

ELIZABETHTON CITY SCHOOLS BOARD OF EDUCATION

REGULAR SCHEDULED MEETING

Thursday, December 17, 2020, @ 6:30 PM

Board members

Eddie Pless | Phil Isaacs | Danny O'Quinn | Mike Wilson | Jamie Schaff | Veronica Watson (Student Liaison)

The Elizabethton Board of Education will meet on Thursday, December 17, 2020, at 6:30 PM in the Mack Pierce Board Room, 804 South Watauga Ave , Elizabethton, TN 37643.

1. ELECTION OF BOARD CHAIR AND VICE CHAIR
2. CALL TO ORDER
3. MOMENT OF SILENCE
4. PLEDGE TO THE FLAG
5. APPROVE CONSENT AGENDA AND REGULAR AGENDA
6. SPECIAL RECOGNITION
 - A. Recognition of the 2020-2021 Elizabethton City Schools System-Level Teachers of the Year and Building-Level Teachers of the Year as follows:

System-Level Teachers of the Year:

PRE-K-4: Amy Cole

GRADES 5-8 & SPECIAL AREAS: Brandi McCloud

GRADES 9-12: Jason Clevinger

Building-Level Teachers of the Year:

EAST SIDE ELEMENTARY SCHOOL:

Sara Dunford

Nicole Horne

HAROLD MCCORMICK ELEMENTARY SCHOOL:

Amy Cole

Emilee Whitehead

WEST SIDE ELEMENTARY SCHOOL:

Lindsey Mussard

Laura Blevins

The Elizabethton Board of Education provides for public participation during Board Business meetings under procedures established under ECS Policy 1.404. Board business meetings are not public forums; however, provision is made for public participation. To assure an orderly business meeting, the Board requires that an individual requesting to address Board members make that request giving the topic to the Superintendent or Board Chairman prior to the Board meeting. The Chairman shall determine if the request will be granted, the time allowed for the presentation, and (if there are numerous requests on the same subject), the Chairman may request a representative to speak on each side of the issue.

T. A. DUGGER JUNIOR HIGH SCHOOL:

Brandi McCloud

ELIZABETHTON HIGH SCHOOL:

Jason Clevinger

B. Presentation of honey to the new School Board Members by students in the Betsy Bees Program at EHS from their recent harvest.

7. BRIEF BREAK

8. TIME FOR CITIZENS TO SPEAK

9. CONSENT AGENDA

A. Minutes of Regular Meeting: November 17, 2020.

B. Approve a Clinical Experience Affiliation Agreement between Elizabethton City Schools and East Tennessee State University for the 2020-2021 School Year, which will allow students to gain clinical experience with ECS.

C. Approve General Purpose Fund Financial Statement, November 30, 2020.

D. Approve Federal Projects Fund Financial Statement, November 30, 2020.

E. Approve School Nutrition Fund Financial Statement, November 30, 2020.

F. Equipment Disposal Request from Jon Minton, Principal at EHS for the disposal of a filing cabinet and magazine rack that are no longer usable.

G. Equipment Disposal Request from Brian Culbert, CTE Director at EHS for the disposal of blue chairs on rollers that are no longer usable.

H. Equipment Disposal Request from Brian Culbert, CTE Director at EHS for the disposal of a teacher desk chair that is no longer usable.

I. Approve Federal Programs 2020-2021 Budget Amendment #1.

J. Approve addresses for financial institution statements with Citizens Bank.

K. Approve the School Activity Funds Audit Report for the Fiscal Year Ended June 30, 2020.

L. Approve the Board of Education Audit Report for the Fiscal Year Ended June 30, 2020.

M. Approve a Resolution for the Emergency Suspension of Board Policies During the 2020-2021 School Year. Those Board Policies are Policy 1.101 Role of the Board of Education, Policy 1.400 School Board Meetings, Policy 1.800 School Calendar, Policy 1.801 School Day, Policy 1.8011 Emergency Closings, Policy 3.206 Community Use of School Facilities, Policy 4.200 Curriculum Development, Policy 4.209 Alternative Credit Options, Policy 6.200 Attendance, and Policy 6.310 Dress Code.

10. REPORT - DIRECTOR OF SCHOOLS/BOARD MEMBERS

New Position: Kayla M. Adams, Substitute Student Leader, Systemwide ESP, effective October 27, 2020.

New Hire: Shonna D. Lane, RN, Substitute School Nurse (PRN LPN), Systemwide, effective November 16, 2020; Abigail B. Pierce, Full-time Assistant to the Teacher at ESE, effective November 13, 2020; Jordan B. Carder, Interim ESP Program Coordinator, ESP System-wide, effective December 1, 2020.

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Resignation: Dru Owens, Student Leader, Systemwide ESP, effective August 20, 2020; Chris Hambrick, Assistant Softball Coach, effective October 14, 2020.

Transfer: Jacquelyn Weaver, from Part-time Assistant to the Teacher at HME, to FT Assistant to the Teacher at HME, effective November 16, 2020; Kevin Cornwell from Substitute Teacher, Systemwide, to Assistant to the Teacher at WSE, effective November 16, 2020; Pendola S. Nave, Interim Principal at HME, effective May 11, 2020, through October 23, 2020; Carla Whiles, Interim Asst. Principal at HME, effective May 11, 2020, through October 23, 2020.

Leave of Absence: Samantha Lee, from December 14, 2020, through January 31, 2021; Felecia Baird, Board Secretary, from December 2, 2020, through December 28, 2020; Adrienne Meade, from November 9, 2020, through December 2, 2020; Jeaneen N. Vines, Cook at EHS, from September 14, 2020, through November 20, 2020; Peggy Moore, Assistant to the Teacher at EHS, effective October 12, 2020, through November 20, 2020; J. Eric Wampler, Principal at HME, effective May 11, 2020, through October 23, 2020.

Other: Jean VanOlst Addison, Interim Teacher/Media Specialist at HME, effective October 15, 2020, Interim Position Ended.

11. OTHER

- A. Director's Update
- B. Board Reports
- C. Student Liaison's Report

12. REGULAR AGENDA

- A. Approve the first reading of revised Board Policy 1.901(1) Charter School Applications, with mark-ups.
- B. Approve the first reading of revised Board Policy 6.303(2) Interrogations and Searches, with mark-ups.
- C. Approve the first reading of revised Board Policy 6.405 Medicines, with mark-ups.
- D. Approve the first reading of revised Board Policy 4.400(1) Textbooks and Instructional Materials, with mark-ups.
- E. Approve the first reading of revised Board Policy 6.402(1) Physical Examinations and Immunizations, with mark-ups.
- F. Approve on first reading Board Policy 1.400 School Board Meetings, as revised.
- G. Approve on first reading, revised Board Policy 4.700 Testing Programs, with mark-ups.

13. FOR YOUR INFORMATION

14. NEXT REGULARLY SCHEDULED BOARD MEETING

15. ADJOURN

The Elizabethton Board of Education provides for public participation during Board Business meetings under procedures established under ECS Policy 1.404. Board business meetings are no public forums; however, provision is made for public participation. To assure an orderly business meeting, the Board requires that an individual requesting to address Board members make that request giving the topic to the Superintendent or Board Chairman prior to the Board meeting. The Chairman shall determine if the request will be granted, the time allowed for the presentation, and (if there are numerous requests on the same subject), the Chairman may request a representative to speak on each side of the issue.

Elizabethton City Board of Education

Monitoring: Review: Annually, in July	Descriptor Term: Method of Election of Officers	Descriptor Code: 1.200	Issued Date: 11/15/16
		Rescinds: 1.200	Issued: 10/12/00

- 1 At the first regular meeting after Board members have been biennially elected and affirmed by oath of
2 office, the Board shall organize by electing a chair¹ and a vice chair to serve a two year term or until a
3 successor is named. In the event that an officer's seat on the board is vacated, the Board shall elect a
4 successor to serve the remainder of the officer's term. Each board officer shall be eligible for re-
5 election.
- 6 If no officer of the Board is serving at the time of the organizational meeting, any member shall call
7 the meeting to order and preside until a chair is elected as the first order of business.
- 8 If the office of chairman is vacated prior to the expiration of the annual term, the vice chair shall
9 assume all the responsibilities of the chair until a new chair is elected.

Legal References

1. TCA 49-2-202(c)(2)

ELIZABETHTON CITY SCHOOLS BOARD OF EDUCATION
REGULAR SCHEDULED MEETING
Tuesday, November 17, 2020 6:30 PM
Mack Pierce Board Room

The Elizabethton Board of Education met in a regular meeting on Tuesday, November 17, 2020, at 6:30 PM, at Mack Pierce Board Room.

CALL TO ORDER

MOMENT OF SILENCE

PLEDGE TO THE FLAG

APPROVE CONSENT AGENDA AND REGULAR AGENDA

Motion was made by Dr. Grover May, second by Danny O'Quinn to approve the Consent and Regular Agenda. Motion carried.

Rita Booher: aye

Phil Isaacs: aye

Dr. Grover May: aye

Danny O'Quinn: aye

Eddie Pless: aye

aye: 5, nay: 0

SPECIAL RECOGNITION

This American Flag is a gift to Elizabethton City Schools for their support and dedication to the active military personnel within our system. It will serve as a reminder of the ongoing sacrifices made by Elizabethton City Schools and the families of our enlisted employees, which allow these missions to be possible.

Mr. Eric Wampler expressed his sincere appreciation for being allowed to serve in the armed forces.

TIME FOR CITIZENS TO SPEAK

Ms. Susan Peters asked to address the Board to thank Board Chair Rita Booher and Dr. Grover May for their years of service on the ECS Board and to commend the ECS Teachers and Staff for their dedicated and hard work during the COVID

Pandemic.

Ms. Susan Peters

411 Daytona Place

Elizabethton, Tennessee 37643

Ms. Susan Peters addressed the Board to speak to honor the service of retiring Board Chair, Ms. Rita Booher and Board Member Dr. Grover May.

CONSENT AGENDA

Minutes of Regular Meeting: October 12, 2020.

Approve General Purpose Fund Financial Statement, October 31, 2020.

Approve Federal Projects Fund Financial Statement, October 31, 2020.

Approve School Nutrition Fund Financial Statement, October 31, 2020.

Equipment Disposal Request from Chris Berry, Principal at T. A. Dugger Jr. High School for the disposal of a damaged versa climber.

Approve payment of annual membership dues to the Lions Club for the Director of Schools for the 2020-2021 School Year.

Approve Elizabethton High School employees, Jonathan Minton, Joe Diaz, and Kim Kelley to be signers on accounts held at Elizabethton Federal Savings Bank.

Approve a Resolution for the Emergency Suspension of Board Policies During the 2020-2021 School Year. Those Board Policies are Policy 1.101 Role of the Board of Education, Policy 1.400 School Board Meetings, Policy 1.800 School Calendar, Policy 1.801 School Day, Policy 1.8011 Emergency Closings, Policy 3.206 Community Use of School Facilities, Policy 4.200 Curriculum Development, Policy 4.209 Alternative Credit Options, Policy 6.200 Attendance, and Policy 6.310 Dress Code.

REPORT - DIRECTOR OF SCHOOLS/BOARD MEMBERS

OTHER

Director's Update

Mr. VanHuss commended the staff for their efforts in the pandemic situation.

Thank all the Veterans who are also employees of ECS.

West Side recognized with Blue Ribbon Award and Mr. Wright on the Bell Award.

We will be recognizing the Teachers of the Year for 2020-2021 at the December Board Meeting.

Congratulations to Mr. Isaacs, Ms. Jamie Schaff, and Mr. Mike Wilson for being elected to the School Board, and thank Ms. Booher and Dr. May for their service and efforts on our School Board.

Swearing-in Ceremony will be on Tuesday, November 24th at noon.

Two finalists at EHS for Mr. Football are Parker Hughes and Bryson Rollins.

T. A. Dugger moving to a hybrid schedule through Thanksgiving Break.

Board Reports

Motion was made by Dr. Grover May, second by Danny O'Quinn Approve Motion carried.

Rita Booher: aye

Phil Isaacs: aye

Dr. Grover May: aye

Danny O'Quinn: aye

Eddie Pless: aye

aye: 5, nay: 0

Student Liaison's Report

REGULAR AGENDA

Approval of Engagement Letters from Blackburn, Childers and Steagall, PLC, for the June 30, 2021 audits of the Internal Activity Funds and the Board of Education.

Motion was made by Dr. Grover May, second by Danny O'Quinn to approve Engagement Letters from Blackburn, Childers and Steagall, PLC, for the June 30, 2021 audits of the Internal Activity Funds and the Board of Education. Motion carried.

Rita Booher: aye

Phil Isaacs: aye

Dr. Grover May: aye

Danny O'Quinn: aye

Eddie Pless: aye

aye: 5, nay: 0

Slight increase in fee.

Approve Skyward as the School Nutrition software vendor.

Motion was made by Eddie Pless, second by Dr. Grover May to approve Skyward as the School Nutrition software vendor. Motion carried.

Rita Booher: aye

Phil Isaacs: aye

Dr. Grover May: aye

Danny O'Quinn: aye

Eddie Pless: aye

aye: 5, nay: 0

This will streamline the Food Service process at a cost of \$3,700.00.

Approve the Elizabethton City Schools Calendars for the School Years 2021-2022 and 2022-2023.

Motion was made by Phil Isaacs, second by Eddie Pless to approve the Elizabethton City Schools Calendars for the School Years 2021-2022 and 2022-2023. Motion carried.

Rita Booher: aye

Phil Isaacs: aye

Dr. Grover May: aye

Danny O'Quinn: aye

Eddie Pless: aye

aye: 5, nay: 0

Appreciate the efforts of the calendar committee. This will get us a year ahead. Similar to calendars in the past.

FOR YOUR INFORMATION

Statement from Jackson, Shields, Yeiser, Holt, Owen, and Bryant.

NEXT REGULARLY SCHEDULED BOARD MEETING

The Next Regularly Scheduled Board Meeting will be held on Tuesday, December 15, 2020, at 6:30 p.m. in the Mack Pierce Board of Education Room, located at 804 S. Watauga Avenue, Elizabethton, Tennessee.

The December Board Meeting was moved to Thursday, December 17, 2020, at 6:30 p.m.

SCHOOL BOARD MEMBER RECOGNITION

Ms. Booher and Dr. May were honored for their service to the students in Elizabethton City Schools with plaques for their dedication.

ADJOURN

Motion was made by Phil Isaacs, second by Danny O'Quinn Motion to Adjourn

Motion carried.

Rita Booher: aye

Phil Isaacs: aye

Dr. Grover May: aye

Danny O'Quinn: aye

Eddie Pless: aye

aye: 5, nay: 0

Chairman of the Board
Schools

Director of

	Acct	2020-21	2020-21	2020-21	2020-21	Unencumbered	November 2020-21
		Original Budget	Revised Budget	FYTD Activity	FYTD %	Balance - YTD Act	Monthly Activity
141 E 71100	REGULAR INSTRUCTION PROGRAM	11,102,130.00	11,102,130.00	3,234,720.55	29.14	7,779,706.45	892,763.41
141 E 71200	SPECIAL EDUCATION PROGRAM	1,982,648.00	1,982,648.00	507,438.52	25.59	1,472,619.48	171,708.50
141 E 71300	VOCATIONAL EDUCATION PROGRAM	992,510.00	992,510.00	262,569.37	26.46	726,194.32	85,877.82
141 E 71400	STUDENT BODY EDUCATION PROGRAM	308,745.00	308,745.00	214,028.58	69.32	94,716.42	85,781.25
141 E 72110	ATTENDANCE	81,225.00	81,225.00	46,200.90	56.88	35,024.10	11,912.23
141 E 72120	HEALTH SERVICES	368,005.00	368,005.00	94,677.63	25.73	272,607.47	27,642.95
141 E 72130	OTHER STUDENT SUPPORT	802,633.00	802,633.00	251,369.28	31.32	484,863.72	55,929.05
141 E 72210	REGULAR INSTRUCTION PROGRAM	979,244.00	979,244.00	322,828.64	32.97	655,590.36	67,744.64
141 E 72220	SPECIAL EDUCATION PROGRAM	344,955.00	344,955.00	109,878.94	31.85	234,813.06	31,184.63
141 E 72230	VOCATIONAL EDUCATION PROGRAM	147,768.00	147,768.00	64,251.97	43.48	83,516.03	12,247.75
141 E 72250	TECHNOLOGY	462,713.00	462,713.00	160,846.27	34.76	295,813.07	64,151.41
141 E 72310	BOARD OF EDUCATION	475,300.00	475,300.00	283,311.66	59.61	189,790.75	21,399.53
141 E 72320	OFFICE OF THE SUPERINTENDENT	343,598.00	343,598.00	130,303.93	37.92	200,034.83	34,529.92
141 E 72410	OFFICE OF THE PRINCIPAL	1,545,129.00	1,545,129.00	537,921.33	34.81	1,007,207.67	128,016.06
141 E 72510	FISCAL SERVICES	282,861.00	282,861.00	146,189.52	51.68	133,150.99	24,220.50
141 E 72610	OPERATION OF PLANT	1,512,240.00	1,512,240.00	619,095.22	40.94	885,879.71	112,984.44
141 E 72620	MAINTENANCE OF PLANT	817,590.00	817,590.00	440,311.36	53.85	28,174.65	118,946.52
141 E 72710	TRANSPORTATION	441,895.00	441,895.00	154,240.35	34.90	257,190.01	30,632.12
141 E 73100	FOOD SERVICE	0.00	0.00	0.00	0.00	-2,530.32	0.00
141 E 73300	COMMUNITY SERVICES	216,552.00	216,552.00	23,510.58	10.86	182,006.27	4,529.03
141 E 73400	EARLY CHILDHOOD EDUCATION	404,779.00	404,779.00	117,381.78	29.00	286,331.85	32,919.62
141 E 76100	REGULAR CAPITAL OUTLAY	92,000.00	92,000.00	361,768.39	393.23	-640,583.24	41,489.00
141 E 99100	OPERATING TRANSFERS	5,000.00	5,000.00	0.00	0.00	5,000.00	0.00
Grand Expense Totals		23,709,520.00	23,709,520.00	8,082,844.77	34.09	14,667,117.65	2,056,610.38

Number of Accounts: 499

***** End of report *****

			2020-21	2020-21	2020-21	2020-21	Unencumbered	November 2020-21
	Acct		Original Budget	Revised Budget	FYTD Activity	FYTD %	Balance - YTD Act	Monthly Activity
141 R 40110	000	CURRENT PROPERTY TAX	3,100,000.00	3,100,000.00	91,166.26	2.94	3,008,833.74	91,166.26
141 R 40120	000	TRUSTEE'S COLLECTIONS - PRIOR	83,000.00	83,000.00	11,170.09	13.46	71,829.91	3,750.32
141 R 40130	000	CIR CLK/CLK & MASTER COLLECTIO	18,500.00	18,500.00	1,535.60	8.30	16,964.40	837.65
141 R 40140	000	INTEREST AND PENALTY	24,000.00	24,000.00	4,073.96	16.97	19,926.04	995.09
141 R 40162	000	PAYMENTS IN LIEU OF TAXES-LOCA	62,500.00	62,500.00	0.00	0.00	62,500.00	0.00
141 R 40163	000	PAYMENTS IN LIEU OF TAXES - OT	4,000.00	4,000.00	0.00	0.00	4,000.00	0.00
141 R 40210	000	LOCAL OPTION SALES TAX	2,300,000.00	2,300,000.00	473,209.56	20.57	1,826,790.44	230,344.97
141 R 40275	000	MIXED DRINK TAX	18,000.00	18,000.00	5,367.70	29.82	12,632.30	1,431.57
141 R 40320	000	BANK EXCISE TAX	30,550.00	30,550.00	0.00	0.00	30,550.00	0.00
141 R 41110	000	MARRIAGE LICENSES	600.00	600.00	196.37	32.73	403.63	62.26
141 R 43511	000	TUITION - REGULAR DAY STUDENTS	310,000.00	310,000.00	172,915.36	55.78	137,084.64	59,885.00
141 R 43513	000	TUITION - SUMMER SCHOOL	750.00	750.00	0.00	0.00	750.00	0.00
141 R 43517	000	TUITION - OTHER	222,552.00	222,552.00	21,682.58	9.74	200,869.42	5,951.37
141 R 44110	000	INVESTMENT INCOME	20,000.00	20,000.00	1,445.94	7.23	18,554.06	389.02
141 R 44120	000	LEASE/RENTALS	1,000.00	1,000.00	0.00	0.00	1,000.00	0.00
141 R 44170	000	MISCELLANEOUS REFUNDS	0.00	0.00	11,552.89	0.00	-11,552.89	958.00
141 R 44990	000	OTHER LOCAL REVENUES	200.00	200.00	31.06	15.53	168.94	0.00
141 R 46511	000	BASIC EDUCATION PROGRAM	14,346,000.00	14,346,000.00	5,725,600.00	39.91	8,620,400.00	1,431,400.00
141 R 46515	000	EARLY CHILDHOOD EDUCATION	404,779.00	404,779.00	49,818.38	12.31	354,960.62	0.00
141 R 46550	000	DRIVER EDUCATION	6,500.00	6,500.00	0.00	0.00	6,500.00	0.00
141 R 46590	000	OTHER STATE EDUCATION FUNDS	92,000.00	92,000.00	18,152.47	19.73	73,847.53	0.00
141 R 46610	000	CAREER LADDER PROGRAM	41,359.00	41,359.00	19,902.64	48.12	21,456.36	19,902.64
141 R 46980	000	OTHER STATE GRANTS	55,540.00	55,540.00	0.00	0.00	55,540.00	0.00
141 R 46990	000	OTHER STATE REVENUES	113,000.00	113,000.00	0.00	0.00	113,000.00	0.00
141 R 48610	000	DONATIONS	25,200.00	25,200.00	7,560.29	30.00	17,639.71	0.00
141 R 49800	000	OPERATING TRANSFERS	29,490.00	29,490.00	0.00	0.00	29,490.00	0.00
141 R 49810	000	CITY GENERAL FUND TRANSFER	2,400,000.00	2,400,000.00	1,000,000.00	41.67	1,400,000.00	200,000.00
Grand Revenue Totals			23,709,520.00	23,709,520.00	7,615,381.15	32.12	16,094,138.85	2,047,074.15

Number of Accounts: 33

***** End of report *****

		2020-21	2020-21	2020-21	2020-21	Unencumbered	November 2020-21
	Acct	Original Budget	Revised Budget	FYTD Activity	FYTD %	Balance - YTD Act	Monthly Activity
142 E 71100	REGULAR INSTRUCTION PROGRAM	700,595.00	700,595.00	483,211.75	68.97	-52,006.93	139,326.49
142 E 71200	SPECIAL EDUCATION PROGRAM	571,672.00	571,672.00	148,992.75	26.06	420,791.64	47,541.20
142 E 71300	VOCATIONAL EDUCATION PROGRAM	25,268.00	25,268.00	14,011.50	55.45	9,506.50	9,660.26
142 E 72130	OTHER STUDENT SUPPORT	99,402.00	99,402.00	32,077.01	32.27	56,427.55	11,956.20
142 E 72210	REGULAR INSTRUCTION PROGRAM	209,768.00	209,768.00	73,722.11	35.14	134,945.89	23,808.04
142 E 72220	SPECIAL EDUCATION PROGRAM	54,215.00	54,215.00	16,094.75	29.69	38,120.25	5,365.05
142 E 72230	VOCATIONAL EDUCATION PROGRAM	2,119.00	2,119.00	100.00	4.72	2,019.00	0.00
142 E 72250	TECHNOLOGY	0.00	0.00	50,308.70	0.00	-50,308.70	22,632.21
142 E 72410	OFFICE OF THE PRINCIPAL	0.00	0.00	7,712.46	0.00	-7,712.46	1,544.11
142 E 73300	COMMUNITY SERVICES	141,084.00	141,084.00	35,054.12	24.85	106,029.88	7,518.88
142 E 76100	REGULAR CAPITAL OUTLAY	0.00	0.00	102,644.68	0.00	-102,644.68	77,250.44
142 E 99100	OPERATING TRANSFERS	25,490.00	25,490.00	0.00	0.00	25,490.00	0.00
Grand Expense Totals		1,829,613.00	1,829,613.00	963,929.83	52.68	580,657.94	346,602.88

Number of Accounts: 132

***** End of report *****

		2020-21	2020-21	2020-21	2020-21	Unencumbered	November 2020-21	
<u>Acct</u>		<u>Original Budget</u>	<u>Revised Budget</u>	<u>FYTD Activity</u>	<u>FYTD %</u>	<u>Balance - YTD Act</u>	<u>Monthly Activity</u>	
142 R 47141	OCA	TITLE 1 GRANTS TO LOCAL EDUC A	107,695.00	107,695.00	42,165.44	39.15	65,529.56	8,234.26
142 R 47189	OCA	EISENHOWER PROF DEVELOPMENT ST	13,000.00	13,000.00	5,089.92	39.15	7,910.08	993.98
142 R 47131	OCP	VOCATIONAL EDUC - BASIC GRANTS	42,387.00	42,387.00	1,227.54	2.90	41,159.46	1,227.54
142 R 47143	OID	SPECIAL EDUCATION - GRANTS TO	556,598.00	556,598.00	142,689.31	25.64	413,908.69	47,156.34
142 R 47145	OPS	SPECIAL EDUCATION PRESCHOOL GR	15,074.00	15,074.00	2,073.69	13.76	13,000.31	0.00
142 R 47141	OT1	TITLE 1 GRANTS TO LOCAL EDUC A	677,518.00	677,518.00	178,064.98	26.28	499,453.02	69,616.52
142 R 47590	OT1	OTHER FEDERAL THROUGH STATE	58,404.00	58,404.00	15,579.72	26.68	42,824.28	6,091.06
142 R 47189	OT2	EISENHOWER PROF DEVELOPMENT ST	81,123.00	81,123.00	14,792.44	18.23	66,330.56	4,779.98
142 R 47590	OVR	OTHER FEDERAL THROUGH STATE	42,335.00	42,335.00	11,279.05	26.64	31,055.95	702.81
142 R 47147	21C	SAFE AND DRUG-FREE SCHOOLS-ST	145,334.00	145,334.00	28,673.98	19.73	116,660.02	5,992.58
142 R 47143	890	SPECIAL EDUCATION - GRANTS TO	54,215.00	54,215.00	14,333.71	26.44	39,881.29	8,968.86
142 R 47143	891	SPECIAL EDUCATION - GRANTS TO	0.00	0.00	1,761.04	0.00	-1,761.04	1,761.04
142 R 47143	895	SPECIAL EDUCATION - GRANTS TO	0.00	0.00	-4,263.64	0.00	4,263.64	0.00
142 R 47303	CLP	CLP-LEA REOPENING	0.00	0.00	60,000.00	0.00	-60,000.00	0.00
142 R 47301	CRS	ESSER-CARES ACT	0.00	0.00	273,910.50	0.00	-273,910.50	89,892.63
142 R 47143	IDS	SPECIAL EDUCATION - GRANTS TO	0.00	0.00	4,263.64	0.00	-4,263.64	0.00
142 R 47143	IDT	SPECIAL EDUCATION - GRANTS TO	0.00	0.00	3,822.39	0.00	-3,822.39	0.00
142 R 47141	T1N	TITLE 1 GRANTS TO LOCAL EDUC A	35,930.00	35,930.00	4,853.92	13.51	31,076.08	3,103.92
Grand Revenue Totals			1,829,613.00	1,829,613.00	800,317.63	43.74	1,029,295.37	248,521.52

Number of Accounts: 18

***** End of report *****

		2020-21	2020-21	2020-21	2020-21	Unencumbered	November 2020-21
	<u>Acct</u>	<u>Original Budget</u>	<u>Revised Budget</u>	<u>FYTD Activity</u>	<u>FYTD %</u>	<u>Balance - YTD Act</u>	<u>Monthly Activity</u>
143 E 73100 --- --- ----- ---	FOOD SERVICE	1,176,125.00	1,176,125.00	386,156.57	32.83	789,968.43	117,512.47
<hr/> Grand Expense Totals		1,176,125.00	1,176,125.00	386,156.57	32.83	789,968.43	117,512.47

Number of Accounts: 85

***** End of report *****

		2020-21	2020-21	2020-21	2020-21	Unencumbered	November 2020-21	
<u>Acct</u>		<u>Original Budget</u>	<u>Revised Budget</u>	<u>FYTD Activity</u>	<u>FYTD %</u>	<u>Balance - YTD Act</u>	<u>Monthly Activity</u>	
143 R 43521	000	LUNCH PAYMENTS - CHILDREN	170,000.00	170,000.00	10,620.40	6.25	159,379.60	0.00
143 R 43522	000	LUNCH PAYMENTS - ADULTS	22,150.00	22,150.00	3,997.90	18.05	18,152.10	1,114.65
143 R 43523	000	INCOME FROM BREAKFAST	725.00	725.00	0.00	0.00	725.00	0.00
143 R 43525	000	A LA CARTE SALES	34,250.00	34,250.00	8,972.00	26.20	25,278.00	1,470.25
143 R 43990	000	OTHER CHARGES FOR SERVICES	13,000.00	13,000.00	0.00	0.00	13,000.00	0.00
143 R 44110	000	INVESTMENT INCOME	3,750.00	3,750.00	132.26	3.53	3,617.74	-0.44
143 R 46520	000	SCHOOL FOOD SERVICE	10,750.00	10,750.00	0.00	0.00	10,750.00	0.00
143 R 47111	000	USDA SCHOOL LUNCH PROGRAM	556,500.00	556,500.00	176,088.68	31.64	380,411.32	61,628.40
143 R 47112	000	USDA COMMODITIES	93,500.00	93,500.00	20,317.47	21.73	73,182.53	5,193.54
143 R 47113	000	USDA BREAKFAST	253,500.00	253,500.00	126,714.78	49.99	126,785.22	36,049.26
143 R 47114	000	USDA - ESP SNACK PROGRAM	18,000.00	18,000.00	0.00	0.00	18,000.00	0.00
Grand Revenue Totals			1,176,125.00	1,176,125.00	346,843.49	29.49	829,281.51	105,455.66

Number of Accounts: 42

***** End of report *****

ELIZABETHTON CITY SCHOOLS

REQUEST FOR PROPERTY / EQUIPMENT SALE / DISPOSAL

The following items are hereby declared surplus property/equipment of no value or valued at less than \$250.00. Since these items are no longer useful to the Elizabethton City School System, they may be sold at a fair price to any person interested in purchasing them, given away or disposal may be made in an appropriate manner.

ITEM: * Filing Cabinet

* Magazine Rack

INVENTORY TAG NUMBER: 05453 , 05415

METHOD OF SALE/DISPOSAL: Dump

SCHOOL/BUILDING WHERE ITEM IS HOUSED Elizabethton High School

SALE/DISPOSAL AUTHORIZED BY: [Signature] DATE: 4/14/02
Principal

AUTHORIZED BY: _____ DATE: _____
Director of Schools

AUTHORIZED BY: _____ DATE: _____
Board Chairman

ELIZABETHTON CITY SCHOOLS

REQUEST FOR PROPERTY / EQUIPMENT SALE / DISPOSAL

The following items are hereby declared surplus property/equipment of no value or valued at less than \$250.00. Since these items are no longer useful to the Elizabethton City School System, they may be sold at a fair price to any person interested in purchasing them, given away or disposal may be made in an appropriate manner.

ITEM: Blue chairs on rollers
17 chairs

INVENTORY TAG NUMBER: N/A

METHOD OF SALE/DISPOSAL: Maintance

SCHOOL/BUILDING WHERE ITEM IS HOUSED: EHS CTE Dept.

SALE/DISPOSAL AUTHORIZED BY: *Don Culbert* DATE: 11/9/20
Principal

AUTHORIZED BY: _____ DATE: _____
Director of Schools

AUTHORIZED BY: _____ DATE: _____
Board Chairman

ELIZABETHTON CITY SCHOOLS

REQUEST FOR PROPERTY / EQUIPMENT SALE / DISPOSAL

The following items are hereby declared surplus property/equipment of no value or valued at less than \$250.00. Since these items are no longer useful to the Elizabethton City School System, they may be sold at a fair price to any person interested in purchasing them, given away or disposal may be made in an appropriate manner.

ITEM: Teacher desk chair
large rip on the seat

INVENTORY TAG NUMBER: N/A has fallen off

METHOD OF SALE/DISPOSAL: trash/maintenance

SCHOOL/BUILDING WHERE ITEM IS HOUSED Elizabethton HS

SALE/DISPOSAL AUTHORIZED BY: *Ben Culbert* DATE: 11/17/20
Principal

AUTHORIZED BY: _____ DATE: _____
Director of Schools

AUTHORIZED BY: _____ DATE: _____
Board Chairman

**ELIZABETHTON CITY SCHOOLS
FEDERAL PROJECTS BUDGET**

		2020-2021 ORIGINAL BUDGET	AMENDMENT # 1FP December	2020-2021 AMENDED BUDGET
ESTIMATED REVENUES AND OTHER SOURCES				
47100	Federal Funds Received thru State	1,829,613.00	1,587,434.02	3,417,047.02
47900	Direct Federal Revenue	0.00	0.00	0.00
49800	Operating Transfer	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	TOTAL ESTIMATED REVENUES AND OTHER SOURCES	<u>1,829,613.00</u>	<u>1,587,434.02</u>	<u>3,417,047.02</u>
ESTIMATED RESERVES				
39000	Unassigned Fund Balance	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	TOTAL ESTIMATED REVENUES AND OTHER SOURCES	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
ESTIMATED EXPENDITURES				
INSTRUCTION				
71100	Regular Instruction Program	700,595.00	723,093.00	1,423,688.00
71200	Special Education Program	571,672.00	36,253.72	607,925.72
71300	Vocational Education Program	<u>25,268.00</u>	<u>(673.44)</u>	<u>24,594.56</u>
	TOTAL INSTRUCTION	<u>1,297,535.00</u>	<u>758,673.28</u>	<u>2,056,208.28</u>
SUPPORT SERVICES				
72100	Students	99,402.00	37,758.00	137,160.00
72200	Instructional Staff	266,102.00	351,353.58	617,455.58
72700	Student Transportation	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	TOTAL SUPPORT SERVICES	<u>365,504.00</u>	<u>389,111.58</u>	<u>754,615.58</u>
NON-INSTRUCTIONAL SERVICES				
73300	Community Services	<u>141,084.00</u>	<u>750.00</u>	<u>141,834.00</u>
	TOTAL NON -INSTRUCTIONAL SERVICES	<u>141,084.00</u>	<u>750.00</u>	<u>141,834.00</u>
Capital Outlay				
76100	Building Improvements	<u>0.00</u>	435,103.36	435,103.36
	TOTAL OTHER USES	<u>0.00</u>	<u>0.00</u>	<u>435,103.36</u>
OTHER USES				
99100	Operating Transfers	<u>25,490.00</u>	3,795.80	29,285.80
	TOTAL OTHER USES	<u>25,490.00</u>	<u>3,795.80</u>	<u>29,285.80</u>
	TOTAL EXPENDITURES & OTHER USES	<u>1,829,613.00</u>	<u>1,587,434.02</u>	<u>3,417,047.02</u>
ESTIMATED REVENUE AND RESERVES OVER EXPENDITURES		<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

Account Code		REVENUES Description	Approved Budget	Debit Decrease	Credit Increase	Amended Budget
Consolidated Administration - Project OCA						
47141	OCA	Title I-Grants to Local Educ. Agencies	107,695.00		10,200.00	117,895.00
47189	OCA	Eisenhower Prof Development Grants	13,000.00		3,000.00	16,000.00
Carl Perkins - Project OCP						
47131	OCP	Vocational Education - Basic Grants to State	42,387.00	2,207.52		40,179.48
LEA Reopening- Project CLP						
47303	CLP	LEA Resopening & Programmatic Supports	0.00		60,000.00	60,000.00
ESSER, Cares Act- Project CRS						
47301	CRS	ESSER Grant	0.00		631,129.02	631,129.02
Connectivity Grant- Project CNT						
47305	CNT	Internet Connectivity Grant	0.00		37,050.00	37,050.00
Technology Grant- Project TCH						
47304	TCH	Remote Technology Grant	0.00		160,672.00	160,672.00
COPS Grant Grant- Project CPS						
47990	CPS	Direct Federal Revenue	0.00		435,103.36	435,103.36
IDEA, Part B - Project 0ID						
47143	0ID	Special Education Grants to States	556,598.00		28,316.59	584,914.59
IDEA, Part B Discretionary Funds - Project 891						
47143	891	Special Education Grants to States	0.00		12,451.87	12,451.87
IDEA Technology Funds - Project IDT						
47143	IDT	Special Education Grants to States	0.00		5,432.03	5,432.03
IDEA, Preschool - Project 0PS						
47145	0PS	Special Education Preschool Grants	15,074.00		4,005.10	19,079.10
Title I - Project 0T1						
47141	0T1	Title I-Grants to Local Educ. Agencies	677,518.00		119,233.49	796,751.49
47590	0T1	Other Federal Thru State	58,404.00		13,060.28	71,464.28
Title I, Neglected - Project T1N						
47141	T1N	Title I-Grants to Local Educ. Agencies	35,930.00		10,568.55	46,498.55
Title II, Part A - Project 0T2						
47189	0T2	Eisenhower Prof Development Grants	81,123.00		59,419.25	140,542.25
Summer Read to be Ready - Project SRR						
47590	SRR	Other Federal Thru State	0.00	0.00		0.00
TOTALS			1,587,729.00	2,207.52	1,589,641.54	3,175,163.02
			\$1,587,434.02		Increase in Revenues	

Account Code		EXPENDITURES Description	Approved Budget	Debit Increase	Credit Decrease	Amended Budget
		Title IV, Part B, 21st CCLC - Project 21C				
73300		Community Services				
105	21C	Supervisor / Director	34,608.00		58.00	34,550.00
116	21C	Teachers	58,375.00	1,950.00		60,325.00
189	21C	Other Salaries & Wages	25,115.00		1,115.00	24,000.00
201	21C	Social Security	7,320.00	110.00		7,430.00
204	21C	State Retirement	4,300.00	1,290.00		5,590.00
206	21C	Life Insurance	43.00	42.00		85.00
207	21C	Medical Insurance	6,808.00	1,014.00		7,822.00
208	21C	Dental Insurance	302.00		8.00	294.00
212	21C	Employer Medicare	1,713.00	25.00		1,738.00
429	21C	Instructional Supplies & Materials	2,500.00		2,500.00	0.00
99100		Operating Transfers				
504	21C	Indriect Cost	4,250.00		750.00	3,500.00
		Consolidated Administration - Project 0CA				
72210		Regular Education Program-Support				
499	OCA	Other Supplies & Materials	3,000.00	5,000.00		8,000.00
524	OCA	Inservice / Staff Development	3,500.00	2,500.00		6,000.00
790	OCA	OtherEquipment	0.00	5,700.00		5,700.00
		Carl Perkins - Project 0CP				
71300		Vocational Education Program				
429	OCP	Instructional Supplies & Materials	0.00	6,350.00		6,350.00
499	OCP	Other Supplies & Materials	2,400.00	5,680.00		8,080.00
730	OCP	Vocational Instructional Equipment	22,868.00		12,703.44	10,164.56
72130		Support Services-Other Student Support				
189	OCP	Other Salaries & Wages	0.00	3,500.00		3,500.00
201	OCP	Social Security	0.00	220.00		220.00
204	OCP	State Retirement	0.00	360.00		360.00
212	OCP	Employer Medicare	0.00	50.00		50.00
524	OCP	Inservice / Staff Development	10,000.00		5,554.00	4,446.00
72230		Support Services -Vocational Education				
355	OCP	Travel	2,119.00		2,119.00	0.00
524	OCP	Inservice / Staff Development	0.00	2,008.92		2,008.92
		LEA Reopening- Project CLP				
71100		Regular Education Program				
722	CLP	Regular Education Equipment	0.00	60,000.00		60,000.00
		IDEA, Part B - Project 0ID				
71200		Special Education Program				
163	0ID	Educational Assistants	428,832.00	13,325.00		442,157.00
189	0ID	Other Salaries & Wages	0.00	10,500.00		10,500.00
201	0ID	Social Security	27,740.00	1,569.00		29,309.00
204	0ID	State Retirement	11,817.00	1,057.25		12,874.25
207	0ID	Medical Insurance	31,555.00	365.34		31,920.34

Account Code		EXPENDITURES Description	Approved Budget	Debit Increase	Credit Decrease	Amended Budget
72220		Support Services-Special Education				
312	OID	Contracts with Private Agencies	0.00	1,500.00		1,500.00
		COPS Grant Grant- Project CPS				
76100		Capital Outlay				
707	CPS	Building Improvements	0.00	435,103.36		435,103.36
		Connectivity Grant- Project CNT				
72250		Technology				
350	CNT	Internet Connectivity	0.00	37,050.00		37,050.00
		Technology Grant- Project TCH				
71100		Regular Education Program				
722	TCH	Regular Education Equipment	0.00	160,672.00		160,672.00
		IDEA Technology Funds - Project IDT				
71200		Special Education Program				
429	IDT	Instructional Supplies & Materials	0.00	5,432.03		5,432.03
		IDEA, Preschool - Project OPS				
71200		Special Education Program				
163	OPS	Educational Assistants	14,003.00	2,325.00		16,328.00
201	OPS	Social Security	868.00	145.00		1,013.00
212	OPS	Employer Medicare	203.00	35.10		238.10
429	OPS	Instructional Supplies & Materials	0.00	1,500.00		1,500.00
		Title I, Neglected - Project T1N				
71100		Regular Education Program				
429	T1N	Instructional Supplies	17,565.00	11,033.55		28,598.55
		Support Services-Other Student Support				
399	T1N	Other Contracted Services	15,000.00		3,000.00	12,000.00
499	T1N	Other Supplies & Materials	465.00	535.00		1,000.00
		Regular Education Program-Support				
72210		Regular Education Program-Support				
524	T1N	Inservice / Staff Development	2,000.00	2,000.00		4,000.00
		Title I - Project OT1				
71100		Regular Education Program				
163	OT1	Educational Assistants	87,575.00	9,630.00		97,205.00
189	OT1	Other Salaries & Wages	297,226.00		14,713.00	282,513.00
201	OT1	Social Security	29,818.00		912.00	28,906.00
204	OT1	State Retirement	49,288.00		4,564.00	44,724.00
212	OT1	Employer Medicare	6,975.00		213.00	6,762.00
429	OT1	Instructional Supplies	25,317.00	43,331.23		68,648.23
722	OT1	Regular Instruction Equipment	15,459.00	40,272.00		55,731.00
		Support Services-Other Student Support				
201	OT1-90450	Social Security	0.00	620.00		620.00
204	OT1-90450	State Retirement	0.00	1,027.00		1,027.00

Account Code		EXPENDITURES Description	Approved Budget	Debit Increase	Credit Decrease	Amended Budget
72210		Regular Education Program-Support				
189	0T1	Other Salaries & Wages	0.00	31,720.00		31,720.00
201	0T1	Social Security	0.00	1,967.00		1,967.00
204	0T1	State Retirement	0.00	3,372.00		3,372.00
206	0T1	Life Insurance	0.00	46.00		46.00
207	0T1	Medical Insurance	0.00	4,500.00		4,500.00
208	0T1	Dental Insurance	0.00	156.00		156.00
212	0T1	Employer Medicare	0.00	460.00		460.00
524	0T1	Inservice / Staff Development	8,000.00	15,594.54		23,594.54
		IDEA Discretionary Grant				
		Increase Achievement on Statewide Assessment - Project 891				
72220		Support Services-Special Education				
189	891	Other Salaries & Wages	0.00	9,791.00		9,791.00
201	891	Social Security	0.00	608.00		608.00
204	891	State Retirement	0.00	588.00		588.00
206	891	Life Insurance	0.00	9.00		9.00
207	891	Medical Insurance	0.00	1,265.87		1,265.87
208	891	Dental Insurance	0.00	45.00		45.00
212	891	Employer Medicare	0.00	145.00		145.00
		ESSER, Cares Act- Project CRS				
71100		Regular Education Program				
471	CRS	Software	0.00	93,585.22		93,585.22
722	CRS	Regular Instruction Equipment	0.00	324,971.00		324,971.00
72120		Health Services				
312	CRS	Contracts with Private Agencies	0.00	40,000.00		40,000.00
72250		Technology				
138	CRS	Instructional Computer Personnel	0.00	43,636.00		43,636.00
201	CRS	Social Security	0.00	2,706.00		2,706.00
204	CRS	State Retirement	0.00	4,482.00		4,482.00
206	CRS	Life Insurance	0.00	90.00		90.00
207	CRS	Medical Insurance	0.00	6,224.00		6,224.00
208	CRS	Dental Insurance	0.00	256.00		256.00
212	CRS	Employer Medicare	0.00	633.00		633.00
350	CRS	Internet Connectivity	0.00	110,000.00		110,000.00
99100		Operating Transfers				
504	CRS	Indirect Cost	0.00	4,545.80		4,545.80

Account Code	EXPENDITURES Description	Approved Budget	Debit Increase	Credit Decrease	Amended Budget
Title II, Part A - Project T2					
72210	Regular Education Program-Support				
189	0T2 Other Salaries & Wages	36,000.00	32,378.00		68,378.00
196	0T2 In-Service Training	3,000.00	21,200.00		24,200.00
201	0T2 Social Security	2,418.00	3,322.00		5,740.00
204	0T2 State Retirement	4,005.00	5,833.00		9,838.00
206	0T2 Life Insurance	0.00	45.00		45.00
207	0T2 Medical Insurance	0.00	3,750.00		3,750.00
208	0T2 Dental Insurance	0.00	155.00		155.00
212	0T2 Employer Medicare	566.00	777.00		1,343.00
499	0T2 Other Supplies & Materials	3,500.00	5,000.00		8,500.00
524	0T2 Inservice / Staff Development	29,584.00		13,040.75	16,543.25
	TOTALS	1,338,000.00	1,648,684.21	61,250.19	2,925,434.02
			\$1,587,434.02	Increase in Expenditures	
			\$0.00	Net Change	



Richard VanHuss
Director of Schools

John Hutchins

Assistant Director of Schools- Operations

Dr. Myra Newman

Assistant Director of Schools - Academics

December 17, 2020

Michelle Melton
Citizens Bank
300 Broad Street
Elizabethton, TN 37643

Dear Ms. Melton:

Our signatures below indicate that we agree to the addresses for statements for the accounts with Federal ID # 62-0730716. All addresses are Elizabethton, TN.

Elizabethton Board of Education

Attn: G/L Specialist
804 South Watauga Avenue

Elizabethton Board of Education – School Food Service

Attn: G/L Specialist
804 South Watauga Avenue

Harold McCormick Elementary

Attn: Principal
226 Cedar Avenue

Elizabethton High School

Attn: Principal
907 Jason Witten Way

West Side Elementary

Attn: Principal
1310 Burgie Street

804 S. Watauga Ave.
Elizabethton, TN 37643
P(423) 547-8000
F(423) 547-8929

Thank you for your assistance in this matter.

Sincerely,

Jamie Schaff/Board Member

Mike Wilson/Board Member

Phil Isaacs/Board Vice-Chair

Danny O'Quinn/Board Member

Eddie Pless/Board Member

INDEPENDENT AUDITORS' REPORT
OF
ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS – REGULATORY BASIS

ELIZABETHTON HIGH SCHOOL
T.A. DUGGER JUNIOR HIGH
EAST SIDE ELEMENTARY
HAROLD MCCORMICK ELEMENTARY
WEST SIDE ELEMENTARY

For the Fiscal Year Ended June 30, 2020

INDEPENDENT AUDITORS' REPORT

OF

ELIZABETHTON, TENNESSEE BOARD OF EDUCATION

INTERNAL SCHOOL FUNDS – REGULATORY BASIS

**ELIZABETHTON HIGH SCHOOL
T.A. DUGGER JUNIOR HIGH SCHOOL
EAST SIDE ELEMENTARY SCHOOL
HAROLD MCCORMICK ELEMENTARY SCHOOL
WEST SIDE ELEMENTARY SCHOOL**

For the Fiscal Year Ended June 30, 2020

SECTION I
INTRODUCTORY SECTION

ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS – REGULATORY BASIS
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**ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS - REGULATORY BASIS
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**ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS – REGULATORY BASIS
DIRECTORY OF SCHOOL OFFICIALS**

Central Office

Director of Schools - as of June 30, 2020 Corey Gardenhour, Ed.D.

Board of Education - as of June 30, 2020

Rita Booher, Chair
Phil Isaacs, Vice Chair
Dr. Grover May
Danny O'Quinn
Eddie Pless

Department of Business and Fiscal Management Beth Wilson, MBA

<u>Individual School</u>	<u>Principal - as of June 30, 2020</u>	<u>Bookkeeper</u>
Elizabethton High School	Jon Minton	Keri Howell
T.A. Dugger Junior High School	Chris Berry	Mitzi Phillips
East Side Elementary School	Travis Hurley	Emily Orsburn
Harold McCormick Elementary School	* Eric Wampler	Stephani Shouse
*Eric Wampler was on military leave and Penny Nave was Interim Principal at June 30, 2020.		
West Side Elementary School	John Wright	Karen Barnett

SECTION II
FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Chairman and Members of the Board
Elizabethton, Tennessee Board of Education

Report on the Financial Statements

We have audited the accompanying combined balance sheet – regulatory basis of the Elizabethton, Tennessee Board of Education Internal School Funds as of June 30, 2020, and the related combined statement of revenues, expenditures and changes in fund balances – regulatory basis for the year then ended, and the related notes to the financial statements, which collectively comprise Elizabethton, Tennessee Board of Education Internal School Funds’ basic financial statements, as listed in the table of contents. We also have audited the individual school balance sheets – regulatory basis, and the individual school statements of revenues, expenditures and changes in fund balances – regulatory basis presented as supplementary information in the accompanying individual school financial statements as of and for the year ended June 30, 2020, as listed in the table of contents.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual*, as described in Note 1. Management is also responsible 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.

Auditors’ Responsibility

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

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

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

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by Elizabethton, Tennessee Board of Education Internal School Funds on the basis of the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual*, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of Tennessee.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Elizabethton, Tennessee Board of Education Internal School Funds as of June 30, 2020, or changes in financial position for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the combined financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balances of Elizabethton, Tennessee Board of Education Internal School Funds as of June 30, 2020, and the related revenues, expenditures and changes in fund balances for the year then ended, in accordance with the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual* described in Note 1. In addition, in our opinion, the individual school financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balances of Elizabethton, Tennessee Board of Education Internal School Funds as of June 30, 2020, and the related revenues, expenditures and changes in fund balances for the year then ended, in accordance with the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual* described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements – regulatory basis that collectively comprise the Elizabethton, Tennessee Board of Education Internal School Funds’ basic financial statements. In addition, our audit was conducted for the purpose of forming an opinion on the individual school financial statements – regulatory basis, presented as supplementary information. The accompanying supplementary schedules, introductory section, and management’s corrective action plan, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements – regulatory basis of the schools.

Elizabethton, Tennessee Board of Education Internal School Funds
Independent Auditors' Report

As described in Note 1 of the financial statements, the supplementary schedules, as listed in the table of contents, are prepared by Elizabethton, Tennessee Board of Education Internal School Funds on the basis of the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual*, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The supplementary schedules, as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements – regulatory basis. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements – regulatory basis 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 – regulatory basis themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules, as listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements – regulatory basis as a whole.

The directory of school officials and management's corrective action plan have not been subjected to the auditing procedures applied in the audit of the basic financial statements – regulatory basis and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2020 on our consideration of Elizabethton, Tennessee Board of Education Internal School Funds' 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 Elizabethton, Tennessee Board of Education Internal School Funds' 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 Elizabethton, Tennessee Board of Education Internal School Funds' internal control over financial reporting and compliance.

Blackburn, Childers + Steagall, PLLC

BLACKBURN, CHILDERS & STEAGALL, PLC
Johnson City, Tennessee

November 19, 2020

**ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS – REGULATORY BASIS
CONTENTS**

	<u>Exhibit</u>	<u>Page</u>
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Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Regulatory Basis - All Schools	B	11

**ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS
COMBINED BALANCE SHEET - REGULATORY BASIS - ALL SCHOOLS
June 30, 2020**

EXHIBIT A

	Elizabethton High School	T.A. Dugger Junior High School	East Side Elementary School	Harold McCormick Elementary School	West Side Elementary School	Total Schools
ASSETS						
Cash in Bank - Checking	\$ 516,803	87,448	57,641	74,243	57,473	793,608
Cash in Bank - Savings	42,626	30,017	-	-	-	72,643
Cash in Bank - Bank CD	213,880	-	-	-	-	213,880
Other Assets	18,244	-	-	-	-	18,244
TOTAL ASSETS	\$ 791,553	117,465	57,641	74,243	57,473	1,098,375
FUND BALANCES						
General Fund						
Unassigned	\$ 85,366	43,392	40,718	49,573	42,101	261,150
Total General Fund	85,366	43,392	40,718	49,573	42,101	261,150
Restricted Fund						
Restricted	301,922	6,434	15,773	22,286	8,160	354,575
Assigned	404,265	67,639	1,150	2,384	7,212	482,650
Total Restricted Fund	706,187	74,073	16,923	24,670	15,372	837,225
TOTAL FUND BALANCES	\$ 791,553	117,465	57,641	74,243	57,473	1,098,375

The notes are an integral part of these financial statements.

**ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - REGULATORY BASIS - ALL SCHOOLS
For the Fiscal Year Ended June 30, 2020**

EXHIBIT B

	Elizabethton High School	T.A.Dugger Junior High School	East Side Elementary School	Harold McCormick Elementary School	West Side Elementary School	Total Schools
FUND BALANCES, JULY 1, 2019	\$ 830,971	114,275	44,656	65,685	42,729	1,098,316
REVENUES	1,236,760	268,075	66,932	71,526	116,329	1,759,622
EXPENDITURES	1,276,178	264,885	53,947	62,968	101,585	1,759,563
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(39,418)	3,190	12,985	8,558	14,744	59
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	47,386	11,718	838	2,550	4,973	67,465
Operating Transfers Out	(47,386)	(11,718)	(838)	(2,550)	(4,973)	(67,465)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(39,418)	3,190	12,985	8,558	14,744	59
FUND BALANCES, JUNE 30, 2020	\$ 791,553	117,465	57,641	74,243	57,473	1,098,375

The notes are an integral part of these financial statements.

ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS – REGULATORY BASIS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

BACKGROUND

Section 49-2-110, *Tennessee Code Annotated*, provides for internal school funds, establishes responsibility for those funds, and requires schools to adopt and follow a uniform accounting manual.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. FINANCIAL REPORTING ENTITY

This report includes only the internal school funds of the City of Elizabethton, Tennessee Board of Education (Board of Education). Internal school funds consist of financial resources accounted for at the individual schools.

Internal School Funds

Internal school funds reported in the accompanying financial statements include donations and grants made to individual schools; fees collected by schools; funds received from the local Board of Education; funds raised through cooperative agreements; rental fees; and student activity funds.

Student Activity Funds

Student activity funds include all money received from any source for school-sponsored student activities or school-sponsored events held at or in connection with a school, and specifically include, but are not limited to funds:

- Derived from a school-sponsored academic, art, athletic, or social event involving students;
- Raised by school-sponsored clubs involving students;
- Raised by school-sponsored fundraisers involving students who are under the supervision of a school employee;
- Received from a commission for the direct sale of items to students pursuant to a cooperative agreement between the school and an outside organization;
- Received for the direct sale of items to students from a school-run bookstore located on school grounds;
- Raised from fees charged to students;
- Obtained from interest from any account that contains student activity funds;
- Obtained from any related school-sponsored activity that involves the use of school personnel, students, and property during the school day.

ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS – REGULATORY BASIS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. OTHER COMPREHENSIVE BASIS OF ACCOUNTING

The accounting and financial reporting requirements for internal school funds are set forth in the *Tennessee Internal School Uniform Accounting Policy Manual*, issued by the Tennessee Department of Education. The requirements established in the *Tennessee Internal School Uniform Accounting Policy Manual* differ from generally accepted accounting principles primarily in the presentation of the financial statements and restricted fund revenue and expenditure accounting and reporting. The following is a summary of the basic requirements of this other comprehensive basis of accounting.

The financial statements consist of balance sheets and statements of revenues, expenditures and changes in fund balances.

The combined financial statements present all of the individual schools in a columnar format and are required to be presented before the notes to the financial statements. These statements focus on each of the individual schools rather than the funds within the schools. In keeping with that focus, the columnar headings identify the individual schools rather than the funds.

The individual school financial statements present the detailed fund activity in each school and are included after the notes to the financial statements.

Revenues are classified by source and expenditures are classified by either function or object for the general fund but not the restricted fund. Revenues and expenditures of the restricted fund are recorded based on the specific group or activity which will benefit or expend the funds. The activity in the restricted "accounts" is presented as total revenues and transfers in and total expenditures and transfers out for each account. A corresponding "fund balance" is presented for each account. Although the restricted fund is a single fund, each account within the fund must present its portion of the restricted fund balance. Transfers reported on the financial statements represent authorized movement of funds between restricted accounts, as well as between the general fund and restricted fund.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accompanying financial statements are reported using the current financial resources measurement focus. Accordingly, only current assets and current liabilities are included on the balance sheets and the fund balances report only spendable resources. Internal school funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. Management policies define available as collectible within 30 days after the fiscal year end. Expenditures are generally recognized when the related fund liability is incurred, if measurable.

ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS – REGULATORY BASIS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. FUND STRUCTURE

The accounts of the individual schools are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which are comprised of the fund's assets, liabilities, fund equity, revenues and expenditures. The funds are grouped in the accompanying financial statements as follows:

General Fund

The general fund is used to account for all money to be used for the general operation of the school or for the welfare of the student body. Revenues and expenditures in this fund are not restricted to any specific group or activity.

Restricted Fund

The restricted fund is used to account for money that is restricted for the use of a specific segment of the school population or legally restricted for a specific purpose and not intended to benefit the general school population.

E. RISK MANAGEMENT

As noted on page 34, the Board of Education is covered with a Public School System Honesty Blanket - Position Bond with the Tennessee Risk Management Trust.

F. COVID-19

As a result of the COVID-19 pandemic, the school year ended abruptly in March 2020. Several spring 2020 events including field trips, athletics and club activities were suspended or cancelled. Subsequent to fiscal year-end, the local board of education voted to resume the school year on a modified in-person basis.

NOTE 2 - COLLATERALIZATION OF DEPOSITS

Cash in bank represents funds on deposit in various depositories. The Cash in Bank total for the elementary schools is \$189,357 and the bank balance is \$189,583. The Cash in Bank total, which includes checking and savings, for the junior high school is \$117,465 and the bank balance is \$119,816. The Cash in Bank total, which includes checking, savings and certificates of deposit, for the high school is \$773,309 and the bank balance is \$827,447. All deposits with financial institutions in excess of Federal Deposit Insurance Corporation (FDIC) limits are required to be secured by one of two methods. Excess funds can be deposited with a financial institution(s) that participates in the State of Tennessee Bank Collateral Pool administered by the state treasurer. For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. Custodial credit risk is the risk that in the event of a bank failure, the school's deposits may not be returned to it. None of the school's deposits were exposed to custodial credit risk because all balances were entirely insured by the FDIC or through the Bank Collateral Pool with the State of Tennessee.

ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS – REGULATORY BASIS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 3 - OTHER ASSETS

Other assets reflected at Elizabethton High School represents deposited funds due to a cancelled extended field trip. The trip was cancelled due to COVID-19. The school will use these deposited funds for a future extended field trip in the 2020-2021 school year.

NOTE 4 - CAPITAL ASSETS

Capital assets acquired by the individual schools are recorded as expenditures at the time of purchase. Title and accountability for capital assets purchased pass automatically to the Board of Education.

NOTE 5 - LEASES

Several schools entered into operating leases for copiers. The various schools are obligated to make the monthly payments on these leases. Total lease expense for the 2020 fiscal year was \$52,221. Future minimum lease payments under the non-cancelable operating leases are as follows:

2021	\$	47,766
2022		<u>22,953</u>
Total	\$	<u><u>70,719</u></u>

NOTE 6 - FUND BALANCES

Restricted Fund Balance

Fund balances reported as restricted are the result of externally imposed restrictions placed upon certain resources accounted for in the restricted fund. This includes, but is not limited to, Basic Education Program and grant funds. When both restricted and unrestricted resources are available for use, it is the Board of Education's policy to use restricted resources first, then unrestricted resources as they are needed.

Assigned Fund Balance

Amounts that are constrained by each school's intent to be used for specific purposes are reflected as assigned in the accompanying financial statements. This includes accounts reported in the restricted fund at each school, except for those that account for externally restricted resources as described above. Board of Education allocation amounts not spent by the end of the fiscal year are reflected as assigned in the general fund because the Board of Education's intent is for those resources to be expended for instruction, administration, and/or operations and maintenance.

**ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS – REGULATORY BASIS
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020**

NOTE 6 - FUND BALANCES (CONTINUED)

Assigned Fund Balance (Continued)

The Board of Education is authorized to assign amounts for specific purposes with respect to the amounts they allocate to the individual schools. The principal is the official authorized to assign all other amounts to a specific purpose. Authorization is established by the *Tennessee Internal School Uniform Accounting Policy Manual*.

Unassigned Fund Balance

In accordance with generally accepted accounting principles, the general fund is the only fund at each school that reports amounts for unassigned fund balance. This classification represents fund balance that is not restricted and has not been assigned to specific purposes within the general fund. When both assigned and unassigned resources are available for use, it is the Board of Education’s policy to use assigned resources first, then unassigned resources as they are needed.

The fund balance detail for the Board of Education's internal school funds is reflected below. Additional detail is provided on the individual school financial statements.

	Elizabethton High School		T.A. Dugger Junior High School		East Side Elementary School		Harold McCormick Elementary School		West Side Elementary School	
	General Fund	Restricted Fund	General Fund	Restricted Fund	General Fund	Restricted Fund	General Fund	Restricted Fund	General Fund	Restricted Fund
FUND BALANCES										
RESTRICTED for										
Board of Education Allocations	\$ -	21,896	-	1,399	-	10,569	-	12,469	-	4,950
Donation Accounts	-	753	-	5,035	-	5,204	-	9,566	-	3,210
Grant Accounts	-	378	-	-	-	-	-	-	-	-
Memorial Accounts	-	-	-	-	-	-	-	251	-	-
Scholarship Accounts	-	278,770	-	-	-	-	-	-	-	-
Other Accounts	-	125	-	-	-	-	-	-	-	-
ASSIGNED to										
Athletic Accounts	-	66,307	-	39,919	-	-	-	-	-	-
Class Accounts	-	2,592	-	-	-	-	-	-	-	-
Club Accounts	-	27,915	-	13,723	-	791	-	-	-	-
Donation Accounts	-	-	-	-	-	-	-	-	-	-
Other Accounts	-	307,451	-	13,997	-	359	-	2,384	-	7,212
UNASSIGNED	85,366	-	43,392	-	40,718	-	49,573	-	42,101	-
TOTAL FUND BALANCES	<u>\$ 85,366</u>	<u>706,187</u>	<u>43,392</u>	<u>74,073</u>	<u>40,718</u>	<u>16,923</u>	<u>49,573</u>	<u>24,670</u>	<u>42,101</u>	<u>15,372</u>

**ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
ELIZABETHTON HIGH SCHOOL
INTERNAL SCHOOL FUND
BALANCE SHEET - REGULATORY BASIS
June 30, 2020**

EXHIBIT A

	ASSETS					LIABILITIES AND FUND BALANCES					
	Cash in Bank - Checking	Cash in Bank - Savings	Cash in Bank - Bank CD	Other Assets	Total Assets	Accounts Payable	Fund Balances			Total Fund Balances	Total Liabilities and Fund Balances
							Restricted	Assigned	Unassigned		
General Fund	\$ 46,659	38,707	-	-	85,366	-	-	-	85,366	85,366	85,366
Restricted Funds											
Board of Education Allocations											
Attendance Incentives	1,000	-	-	-	1,000	-	1,000	-	-	1,000	1,000
B.E.P. Instructional Supplies	8,691	-	-	-	8,691	-	8,691	-	-	8,691	8,691
Custodial Supplies	2,248	-	-	-	2,248	-	2,248	-	-	2,248	2,248
Honors/Graduation	1,528	-	-	-	1,528	-	1,528	-	-	1,528	1,528
Library	6,090	-	-	-	6,090	-	6,090	-	-	6,090	6,090
RTI Supplies	100	-	-	-	100	-	100	-	-	100	100
WIA/RTI	2,239	-	-	-	2,239	-	2,239	-	-	2,239	2,239
Athletic Accounts											
Athletic A.V.T. Jenkins	734	-	-	-	734	-	-	734	-	734	734
Athletic Banners	28,586	-	-	-	28,586	-	-	28,586	-	28,586	28,586
Athletics	18,382	-	-	-	18,382	-	-	18,382	-	18,382	18,382
Athletics Special Projects	13,907	-	-	-	13,907	-	-	13,907	-	13,907	13,907
Bricks	4,105	-	-	-	4,105	-	-	4,105	-	4,105	4,105
Cheerleaders	243	-	-	-	243	-	-	243	-	243	243
JV Cheerleaders	350	-	-	-	350	-	-	350	-	350	350
Class Account	2,592	-	-	-	2,592	-	-	2,592	-	2,592	2,592
Club Accounts											
Clone Club	214	-	-	-	214	-	-	214	-	214	214
FBLA	4,440	-	-	-	4,440	-	-	4,440	-	4,440	4,440
FCA Club	410	-	-	-	410	-	-	410	-	410	410
FCCLA Club	7,593	-	-	-	7,593	-	-	7,593	-	7,593	7,593
FFA Club	645	-	-	-	645	-	-	645	-	645	645
French Club	31	-	-	-	31	-	-	31	-	31	31
FTA Club	388	-	-	-	388	-	-	388	-	388	388
H.O.S.A.	2,950	-	-	-	2,950	-	-	2,950	-	2,950	2,950
Key Club	297	-	-	-	297	-	-	297	-	297	297
Mountain Club	1,423	-	-	-	1,423	-	-	1,423	-	1,423	1,423
National Honor Society	1,695	-	-	-	1,695	-	-	1,695	-	1,695	1,695
Spanish Club	395	-	-	-	395	-	-	395	-	395	395
Student Council	7,234	-	-	-	7,234	-	-	7,234	-	7,234	7,234
Young Democrats Club	100	-	-	-	100	-	-	100	-	100	100
Young Republicans Club	100	-	-	-	100	-	-	100	-	100	100

(Continued)

**ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
ELIZABETHTON HIGH SCHOOL
INTERNAL SCHOOL FUND
BALANCE SHEET - REGULATORY BASIS
June 30, 2020**

EXHIBIT A

	ASSETS					LIABILITIES AND FUND BALANCES					
	Cash in Bank - Checking	Cash in Bank - Savings	Cash in Bank - Bank CD	Other Assets	Total Assets	Accounts Payable	Fund Balances			Total Fund Balances	Total Liabilities and Fund Balances
							Restricted	Assigned	Unassigned		
Restricted Funds (Continued)											
Donation Accounts											
Donations for Seniors	728	-	-	-	728	-	728	-	-	728	728
Buckle Up Program	25	-	-	-	25	-	25	-	-	25	25
Grant Account											
Niswonger Mini Grant	378	-	-	-	378	-	378	-	-	378	378
Other Accounts											
Art Department	177	-	-	-	177	-	-	177	-	177	177
Auto Mechanics	306	-	-	-	306	-	-	306	-	306	306
Band	261	-	-	-	261	-	-	261	-	261	261
Betsy Entrepreneurship	423	-	-	-	423	-	-	423	-	423	423
Building Improvements	857	-	-	-	857	-	-	857	-	857	857
Cadet Corp	317	-	-	-	317	-	-	317	-	317	317
C.D.C. Greenhouse	372	-	-	-	372	-	-	372	-	372	372
C.D.C. - Special Education	328	-	-	-	328	-	-	328	-	328	328
Computer Hardware	595	-	-	-	595	-	-	595	-	595	595
Cyclone Print Shop Sp. Ed.	843	-	-	-	843	-	-	843	-	843	843
Dramatics	1,717	-	-	-	1,717	-	-	1,717	-	1,717	1,717
EHS Pageant	2,440	-	-	-	2,440	-	-	2,440	-	2,440	2,440
English Department	139	-	-	-	139	-	-	139	-	139	139
Ethics Team	410	-	-	-	410	-	-	410	-	410	410
Guidance Testing	3,285	-	-	-	3,285	-	-	3,285	-	3,285	3,285
Instruction and Equipment	663	-	-	-	663	-	-	663	-	663	663
Library Office	908	-	-	-	908	-	-	908	-	908	908
Math Department	562	-	-	-	562	-	-	562	-	562	562

(Continued)

**ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
ELIZABETHTON HIGH SCHOOL
INTERNAL SCHOOL FUND
BALANCE SHEET - REGULATORY BASIS
June 30, 2020**

EXHIBIT A

	ASSETS					LIABILITIES AND FUND BALANCES					
	Cash in Bank - Checking	Cash in Bank - Savings	Cash in Bank - Bank CD	Other Assets	Total Assets	Accounts Payable	Fund Balances			Total Fund Balances	Total Liabilities and Fund Balances
							Restricted	Assigned	Unassigned		
Restricted Funds (Continued)											
Other Accounts (Continued)											
N.E.T.S.P.A.	96	-	-	-	96	-	-	96	-	96	96
Newspaper	50	-	-	-	50	-	-	50	-	50	50
NYC Trip	(15,819)	-	-	18,244	2,425	-	-	2,425	-	2,425	2,425
Physical Education	108	-	-	-	108	-	-	108	-	108	108
Powderpuff Football	208	-	-	-	208	-	-	208	-	208	208
Power Lifting	119	-	-	-	119	-	-	119	-	119	119
Ralph Lingerfelt Award	125	-	-	-	125	-	125	-	-	125	125
Science Department	1,163	-	-	-	1,163	-	-	1,163	-	1,163	1,163
Social Studies Department	57	-	-	-	57	-	-	57	-	57	57
STEM	3,428	-	-	-	3,428	-	-	3,428	-	3,428	3,428
Teacher of the Year - Wal-Mart	78	-	-	-	78	-	-	78	-	78	78
Textbook - State	20	-	-	-	20	-	-	20	-	20	20
Top Gun Aviators Club	1,374	-	-	-	1,374	-	-	1,374	-	1,374	1,374
Transcripts	27	-	-	-	27	-	-	27	-	27	27
Transportation	651	-	-	-	651	-	-	651	-	651	651
Vocational Department	741	-	-	-	741	-	-	741	-	741	741
VR Lab	129	-	-	-	129	-	-	129	-	129	129
XQ	253,630	-	-	-	253,630	-	-	253,630	-	253,630	253,630
XQ Other	481	-	-	-	481	-	-	481	-	481	481
Yearbook	27,718	-	-	-	27,718	-	-	27,718	-	27,718	27,718
Youth Risk	345	-	-	-	345	-	-	345	-	345	345
Scholarship Accounts											
A. H. Tipton Scholarship	-	2,971	-	-	2,971	-	2,971	-	-	2,971	2,971
Class of 1957	54,721	-	-	-	54,721	-	54,721	-	-	54,721	54,721
Crockett-Montgomery Memorial Fund	(1,000)	-	21,423	-	20,423	-	20,423	-	-	20,423	20,423
Katherine Jones Scholarship	2,610	-	89,865	-	92,475	-	92,475	-	-	92,475	92,475
Kenneth Jack Scholarship	2,751	-	92,839	-	95,590	-	95,590	-	-	95,590	95,590
Nancy Hunt Scholarship	-	-	9,753	-	9,753	-	9,753	-	-	9,753	9,753
Sam Greenwell Scholarship	1,665	-	-	-	1,665	-	1,665	-	-	1,665	1,665
Student Council Memorial Fund	-	948	-	-	948	-	948	-	-	948	948
Tanner Perkins Scholarship	25	-	-	-	25	-	25	-	-	25	25
Wanda K. Bass Scholarship	199	-	-	-	199	-	199	-	-	199	199
Total Restricted Funds	470,144	3,919	213,880	18,244	706,187	-	301,922	404,265	-	706,187	706,187
Total General and Restricted Funds	\$ 516,803	42,626	213,880	18,244	791,553	-	301,922	404,265	85,366	791,553	791,553

The notes are an integral part of these financial statements.

**ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
ELIZABETHTON HIGH SCHOOL
INTERNAL SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - REGULATORY BASIS
For the Fiscal Year Ended June 30, 2020**

EXHIBIT B

	Fund Balances		Expenditures	Transfers		Fund Balances
	July 1, 2019	Revenues		In	Out	
General Fund						
Administration	\$ -		1,471	-	-	-
Gifts and Donations	-	1,811	-	-	-	-
Fines, Fees and Dues	-	3,024	-	480	-	-
Instruction	-	-	5,394	-	-	-
Interest	-	6,001	-	-	-	-
Resale Items	-	5,452	-	-	-	-
Total General Fund	75,463	16,288	6,865	480	-	85,366
Restricted Funds						
Board of Education Allocations						
Administration Equipment	-	-	967	967	-	-
Administration Supplies	-	2,990	3,628	638	-	-
Attendance Incentives	-	1,000	-	-	-	1,000
B.E.P. Instructional Supplies	5,568	40,154	56,847	19,914	98	8,691
B.E.P. Other Supplies	-	5,580	-	-	5,580	-
Band Instructional Equipment	-	5,000	4,992	-	8	-
Custodial Supplies	-	14,175	11,927	-	-	2,248
Honors/Graduation	-	9,950	3,945	-	4,477	1,528
Library	-	12,189	6,099	-	-	6,090
Maintenance and Repairs	-	1,959	424	-	1,535	-
RTI Supplies	-	100	-	-	-	100
Student Body	-	6,000	3,613	-	2,387	-
Textbooks	-	105,655	94,897	-	10,758	-
WTA/RTI	-	-	761	3,000	-	2,239
Athletic Accounts						
Athletic A.V.T. Jenkins	734	-	-	-	-	734
Athletic Banners	26,676	4,480	2,570	-	-	28,586
Athletics	36,674	349,944	376,549	8,951	638	18,382
Athletics Special Projects	-	13,907	-	-	-	13,907
Bricks	4,105	-	-	-	-	4,105
Cheerleaders	1,997	3,228	4,982	-	-	243
JV Cheerleaders	60	1,300	1,010	-	-	350
Class Account	5,044	290	2,742	-	-	2,592
Club Accounts						
Clone Club	313	450	549	-	-	214
FBLA	1,500	10,327	7,387	-	-	4,440
FCA Club	118	625	333	-	-	410
FCCLA Club	4,887	4,268	3,965	2,403	-	7,593
FFA Club	2,943	4,468	6,766	-	-	645
French Club	31	-	-	-	-	31
FTA Club	388	-	-	-	-	388
H.O.S.A.	3,019	8,219	8,288	-	-	2,950
Key Club	263	1,709	1,675	-	-	297
Mountain Club	1,138	1,210	925	-	-	1,423

(Continued)

**ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
ELIZABETHTON HIGH SCHOOL
INTERNAL SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - REGULATORY BASIS
For the Fiscal Year Ended June 30, 2020**

EXHIBIT B

	Fund Balances		Expenditures	Transfers		Fund Balances
	July 1, 2019	Revenues		In	Out	
Restricted Funds (Continued)						
Club Accounts (Continued)						
National Honor Society	1,478	370	153	-	-	1,695
Spanish Club	395	-	-	-	-	395
Student Council	7,114	5,774	5,654	-	-	7,234
Young Democrats Club	100	-	-	-	-	100
Young Republicans Club	100	-	-	-	-	100
Donation Accounts						
Donations for Seniors	728	-	-	-	-	728
Buckle Up Program	25	-	-	-	-	25
Grant Account						
Niswonger Mini Grant	378	-	-	-	-	378
Other Accounts						
Art Department	177	2,000	2,000	-	-	177
Auto Mechanics	19	287	-	-	-	306
Band	257	4	-	-	-	261
Betsy Entrepreneurship	-	-	208	631	-	423
Building Improvements	857	-	-	-	-	857
Cadet Corp	317	-	-	-	-	317
C.D.C. Greenhouse	397	-	25	-	-	372
C.D.C. - Special Education	6	462	140	-	-	328
Chorus	-	72,163	53,310	98	18,951	-
Computer Hardware	595	-	-	-	-	595
Cyclone Print Shop Sp. Ed.	918	3,646	3,721	-	-	843
Dramatics	3,567	4,144	5,994	-	-	1,717
EHS Pageant	2,440	-	-	-	-	2,440
English Department	139	-	-	-	-	139
Ethics Team	410	-	-	-	-	410
Flowers - Staff	2,377	200	2,577	-	-	-
Guidance Testing	3,599	314	628	-	-	3,285
Instruction and Equipment	663	-	-	-	-	663
Library Office	803	261	156	-	-	908
Math Department	562	-	-	-	-	562
N.E.T.S.P.A.	96	-	-	-	-	96
Newspaper	50	-	-	-	-	50
NYC Trip	-	39,944	37,219	-	300	2,425
Physical Education	108	25	-	-	25	108
Powderpuff Football	208	-	-	-	-	208
Power Lifting	119	-	-	-	-	119
Ralph Lingerfelt Award	125	525	525	-	-	125
Science Department	428	1,330	595	-	-	1,163
Social Studies Department	62	82	87	-	-	57
STEM	3,428	-	-	-	-	3,428
Teacher of the Year - Wal-Mart	78	-	-	-	-	78
Textbook - State	20	-	-	-	-	20
Top Gun Aviators Club	633	1,560	819	-	-	1,374
Transcripts	18	9	-	-	-	27
Transportation	641	529	519	-	-	651

(Continued)

**ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
ELIZABETHTON HIGH SCHOOL
INTERNAL SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - REGULATORY BASIS
For the Fiscal Year Ended June 30, 2020**

EXHIBIT B

	Fund Balances		Expenditures	Transfers		Fund Balances June 30, 2020
	July 1, 2019	Revenues		In	Out	
Restricted Funds (Continued)						
Other Accounts (Continued)						
VICA/Criminal Justice	-	158	236	78	-	-
Vocational Department	547	272	-	-	78	741
VR Lab	-	340	437	226	-	129
XQ	331,337	449,770	534,926	10,000	2,551	253,630
XQ Other	481	2,427	2,427	-	-	481
Yearbook	15,464	17,348	5,094	-	-	27,718
Youth Risk	-	345	-	-	-	345
Scholarship Accounts						
A. H. Tipton Scholarship	2,925	46	-	-	-	2,971
Class of 1957	54,621	2,100	2,000	-	-	54,721
Crockett-Montgomery Memorial Fund	21,037	386	1,000	-	-	20,423
Katherine Jones Scholarship	91,123	1,352	-	-	-	92,475
Kenneth Jack Scholarship	94,021	1,569	-	-	-	95,590
Nancy Hunt Scholarship	11,227	26	1,500	-	-	9,753
Sam Greenwell Scholarship	1,665	-	-	-	-	1,665
Student Council Memorial Fund	946	2	-	-	-	948
Tanner Perkins Scholarship	22	1,525	1,522	-	-	25
Wanda K. Bass Scholarship	199	-	-	-	-	199
Total Restricted Funds	755,508	1,220,472	1,269,313	46,906	47,386	706,187
Total General and Restricted Funds	\$ 830,971	1,236,760	1,276,178	47,386	47,386	791,553

The notes are an integral part of these financial statements.

**ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
T.A. DUGGER JUNIOR HIGH SCHOOL
INTERNAL SCHOOL FUND
BALANCE SHEET - REGULATORY BASIS
June 30, 2020**

EXHIBIT A

	ASSETS			LIABILITIES AND FUND BALANCES				Total Liabilities and Fund Balances
	Cash in Bank - Checking	Cash in Bank - Savings	Total Assets	Fund Balances			Total Fund Balances	
				Restricted	Assigned	Unassigned		
General Fund	\$ 13,375	30,017	43,392	-	-	43,392	43,392	43,392
Restricted Funds								
Board of Education Allocations								
Attendance Incentives	851	-	851	851	-	-	851	851
RTI Supplies and Materials	48	-	48	48	-	-	48	48
Test Score Recognition	500	-	500	500	-	-	500	500
Athletics Account	39,919	-	39,919	-	39,919	-	39,919	39,919
Club Accounts								
Builders Club	10	-	10	-	10	-	10	10
Drama Club	1,102	-	1,102	-	1,102	-	1,102	1,102
Enrichment Club	77	-	77	-	77	-	77	77
Fellowship of Christian Athletes	367	-	367	-	367	-	367	367
Future Business Leaders of America	152	-	152	-	152	-	152	152
Library Club	8,995	-	8,995	-	8,995	-	8,995	8,995
Show Choir	1,598	-	1,598	-	1,598	-	1,598	1,598
Student Council	1,422	-	1,422	-	1,422	-	1,422	1,422
Donation Accounts								
PTAC Donation	2,383	-	2,383	2,383	-	-	2,383	2,383
Science Department Donation	1,625	-	1,625	1,625	-	-	1,625	1,625
Shape the State	478	-	478	478	-	-	478	478
Special Ed Donation	449	-	449	449	-	-	449	449
Teacher Donation	100	-	100	100	-	-	100	100
Other Accounts								
Industrial Arts	491	-	491	-	491	-	491	491
Math Competition	54	-	54	-	54	-	54	54
Prom	3,267	-	3,267	-	3,267	-	3,267	3,267
Washington Trip	10,040	-	10,040	-	10,040	-	10,040	10,040
Washington Trip Sponsor	145	-	145	-	145	-	145	145
Total Restricted Funds	74,073	-	74,073	6,434	67,639	-	74,073	74,073
Total General and Restricted Funds	\$ 87,448	30,017	117,465	6,434	67,639	43,392	117,465	117,465

The notes are an integral part of these financial statements.

ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
T.A. DUGGER JUNIOR HIGH SCHOOL
INTERNAL SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - REGULATORY BASIS
For the Fiscal Year Ended June 30, 2020

EXHIBIT B

	Fund Balances			Transfers		Fund Balances
	July 1, 2019	Revenues	Expenditures	In	Out	June 30, 2020
General Fund						
Instruction	\$ -	-	501	-	-	-
Field Trips	-	3,581	3,384	-	-	-
Fines, Fees and Dues	-	5,185	-	-	-	-
Gifts, Bequests and Donations	-	546	-	-	-	-
Interest	-	181	-	-	-	-
Resale Items	-	654	-	-	-	-
Total General Fund	37,130	10,147	3,885	-	-	43,392
Restricted Funds						
Board of Education Allocations						
Administration Equipment	-	-	199	199	-	-
Administration Supplies	-	3,079	2,887	-	192	-
Attendance Incentives	-	1,000	149	-	-	851
Communication	-	-	3,961	3,961	-	-
Custodial Supplies	-	10,300	7,544	-	2,756	-
Furniture and Fixtures	-	-	3,659	3,659	-	-
Instructional Equipment	-	-	605	605	-	-
Instructional Supplies	200	29,732	32,360	2,428	-	-
Library Books/Media	-	9,093	5,897	-	3,196	-
Maintenance and Repairs	-	1,462	-	-	1,462	-
Other Charges	-	4,950	1,691	-	3,259	-
Other Supplies and Materials	-	3,994	4,860	866	-	-
RTI Supplies and Materials	1	101	2	-	52	48
Test Score Recognition	-	500	-	-	-	500
Textbooks	-	53,000	52,199	-	801	-
Athletics Account	37,219	23,502	20,802	-	-	39,919
Club Accounts						
Builders Club	10	-	-	-	-	10
Drama Club	1,102	-	-	-	-	1,102
Enrichment Club	77	-	-	-	-	77
Fellowship of Christian Athletes	367	-	-	-	-	367
Future Business Leaders of America	59	665	572	-	-	152
Library Club	8,898	97	-	-	-	8,995
Show Choir	1,717	-	119	-	-	1,598
Student Council	1,422	-	-	-	-	1,422
Donation Accounts						
PTAC Donation	1,746	28,020	27,383	-	-	2,383
Science Department Donation	3,306	-	1,681	-	-	1,625
Shape the State	478	-	-	-	-	478
Special Ed Donation	449	-	-	-	-	449
Teacher Donation	-	100	-	-	-	100
Other Accounts						
Dollywood Trip	-	320	320	-	-	-
Industrial Arts	491	-	-	-	-	491
Math Competition	54	-	-	-	-	54
Prom	4,763	-	1,496	-	-	3,267
Washington Trip	14,363	84,631	88,954	-	-	10,040
Washington Trip Sponsor	423	1,135	1,413	-	-	145
Yearbook	-	2,247	2,247	-	-	-
Total Restricted Funds	77,145	257,928	261,000	11,718	11,718	74,073
Total General and Restricted Funds	\$ 114,275	268,075	264,885	11,718	11,718	117,465

The notes are an integral part of these financial statements.

**ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
EAST SIDE ELEMENTARY SCHOOL
INTERNAL SCHOOL FUND
BALANCE SHEET - REGULATORY BASIS
June 30, 2020**

EXHIBIT A

	ASSETS			LIABILITIES AND FUND BALANCES					Total Liabilities and Fund Balances
	Cash in Bank - Checking	Accounts Receivable	Total Assets	Accounts Payable	Fund Balances			Total Fund Balances	
				Restricted	Assigned	Unassigned			
General Fund	\$ 40,718	-	40,718	-	-	-	40,718	40,718	40,718
Restricted Funds									
Board of Education Allocations									
Administrative Supplies	1,516	-	1,516	-	1,516	-	-	1,516	1,516
Attendance Incentives	777	-	777	-	777	-	-	777	777
Custodial Supplies	122	-	122	-	122	-	-	122	122
Guidance	66	-	66	-	66	-	-	66	66
Instructional Materials	3,022	-	3,022	-	3,022	-	-	3,022	3,022
Library	3,974	-	3,974	-	3,974	-	-	3,974	3,974
Maintenance and Repairs	219	-	219	-	219	-	-	219	219
Other Supplies and Materials	171	-	171	-	171	-	-	171	171
Physical Education	702	-	702	-	702	-	-	702	702
Club Accounts									
Boys to Men Club	400	-	400	-	-	400	-	400	400
K/Create It Kids Club	369	-	369	-	-	369	-	369	369
Show Choir	22	-	22	-	-	22	-	22	22
Donation Accounts									
Accelerated Reader Donations	150	-	150	-	150	-	-	150	150
Douglas H.O.P.E. PreK	43	-	43	-	43	-	-	43	43
PTAC Field Trip	329	-	329	-	329	-	-	329	329
Questar Grant	143	-	143	-	143	-	-	143	143
Restricted Donation	257	-	257	-	257	-	-	257	257
Student Support Fund	826	-	826	-	826	-	-	826	826
Target Field Trip Grant	104	-	104	-	104	-	-	104	104
United Way Literacy Fund	700	-	700	-	700	-	-	700	700
Walmart	250	-	250	-	250	-	-	250	250
Walmart Grant	10	-	10	-	10	-	-	10	10
WELC Funds	2,392	-	2,392	-	2,392	-	-	2,392	2,392
Other Accounts									
Around the World Youth	110	-	110	-	-	110	-	110	110
Camp Explorer	11	-	11	-	-	11	-	11	11
Luau	234	-	234	-	-	234	-	234	234
Target Ripley's Aquarium	4	-	4	-	-	4	-	4	4
Total Restricted Funds	16,923	-	16,923	-	15,773	1,150	-	16,923	16,923
Total General and Restricted Funds	\$ 57,641	-	57,641	-	15,773	1,150	40,718	57,641	57,641

The notes are an integral part of these financial statements.

**ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
EAST SIDE ELEMENTARY SCHOOL
INTERNAL SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - REGULATORY BASIS
For the Fiscal Year Ended June 30, 2020**

EXHIBIT B

	Fund Balances		Expenditures	Transfers		Fund Balances
	July 1, 2019	Revenues		In	Out	
General Fund						
Field Trips	\$ -	3,585	3,593	8	-	-
Fines, Fees and Dues	-	3,040	-	-	-	-
Resale	-	527	-	-	-	-
Total General Fund	37,151	7,152	3,593	8	-	40,718
Restricted Funds						
Board of Education Allocations						
Administrative Supplies	-	1,990	474	-	-	1,516
Art - Instructional Materials	-	1,863	1,863	-	-	-
Attendance Incentives	-	1,000	223	-	-	777
Custodial Supplies	-	7,575	7,453	-	-	122
Guidance	-	1,000	934	-	-	66
Instructional Materials	964	17,372	16,144	830	-	3,022
Library	1,133	5,283	2,442	-	-	3,974
Maintenance and Repairs	-	849	630	-	-	219
Music	-	1,625	1,625	-	-	-
Other Supplies and Materials	-	2,321	2,150	-	-	171
Physical Education	-	1,000	298	-	-	702
Textbooks	-	8,000	7,170	-	830	-
Club Accounts						
Boys to Men Club	-	400	-	-	-	400
K/Create It Kids Club	219	150	-	-	-	369
Show Choir	22	-	-	-	-	22
Donation Accounts						
Accelerated Reader Donations	150	-	-	-	-	150
Douglas H.O.P.E. PreK	43	-	-	-	-	43
PTAC Field Trip	337	-	-	-	8	329
Questar Grant	486	-	343	-	-	143
Restricted Donation	257	-	-	-	-	257
Student Support Fund	945	200	319	-	-	826
Target Field Trip Grant	104	-	-	-	-	104
United Way Literacy Funds	-	700	-	-	-	700
Walmart	250	-	-	-	-	250
Walmart Grant	10	-	-	-	-	10
WELC Funds	2,228	3,127	2,963	-	-	2,392
Other Accounts						
Around the World Youth	110	-	-	-	-	110
Camp Explorer	43	4,888	4,920	-	-	11
Dollar General Literacy	33	-	33	-	-	-
Luau	167	437	370	-	-	234
Target Ripley's Aquarium	4	-	-	-	-	4
Total Restricted Funds	7,505	59,780	50,354	830	838	16,923
Total General and Restricted Funds	\$ 44,656	66,932	53,947	838	838	57,641

The notes are an integral part of these financial statements.

**ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
HAROLD MCCORMICK ELEMENTARY SCHOOL
INTERNAL SCHOOL FUND
BALANCE SHEET - REGULATORY BASIS
June 30, 2020**

EXHIBIT A

	ASSETS			LIABILITIES AND FUND BALANCES					Total Liabilities and Fund Balances
	Cash in Bank - Checking	Accounts Receivable	Total Assets	Accounts Payable	Fund Balances			Total Fund Balances	
					Restricted	Assigned	Unassigned		
General Fund	\$ 49,573	-	49,573	-	-	-	49,573	49,573	49,573
Restricted Funds									
Board of Education Allocations									
Administrative Supplies	484	-	484	-	484	-	-	484	484
Art	1,059	-	1,059	-	1,059	-	-	1,059	1,059
Attendance Incentives	769	-	769	-	769	-	-	769	769
Custodial Supplies	1,572	-	1,572	-	1,572	-	-	1,572	1,572
Furniture and Fixtures	163	-	163	-	163	-	-	163	163
Guidance	243	-	243	-	243	-	-	243	243
Instructional Materials	1,240	-	1,240	-	1,240	-	-	1,240	1,240
Library	4,728	-	4,728	-	4,728	-	-	4,728	4,728
Maintenance and Repair	751	-	751	-	751	-	-	751	751
Music	131	-	131	-	131	-	-	131	131
Other Supplies and Materials	350	-	350	-	350	-	-	350	350
Physical Education	968	-	968	-	968	-	-	968	968
RTI Supplies and Materials	11	-	11	-	11	-	-	11	11
Donation Accounts									
Arts Council Donation	4	-	4	-	4	-	-	4	4
Dairy Queen	550	-	550	-	550	-	-	550	550
Fifth Grade	7	-	7	-	7	-	-	7	7
First Grade	24	-	24	-	24	-	-	24	24
Guidance Donation	201	-	201	-	201	-	-	201	201
Hurricane Way	314	-	314	-	314	-	-	314	314
K Seals Classroom	11	-	11	-	11	-	-	11	11
K-Kids	489	-	489	-	489	-	-	489	489
Literacy Library	331	-	331	-	331	-	-	331	331
PTAC/Items Needed Donation	4,124	-	4,124	-	4,124	-	-	4,124	4,124
Questar Grant	400	-	400	-	400	-	-	400	400
Second Grade Deloach	11	-	11	-	11	-	-	11	11
Sensory Room	897	-	897	-	897	-	-	897	897
Student/Teacher Donation	408	-	408	-	408	-	-	408	408
Target Grant	393	-	393	-	393	-	-	393	393
Walmart Grant	201	-	201	-	201	-	-	201	201
Walmart Grant Deloach	12	-	12	-	12	-	-	12	12
Walmart Grant Estep	189	-	189	-	189	-	-	189	189
Walmart Grant Perkins	1,000	-	1,000	-	1,000	-	-	1,000	1,000
Other Accounts									
Camp Explore	429	-	429	-	-	429	-	429	429
Choir	1,098	-	1,098	-	-	1,098	-	1,098	1,098
Christmas	2	-	2	-	-	2	-	2	2
Furniture/Technology Fund	461	-	461	-	-	461	-	461	461
Lockers	1	-	1	-	-	1	-	1	1
Picture Commission	313	-	313	-	-	313	-	313	313
School Musical	14	-	14	-	-	14	-	14	14
Spirit Account	37	-	37	-	-	37	-	37	37
TN Treble Choir	29	-	29	-	-	29	-	29	29
Memorial Account									
Estep Memorial	251	-	251	-	251	-	-	251	251
Total Restricted Funds	24,670	-	24,670	-	22,286	2,384	-	24,670	24,670
Total General and Restricted Funds	\$ 74,243	-	74,243	-	22,286	2,384	49,573	74,243	74,243

The notes are an integral part of these financial statements.

**ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
HAROLD MCCORMICK ELEMENTARY SCHOOL
INTERNAL SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - REGULATORY BASIS
For the Fiscal Year Ended June 30, 2020**

EXHIBIT B

	Fund Balances			Transfers		Fund Balances June 30, 2020
	July 1, 2019	Revenues	Expenditures	In	Out	
General Fund						
Administrative	\$ -	-	1,893	-	-	-
Field Trips	-	2,891	-	-	-	-
General Donations	-	-	2,932	-	-	-
Interest	-	869	-	-	-	-
Other	-	468	-	-	-	-
Resale Items	-	4,454	4,360	-	-	-
Total General Fund	50,076	8,682	9,185	-	-	49,573
Restricted Funds						
Board of Education Allocations						
Administrative Supplies	-	1,990	1,506	-	-	484
Art	-	2,875	1,816	-	-	1,059
Attendance Incentives	-	1,000	231	-	-	769
Custodial Supplies	-	7,700	6,128	-	-	1,572
Furniture and Fixtures	-	-	2,337	2,500	-	163
Guidance	-	1,050	757	-	50	243
Instructional Materials	3,892	16,891	18,254	-	1,289	1,240
Library	302	5,483	1,057	-	-	4,728
Maintenance and Repairs	290	821	360	-	-	751
Music	-	1,700	1,569	-	-	131
Other Supplies and Materials	-	2,242	1,892	-	-	350
Physical Education	-	1,000	32	-	-	968
RTI Supplies and Materials	-	100	89	-	-	11
Textbooks	300	8,000	7,089	-	1,211	-
Donation Accounts						
Arts Council Donation	4	478	478	-	-	4
Dairy Queen	-	712	162	-	-	550
Fifth Grade	7	-	-	-	-	7
First Grade	24	-	-	-	-	24
Guidance Donation	-	350	199	50	-	201
Hurricane Way	-	700	386	-	-	314
K Seals Classroom	11	-	-	-	-	11
K-Kids	106	668	285	-	-	489
Literacy Library	-	700	369	-	-	331
PTAC/Items Needed Donation	4,158	556	590	-	-	4,124
Questar Grant	400	-	-	-	-	400
Second Grade Deloach	11	-	-	-	-	11
Sensory Room	764	500	367	-	-	897
Student/Teacher Donation	519	-	111	-	-	408
Target Grant	513	-	120	-	-	393
Walmart Grant	412	-	211	-	-	201
Walmart Grant Deloach	207	-	195	-	-	12
Walmart Grant Estep	314	-	125	-	-	189
Walmart Grant Perkins	1,000	-	-	-	-	1,000

(Continued)

**ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
HAROLD MCCORMICK ELEMENTARY SCHOOL
INTERNAL SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - REGULATORY BASIS
For the Fiscal Year Ended June 30, 2020**

EXHIBIT B

	Fund Balances			Transfers		Fund Balances June 30, 2020
	July 1, 2019	Revenues	Expenditures	In	Out	
Other Accounts						
Camp Explore	426	4,242	4,239	-	-	429
Choir	1,195	446	543	-	-	1,098
Christmas	2	-	-	-	-	2
Furniture/Technology Fund	461	-	-	-	-	461
Lockers	1	-	-	-	-	1
Picture Commission	-	1,619	1,306	-	-	313
School Musical	2	439	427	-	-	14
Special Education	-	553	553	-	-	-
Spirit Account	37	-	-	-	-	37
TN Treble Choir	-	29	-	-	-	29
Memorial Account						
Estep Memorial	251	-	-	-	-	251
Total Restricted Funds	<u>15,609</u>	<u>62,844</u>	<u>53,783</u>	<u>2,550</u>	<u>2,550</u>	<u>24,670</u>
Total General and Restricted Funds	<u>\$ 65,685</u>	<u>71,526</u>	<u>62,968</u>	<u>2,550</u>	<u>2,550</u>	<u>74,243</u>

The notes are an integral part of these financial statements.

**ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
WEST SIDE ELEMENTARY SCHOOL
INTERNAL SCHOOL FUND
BALANCE SHEET - REGULATORY BASIS
June 30, 2020**

EXHIBIT A

	ASSETS			LIABILITIES AND FUND BALANCES					Total Liabilities and Fund Balances
	Cash in	Accounts	Total	Accounts	Fund Balances			Total Fund	
	Bank - Checking	Receivable	Assets	Payable	Restricted	Assigned	Unassigned	Balances	
General Fund	\$ 42,101	-	42,101	-	-	-	42,101	42,101	42,101
Restricted Funds									
Board of Education Allocations									
Administrative Supplies	49	-	49	-	49	-	-	49	49
Attendance Incentives	994	-	994	-	994	-	-	994	994
Custodial Supplies	1,075	-	1,075	-	1,075	-	-	1,075	1,075
Guidance	306	-	306	-	306	-	-	306	306
Instructional Materials	350	-	350	-	350	-	-	350	350
Library	26	-	26	-	26	-	-	26	26
Maintenance and Repairs	463	-	463	-	463	-	-	463	463
Music	215	-	215	-	215	-	-	215	215
Other Supplies and Materials	764	-	764	-	764	-	-	764	764
Physical Education	608	-	608	-	608	-	-	608	608
RTI Supplies and Materials	100	-	100	-	100	-	-	100	100
Donation Accounts									
C.A.R. Donation	200	-	200	-	200	-	-	200	200
Food City Rewards	1,012	-	1,012	-	1,012	-	-	1,012	1,012
K-Kids	284	-	284	-	284	-	-	284	284
PTO Classroom Books	917	-	917	-	917	-	-	917	917
PTO Counseling Funds	196	-	196	-	196	-	-	196	196
PTO Library Donation	307	-	307	-	307	-	-	307	307
United Way Literacy Fund	294	-	294	-	294	-	-	294	294
Other Accounts									
Camp Explore	420	-	420	-	-	420	-	420	420
Fundraising Account	3,099	-	3,099	-	-	3,099	-	3,099	3,099
Kindergarten Cookie Shop	40	-	40	-	-	40	-	40	40
Kindergarten Cupcake Shop	181	-	181	-	-	181	-	181	181
May Day	801	-	801	-	-	801	-	801	801
Media Center STEM	2,370	-	2,370	-	-	2,370	-	2,370	2,370
West Side Running Club	301	-	301	-	-	301	-	301	301
Total Restricted Funds	15,372	-	15,372	-	8,160	7,212	-	15,372	15,372
Total General and Restricted Funds	\$ 57,473	-	57,473	-	8,160	7,212	42,101	57,473	57,473

The notes are an integral part of these financial statements.

**ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
WEST SIDE ELEMENTARY SCHOOL
INTERNAL SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - REGULATORY BASIS
For the Fiscal Year Ended June 30, 2020**

EXHIBIT B

	Fund Balances			Transfers		Fund Balances June 30, 2020
	July 1, 2019	Revenues	Expenditures	In	Out	
General Fund						
Administration	\$ -	-	580	-	-	-
Field Trips	-	6,268	6,007	-	-	-
Fines, Fees and Dues	-	4,060	-	-	-	-
Instructional B.E.P.	-	-	61	-	-	-
Interest	-	673	-	-	-	-
Other	-	19	-	-	-	-
Resale Items	-	5,683	2,768	-	-	-
Total General Fund	34,814	16,703	9,416	-	-	42,101
Restricted Funds						
Board of Education Allocations						
Administrative Equipment	-	150	150	-	-	-
Administrative Supplies	-	1,990	1,941	-	-	49
Art	-	2,875	2,875	-	-	-
Attendance Incentives	-	1,000	6	-	-	994
Custodial Supplies	-	6,250	5,175	-	-	1,075
Guidance	-	1,000	694	-	-	306
Instructional Materials	258	16,448	17,571	1,215	-	350
Library	336	5,114	5,424	-	-	26
Maintenance and Repairs	-	809	346	-	-	463
Music	-	1,001	786	-	-	215
Other Supplies and Materials	-	2,209	1,445	-	-	764
Physical Education	-	1,000	392	-	-	608
RTI Supplies and Materials	-	100	-	-	-	100
Test Score Recognition	-	500	500	-	-	-
Textbooks	-	8,000	6,785	-	1,215	-
Donation Accounts						
C.A.R. Donation	200	-	-	-	-	200
Food City Rewards	1,011	311	310	-	-	1,012
K-Kids	312	1,556	1,584	-	-	284
PTAC Donation	2,232	-	-	-	2,232	-
PTO Classroom Books	-	3,600	2,683	-	-	917
PTO Counseling Funds	-	1,000	804	-	-	196
PTO Library Donation	-	5,000	4,693	-	-	307
Technology Funds	-	5,000	8,758	3,758	-	-
United Way Literacy Fund	-	700	406	-	-	294
Other Accounts						
Camp Explore	621	8,335	8,536	-	-	420
Fundraising Account	-	16,644	12,019	-	1,526	3,099
Honors Day 5th Grade	-	220	220	-	-	-
Kindergarten Cookie Shop	40	-	-	-	-	40
Kindergarten Cupcake Shop	16	165	-	-	-	181
May Day	801	904	904	-	-	801
Media Center STEM	2,038	6,239	5,907	-	-	2,370
West Side Running Club	50	1,506	1,255	-	-	301
Total Restricted Funds	7,915	99,626	92,169	4,973	4,973	15,372
Total General and Restricted Funds	\$ 42,729	116,329	101,585	4,973	4,973	57,473

The notes are an integral part of these financial statements.

**ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS - REGULATORY BASIS
SCHEDULE OF INTERFUND AND INTERACCOUNT TRANSFERS
BY SCHOOL
For the Fiscal Year Ended June 30, 2020**

ELIZABETHTON HIGH SCHOOL

	<u>Transfer From</u>													Total
	<u>Transfer To</u>	Athletics	Band Instructional Equipment	B.E.P. Instructional Supplies	B.E.P. Other Supplies	Chorus	Honors/ Graduation	Maintenance and Repair	NYC Trip	Physical Education	Student Body	Textbooks	Vocational	
Administration Supplies	\$ -	-	-	-	-	-	638	-	-	-	-	-	-	638
Administrative Equipment	-	-	-	-	-	70	897	-	-	-	-	-	-	967
Athletics	-	-	-	-	8,951	-	-	-	-	-	-	-	-	8,951
B.E.P. Instructional Supplies	-	8	-	2,354	-	4,407	-	-	-	2,387	10,758	-	-	19,914
Betsy Entreprenuership	-	-	-	-	-	-	-	-	-	-	-	-	631	631
Chorus	-	-	98	-	-	-	-	-	-	-	-	-	-	98
FCCLA Club	608	-	-	-	-	-	-	-	-	-	-	-	1,795	2,403
General Fund	30	-	-	-	-	-	-	300	25	-	-	-	125	480
VICA/Criminal Justice	-	-	-	-	-	-	-	-	-	-	-	78	-	78
VR Lab	-	-	-	226	-	-	-	-	-	-	-	-	-	226
WIA/RTI	-	-	-	3,000	-	-	-	-	-	-	-	-	-	3,000
XQ	-	-	-	-	10,000	-	-	-	-	-	-	-	-	10,000
Total	\$ 638	8	98	5,580	18,951	4,477	1,535	300	25	2,387	10,758	78	2,551	47,386

T.A. DUGGER JUNIOR HIGH SCHOOL

	<u>Transfer From</u>								Total
	<u>Transfer To</u>	Administration Supplies	Custodial Supplies	Library Books / Media	Maintenance and Repairs	Other Charges	RTI Supplies and Materials	Textbooks	
Administration Equipment	\$ -	-	199	-	-	-	-	-	199
Communication	-	-	1,691	-	-	2,270	-	-	3,961
Furniture and Fixtures	-	-	-	2,670	-	989	-	-	3,659
Instructional Equipment	-	79	-	526	-	-	-	-	605
Instructional Supplies	-	113	-	-	1,462	-	52	801	2,428
Other Supplies and Materials	-	-	866	-	-	-	-	-	866
Total	\$ 192	192	2,756	3,196	1,462	3,259	52	801	11,718

(Continued)

**ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS - REGULATORY BASIS
SCHEDULE OF INTERFUND AND INTERACCOUNT TRANSFERS BY SCHOOL
For the Fiscal Year Ended June 30, 2020**

EAST SIDE ELEMENTARY SCHOOL

<u>Transfer To</u>	<u>Transfer From</u>		
	<u>PTAC Field Trip</u>	<u>Textbooks</u>	<u>Total</u>
Field Trips	\$ 8	-	8
Instructional Materials	-	830	830
Total	\$ 8	830	838

HAROLD MCCORMICK ELEMENTARY SCHOOL

<u>Transfer To</u>	<u>Transfer From</u>			
	<u>Instructional Materials</u>	<u>Guidance</u>	<u>Textbooks</u>	<u>Total</u>
Furniture and Fixtures	\$ 1,289	-	1,211	2,500
Guidance Donation	-	50	-	50
Total	\$ 1,289	50	1,211	2,550

WEST SIDE ELEMETARY SCHOOL

<u>Transfer To</u>	<u>Transfer From</u>			
	<u>Fundraising Account</u>	<u>PTAC Donation</u>	<u>Textbooks</u>	<u>Total</u>
Instructional Materials	\$ -	-	1,215	1,215
Technology Funds	1,526	2,232	-	3,758
Total	\$ 1,526	2,232	1,215	4,973

See Independent Auditors' Report.

**ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS - REGULATORY BASIS
SCHEDULE OF SURETY BOND COVERAGE
For the Fiscal Year Ended June 30, 2020**

Company	Tennessee Risk Management Trust
Type of Coverage	Public School System Honesty Blanket Position Bond
Amount	\$400,000 each and every loss \$500 deductible - each occurrence
Period Covered	July 1, 2019 - July 1, 2020
Positions Covered	All Employees

See Independent Auditors' Report.

**ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS - REGULATORY BASIS
SCHEDULE OF SALARY SUPPLEMENTS
For the Fiscal Year Ended June 30, 2020**

School	Amount	Source	Board Approved (1)	Proper Withholding
<u>Elizabethton High School</u>				
B. Wagner	\$ 560	Athletics	Yes	Yes
C. Roberts	1,665	Athletics	Yes	Yes
C. Salyer	680	Athletics	Yes	Yes
C. Dugger	630	Athletics	Yes	Yes
C. Bennett	3,054	Athletics	Yes	Yes
E. Morrell	709	Athletics	Yes	Yes
G. Hall	1,289	Athletics	Yes	Yes
J. Clevinger	600	Athletics	Yes	Yes
J. Fox	2,134	Athletics	Yes	Yes
J. Johnson	566	Athletics	Yes	Yes
J. Harrison	965	Athletics	Yes	Yes
K. Grindstaff	2,827	Athletics	Yes	Yes
K. Harmon	1,094	Athletics	Yes	Yes
L. Bradley	1,075	Athletics	Yes	Yes
L. Honeycutt	630	Athletics	Yes	Yes
M. Fox	650	Athletics	Yes	Yes
M. Peters	1,531	Athletics	Yes	Yes
R. Livingston	1,057	Athletics	Yes	Yes
T. Holliday	3,167	Athletics	Yes	Yes
T. Pennell	560	Athletics	Yes	Yes
W. Hayes	946	Athletics	Yes	Yes
Z. Ensor	1,216	Athletics	Yes	Yes
Other	8,484	Athletics	Yes	Yes
J. Hayes	560	Student Body	Yes	Yes
Other	1,602	Student Body	Yes	Yes
T. Holliday	733	Chorus	Yes	Yes
Other	27	Chorus	Yes	Yes
Other	980	Class Clubs	Yes	Yes
A. Campbell	70,000	XQ Grant	Yes	Yes
D. Duncan	31,258	XQ Grant	Yes	Yes
A. Wilber	5,000	XQ Grant	Yes	Yes
R. Casey	625	XQ Grant	Yes	Yes
C. Salyer	2,125	XQ Grant	Yes	Yes
D. Proffitt	625	XQ Grant	Yes	Yes
J. Honeycutt	625	XQ Grant	Yes	Yes
D. Campbell	2,500	XQ Grant	Yes	Yes
D. Hensley	1,500	XQ Grant	Yes	Yes
M. Donnellan	8,839	XQ Grant	Yes	Yes
S. Whitehead	3,000	XQ Grant	Yes	Yes
Other	795	XQ Grant	Yes	Yes
Total Elizabethton High School	<u>166,883</u>			

(Continued)

**ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS - REGULATORY BASIS
SCHEDULE OF SALARY SUPPLEMENTS
For the Fiscal Year Ended June 30, 2020**

School	Amount	Source	Board Approved (1)	Proper Withholding
<u>T.A. Dugger Junior High</u>				
G. Nidiffer	899	Athletics	Yes	Yes
J. Johnson	909	Athletics	Yes	Yes
K. Grindstaff	793	Athletics	Yes	Yes
K. Hardin	650	Athletics	Yes	Yes
M. Peters	1,122	Yearbook	Yes	Yes
T. Holliday	596	Athletics	Yes	Yes
W. Hayes	517	Athletics	Yes	Yes
K. Waite	1,400	Yearbook	Yes	Yes
Other	2,671	Athletics & Club	Yes	Yes
Total T.A. Dugger Junior High School	<u>9,557</u>			
<u>Elementary Schools</u>				
East Side				
Other	300	Yearbook	Yes	Yes
Harold McCormick				
Other	941	Club	Yes	Yes
West Side				
B. Hawkins	573	Yearbook	Yes	Yes
Other	709	Club	Yes	Yes
Total Elementary Schools	<u>2,523</u>			
Total School Activity Funds	<u>\$ 178,963</u>			

(1) Although supplements were not individually approved by the Board of Education, all activities were approved.

Note: A base amount of \$500 was used for this schedule. Those supplements to individuals in excess of \$500 are listed separately by name. All others which are less than \$500 are accumulated and reported as "Other".

See Independent Auditors' Report.

SECTION III

COMPLIANCE AND INTERNAL CONTROL SECTION

**INDEPENDENT AUDITORS' 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**

To the Chairman and Members of the Board
Elizabethton, Tennessee Board of Education

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 combined financial statements - regulatory basis of the Elizabethton, Tennessee Board of Education Internal School Funds, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Elizabethton, Tennessee Board of Education Internal School Funds' basic financial statements. We also have audited the individual school financial statements – regulatory basis (referred to in the aggregate with those financial statements above as “the financial statements”) as of and for the year ended June 30, 2020, presented as supplementary information and have issued our report thereon dated November 19, 2020. Our report disclosed that, as described in Note 1 to the financial statements, the financial statements are prepared in conformity with the accounting practices prescribed by the *Tennessee Internal School Uniform Accounting Policy Manual*, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Elizabethton, Tennessee Board of Education Internal School Funds' 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 the Elizabethton, Tennessee Board of Education Internal School Funds' internal control. Accordingly, we do not express an opinion on the effectiveness of the Elizabethton, Tennessee Board of Education Internal School Funds' internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2020-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Elizabethton, Tennessee Board of Education Internal School Funds' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and responses as item: 2020-001.

Elizabethton, Tennessee Board of Education's Response to Findings

Elizabethton, Tennessee Board of Education's responses to the finding identified in our audit is described in the accompanying schedule of findings and responses. Elizabethton, Tennessee Board of Education's response and plans to address the finding is described in the accompanying management's corrective action plan. Elizabethton, Tennessee Board of Education Internal School Funds' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Blackburn, Childers + Steagall, PLLC

BLACKBURN, CHILDERS & STEAGALL, PLC
Johnson City, Tennessee

November 19, 2020

**ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS - REGULATORY BASIS
SCHEDULE OF DISPOSITION OF PRIOR FISCAL YEAR FINDINGS
For the Fiscal Year Ended June 30, 2020**

Prior Fiscal year Finding Number	Finding Title	Status / Current Fiscal Year Finding Number
2019-001	Fundraisers (original finding # 2018-003)	Corrected
2019-002	Cash Receipts	Partially Corrected/2020- 001

**ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS – REGULATORY BASIS
SCHEDULE OF FINDINGS AND RESPONSES
For the Fiscal Year Ended June 30, 2020**

FINDINGS – FINANCIAL STATEMENT AUDIT

2020-001: Significant Deficiency – Cash Receipts (Repeated)

Criteria: The *Tennessee Internal School Uniform Accounting Policy Manual (Manual)* Section 5, *Operating Procedures*, Title 2, *Revenue/Receipts*.

Condition: Proper procedures for cash receipts were not always followed at Harold McCormick Elementary School. During audit procedures, we noted at least two receipts did not have a supporting teacher log sheet.

Effect: The effect of this issue causes the school to not be in compliance with the internal control procedures for cash receipts as prescribed by the *Manual*.

Cause: School officials did not always properly follow cash receipt controls and procedures that were in place.

Recommendation: We recommend the schools follow all requirements for proper cash receipt process as described in the *Manual*.

Response: The bookkeeper will revise the current retention procedure for logs. Teachers will be informed and instructed on the procedure change.

SECTION IV

MANAGEMENT'S CORRECTIVE ACTION PLAN SECTION



**ELIZABETHTON
CITY SCHOOLS**

Experience Excellence

Richard VanHuss
Director of Schools

John Hutchins

Assistant Director of Schools- Operations

Dr. Myra Newman

Assistant Director of Schools - Academics

**ELIZABETHTON CITY SCHOOLS
SCHOOL ACTIVITY FUNDS
SIGNIFICANT DEFICIENCY
JUNE 30, 2020**

**HAROLD McCORMICK ELEMENTARY SCHOOL_
2019-02 / 2020-001**

CASH RECEIPTS

Response and Corrective Action Plan Prepared by:

Beth Wilson
Director of Finance
Elizabethton City Schools

Person Responsible for
Implementing the Corrective Action:
Anticipated Completion of Corrective Action:
Repeat Deficiency:

Same
November 30, 2020
Yes

Planned Corrective Action:

The bookkeeper will revise the current retention procedure for logs. Teachers will be informed and instructed on the procedure change.

Richard VanHuss
Director of Schools

804 S. Watauga Ave.
Elizabethton, TN 37644
P(423) 547-8000
F(423) 547-8929

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON,
TENNESSEE)

FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
For the Fiscal Year Ended June 30, 2020

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2020

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
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ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
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For the Fiscal Year Ended June 30, 2020

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SECTION I

INTRODUCTORY SECTION

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
LIST OF ELECTED AND APPOINTED OFFICIALS
June 30, 2020

Elected Officials - as of June 30, 2020

Chair	Rita Booher
Vice-Chair	Phil Isaacs
Board Member	Grover May, MD
Board Member	Danny O'Quinn
Board Member	Eddie Pless

Appointed Officials and Directors - as of June 30, 2020

Director of Schools	Dr. Corey R. Gardenhour
Deputy Director of Schools	Dr. Myra Newman
Chief Operating Officer	Joey Trent
Assistant Director of Schools, Director of Special Education & RTI	Richard VanHuss
Director of Federal Programs, Transportation, Health and Athletic Services	John Hutchins
Director of Business and Fiscal Management	Beth Wilson, MBA
Director of Early Learning, Curriculum & Testing 6-12, and Data Services	Travis Thompson

SECTION II
FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Director of Schools
and School Board Members
Elizabethton City Schools
Elizabethton, Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Elizabethton City Schools, a component unit of the City of Elizabethton, Tennessee, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Elizabethton City Schools' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Elizabethton City Schools, a component unit of the City of Elizabethton, Tennessee, as of June 30, 2020, and the respective changes in financial position and the respective budgetary comparison for each fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and pension and OPEB schedules as listed in the table of contents on pages 5-10 and pages 75-82 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Elizabethton City Schools' basic financial statements. The introductory section and the schedule of expenditures of state awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal and state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2020, on our consideration of the Elizabethton City Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Elizabethton City Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Elizabethton City Schools' internal control over financial reporting and compliance.

Blackburn, Childers & Steagall, PLLC

BLACKBURN, CHILDERS & STEAGALL, PLC
Johnson City, Tennessee

December 1, 2020

**ELIZABETHTON CITY SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

This section of the Elizabethton Board of Education's (the Board's) annual financial report presents the discussion and analysis of the Board's financial performance during the fiscal year ending June 30, 2020. Please read it in conjunction with the Board's financial statements, which immediately follow this section.

Financial Highlights

The financial status of the Board increased during the year mainly due to the increase in pension asset. The Board's Net Position increased by 2.4%.

- The total Unrestricted/Unassigned General Purpose fund balance increased by \$187,121; the total School Nutrition fund decreased by \$62,702; and the Federal Projects fund remained constant.
- New equipment was purchased for the CTE department from grant funds.
- One new 66 passenger bus was purchased.
- A vision screener was purchased with grant funds.
- The STEM lab project at Elizabethton High School was completed.
- An energy project for all schools was in progress.
- The remodel for protected entrances at three locations was in progress.
- An upgrade to all security systems was in progress.
- Other capital projects were in the planning phase.

Overview of the Financial Statements

This annual report consists of these parts: management's discussion and analysis (this section), the basic financial statements, required supplementary information and supplementary information. The basic financial statements include two kinds of statements that present different views of the school system:

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the Board's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the school system, reporting the system's operations in more detail than the government-wide statements.

**ELIZABETHTON CITY SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Government-Wide Statements

The government-wide statements report information about the school system as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the Board's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash was received or paid.

The two government-wide statements report the Board's net position and how they have changed. Net position, the difference between the Board's assets, deferred outflows, liabilities and deferred inflows, are one way to measure the Board's financial health or position.

- Over time, increases or decreases in the Board's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the Board's overall health, additional nonfinancial factors such as changes in enrollment and the condition of school buildings and other facilities, need to be considered.

In the government-wide financial statements, the Board's activities are reported as Governmental Activities. The Board has no business-type activities.

Governmental Activities: Includes the Board's basic services, such as regular and special education, transportation, child nutrition, and administration.

Fund Financial Statements

The fund financial statements provide more detailed information about the Board's funds, focusing on its most significant or "major" funds, not the school system as a whole. Funds are accounting devices the school system uses to keep track of specific resources of funding and spending on particular programs.

- Governmental funds: All of the school system's services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in or out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the school system's programs.

**ELIZABETHTON CITY SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Financial Analysis of the Board as a Whole

Condensed Statement of Net Position

	<u>Governmental Activities</u>		Total % Change <u>2019-2020</u>
	<u>2019</u>	<u>2020</u>	
Current and Other Assets	\$ 6,198,871	7,008,852	13.1%
Capital Assets	20,008,761	19,730,829	-1.4%
Net Pension Asset	<u>1,091,863</u>	<u>3,123,986</u>	186.1%
Total Assets	<u>27,299,495</u>	<u>29,863,667</u>	9.4%
Deferred Outflows of Resources	<u>4,335,128</u>	<u>3,720,611</u>	-14.2%
Current Liabilities	1,132,401	1,219,080	7.7%
Long-Term Liabilities	<u>6,636,703</u>	<u>6,121,365</u>	-7.8%
Total Liabilities	<u>7,769,104</u>	<u>7,340,445</u>	-5.5%
Deferred Inflows of Resources	<u>5,122,842</u>	<u>7,060,584</u>	37.8%
Net Investment in Capital Assets	20,008,761	19,730,829	-1.4%
Restricted	1,533,140	3,462,931	125.9%
Unrestricted	<u>(2,799,224)</u>	<u>(4,010,511)</u>	43.3%
Total Net Position	<u>\$ 18,742,677</u>	<u>19,183,249</u>	2.4%

Net Position

The Board's Total Assets increased during the 2019-2020 fiscal year by 9.4%. Liabilities decreased by 5.5%. Both changes were due to pension asset and liability. More detailed information regarding pensions can be accessed in the Notes and Supplementary Information sections of the audit report.

The Board's financial position is the product of many factors. The most significant factor in 2019-2020 was the change in pension asset and liability. There were also some increases related to the COVID-19 closure of schools, such as the increase in School Nutrition inventory, increase in Compensated Absences and savings within the General Purpose fund.

**ELIZABETHTON CITY SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Changes in Net Position from Operating Results

	Governmental Activities		Total % Change 2019-2020
	2019	2020	
Revenues			
Program Revenues			
Charges for Services	\$ 777,533	653,637	-15.9%
Operating Grants	5,991,621	5,946,608	-0.8%
Capital Grants	-	179,496	100.0%
General Revenues			
Property Taxes	3,144,005	3,231,266	2.8%
Other Taxes	2,458,593	3,084,028	25.4%
State Revenues	13,777,611	14,157,635	2.8%
Other	72,232	70,821	-2.0%
Total Revenues	26,221,595	27,323,491	4.2%
Expenses			
Instruction	13,885,665	15,465,578	11.4%
Support Services	9,580,987	9,770,660	2.0%
Food Service	1,157,231	1,099,140	-5.0%
Community Services	254,028	145,457	-42.7%
Early Childhood Education	412,420	402,084	-2.5%
Total Expenses	25,290,331	26,882,919	6.3%
Increase (Decrease) in Net Position	931,264	440,572	
Beginning Net Position	17,811,413	18,742,677	
Ending Net Position	\$ 18,742,677	19,183,249	

The total cost of all programs and services increased 6.3% to \$26.9 million. The Board's expenses are predominately related to instruction of K-12 students and support services for educators (93.9% of total costs). The operation of food service, community service and early childhood service programs accounted for 6.1% of the expenditures.

Governmental Activities

Revenues for the Board's governmental activities increased by 4.2%, and total expenses increased by 6.3%. The Net Position of the Board increased by \$440,572 or 2.4%.

**ELIZABETHTON CITY SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Financial Analysis of the Board's Funds

The financial performance of the Board as a whole is reflected in its governmental funds as well. As the Board completed the year, its governmental funds reported combined fund balances of \$2,535,443 which were more than last year's ending fund balances of \$1,850,723. This increase is mainly due to receipt of settlement funds from the Rails to Trails lawsuit.

The Board's governmental funds experienced revenues and other sources more than expenditures in 2020 as follows:

General Purpose	\$	747,442
Child Nutrition	\$	(62,702)
Federal Projects	\$	0

Budgetary Highlights

Over the course of the year, the Board revised the annual operating budget. These budget amendments fall into three categories:

- To adjust federal monies to the grants awarded
- To budget reserves and reappropriate monies to areas of need
- To increase/decrease revenues as received

Although the Board's final budget for the general fund anticipated \$24,246,007 of revenues would be received, the Board actually received \$48,876 less than anticipated. This is mostly due to the delay of spending of the funds generated from the School Safety Grant. The Board budgeted \$24,440,737 of expenditures. The actual expenditures of \$23,481,889 were \$958,848 under budget.

Capital Asset and Debt Administration

At the end of 2020, the Elizabethton City Schools had invested \$19.7 million in a broad range of capital assets, including school buildings, athletic facilities, computer equipment, and school vehicles (mainly buses). This amount represents a decrease of \$277,932 or 1.4% from last year. (More detailed information about assets can be found in the notes to the financial statements.) Total depreciation expense for the year totaled \$720,183 while building improvements and additions to equipment amounted to \$290,535 (net of decreases).

**ELIZABETHTON CITY SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Capital Assets (Net of Depreciation)

	<u>Governmental Activities</u>		Total % Change <u>2019-2020</u>
	<u>2019</u>	<u>2020</u>	
Land	\$ 303,700	303,700	0.0%
Construction In Progress	511,676	663,392	29.7%
Buildings	18,306,394	17,886,528	-2.3%
Equipment and Vehicles	<u>886,991</u>	<u>877,209</u>	-1.1%
Total Assets	<u>\$ 20,008,761</u>	<u>19,730,829</u>	-1.4%

The Board's fiscal year 2020 capital expenditures consisted of the purchase of a flight simulator upgrades for the CTE department, a vision screener to be used at all locations, one new school bus and the completion of the STEM lab at Elizabethton High School. Construction in Progress included the expenditures for an energy project and security upgrades for all schools, protected entrances at Elizabethton High School, Harold McCormick Elementary and East Side Elementary.

Factors Impacting the Future of the School System and Board

Ensuring that students and teachers have appropriate and adequate resources and technology available to meet the goals set for academic achievement during a global pandemic

Providing all students with appropriate academic intervention

Providing for the safety and security of our students

Securing funding for additional classrooms at T. A. Dugger Junior High School

Continuing to make improvements as an XQ Super High School

Continued repairs to aging facilities

Contacting the Board's Financial Management

This financial report is designed to provide the Board's citizens, taxpayers, customers, investors, and creditors with a general overview of the Board's finances and to demonstrate the Board's accountability for the funds it receives. If you have questions about this report or need additional financial information, contact the Office of Business and Fiscal Management, Elizabethton Board of Education, 804 South Watauga Avenue, Elizabethton, Tennessee 37643.

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities
ASSETS	
Cash	\$ 2,602,443
Restricted Investments - TCRS Stabilization Reserve	92,867
Accounts Receivable	14,498
Due from Other Governments	973,532
Due from Carter County	3,254,329
Inventories	71,183
Capital Assets Not Being Depreciated	
Land	303,700
Construction in Progress	663,392
Capital Assets, Net of Accumulated Depreciation	
Buildings	17,886,528
Equipment	877,209
Net Pension Asset - Teacher Retirement Plan and Legacy Plan	3,123,986
Total Assets	29,863,667
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to OPEB	1,688,317
Deferred Outflows Related to Pensions	2,032,294
	3,720,611
LIABILITIES	
Accounts Payable	1,219,080
Long-Term Liabilities	
Due Within One Year	8,688
Due Within More Than One Year:	
Compensated Absences	89,656
OPEB Liability	5,568,768
Net Pension Liability	454,253
Total Liabilities	7,340,445
DEFERRED INFLOWS OF RESOURCES	
Deferred Revenues - Current Property Tax	3,194,951
Deferred Inflows Related to OPEB	994,349
Deferred Inflows Related to Pensions	2,871,284
	7,060,584
NET POSITION	
Investment in Capital Assets	19,730,829
Restricted for Operations	338,945
Restricted for Net Pension Asset	3,123,986
Unrestricted	(4,010,511)
Total Net Position	\$ 19,183,249

See accompanying notes to the basic financial statements.

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2020

Functions/Programs	Expenses	PROGRAM REVENUES		Governmental Activities	NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION
		Charges for Services	Operating Grants and Contributions		
Governmental Activities					
Instruction	\$ 15,465,578	441,118	4,575,093	179,496	(10,269,871)
Support Services	9,770,660	-	145,334	-	(9,625,326)
Food Services	1,099,140	212,519	822,323	-	(64,298)
Community Services	145,457	-	-	-	(145,457)
Early Childhood Education	402,084	-	403,858	-	1,774
Total Governmental Activities	26,882,919	653,637	5,946,608	179,496	(20,103,178)
General Revenues					
Payments from Carter County					
					3,231,266
					2,580,870
					106,902
					396,256
					14,157,635
					29,369
					50
					41,402
					<u>20,543,750</u>
					Change in Net Position 440,572
					Net Position - Beginning <u>18,742,677</u>
					Net Position - Ending <u>\$ 19,183,249</u>

See accompanying notes to the basic financial statements.

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020

	General Purpose School Fund	School Federal Projects Fund	School Nutrition Fund	Total Governmental Funds
ASSETS				
Cash	\$ 2,209,435	71,801	321,207	2,602,443
Restricted Investments - TCRS Stabilization Reserve	92,867	-	-	92,867
Accounts Receivable	3,372	-	11,126	14,498
Due from Other Governments	931,817	24,244	17,471	973,532
Due from Carter County	3,254,329	-	-	3,254,329
Inventories	-	-	71,183	71,183
TOTAL ASSETS	\$ 6,491,820	96,045	420,987	7,008,852
LIABILITIES				
Accounts Payable	\$ 1,137,176	71,045	10,859	1,219,080
Total Liabilities	1,137,176	71,045	10,859	1,219,080
DEFERRED INFLOWS OF RESOURCES				
Deferred Revenues - Current Property Tax	3,194,951	-	-	3,194,951
Deferred Revenues - Unavailable	59,378	-	-	59,378
Total Deferred Inflows of Resources	3,254,329	-	-	3,254,329
FUND BALANCES				
NonSpendable				
Inventories	-	-	71,183	71,183
Committed for				
Connie Baker Computer Lab	2,000	-	-	2,000
Education	-	25,000	-	25,000
Restricted for				
Operations of Noninstructional Program	-	-	338,945	338,945
Assigned to				
Back to School Bash	2,536	-	-	2,536
Betsy Book Bus	165	-	-	165
Capital Outlay	506,807	-	-	506,807
Community Involvement	9,723	-	-	9,723
COVID - Personnel and Supplies	150,000	-	-	150,000
CTE Supplies	10,450	-	-	10,450
Energy Control	235,000	-	-	235,000
EPSO	771	-	-	771
Equipment, Non-SNP	75,000	-	-	75,000
Special Education Donation	2,347	-	-	2,347
Technology	109,730	-	-	109,730
Unassigned	995,786	-	-	995,786
Total Fund Balances	2,100,315	25,000	410,128	2,535,443
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 6,491,820	96,045	420,987	7,008,852

See accompanying notes to the basic financial statements.

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2020

Total Fund Balances - Governmental Funds	\$ 2,535,443
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>	
Capital assets used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds. The cost of the assets is \$34,474,724 and the accumulated depreciation is (\$14,743,895).	19,730,829
Revenue, for amounts not received during the period of availability, is not considered "available" and has been deferred in the funds.	59,378
OPEB benefits represent liabilities of the School that are not due and payable in the current period and, therefore, are not reported in the governmental funds. This amount is the net OPEB liability, net of deferred inflows and deferred outflows.	(4,874,800)
Long-term pension retirement plans are not due and payable in the current period and, therefore, are not reported in the governmental funds. This amount is the net pension asset (liability), net of deferred inflows and deferred outflows.	1,830,743
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.	<u>(98,344)</u>
Total Net Position - Governmental Activities	<u>\$ 19,183,249</u>

See accompanying notes to the basic financial statements.

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2020

	General Purpose School Fund	School Federal Projects Fund	School Nutrition Fund	Total Governmental Funds
REVENUES				
Payments from County and City	\$ 8,299,270	-	-	8,299,270
Revenue from State of Tennessee	14,993,589	-	10,597	15,004,186
Revenue from Federal Government	-	1,888,331	811,726	2,700,057
Charges for Services	441,118	-	212,519	653,637
Investment Earnings	25,446	-	3,923	29,369
Other	437,708	-	-	437,708
Total Revenues	24,197,131	1,888,331	1,038,765	27,124,227
EXPENDITURES				
Instruction	13,993,414	1,335,481	-	15,328,895
Support Services	8,584,549	485,091	-	9,069,640
Food Services	-	-	1,101,467	1,101,467
Community Services	145,765	-	-	145,765
Early Childhood Education	402,935	-	-	402,935
Capital Outlay	355,226	35,559	-	390,785
Total Expenditures	23,481,889	1,856,131	1,101,467	26,439,487
Excess (Deficiency) of Revenues Over (Under) Expenditures	715,242	32,200	(62,702)	684,740
OTHER FINANCING SOURCES (USES)				
Transfers In	32,200	-	-	32,200
Transfers Out	-	(32,200)	-	(32,200)
Total Other Financing Sources (Uses)	32,200	(32,200)	-	-
NET CHANGE IN FUND BALANCES	747,442	-	(62,702)	684,740
FUND BALANCES, JULY 1, 2019	1,352,873	25,000	472,830	1,850,703
FUND BALANCES, JUNE 30, 2020	\$ 2,100,315	25,000	410,128	2,535,443

See accompanying notes to the basic financial statements.

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2020

Total Net Change in Fund Balances - Governmental Funds	\$ 684,740
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense of \$720,183 exceeds capital outlays subject to the Board's capitalization policy of \$302,225.	(417,958)
The net effect of various transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.	140,026
Because some property taxes and grants will not be collected for several months after the fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues decreased by this amount for the current fiscal year.	19,768
In the Statement of Activities, certain operating expenses such as compensated absences, are measured by the amounts earned during the fiscal year. In the governmental funds however, expenditures for these items are measured by the amount of financial resources used. Compensated absences changed by this amount for the current fiscal year.	(41,868)
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. This is the net amount of the change in Deferred Outflows of Resources Related to Pensions (\$369,799), change in Deferred Inflows of Resources Related to Pensions (\$1,215,421), and the change in Net Pension Asset (Liability) \$2,058,815.	473,595
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. This is the net amount of the change in Deferred Outflows of Resources Related to OPEB (\$244,718), change in Deferred Inflows of Resources Related to OPEB (\$703,527), and the change in Net OPEB Asset (Liability) \$530,514.	<u>(417,731)</u>
Change in Net Position of Governmental Activities	<u>\$ 440,572</u>

See accompanying notes to the basic financial statements.

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
GENERAL PURPOSE SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
PAYMENTS FROM COUNTY AND CITY				
Carter County				
Local Sales Tax	\$ 2,216,000	2,417,000	2,598,695	181,695
County Property Tax	3,364,500	3,297,800	3,269,908	(27,892)
Other Local Tax	20,575	30,725	30,667	(58)
City of Elizabethton				
Contributions	2,400,000	2,400,000	2,400,000	-
Total Payments from County and City	<u>8,001,075</u>	<u>8,145,525</u>	<u>8,299,270</u>	<u>153,745</u>
INTERGOVERNMENTAL REVENUES				
State of Tennessee				
Basic Education Program	14,066,000	14,127,000	14,124,750	(2,250)
Driver's Education	8,250	12,100	12,089	(11)
Career Ladder Program	41,359	33,192	32,885	(307)
Early Childhood Education	404,779	403,858	403,858	-
Other State Education Funds	331,830	514,905	420,007	(94,898)
Total Intergovernmental Revenues	<u>14,852,218</u>	<u>15,091,055</u>	<u>14,993,589</u>	<u>(97,466)</u>
MISCELLANEOUS REVENUES				
Tuition	533,302	537,052	441,118	(95,934)
Rental of School Property	1,000	1,000	50	(950)
Interest Income	26,000	23,500	25,446	1,946
Donations	25,200	51,480	41,402	(10,078)
Marriage Licenses	600	600	460	(140)
Other Local Revenues	300	395,795	395,796	1
Total Miscellaneous Revenues	<u>586,402</u>	<u>1,009,427</u>	<u>904,272</u>	<u>(105,155)</u>
TOTAL REVENUES	<u>23,439,695</u>	<u>24,246,007</u>	<u>24,197,131</u>	<u>(48,876)</u>

(Continued)

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
GENERAL PURPOSE SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
EXPENDITURES				
Instruction				
Instruction - Regular Instruction				
Teachers	7,075,652	7,127,652	7,124,655	2,997
Career Ladder Program	24,000	24,000	23,710	290
Homebound Teachers	20,000	20,000	17,608	2,392
Educational Assistants	235,881	226,881	224,518	2,363
Other Salaries and Wages	191,965	188,465	188,252	213
Certified Substitute Teachers	20,000	6,000	5,692	308
Non-Certified Substitute Teachers	115,000	70,000	67,818	2,182
Social Security	468,563	450,563	449,220	1,343
State Retirement	752,821	722,821	721,694	1,127
Life Insurance	13,343	13,406	13,406	-
Medical Insurance	1,252,532	1,277,032	1,278,146	(1,114)
Dental Insurance	50,880	50,880	47,660	3,220
Medicare	110,833	106,333	105,733	600
Other Post-Employment Benefit Payments	68,200	68,200	68,088	112
TCRS Stabilization Payments	30,000	27,500	(1,401)	28,901
Other Contracted Services	54,000	30,000	29,515	485
Instructional Supplies	138,500	143,156	148,692	(5,536)
Textbooks	220,000	182,000	182,000	-
Other Supplies and Materials	66,620	74,570	74,370	200
Equipment and Furniture	-	25,862	25,862	-
Total Instruction - Regular Instruction	10,908,790	10,835,321	10,795,238	40,083
Instruction - Special Education				
Teachers	798,782	848,782	845,561	3,221
Career Ladder Program	1,000	1,000	1,000	-
Homebound Teachers	2,000	2,000	1,010	990
Educational Assistants	345,506	335,506	315,311	20,195
Speech Pathologist	159,401	161,901	159,651	2,250
Certified Substitute Teachers	2,500	500	235	265
Non-Certified Substitute Teachers	20,000	8,000	7,753	247
Social Security	82,062	82,062	79,048	3,014
State Retirement	115,276	117,776	119,175	(1,399)
Life Insurance	2,273	2,348	2,345	3
Medical Insurance	239,375	246,725	246,254	471
Dental Insurance	10,084	10,084	9,588	496
Medicare	19,015	19,015	18,546	469
Other Post-Employment Benefit Payments	16,500	16,500	16,388	112

(Continued)

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
GENERAL PURPOSE SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
EXPENDITURES (CONTINUED)				
Instruction (Continued)				
Instruction - Special Education (Continued)				
TCRS Stabilization Payments	6,500	6,500	-	6,500
Contracts with Other Public Agencies	12,425	12,425	8,969	3,456
Contracts with Private Agencies	40,000	41,500	41,147	353
Instructional Supplies	12,000	15,100	10,424	4,676
Other Supplies and Materials	2,000	2,000	492	1,508
Special Education Equipment	5,000	8,580	5,933	2,647
Total Instruction - Special Education	1,891,699	1,938,304	1,888,830	49,474
Instruction - Vocational Education				
Teachers	732,790	719,790	718,906	884
Certified Substitute Teachers	1,000	1,000	70	930
Non-Certified Substitute Teachers	14,000	9,000	8,128	872
Social Security	45,500	42,000	41,536	464
State Retirement	77,900	65,900	65,863	37
Life Insurance	1,260	1,260	1,242	18
Medical Insurance	114,743	114,743	121,521	(6,778)
Dental Insurance	4,738	4,738	4,377	361
Medicare	10,700	10,700	9,757	943
Other Post-Employment Benefit Payments	5,900	5,900	5,853	47
TCRS Stabilization Payments	7,500	7,500	-	7,500
Maintenance and Repair - Equipment	2,500	2,500	1,433	1,067
Instructional Supplies	24,000	24,000	15,129	8,871
Other Supplies and Charges	1,000	7,740	6,439	1,301
Total Instruction - Vocational Education	1,043,531	1,016,771	1,000,254	16,517
Instruction - Student Body				
Other Salaries and Wages	242,361	233,361	233,111	250
Social Security	15,000	15,000	13,988	1,012
State Retirement	22,600	17,600	16,631	969
Life Insurance	45	45	45	-
Medical Insurance	6,444	6,444	6,444	-
Dental Insurance	315	315	294	21
Employer Medicare	3,500	3,900	3,877	23
TCRS Stabilization Payments	1,500	1,500	(94)	1,594
Other Supplies and Materials	4,400	19,925	19,907	18
Other Charges	10,500	14,900	14,889	11
Total Instruction - Student Body	306,665	312,990	309,092	3,898
Total Instruction Expenditures	14,150,685	14,103,386	13,993,414	109,972
Support Services				
Student Services - Attendance				
Supervisor/Director	1,500	1,500	1,500	-
Secretary(ies)	44,803	44,803	44,803	-
Social Security	2,800	2,875	2,860	15
State Retirement	4,420	4,420	4,420	-
Life Insurance	45	45	45	-
Medical	7,044	7,219	7,212	7
Dental	315	315	300	15

(Continued)

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
GENERAL PURPOSE SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
EXPENDITURES (CONTINUED)				
Support Services (Continued)				
Student Services - Attendance (Continued)				
Medicare	650	675	669	6
Other Supplies and Materials	2,000	5,050	5,045	5
Travel	3,500	3,500	3,138	362
Other Contracted Services	13,600	24,600	19,104	5,496
Total Student Services - Attendance	80,677	95,002	89,096	5,906
Student Services - Health Services				
Supervisor/Director	59,767	47,044	47,043	1
Medical Personnel	185,820	197,820	196,216	1,604
Social Security	15,230	14,703	14,554	149
State Retirement	23,835	22,624	22,581	43
Life Insurance	450	450	450	-
Medical Insurance	59,641	59,641	58,892	749
Dental Insurance	2,530	2,522	2,307	215
Medicare	3,540	3,408	3,404	4
Travel	750	750	314	436
Other Contracted Services	500	408	407	1
Other Supplies and Materials	7,193	20,186	19,140	1,046
Other Charges	750	750	575	175
In-Service/Staff Development	3,500	5,600	5,970	(370)
Total Student Services - Health Services	363,506	375,906	371,853	4,053
Student Services - Other Student Support				
Guidance Personnel	310,530	319,830	319,774	56
Secretaries	115,890	115,890	115,669	221
Other Salaries and Wages	3,000	3,000	-	3,000
Social Security	26,662	26,662	25,758	904
State Retirement	40,956	41,581	41,557	24
Life Insurance	765	765	765	-
Medical Insurance	92,699	96,199	95,808	391
Dental Insurance	4,120	4,120	3,834	286
Medicare	6,240	6,240	6,024	216
Other Post-Employment Benefit Payments	5,700	5,700	5,560	140
TCRS Stabilization Payments	3,500	3,500	-	3,500
Evaluation and Testing	29,000	9,000	2,112	6,888
Career Ladder Program	1,000	1,000	1,000	-
Contracts with Other Governments	134,020	169,400	169,400	-
Other Contracted Services	43,000	50,000	42,400	7,600
Other Charges	9,000	9,000	8,382	618
Other Supplies and Materials	-	69,700	-	69,700
Total Student Services - Other Student Support	826,082	931,587	838,043	93,544
Total Student Services Support Services	1,270,265	1,402,495	1,298,992	103,503

(Continued)

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
GENERAL PURPOSE SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
EXPENDITURES (CONTINUED)				
Support Services (Continued)				
Instructional Staff Services				
Instructional Staff Services - Regular Instruction				
Supervisor/Director	220,316	228,716	227,110	1,606
Career Ladder Program	4,000	4,000	4,000	-
Librarians	270,063	272,063	271,919	144
Secretary	56,004	56,004	56,004	-
Education Assistants	37,746	37,746	37,746	-
Other Salaries and Wages	54,334	54,334	54,334	-
Social Security	39,403	39,403	38,075	1,328
State Retirement	64,080	64,580	64,449	131
Life Insurance	758	758	758	-
Medical Insurance	86,373	86,373	86,254	119
Dental Insurance	3,332	3,332	3,130	202
Medicare	9,298	9,298	8,909	389
Other Post-Employment Benefit Payments	5,500	5,500	5,365	135
TCRS Stabilization Payments	1,000	1,000	-	1,000
Maintenance and Repair - Equipment	10,900	10,900	10,900	-
Travel	1,000	1,000	506	494
Library Books/Media	36,700	36,700	36,700	-
Other Contracted Services	40,000	25,000	19,513	5,487
Other Supplies and Materials	4,800	4,800	2,686	2,114
In-Service/Staff Development	18,975	29,475	23,509	5,966
Other Charges	16,000	23,400	23,114	286
Total Instructional Staff Services - Regular Instruction	<u>980,582</u>	<u>994,382</u>	<u>974,981</u>	<u>19,401</u>
Instructional Staff Services - Special Education				
Supervisor/Director	81,516	77,716	77,679	37
Secretaries	33,602	33,602	33,602	-
Social Security	7,137	7,137	6,606	531
State Retirement	11,861	11,861	11,453	408
Life Insurance	110	110	110	-
Medical Insurance	13,040	13,040	13,006	34
Dental Insurance	500	500	474	26
Medicare	1,660	1,660	1,545	115
Other Post-Employment Benefit Payments	800	800	780	20
Contracts with Private Agencies	175,000	165,000	156,376	8,624
Maintenance and Repair - Equipment	1,000	1,000	210	790
Travel	2,000	2,000	637	1,363
Maintenance and Repair Service	5,000	5,000	-	5,000
In-Service/Staff Development	12,000	12,000	10,573	1,427
Total Instructional Staff Services - Special Education	<u>345,226</u>	<u>331,426</u>	<u>313,051</u>	<u>18,375</u>

(Continued)

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
GENERAL PURPOSE SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
EXPENDITURES (CONTINUED)				
Support Services (Continued)				
Instructional Staff Services (Continued)				
Instructional Staff Services - Vocational Education				
Supervisor/Director	81,053	83,153	83,153	-
Career Ladder Program	1,000	1,000	1,000	-
Secretaries	23,722	23,722	23,722	-
Other Salaries and Wages	24,000	24,000	13,117	10,883
Social Security	6,537	7,337	6,625	712
State Retirement	10,981	11,681	11,361	320
Life Insurance	135	135	135	-
Medical Insurance	18,180	18,180	18,179	1
Dental Insurance	630	630	594	36
Medicare	1,515	1,715	1,549	166
In-Service/Staff Development	3,700	3,700	-	3,700
Total Instructional Staff Services - Vocational Education	171,453	175,253	159,435	15,818
Instructional Staff Services - Technical Services Support				
Supervisor/Director	21,342	21,342	20,635	707
Data Processing Personnel	141,170	141,170	141,170	-
Social Security	10,075	10,075	9,973	102
State Retirement	15,700	15,700	15,619	81
Life Insurance	158	158	158	-
Medical Insurance	23,985	23,985	23,985	-
Dental Insurance	1,025	1,025	976	49
Medicare	2,350	2,350	2,332	18
Maintenance and Repair - Equipment	58,000	23,000	16,526	6,474
Internet Connectivity	70,000	77,600	84,219	(6,619)
Travel	2,000	2,000	1,822	178
Other Contracted Services	30,000	18,000	15,466	2,534
Data Processing Supplies	16,000	7,000	5,646	1,354
In-Service/Staff Development	2,000	2,000	2,000	-
Data Processing Equipment	68,500	116,900	116,760	140
Total Instructional Staff Services - Technical Services Support	462,305	462,305	457,287	5,018
Total Instructional Staff Services Support Services	1,959,566	1,963,366	1,904,754	58,612
General Administrative Services				
General Administrative Services - Board of Education				
Secretary to Board	3,000	3,000	3,002	(2)
Other Salary and Wages	41,980	41,980	40,383	1,597
Social Security	2,790	2,790	2,400	390

(Continued)

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
GENERAL PURPOSE SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
EXPENDITURES (CONTINUED)				
Support Services (Continued)				
General Administrative Services (Continued)				
General Administrative Services - Board of Education (Continued)				
State Retirement	4,280	4,280	4,126	154
Life Insurance	45	45	45	-
Medical Insurance	7,380	8,355	8,333	22
Dental Insurance	315	315	300	15
Unemployment Compensation	15,000	15,000	11,349	3,651
Medicare	650	650	561	89
Audit Services	33,800	33,800	33,800	-
Dues and Memberships	12,000	12,000	11,571	429
Legal Services	15,000	16,500	16,670	(170)
Other Contracted Services	6,000	3,500	3,500	-
Liability Insurance	46,500	46,500	43,770	2,730
Trustee Commissions	90,000	90,000	91,046	(1,046)
Workers' Compensation	180,000	162,000	160,896	1,104
In-Service/Staff Development	7,750	9,000	7,525	1,475
Other Charges	5,000	11,000	10,657	343
Total General Admin. Services. - Board of Education	<u>471,490</u>	<u>460,715</u>	<u>449,934</u>	<u>10,781</u>
General Administrative Services - Office of the Superintendent				
County Official/Administrative Officer	111,968	120,168	120,155	13
Career Ladder Program	1,000	1,000	1,000	-
Secretaries	44,803	44,803	44,801	2
Clerical Personnel	17,914	21,714	20,129	1,585
Other Salaries and Wages	4,800	4,800	4,800	-
Social Security	11,187	11,362	11,268	94
State Retirement	18,481	19,731	19,564	167
Life Insurance	135	160	158	2
Medical Insurance	24,430	29,530	29,168	362
Dental Insurance	945	1,070	1,022	48
Medicare	2,615	2,665	2,632	33
Advertising	4,000	5,000	4,346	654
Communication	53,000	55,000	55,033	(33)
Dues and Memberships	3,500	-	-	-
Postal Charges	3,000	3,000	2,420	580
Printing, Stationery and Forms	1,500	1,500	986	514
Travel	425	425	-	425
Other Contracted Services	10,000	5,000	4,845	155

(Continued)

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
GENERAL PURPOSE SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
EXPENDITURES (CONTINUED)				
Support Services (Continued)				
General Administrative Services (Continued)				
General Administrative Services -				
Office of the Superintendent (Continued)				
Office Supplies	5,000	3,000	2,712	288
In-Service/Staff Development	5,500	9,075	9,079	(4)
Other Charges	10,000	13,000	12,192	808
Total General Admin. Services - Office of the Superintendent	<u>334,203</u>	<u>352,003</u>	<u>346,310</u>	<u>5,693</u>
Total General Administrative Services Support Services	<u>805,693</u>	<u>812,718</u>	<u>796,244</u>	<u>16,474</u>
School Administrative Services - Office of the Principal				
Principals	419,685	416,885	416,853	32
Career Ladder Program	3,000	3,000	3,000	-
Assistant Principals	272,187	340,437	340,431	6
Secretaries	215,278	210,778	210,043	735
Other Salaries and Wages	135,287	138,387	138,385	2
Social Security	64,816	65,436	65,328	108
State Retirement	101,359	113,284	113,275	9
Life Insurance	1,440	1,530	1,530	-
Medical Insurance	182,940	190,320	182,955	7,365
Dental Insurance	6,950	7,265	6,639	626
Medicare	15,154	16,024	15,278	746
Other Post-Employment Benefit Payments	10,400	10,400	10,145	255
TCRS Stabilization Payments	1,400	2,600	-	2,600
Travel	2,000	2,000	934	1,066
Office Supplies	17,225	17,225	17,225	-
In-Service/Staff Development	2,500	3,725	3,696	29
Total School Administrative Services - Office of the Principal	<u>1,451,621</u>	<u>1,539,296</u>	<u>1,525,717</u>	<u>13,579</u>
Business Administrative Services - Fiscal Services				
Supervisor/Director	85,575	85,575	85,575	-
Accountants/Bookkeepers	59,028	59,028	58,761	267
Secretaries	44,803	44,803	44,803	-
Social Security	11,745	11,745	11,489	256
State Retirement	18,971	18,971	18,946	25
Life Insurance	196	196	196	-
Medical Insurance	27,461	27,461	24,873	2,588
Dental Insurance	1,055	1,055	981	74
Medicare	2,750	2,750	2,687	63
Data Processing Services	24,000	28,100	28,613	(513)
Dues and Subscriptions	100	100	-	100
Travel	250	250	-	250
Office Supplies	4,500	4,500	2,960	1,540
In-Service/Staff Development	2,650	5,150	2,756	2,394
Total Business Administrative Services - Fiscal Services	<u>283,084</u>	<u>289,684</u>	<u>282,640</u>	<u>7,044</u>

(Continued)

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
GENERAL PURPOSE SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
EXPENDITURES (CONTINUED)				
Support Services (Continued)				
Operation and Maintenance				
Operation and Maintenance - Operation of Plant				
Custodial Personnel	410,790	410,790	401,167	9,623
Social Security	25,400	25,400	24,400	1,000
State Retirement	36,160	36,160	35,018	1,142
Life Insurance	855	855	851	4
Medical Insurance	153,390	153,390	136,385	17,005
Dental Insurance	6,950	6,950	5,534	1,416
Medicare	5,950	5,950	5,706	244
Other Contracted Services	60,000	60,000	53,193	6,807
Custodial Supplies	57,000	59,800	58,105	1,695
Electricity	480,000	480,000	455,734	24,266
Natural Gas	85,000	73,000	72,500	500
Water and Sewer	47,000	47,000	39,920	7,080
Boiler Insurance	7,000	7,000	6,832	168
Building and Contents Insurance	127,000	124,500	124,477	23
Other Charges	8,000	5,000	2,745	2,255
Total Operation and Maintenance - Operation of Plant	<u>1,510,495</u>	<u>1,495,795</u>	<u>1,422,567</u>	<u>73,228</u>
Operation and Maintenance - Maintenance of Plant				
Supervisor/Director	21,342	21,342	20,635	707
Maintenance Personnel	241,155	222,155	221,606	549
Social Security	16,245	16,245	14,851	1,394
State Retirement	25,200	25,200	23,268	1,932
Life Insurance	293	293	270	23
Medical Insurance	52,161	47,161	45,061	2,100
Dental Insurance	2,290	2,290	2,011	279
Medicare	3,800	3,800	3,473	327
Laundry Service	3,000	3,000	2,791	209
Maintenance and Repair - Buildings	412,000	568,276	530,137	38,139
Maintenance and Repair - Equipment	1,000	-	-	-
Maintenance and Repair - Vehicles	3,000	6,000	3,914	2,086
Other Contracted Services	54,455	70,000	70,000	-
Inservice/Staff Development	-	400	370	30
Total Operation and Maintenance - Maintenance of Plant	<u>835,941</u>	<u>986,162</u>	<u>938,387</u>	<u>47,775</u>
Total Operation and Maintenance Support Services	<u>2,346,436</u>	<u>2,481,957</u>	<u>2,360,954</u>	<u>121,003</u>
Student Transportation				
Supervisor/Director	2,800	2,800	2,800	-
Mechanics	13,245	23,245	23,141	104
Bus Drivers	133,932	137,332	137,306	26
Other Salaries and Wages	18,000	28,500	28,375	125
Social Security	10,105	11,105	10,491	614
State Retirement	15,720	17,455	16,207	1,248
Life Insurance	450	450	401	49
Medical Insurance	66,029	67,259	58,871	8,388
Dental Insurance	3,160	3,310	2,690	620
Medicare	2,340	2,740	2,722	18

(Continued)

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
GENERAL PURPOSE SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
EXPENDITURES (CONTINUED)				
Support Services (Continued)				
Student Transportation (Continued)				
Maintenance and Repair - Vehicles	15,000	25,000	20,172	4,828
Medical and Dental Services	3,000	3,000	2,890	110
Diesel Fuel	40,000	28,000	25,512	2,488
Gasoline	12,500	12,500	12,199	301
Tires and Tubes	7,500	4,500	4,086	414
Vehicle Parts	15,000	22,000	16,340	5,660
Vehicle Insurance	39,500	39,500	38,432	1,068
In-Service/Staff Development	1,500	1,500	386	1,114
Other Charges	3,500	13,000	12,227	773
Total Student Transportation	403,281	443,196	415,248	27,948
Total Support Services	8,519,946	8,932,712	8,584,549	348,163
Community Services				
Supervisor/Director	4,000	6,050	5,568	482
Teachers	80,000	80,000	54,292	25,708
Other Salaries and Wages	56,000	53,180	32,245	20,935
Social Security	8,977	8,977	5,662	3,315
State Retirement	4,505	4,505	1,560	2,945
Life Insurance	5	10	9	1
Medical Insurance	500	1,250	1,230	20
Dental Insurance	15	25	19	6
Medicare	2,050	2,055	1,365	690
Travel	2,500	2,500	475	2,025
Food Supplies	15,000	15,000	10,503	4,497
Other Supplies and Materials	34,500	34,500	26,127	8,373
Inservice/Staff Development	3,500	3,500	2,966	534
Other Charges	5,000	5,000	3,744	1,256
Total Community Services	216,552	216,552	145,765	70,787
Early Childhood Education				
Supervisor/Director	68,673	68,085	68,083	2
Teachers	92,533	93,535	93,533	2
Secretary(ies)	18,847	18,850	18,847	3
Educational Assistants	94,513	94,510	94,511	(1)
Other Salaires and Wages	17,500	17,500	17,509	(9)
Social Security	17,953	17,515	17,516	(1)
State Retirement	21,872	20,655	20,657	(2)
Life Insurance	380	335	333	2

(Continued)

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
GENERAL PURPOSE SCHOOL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
EXPENDITURES (CONTINUED)				
Early Childhood Education (Continued)				
Medical Insurance	42,670	34,760	34,758	2
Dental Insurance	1,800	1,410	1,412	(2)
Employer Medicare	4,200	4,160	4,158	2
TCRS - SRT	850	925	-	925
Travel	2,500	4,530	4,531	(1)
Other Supplies and Materials	10,000	16,065	16,065	-
Other Equipment	10,488	11,023	11,022	1
Total Early Childhood Education	<u>404,779</u>	<u>403,858</u>	<u>402,935</u>	<u>923</u>
Capital Outlay	<u>179,933</u>	<u>784,229</u>	<u>355,226</u>	<u>429,003</u>
Total Expenditures	<u>23,471,895</u>	<u>24,440,737</u>	<u>23,481,889</u>	<u>958,848</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(32,200)</u>	<u>(194,730)</u>	<u>715,242</u>	<u>909,972</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	37,200	32,200	32,200	-
Transfers Out	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>
Total Other Financing Sources (Uses)	<u>32,200</u>	<u>27,200</u>	<u>32,200</u>	<u>5,000</u>
NET CHANGE IN FUND BALANCE	-	(167,530)	747,442	914,972
FUND BALANCE, JULY 1, 2019	<u>1,352,873</u>	<u>1,352,873</u>	<u>1,352,873</u>	<u>-</u>
FUND BALANCE, JUNE 30, 2020	<u>\$ 1,352,873</u>	<u>1,185,343</u>	<u>2,100,315</u>	<u>914,972</u>

See accompanying notes to the basic financial statements.

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
SCHOOL FEDERAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive - (Negative)
REVENUES				
INTERGOVERNMENTAL REVENUES				
Revenues from Federal Government				
Title I	\$ 791,220	980,044	811,625	(168,419)
Title II	75,332	141,397	79,028	(62,369)
Special Education (IDEA)	630,401	685,952	653,277	(32,675)
Special Education (Preschool)	12,716	15,322	11,380	(3,942)
Vocational Education	40,067	56,812	46,843	(9,969)
Safe and Drug Free School	145,334	145,334	145,334	-
Other Federal Revenues	131,082	590,654	140,844	(449,810)
Total Revenues from Federal Government	1,826,152	2,615,515	1,888,331	(727,184)
TOTAL REVENUES	1,826,152	2,615,515	1,888,331	(727,184)
EXPENDITURES				
Instruction				
Instruction - Regular Instruction				
Teachers	105,854	94,604	94,604	-
Educational Assistants	66,270	106,499	77,519	28,980
Other Salaries and Wages	266,017	293,172	293,172	-
Social Security	27,164	30,646	27,415	3,231
State Retirement	39,285	46,425	43,147	3,278
Life Insurance	630	900	806	94
Medical Insurance	57,032	91,441	76,261	15,180
Dental Insurance	2,205	3,780	2,952	828
Medicare	6,354	7,167	6,534	633
Equipment	44,639	57,272	13,116	44,156
Instructional Supplies and Materials	74,884	97,138	64,778	32,360
Total Instruction - Regular Instruction	690,334	829,044	700,304	128,740
Instruction - Special Education				
Teachers	46,552	46,552	48,185	(1,633)
Educational Assistants	434,069	456,082	443,579	12,503
Certified Substitute Teachers	5,950	5,950	841	5,109
Social Security	27,833	29,196	28,205	991
State Retirement	10,508	10,508	11,446	(938)
Life Insurance	225	225	225	-
Medical Insurance	30,538	30,538	30,578	(40)
Dental Insurance	1,265	1,265	1,150	115
Medicare	7,016	7,321	7,014	307
Special Education Equipment	-	26,500	25,000	1,500
Instructional Supplies and Materials	-	7,938	78	7,860
Total Instruction - Special Education	563,956	622,075	596,301	25,774

(Continued)

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
SCHOOL FEDERAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
EXPENDITURES (CONTINUED)				
Instruction (Continued)				
Instruction - Vocational Education				
Instructional Supplies	-	750	750	-
Other Supplies and Materials	-	15,741	5,774	9,967
Vocational Instruction Equipment	24,899	31,236	32,352	(1,116)
Total Instruction - Vocational Education	<u>24,899</u>	<u>47,727</u>	<u>38,876</u>	<u>8,851</u>
Total Instruction Expenditures	<u>1,279,189</u>	<u>1,498,846</u>	<u>1,335,481</u>	<u>163,365</u>
Support Services				
Instructional Staff Services - Regular Instruction				
Supervisor	63,658	59,160	58,198	962
Secretary	28,314	29,125	29,122	3
Other Salaries and Wages	36,000	36,000	36,000	-
Social Security	8,120	7,989	7,801	188
State Retirement	13,598	13,366	13,176	190
Life Insurance	93	90	88	2
Medical Insurance	12,143	9,380	9,376	4
Dental Insurance	440	400	390	10
Employer Medicare	1,901	6,174	1,825	4,349
Other Supplies and Materials	3,500	31,425	13,344	18,081
In-Service/Staff Development	27,540	98,462	24,563	73,899
Instructional Supplies and Materials	1,372	-	-	-
Total Instructional Staff Services - Regular Instruction	<u>196,679</u>	<u>291,571</u>	<u>193,883</u>	<u>97,688</u>
Student Transportation				
Bus Drivers	1,500	-	-	-
Social Security	93	-	-	-
State Retirement	138	-	-	-
Employer Medicare	22	-	-	-
Total Student Transportation	<u>1,753</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Support Services				
Other Student Support	314,328	320,117	289,007	31,110
Vocational Support	2,003	2,119	2,201	(82)
Total Other Support Services	<u>316,331</u>	<u>322,236</u>	<u>291,208</u>	<u>31,028</u>
Total Support Services	<u>514,763</u>	<u>613,807</u>	<u>485,091</u>	<u>128,716</u>
Capital Outlay	<u>-</u>	<u>470,662</u>	<u>35,559</u>	<u>435,103</u>
TOTAL EXPENDITURES	<u>1,793,952</u>	<u>2,583,315</u>	<u>1,856,131</u>	<u>727,184</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>32,200</u>	<u>32,200</u>	<u>32,200</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(32,200)</u>	<u>(32,200)</u>	<u>(32,200)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(32,200)</u>	<u>(32,200)</u>	<u>(32,200)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, JULY 1, 2019	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
FUND BALANCE, JUNE 30, 2020	<u>\$ 25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>

See accompanying notes to the basic financial statements.

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
SCHOOL NUTRITION FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental Revenues				
USDA Lunch Claims	\$ 581,000	531,000	490,850	(40,150)
USDA Breakfast Claims	271,500	230,725	240,353	9,628
Snack Reimbursement	18,000	18,000	12,843	(5,157)
Commodities	93,500	93,500	67,680	(25,820)
State Matching	10,500	10,600	10,597	(3)
Total Intergovernmental Revenues	<u>974,500</u>	<u>883,825</u>	<u>822,323</u>	<u>(61,502)</u>
Charges for Services				
Meal Payment - Children	162,500	162,500	156,409	(6,091)
Meal Payment - Adults	23,900	23,900	20,020	(3,880)
Income from Breakfast	775	775	384	(391)
A La Carte Sales	41,250	41,250	27,065	(14,185)
Other Charges for Services	13,150	13,150	8,641	(4,509)
Total Charges for Services	<u>241,575</u>	<u>241,575</u>	<u>212,519</u>	<u>(29,056)</u>
Investment Earnings	<u>4,000</u>	<u>4,000</u>	<u>3,923</u>	<u>(77)</u>
TOTAL REVENUES	<u>1,220,075</u>	<u>1,129,400</u>	<u>1,038,765</u>	<u>(90,635)</u>
EXPENDITURES				
Food Services				
Supervisor/Director	41,955	45,505	45,490	15
Clerical Personnel	-	15,625	15,609	16
Cafeteria Personnel	337,765	314,765	314,414	351
Social Security	23,545	21,795	21,767	28
State Retirement	30,360	31,810	31,811	(1)
Life Insurance	825	825	828	(3)
Medical Insurance	149,735	152,585	152,902	(317)
Dental Insurance	7,175	6,075	6,074	1
Medicare	5,515	5,515	5,091	424
Maintenance/Repair - Equipment	8,500	12,500	12,489	11
Transportation	2,500	1,500	1,494	6
Travel	150	150	159	(9)
Food Supplies	470,000	386,000	384,925	1,075
Office Supplies	1,000	1,000	397	603
USDA Commodities	93,500	93,500	67,680	25,820
Other Supplies and Materials	31,500	29,700	29,661	39
In-Service/Staff Development	1,050	1,950	2,116	(166)
Other Charges	10,000	7,400	7,361	39
Equipment	5,000	1,200	1,199	1
TOTAL EXPENDITURES	<u>1,220,075</u>	<u>1,129,400</u>	<u>1,101,467</u>	<u>27,933</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(62,702)	(62,702)
FUND BALANCE, JULY 1, 2019	<u>472,830</u>	<u>472,830</u>	<u>472,830</u>	-
FUND BALANCE, JUNE 30, 2020	<u>\$ 472,830</u>	<u>472,830</u>	<u>410,128</u>	<u>(62,702)</u>

See accompanying notes to the basic financial statements.

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Elizabethton City Schools (the Schools) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Schools' accounting policies are described below.

Reporting Entity

The General Purpose School Fund, School Federal Projects Fund, and School Nutrition Fund are three funds of the Elizabethton City Schools. The Schools are included as a discretely presented component unit in the financial report of the City of Elizabethton, Tennessee (the City). The Board of Education (Board) receives funding from local, county, state and federal government sources and must comply with the requirements of these funding source entities. The members of the Board are elected by the voters of the City.

Related Organizations

School Activity Funds of the Schools are the internal school funds used for student body activities within each school. Administration of the school activity funds is the responsibility of the Schools, the Director of Schools, and the principals. The internal school funds are restricted for use by the individual schools; therefore, these funds are not included in the reporting entity of the Board of Education.

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 the nonfiduciary activities of the government. Governmental activities are normally supported by intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

ELIZABETHTON CITY SCHOOLS
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NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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 are 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 Schools consider revenues to be available if they are collected within sixty days of the end of the current fiscal period. Grant revenue has a period of availability of one year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and debt service are recorded only when payment is due.

Property taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Board of Education.

The Schools report the following governmental funds:

General Purpose School Fund – The General Purpose School Fund is the operations fund and accounts for all revenues and expenditures not encompassed within other funds. All general revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Purpose School Fund.

School Federal Projects Fund – The School Federal Projects Fund accounts for federal grant programs including Title I, Title II, Title X, IDEA, Vocational, and Safe and Drug-Free School programs. This fund accounts for these federal grant programs at the Schools including administration, instruction, student support services, and staff development.

School Nutrition Fund – This fund accounts for the federal school lunch, breakfast and snack programs for all the Schools. This includes USDA claims for meals served, a la carte sales, as well as administration of the school cafeteria system including purchase of food, food preparation, salary, and maintenance needs for this program.

During the course of operations, the Board has activity between funds for various purposes. Any residual balances outstanding at fiscal year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Deposits and Investments

The Finance Director is the treasurer for the Schools and in this capacity is responsible for receiving, disbursing, depositing and investing most of the Schools' funds. Certain disclosures regarding deposits and investments are required by GAAP for those amounts included as cash and cash equivalents. The Board of Education does not have any deposits or investments other than cash on deposit with banks.

Receivables

Property taxes receivable from Carter County are recognized as of the date when an enforceable legal claim to the taxable property arises. This is January 1 in Tennessee and is referred to as the "lien date." 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 governmental funds' Balance Sheet as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 60 days of fiscal year-end are considered available and accrued.

Inventories

All inventories are valued at cost using the first-in/first-out (FIFO) method. Governmental funds record inventories as expenditures at the time of purchase. All such inventories on hand at fiscal year-end are reported as assets and as nonspendable in the fund balance section of the governmental funds' Balance Sheet.

Capital Assets

Capital assets are defined as assets with an initial, individual cost of more than \$5,000 for vehicles and equipment and \$50,000 for buildings and improvements. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	40
Vehicles and Equipment	3-20

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance (Continued)

Deferred Outflows / Deferred 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 fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure). The Schools have items that qualify for reporting in this category. Accordingly, these items are reported in the government-wide Statement of Net Position and are for pension and OPEB changes in experience, changes in assumptions, differences in earnings on pension plan investments, changes in proportionate share of contributions, as well as contributions made to the OPEB and pension plans after the measurement date.

In addition to liabilities, the Statement of Net Position and governmental funds' Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Schools have items that qualify for reporting in this category. These items are from the following: current and delinquent property taxes, pension and OPEB changes in assumptions, and changes in experience, differences in earnings on pension plan investments, and changes in proportionate share of contributions. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated Absences

Employees are granted vacation leave and sick leave based upon the Schools' policy. These benefit costs are accrued when earned in the government-wide financial statements. A liability is reported in the governmental funds only if the benefit had been earned at June 30 as a result of a retirement, resignation, or termination, and the benefit is expected to be paid immediately after the start of the new fiscal year. Any remaining vacation days in excess of ten will be converted into sick leave days at the rate of one-half sick leave day for one vacation leave day. The policy was amended in 2005 to allow, at termination of employment, the payment of earned vacation days at the rate of pay applicable when the days were granted. A liability is not recorded for sick leave because the Board's policy is silent on payment to employees upon termination.

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance (Continued)

Net Position/Fund Balance

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

- 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, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, if any.
- 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.
- Unrestricted Net Position – All other net position that does not meet the definition of restricted or net investment in capital assets.

The Board follows GASB Statement No. 54, “Fund Balance Reporting and Government Fund Type Definitions.” This Statement provides clearly defined fund balance categories to make the nature and extent of the constraints placed upon a government’s fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance – amounts that cannot be spent because it is either (a) not in a spendable form or (b) legally or contractually required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the Schools, using its highest level of decision-making authority, which is by resolution. The Board of Education is the highest level of decision-making authority for the Schools that can, by formal resolution, commit fund balance. To be reported as committed, amounts cannot be used for any other purpose unless the Board of Education takes the same highest level action (resolution) to remove, modify, rescind or change the constraint.
- Assigned fund balance – amounts the Schools intend to use for a specific purpose. Intent can be expressed by the Board or by an official or body to which the Board delegates the authority.

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance (Continued)

Net Position/Fund Balance (Continued)

- Unassigned fund balance – amounts that are available for any purpose. Deficits are reported only in the General Purpose School Fund.

The Director of Schools shall have the authority to establish the amount of funds that will be assigned for specific purposes at the end of the fiscal year for the Schools. The budget for the School Federal Projects Fund shall be the budget approved for the separate projects within the fund by the Board.

In the General Purpose School Fund and all governmental funds, the Schools will reduce restricted amounts first when expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) amounts are available. The Schools will reduce committed amounts first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which any of those unrestricted fund balance classifications could be used.

Similarly, the Schools applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Pensions

Agency Plan

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

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance (Continued)

Pensions (Continued)

Teacher Legacy Pension Plan

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Legacy Pension Plan in the TCRS and additions to/deductions from the plan's 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 Legacy Pension Plan. Investments are reported at fair value.

Teacher Retirement Plan

For purposes of measuring the net pension asset, 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 in the TCRS and additions to/deductions from the plan's 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. Investments are reported at fair value.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

The Schools' financial operations are subject to the comprehensive appropriated budget. Budget amendments are authorized during the fiscal year. The Statements of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual include original and final amended budget amounts. The budgets were legally adopted on a basis consistent with GAAP.

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NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE 3 - DETAILED NOTES ON ALL FUNDS

Interfund Balances

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

Interfund Transfers

Transfer In Fund	Transfer Out Fund	Amount	Purpose
General Purpose School	School Federal Projects	\$ 32,200	Reimbursement for Indirect Costs

Deposits and Investments

Cash includes cash on hand and demand deposits.

DEPOSITS - State statutes require all deposits with financial institutions must be collateralized in an amount equal to 105% of the market value of uninsured deposits.

INVESTMENTS - State statutes authorize the Schools to invest in treasury bonds, notes or bills of the United States of America; nonconvertible debt securities of the Federal Home Loan Bank, the Federal National Mortgage Association, the Federal Farm Credit Bank and the State Loan Marketing Association; other obligations not listed above which are guaranteed as to principal and interest by the United States of America or any of its agencies; Certificates of Deposit and other evidences of deposit at State and Federal chartered banks and Savings and Loan Associations; obligations of the United States of America or its agencies under a repurchase agreement and money market funds whose portfolios consist of any of the foregoing investments if approved by the State Director of Local Finance and made in accordance with procedures established by the State Funding Board; the State of Tennessee Local Government Investment Pool (LGIP); obligations of the Public Housing Authority and bonds of the Tennessee Valley Authority. At June 30, 2020, there are no investments other than the TCRS stabilization reserve as disclosed in Note 4.

The Schools do not have a policy for interest rate risk or for other credit risk other than pledging securities for amounts in excess of Federal Deposit Insurance Corporation coverage and placing deposits in banks that are approved members of the State of Tennessee Collateral Pool.

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NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

Deposits and Investments (Continued)

All deposits of the Schools are held by a bank which is an approved member of the Bank Collateral Pool of the Treasury Department of the State of Tennessee. The Collateral Pool is a multiple financial institution collateral pool and State statutes require collateral pledged by each financial institution must equal a certain percentage of the uninsured public deposits it holds. Members of the pool can be assessed if the collateral is inadequate to cover a loss. This is similar to depository insurance. At fiscal year end, the Schools' net carrying amount of deposits was \$2,602,443 and the bank balance was \$2,342,458.

Receivables

Receivables as of fiscal year end for the Schools' individual funds are as follows:

	General Purpose School Fund	School Federal Projects Fund	School Nutrition Fund	Total
Accounts Receivable	\$ 3,372	-	11,126	14,498
Carter County, Tax Allocation	3,254,329	-	-	3,254,329
Due from Other Governments				
Federal and State	931,817	24,244	17,471	973,532
Total Receivables	<u>\$ 4,189,518</u>	<u>24,244</u>	<u>28,597</u>	<u>4,242,359</u>

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NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated				
Land	\$ 303,700	-	-	303,700
Construction in Progress	511,676	191,186	(39,470)	663,392
Total Capital Assets, Not Being Depreciated	<u>815,376</u>	<u>191,186</u>	<u>(39,470)</u>	<u>967,092</u>
Capital Assets, Being Depreciated				
Buildings	30,910,834	179,496	-	31,090,330
Equipment	2,306,263	111,039	-	2,417,302
Total Capital Assets, Being Depreciated	<u>33,217,097</u>	<u>290,535</u>	<u>0</u>	<u>33,507,632</u>
Less Accumulated Depreciation For				
Buildings	(12,604,440)	(599,362)	-	(13,203,802)
Equipment	(1,419,272)	(120,821)	-	(1,540,093)
Total Accumulated Depreciation	<u>(14,023,712)</u>	<u>(720,183)</u>	<u>0</u>	<u>(14,743,895)</u>
Net Capital Assets, Being Depreciated	<u>19,193,385</u>	<u>(429,648)</u>	<u>0</u>	<u>18,763,737</u>
Net Capital Assets	<u>\$ 20,008,761</u>	<u>(238,462)</u>	<u>(39,470)</u>	<u>19,730,829</u>

Depreciation expense is charged to Support Services in the Statement of Activities.

Certain capital outlay expenditures were below the Schools' capitalization threshold, thus these items were not recorded as additions to capital assets.

Construction Commitments

At June 30, 2020, the Schools had uncompleted construction contracts of approximately \$92,742 for capital projects.

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NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

Long-Term Liabilities

Changes in the Schools' long-term liabilities for the fiscal year ended June 30, 2020 are as follows:

	Balance, Beginning of Year	Additions	Reductions	Balance, End of Year	Due Within One Year
Governmental Activities					
Compensated Absences	\$ 56,476	50,556	8,688	98,344	8,688
OPEB Liability	6,099,282	775,047	1,305,561	5,568,768	-
Net Pension Liability	480,945	1,038,208	1,064,900	454,253	-
	<u>480,945</u>	<u>1,038,208</u>	<u>1,064,900</u>	<u>454,253</u>	<u>-</u>
Governmental Activities					
Long-Term Liabilities	\$ 6,636,703	1,863,811	2,379,149	6,121,365	8,688
	<u>\$ 6,636,703</u>	<u>1,863,811</u>	<u>2,379,149</u>	<u>6,121,365</u>	<u>8,688</u>

Information for other long-term liabilities such as the Net Pension Liability and the OPEB Liability are detailed within Note 4.

NOTE 4 - OTHER INFORMATION

Risk Management

The Schools purchase commercial insurance for the risks of loss for general liability, and employee, administration, and Board member dishonesty. Settled claims have not exceeded this commercial coverage in the past three fiscal years.

Also, the Schools are a member of the Public Entity Partners (PEP) Risk Management Pool (PEP). Coverage for the Schools includes workers' compensation, general liability, and property and casualty. The PEP is a non-profit, risk-sharing organization of Tennessee municipalities and local public agencies. Tennessee statute governing the formation of the pooling and risk-sharing arrangement dictates that PEP has the ability to assess members. Contributions (premiums) from members are used in part to purchase reinsurance to cover losses that exceed PEP's loss fund.

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NOTE 4 - OTHER INFORMATION (CONTINUED)

Agency Plan

General Information about the Pension Plan

Plan Description

Employees of the Schools are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated, 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 publically available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Benefits Provided

Tennessee Code Annotated, Title 8, Chapters 34-37, establishes 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 5 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 service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are 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 2nd 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 3 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.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 - OTHER INFORMATION (CONTINUED)

Agency Plan (Continued)

General Information about the Pension Plan (Continued)

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefits	125
Inactive employees entitled to but not yet receiving benefits	199
Active employees	<u>118</u>
	<u><u>442</u></u>

Contributions

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5 percent of salary. The Schools makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2020, the employer contributions for the Schools were \$254,572 based on a rate of 9.51 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the Schools' state shared taxes if required employer contributions are not remitted. The employer's 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

The Schools' net pension liability (asset) was measured as of June 30, 2019, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

ELIZABETHTON CITY SCHOOLS
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NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE 4 - OTHER INFORMATION (CONTINUED)

Agency Plan (Continued)

Net Pension Liability (Continued)

Actuarial Assumptions

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

Inflation	2.5 percent
Salary Increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment Rate of Return	7.25 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.25 percent

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE 4 - OTHER INFORMATION (CONTINUED)

Agency Plan (Continued)

Net Pension Liability (Continued)

Actuarial Assumptions (Continued)

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the Schools 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.

ELIZABETHTON CITY SCHOOLS
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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 - OTHER INFORMATION (CONTINUED)

Agency Plan (Continued)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 6/30/2018	\$ 9,932,170	9,451,225	480,945
Changes for the year:			
Service Cost	255,031	-	255,031
Interest	720,446	-	720,446
Differences Between Expected and Actual Experience	52,124	-	52,124
Contributions - Employer	-	237,832	(237,832)
Contributions - Employees	-	128,698	(128,698)
Net Investment Income	-	698,370	(698,370)
Benefit Payments, Including Refunds of Employee Contributions	(500,021)	(500,021)	-
Administrative Expense	-	(10,607)	10,607
Net Changes	527,580	554,272	(26,692)
Balance at 6/30/2019	\$ 10,459,750	10,005,497	454,253

ELIZABETHTON CITY SCHOOLS
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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 - OTHER INFORMATION (CONTINUED)

Agency Plan (Continued)

Changes in the Net Pension Liability (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability (asset) of Elizabethton City Board of Education calculated using the discount rate of 7.25 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
Elizabethton City Schools'			
Net Pension Liability (Asset)	\$ 1,716,139	454,253	(608,064)

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

Pension Expense

For the year ended June 30, 2020, the Schools recognized pension expense of \$305,142.

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2020, the Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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NOTE 4 - OTHER INFORMATION (CONTINUED)

Agency Plan (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 51,867	11,942
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	115,956
Changes in Assumptions	55,865	-
Contributions Subsequent to the Measurement Date of June 30, 2019	254,572	-
	\$ 362,304	127,898

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

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

Year Ended June 30:		
2021	\$	56,733
2022		(64,116)
2023		(9,108)
2024		(3,676)
2025		-
Thereafter		-

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

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NOTE 4 - OTHER INFORMATION (CONTINUED)

Agency Plan (Continued)

Payable to the Pension Plan

At June 30, 2020, the Schools reported a payable of \$49,972 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2020.

Teacher Retirement Pension Plan

General Information about the Pension Plan

Plan Description

The TCRS was created by state statute under Tennessee Code Annotated 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 publically available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Teachers employed by the Schools with memberships in 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 Local Education Agencies (LEAs) after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan.

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NOTE 4 - OTHER INFORMATION (CONTINUED)

Teacher Retirement Pension Plan (Continued)

Benefits Provided

Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Retirement Plan are eligible to retire with an unreduced benefit at age 65 with 5 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 years average compensation and the member's years of service credit. A reduced early retirement benefit is available at age 60 and vested or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are 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 2nd 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 3 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. 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 contribute 5 percent of salary. The LEAs make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than 4 percent, except in years when the maximum funded level, as established 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 by the Schools for the year ended June 30, 2020 to the Teacher Retirement Plan were \$48,248 which is 2.03 percent of covered payroll. In addition, employer contributions of \$45,947, which is 1.97% 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, 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.

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NOTE 4 - OTHER INFORMATION (CONTINUED)

Teacher Retirement Pension Plan (Continued)

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

Pension Liabilities (Assets)

At June 30, 2020, the Schools reported a liability (asset) of (\$112,797) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The Schools' proportion of the net pension liability (asset) was based on the Schools' share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2019 the Schools' proportion was 0.199822 percent. The proportion measured as of June 30, 2018 was 0.194796 percent.

Pension Expense

For the year ended June 30, 2020 the Schools recognized pension expense (negative pension expense) of \$35,714.

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2020, the Schools 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
	<u> </u>	<u> </u>
Differences Between Expected and Actual Experience	\$ 4,677	19,691
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	4,769
Changes in Assumptions	3,919	-
Changes in Proportion of Net Pension Liability (Asset)	5,308	2,120
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	<u>48,248</u>	<u>-</u>
	<u>\$ 62,152</u>	<u>26,580</u>

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NOTE 4 - OTHER INFORMATION (CONTINUED)

Teacher Retirement Pension Plan (Continued)

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

Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

The Schools' employer contributions of \$48,248, 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 ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:		
2021	\$	(2,076)
2022		(2,806)
2023		(1,468)
2024		(786)
2025		(592)
Thereafter		(4,949)

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

Actuarial Assumptions

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

Inflation	2.50 percent
Salary Increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment Rate of Return	7.25 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.25 percent

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

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NOTE 4 - OTHER INFORMATION (CONTINUED)

Teacher Retirement Pension Plan (Continued)

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

Actuarial Assumptions (Continued)

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

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

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

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

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NOTE 4 - OTHER INFORMATION (CONTINUED)

Teacher Retirement Pension Plan (Continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the all 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 Schools' proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the Schools' proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1- percentage-point higher (8.25 percent) than the current rate:

	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
Elizabethton City Schools' proportionate share of the Net Pension Liability (Asset)	\$ 35,738	(112,797)	(222,592)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

Payable to the Pension Plan

At June 30, 2020, the Schools reported a payable of \$46,963 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2020.

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NOTE 4 - OTHER INFORMATION (CONTINUED)

Teacher Legacy Plan

General Information about the Pension Plan

Plan Description

The Tennessee Consolidated Retirement System (TCRS) was created by state statute under Tennessee Code Annotated 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 publically available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Teachers employed by the Schools 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 Local Education Agencies (LEAs) after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan.

Benefits Provided

Tennessee Code Annotated Title 8, Chapters 34-37 establishes 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 5 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 years average compensation and the member's service credit. A reduced early retirement benefit is available at age 55 if vested. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are 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 2nd 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 3 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.

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NOTE 4 - OTHER INFORMATION (CONTINUED)

Teacher Legacy Plan (Continued)

General Information about the Pension Plan (Continued)

Contributions

Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5 percent of salary. The 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 Schools for the year ended June 30, 2020 to the Teacher Legacy Pension Plan were \$964,636 which is 9.77 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets)

At June 30, 2020, the Schools reported a liability (asset) of (\$3,011,189) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The Schools' proportion of the net pension liability was based on the Schools' share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2019 the Schools' proportion was 0.292866 percent. The proportion measured as of June 30, 2018 was 0.285178 percent.

Pension Expense

For the year ended June 30, 2020, the Schools recognized pension expense (negative pension expense) of \$453,006.

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2020, the Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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NOTE 4 - OTHER INFORMATION (CONTINUED)

Teacher Legacy Plan (Continued)

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

Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 146,607	1,839,294
Changes in Assumptions	405,773	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	860,355
Changes in Proportion of Net Pension Liability (Asset)	90,822	17,157
Contributions Subsequent to the Measurement Date of June 30, 2019	964,636	-
	\$ 1,607,838	2,716,806

The School's employer contributions of \$964,636 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension liability (asset) in the fiscal year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2021	\$ (563,251)
2022	(837,291)
2023	(386,213)
2024	(286,847)
2025	-
Thereafter	-

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

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NOTE 4 - OTHER INFORMATION (CONTINUED)

Teacher Legacy Plan (Continued)

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

Actuarial Assumptions

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

Inflation	2.50 percent
Salary Increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment Rate of Return	7.25 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.25 percent

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

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

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

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NOTE 4 - OTHER INFORMATION (CONTINUED)

Teacher Legacy Plan (Continued)

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

Actuarial Assumptions (Continued)

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the all 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 Schools' proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the Schools' proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

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NOTE 4 - OTHER INFORMATION (CONTINUED)

Teacher Legacy Plan (Continued)

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

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate (Continued)

	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
Elizabethton City Schools' proportionate share of the Net Pension Liability (Asset)	\$ 6,157,011	(3,011,189)	(10,304,238)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

Payable to the Pension Plan

At June 30, 2020, the Schools reported a payable of \$339,362 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2020.

Tennessee Consolidated Retirement System (TCRS) - TCRS Stabilization Trust

Legal Provisions. The Schools is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The Schools 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 Schools.

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

Investment Balances. Assets of the TCRS, including the Stabilization Reserve Trust, are invested in the Tennessee Retiree Group Trust (TRGT). The TRGT is not registered with the Securities and Exchange Commission (SEC) as an investment company. The State of Tennessee has not obtained a credit quality rating for the TRGT from a nationally recognized credit ratings agency. The fair value of investment positions in the TRGT is determined daily based on the fair value of the pool's underlying portfolio.

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NOTE 4 - OTHER INFORMATION (CONTINUED)

Tennessee Consolidated Retirement System (TCRS) - TCRS Stabilization Trust (Continued)

Furthermore, TCRS had not obtained or provided any legally binding guarantees to support the value of participant shares during the fiscal year. There are no restrictions on the sale or redemption of shares.

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments and interest and dividend income. Interest income is recognized when earned. Securities and securities transactions are recorded in the financial statements on a trade-date basis. The fair value of assets of the TRGT held at June 30, 2020, represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets held are categorized for fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

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

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

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

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

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NOTE 4 - OTHER INFORMATION (CONTINUED)

Tennessee Consolidated Retirement System (TCRS) - TCRS Stabilization Trust (Continued)

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

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

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

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

At June 30, 2020, the Schools had the following investments held by the trust on its behalf:

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 28,789
Developed Market International Equity	N/A	N/A	13,001
Emerging Market International equity	N/A	N/A	3,715
U.S. Fixed Income	N/A	N/A	18,573
Real Estate	N/A	N/A	9,287
Short-term Securities	N/A	N/A	929
NAV - Private Equity and Strategic Lending	N/A	N/A	18,573
Total			<u>\$ 92,867</u>

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE 4 - OTHER INFORMATION (CONTINUED)

Tennessee Consolidated Retirement System (TCRS) - TCRS Stabilization Trust (Continued)

	Fair Value June 30, 2020	Fair Value Measurements Using			NAV
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investment by Fair Value Level:					
U.S. Equity	\$ 28,789	28,789	-	-	-
Developed Market International Equity	13,001	13,001	-	-	-
Emerging Market International equity	3,715	3,715	-	-	-
U.S. Fixed Income	18,573	-	18,573	-	-
Real Estate	9,287	-	-	9,287	-
Short-term Securities	929	-	929	-	-
Private Equity and Strategic Lending	18,573				18,573
Total	\$ 92,867	45,505	19,502	9,287	18,573

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE 4 - OTHER INFORMATION (CONTINUED)

**Tennessee Consolidated Retirement System (TCRS) - TCRS Stabilization Trust
(Continued)**

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

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

Other Post-Employment Healthcare Plans

Teacher Group Plan

General Information about the OPEB Plan

Plan Description

Employees of the Schools, who were hired prior to July 1, 2015, are provided with pre-65 retiree health insurance benefits through the closed Teacher Group OPEB Plan (TGOP) administered by the Tennessee Department of Finance and Administration. This plan is considered to be a multiple-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB). However, for accounting purposes, this plan will be treated as a single-employer plan. All eligible pre-65 retired teachers, support staff and disability participants of local education agencies, who choose coverage, participate in the TGOP. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

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NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE 4 - OTHER INFORMATION (CONTINUED)

Other Post-Employment Healthcare Plans (Continued)

Teacher Group Plan (Continued)

General Information about the OPEB Plan (Continued)

Benefits Provided

The Schools offers the TGOP to provide health insurance coverage to eligible pre-65 retired teachers, support staff and disabled participants of local education agencies. 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 TGOP. 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 TGOP, receives 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 the retiree premiums. Payment by the Schools of individual health and dental insurance coverage shall be available for any retiring employee at the same cost as for other employees for five years or until the employee reaches age 65 (whichever occurs first). The state, as a governmental nonemployer contributing entity, provides a direct subsidy for eligible retirees premiums, based on years of service. Therefore, retirees with 30 or more years of service will receive 45%; 20 but less than 30 years, 35%; and less than 20 years, 20% of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP. The TGOP 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.

Employees Covered by Benefit Terms

At July 1, 2019, the following employees of the Schools were covered by the benefit terms of the TGOP:

Inactive employees currently receiving benefit payments	27
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	251
	278

An insurance committee, created in accordance with TCA 8-27-301, establishes the required payments to the TGOP 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 Schools paid \$287,174 to the TGOP for OPEB benefits as they came due.

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE 4 - OTHER INFORMATION (CONTINUED)

Other Post-Employment Healthcare Plan (Continued)

Teacher Group Plan (Continued)

Total OPEB Liability

Actuarial Assumptions

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

Inflation	2.20%
Salary increases	Graded salary ranges from 3.44 to 8.72 percent based on age, including inflation, averaging 4 percent
Healthcare cost trend rates	6.03% for pre-65 in 2019, decreasing annually over a 10 year period to an ultimate rate of 4.50%. 5.20% for post-65 in 2019, decreasing annually over a 4 year period to an ultimate rate of 4.50%.
Retiree's share of benefit-related costs	Members are required to make monthly contributions in order to maintain their coverage. For the purpose of this Valuation a weighted average has been used with weights derived from the current distribution of members among plans offered.

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

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NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE 4 - OTHER INFORMATION (CONTINUED)

Other Post-Employment Healthcare Plan (Continued)

Teacher Group Plan (Continued)

Total OPEB Liability (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 3.51 percent. This rate reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Bond Buyer 20-Year Municipal GO AA index.

Changes in Collective Total OPEB Liability

	Total OPEB Liability
Balance at 6/30/2018	\$ 7,661,375
Changes for the year:	
Service Cost	480,708
Interest	287,390
Changes of Benefit Terms	239,111
Differences Between Expected and Actual Experience	(491,000)
Changes in Assumptions	(530,931)
Benefit Payments	(409,882)
Net Changes	(424,604)
Balance at 6/30/2019	\$ 7,236,771
 Nonemployer contributing entities proportionate share of the collective total OPEB liability	 \$ 1,668,003
 Employer's proportionate share of the collective total OPEB liability	 \$ 5,568,768
 Employer's proportion of the collective total OPEB liability	 76.95%

ELIZABETHTON CITY SCHOOLS
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NOTE 4 - OTHER INFORMATION (CONTINUED)

Other Post-Employment Healthcare Plan (Continued)

Teacher Group Plan (Continued)

Changes in Collective Total OPEB Liability (Continued)

The Schools has special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the TGOP. The Schools' proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployee contributing entities, actuarially determined. The proportion changed -2.66% from the prior measurement date. The Schools recognized \$202,525 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the TGOP for School's retirees.

Changes in Assumptions

The discount rate was changed from 3.62% as of the beginning of the measurement period to 3.51% as of June 30, 2019. This change in assumption decreased the total OPEB liability.

Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Discount Rate

The following presents the proportionate share of the collective total OPEB liability related to the TGOP, 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 1-percentage-point lower or 1-percentage-point higher than the current discount rate.

	1.00% Decrease (2.51%)	Current Discount Rate (3.51%)	1.00% Increase (4.51%)
Proportionate share of collective total OPEB liability	\$ 5,987,325	5,568,768	5,174,666

Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the proportionate share of the collective total OPEB liability related to the TGOP, 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 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate.

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NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE 4 - OTHER INFORMATION (CONTINUED)

Other Post-Employment Healthcare Plan (Continued)

Teacher Group Plan (Continued)

Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate (Continued)

	1.00% Decrease	Current Healthcare Cost Trend Rate Trend Rate	1.00% Increase
Proportionate share of collective total OPEB liability	\$ 4,979,693	5,568,768	6,263,774

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

OPEB Expense

For the fiscal year ended June, 30, 2020, the Schools recognized OPEB expense of \$1,023,336.

Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal year ended June, 30, 2020, the Schools reported deferred outflows of resources and deferred inflows of resources related to OPEB benefits in the TGOP from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions and Other Inputs	\$ 291,712	511,794
Differences Between Expected and Actual Experience	688,862	336,491
Changes in Proportion	420,569	146,064
Benefits Paid After the Measurement Date by Employer	287,174	-
	\$ 1,688,317	994,349

The amounts shown above for "Employer payments subsequent to the measurement date" will be included as a reduction to total OPEB liability in the following measurement period.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 - OTHER INFORMATION (CONTINUED)

Other Post-Employment Healthcare Plan (Continued)

Teacher Group Plan (Continued)

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

Year Ended June 30:	
2021	\$ 45,754
2022	45,754
2023	45,754
2024	45,754
2025	45,754
Thereafter	178,024

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

Closed Tennessee Plan

General Information about the OPEB Plan

Plan Description

Employees of the Schools, who were hired prior to July 1, 2015, are provided with post-65 retiree health insurance benefits through the closed Tennessee Plan (TNP) administered by the Tennessee Department of Finance and Administration. This plan is considered to be multiple-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB). However, for accounting purposes, this plan will be treated as a single-employer plan. All eligible post-65 retired teachers and disability participants of local education agencies, who choose coverage, participate in the TNP. The TNP also includes eligible retirees of the state, certain component units of the state, and certain local governmental entities. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

Benefits Provided

The state offers the TNP to help fill most of the coverage gaps created by Medicare for eligible post-65 retired teachers and disabled participants of local education agencies. Insurance coverage is the only postemployment benefit provided to retirees. The Tennessee Plan does not include pharmacy. In accordance with TCA 8-27-209, benefits of the TNP are established and amended by cooperation of insurance committees created by TCA 8-27-201, 8-27-301 and 8-27-701.

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NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE 4 - OTHER INFORMATION (CONTINUED)

Other Post-Employment Healthcare Plan (Continued)

Closed Tennessee Plan (Continued)

General Information about the OPEB Plan (Continued)

Benefits Provided (Continued)

Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65, are Medicare eligible and also receives a benefit from the Tennessee Consolidated Retirement System may participate in this plan. All plan members receive the same plan benefits at the same premium rates. Participating employers determine their own policy related to subsidizing the retiree premiums. Payment by the Schools of individual health and dental insurance coverage shall be available for any retiring employee at the same cost as for other employees for five years or until the employee reaches age 65 (whichever occurs first). The state, as a governmental nonemployer contributing entity contributes to the premiums of eligible retirees of local education agencies based on years of service. Therefore, retirees with 30 years of service receive \$50 per month; 20 but less than 30 years, \$37.50; and 15 but less than 20 years, \$25. The TNP 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.

Employees Covered by Benefit Terms

At July 1, 2019, the following employees of the Schools was covered by the benefit terms of the TNP:

Inactive employees currently receiving benefit payments	52
Inactive employees entitled to but not yet receiving benefit payments	34
Active employees	196
	282
	282

In accordance with TCA 8-27-209, the state insurance committees established by TCAs 8-27-201, 8-27-301 and 8-27-701 determine the required payments to the plan by member employers and 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 Schools did not make any payments to the TNP for OPEB benefits as they came due.

ELIZABETHTON CITY SCHOOLS
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NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE 4 - OTHER INFORMATION (CONTINUED)

Other Post-Employment Healthcare Plan (Continued)

Closed Tennessee Plan (Continued)

Total OPEB Liability

Actuarial Assumptions

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

Inflation	2.20%
Salary increases	Graded salary ranges from 3.44 to 8.72 percent based on age, including inflation, averaging 4 percent
Healthcare cost trend rates	The premium subsidies provided to retirees in the Tennessee Plan are assumed to remain unchanged for the entire projection, therefore trend rates are not applicable

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

Discount Rate

The discount rate used to measure the total OPEB liability was 3.51 percent. This rate reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Bond Buyer 20-Year Municipal GO AA index.

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NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE 4 - OTHER INFORMATION (CONTINUED)

Other Post-Employment Healthcare Plan (Continued)

Closed Tennessee Plan (Continued)

Changes in Collective Total OPEB Liability

	Total OPEB Liability
Balance at 6/30/2018	\$ 570,510
Changes for the year:	
Service Cost	10,497
Interest	20,584
Differences Between Expected and Actual Experience	70,906
Changes in Assumptions	12,544
Benefit Payments	(25,019)
Net Changes	89,512
Balance at 6/30/2019	\$ 660,022
Nonemployer contributing entities proportionate share of the collective total OPEB liability	\$ 660,022
Employer's proportionate share of the collective total OPEB liability	\$ 0
Employer's proportion of the collective total OPEB liability	0.00%

The Schools have a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the TNP. The Schools' proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefits paid through the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The Schools' proportion of 0% did not change from the prior measurement date. The Schools recognized \$25,513 in revenue for support provided by nonemployer contributing entities for benefits paid to the TNP for the Board of Education's retired employees.

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE 4 - OTHER INFORMATION (CONTINUED)

Other Post-Employment Healthcare Plan (Continued)

Changes in Assumptions

The discount rate was changed from 3.62% as of the beginning of the measurement period to 3.51% as of June 30, 2019. This change in assumption decreased the total OPEB liability.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

OPEB Expense

For the fiscal year ended June, 30, 2020, the Schools recognized OPEB expense of \$25,563.

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Schools. The Schools have recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund in the amount of \$112,183.

DEFERRED COMPENSATION

Teachers hired after July 1, 2014 are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed previously and is managed by TCRS, 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 the employer to contribute five percent of the employee's salary while employees are required to contribute a minimum of two percent of their salary unless they opt out of the employee portion. During the year, employees contributed a total of \$54,728 and employer contributions were \$114,543.

REQUIRED SUPPLEMENTARY INFORMATION

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS BASED ON
PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS - AGENCY PLAN
Last Fiscal Year Ending June 30

	2014	2015	2016	2017	2018	2019
TOTAL PENSION LIABILITY						
Service Cost	\$ 203,227	206,173	212,921	214,734	245,124	255,031
Interest	603,524	606,661	629,301	661,037	685,089	720,446
Differences Between Actual and Expected Experience	(336,885)	(71,927)	6,848	(47,774)	25,550	52,124
Change of Assumptions	-	-	-	223,457	-	-
Benefit Payments, Including Refunds of Employee Contributions	(389,506)	(472,481)	(419,093)	(436,369)	(455,957)	(500,021)
NET CHANGE IN TOTAL PENSION LIABILITY	80,360	268,426	429,977	615,085	499,806	527,580
TOTAL PENSION LIABILITY - BEGINNING	8,038,516	8,118,876	8,387,302	8,817,279	9,432,364	9,932,170
TOTAL PENSION LIABILITY - ENDING (a)	\$ 8,118,876	8,387,302	8,817,279	9,432,364	9,932,170	10,459,750
PLAN FIDUCIARY NET POSITION						
Contributions - Employer	\$ 186,419	194,363	192,765	195,529	212,965	237,832
Contributions - Employee	112,436	116,946	115,985	117,647	123,962	128,698
Net Investment Income	1,132,859	240,557	209,788	907,747	729,347	698,370
Benefit Payments, Including Refunds of Employee Contributions	(389,506)	(472,481)	(419,093)	(436,369)	(455,957)	(500,021)
Administrative Expense	(4,231)	(5,700)	(7,271)	(9,801)	(10,574)	(10,607)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	1,037,977	73,685	92,174	774,753	599,743	554,272
PLAN FIDUCIARY NET POSITION - BEGINNING	6,872,893	7,910,870	7,984,555	8,076,729	8,851,482	9,451,225
PLAN FIDUCIARY NET POSITION - ENDING (b)	\$ 7,910,870	7,984,555	8,076,729	8,851,482	9,451,225	10,005,497
NET PENSION LIABILITY - ENDING (a) - (b)	\$ 208,006	402,747	740,550	580,882	480,945	454,253
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF TOTAL PENSION LIABILITY	97.44%	95.20%	91.60%	93.84%	95.16%	95.66%
COVERED PAYROLL	\$ 2,248,707	2,338,905	2,319,681	2,354,007	2,479,229	2,573,936
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	9.25%	17.22%	31.92%	24.68%	19.40%	17.65%

GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from TCRS GASB website for prior years' data if needed.

Changes of assumptions: In 2017, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, salary growth and mortality improvements.

See Independent Auditors' Report

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
SCHEDULE OF CONTRIBUTIONS BASED ON PARTICIPATION IN THE PUBLIC EMPLOYEE
PENSION PLAN OF TCRS - AGENCY PLAN
Last Fiscal Year Ending June 30

	2014	2015	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 186,419	194,363	192,765	195,529	212,965	237,832	266,022
Contributions in relation to the actuarially determined contribution	186,419	194,363	192,765	195,529	212,965	237,832	254,572
Contribution deficiency (excess)	<u>\$ 0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,450</u>
Covered payroll	\$ 2,248,707	2,338,905	2,319,681	2,354,007	2,479,239	2,573,936	2,797,287
Contributions as a percentage of covered payroll	8.29%	8.31%	8.31%	8.31%	8.59%	9.24%	9.51%

GASB 68 requires a 10 year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from TCRS GASB website for prior years' data, if needed.

Notes To Schedule

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar, closed (not to exceed 20 years)
Remaining Amortization Period	Varies by year
Asset Valuation	10-year smoothed within a 20 percent corridor to market value
Inflation	2.50 percent
Salary Increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment Rate of Return	7.25 percent, 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 Adjustments	2.25 percent

Changes of assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

See Independent Auditors' Report

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) - TEACHER LEGACY
PENSION PLAN OF TCRS
Last Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019
Elizabethton City Schools' proportion of the net pension liability (asset)	0.266606%	0.271131%	0.282767%	0.291175%	0.285178%	0.292866%
Elizabethton City Schools' proportionate share of the net pension liability (asset)	\$ (43,322)	111,065	1,767,139	(95,266)	(1,003,518)	(3,011,189)
Elizabethton City Schools' covered payroll	\$ 10,464,264	10,149,813	10,207,349	10,358,477	9,989,028	9,820,226
Elizabethton City Schools' proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-0.414002%	1.094254%	17.31%	-0.92%	-10.05%	-30.66%
Plan fiduciary net position as a percentage of the total pension liability	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%

GASB 68 requires a 10 year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied date from TCRS GASB website for prior years' data, if needed.

See Independent Auditors' Report

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
SCHEDULE OF CONTRIBUTIONS - TEACHER LEGACY
PENSION PLAN OF TCRS
Last Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 929,227	917,543	922,743	930,473	906,730	1,027,194	964,636
Contribution in relation to the contractually required contribution	929,227	917,543	922,743	930,473	906,730	1,027,194	964,636
Contribution deficiency (excess)	\$ 0	-	-	-	-	-	-
Covered payroll	\$ 10,464,264	10,149,813	10,207,349	10,358,447	9,989,028	9,820,226	9,873,449
Contributions as a percentage of covered payroll	8.88%	9.04%	9.04%	8.98%	9.08%	10.46%	9.77%

GASB 68 requires a 10 year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from TCRS GASB website for prior years' data, if needed.

Changes of assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

See Independent Auditors' Report

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) -
TEACHER RETIREMENT PLAN OF TCRS
Last Fiscal Year Ended June 30

	2015	2016	2017	2018	2019
Elizabethton City Schools' proportion of the net pension liability (asset)	0.267838%	0.231179%	0.203596%	0.194796%	0.199822%
Elizabethton City Schools' proportionate share of the net pension liability (asset)	\$ (11,002)	(24,066)	(53,715)	(88,345)	(112,797)
Elizabethton City Schools' covered payroll	\$ 568,226	1,017,201	1,270,687	1,699,254	2,114,534
Elizabethton City Schools' proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-1.94%	-2.37%	-4.23%	-5.20%	-5.33%
Plan fiduciary net position as a percentage of the total pension liability	127.46%	121.88%	126.81%	126.97%	123.07%

GASB 68 requires a 10 year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied date from TCRS GASB website for prior years' data, if needed.

See Independent Auditors' Report

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
SCHEDULE OF CONTRIBUTIONS - TEACHER RETIREMENT PLAN OF TCRS
Last Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020
Contractually required contribution	\$ 14,206	25,463	53,451	27,760	41,022	48,248
Contribution in relation to the contractually required contribution	22,729	40,688	53,451	68,091	41,022	48,248
Contribution deficiency (excess)	\$ (8,523)	(15,225)	-	(40,331)	-	-
Covered payroll	\$ 568,226	1,017,201	1,270,687	1,699,254	2,114,534	2,376,742
Contributions as a percentage of covered payroll	4.00%	4.00%	4.21%	4.01%	1.94%	2.03%

GASB 68 requires a 10 year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from TCRS GASB website for prior years' data, if needed.

Changes of assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

In fiscal year 2020, the Board of Education placed the actuarially determined contribution rate of 2.03% of covered payroll into the pension plan and placed \$45,947 into the Pension Stabilization Reserve Trust.

See Independent Auditors' Report

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
SCHEDULE OF CHANGES IN ELIZABETHTON CITY SCHOOLS PROPORTIONATE SHARE OF
COLLECTIVE OPEB LIABILITY AND RELATED RATIOS - TEACHER GROUP OPEB PLAN
Last Fiscal Year Ending June 30

	<u>2017</u>	<u>2018</u>	<u>2019</u>
TOTAL OPEB LIABILITY			
Service Cost	\$ 323,771	300,296	480,708
Interest	181,096	215,294	287,390
Changes of Benefit Terms	-	-	239,111
Differences Between Actual and Expected Experience	-	1,113,535	(491,000)
Change of Assumptions	(274,640)	471,548	(530,931)
Benefit Payments	<u>(349,040)</u>	<u>(373,156)</u>	<u>(409,882)</u>
NET CHANGE IN TOTAL OPEB LIABILITY	(118,813)	1,727,517	(424,604)
TOTAL OPEB LIABILITY - BEGINNING	<u>6,052,671</u>	<u>5,933,858</u>	<u>7,661,375</u>
TOTAL OPEB LIABILITY - ENDING (a)	<u>\$ 5,933,858</u>	<u>7,661,375</u>	<u>7,236,771</u>
NONEMPLOYER CONTRIBUTING ENTITIES PROPORTIONATE SHARE OF THE COLLECTIVE TOTAL OPEB LIABILITY	\$ 1,714,582	1,562,093	1,668,003
EMPLOYER'S PROPORTIONATE SHARE OF THE COLLECTIVE TOTAL OPEB LIABILITY	\$ 4,219,276	6,099,282	5,568,768
COVERED PAYROLL	\$ 9,854,304	10,917,634	11,301,778
EMPLOYER'S PROPORTIONATE SHARE OF COLLECTIVE TOTAL OPEB LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	42.82%	55.87%	49.27%

Notes to Schedule

There are no assets accumulating in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, related to this OPEB plan.

The amounts reported for each fiscal year were determined as of the prior fiscal year-end.

This schedule is intended to display ten years of information. Additional years will be displayed as they become available.

See Independent Auditors' Report

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
SCHEDULE OF CHANGES IN ELIZABETHTON CITY SCHOOLS PROPORTIONATE SHARE OF
COLLECTIVE OPEB LIABILITY AND RELATED RATIOS - TENNESSEE CLOSED PLAN
Last Fiscal Year Ending June 30

	2017	2018	2019
TOTAL OPEB LIABILITY			
Service Cost	\$ 15,870	12,860	10,497
Interest	20,150	22,714	20,584
Differences Between Actual and Expected Experience	-	(72,865)	70,906
Change of Assumptions	(59,301)	(4,380)	12,544
Benefit Payments	(25,500)	(25,970)	(25,019)
NET CHANGE IN TOTAL OPEB LIABILITY	(48,781)	(67,641)	89,512
TOTAL OPEB LIABILITY - BEGINNING	686,932	638,151	570,510
TOTAL OPEB LIABILITY - ENDING (a)	\$ 638,151	570,510	660,022
NONEMPLOYER CONTRIBUTING ENTITIES PROPORTIONATE SHARE OF THE COLLECTIVE TOTAL OPEB LIABILITY	\$ 638,151	570,510	660,022
EMPLOYER'S PROPORTIONATE SHARE OF THE COLLECTIVE TOTAL OPEB LIABILITY	\$ 0	0	0
COVERED PAYROLL	\$ 9,854,304	10,917,634	11,301,778
EMPLOYER'S PROPORTIONATE SHARE OF COLLECTIVE TOTAL OPEB LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	0.00%	0.00%	0.00%

Notes to Schedule

There are no assets accumulating, in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, related to this OPEB plan.

The amounts reported for each fiscal year were determined as of the prior fiscal year-end.

This schedule is intended to display ten years of information. Additional years will be displayed as they become available.

See Independent Auditors' Report

SUPPLEMENTARY INFORMATION

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2020

CFDA Number	Pass-Through Grant Number	Program Name	Grantor Agency	Balance July 1, 2019	Cash Receipts	Expenditures	Balance June 30, 2020
<u>School Federal Projects Fund</u>							
Pass-Through State Department of Education							
84.048A	V048A190042	Carl Perkins - Basic (CTE Program Improvements)	U.S. Department of Education	\$ -	40,602	42,387	(1,785) *
84.048A	V048A190042	Carl Perkins - Consolidated Reserve - Equipment	U.S. Department of Education	-	-	4,458	(4,458) *
		Total Carl Perkins Vocational Education		<u>-</u>	<u>40,602</u>	<u>46,845</u>	<u>(6,243) *</u>
Special Education Cluster (IDEA)							
84.027A	H027A190052	IDEA, Part B	U.S. Department of Education	-	580,598	583,938	(3,340) *
84.027A	H027A180052	IDEA, Part B - Discretionary Supplemental Funds	U.S. Department of Education	(1,450)	1,450	-	-
84.027A	H027A190052	IDEA, Part B - Discretionary Supplemental Funds	U.S. Department of Education	-	4,264	4,264	-
84.027A	H027A190052	IDEA, Part B - Discretionary Funds	U.S. Department of Education	-	64,998	64,998	-
84.027A	H027A190052	IDEA, Part B - Technology Funds	U.S. Department of Education	-	-	78	(78) *
84.173A	H713A190095	IDEA, Preschool	U.S. Department of Education	-	11,380	11,380	-
		Total Special Education Cluster (IDEA)		<u>(1,450)</u>	<u>662,690</u>	<u>664,658</u>	<u>(3,418) *</u>
84.010A	S010A180042	Title I, Part A	U.S. Department of Education	(7,197)	7,197	-	-
84.010A	S010A190042	Title I, Part A	U.S. Department of Education	-	801,669	811,625	(9,956) *
		Total Title I, Part A		<u>(7,197)</u>	<u>808,866</u>	<u>811,625</u>	<u>(9,956) *</u>
84.367A	S367A180040	Title II, Part A	U.S. Department of Education	(3,324)	3,324	-	-
84.367A	S367A190040	Title II, Part A	U.S. Department of Education	-	77,428	79,028	(1,600) *
		Total Title II, Part A		<u>(3,324)</u>	<u>80,752</u>	<u>79,028</u>	<u>(1,600) *</u>
84.424A	S424A190044	Title IV, Part A	U.S. Department of Education	(575)	575	-	-
84.424A	S424A190044	Title IV, Part A	U.S. Department of Education	-	62,818	63,084	(266) *
84.287C	S287C190043	Title IV, Part B, 21st Century Community Learning Centers	U.S. Department of Education	-	145,334	145,334	-
Pass-Through Tennessee Department of Human Services							
93.575	G1801TNCCDF	Read to be Ready Summer Grant	Department of Human Services	(28,586)	28,586	-	-
		Total Read to be Ready Summer Grant		<u>(28,586)</u>	<u>28,586</u>	<u>-</u>	<u>-</u>
84.126	Z19-50719	Vocational Rehabilitation	Department of Human Services	(5,453)	16,061	10,608	-
85.126	Z20-50720	Vocational Rehabilitation	Department of Human Services	-	28,832	31,593	(2,761) *
		Total Vocational Rehabilitation		<u>(5,453)</u>	<u>44,893</u>	<u>42,201</u>	<u>(2,761) *</u>
Direct Federal Revenue							
16.710	[1]	COPS Grant	Department of Justice	-	35,559	35,559	-
Total School Federal Projects Fund				<u>(46,585)</u>	<u>1,910,675</u>	<u>1,888,334</u>	<u>(24,244)</u>

(Continued)

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2020

CFDA Number	Pass-Through Grant Number	Program Name	Grantor Agency	Balance July 1, 2019	Cash Receipts	Expenditures	Balance June 30, 2020
<u>School Nutrition Fund</u>							
Pass-Through Tennessee Department of Agriculture							
Child Nutrition Cluster							
10.533	[1]	National School Breakfast Program	U.S. Department of Agriculture	-	191,028	191,028	-
10.533	[1]	COVID-19 School Breakfast	U.S. Department of Agriculture	-	42,582	49,325	(6,743) *
10.555	[1]	National School Lunch Program	U.S. Department of Agriculture	-	410,272	410,272	-
10.555	[1]	COVID-19 School Lunch	U.S. Department of Agriculture	-	69,848	80,576	(10,728) *
10.555	[1]	National Snack Reimbursement	U.S. Department of Agriculture	-	12,843	12,843	-
10.550	[1]	USDA: Commodity Supplemental Feeding- Commodities Distributed	U.S. Department of Agriculture	-	67,680	67,680	-
		Total Child Nutrition Cluster		<u>-</u>	<u>794,253</u>	<u>811,724</u>	<u>(17,471)</u>
Total School Nutrition Fund				<u>-</u>	<u>794,253</u>	<u>811,724</u>	<u>(17,471)</u>
TOTAL FEDERAL AWARDS				<u>\$ (46,585)</u>	<u>2,704,928</u>	<u>2,700,058</u>	<u>(41,715)</u>

* Receivable

** Unused Revenue

(Continued)

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2020

NOTE A: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Elizabethton City Schools under programs of the federal government for the fiscal year ended June 30, 2020. The information in this schedule is presented in accordance with the 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Because the schedule presents only a selected portion of the operations of the Elizabethton City Schools, it is not intended to and does not present the financial position or changes in net position of the Elizabethton City Schools.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C: FOOD DISTRIBUTION

Non-monetary assistance is reported in the schedule of expenditures of federal awards at the fair market value of commodities received and used.

NOTE D: INDIRECT COST RATES

Elizabethton City Schools has not elected to use the 10 percent *de Minimis* indirect cost rate as allowed under the Uniform Guidance.

[1] Information not available

See Independent Auditors' Report

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Fiscal Year Ended June 30, 2020

CFDA Number	Program Name	Grantor Agency	Balance July 1, 2019	Cash Receipts	Expenditures	Balance June 30, 2020
<u>General Purpose School Fund</u>						
N/A	Coordinated School Health	Tennessee Department of Education	\$ (24,443)	79,923	85,000	(29,520) *
N/A	Portfolio Reviewer Stipends	Tennessee Department of Education	-	3,600	3,600	-
N/A	Early Childhood Grant	Tennessee Department of Education	(92,366)	496,224	403,858	-
N/A	Basic Education Program	Tennessee Department of Education	-	14,124,750	14,124,750	-
N/A	Driver's Education	Tennessee Department of Education	-	12,089	12,089	-
N/A	Career Ladder	Tennessee Department of Education	8,167	23,742	41,052	(9,143) *
N/A	Read to be Ready Coaching Network	Tennessee Department of Education	(2,074)	2,074	-	-
N/A	SIS Subsidy	Tennessee Department of Education	-	3,811	3,811	-
N/A	EPSO Grant	Tennessee Department of Education	-	6,740	5,969	771 **
N/A	Three Star Grant	Tennessee Department of Economic & Community Development	-	-	5,772	(5,772) *
N/A	Aviation Grant	Tennessee Department of Transportation	-	-	28,275	(28,275) *
N/A	SAFE Schools Grant	Tennessee Department of Education	-	45,961	55,540	(9,579) *
N/A	SAFE Schools - SRO Grant	Tennessee Department of Education	-	91,180	105,000	(13,820) *
N/A	Work Based Learning	Tennessee Department of Economic & Community Development	(5,388)	19,472	14,084	-
N/A	Other State Funds	Tennessee Department of Education	-	112,183	112,183	-
Total General Purpose School Fund			<u>(116,104)</u>	<u>15,021,749</u>	<u>15,000,983</u>	<u>(95,338)</u>
<u>School Nutrition Fund</u>						
N/A	State Matching Funds	Tennessee Department of Agriculture	-	10,597	10,597	-
Total School Nutrition Fund			<u>-</u>	<u>10,597</u>	<u>10,597</u>	<u>-</u>
TOTAL STATE GRANTS			<u>\$ (116,104)</u>	<u>15,032,346</u>	<u>15,011,580</u>	<u>(95,338)</u>

* Receivable ** Unused Revenue

See Independent Auditors' Report.

SECTION III

INTERNAL CONTROL AND COMPLIANCE SECTION

**INDEPENDENT AUDITORS' 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**

To the Director of Schools and
School Board Members
Elizabethton City Schools
Elizabethton, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Elizabethton City Schools, a component unit of the City of Elizabethton, Tennessee, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Elizabethton City Schools' basic financial statements, and have issued our report thereon dated December 1, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Elizabethton City Schools' 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 the Elizabethton City Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of the Elizabethton City Schools' internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Elizabethton City Schools' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Blackburn, Childers & Steagall, PLC

BLACKBURN, CHILDERS & STEAGALL, PLC
Johnson City, Tennessee

December 1, 2020

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Director of Schools and
School Board Members
Elizabethton City Schools
Elizabethton, Tennessee

Report on Compliance for Each Major Federal Program

We have audited the Elizabethton City Schools', a component unit of the City of Elizabethton, Tennessee, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Elizabethton City Schools' major federal programs for the fiscal year ended June 30, 2020. Elizabethton City Schools' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Elizabethton City Schools' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Elizabethton City Schools' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Elizabethton City Schools' compliance.

Opinion on Each Major Federal Program

In our opinion, Elizabethton City Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the Elizabethton City Schools is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Elizabethton City Schools' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Elizabethton City Schools' 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Blackburn, Childers + Steagall, PLC

BLACKBURN, CHILDERS & STEAGALL, PLC
Johnson City, Tennessee

December 1, 2020

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2020

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

1. Our report on the financial statements of the Elizabethton City Schools is unmodified.
2. Internal Control Over Financial Reporting:

Material weakness identified?	No
Significant deficiency identified?	None Reported
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:

Child Nutrition Cluster
 CFDA Number: 10.553, 10.555 and 10.550
8. Dollar threshold used to distinguish between Type A and Type B programs? \$750,000
9. Auditee qualified as low-risk auditee? Yes

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
For the Fiscal Year Ended June 30, 2020

FINANCIAL STATEMENT FINDINGS

Prior Year Finding Number	Finding Title	Status / Current Year Finding Number
2019-001	Sale of Scrap	Corrected

Elizabethton City Board of Education			
Monitoring: Review: Annually, in August	Descriptor Term: Charter School Applications	Descriptor Code: 1.901	Issued Date: 08/20/19
		Rescinds: 1.901	Issued: 10/23/18

1 *General*

2 This policy shall apply to sponsors and potential sponsors of charter schools. It shall not apply to
 3 ~~charter~~ schools converting from existing public schools. Proposals from existing charter school
 4 operators or replicators and applicants proposing to contract with educational service providers shall
 5 ~~include the additional information required by state law~~ in accordance with state law.¹

Commented [MN1]: From TSBA: Recent legislation that changes the charter school process will go into effect on January 1, 2021. Beginning next year, amended charter applications shall be submitted to the TN Charter School Commission. Previously, these appeals had to be submitted to the State Board of Education. We have updated this model policy to align with this change.

6 **APPLICATION PROCESS²**

7 A prospective charter school sponsor shall send **notice to** the Director of Schools ~~notice~~ of its intent
 8 sixty (60) **calendar** days prior to February 1st of the year preceding the year in which the proposed
 9 charter school plans to begin operation as a charter school.

10 A sponsor seeking board approval of an initial charter school application shall complete the forms
 11 provided by the ~~Tennessee~~ Department of Education. The application shall provide all the information
 12 required by law. The sponsor shall demonstrate that the proposed charter school meets the purpose
 13 prescribed by **state** law for the formation of a charter school, and the proposed charter school will be
 14 able to implement a viable program of quality education for its students.³

15 Applications shall be submitted to the Board and Department of Education on or before 4:30 p.m. on
 16 February 1st of the year preceding the year in which the proposed charter school plans to begin
 17 operation as a charter school. If the 1st of February falls on a Saturday, Sunday, or holiday on which
 18 the school district offices are closed, applications will be accepted on the next business day on or
 19 before 4:30 p.m. Late applications will not be accepted, without exception. The sponsor shall pay an
 20 application fee of \$2,500.00.²

21 **REVIEW TEAM**

22 If necessary, the Board shall appoint a review team to assist in reviewing and evaluating charter school
 23 applications. The team shall be composed of members of the administrative staff for the district,
 24 community members, and a member of the Board with relevant educational, organizational, financial,
 25 and legal experience. At the board meeting in December of each year, the Director of Schools shall
 26 make a recommendation to the Board on which members of his/her administrative staff should be
 27 appointed to the team. The Board shall name the members of the team at its meeting in January of each
 28 year. The Board shall designate a Chair of the review team as the contact person for answering
 29 questions about the application process and receiving applications. The Director of Schools shall
 30 develop an orientation for the team to ensure consistent evaluation standards and the elimination of
 31 real or perceived conflicts of interest.

1 The Board shall require the Director of Schools to develop a procedure for receiving, reviewing, and
2 ruling on applications for the establishment of charter schools by the review team. The procedure shall
3 include a timeline for the application and review process. A copy of the procedure, including the
4 review criteria, shall be available to any interested party upon request.

5 The review team shall:

- 6 1) Evaluate all charter school applications based on the review criteria adopted by the Board;
- 7
- 8 2) Recommend one of the following options to the Board for each application: approve, reject, or
9 reject with stipulations for reconsideration; and
- 10
- 11 3) Make recommendations for revocation, renewal, or non-renewal of charter contracts.

12 **APPROVAL/DENIAL OF APPLICATION⁴**

13 The Board shall rule by resolution on the approval or denial of a charter application within ninety (90)
14 **calendar** days of receipt of the completed application, or the application shall be deemed approved by
15 **state** law. The Director of Schools shall report the action taken by the Board to the Department of
16 Education.

17 *Approval*

18 The sponsor of a charter school that is approved by the Board shall enter into a written agreement with
19 the Board, which shall be binding on the charter school's governing body. The charter school
20 agreement shall be in writing and signed by the sponsor and the Board.

21 The Board will receive an annual authorizer fee of three percent (3%) of the annual per student state
22 and local allocations or thirty-five thousand dollars (\$35,000), whichever is less.⁵

23 Charter schools approved by the Board are expected to implement the application as submitted and
24 approved. Material variations in operations from the approved application require amendment pursuant
25 to **state law statute** and the charter school agreement.⁶

26 The Board shall not provide services to charter schools that are not requested during the application
27 process except for those services that are required under state or federal laws. Services agreed to be
28 provided to the charter school by the Board shall be provided at board actual cost. The Board and
29 charter school shall execute a service contract for any additional services.

30 New charter school agreements are approved for a ten (10) year period.^{6 7} The Board may revoke or
31 deny renewal of a charter school agreement for any of the reasons enumerated in state law.⁷⁻⁸

32 *Denial*

33 Upon written receipt of the grounds for denial, the sponsor shall have thirty (30) **calendar** days within
34 which to submit an amended application to correct the deficiencies. The Board shall have sixty (60)
35 **calendar** days either to deny or to approve the amended application, or the application shall be deemed
36 approved by law.⁴

- 1 Within ten (10) calendar days of final denial, an appeal may be filed with the State Board of Education
- 2 Tennessee Charter School Commission.⁹

Commented [MN2]: This is the major change in the policy

Legal References

1. TCA 49-13-106; State Board of Education Policy 6.111
2. TCA 49-13-107; TCA 1-3-102; TCA 49-13-108; TRR/MS 0520-14-01; Public Acts of 2019, Chapter No. 219
3. TCA 49-13-110
4. TCA 49-13-108; TRR/MSS 0520-14-01
5. TCA 49-13-128
6. TCA 49-13-121
7. TCA 49-13-122

Legal References

1. TCA 49-13-106; State Board of Education Policy 6.111
2. TCA 49-13-107; TCA 1-3-102; TCA 49-13-108; TRR/MS 0520-14-01
3. TCA 49-13-110
4. TCA 49-13-108; TRR/MSS 0520-14-01
5. TCA 49-13-128
6. TRR/MS 0520-14-01-06; TCA 49-13-110
7. TCA 49-13-110
8. TCA 49-13-122
9. TCA 49-13-108(b)(5)

Elizabethton City Board of Education

Monitoring: Review: Annually, in April	Descriptor Term: Interrogations and Searches	Descriptor Code: 6.303	Issued Date: 01/16/14
		Rescinds: 6.303	Issued: 11/19/07

1 INTERROGATIONS BY SCHOOL PERSONNEL

2 ~~School personnel have a duty to report any reasonable suspicion that a student is carrying, or has carried,~~
3 ~~a weapon or is violating, or has violated, a provision of the Tennessee Drug Control Act to the principal,~~
4 ~~the principal's designee or, if the principal and the principal's designee are unavailable and the offense~~
5 ~~was committed on school property, to the appropriate authorities.¹~~

6 Students may be questioned by teachers or principals about any matter pertaining to the operation of a
7 school and/or the enforcement of its rules. Questioning **must shall** be conducted discreetly and under
8 circumstances which will avoid unnecessary embarrassment to the student ~~being questioned~~. Any
9 student answering falsely, ~~or~~ evasively or refusing to answer a ~~proper~~ question may be subject to
10 disciplinary action, including suspension.

11 If a student is suspected or accused of misconduct or infraction of the student code of conduct , the
12 principal may interrogate the student, without the presence of parent(s)/guardian(s) ~~or legal custodians~~
13 ~~and without giving the student constitutional warnings.~~

14 INTERROGATIONS BY POLICE (AT ADMINISTRATOR'S **PRINCIPAL'S** REQUEST)

15 If the principal has requested assistance by ~~the police department~~ **law enforcement** to investigate a crime
16 involving his/her school, the police ~~shall have permission to~~ **may** interrogate a student suspect in school
17 during school hours. The principal shall first attempt to notify the parent(s)/guardian(s) ~~or legal~~
18 ~~custodians~~ of the student ~~of the intended interrogation~~, unless circumstances require otherwise.
19 **However,** ~~the~~ interrogation may proceed without attendance of the parent(s)/guardian(s), ~~or legal~~
20 ~~custodians~~, but ~~the~~ principal ~~or his/her~~ designee shall be present during the interrogation. **!**

21 ~~The use of police women or female staff members is desirable in the interrogation of female students.~~

22 POLICE-INITIATED INTERROGATIONS

23 If the police deem circumstances of sufficient urgency to interrogate students at school for unrelated
24 crimes committed outside of school hours, the police department ~~shall~~ **should** first contact the principal

Commented [MN1]: From TSBA: With the increase in vaping across the state, we have received many questions on conducting searches in line with policy 6.303 and state law. As a result, we wanted to send out our model policy on this topic. We recommend that searches be conducted within the parameters of what is allowed under state and federal law.

1 regarding the planned interrogation; and inform him/her of the probable cause to investigate within the
2 school. The principal shall make reasonable effort to notify the parent(s)/guardian(s) or legal custodians
3 of the interrogation; unless circumstances require otherwise. The interrogation may proceed without
4 attendance of the parent(s)/guardian(s), or legal custodians, but if the principal or his/her designee shall
5 be present during the interrogation.

6 SEARCHES BY SCHOOL PERSONNEL

7 Any principal, or his/her designee, having reasonable suspicion may search any student, place or thing
8 on school property or in the actual or constructive possession of any student during any organized school
9 activity off campus, including buses, vehicles of students or visitors (*Notice shall be posted in the school
10 parking lot that vehicles parked on school property by students or visitors are subject to search for
11 drugs, drug paraphernalia or dangerous weapons*), and containers or packages if he/she receives
12 information which would cause a reasonable belief that the search will lead to the discovery of:

- 13 1. Evidence of any violation of the law;
- 14 2. Evidence of any violation of school rules or regulations or proper standards of student or faculty
15 conduct;
- 16 3. Any object or substance which, because of its presence, presents an immediate danger of harm
17 or illness to any person.

18 A student using a locker that is the property of the school system does not have the right of privacy in
19 that locker or its contents. All lockers or other storage areas provided for student use on school premises
20 remain the property of the school system and are provided for the use of students subject to inspection,
21 access for maintenance and search. *Notice shall be posted in each school that lockers and other storage
22 areas are school property and are subject to search.*

23 A student may be subject to physical search or a student's pocket, purse or other container may be
24 required to be emptied because of the results of a locker search, or because of information received from
25 a teacher, staff member or other student if such action is reasonable to the principal. All of the following
26 standards of reasonableness shall be met:

- 27 1. A particular student has violated policy;
- 28 2. The search could be expected to yield evidence of the violation of school policy or disclosure of
29 a dangerous weapon or drug;
- 30 3. The search is in pursuit of legitimate interests of the school in maintaining order, discipline,
31 safety, supervision and education of students;
- 32 4. The primary purpose of the search is not to collect evidence for a criminal prosecution; and
- 33 5. The search shall be reasonably related to the objectives of the search and not excessively

1 intrusive in light of the age and sex of the student, as well as the nature of the infraction alleged
2 to have been committed.

3 Strip searches are prohibited. There are no conditions or circumstances which would justify school or
4 administrative personnel conducting strip searches. Strip search is defined as requiring a student to
5 remove his/her clothing such that undergarments are visible or are removed. Removal of jackets, hats,
6 shoes, socks, and/or belts, or the untucking of shirts does not fall within the definition of strip search.

7 School officials may conduct hand-held or walk-through metal detector checks of a student's person or
8 personal effects.

9 **USE OF ANIMALS**

10 When necessary, dogs or other animals trained to detect drugs or dangerous weapons may be used in
11 conducting searches, but the animals shall be used only to pinpoint areas which need to be searched and
12 shall not be used to search the persons of students or visitors.

13 **USE OF METAL DETECTORS**

14 In view of the escalating presence of weapons in the schools, the Board of Education authorizes the use
15 of hand-held or walk-through metal detectors to check a student's person or personal effects as follows:

16 School officials or law enforcement officers may conduct metal detector checks of groups of individuals
17 if the checks are done in a minimally-intrusive, nondiscriminatory manner (e.g., on all students in a
18 randomly selected class; or every third individual entering an athletic event). Metal detector checks of
19 groups of individuals may not be used to single out a particular individual or category of individuals.

20 If a school official has reasonable suspicion to believe that a particular student is in possession of an
21 illegal or unauthorized metal-containing object or weapon, s/he may conduct a metal detector check of
22 the student's person and personal effects.

23 A student's failure to permit a metal detector check as provided in this policy will be considered grounds
24 for disciplinary action including possible suspension.

25 **SEARCHES BY POLICE AND SCHOOL PERSONNEL**

26 If public health or safety is involved, upon request of the principal who shall be present, police officers
27 may make a general search of students' lockers and desks, or students' or nonstudents' automobiles for
28 drugs, weapons or items of an illegal or prohibited nature.

1 If the principal has received reliable information which he/she believes to be true that evidence of a
2 crime or of stolen goods, not involving school property of members of the school staff or student body,
3 is located on school property and that any search for such evidence or goods would be unrelated to school
4 discipline or to the health and safety of a student or the student body, he/she shall file a report with local
5 law enforcement; and procedures to obtain and execute a search warrant shall thereafter be followed.

6 Anything found in the course of the search conducted in accordance with this entire policy which is
7 evidence of a violation of the law or a violation of student conduct standards may be:

- 8 1. Seized and admitted as evidence in any hearing, trial, suspension or dismissal proceeding. It
9 should be tagged for identification at the time it is seized and kept in a secure place by the
10 principal or the principal's designee until it is presented at the hearing. At the discretion of the
11 principal, the items seized may be returned to the parent or guardian of a student.
12
- 13 2. Any seized item may be turned over to any law enforcement officer. Any dangerous weapon or
14 drug as defined in TCA 49-6-4202 shall be turned over to an appropriate law enforcement official
15 after completion of an administrative proceeding at which its presence is reasonably required.

16 Whenever the possibility of uncovering evidence of a criminal nature exists, the principal or his/her
17 designee may request the assistance of a law enforcement officer to:

- 18 1. Search any area of the school premises, any student or any motor vehicle on the school premises;
19 or
20
- 21 2. Identify or dispose of anything found in the course of a search conducted in accordance with this
22 policy.
23

24 The involvement of law enforcement officials is encouraged when there is probable cause to suspect that
25 criminal evidence is about to be uncovered.
26

~~Legal References:~~

~~1. TCA 49-6-4202 through TCA 49-6-4212~~

~~Cross References:~~

~~Procedural Due Process 6.302
Child Abuse and Neglect 6.409~~

Legal References

1. TCA 49-6-4203(b)

Cross References

Traffic and Parking Controls 3.403

2. TCA 49-6-4201 *et seq.*; Tenn. Op. Att’y Gen. No. 14-21
(February 24, 2014)

Procedural Due Process 6.302
Reporting Child Abuse 6.409

Elizabethton City Board of Education

Monitoring: Review: Annually, in April	Descriptor Term: Medicines	Descriptor Code: 6.405	Issued Date: 05/15/18
		Rescinds: 6.405	Issued: 04/17/18

1 If under exceptional circumstances a **child student** is required to take non-prescription or prescription
2 **medication** during school hours and the parent/guardian cannot be at school to administer the medication,
3 only the principal/designee will assist in self-administration of the medication if the student is competent
4 to self-administer medicine with assistance in compliance with the following regulations.¹

5 Written instructions signed by the parent/guardian will be required and will include:

- 6 1. Child's name;
- 7 2. Name of medication;
- 8 3. Name of physician;
- 9 4. Time to be self-administered;
- 10 5. Dosage and directions for self-administration (non-prescription medicines must have label
11 direction);
- 12 6. Possible side effects, if known; and
- 13 7. Termination date for self-administration of the medication.

14 **Students with asthma shall be permitted to self-administer prescribed, metered dosage asthma-reliever**
15 **inhalers if the additional information is provided by a parent/guardian:**

- 16 1. **Written statement from the prescribing health care practitioner that the student suffers from**
17 **asthma and has been instructed in self-administration; and**
- 18 2. **Purpose of the medication.**

20

21 The medication must be delivered to the principal's office in person by the parent/guardian of the student
22 unless the medication must be retained by the student for immediate self-administration (~~i.e. students~~
23 ~~with asthma~~).

24 The ~~administrator~~ **principal**/designee will:

- 25 1. Inform appropriate school personnel of the medication to be self-administered;
- 26 2. Keep written instructions from parent/guardian in student's record;
- 27 3. Keep an accurate record of the self-administration of the medication;
- 28 4. Keep all medication in a locked cabinet except medication retained by a student per physician's
29 order;

Commented [MN1]: From TSBA: We have updated this policy to clarify the process for allowing students to self-administer asthma medication during school hours.

- 1 5. Return unused prescription to the parent/guardian only; and
- 2 6. Ensure that all guidelines developed by the Department of Health and the Department of
3 Education are followed.
- 4 The parent/guardian is responsible for informing the designated official of any change in the student's
5 health or change in medication.
- 6 A copy of this policy shall be provided to a parent/guardian upon receipt of a request for long-term
7 administration of medication.

8 **BLOOD GLUCOSE SELF-CHECKS²**

9 Upon written request of a parent or guardian, and if included in the student's medical management plan
10 and in the Individualized Healthcare Plan (IHP), a student with diabetes shall be permitted to perform a
11 blood glucose check or administer insulin using any necessary diabetes monitoring and treatment
12 supplies, including sharps. The student shall be permitted to perform the testing in any area of the school
13 or school grounds at any time necessary.

14 Sharps shall be stored in a secure, but accessible location, including the student's person, until use of
15 such sharps is appropriate.

16 Use and disposal of sharps shall be in compliance with the guidelines set forth by the Tennessee
17 Occupational Safety and Health Administration (TOSHA).⁵

18 **STUDENTS WITH PANCREATIC INSUFFICIENCY OR CYSTIC FIBROSIS³**

19 Students diagnosed with pancreatic insufficiency or cystic fibrosis shall be permitted to self-manage
20 their prescribed medication in a manner directed by a licensed healthcare provider without additional
21 assistance or direction. The Director of Schools shall develop procedures for the development of an
22 Individualized Healthcare Plan (IHP) for every student that wishes to self-mediate administer.

23 **STUDENTS WITH ADRENAL INSUFFICIENCY⁴**

24 The parent/guardian of a student diagnosed with adrenal insufficiency shall notify the school district of
25 the student's diagnosis. Once notified, the district shall observe the following procedure:

- 26 1. The district shall train school personnel who will be responsible for administering the
27 medication for the treatment of adrenal insufficiency and any who volunteer to administer the
28 medication.
- 29 2. The district shall maintain a record of all school personnel who have completed this training.
30
31

- 1 3. If a student is suffering from an adrenal crisis, a school nurse or other licensed health care
2 professional may administer the prescribed medication to the student. If a school nurse or other
3 licensed health care professional is not immediately available, trained school personnel may
4 administer the prescribed medication.
- 5 The director of schools shall develop procedures on the administration of medications that treat adrenal
6 insufficiency, including the treatment of an adrenal crisis while on school transportation and during
7 activities such as field trips, and recordkeeping per state law. ~~rules set forth by the State Board of~~
8 ~~Education.~~

Legal References

1. TCA 49-50-1602
2. TCA 49-50-1602(d)(7)
3. TCA 49-50-1601; State Board of Education Policy 4.205
4. TRR/MS 0520-01-12; State Board of Education Policy 4.205

Legal References

1. TCA 49-50-1602 *et seq.*; TRR/MS 0520-01-13-.03
2. TCA 49-50-1602(d)(7)
3. State Board of Education Policy 4.205; TRR/MS 0800-01-10
4. TCA 49-50-1601
5. TRR/MS 0520-01-13; State Board of Education Policy 4.205

Cross-References

- Emergency Allergy Response Plan 6.412

Cross References

- Promoting Student Welfare 6.400
Emergency Allergy Response Plan 6.412

Elizabethton City Board of Education

Monitoring: Review: Annually, in November	Descriptor Term: Instructional Resources and Materials Textbook and Instructional Materials	Descriptor Code: 4.400	Issued Date: 09/18/14
		Rescinds: 4.400	Issued: 03/29/90

~~The Board recognizes the student's right of access to a variety of instructional materials¹ and the right of the professional staff to make selections of instructional materials, provided the following criteria are observed:~~

- ~~1. All textbooks and other media shall support the school's educational philosophy and aims.~~
- ~~2. Instructional materials shall be chosen for interest value, relations to the curriculum, suitability for grade level and informative context. These materials shall provide for continuity from one grade to the next and for uniformity when possible within a grade level throughout the school system. Materials otherwise acceptable shall neither be excluded because of the race, color, sex, nationality, political opinions or religious views of the writer, nor for the style of the material.~~
- ~~3. Concentrated effort will be made to provide materials representing various points of view on important issues, and those based on sound, factual authority shall not be excluded only because of partisan or doctrinal approval or disapproval.~~
- ~~4. Basic factors to be considered in selection are the pertinent qualities of:

 - ~~a. Truth: factual accuracy, authoritativeness, balance, integrity;~~
 - ~~b. Art: attractiveness, stimulating presentation, imagination, creativeness, style appropriate to the idea, and distinction.~~~~
- ~~5. Selection will be based on preview and actual examination to the extent possible with the assistance of reviews and recommendations supplied as evaluation aids.~~
- ~~6. Upon request, parents/guardians shall have the ability to inspect the following items: instructional materials; teaching materials; teaching aids; handouts; and tests that are developed by and graded by their child's teacher. The director of schools shall develop procedures for the inspection of materials and distribute these procedures to each principal.¹~~

1 **General**

2 All classrooms shall be equipped with the textbooks and instructional materials needed to provide quality
3 learning experiences for students in accordance with state law.¹ The Board shall provide a wide range of
4 textbooks and instructional materials that cover all levels of difficulty, generate critical thinking, and
5 support the educational programs.

6 **SELECTION²**

Commented [MN1]: This policy has a new name – **Textbooks and Instructional Materials** is the new name. Old name is **Instructional Resources and Materials**

Commented [MN2]: From TSBA: A new State Board of Education regulation creates a process for Boards to apply for waivers regarding textbooks and instructional materials. To take advantage of this, a Board must vote to seek a waiver to use materials that are not included on the list approved by the State Textbook Commission. We have updated our model policy to include a provision on these waivers.

Additionally, we have combined model policies 4.400 and 4.401 to clarify the relationship between textbooks and instructional materials.

1 The responsibility to select textbooks and instructional materials, as recommended by the State Textbook
2 Commission, rests with the local textbook selection committees, subject to approval by the Board. Use
3 of textbooks and instructional materials not on the list approved by the State Textbook Commission is
4 permissible if the Board submits a waiver to the State Board of Education and such waiver is approved.

5 The Director of Schools shall establish a procedure for providing citizens of the community with an
6 opportunity to examine proposed textbooks and instructional materials prior to their final adoption,³
7 including public notice of the time and location at which textbooks and instructional materials may be
8 examined. Once approved by the Board, the Director of Schools shall post the list of all approved
9 textbooks and instructional materials on the school district’s website and send a copy of the list to the
10 Commissioner of Education.²

11 **DISTRIBUTION**

12 The Director of Schools shall designate an employee to be responsible for the purchase and distribution
13 of textbooks and instructional materials in each school. Students shall receive these items at no cost.

14 **CARE OF TEXTBOOKS AND INSTRUCTIONAL MATERIALS⁴**

15 Textbooks and instructional materials are property of the Board and shall be returned at the end of the
16 school year, upon completion of the course, or upon withdrawal from a course or school.
17 Parent(s)/guardian(s) are to sign an agreement stating they shall be responsible for the textbooks and
18 instructional materials received and used by their children. The Director of Schools shall be responsible
19 for developing an administrative procedure regarding the replacement of lost or damaged textbooks and
20 instructional materials.

21 **REVIEW OF TEXTBOOKS AND INSTRUCTIONAL MATERIALS³**

22 A list of textbooks and instructional materials shall be revised annually by principals under the direction
23 of the Director of Schools.

24 Upon request, parent(s)/guardian(s) shall have the ability to inspect any textbooks and instructional
25 materials including, but not limited to, teaching materials, handouts, and tests that are developed by
26 and graded by their child’s teacher.

The Director of Schools shall develop procedures for the inspection of materials and distribute these
procedures to each principal.

Legal References

1. ~~20 USCA § 1232h(a); TCA 49-6-7003~~

Legal References

- 2. TCA 49-6-2207; TCA 49-2-203(a)(3)
- 3. TCA 49-6-2207(c), (e), (f); TCA 49-6-2202(d); TRR/MS 0520-01-18-.02
- 4. 20 USCA § 1232h(a); TCA 49-6-7003
- 5. TCA 49-3-310(1)(B); TRR/MS 0520-01-02-.16(2)

Cross Reference

- Surplus Property Sales 2.403
- Reconsideration of Instructional Materials and Textbooks 4.403
- Controversial Materials 4.801
- Student Fees and Fines 6.709

<Policy Title>

<Descriptor Code>

Elizabethton City Board of Education			
Monitoring: Review: Annually, in April	Descriptor Term: Physical Examinations and Immunizations	Descriptor Code: 6.402	Issued Date: 02/17/05
		Rescinds: 6.402	Issued: 01/29/90

1 **PHYSICAL EXAMINATIONS**

2 The principal shall ensure that there is a complete physical examination of each student prior to:

- 3 1. Entering school for the first time²; ~~This applies to kindergarten, first grade and other students~~
4 ~~for whom there is no health record, with such examination having been completed no earlier~~
5 ~~than one (1) year prior to the date of enrollment;~~⁴ and
6
- 7 2. Participation as a member of any athletic team or in any other strenuous physical activity
8 program.²⁻³

9 Cost of the examination shall be ~~borne~~ covered by the parent or /guardian of the student. These records
10 shall be on file in the principal's office.³

11 Screening tests ~~as required by the Tennessee Department of Education and the Department of Health for~~
12 ~~vision, hearing, scoliosis and lice~~ will be conducted. Parent(s)/Guardian(s) will receive written notice of
13 any screening result that indicates a condition that might interfere ~~or tend to interfere~~ with a student's
14 progress. ~~In general,~~ **I** the school district will not conduct physical examinations of a student without
15 parental consent to do so or by court order, unless the health or safety of the student or others is in
16 question.⁴

17 **IMMUNIZATIONS**

18 ~~No students entering school, including those entering kindergarten or first grade, those from out-of state~~
19 ~~and those from nonpublic schools, will be permitted to enroll (or attend) without proof of immunization,~~
20 ~~as determined by the Commissioner of Public Health.~~¹⁻⁵ **S**tudents will not be permitted to attend school
21 **w**ithout proof of immunization as determined by the Commissioner of Health unless circumstances
22 **o**utlined in state or federal law prevent a student from producing such records.^{2,5} It is the responsibility
23 of the parent(s) ~~or~~ /guardian(s) to have their children immunized and to provide such proof to the
24 principal of the school which the student is to attend.⁴⁻⁵

Commented [MN1]: From TSBA: State law allows for religious and medical exceptions from immunization requirements. We have received several questions about immunizations in light of the state law on exceptions in a pandemic. As a result, we wanted to send out our model policy.

- 1 Exceptions, ~~in the absence of an epidemic or immediate threat thereof~~, will be granted to any **child**
2 **student** whose parent ~~or~~ guardian **shall file** with school authorities a signed, written statement that such
3 measures conflict with ~~his/her religious tenets and practices; or due to medical reasons if such child has~~
4 ~~a written statement from his/her doctor excusing him from such immunization.~~⁶ **one of the following:**
- 5 **1. His/her religious tenets and practices if in the absence of an epidemic or immediate threat of an**
6 **epidemic;**⁶ **or**
 - 7 **2. Due to medical reasons if the student has a written statement from his/her doctor excusing**
8 **him/her from the immunization.**⁷
- 9
- 10 ~~Proof of exceptions will be in writing and filed in the same manner as other immunization records.~~
- 11 ~~A list of transfer students shall be kept at each school throughout the school year in order that their~~
12 ~~records can be monitored by the Department of Health.~~
- 13 **The Director of Schools shall ensure that appropriate immunization records are maintained for each**
14 **student.**

Legal References:

- 1.— TRR/MS 0520-1-3-.08(2)(a); TCA 49-6-5004(a)
- 2.— TRR/MS 0520-1-3-.08(2)(b)
- 3.— TCA 49-6-5001(b)(1)
- 4.— P.L. 107-110 Part F § 1061 (1)(D); (2)(B) & (4)(B)
- 5.— TCA 49-6-5001(a)
- 6.— TCA 49-6-5001(b)(2)

Legal References

1. 20 USCA § 1232h(c)
2. TRR/MS 0520-01-03-.08(2)(a)
3. TRR/MS 0520-01-03-.08(2)(b)
4. Tennessee School Health Screening Guidelines,
https://www.tn.gov/content/dam/tn/education/csh/csh_school_health_screening_guidelines.pdf
5. TCA 49-6-5001(a),(c)
6. TCA 49-6-5001(b)(2)
7. TCA 49-6-5001(c)(2)

Cross References**Promoting Student Welfare 6.400**

Elizabethton City Board of Education

Monitoring: Review: Annually, in September	Descriptor Term: School Board Meetings	Descriptor Code: 1.400	Issued Date: 12/15/15
		Rescinds: 1.400	Issued: 11/15/12

1 The Board will transact all business at official meetings which may be either regular or special.

2 Every meeting of the board shall be open to the public, except for those meetings in which the law allows
3 closed sessions.¹ Open meetings will be physically accessible to all students, employees, and interested
4 citizens.³

5 The Board may restrict the recording of Board meetings via camera, camcorder or other photographic
6 equipment when such recording creates a threat to public safety and welfare or impedes the conducting
7 of efficient and orderly public meetings.⁴

8 **REGULAR MEETINGS**

9 Regular meetings of the Board shall be held on the ~~third Tuesday~~ [REDACTED] of each month.

10 In instances when any regular meeting date falls on a legal holiday, the meeting shall be rescheduled
11 by the chair.

12 **SPECIAL MEETINGS**

13 The Board shall hold such special meetings as necessary to transact the business of the Board. Such
14 meetings shall be called by the chair whenever, in the chair's judgment, the interests of the schools
15 require it, or when requested to do so by a majority of the Board.²

16 Only business related to the call of the meeting, and details related to agenda items shall be discussed
17 or transacted by the Board at a special meeting.

18 **ELECTRONIC ATTENDANCE⁵**

19 Absent Board members may attend a regular or special meeting by electronic means if the member is
20 absent because of work, a family emergency, or the member's military service. If a board member is
21 absent due to military service, he/she may participate electronically as often as he/she is able to do so.
22 However, a board member may not participate electronically more than two (2) times per year for
23 absences due to work and/or family emergencies.

24 *General Requirements*

25 The following requirements apply to all electronic attendance, regardless of the reason for the
26 member's absence:

- 1 1. A quorum of the Board must be physically present at the meeting in order for any member to
2 attend electronically.
- 3 2. Any member wishing to participate electronically must do so using technology which allows
4 the Chair to visually identify the member.
- 5 3. The responsibility for the connection lies with the member wishing to participate electronically.
6 No more than three (3) attempts to connect shall be made, unless the Board chooses to make
7 additional attempts.

8 *Work Related Absence*

9 The following requirements apply to electronic attendance due to a work related absence:

- 10 1. The Board member must be absent from the county due to work.
- 11 2. The member wishing to participate must give the Chair and director at least five (5) days notice
12 prior to the meeting of the member's desire to participate electronically.

13 *Family Emergency*

14 The following requirement applies to electronic attendance due to a family emergency:

- 15 1. The member must be absent due to the hospitalization of the member or the death or
16 hospitalization of the member's spouse, father, mother, son, daughter, brother, sister, son-in-
17 law, daughter-in-law, step-son, step-daughter, father-in-law, mother-in-law, brother-in-law, or
18 sister-in-law.

Legal References

1. TCA 8-44-102; TCA 49-6-804(b)
2. TCA 49-2-202(c)(1)
3. 28 CFR § 36.201(a); 36.202
4. OP Tenn. Atty. Gen. 95-126
5. TCA 49-2-203(c)

Cross References

School Board Legal Status and Authority 1.100
Section 504 & ADA Grievance Procedures 1.802

Elizabethton City Board of Education

Monitoring: Review: Annually, in December	Descriptor Term: Testing Programs (Proposed)	Descriptor Code: 4.700	Issued Date: 10/23/18
		Rescinds: 4.700	Issued: 08/21/18

1 *General*

2 The board shall provide for a system-wide testing program which shall be periodically reviewed and
3 evaluated. The purposes of the program shall be to:

- 4 1. Assist in promoting accountability;
- 5
- 6 2. Determine the progress of students;
- 7
- 8 3. Assess the effectiveness of the instructional program and student learning;
- 9
- 10 4. Aid in counseling and guiding students in planning future education and other endeavors;
- 11
- 12 5. Analyze the improvements needed in each instructional area;
- 13
- 14 6. Assist in the screening of students with learning difficulties;^{1,2}
- 15
- 16 7. Assist in placing students in remedial programs;
- 17
- 18 8. Provide information for college entrance and placement; and
- 19
- 20 9. Assist in educational research by providing data.

21 The director of schools shall be responsible for planning and implementing the program, which includes:

- 22 1. Determining specific purposes for each test;
- 23
- 24 2. Selecting the appropriate test to be given;
- 25
- 26 3. Establishing procedures for administering the tests;
- 27
- 28 4. Making provisions for interpreting and disseminating the results;
- 29
- 30 5. Maintaining testing information in a consistent and confidential manner; and
- 31
- 32 6. Ensuring that results are obtained as quickly as possible, especially when placement in a special
33 learning program might be necessary.

1 State-mandated student testing programs shall be undertaken in accordance with procedures published
2 by the State Department of Education.³

3 **WEIGHTING TCAP SCORES**

4 TNReady⁴ and EOC⁵ scores will be included in students' final grades as follows:

- 5 a) Grades 3-5 - 0%
- 6 b) Grades 6-8 - 15%
- 7 c) Grades 9-12 - 15%

8 **For the 2020-2021 school year, EOC and TNReady scores for grades 6-12 will only count if the test**
9 **score will help the student's final grade. No student grades will be negatively impacted by these scores.**

10 The TNReady and EOC will be calculated into the last grading period of the course.

11 All student scores will be calculated using the target grade method.

12 The Director of Schools may exclude these scores from students' final grades if results are not received
13 by the district at least five (5) instructional days before the end of the course.^{4,5}

14 **TESTING INFORMATION AND PARENTAL CONSENT**

15 Any test directly concerned with measuring student ability or achievement through individual or group
16 psychological or socio-metric tests shall not be administered by or with the knowledge of any employee
17 of the system without first obtaining written consent of the parent(s) or guardian(s).²

18 Results of all group tests shall be recorded on students' permanent records and shall be made available
19 to appropriate personnel in accordance with established procedures.⁶

20 No later than July 31st of each year, the board shall publish on its website information related to state
21 and board mandated tests that will be administered during the school year. The information shall
22 include:⁷

- 23 1. The name of the test;
- 24
- 25 2. The purpose and use of the test;
- 26
- 27 3. The grade or class in which the test will be administered;
- 28
- 29 4. The tentative date or dates that the test will be administered;
- 30
- 31 5. The time and manner in which parent(s)/guardian(s) and students will be notified of the results
32 of the test;
- 33

- 1 6. How parent(s)/guardian(s) can access the questions and answers on their student’s state-
 - 2 required tests; and
 - 3
 - 4 7. If a board mandated test, how the test complements and enhances student instruction and
 - 5 learning and how it serves a purpose distinct from state-required tests.
- 6 Testing information shall also be placed in student handbooks or other school publications that are
- 7 provided to parent(s)/guardians(s) on an annual basis.

Legal References

1. TCA 49-10-108
2. 20 USCA § 1232(g)
3. TRR/MS 0520-01-03-.03(8); TRR/MS 0520-01-03-.06(1)(c)
4. TCA 49-1-617; Public Acts of 2018, Chapter No. 817
5. TRR/MS 0520-01-03-.06(1)(c)(2); State Board of Education Policy 2.103; Public Acts of 2018, Chapter No. 817
6. TCA 10-7-504
7. TCA 49-6-6007; State Board of Education Policy 2.103

Cross References

Student Surveys, Analyses, and Evaluations 6.4001
Student Records 6.600