fiscal Services			9,345

Operation of Plant

Custodial Personnel	\$	18,610	
Social Security		1,114	
Pensions		1,117	
Life Insurance		25	
Medical Insurance		7,403	
Dental Insurance		279	
Unemployment Compensation		18	
Employer Medicare		261	
Total Operation of Plant			28,827

Transportation

Other Salaries and Wages	\$	14,483	
Social Security		858	
Pensions		869	
Life Insurance		25	
Medical Insurance		7,403	
Dental Insurance		279	
Unemployment Compensation		45	
Employer Medicare		201	
Contracts with Parents		1,407	
Other Charges		48,993	
Total Transportation			74,563

Operation of Non-Instructional Services

Food Service

Food Supplies	\$	5,048	
Total Food Service			5,048

Community Services

Supervisor/Director	\$	49,633	
Social Security		2,988	
Pensions		2,978	
Life Insurance		25	
Medical Insurance		7,403	
Dental Insurance		279	
Employer Medicare		699	
Total Community Services			64,005

(Continued)

Exhibit I-8

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

School Federal Projects Fund (Cont.)

Capital Outlay

Regular Capital Outlay

Architects	\$	600,426	
Building Improvements		102,769	
Land		473,250	
Total Regular Capital Outlay			\$ 1,176,445

Total School Federal Projects Fund

\$ 9,246,773

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	55,875
Salary Supplements		15,900
Clerical Personnel		28,762
Cafeteria Personnel		957,516
Temporary Personnel		42,316
Other Salaries and Wages		36,339
Social Security		68,923
Pensions		48,016
Life Insurance		1,063
Medical Insurance		291,707
Dental Insurance		11,523
Unemployment Compensation		1,903
Employer Medicare		16,119
Other Fringe Benefits		17,759
Accounting Services		22,090
Communication		4,308
Contracts with Government Agencies		11,240
Contracts with Private Agencies		3,444
Data Processing Services		60
Dues and Memberships		120
Maintenance Agreements		10,638
Maintenance and Repair Services - Equipment		72,328
Maintenance and Repair Services - Vehicles		2,649
Rentals		1,472
Travel		7,222
Disposal Fees		38,337
Other Contracted Services		4,877
Food Preparation Supplies		147,551
Food Supplies		1,321,693
Office Supplies		1,533
Uniforms		9,042
Chemicals		4,712
USDA - Commodities		263,020
Other Supplies and Materials		1,199
In Service/Staff Development		3,123
Other Charges		319

(Continued)

Exhibit I-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.)

Food Service Equipment	\$	452,099	
Office Equipment		2,764	
Total Food Service			\$ 3,979,561

Total Central Cafeteria Fund \$ 3,979,561

Other Education Special Revenue Fund

Support Services

Operation of Plant

Custodial Personnel	\$	2,519	
Social Security		156	
Unemployment Compensation		2	
Employer Medicare		36	
Total Operation of Plant			\$ 2,713

Operation of Non-Instructional Services

Early Childhood Education

Supervisor/Director	\$	54,441	
Teachers		349,608	
Clerical Personnel		16,398	
Educational Assistants		122,303	
Other Salaries and Wages		158,628	
Certified Substitute Teachers		972	
Non-certified Substitute Teachers		7,385	
Social Security		41,206	
Pensions		53,300	
Life Insurance		503	
Medical Insurance		155,255	
Dental Insurance		5,315	
Unemployment Compensation		271	
Employer Medicare		9,637	
Retirement - Hybrid Stabilization		2,291	
Communication		26	
Contracts with Private Agencies		410	
Data Processing Services		241	
Dues and Memberships		459	
Maintenance Agreements		1,123	
Maintenance and Repair Services - Equipment		3,800	
Rentals		65	
Travel		5,724	
Custodial Supplies		537	
Food Supplies		35,488	
Instructional Supplies and Materials		45,854	
Office Supplies		1,893	
Other Supplies and Materials		47,460	
In Service/Staff Development		12,383	

(Continued)

Exhibit I-8

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

Other Education Special Revenue Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Other Charges	\$ 28,814	
Other Equipment	21,721	
Total Early Childhood Education		\$ 1,183,511

COVID-19 Expenditures

Educational Assistants	\$ 11,645	
Certified Substitute Teachers	4,438	
Social Security	1,040	
Pensions	699	
Life Insurance	18	
Medical Insurance	5,172	
Dental Insurance	195	
Employer Medicare	243	
Maintenance and Repair Services - Equipment	1,311	
Travel	363	
Instructional Supplies and Materials	9,105	
Other Supplies and Materials	32,409	
In Service/Staff Development	650	
Other Charges	154	
Other Equipment	5,090	
Total COVID-19 Expenditures		72,532

Total Other Education Special Revenue Fund \$ 1,258,756

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$ 1,667,303	
Total Community Services		\$ 1,667,303

Total Internal School Fund 1,667,303

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Trustee's Commission	\$ 16,246	
Building Improvements	254,635	
Total Education Capital Projects		\$ 270,881

Total Education Capital Projects Fund 270,881

Total Governmental Funds - Carter County School Department \$ 60,615,319

SINGLE AUDIT SECTION



JASON E. MUMPOWER
Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carter County, Tennessee, as of and for the year ended June 30, 2023, 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 23, 2024. Our report includes a reference to other auditors who audited the financial statements of the Internal School Fund of the discretely presented Carter County School Department, as described in our report on Carter County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the following deficiencies, described in the accompanying Schedule of Findings and Questioned Costs, to be material weaknesses: 2023-002 and 2023-005(A).

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. We consider the following deficiencies, described in the accompanying Schedule of Findings and Questioned Costs, to be significant deficiencies: 2023-003(A), 2023-004, 2023-007, 2023-008, 2023-009, and 2023-010.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Carter County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2023-001, 2023-003(B-D), 2023-005(B), 2023-006, and 2023-007.

Carter County's Responses to the Findings

Government Auditing Standards requires the auditor to perform limited procedures on Carter County's responses to the findings identified in our audit and 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 the responses.

Purpose of this Report

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

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 23, 2024



JASON E. MUMPOWER
Comptroller

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Carter County's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Carter County's major federal programs for the year ended June 30, 2023. 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.

In our opinion, Carter County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Carter County, Tennessee, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not

provide a legal determination of Carter County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Carter County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Carter County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Carter County's compliance with the requirements of each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Carter County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Carter County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Carter County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the 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, 2023, and the related notes to the financial statements, which collectively comprise Carter County's basic financial statements. We issued our report thereon dated February 23, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the

underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 23, 2024

JEM/gc

Carter County, Tennessee, and the Carter County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3)
For the Year-Ended June 30, 2023

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Award:			
Forest Service Schools and Roads Cluster: (5)			
Schools and Roads - Grants to States	10.665	N/A	\$ 111,045
Passed-through State Department of Education:			
Child Nutrition Cluster: (5)			
School Breakfast Program	10.553	N/A	842,519
National School Lunch Program	10.555	N/A	2,639,982 (6)
National School Lunch Program (Supply Chain Assistance Fund)	10.555	N/A	236,183 (6)
COVID 19 - Pandemic EBT Administrative Costs	10.649	N/A	3,135
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	263,020 (6)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-23-75748-00	65,590 (7)
Passed-through State Department of Human Services:			
Child and Adult Care Food Program	10.558	N/A	<u>32,482</u>
Total U.S. Department of Agriculture			<u>\$ 4,193,956</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	12758	\$ 230,774
Passed-through State Housing Development Agency:			
Home Investment Partnerships Program	14.239	HM2103	<u>288,447</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 519,221</u>
U.S. Department of the Interior:			
Direct Award:			
Payments in-Lieu-of Taxes	15.226	N/A	<u>\$ 269,528</u>
Total U.S. Department of the Interior			<u>\$ 269,528</u>
U.S. Department of Justice:			
Passed-through State Office of Criminal Justice Programs:			
COVID 19 - Coronavirus Emergency Supplemental Funding Program	16.034	N/A	<u>\$ 30,216</u>
Total U.S. Department of Justice			<u>\$ 30,216</u>
U.S. Department of Treasury:			
Direct Award:			
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	<u>\$ 9,485,229</u>
Total U.S. Department of Treasury			<u>\$ 9,485,229</u>

(Continued)

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

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education:			
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	(4)	\$ 116,110
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	1,985,190
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	N/A	1,093,576 (6)
COVID 19 - Special Education - Grants to States (ARP)	84.027	84.027X	62,693 (6)
Special Education - Preschool Grants	84.173	N/A	23,748 (6)
COVID 19 - Special Education - Preschool Grants (ARP)	84.173	84.173X	16,816 (6)
Career and Technical Education- Basic Grants to States	84.048	N/A	142,781
Education for Homeless Children and Youth	84.196	N/A	25,644
Twenty-first Century Community Learning Centers	84.287	N/A	129,461
Supporting Effective Instruction - State Grants	84.367	N/A	235,982
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (Early Literacy Network) (ESSER II)	84.425D	N/A	5,000 (6)
COVID 19 - Education Stabilization Fund Program - Governors Emergency Education Relief Fund (Innovative High Schools)	84.425C	N/A	786,208 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	N/A	2,126,979 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER ARP)	84.425U	N/A	2,007,336 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth - (ESSER ARP)	84.425W	N/A	52,513 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (Tennessee ALL Corps) (ESSER II)	84.425D	N/A	267,385 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (Best for All Districts) (ESSER II)	84.425D	N/A	173,924 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund - Fiscal Pre-Monitoring Support (ESSER II)	84.425D	N/A	9,345 (6)
Passed-through Greeneville City School Department:			
English Language Acquisition Grants	84.365	N/A	2,306
Total U.S. Department of Education			<u>\$ 9,262,997</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 Program	93.136	GG-23-75748-00	\$ 2,731 (7)
Family Planning Services	93.217	GG-23-75748-00	6,313 (7)
Medicaid Cluster: (5)			
Medical Assistance Program	93.778	GG-23-75748-00	49,955 (7)
HIV Prevention Activities - Health Department Based	93.940	GG-23-75748-00	228 (7)
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	GG-23-75748-00	10,601 (7)
Preventative Health and Health Services Block Grant	93.991	GG-23-75748-00	31,017 (7)
Maternal and Child Health Services Block Grant to the States	93.994	GG-23-75748-00	27,579 (7)
Passed-through State Department of Education:			
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	(4)	134,134
Temporary Assistance for Needy Families	93.558	(4)	81,740
Passed-through Upper East Tennessee Human Development Agency:			
Head Start Cluster: (5)			
Head Start	93.600	(4)	1,130,564 (6)
COVID 19 - Head Start	93.600	(4)	95,625 (6)
Total U.S. Department of Health and Human Services			<u>\$ 1,570,487</u>
Total Expenditures of Federal Grants			<u>\$ 25,331,634</u>

(Continued)

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

	Federal Assistance Listing Number	Contract Number	Expenditures
<u>State Grants</u>			
State Supplement Juvenile Court Improvement Funds - State Commission on Children and Youth	N/A	(4)	\$ 33,045
Juvenile Service Program - State Commission on Children and Youth	N/A	(4)	9,000
State Voting Systems - Secretary of State	N/A	(4)	436,675
CTE STEM Grant - State Department of Education	N/A	(4)	10,000
Coordinated School Health - State Department of Education	N/A	(4)	70,842
Driver's Education - State Department of Education	N/A	(4)	1,958
Early Childhood Development - State Department of Education	N/A	(4)	608,439
Family Resource Center - State Department of Education	N/A	(4)	29,611
Lottery for Education: After School Programs - State Department of Education	N/A	(4)	409,767
Safe Schools Act - State Department of Education	N/A	(4)	162,606
Local Health Center - State Department of Health	N/A	GG-23-75748-00	225,023 (7)
Training Equipment Grant - Tennessee Corrections Institute	N/A	(4)	7,500
Bridge Program - State Department of Transportation	N/A	(4)	1,881,749
Supporting Postsecondary Access in Rural Counties - State Department of Transportation	N/A	(4)	22,686
Litter Program - State Department of Transportation	N/A	(4)	151,202
Summer Learning Camps - State Department of Education	N/A	(4)	101,096
Innovative School Models - State Department of Education	N/A	(4)	
Total State Grants			<u>\$ 4,161,199</u>

FAL = Federal Assistance Listing
N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Carter County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) No amounts (\$0) were passed through to subrecipients.
- (4) Information not available.
- (5) Forest Service Schools and Roads Cluster total \$111,045; Child Nutrition Cluster total \$3,981,704; Special Education Cluster total \$1,196,833; Medicaid Cluster total \$49,955; and Head Start Cluster total \$1,226,189.
- (6) Total for FAL No. 10.555 \$3,139,185; Total for FAL No. 84.027 \$1,156,269; Total for FAL No. 84.173 \$40,564; Total for FAL No. 84.425 \$5,428,690; Total for FAL No. 93.600 \$1,226,189.
- (7) Total for federal GG-23-75748-00 is \$194,014. Total state and federal is \$419,037.

Carter County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2023

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, 2023.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	FAL Number	Current Status
<u>OFFICE OF FINANCE DIRECTOR</u>					
2022	233	2022-001	The accounting records for various funds had not been properly maintained.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2022	235	2022-002	The county had deficiencies in budget operations.	N/A	Part D Corrected - Part A through C Not Corrected - See Explanation on Corrective Action Plan
2022	236	2022-003	Deficiencies were noted in the posting of journal entries.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2022	237	2022-004	Deficiencies were noted in the maintenance of capital asset records.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2022	238	2022-005	The office had purchasing deficiencies.	N/A	Corrected
2022	238	2022-006	The School Federal Projects and Other Education Special Revenue funds had deficits in unassigned fund balances at June 30, 2022.	N/A	Corrected
<u>OFFICES OF SOLID WASTE DEPARTMENT AND DIRECTOR OF SCHOOLS</u>					
2022	239	2022-007	The Carter County Solid Waste and School Transportation Departments are currently being investigated.	N/A	Investigative Reports Issued
<u>OFFICE OF SOLID WASTE DEPARTMENT</u>					
2022	239	2022-008	The department had accounting deficiencies.	N/A	Part A Corrected - Parts B through D Not Corrected - See Explanation on Corrective Action Plan
2022	241	2022-009	The Solid Waste Office had deficiencies in computer system backup procedures.	N/A	Corrected
2022	241	2022-010	The Solid Waste Office did not review its software audit logs.	N/A	Not Corrected - See Explanation on Corrective Action Plan
<u>OFFICE OF SHERIFF - FORMER SHERIFF DEXTER LUNCEFORD</u>					
2022	242	2022-011	The sheriff did not obtain a letter of agreement or court decree to authorize deputy hires.	N/A	Corrected

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, 2023

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? **YES**
 - * Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of major federal programs:
 - * Assistance Listing Number: 21.027 COVID 19 - Coronavirus State and Local Fiscal Recovery Funds
 - * Assistance Listing Number: 84.010 Title I Grants to Local Education Agencies
 - * Assistance Listing Numbers: 84.027 and 84.173 Special Education Cluster:
Special Education - Grants to States,
Special Education - Preschool Grants
 - * Assistance Listing Number: 84.425 COVID 19 - Education Stabilization Fund
 - * Assistance Listing Number: 93.600 Head Start
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$759,949**
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.

CARTER COUNTY

FINDING 2023-001

ORIGINAL BUDGETS FOR SEVERAL FUNDS DID NOT COMPLY WITH THE COUNTY'S BALANCED BUDGET POLICY

(Noncompliance Under *Government Auditing Standards*)

The budget policy adopted by county commission on January 16, 2018, provides that the county will develop a "balanced budget each and every fiscal year, which shall take into account the budgetary needs of each office, department, and/or division of Carter County government and fund those budgetary needs only through utilization of existing and/or projected revenues." The original budgets for the 2023 fiscal year as developed and approved by the county commission for the General, Solid Waste/Sanitation, Highway/Public Works, General Purpose School, Central Cafeteria, Other Education Special Revenue, and Education Capital Projects funds included using \$279,286; \$28,893; \$65,507; \$911,986; \$578,600; \$28,486; and \$2,762,873 of fund balance, respectively. Therefore, Carter County had not met the criteria of developing a balanced budget for the above noted funds in compliance with its own policy.

RECOMMENDATION

County officials should comply with the county's current balanced budget policy as written or take appropriate measures to amend the policy.

MANAGEMENT'S RESPONSE – FNANCE DIRECTOR

Staff will be doing additional training on budget processes to better understand and implement the requirements for budget preparation and submission. The finance department continues to strive to prepare a balanced budget for all funds as directed by the county commission policies.

OFFICE OF FINANCE DIRECTOR

FINDING 2023-002

**THE ACCOUNTING RECORDS FOR VARIOUS FUNDS
HAD NOT BEEN PROPERLY MAINTAINED**

(Internal Control – Material Weakness Under *Government Auditing Standards*)

Our audit revealed deficiencies related to the administration and maintenance of the fund accounting records. These deficiencies can be attributed to management’s failure to correct the findings noted in the prior-year audit report and the failure to implement their corrective action plan.

- A. At June 30, 2023, certain general ledger account balances in the following funds were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require the county to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the department’s financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the department has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. A breakdown of the adjustments by fund is presented below:

General	\$	3,399,170
Solid Waste/Sanitation		385,250
Sports and Recreation		116,183
Other General Government Special Revenue		384,117
Highway/Public Works		1,730,969
General Debt Service		92,932
Cities - Sales Tax		2,588,326
City School ADA - Elizabethton		1,156,565
City School ADA - Johnson City		89,506
General Purpose School		1,254,348
School Federal Projects		159,218
Central Cafeteria		120,439
Total	\$	<u>11,477,023</u>

- B. Accounts receivables and payables were not properly recorded in the accounting records of various funds of the county and school department at June 30, 2023. Subsidiary records provided by the county were incomplete, did not reconcile to the general ledger, reflected negative balances, or were not provided for various funds. Sound business practices dictate that all receivables and payables should be determined and posted to the accounting records prior to closing the records at year-end.
- C. Interfund receivable and payable account balances in various county and school department funds, as well as balances due between component units and primary

government, were not reconciled as of June 30, 2023. As a result, a net difference of \$723,029 existed between the various interfund receivables (\$1,275,223) and payables (\$1,998,252) in the funds. These differences were the result of posting errors related to the reimbursement of expenditures, allocation of grant revenue to different funds, and underpayment of allocated revenue from the General fund to various special revenue funds. Interfund balances at June 30, 2023, included amounts dating back to October 5, 2020, and have not been liquidated as of the date of this report.

- D. Several general ledger payroll liability accounts were not reconciled adequately with subsidiary payroll records, monthly billings, and payments from the various department funds. As a result, balances in the payroll liability accounts ranged from (\$16,126) to \$500,297. A total of 5 accounts had deficit (negative) balances.
- E. The bank account for the school department employee health insurance deductions and payments had not been adequately reconciled with the general ledger. Additionally, no activity was posted to the general ledger during the fiscal year for this account.

Additional audit procedures were performed to properly present financial statements as of June 30, 2023. We offered adjustments, which management reviewed, accepted, and posted to correct the misstatements in the finance statements. Management then reviewed and took responsibility for the audited financial statements.

Sound business practices dictate that financial records and accounts should be reviewed for accuracy and completeness, and all general ledger accounts should be reconciled timely. The failure to properly maintain accounting records on a current basis diminishes the usefulness of the financial records as a management tool and results in a loss of budgetary and accounting control and increases the risk that errors will not be discovered and corrected in a timely manner.

RECOMMENDATION

Management should have appropriate processes in place to ensure its general ledgers and budgetary accounts are materially correct. Management should post accounting entries on a current basis. All general ledger accounts should be reconciled accurately each month with subsidiary records, monthly billings, receipts, and payments, and any errors identified should be corrected promptly. Accounting records should be maintained on a current basis, and financial statements should be reviewed for accuracy and completeness.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

- A. Additional review by staff of fund balance entries are being implemented and completed as a part of the year-end process. Accounts were reviewed and reconciled as stated in the prior corrective action plan, but additional measures need to be put in place for the review of all funds. Staff continue to review and strive to improve our processes related to fund balance reporting and transparency.

- B. Due to the findings and the discussions of the prior year audit findings several weeks of research were done for the purchase orders for the current year and the carry over purchase orders from the prior year. A corrected and completed list of the carry over purchase orders were created as part of the current year's audit. As an ongoing practice for the current fiscal year related to accounts payable, purchase order schedules have been created to track the progress of the purchase order and will be sent out to the office holders and directors for review periodically. We have also added the process of sending out reports to the office holders and directors on a regular basis of their current year open purchase order lists for review and have asked that they approve by signed document or email the requests or approvals for purchase orders to be closed. The accounts receivable year end process will be further evaluated to update the reconciliation process and to assure items are properly recorded.
- C. The interfund balances between component units were reconciled the prior fiscal year as best as was possible with the limited amount of information that we were able to determine. Some of the accounts were actually reviewed for several prior years since we could not locate in available records the prior year reconciliations for many of those accounts. Management also hired Blackburn, Childress and Stegall as consultants to come in and assist in that process on several of the accounts.
- D. Staff will continue to improve the processes for the reconciliation of other liability accounts.
- E. Finance staff are also working with school department personnel and the school department financial liaison to improve their reconciliation process of the employee insurance bank account. It appears this has not been done properly in prior years.

FINDING 2023-003

THE COUNTY HAD DEFICIENCIES IN BUDGET OPERATIONS

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

Our examination revealed the following deficiencies in budget operations. The deficiencies existed due to a lack of management oversight, management's failure to hold spending to the limits authorized by the county commission, management's failure to correct the finding noted in the prior-year report, and management's failure to implement their corrective action plan.

- A. The budget and subsequent amendments approved by the county commission for the Sports and Recreation Fund and the Education Capital Projects Fund resulted in appropriations exceeding estimated available funding by \$13,261 and \$1,413,634, respectively. It should be noted that the original budget as approved by the county commission for the Education Capital Projects had appropriations

exceeding estimated available funding by the \$1,413,634 and was not amended during the fiscal year to correct.

- B. Expenditures exceeded total appropriations approved by the county commission in the Other General Government Fund and the General Debt Service Fund by \$111,616 and \$14,777, respectively.
- 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:	
Other Local Welfare Services	\$ 6,638
Other Public Health and Welfare	1,199
Tourism	9,109
Litter and Trash Collection	10,801
Other General Government:	
Fire Prevention and Control	150,000
General Debt Service:	
General Government	14,477
School Department:	
General Purpose School:	
Community Services	25,528
Other Education Special Revenue:	
Operation of Plant	556

- D. Salaries exceeded appropriations in 23 of 269 salary line-items of the General, Solid Waste/Sanitation, Highway/Public Works, General Purpose School, School Federal Projects, and Other Education Special Revenue funds by amounts ranging from \$27 to \$43,190 for a total of \$90,552. The budget resolution approved by the county commission states that the salary, wages, or remuneration of each official, employee or agent of the county will not exceed appropriations that accompany this resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the county commission.

RECOMMENDATION

Expenditures should be held within appropriations approved by the county commission. Appropriations that exceed estimated available funding should not be submitted to the county commission, and the county commission should not approve such appropriations.

MANAGEMENT'S RESPONSE - FINANCE DIRECTOR

- A. The finance department staff will continue to look for better and more efficient ways to review financial results compared to the budget with department heads and office holders, especially in the last quarter of the year. Unfortunately, with the tight budget the county has had it has become even more difficult to allow for surplus funds in some line items to cover unforeseen last-minute urgent needs at year end.
- B. Staff will continue to put additional review measures in place to address the potential for budget line-item shortages so they can be adjusted before the end of the fiscal year for all county and school funds.
- C. Staff will put additional review measures in place to estimate revenue overages that will need to be adjusted for the budget at year end as well as the corresponding expenditure account which should correct those budget differences.
- D. Staff will more closely review object level salary lines to assure they do not exceed appropriations for all funds that include the year-end accrual amounts.

FINDING 2023-004

DEFICIENCIES WERE NOTED IN THE POSTING OF JOURNAL ENTRIES

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

During our examination, we observed the following deficiencies related to journal entries. These deficiencies are the result of a lack of management oversight, a lack of understanding of internal controls, management's failure to correct the finding noted in the prior-year report, and management's failure to implement their corrective action plan.

- A. Numerous journal entries in various funds were posted to correct or reverse previous journal entries. For all funds, journal entries posted during the year totaled 986. All journal entries included in our review were entered or approved by a deputy finance director.
- B. Included in the above count are journal entries for cash receipts. Instead of posting monthly revenues as cash receipt, they are posted as journal entries, further inflating the above count.
- C. Journal entries were not numbered sequentially. We noted that there were instances in which multiple entries used the same number. Some entries were numbered using the initials of the employee posting the entry followed by the date and type of entry. Without a system in place to track journal entries, the possibility of duplicated entries increases and errors may not be discovered and corrected timely.

Sound business practices dictate that financial transactions should be accurately posted in accordance with generally accepted accounting principles. The significant number of general journal entries indicates weaknesses in internal controls related to recording financial transactions.

RECOMMENDATION

Internal controls over the accounting process of journal entries should be strengthened to identify who has authority to prepare, approve and post entries in order to accurately reflect financial transactions. Monthly revenues should be posted as cash receipts. Additionally, a system should be implemented to identify journal entries by type and number to reduce the risk of duplicate entries.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

- A. The finance department has worked to make the recommended changes to how journal entries are prepared and who has the authority to review and approve them. The method for reversing entries has also been changed. The reversal of the entire original entry will be done so that it is easier to follow. The method of how journal entries were prepared and tracked under the prior directors and staff were difficult to follow and lacked explanation and documentation. The current staff have tried to make significant improvements by making the noted changes.
- B. The method of numbering journal entries will be again updated to include the CR for cash receipts as requested per the audit finding last year once the accounting system upgrades are completed as well as other journal type designations for the ease of review and clarity. The upgrade process has been delayed and will probably not be converted until after the end of the current fiscal year. At that point that will be added to the journal entry process.
- C. The numbering system of the journal entries have been changed to reflect the type of entry as well as the month and number of the entry. This methodology was updated in the beginning of 2024 since Skyward does not allow for duplicate entry number so the last two fields were changed from the employee initials to the calendar year last two digits to avoid duplication. These changes were intended to be made at the end of the fiscal year last year but due to the audit finding they were implemented after the audit exit meeting last year to better tighten internal controls.

FINDING 2023-005

DEFICIENCIES WERE NOTED IN THE MAINTENANCE OF CAPITAL ASSET RECORDS

(A. - Internal Control – Material Weakness Under *Government Auditing Standards*; B. – Noncompliance Under *Government Auditing Standards*)

The finance department maintains capital asset records for both the county and the school department in accordance with county policies. Our examination revealed the following deficiencies in the maintenance of school department capital asset records.

- A. The capital asset records included additions and disposals of land and various other assets during the fiscal year; however, the reports were incomplete. Auditors performed additional procedures and determined capital asset additions and deletions required audit adjustments of \$1,149,675 and \$110,883, respectively, for the records to be correct at year-end. We provided management with audit adjustments, which they accepted to properly present capital assets in the financial statements of this report. Without accurate capital asset records, the department cannot adequately control its assets.

- B. Some assets were not disposed of in compliance with county policy. Carter County's capital assets policy requires that a department representative complete and submit a *Request for Disposition of County Assets Form* and a *Request to Declare County Property as Surplus Form* to the finance director. The policy further provides for the finance director to review and forward the completed forms to the budget committee and county commission for approval. We could not determine that the budget committee and county commission approved the disposal of the school department property in all applicable instances.

Generally accepted accounting principles require accountability for all assets owned by the county, such as equipment, vehicles, buildings, and infrastructure. These deficiencies resulted from a lack of management oversight, failure to follow county policies and procedures, management's failure to correct the finding noted in the prior-year report, and management's failure to implement their corrective action plan.

RECOMMENDATION

The finance department should maintain accurate capital asset records for school department owned assets as required by generally accepted accounting principles. All property should be disposed of in compliance with established policies and procedures.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

The finance department began a review of how the capital asset records were maintained, the procedures that were currently in place and also the reconciliation of the asset balances in the financials. A review of the fixed asset inventory compared to the Balance Sheet had been planned for the prior summer but due to staffing shortages that process was not started. After the audit finding it became clear that a full internal review needed to be conducted to assure that all were correct and met internal control standards regardless of the staffing. We are still in the process of reviewing the current department inventory compared to the items that are being insured and to the items that have been entered into the Skyward accounting system. We are in the process of making all necessary corrections so that the amount shown on the Balance Sheet for the current fixed assets is accurate. We also want to assure the county is properly insuring the correct assets. This will be a lengthy process based on our internal review findings to this point. There appear to have been several breakdowns in processes in the past several years probably due the staffing shortages and turnover, however we have been in the process of making those corrections as well as updating our internal policies and procedures. The items sited in the finding are all in the process of being corrected and we will continue with the process until it has been completed.

Additional documentation has been added in the skyward software in both notes and attachment to back up all action that has been completed at this point. Staff are also in the process of revising and strengthening the county policy and procedures. Once that process is complete, we will also work with the school system to see if any changes need to be made in their processes. We have also been working with officials and department heads to determine that the inventory lists are complete and properly insured.

FINDING 2023-006

AMOUNTS WITHHELD FROM CONTRACTOR PAYMENTS WERE NOT DEPOSITED INTO AN ESCROW ACCOUNT

(Noncompliance Under *Government Auditing Standards*)

The county entered into a contract totaling \$693,562 for windows and cornice replacement at the courthouse; however, the county did not deposit amounts withheld from contractor payments into escrow accounts. Section 66-34-104, *Tennessee Code Annotated*, requires that funds withheld from contractor payments be deposited into an escrow account with a third-party for contracts of \$500,000 or more. This deficiency was the result of a lack of management oversight that could result in the loss of interest earnings for the contractors.

RECOMMENDATION

Amounts withheld from contractor payments on contracts of \$500,000 or more should be deposited into escrow accounts in compliance with state statute.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

The escrow account is in process for the contract mentioned in the finding. We will also be setting up these accounts going forward as needed.

OFFICES OF DIRECTOR OF SCHOOLS

FINDING 2023-007

AN INVESTIGATION OF THE CARTER COUNTY SCHOOL DEPARTMENT DISCLOSED ONE DEFICIENCY IN INTERNAL CONTROLS AND ONE NONCOMPLIANCE ISSUE

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

On May 31, 2023, the Comptroller's Division of Investigations issued an investigative report on the Carter County School Department. This report disclosed time and attendance records were not maintained properly as an internal control deficiency, and inspection logs were not properly completed in compliance with state statutes. This report is available at www.comptroller.tn.gov/ia.

OFFICE OF SOLID WASTE DEPARTMENT

FINDING 2023-008

THE DEPARTMENT HAD ACCOUNTING DEFICIENCIES

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

Our audit revealed deficiencies related to the administration and maintenance of accounting records for funds collected at the Landfill, and the Roan Mountain and Little Milligan Convenience Centers.

- A. The landfill allows certain commercial customers to establish charge accounts with the county. Invoices are accumulated and sent out monthly. However, these accounts are not properly maintained or reconciled. Additionally, independent reconciliations of the monthly invoices with collections remitted to the county trustee were not performed. The county did not provide a current listing of charge account receivables at June 30, 2023. The finance department recorded an estimate for charge customer receivables at June 30, 2023, since there was no record of prior months' charges outstanding. Auditors performed additional procedures to confirm that the estimate of \$110,503 for customer charges, as reflected in the financial statements of this report, was materially correct.
- B. Collections at the Roan Mountain Convenience Center are deposited in a bank account maintained by the county. At the end of each month, the finance department transfers the month's collections to the trustee for receipt into fund revenue. Per review of bank statements and discussions with landfill and finance department personnel, no verification of receipts to deposits is performed for these funds.
- C. While commercial customers are allowed to establish charge accounts with the solid waste department, no formal written policies and procedures concerning the criteria for establishing, collection, and write-off of customers' accounts has been prepared or approved. Sound business practices dictate that policies and procedures should be adopted to provide for management oversight of the establishment, collection, and write-off process for charge customers.

These deficiencies are a result of a lack of management oversight and can be attributed to management's failure to correct the findings noted in the prior-year audit report and to implement their corrective action plan. Management's failure to maintain accurate lists of accounts receivable, failure to verify receipts to deposits, and failure to adopt policies and procedures related to charge accounts weakens internal controls over cash collections and increases the risk of fraud, waste, and abuse.

RECOMMENDATION

The listing of charge customer account balances should be prepared and maintained. Collections should be verified to deposits. Policies and procedures related to charge customers should be prepared and approved to provide written guidance for the establishment of accounts, collections, and write-offs.

MANAGEMENT'S RESPONSE

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

FINDING 2023-009

THE SOLID WASTE OFFICE DID NOT REVIEW ITS SOFTWARE AUDIT LOGS

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

The software application used by the office generated logs that displayed changes and deletions made by users. Because these logs provided the only audit trail of these changes, they should be routinely reviewed for inappropriate activity. Although the official was aware of the importance of these logs, they were not reviewed. This deficiency was the result of a lack of management oversight.

RECOMMENDATION

Management should implement a routine, documented review of the software audit logs as a means of strengthening internal controls. Any unusual transactions should be investigated.

MANAGEMENT'S RESPONSE – INTERIM DIRECTOR

I concur. A review process will be implemented in January 2024 to correct the finding.

FINDING 2023-010

AN INVESTIGATION OF THE CARTER COUNTY SOLID WASTE DEPARTMENT DISCLOSED DEFICIENCIES IN INTERNAL CONTROLS

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

On November 28, 2023, the Comptroller's Division of Investigations issued an investigative report on the Carter County Solid Waste Department (CCSW). This report disclosed three deficiencies in internal controls. The former CCSW director had a questionable business relationship, CCSW maintained insufficient financial policies, and CCSW maintained insufficient supporting documentation for customer charge accounts. This report is available at www.comptroller.tn.gov/ia.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2023.

Carter County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2023

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Management's corrective action plans for all financial statement findings and federal award findings are presented in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted.

Finding Number	Title of Finding	Corrective Action Plan Page Number
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FINANCE DIRECTOR

2023-001	Original budgets for several funds did not comply with the county's balanced budget policy.	242
2023-002	The accounting records for various funds had not been properly maintained.	243
2023-003	The county had deficiencies in budget operations.	244
2023-004	Deficiencies were noted in the posting of journal entries.	245
2023-005	Deficiencies were noted in the maintenance of capital asset records.	246
2023-006	Amounts withheld from contractor payments were not deposited into an escrow account.	247

SOLID WASTE DEPARTMENT - INTERIM DIRECTOR

2023-008	The department had accounting deficiencies.	248
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SOLID WASTE DEPARTMENT - OFFICE MANAGER

2023-009	The Solid Waste Office did not review its software audit logs.	249
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Carter County, Tennessee

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

Corrective Action Plan

FINDING

ORIGINAL BUDGETS FOR SEVERAL FUNDS DID NOT COMPLY WITH THE COUNTY'S BALANCED BUDGET POLICY

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

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

Anticipated Completion Date of Corrective Action:
On Going

Repeat Finding:
No

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

Planned Corrective Action:

- Additional training is ongoing for the finance department staff for both the school and county budget processes to better understand and implement the required processes and requirements for the budget preparation and submission.
 - There were items that were not adequately addressed in the 2022-2023 budget process that have been addressed for the funds noted in the audit finding.
 - The finance department continues to strive to prepare a balanced budget for all funds as directed by the county commission policies.
-

FINDING**THE ACCOUNTING RECORDS FOR VARIOUS FUNDS
HAD NOT BEEN PROPERLY MAINTAINED****Response and Corrective Action Plan Prepared by:**

Carolyn Watson, Finance Director

Person Responsible for Implementing the Corrective Action:

Carolyn Watson, Finance Director

Anticipated Completion Date of Corrective Action:

Ongoing

Repeat Finding:

Yes

Reason Corrective Action was Not Taken in the Prior Year:

Corrective action was taken at the time of the audit finding to address the issues noted and is still ongoing to address any additional items that have become evident for the fiscal year. Additional training for staff, especially for newer staff, has also been implemented to help all be more knowledgeable of the accounting system and the governmental accounting standards.

Planned Corrective Action:

- An additional review of fund balance entries will be implemented and completed as a part of the year-end process. Additional accounts will be reviewed and reconciled to further supplement that process. This should assist with the preparation of required year end journal entries. The schedules will be prepared and available for review during the audit process and will continue to be updated for the current fiscal year and will clearly show any current or prior year discrepancies. We continue to review and strive to improve our processes related to fund balance reporting and transparency.
- Schedules for purchasing order rollovers have been created and will be updated throughout the fiscal year to help track accrued liabilities. These will also help the directors and office holders with better tracking and expense planning. Also, the process of sending out the current year open purchase order reports to the office holders and directors on a regular basis has been implemented for their review and response. They have also been responding with either signed documents or email the requests or approvals for po's to be closed.
- Additional procedures will be implemented to ensure year-end accounts receivable are reconciled and booked as required.
- Additional reconciliations have been implemented for the interfund and due between component units accounts throughout the fiscal year.
- We are also working with school department personnel and the school department financial liaison to improve their reconciliation process of the employee insurance bank account and to more accurately reconcile school fund liability accounts.

FINDING

DEFICIENCIES WERE NOTED IN THE POSTING OF JOURNAL ENTRIES

Response and Corrective Action Plan Prepared by:

Carolyn Watson, Finance Director

Person Responsible for Implementing the Corrective Action:

Carolyn Watson, Finance Director

Anticipated Completion Date of Corrective Action:

Ongoing

Repeat Finding:

Yes

Reason Corrective Action was Not Taken in the Prior Year:

The finance department continue to improve the review and preparation procedures on how journal entries are prepared and the authority to review them. Once the accounting software upgrade has been completed we will be able to implement additional measures. journal entry numbers more clear.

Planned Corrective Action:

- The changes to the journal entry procedures were made after the audit exit meeting last year and continue to be refined to make the process more efficient. The changes that were made in the last fiscal year to change the methodology on how journal entries were prepared will be further enhanced when the upgrade of the accounting system has been completed. We will also review processes to possibly find ways to update the current internal controls.
-

FINDING

**DEFICIENCIES WERE NOTED IN THE MAINTENANCE OF
CAPITAL ASSET RECORDS**

Response and Corrective Action Plan Prepared by:

Carolyn Watson, Finance Director

Person Responsible for Implementing the Corrective Action:

Carolyn Watson, Finance Director

Anticipated Completion Date of Corrective Action:

Ongoing

Repeat Finding:

Yes

Reason Corrective Action was Not Taken in the Prior Year:

The finance department will continue to improve on how the capital asset records are maintained, as well as the procedures that have been previously in place and as well as the reconciliation of the asset balances in the financials. A review of the fixed asset inventory continues compared to the accounting records and the insurance coverage to assure all assets are properly accounted for and insured. This process has taken much longer due to the previous year's staffing shortages.

Planned Corrective Action:

- Staff will continue the internal review of capital assets that was started last spring. The school system has also been working on this processing conjunction with the federal grant monitoring.
 - Additional documentation is being added in the skyward software or both notes and attachments to back up all actions that are being completed at this point.
 - Corrections are in process to ensure that policies are updated and followed on a go-forward basis.
 - We continue to work with officials and department heads to determine if the inventory lists are complete and properly insured.
-

FINDING

**AMOUNTS WITHHELD FROM CONTRACTOR
PAYMENTS WERE NOT DEPOSITED INTO AN ESCROW
ACCOUNT**

Response and Corrective Action Plan Prepared by:

Carolyn Watson, Finance Director

Person Responsible for Implementing the Corrective Action:

Carolyn Watson, Finance Director

Anticipated Completion Date of Corrective Action:

Ongoing

Repeat Finding:

No

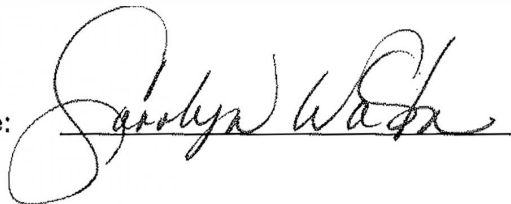
Reason Corrective Action was Not Taken in the Prior Year:

N/A

Planned Corrective Action:

- The escrow account is in process for the contract mentioned in the finding. We will also be setting up these accounts going forward as needed.

Signature: _____

A handwritten signature in cursive script, appearing to read "Carolyn Watson", is written over a horizontal line.



Carter County Solid Waste
Chris Schuettler, Director
169 Landfill Road
Elizabethton, TN 37643

Corrective Action Plan

FINDING: THE SOLID WASTE OFFICE DID NOT REVIEW ITS SOFTWARE AUDIT LOGS

Response and Corrective Action Plan Prepared by:
Michelle Jenkins, Office Manager

Person Responsible for Implementing the Corrective Action:
Chris Schuettler, Interim Director and Michelle Jenkins, Office Manager

Anticipated Completion Date of Corrective Action:
The Software Audit Logs will be printed and reviewed after each month end, starting with January 2024.

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
The Solid Waste office experienced a change in management as well as staff turnover.

Planned Corrective Action:
The Office Manager will print, review, and sign the software audit logs monthly. Then the Director will review and sign the software audit logs monthly.

Signature:

