

ELIZABETHTON CITY SCHOOLS BOARD OF EDUCATION

REGULAR SCHEDULED MEETING

Thursday, December 15, 2022, @ 5:30 PM

Board Members

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

The Elizabethton Board of Education will meet on Thursday, December 15, 2022, at 5:30 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. **TIME FOR CITIZENS TO SPEAK**
 - A. No citizens asked to appear before the Board.
7. **SPECIAL RECOGNITION**
 - A. Recognition of the T. A. Dugger Swim Team.
 - B. Recognition of the TAD Leadership team on visit to Arizona.
 - C. Recognition of the Elizabethton High School Marching Band.
8. **CONSENT AGENDA**
 - A. Minutes of Regular Meeting: November 17, 2022.
 - B. Approve General Purpose Fund Financial Statement, November 30, 2022.
 - C. Approve Federal Projects Fund Financial Statement, November 30, 2022.
 - D. Approve School Nutrition Fund Financial Statement, November 30, 2022.
 - E. Approve Audit Reports for School Activity Funds and BOE Funds.
 - F. Approve a Research Study Plan to be conducted by Milligan Student, Isabella Cranford at T. A. Dugger Jr. High.
 - G. Approve Equipment Disposal Request from Jason Lancaster for the disposal of two Dell servers.
 - H. Approve Equipment Disposal Request from Eric Wampler, Principal at Harold McCormick Elementary School for the disposal of a metal chair rack, metal folding chairs, folding tables, small filing cabinet, wooden desks, etc. Please see attached document for details.
 - I. Approve Equipment Disposal Request from Josh Boatman for the disposal of a ColorPro poster printing system that is not functional.

J. Approve Equipment Disposal Request from Regina Isaacs, Food Service Director, for the disposal of a Victory (2) door refrigerator at Harold McCormick Elementary, a Victory (2) door refrigerator at Elizabethton High School, and a Delfield Refrigerator at Elizabethton High School that no longer work.

K. Approve Equipment Disposal Request from Jon Minton, Principal at EHS, for the disposal of 14 girls' basketballs and 18 shooter shirts.

L. Approve Professional Leave for Director of Schools, Richard VanHuss to attend the TOSS Legislative and Learning Conference in Nashville, Tennessee, March 27-29, 2022.

M. Approve Professional Leave for Director of Schools, Richard VanHuss to attend the Niswonger Director's Retreat, February 26-27, 2022.

9. REPORT - DIRECTOR OF SCHOOLS/BOARD MEMBERS

A. Personnel Report

a. **ADDITIONAL POSITION:** Craig Wilcox, Assistant Boys' Baseball Coach at EHS, effective November 9, 2022.

NEW: Marianna Krueger, Educational Assistant at EHS, effective November 14, 2022; Melissa Poderis Guyn, Special Education Assistant at ESE, effective November 28, 2022; Skyler Zupancic, Interim Educational Assistant at ESE, effective November 17, 2022; Matthew Clemson, Assistant Boys' Basketball Coach at EHS, effective November 15, 2022; Jennifer Singleton, Custodian at Central Office, effective November 15, 2022; Karen Kirkpatrick-Gagnon, SPED Assistant at EHS, effective December 1, 2022; Abigail Bailey, Media Assistant at EHS, effective December 8, 2022.

TRANSFERS: Brittany Tipton, Interim ARP Educational Assistant at HME from PT to FT, effective November 28, 2022; Sarah Proffitt, from Interim ARP Assistant at TAD to Interim ARP Assistant at EHS, effective November 28, 2022; Juanita Coley to Interim ARP Special Education Assistant at WSE, effective November 21, 2022; Rebekah Hodge to Interim ARP Special Education Assistant at ESE, effective November 21, 2022; Adrienne Meade, from Substitute Teacher to Interim Special Education Assistant at ESE, effective December 5, 2022; Amy Hayden, from PT to FT Interim ARP Assistant at TAD, effective December 2, 2022; Lydia Wismer, to Special Education Assistant at EHS, effective November 15, 2022; Linda La'Shae Taylor, Educational Assistant from ESE to WSE, effective November 14, 2022; Melenda Egolf, from Educational Assistant to Instructional Assistant at EHS, effective November 16, 2022.

RESIGNATIONS: Ashley Owenby, ESP Student Leader, Systemwide, effective November 10, 2022; Kaitlyn Haney, ESP Site Coordinator, effective December 16, 2022; Jacqueline Markland, ESP Student Leader, Systemwide, effective November 14, 2022; Carrie Matherly, Educational Assistant at WSE, effective November 12, 2022; Melissa Guyn, Special Education Assistant at ESE, effective December 5, 2022; Lacy Silvers, ESP Student Leader Systemwide, effective December 17, 2022;

Elizabeth Austin, ESP Student Leader ONLY, effective December 16, 2022.

RETIRING: Regina Carpenter, Teacher at TAD, effective January 1, 2023; Gene Fleenor, Educational Assistant at WELC, effective January 1, 2023.

LEAVE OF ABSENCE: Becky Hughes, Custodian at HME from December 13, 2022, through December 27, 2022; Lori Barnett, Educational Assistant at WSE from November 14, 2022, through November 30, 2022; Emily Dugger, Teacher at ESE, from December 8, 2022, through February 17, 2023.

NAME CHANGE: Emily Brooks, Director of Coordinated School Health, name change to Emily Mathews.

- B. Director's Update
- C. Board Member Reports
- D. City Council Liaison's Report
- E. Student Liaison's Report

10. REGULAR AGENDA

- A. Approve the following Teachers recommended for tenure:

ESE - Selina Stout
ESE & WSE - Jennifer Keene
 Kesha Miller
WSE - Amy Ensor
TAD - Korey Hardin
 Justin White
EHS - Michael Grindstaff
 Denise Hilton
 Lucas Andrews
 Travis Pennell
 Jay Shurtz

- B. Approve contract between J. E. Green Company and Elizabethton City Schools to complete alterations to the existing building at Harold McCormick Elementary School in the amount of \$4,775,000.00.
- C. Approve the TN Together Survey to be administered to 8th, 10th, and 12th-grade students. See attached documents for additional information.
- D. Approve creation of a part-time Basketball Skills and Drills Coach/Gym Supervisor position as part of the Community Involvement Program.

11. FOR YOUR INFORMATION

12. NEXT REGULARLY SCHEDULED BOARD MEETING

A. The next regularly scheduled Board Meeting will be held on Thursday, the 19th day of January 2023, at 5:30 p.m. in the Mack Pierce Board Room in the offices of the Elizabethton Board of Education, located at 804 S. Watauga Avenue, Elizabethton, Tennessee.

13. **ADJOURN**

ELIZABETHTON CITY SCHOOLS BOARD OF EDUCATION
REGULAR SCHEDULED MEETING
Thursday, November 17, 2022 5:30 PM
Mack Pierce Board Room

The Elizabethton Board of Education met in a regular meeting on Thursday, November 17, 2022, at 5:30 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 Danny O'Quinn, second by Jamie Schaff to approve the consent and regular agendas. Motion carried.

Phil Isaacs: aye

Danny O'Quinn: aye

Eddie Pless: aye

Jamie Schaff: aye

Mike Wilson: aye

aye: 5, nay: 0

TIME FOR CITIZENS TO SPEAK

No citizens asked to address the Board.

SPECIAL RECOGNITION

Recognition of the EHS Girls and Boys Cross Country teams.

Forrest Holt introduced the cross-country teams at EHS. Coach Newman and Coach Phillips added their accomplishments over the past year. The boys qualified 4th overall as a team. They're all coming back again next year. The girls ran two races. They placed 22nd overall. A great feat of determination and training. The young men won a regional race this year. Very proud of these young boys and

girls. They've deserved it and earned it. It is an honor and privilege to be called your coach.

Recognition of fundraising efforts by Anderson Hallman for the tennis hitting wall. Coach Holt recognized Anderson Hallman as he is working on his eagle scout award with the Boy Scouts. He chose a project to build tennis backboards for our teams and community to use. The project was called Back the Boards. Anderson sent letters all over. He was able to raise around \$4,000.00 in donations. Looked into USTA Grant. We were eligible and would pay half of the price. Project fully funded. Backboards will be in on January 16th. The project will be completed at that time. We appreciate Anderson's project idea. Thank you to Anderson Hallman. Recognition of the 2022-2023 Teachers of the Year.

SCHOOL LEVEL:

PreK-4: ESE-Nakisha Campbell
HME-Shaun Julian
WSE-Rachel Ayers

5th-8th: ESE-Christy Malone
HME-Holli O'Quinn
WSE-Laura Reasor
TAD-Susan Carter

9th-12th: EHS-Meg Foster

DISTRICT LEVEL:

Pre-K-4th: HME-Shaun Julian
5th-8th: ESE-Christy Malone
9th-12th: EHS-Meg Foster

Travis Thompson recognized the 2022-2023 Teachers of the Year. Each school will select a teacher from Pre-K-4, 5-8, and 9-12.

CONSENT AGENDA

Minutes of Regular Meeting: October 13, 2022.

Approve General Purpose Fund Financial Statement, October 31, 2022.

Approve Federal Projects Fund Financial Statement, October 31, 2022.

Approve School Nutrition Fund Financial Statement, October 31, 2022.

Approve Primary Partnership Agreement between Elizabethton City Schools and Milligan University for the 2022-2023 school year.

Approve the ARP IDEA application for the 2022-2023 school year.

Approve the 2022 Local Education Agency Compliance Report.

Approve Federal Programs Budget Amendment No. 1.

REPORT - DIRECTOR OF SCHOOLS/BOARD MEMBERS

Personnel Report

ADDITIONAL POSITION: Abigail Thacker, Assistant Girls Basketball Coach at TAD, effective October 25, 2022.

NEW: Sara Zimmerman, ESP Student Leader, Systemwide, effective October 24, 2022; Amanda Woodby, SPED Educational Assistant at HME, effective October 6, 2022; Jacqueline Markland, ESP Student Leader, Systemwide, effective November 2, 2022; Bonnie Asbury, Bus Driver, effective November 1, 2022; Marianna Krueger, Educational Assistant at EHS, effective November 14, 2022; Elijah "Alex" Ingram, Assistant Girls' Basketball Coach at TAD, effective November 11, 2022; RaeAnna Owens, Cafeterial Personnel at EHS, effective November 10, 2022.

TRANSFERS: Jarrod Ellis, Assistant Baseball Coach at EHS, from paid Baseball Coach to Volunteer Baseball Coach, effective October 26, 2022; Anna Backus, from Substitute Teacher to Interim Teacher at ESE, effective November 8, 2022.

RESIGNATIONS: Ashton Slagle, ESP Student Leader, Systemwide, effective October 12, 2022; Isayah Balaicuis, Educational Assistant at EHS, effective October 28, 2022 (he will continue as the E-Sports Coach); Cassidy Brown, Educational Assistant at EHS, effective November 7, 2022; Ivan Sanders, Instructional Assistant at EHS, Effective November 9, 2022.

LEAVE OF ABSENCE: Joey Trent, Director of Technology, Maintenance & transportation from October 27, 2022, through December 8, 2022; LeAnne Click, Teacher at EHS, effective November 7, 2022, through November 18, 2022.

Director's Update

Congratulations to everyone we recognized tonight. Invite everyone to Swearing in ceremony on Tuesday, November 22nd at noon. Congratulations to Mr. Pless and Mr. O'Quinn for being re-elected to their positions on our Elizabethton City School Board. Their time and commitment to Elizabethton City Schools are appreciated. Thanks for the opportunity to attend the TSBA Conference and Annual Convention in Nashville. Heard lots of great speakers. We have opened bids on the HME school renovation project. Currently working with the lowest compliant bidder to value-engineer some of the project to get it down to the amount of funding we have. High quality project, may have problems getting everything in. Very excited we'll have a contract to present at December meeting. Thanksgiving break next week. Everyone out next Wednesday, Thursday, and Friday. Thankful for the opportunity to work here and wish each and every one a Happy Thanksgiving.

Board Member Reports

Phil Isaacs: Appreciated the opportunity to go. Networking with other school systems. Lots of middle school children performed.

Jamie Schaff: Enjoyed meeting legislators. Attended workshop related to construction. Much of the conversation was around bids coming in over budget for other schools in the state.

Eddie Pless: Interesting and good to see what others are doing. Attended a TSBA Board Meeting. Almost all information was third-grade retention. We appreciate the work they do. They're finding out what communities want and translate to legislative information to move forward. They always warn us what's coming. Thanks for allowing them to attend.

City Council Liaison's Report

MR. Simerly not able to attend tonight.

Student Liaison's Report

Conflict with Gracie's work tonight.

REGULAR AGENDA

Approve revised renewal of RFP 2019-2020-02, Pest Control Services with Chappell's Pest Control for the fiscal year of July 1, 2022, through June 30, 2023. This contract will provide pest control services at six Elizabethton City School facilities at \$5,400.00 annually.

Motion was made by Danny O'Quinn, second by Phil Isaacs to approve revised renewal of RFP 2019-2020-02, Pest Control Services with Chappell's Pest Control for the fiscal year of July 1, 2022, through June 30, 2023. This contract will provide pest control services at six Elizabethton City School facilities at \$5,400.00 annually.

Motion carried.

Phil Isaacs: aye

Danny
O'Quinn: aye

Eddie Pless: aye

Jamie Schaff: aye

Mike Wilson: aye

aye: 5, nay: 0

Presented this bid renewal a few months ago, and it was approved. There was an oversight on our part. Current economic situation warrants the \$50.00 per month increase. This is the first increase that we've had in pest control services since the first bid approval.

FOR YOUR INFORMATION

NEXT REGULARLY SCHEDULED BOARD MEETING

The next regularly scheduled Board Meeting will be held on Thursday, the 15th day of December 2022, at 5:30 p.m. in the Mack Pierce Board Room in the offices of the Elizabethton Board of Education, located at 804 S. Watauga Avenue, Elizabethton, Tennessee.

ADJOURN

Motion to adjourn was made by Danny O'Quinn.

Chairman of the Board

Director of Schools

		2022-23	2022-23	2022-23	2022-23	Unencumbered	November 2022-23	
<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>	
141 R 40110	000	CURRENT PROPERTY TAX	3,350,000.00	3,350,000.00	49,762.51	1.49	3,300,237.49	82,729.60
141 R 40120	000	TRUSTEE'S COLLECTIONS - PRIOR	83,000.00	83,000.00	48,698.63	58.67	34,301.37	7,775.37
141 R 40130	000	CIR CLK/CLK & MASTER COLLECTIO	23,000.00	23,000.00	2,922.27	12.71	20,077.73	515.81
141 R 40140	000	INTEREST AND PENALTY	26,000.00	26,000.00	5,304.27	20.40	20,695.73	1,076.64
141 R 40162	000	PAYMENTS IN LIEU OF TAXES-LOCA	58,000.00	58,000.00	5.74	0.01	57,994.26	0.00
141 R 40163	000	PAYMENTS IN LIEU OF TAXES - OT	2,500.00	2,500.00	0.00	0.00	2,500.00	0.00
141 R 40210	000	LOCAL OPTION SALES TAX	3,450,000.00	3,450,000.00	612,634.04	17.76	2,837,365.96	295,267.21
141 R 40275	000	MIXED DRINK TAX	18,000.00	18,000.00	7,818.90	43.44	10,181.10	2,070.78
141 R 40320	000	BANK EXCISE TAX	18,500.00	18,500.00	0.00	0.00	18,500.00	0.00
141 R 41110	000	MARRIAGE LICENSES	600.00	600.00	237.92	39.65	362.08	62.52
141 R 43511	000	TUITION - REGULAR DAY STUDENTS	335,000.00	335,000.00	149,049.29	44.49	185,950.71	219.08
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	98,921.56	44.45	123,630.44	15,480.41
141 R 44110	000	INVESTMENT INCOME	7,500.00	7,500.00	12,708.31	169.44	-5,208.31	4,667.88
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	98,407.61	0.00	-98,407.61	98,407.61
141 R 44990	000	OTHER LOCAL REVENUES	1,000.00	1,000.00	7,582.33	758.23	-6,582.33	0.00
141 R 46511	000	BASIC EDUCATION PROGRAM	16,263,000.00	16,263,000.00	6,498,800.00	39.96	9,764,200.00	1,624,700.00
141 R 46515	000	EARLY CHILDHOOD EDUCATION	415,390.00	415,390.00	99,784.03	24.02	315,605.97	61,634.27
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	26,516.07	28.82	65,483.93	12,932.54
141 R 46610	000	CAREER LADDER PROGRAM	32,619.00	32,619.00	14,825.45	45.45	17,793.55	14,825.45
141 R 46980	000	OTHER STATE GRANTS	98,122.00	98,122.00	36,959.34	37.67	61,162.66	36,959.34
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	26,400.00	26,400.00	9,185.86	34.79	17,214.14	0.00
141 R 49800	000	OPERATING TRANSFERS	50,035.00	50,035.00	0.00	0.00	50,035.00	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			27,094,468.00	27,094,468.00	8,780,124.13	32.41	18,314,343.87	2,459,324.51

Number of Accounts: 38

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

	Acct	2022-23	2022-23	2022-23	2022-23	Unencumbered	November
		Original Budget	Revised Budget	FYTD Activity	FYTD %	Balance - YTD Act	Monthly Activity
141 E 71100	REGULAR INSTRUCTION PROGRAM	12,075,014.00	12,075,014.00	3,280,325.64	27.17	8,785,138.36	968,490.82
141 E 71200	SPECIAL EDUCATION PROGRAM	2,274,763.00	2,274,763.00	568,108.06	24.97	1,706,457.01	185,437.53
141 E 71300	VOCATIONAL EDUCATION PROGRAM	1,139,290.00	1,139,290.00	312,397.24	27.42	811,555.81	94,578.91
141 E 71400	STUDENT BODY EDUCATION PROGRAM	405,985.00	405,985.00	263,422.41	64.88	138,655.52	156,524.12
141 E 72110	ATTENDANCE	100,395.00	100,395.00	49,302.79	49.11	51,092.21	13,248.22
141 E 72120	HEALTH SERVICES	409,925.00	409,925.00	114,626.66	27.96	292,050.54	35,194.87
141 E 72130	OTHER STUDENT SUPPORT	1,191,301.00	1,191,301.00	307,606.17	25.82	845,894.83	102,004.87
141 E 72210	REGULAR INSTRUCTION PROGRAM	1,159,122.00	1,159,122.00	393,982.13	33.99	763,744.87	87,178.00
141 E 72220	SPECIAL EDUCATION PROGRAM	333,140.00	333,140.00	106,293.81	31.91	225,367.19	16,207.65
141 E 72230	VOCATIONAL EDUCATION PROGRAM	161,694.00	161,694.00	60,326.56	37.31	101,367.44	13,401.92
141 E 72250	TECHNOLOGY	652,540.00	652,540.00	293,670.84	45.00	323,224.26	42,133.93
141 E 72310	BOARD OF EDUCATION	537,860.00	537,860.00	326,703.31	60.74	198,392.01	14,022.87
141 E 72320	OFFICE OF THE SUPERINTENDENT	388,079.00	388,079.00	192,926.76	49.71	172,229.97	30,446.32
141 E 72410	OFFICE OF THE PRINCIPAL	1,777,952.00	1,777,952.00	637,270.41	35.84	1,140,681.59	142,836.53
141 E 72510	FISCAL SERVICES	391,655.00	391,655.00	172,672.09	44.09	215,566.31	28,290.24
141 E 72610	OPERATION OF PLANT	1,747,036.00	1,747,036.00	767,916.15	43.96	973,819.85	125,291.70
141 E 72620	MAINTENANCE OF PLANT	949,185.00	949,185.00	542,616.85	57.17	191,459.47	61,779.47
141 E 72710	TRANSPORTATION	639,445.00	639,445.00	276,247.09	43.20	323,561.27	30,424.37
141 E 73100	FOOD SERVICE	30,145.00	30,145.00	10,300.49	34.17	19,844.51	2,063.25
141 E 73300	COMMUNITY SERVICES	221,552.00	221,552.00	62,191.54	28.07	147,656.17	7,360.52
141 E 73400	EARLY CHILDHOOD EDUCATION	415,390.00	415,390.00	99,867.82	24.04	315,368.95	29,714.96
141 E 76100	REGULAR CAPITAL OUTLAY	92,000.00	92,000.00	590,213.50	641.54	-525,668.50	2,530.00
141 E 99100	OPERATING TRANSFERS	1,000.00	1,000.00	0.00	0.00	1,000.00	0.00
Grand Expense Totals		27,094,468.00	27,094,468.00	9,428,988.32	34.80	17,218,459.64	2,189,161.07

Number of Accounts: 526

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

		2022-23		2022-23	2022-23	2022-23	Unencumbered	November 2022-23
<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	88,564.00	97,564.00	43,680.72	44.77	53,883.28	8,265.23
142 R 47189	OCA	EISENHOWER PROF DEVELOPMENT ST	4,000.00	7,000.00	2,788.11	39.83	4,211.89	593.03
142 R 47131	OCP	VOCATIONAL EDUC - BASIC GRANTS	35,330.00	41,197.85	21,625.84	52.49	19,572.01	4,970.47
142 R 47143	OID	SPECIAL EDUCATION - GRANTS TO	649,927.00	679,939.71	162,306.55	23.87	517,633.16	55,131.02
142 R 47145	OPS	SPECIAL EDUCATION PRESCHOOL GR	15,530.00	19,729.95	3,726.21	18.89	16,003.74	1,242.07
142 R 47141	OT1	TITLE 1 GRANTS TO LOCAL EDUC A	586,098.00	677,476.59	176,103.72	25.99	501,372.87	50,479.83
142 R 47590	OT1	OTHER FEDERAL THROUGH STATE	53,791.00	61,979.56	16,128.79	26.02	45,850.77	4,618.21
142 R 47189	OT2	EISENHOWER PROF DEVELOPMENT ST	73,929.00	106,699.14	15,747.32	14.76	90,951.82	3,971.72
142 R 47590	OVR	OTHER FEDERAL THROUGH STATE	47,784.00	47,784.00	12,321.20	25.79	35,462.80	3,914.56
142 R 47147	21C	SAFE AND DRUG-FREE SCHOOLS-ST	145,334.00	110,058.75	76,486.10	69.50	33,572.65	18,968.14
142 R 47404	702	ARP Homeless	0.00	37,893.69	1,683.02	4.44	36,210.67	938.91
142 R 47402	902	ARP IDEA	0.00	71,625.73	860.00	1.20	70,765.73	860.00
142 R 47401	930	ESSER 3.0	435,467.00	323,605.80	83,020.89	25.65	240,584.91	24,786.89
142 R 47307	931	ESSER 2.0	73,030.00	48,668.94	21,089.46	43.33	27,579.48	7,029.82
142 R 47307	932	ESSER 2.0	1,696,069.00	1,747,999.80	201,318.64	11.52	1,546,681.16	45,375.92
142 R 47401	933	ESSER 3.0	2,903,925.00	2,835,780.00	110,120.29	3.88	2,725,659.71	31,343.22
142 R 47307	934	ESSER 2.0	200,000.00	200,000.00	97,477.73	48.74	102,522.27	25,775.23
142 R 47307	935	ESSER 2.0	0.00	56,200.00	9,939.00	17.69	46,261.00	0.00
142 R 47307	936	ESSER 2.0	0.00	71,250.00	0.00	0.00	71,250.00	0.00
142 R 47590	940	OTHER FEDERAL THROUGH STATE	0.00	14,675.62	0.00	0.00	14,675.62	0.00
142 R 47309	950	Literacy Stipend Grant	0.00	40,455.00	20,000.00	49.44	20,455.00	20,000.00
142 R 47309	LSG	Literacy Stipend Grant	0.00	13,000.00	13,000.00	100.00	0.00	0.00
142 R 47141	T1N	TITLE 1 GRANTS TO LOCAL EDUC A	35,402.00	59,085.40	21,873.40	37.02	37,212.00	4,276.87
Grand Revenue Totals			7,044,180.00	7,369,669.53	1,111,296.99	15.08	6,258,372.54	312,541.14

Number of Accounts: 23

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

		2022-23	2022-23	2022-23	2022-23	Unencumbered	November 2022-23
	Acct	Original Budget	Revised Budget	FYTD Activity	FYTD %	Balance - YTD Act	Monthly Activity
142 E 71100	REGULAR INSTRUCTION PROGRAM	2,226,253.00	2,373,262.85	521,685.39	21.98	1,843,750.67	161,899.60
142 E 71200	SPECIAL EDUCATION PROGRAM	665,457.00	739,953.14	166,892.76	22.55	573,060.38	56,372.89
142 E 71300	VOCATIONAL EDUCATION PROGRAM	20,830.00	25,697.85	18,364.23	71.46	6,152.04	3,266.00
142 E 72120	HEALTH SERVICES	50,000.00	50,000.00	5,000.00	10.00	0.00	0.00
142 E 72130	OTHER STUDENT SUPPORT	174,161.00	201,876.59	55,410.34	27.45	133,216.57	15,171.86
142 E 72210	REGULAR INSTRUCTION PROGRAM	370,906.00	532,597.10	146,266.41	27.46	379,170.85	36,908.82
142 E 72220	SPECIAL EDUCATION PROGRAM	0.00	31,342.25	0.00	0.00	30,292.25	-20.74
142 E 72230	VOCATIONAL EDUCATION PROGRAM	1,500.00	2,000.00	1,532.31	76.62	401.19	283.50
142 E 72250	TECHNOLOGY	142,204.00	141,446.00	90,925.67	64.28	50,520.33	6,180.01
142 E 72510	FISCAL SERVICES	0.00	56,200.00	9,939.00	17.69	46,261.00	0.00
142 E 72710	TRANSPORTATION	0.00	4,121.00	587.46	14.26	3,533.54	402.80
142 E 73100	FOOD SERVICE	0.00	1,000.00	77.97	7.80	22.03	77.97
142 E 73300	COMMUNITY SERVICES	142,834.00	110,058.75	84,942.55	77.18	25,116.20	16,243.45
142 E 76100	REGULAR CAPITAL OUTLAY	3,200,000.00	3,050,000.00	29,744.49	0.98	2,679,816.51	0.00
142 E 99100	OPERATING TRANSFERS	50,035.00	50,114.00	0.00	0.00	50,114.00	0.00
Grand Expense Totals		7,044,180.00	7,369,669.53	1,131,368.58	15.35	5,821,427.56	296,786.16

Number of Accounts: 221

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

		2022-23	2022-23	2022-23	2022-23	Unencumbered	November 2022-23	
<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	162,500.00	162,500.00	67,550.81	41.57	94,949.19	17,200.82
143 R 43522	000	LUNCH PAYMENTS - ADULTS	21,900.00	21,900.00	6,277.40	28.66	15,622.60	1,785.30
143 R 43523	000	INCOME FROM BREAKFAST	475.00	475.00	0.00	0.00	475.00	0.00
143 R 43525	000	A LA CARTE SALES	41,250.00	41,250.00	9,732.75	23.59	31,517.25	833.86
143 R 43990	000	OTHER CHARGES FOR SERVICES	13,000.00	13,000.00	4,625.32	35.58	8,374.68	495.72
143 R 44110	000	INVESTMENT INCOME	1,000.00	1,000.00	4,673.22	467.32	-3,673.22	1,481.37
143 R 46520	000	SCHOOL FOOD SERVICE	10,000.00	10,000.00	0.00	0.00	10,000.00	0.00
143 R 47111	000	USDA SCHOOL LUNCH PROGRAM	635,000.00	635,000.00	294,611.66	46.40	340,388.34	73,662.93
143 R 47112	000	USDA COMMODITIES	93,500.00	93,500.00	30,490.70	32.61	63,009.30	6,446.36
143 R 47113	000	USDA BREAKFAST	340,000.00	340,000.00	143,070.73	42.08	196,929.27	32,904.87
143 R 47114	000	USDA - ESP SNACK PROGRAM	18,000.00	18,000.00	10,035.12	55.75	7,964.88	1,682.64
Grand Revenue Totals			1,336,625.00	1,336,625.00	571,067.71	42.72	765,557.29	136,493.87

Number of Accounts: 41

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

		2022-23	2022-23	2022-23	2022-23	Unencumbered	November 2022-23
	<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	1,336,625.00	1,336,625.00	549,321.10	41.10	787,303.90	122,009.91
<hr/> Grand Expense Totals		1,336,625.00	1,336,625.00	549,321.10	41.10	787,303.90	122,009.91

Number of Accounts: 81

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

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, 2022

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, 2022

**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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SECTION I
INTRODUCTORY SECTION

SECTION II
FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying combined balance sheet – regulatory basis of Elizabethton, Tennessee Board of Education Internal School Funds, as of June 30, 2022, 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 financial statements as of and for the year ended June 30, 2022, as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying 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, 2022, 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 accompanying 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, 2022, 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.

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 section of our report, the accompanying 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, 2022, or the changes in financial position for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Elizabethton, Tennessee Board of Education Internal School Funds, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 and pervasive.

Responsibilities of Management 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Elizabethton, Tennessee Board of Education Internal School Funds' internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Elizabethton, Tennessee Board of Education Internal School Funds' ability to continue as a going concern for a reasonable period of time.

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

Supplementary 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 supplementary schedule as listed in the table of contents, is presented for purposes of additional analysis and not a required part of the basic financial statements – regulatory basis of the schools. As described in Note 1 of the financial statements, the supplementary schedule, as listed in the table of contents, is 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.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements – regulatory basis. The 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 – regulatory basis 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 schedule, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements – regulatory basis as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2022 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, P.C.

BLACKBURN, CHILDERS & STEAGALL, PLC
Johnson City, Tennessee

September 30, 2022

**ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS – REGULATORY BASIS
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Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Regulatory Basis - All Schools	B	10

**ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS
COMBINED BALANCE SHEET - REGULATORY BASIS - ALL SCHOOLS
June 30, 2022**

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	\$ 517,832	89,516	51,194	61,266	84,019	803,827
Cash in Bank - Savings	42,848	30,033	-	-	-	72,881
Cash in Bank - Bank CD	254,085	-	-	-	-	254,085
Accounts Receivable	3,962	-	-	-	-	3,962
TOTAL ASSETS	\$ 818,727	119,549	51,194	61,266	84,019	1,134,755
FUND BALANCES						
General Fund						
Unassigned	\$ 100,455	47,525	42,579	50,221	79,331	320,111
Total General Fund	100,455	47,525	42,579	50,221	79,331	320,111
Restricted Fund						
Restricted	346,745	2,179	7,529	9,916	2,078	368,447
Assigned	371,527	69,845	1,086	1,129	2,610	446,197
Total Restricted Fund	718,272	72,024	8,615	11,045	4,688	814,644
TOTAL FUND BALANCES	\$ 818,727	119,549	51,194	61,266	84,019	1,134,755

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, 2022**

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, 2021	\$ 849,519	124,326	52,210	68,509	57,462	1,152,026
REVENUES	1,236,577	168,983	82,788	76,895	127,443	1,692,686
EXPENDITURES	1,267,369	173,760	83,804	84,138	100,886	1,709,957
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(30,792)	(4,777)	(1,016)	(7,243)	26,557	(17,271)
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	26,651	13,824	654	5,368	249	46,746
Operating Transfers Out	(26,651)	(13,824)	(654)	(5,368)	(249)	(46,746)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(30,792)	(4,777)	(1,016)	(7,243)	26,557	(17,271)
FUND BALANCES, JUNE 30, 2022	\$ 818,727	119,549	51,194	61,266	84,019	1,134,755

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, 2022

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, 2022

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, 2022

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.

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 \$196,479 and the bank balance is \$209,584. The Cash in Bank total, which includes checking and savings, for the junior high school is \$119,549 and the bank balance is \$119,809. The Cash in Bank total, which includes checking, savings and certificates of deposit, for the high school is \$814,765 and the bank balance is \$821,309. 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, 2022

NOTE 3 - 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 4 - 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 2022 fiscal year was \$22,953. The leases ended during the 2022 fiscal year, and converted to month-to-month payments until the schools obtain a new lease agreement. Title and accountability for fixed assets purchased pass automatically to the Board of Education as would the right to use and related liability for the long-term lease contracts in accordance with GASB 87. Due to the regulatory basis of accounting followed by the internal school funds, the related right to use asset and liability are not reflected in these financial statements.

NOTE 5 - 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, 2022**

NOTE 5 - 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	\$ -	7,525	-	-	-	3,208	-	3,372	-	1,215
Donation Accounts	-	753	-	2,179	-	4,237	-	6,293	-	863
Grant Accounts	-	378	-	-	-	-	-	-	-	-
Memorial Accounts	-	-	-	-	-	-	-	251	-	-
Scholarship Accounts	-	336,736	-	-	-	-	-	-	-	-
Other Accounts	-	1,353	-	-	-	84	-	-	-	-
ASSIGNED to										
Athletic Accounts	-	57,503	-	44,246	-	-	-	-	-	-
Class Accounts	-	7,386	-	-	-	-	-	-	-	-
Club Accounts	-	32,198	-	12,990	-	769	-	-	-	-
Other Accounts	-	274,440	-	12,609	-	317	-	1,129	-	2,610
UNASSIGNED	100,455	-	47,525	-	42,579	-	50,221	-	79,331	-
TOTAL FUND BALANCES	\$ 100,455	718,272	47,525	72,024	42,579	8,615	50,221	11,045	79,331	4,688

**ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
ELIZABETHTON HIGH SCHOOL
INTERNAL SCHOOL FUND
BALANCE SHEET - REGULATORY BASIS
June 30, 2022**

EXHIBIT A

	ASSETS					LIABILITIES AND FUND BALANCES					
	Cash in Bank - Checking	Cash in Bank - Savings	Cash in Bank - Bank CD	Accounts Receivable	Total Assets	Accounts Payable	Fund Balances			Total Fund Balances	Total Liabilities and Fund Balances
							Restricted	Assigned	Unassigned		
General Fund	\$ 61,575	38,880	-	-	100,455	-	-	-	100,455	100,455	100,455
Restricted Funds											
Board of Education Allocations											
B.E.P. Instructional Supplies	7,525	-	-	-	7,525	-	7,525	-	-	7,525	7,525
Athletic Accounts											
Athletic A.V.T. Jenkins	734	-	-	-	734	-	-	734	-	734	734
Athletic Banners	35,843	-	-	-	35,843	-	-	35,843	-	35,843	35,843
Athletics	10,055	-	-	-	10,055	-	-	10,055	-	10,055	10,055
Athletics Special Projects	227	-	-	-	227	-	-	227	-	227	227
Bricks	4,205	-	-	-	4,205	-	-	4,205	-	4,205	4,205
Cheerleaders	6,439	-	-	-	6,439	-	-	6,439	-	6,439	6,439
Class Account	7,386	-	-	-	7,386	-	-	7,386	-	7,386	7,386
Club Accounts											
Alliance Club	70	-	-	-	70	-	-	70	-	70	70
Clone Club	102	-	-	-	102	-	-	102	-	102	102
E-Sports	68	-	-	-	68	-	-	68	-	68	68
FBLA	2,557	-	-	-	2,557	-	-	2,557	-	2,557	2,557
FCA Club	1,010	-	-	-	1,010	-	-	1,010	-	1,010	1,010
FCCLA Club	3,566	-	-	-	3,566	-	-	3,566	-	3,566	3,566
FFA Club	9,126	-	-	-	9,126	-	-	9,126	-	9,126	9,126
French Club	31	-	-	-	31	-	-	31	-	31	31
FTA Club	388	-	-	-	388	-	-	388	-	388	388
H.O.S.A.	1,062	-	-	-	1,062	-	-	1,062	-	1,062	1,062
Key Club	171	-	-	-	171	-	-	171	-	171	171
Mountain Club	1,423	-	-	-	1,423	-	-	1,423	-	1,423	1,423
National Honor Society	1,078	-	-	-	1,078	-	-	1,078	-	1,078	1,078
ROTC	1,504	-	-	-	1,504	-	-	1,504	-	1,504	1,504
Spanish Club	395	-	-	-	395	-	-	395	-	395	395
Student Council	9,447	-	-	-	9,447	-	-	9,447	-	9,447	9,447
Young Democrats Club	100	-	-	-	100	-	-	100	-	100	100
Young Republicans Club	100	-	-	-	100	-	-	100	-	100	100
Donation Accounts											
Donations for Seniors	728	-	-	-	728	-	728	-	-	728	728
Buckle Up Program	25	-	-	-	25	-	25	-	-	25	25

(Continued)

**ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
ELIZABETHTON HIGH SCHOOL
INTERNAL SCHOOL FUND
BALANCE SHEET - REGULATORY BASIS
June 30, 2022**

EXHIBIT A

	ASSETS					LIABILITIES AND FUND BALANCES					
	Cash in Bank - Checking	Cash in Bank - Savings	Cash in Bank - Bank CD	Accounts Receivable	Total Assets	Accounts Payable	Fund Balances			Total Fund Balances	Total Liabilities and Fund Balances
							Restricted	Assigned	Unassigned		
Restricted Funds (Continued)											
Grant Account											
Niswonger Mini Grant	378	-	-	-	378	-	378	-	-	378	378
Other Accounts											
Art Department	569	-	-	-	569	-	-	569	-	569	569
Auto Mechanics	166	-	-	-	166	-	-	166	-	166	166
Band	19,203	-	-	-	19,203	-	-	19,203	-	19,203	19,203
Band Uniform Fund	1,228	-	-	-	1,228	-	1,228	-	-	1,228	1,228
Betsy Entrepreneurship	445	-	-	-	445	-	-	445	-	445	445
Building Improvements	857	-	-	-	857	-	-	857	-	857	857
Cadet Corp	317	-	-	-	317	-	-	317	-	317	317
C.D.C. Greenhouse	382	-	-	-	382	-	-	382	-	382	382
C.D.C. - Special Education	299	-	-	-	299	-	-	299	-	299	299
Computer Hardware	595	-	-	-	595	-	-	595	-	595	595
Cyclone Print Shop Sp. Ed.	1,314	-	-	-	1,314	-	-	1,314	-	1,314	1,314
Dramatics	6,494	-	-	-	6,494	-	-	6,494	-	6,494	6,494
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
Flight Fund	342	-	-	-	342	-	-	342	-	342	342
Guidance Testing	2,965	-	-	-	2,965	-	-	2,965	-	2,965	2,965
Instruction and Equipment	544	-	-	-	544	-	-	544	-	544	544
Library Office	625	-	-	-	625	-	-	625	-	625	625
Math Department	65	-	-	-	65	-	-	65	-	65	65
N.E.T.S.P.A.	96	-	-	-	96	-	-	96	-	96	96
Newspaper	50	-	-	-	50	-	-	50	-	50	50
NYC Trip	(1,537)	-	-	3,962	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	245	-	-	-	245	-	-	245	-	245	245

(Continued)

**ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
ELIZABETHTON HIGH SCHOOL
INTERNAL SCHOOL FUND
BALANCE SHEET - REGULATORY BASIS
June 30, 2022**

EXHIBIT A

	ASSETS					LIABILITIES AND FUND BALANCES				
	Cash in Bank - Checking	Cash in Bank - Savings	Cash in Bank - Bank CD	Accounts Receivable	Total Assets	Accounts Payable	Fund Balances			Total Liabilities and Fund Balances
							Restricted	Assigned	Unassigned	
Restricted Funds (Continued)										
Other Accounts (Continued)										
Social Studies Department	57	-	-	-	57	-	-	57	-	57
STEM	3,628	-	-	-	3,628	-	-	3,628	-	3,628
Teacher of the Year - Wal-Mart	78	-	-	-	78	-	-	78	-	78
Textbook - State	20	-	-	-	20	-	-	20	-	20
Top Gun Aviators Club	1,224	-	-	-	1,224	-	-	1,224	-	1,224
Transcripts	27	-	-	-	27	-	-	27	-	27
Transportation	651	-	-	-	651	-	-	651	-	651
Tuffy's Café	1,519	-	-	-	1,519	-	-	1,519	-	1,519
Vocational Department	909	-	-	-	909	-	-	909	-	909
VR Lab	129	-	-	-	129	-	-	129	-	129
XQ	48,549	-	-	-	48,549	-	-	48,549	-	48,549
XQ - Bartleby	481	-	-	-	481	-	-	481	-	481
XQ - Year 2	96,251	-	-	-	96,251	-	-	96,251	-	96,251
XQ - Year 3	51,738	-	-	-	51,738	-	-	51,738	-	51,738
XQ - Year 4	20,654	-	-	-	20,654	-	-	20,654	-	20,654
Yearbook	6,758	-	-	-	6,758	-	-	6,758	-	6,758
Youth Risk	345	-	-	-	345	-	-	345	-	345
Scholarship Accounts										
A. H. Tipton Scholarship	-	3,018	-	-	3,018	-	3,018	-	-	3,018
Brad Hardie Aviation Scholarship	5,000	-	-	-	5,000	-	5,000	-	-	5,000
Class of 1957	64,221	-	-	-	64,221	-	64,221	-	-	64,221
Crockett-Montgomery Memorial Fund	-	-	19,602	-	19,602	-	19,602	-	-	19,602
Fred Wetzel Memorial Scholarship	4,000	-	-	-	4,000	-	4,000	-	-	4,000
Katherine Jones Scholarship	-	-	89,865	-	89,865	-	89,865	-	-	89,865
Katherine Jones Scholarship - Interest	1,784	-	-	-	1,784	-	1,784	-	-	1,784
Kenneth Jack Scholarship	-	-	92,839	-	92,839	-	92,839	-	-	92,839
Kenneth Jack Scholarship - Interest	1,789	-	-	-	1,789	-	1,789	-	-	1,789
Nancy Hunt Scholarship	-	-	7,773	-	7,773	-	7,773	-	-	7,773
Sam Greenwell Scholarship	1,665	-	-	-	1,665	-	1,665	-	-	1,665
Student Council Memorial Fund	-	950	-	-	950	-	950	-	-	950
Tanner Perkins Scholarship	25	-	-	-	25	-	25	-	-	25
Teacher Memorial Scholarship	-	-	44,006	-	44,006	-	44,006	-	-	44,006
Wanda K. Bass Scholarship	199	-	-	-	199	-	199	-	-	199
Total Restricted Funds	456,257	3,968	254,085	3,962	718,272	-	346,745	371,527	-	718,272
Total General and Restricted Funds	\$ 517,832	42,848	254,085	3,962	818,727	-	346,745	371,527	100,455	818,727

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, 2022**

EXHIBIT B

	Fund Balances		Expenditures	Transfers		Fund Balances June 30, 2022
	July 1, 2021	Revenues		In	Out	
General Fund						
Administration	\$ -	-	-	-	1,787	-
Gifts and Donations	-	685	-	-	-	-
Fines, Fees and Dues	-	1,430	-	-	-	-
Interest	-	1,551	-	-	-	-
Resale Items	-	7,621	-	-	-	-
Total General Fund	90,955	11,287	-	-	1,787	100,455
Restricted Funds						
Board of Education Allocations						
Administration Supplies	-	6,972	8,759	1,787	-	-
B.E.P. Instructional Supplies	9,049	50,439	63,742	11,789	10	7,525
B.E.P. Other Supplies	-	5,354	-	-	5,354	-
Custodial Supplies	-	15,175	15,089	-	86	-
Honors/Graduation	-	10,050	7,907	-	2,143	-
Library	-	13,750	12,638	-	1,112	-
Maintenance and Repairs	-	2,305	36	-	2,269	-
Student Body	-	6,000	5,986	-	14	-
Textbooks	-	145,000	143,223	-	1,777	-
Athletic Accounts						
Athletic A.V.T. Jenkins	734	-	-	-	-	734
Athletic Banners	33,556	-	283	2,570	-	35,843
Athletics	9,529	349,419	340,418	-	8,475	10,055
Athletics Special Projects	2,000	6,227	8,000	-	-	227
Bricks	4,105	100	-	-	-	4,205
Cheerleaders	7,569	9,250	12,153	1,773	-	6,439
Gym Video Board	-	16,347	21,347	5,000	-	-
JV Cheerleaders	1,438	3,390	3,255	-	1,573	-
Class Account	4,715	8,840	6,169	-	-	7,386
Club Accounts						
Alliance Club	-	70	-	-	-	70
Clone Club	214	588	700	-	-	102
E-Sports	-	2,130	2,062	-	-	68
FBLA	4,074	9,251	10,768	-	-	2,557
FCA Club	1,010	-	-	-	-	1,010
FCCLA Club	1,627	1,434	1,775	2,280	-	3,566
FFA Club	3,583	22,085	16,802	260	-	9,126
French Club	31	-	-	-	-	31
FTA Club	388	-	-	-	-	388
H.O.S.A.	2,065	1,435	2,438	-	-	1,062
Key Club	161	655	645	-	-	171
Mountain Club	1,423	775	775	-	-	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, 2022**

EXHIBIT B

	Fund Balances			Transfers		Fund Balances June 30, 2022
	July 1, 2021	Revenues	Expenditures	In	Out	
Restricted Funds (Continued)						
Club Accounts (Continued)						
National Honor Society	1,091	438	451	-	-	1,078
ROTC	-	5,005	3,501	-	-	1,504
Spanish Club	395	-	-	-	-	395
Student Council	7,561	2,530	644	-	-	9,447
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						
American Heart Assoc.	-	261	161	-	100	-
Art Department	32	537	-	-	-	569
Auto Mechanics	306	-	-	-	140	166
Band	-	23,750	4,747	200	-	19,203
Band Repair	-	7,650	7,566	-	84	-
Band Uniform	55,541	7,084	61,397	-	-	1,228
Betsy Entrepreneurship	445	-	-	-	-	445
Building Improvements	857	-	-	-	-	857
Cadet Corp	317	-	-	-	-	317
C.D.C. Greenhouse	382	-	-	-	-	382
C.D.C. - Special Education	299	-	-	-	-	299
Chorus	-	464	464	-	-	-
Computer Hardware	595	-	-	-	-	595
Cyclone Print Shop Sp. Ed.	1,420	2,112	3,210	992	-	1,314
Digital Media	-	1,000	1,000	-	-	-
Dramatics	3,518	16,432	13,456	-	-	6,494
EHS Pageant	2,440	-	-	-	-	2,440
English Department	139	-	-	-	-	139
Ethics Team	410	-	-	-	-	410
Flight Fund	381	563	602	-	-	342
Guidance Testing	3,137	-	172	-	-	2,965
Instruction and Equipment	544	-	-	-	-	544
Library Office	625	-	-	-	-	625
Math Department	65	-	-	-	-	65
N.E.T.S.P.A.	96	-	-	-	-	96
Newspaper	50	-	-	-	-	50
NYC Trip	2,425	-	-	-	-	2,425
Physical Education	108	-	-	-	-	108
Powderpuff Football	208	-	-	-	-	208
Power Lifting	119	-	-	-	-	119
Ralph Lingerfelt Award	125	-	-	-	-	125
Science Department	245	-	-	-	-	245
Social Studies Department	57	-	-	-	-	57
STEM	3,428	200	-	-	-	3,628
Teacher of the Year - Wal-Mart	78	-	-	-	-	78
Textbook - State	20	-	-	-	-	20
Top Gun Aviators Club	1,374	-	150	-	-	1,224
Transcripts	27	-	-	-	-	27
Transportation	651	-	-	-	-	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, 2022**

EXHIBIT B

	Fund Balances		Expenditures	Transfers		Fund Balances June 30, 2022
	July 1, 2021	Revenues		In	Out	
Restricted Funds (Continued)						
Other Accounts (Continued)						
Tuffy's Café	-	3,000	1,481	-	-	1,519
Vocational Department	741	485	317	-	-	909
VR Lab	129	-	-	-	-	129
XQ	48,549	-	-	-	-	48,549
XQ Other	481	-	-	-	-	481
XQ Year 1	-	-	-	-	-	-
XQ Year 2	139,633	387	43,569	-	200	96,251
XQ Year 3	78,038	996	27,296	-	-	51,738
XQ Year 4	-	391,898	369,717	-	1,527	20,654
Yearbook	24,012	15,742	32,996	-	-	6,758
Youth Risk	345	-	-	-	-	345
Scholarship Accounts						
A. H. Tipton Scholarship	3,009	9	-	-	-	3,018
Brad Hardie Aviation Scholarship	-	5,000	-	-	-	5,000
Class of 1957	60,221	6,000	2,000	-	-	64,221
Crockett-Montgomery Memorial Fund	20,538	66	1,002	-	-	19,602
Fred Wetzel Memorial Scholarship	5,000	-	1,000	-	-	4,000
Josh Wandell Memorial Scholarship	-	1,500	1,500	-	-	-
Katherine Jones Scholarship	89,865	-	-	-	-	89,865
Katherine Jones Scholarship - Interest	2,784	-	1,000	-	-	1,784
Kenneth Jack Scholarship	92,839	-	-	-	-	92,839
Kenneth Jack Scholarship - Interest	2,662	127	1,000	-	-	1,789
Nancy Hunt Scholarship	8,767	6	1,000	-	-	7,773
Sam Greenwell Scholarship	1,665	-	-	-	-	1,665
Student Council Memorial Fund	949	1	-	-	-	950
Tanner Perkins Scholarship	25	-	-	-	-	25
Teacher Memorial Scholarship	-	45,006	1,000	-	-	44,006
Wanda K. Bass Scholarship	199	-	-	-	-	199
Total Restricted Funds	758,564	1,225,290	1,267,369	26,651	24,864	718,272
Total General and Restricted Funds	\$ 849,519	1,236,577	1,267,369	26,651	26,651	818,727

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, 2022**

EXHIBIT A

	ASSETS			LIABILITIES AND FUND BALANCES				
	Cash in	Cash in	Total	Fund Balances			Total Fund	Total
	Bank - Checking	Bank - Savings		Assets	Restricted	Assigned		
General Fund	\$ 17,492	30,033	47,525	-	-	47,525	47,525	47,525
Restricted Funds								
Athletics Account	44,246	-	44,246	-	44,246	-	44,246	44,246
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	52	-	52	-	52	-	52	52
Library Club	8,593	-	8,593	-	8,593	-	8,593	8,593
Show Choir	1,366	-	1,366	-	1,366	-	1,366	1,366
Student Council	1,423	-	1,423	-	1,423	-	1,423	1,423
Donation Accounts								
PTAC Donation	48	-	48	48	-	-	48	48
Science Department Donation	1,104	-	1,104	1,104	-	-	1,104	1,104
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								
6th Grade Trip	520	-	520	-	520	-	520	520
Industrial Arts	491	-	491	-	491	-	491	491
Junior Civinettes	500	-	500	-	500	-	500	500
Math Competition	54	-	54	-	54	-	54	54
Prom	3,361	-	3,361	-	3,361	-	3,361	3,361
Washington Trip	7,538	-	7,538	-	7,538	-	7,538	7,538
Washington Trip Sponsor	145	-	145	-	145	-	145	145
Total Restricted Funds	72,024	-	72,024	2,179	69,845	-	72,024	72,024
Total General and Restricted Funds	\$ 89,516	30,033	119,549	2,179	69,845	47,525	119,549	119,549

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, 2022**

EXHIBIT B

	Fund Balances			Transfers		Fund Balances June 30, 2022
	July 1, 2021	Revenues	Expenditures	In	Out	
General Fund						
Instruction	\$ -	-	182	-	-	-
Fines, Fees and Dues	-	4,042	-	-	-	-
Gifts, Bequests and Donations	-	250	-	-	-	-
Interest	-	159	-	-	-	-
Resale Items	-	492	-	-	-	-
Total General Fund	42,764	4,943	182	-	-	47,525
Restricted Funds						
Board of Education Allocations						
Administration Equipment	-	-	290	290	-	-
Administration Supplies	-	4,635	4,594	-	41	-
Communication	-	-	291	291	-	-
Custodial Supplies	-	11,300	9,218	-	2,082	-
Furniture and Fixtures	-	-	5,406	5,406	-	-
Instructional Equipment	-	-	4,341	4,341	-	-
Instructional Supplies	-	32,830	33,977	1,147	-	-
Library Books/Media	-	10,092	9,314	-	778	-
Maintenance and Repairs	-	1,435	39	-	1,396	-
Other Charges	-	4,950	1,585	-	3,365	-
Other Supplies and Materials	-	3,994	3,086	-	908	-
Textbooks	-	5,000	5,327	327	-	-
Athletics Account	51,537	39,159	46,450	-	-	44,246
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	20	280	248	-	-	52
Library Club	9,096	-	503	-	-	8,593
Show Choir	1,598	-	232	-	-	1,366
Student Council	1,422	1	-	-	-	1,423
Donation Accounts						
PTAC Donation	-	15,000	11,720	-	3,232	48
Science Department Donation	1,104	-	-	-	-	1,104
Shape the State	478	-	-	-	-	478
Special Ed Donation	449	-	-	-	-	449
Teacher Donation	100	-	-	-	-	100
Other Accounts						
6th Grade Trip	-	4,480	3,960	-	-	520
CareerQuest Trip	-	314	314	-	-	-
Chattanooga Trip	-	22,148	24,170	2,022	-	-
Dollywood Trip	60	7,348	7,408	-	-	-
Industrial Arts	491	-	-	-	-	491
Junior Civinettes	-	500	-	-	-	500
Math Competition	54	-	-	-	-	54
Prom	3,412	-	51	-	-	3,361
T.A. Dugger Lead Trip	-	270	270	-	-	-
Washington Trip	10,040	304	784	-	2,022	7,538
Washington Trip Sponsor	145	-	-	-	-	145
Total Restricted Funds	81,562	164,040	173,578	13,824	13,824	72,024
Total General and Restricted Funds	\$ 124,326	168,983	173,760	13,824	13,824	119,549

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, 2022**

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	\$ 42,579	-	42,579	-	-	-	42,579	42,579	42,579
Restricted Funds									
Board of Education Allocations									
Administrative Supplies	579	-	579	-	579	-	-	579	579
Attendance Incentives	377	-	377	-	377	-	-	377	377
Distance Learning	1,000	-	1,000	-	1,000	-	-	1,000	1,000
Instructional Materials	1,252	-	1,252	-	1,252	-	-	1,252	1,252
Club Accounts									
Boys to Men Club	400	-	400	-	-	400	-	400	400
K/Create It Kids Club	369	-	369	-	-	369	-	369	369
Donation Accounts									
Accelerated Reader Donations	150	-	150	-	150	-	-	150	150
Combined Restricted Accounts	94	-	94	-	94	-	-	94	94
Douglas H.O.P.E. PreK	43	-	43	-	43	-	-	43	43
M. R. Foundation	50	-	50	-	50	-	-	50	50
PTAC Donations	53	-	53	-	53	-	-	53	53
PTAC Field Trip	321	-	321	-	321	-	-	321	321
Questar Grant	44	-	44	-	44	-	-	44	44
Student Support Fund	166	-	166	-	166	-	-	166	166
Target Field Trip Grant	104	-	104	-	104	-	-	104	104
United Way Literacy Fund	700	-	700	-	700	-	-	700	700
WELC Funds	2,512	-	2,512	-	2,512	-	-	2,512	2,512
Other Accounts									
Level 5	34	-	34	-	34	-	-	34	34
Luau	317	-	317	-	-	317	-	317	317
Skatertime	50	-	50	-	50	-	-	50	50
Total Restricted Funds	8,615	-	8,615	-	7,529	1,086	-	8,615	8,615
Total General and Restricted Funds	\$ 51,194	-	51,194	-	7,529	1,086	42,579	51,194	51,194

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, 2022**

EXHIBIT B

	Fund Balances		Expenditures	Transfers		Fund Balances
	July 1, 2021	Revenues		In	Out	
General Fund						
Field Trips	\$ -	5,285	5,163	-	-	-
Fines, Fees and Dues	-	120	-	-	-	-
Resale	-	414	-	-	-	-
Total General Fund	41,923	5,819	5,163	-	-	42,579
Restricted Funds						
Board of Education Allocations						
Administrative Supplies	1,045	1,990	2,456	-	-	579
Art - Instructional Materials	-	929	929	-	-	-
Attendance Incentives	477	-	100	-	-	377
Custodial Supplies	-	8,575	8,575	-	-	-
Distance Learning	1,000	-	-	-	-	1,000
Guidance	-	1,000	1,000	-	-	-
Instructional Materials	623	20,500	20,517	646	-	1,252
Library	-	6,525	6,525	-	-	-
Maintenance and Repairs	-	895	895	-	-	-
Music	-	1,630	1,630	-	-	-
Other Supplies and Materials	-	2,321	2,321	-	-	-
Physical Education	-	1,000	1,000	-	-	-
Textbooks	-	17,550	16,904	-	646	-
Club Accounts						
Boys to Men Club	400	-	-	-	-	400
K/Create It Kids Club	369	-	-	-	-	369
Donation Accounts						
Accelerated Reader Donations	150	-	-	-	-	150
Combined Restricted	94	-	-	-	-	94
Douglas H.O.P.E. PreK	43	-	-	-	-	43
M.R. Foundation	50	-	-	-	-	50
PTAC Donations	1,881	4,407	6,235	-	-	53
PTAC Field Trip	329	-	-	-	8	321
Questar Grant	44	-	-	-	-	44
Student Support Fund	278	100	212	-	-	166
Target Field Trip Grant	104	-	-	-	-	104
United Way Literacy Funds	700	-	-	-	-	700
WELC Funds	2,392	2,290	2,170	-	-	2,512
Other Accounts						
Camp Explorer	11	3,639	3,658	8	-	-
Level 5	-	750	716	-	-	34
Luau	297	488	468	-	-	317
Skatertime	-	2,380	2,330	-	-	50
Total Restricted Funds	10,287	76,969	78,641	654	654	8,615
Total General and Restricted Funds	\$ 52,210	82,788	83,804	654	654	51,194

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, 2022**

EXHIBIT A

	ASSETS			LIABILITIES AND FUND BALANCES					
	Cash in Bank - Checking	Accounts Receivable	Total Assets	Accounts Payable	Fund Balances			Total Fund Balances	Total Liabilities and Fund Balances
					Restricted	Assigned	Unassigned		
General Fund	\$ 50,221	-	50,221	-	-	-	50,221	50,221	50,221
Restricted Funds									
Board of Education Allocations									
Art	102	-	102	-	102	-	-	102	102
Attendance Incentives	519	-	519	-	519	-	-	519	519
Guidance	831	-	831	-	831	-	-	831	831
Instructional Materials	949	-	949	-	949	-	-	949	949
Library	707	-	707	-	707	-	-	707	707
Music	250	-	250	-	250	-	-	250	250
Physical Education	14	-	14	-	14	-	-	14	14
Donation Accounts									
Arts Council Donation	4	-	4	-	4	-	-	4	4
Guidance Donation	75	-	75	-	75	-	-	75	75
Hurricane Way	314	-	314	-	314	-	-	314	314
K-Kids	555	-	555	-	555	-	-	555	555
Literacy Library	331	-	331	-	331	-	-	331	331
Music	50	-	50	-	50	-	-	50	50
PTAC/Items Needed Donation	2,686	-	2,686	-	2,686	-	-	2,686	2,686
Sensory Room	771	-	771	-	771	-	-	771	771
Shoe Fund	50	-	50	-	50	-	-	50	50
Walmart Grant Estep	490	-	490	-	490	-	-	490	490
Walmart Grant Perkins	967	-	967	-	967	-	-	967	967
Other Accounts									
Camp Explore	547	-	547	-	-	547	-	547	547
Choir	421	-	421	-	-	421	-	421	421
Furniture/Technology Fund	126	-	126	-	-	126	-	126	126
TN Treble Choir	35	-	35	-	-	35	-	35	35
Memorial Account									
Estep Memorial	251	-	251	-	251	-	-	251	251
Total Restricted Funds	11,045	-	11,045	-	9,916	1,129	-	11,045	11,045
Total General and Restricted Funds	\$ 61,266	-	61,266	-	9,916	1,129	50,221	61,266	61,266

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, 2022**

EXHIBIT B

	Fund Balances			Transfers		Fund Balances June 30, 2022
	July 1, 2021	Revenues	Expenditures	In	Out	
General Fund						
Field Trips	\$ -	6,911	7,101	-	-	-
Instruction	-	-	11,771	3,158	-	-
Other	-	550	-	-	-	-
Resale Items	-	10,509	4,726	-	-	-
Total General Fund	52,691	17,970	23,598	3,158	-	50,221
Restricted Funds						
Board of Education Allocations						
Administrative Supplies	-	2,490	2,200	-	290	-
Art	-	2,876	2,774	-	-	102
Attendance Incentives	519	-	-	-	-	519
Custodial Supplies	-	9,878	9,492	-	386	-
Guidance	-	1,000	169	-	-	831
Instructional Materials	2,139	18,408	21,808	2,210	-	949
Library	94	6,061	5,448	-	-	707
Maintenance and Repairs	-	770	-	-	770	-
Music	-	2,125	1,875	-	-	250
Other Supplies and Materials	-	2,242	1,862	-	380	-
Physical Education	-	1,000	986	-	-	14
Textbooks	-	7,500	7,116	-	384	-
Donation Accounts						
Arts Council Donation	4	-	-	-	-	4
Dairy Queen	550	-	550	-	-	-
Guidance Donation	75	-	-	-	-	75
Hurricane Way	314	-	-	-	-	314
K-Kids	489	175	109	-	-	555
Literacy Library	331	-	-	-	-	331
Modern Woodmen of America	2,500	-	-	-	2,500	-
Music	50	-	-	-	-	50
PTAC/Items Needed Donation	2,547	556	417	-	-	2,686
Questar Grant	400	-	400	-	-	-
Sensory Room	897	-	126	-	-	771
Shoe Fund	50	-	-	-	-	50
Student/Teacher Donation	408	-	-	-	408	-
Walmart Grant	201	-	-	-	201	-
Walmart Grant Deloach	12	-	-	-	12	-
Walmart Grant Estep	1,000	-	510	-	-	490
Walmart Grant Perkins	967	-	-	-	-	967
Other Accounts						
Camp Explore	429	2,715	2,597	-	-	547
Choir	1,098	919	1,596	-	-	421
Furniture/Technology Fund	427	204	505	-	-	126
Spirit Account	37	-	-	-	37	-
TN Treble Choir	29	6	-	-	-	35
Memorial Account						
Estep Memorial	251	-	-	-	-	251
Total Restricted Funds	15,818	58,925	60,540	2,210	5,368	11,045
Total General and Restricted Funds	\$ 68,509	76,895	84,138	5,368	5,368	61,266

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, 2022**

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	\$ 79,331	-	79,331	-	-	-	79,331	79,331	79,331
Restricted Funds									
Board of Education Allocations									
Attendance Incentives	994	-	994	-	994	-	-	994	994
Library	221	-	221	-	221	-	-	221	221
Donation Accounts									
Food City Rewards	728	-	728	-	728	-	-	728	728
K-Kids	135	-	135	-	135	-	-	135	135
Other Accounts									
Camp Explore	533	-	533	-	-	533	-	533	533
May Day	318	-	318	-	-	318	-	318	318
Media Center STEM	1,381	-	1,381	-	-	1,381	-	1,381	1,381
Paw Patrol	101	-	101	-	-	101	-	101	101
West Side Running Club	277	-	277	-	-	277	-	277	277
Total Restricted Funds	4,688	-	4,688	-	2,078	2,610	-	4,688	4,688
Total General and Restricted Funds	\$ 84,019	-	84,019	-	2,078	2,610	79,331	84,019	84,019

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, 2022**

EXHIBIT B

	Fund Balances			Transfers		Fund Balances June 30, 2022
	July 1, 2021	Revenues	Expenditures	In	Out	
General Fund						
Administration	\$ -	-	3,111	-	-	-
Donations		16,530	-	-	-	-
Field Trips	-	10,683	10,958	-	-	-
Fines, Fees and Dues	-	4,600	-	-	-	-
Instructional B.E.P.	-	-	16,734	-	-	-
Resale Items	-	29,470	2,845	-	-	-
Total General Fund	51,696	61,283	33,648	-	-	79,331
Restricted Funds						
Board of Education Allocations						
Administrative Supplies	-	1,985	1,985	-	-	-
Art	-	2,875	2,875	-	-	-
Attendance Incentives	994	-	-	-	-	994
Custodial Supplies	-	7,250	7,277	27	-	-
Guidance	-	1,000	1,000	-	-	-
Instructional Materials	543	20,799	21,564	222	-	-
Library	121	6,459	6,359	-	-	221
Maintenance and Repairs	-	820	598	-	222	-
Music	-	975	975	-	-	-
Other Supplies and Materials	-	2,209	2,182	-	27	-
Physical Education	-	1,000	1,000	-	-	-
Textbooks	-	7,500	7,500	-	-	-
Donation Accounts						
Food City Rewards	728	250	250	-	-	728
K-Kids	284	-	149	-	-	135
Music Donation	50	-	50	-	-	-
PTO Counseling Funds	196	-	196	-	-	-
Other Accounts						
Camp Explore	420	3,246	3,133	-	-	533
Honors Day 5th Grade	10	-	10	-	-	-
Media Center Book Fair	-	5,071	5,071	-	-	-
May Day	767	2,931	3,380	-	-	318
Media Center STEM	1,381	-	-	-	-	1,381
Paw Patrol	-	360	259	-	-	101
Extra-Curricular Club	272	1,430	1,425	-	-	277
Total Restricted Funds	5,766	66,160	67,238	249	249	4,688
Total General and Restricted Funds	\$ 57,462	127,443	100,886	249	249	84,019

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, 2022**

ELIZABETHTON HIGH SCHOOL

Transfer To	Transfer From														Total		
	Administration	B.E.P. Other Supplies	Custodial Supplies	Honors / Graduation	Library	Maintenance and Repairs	Student Body	Textbooks	Band Repair	B.E.P. Instructional Supplies	Athletics	Auto Mechanics	American Heart Assoc.	JV Cheerleaders		XQ Year 2	
Administration Supplies	\$ 1,787	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,787	
B.E.P. Instructional Supplies	-	5,354	86	1,093	1,112	2,269	14	1,777	84	-	-	-	-	-	-	11,789	
Cyclone Print Shop Sp. Ed.	-	-	-	-	-	-	-	-	-	10	550	140	100	192	-	992	
Gym Video Board	-	-	-	-	-	-	-	-	-	-	5,000	-	-	-	-	5,000	
Cheerleaders	-	-	-	-	-	-	-	-	-	-	200	-	-	1,573	-	1,773	
FFA Club	-	-	-	-	-	-	-	-	-	-	155	-	-	105	-	260	
Band	-	-	-	-	-	-	-	-	-	-	-	-	-	-	200	200	
FCCLA Club	-	-	-	1,050	-	-	-	-	-	-	-	-	-	1,230	-	2,280	
Athletic Banners	-	-	-	-	-	-	-	-	-	-	2,570	-	-	-	-	2,570	
	\$ 1,787	5,354	86	2,143	1,112	2,269	14	1,777	84	10	8,475	140	100	1,527	1,573	200	26,651

(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, 2022**

T.A. DUGGER JUNIOR HIGH SCHOOL

	<u>Transfer From</u>								<u>Total</u>
	<u>Administration Supplies</u>	<u>Custodial Supplies</u>	<u>Library Books/Media</u>	<u>Maintenance and Repairs</u>	<u>Other Charges</u>	<u>Other Supplies and Materials</u>	<u>PTAC Donation</u>	<u>Washington Trip</u>	
Administration Equipment	\$ -	-	-	-	-	290	-	-	290
Chattanooga Trip	-	-	-	-	-	-	-	2,022	2,022
Communication	-	-	-	-	-	291	-	-	291
Furniture and Fixtures	-	-	778	1,396	-	-	3,232	-	5,406
Instructional Equipment	41	935	-	-	3,365	-	-	-	4,341
Instructional Supplies	-	1,147	-	-	-	-	-	-	1,147
Textbooks	-	-	-	-	-	327	-	-	327
Total	\$ 41	2,082	778	1,396	3,365	908	3,232	2,022	13,824

(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, 2022**

EAST SIDE ELEMENTARY SCHOOL

<u>Transfer To</u>	<u>Transfer From</u>		
	<u>PTAC Field Trip</u>	<u>Textbooks</u>	<u>Total</u>
Instructional Materials	\$ -	646	646
Camp Explorer	8	-	8
Total	<u>\$ 8</u>	<u>646</u>	<u>654</u>

WEST SIDE ELEMETARY SCHOOL

<u>Transfer To</u>	<u>Transfer From</u>		
	<u>Maintenance and Repairs</u>	<u>Other Supplies and Materials</u>	<u>Total</u>
Custodial Supplies	\$ -	27	27
Instructional Materials	222	-	222
Total	<u>\$ 222</u>	<u>27</u>	<u>249</u>

(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, 2022**

HAROLD MCCORMICK ELEMENTARY SCHOOL

<u>Transfer To</u>	<u>Transfer From</u>										
	Administrative Supplies	Custodial Supplies	Maintenance and Repairs	Modern Woodmen of America	Other Supplies and Materials	Spirit Account	Student/Teacher Donation	Textbooks	Walmart Grant	Walmart Grant Deloach	Total
Instruction	\$ -	-	-	2,500	-	37	408	-	201	12	\$ 3,158
Instructional Materials	290	386	770	-	380	-	-	384	-	-	2,210
Total	\$ 290	386	770	2,500	380	37	408	384	201	12	\$ 5,368

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, 2022**

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, 2021 - July 1, 2022
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, 2022**

School	Amount	Source	Board Approved (1)	Proper Withholding
<u>Elizabethton High School</u>				
A. Jarrett	\$ 4,142	Athletics	Yes	Yes
C. Roberts	705	Athletics	Yes	Yes
D. Proffitt	705	Athletics	Yes	Yes
E. Lenichek	1,262	Athletics	Yes	Yes
G. Hall	1,241	Athletics	Yes	Yes
J. Fox	1,682	Athletics	Yes	Yes
J. Harrison	3,050	Athletics	Yes	Yes
K. Harmon	1,888	Athletics	Yes	Yes
T. Pennell	745	Athletics	Yes	Yes
D. Proffitt	1,696	XQ Grant	Yes	Yes
D. Hensley	2,120	XQ Grant	Yes	Yes
S. Nelson	2,120	XQ Grant	Yes	Yes
S. Nelson	2,120	XQ Grant	Yes	Yes
C. Roberts	20,000	XQ Grant	Yes	Yes
P. Ledford	54,626	XQ Grant	Yes	Yes
D. Duncan	48,922	XQ Grant	Yes	Yes
A. Campbell	71,400	XQ Grant	Yes	Yes
Other	<u>5,621</u>	Yearbook & XQ Grant	Yes	Yes
Total Elizabethton High School	<u>224,045</u>			
<u>T.A. Dugger Junior High</u>				
D. Hyder	\$ 1,051	Athletics	Yes	Yes
K. Hardin	540	Athletics	Yes	Yes
M. Johnson	581	Athletics	Yes	Yes
Other	<u>706</u>	Athletics	Yes	Yes
Total T.A. Dugger Junior High School	<u>\$ 2,878</u>			
Total School Activity Funds	<u>\$ 226,923</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, 2022, 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, 2022, presented as supplementary information and have issued our report thereon dated September 30, 2022. 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.

Report on 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.

Elizabethton, Tennessee Board of Education Internal School Funds
Independent Auditors' Report on Internal Control
and on Compliance and Other Matters

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2022-001 that we consider to be a significant deficiency.

Report on 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 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item: 2022-001.

Elizabethton, Tennessee Board of Education's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Elizabethton, Tennessee Board of Education's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. Elizabethton, Tennessee Board of Education Internal School Funds' response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

September 30, 2022

**ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS - REGULATORY BASIS
SUMMARY SCHEDULE OF PRIOR FISCAL YEAR FINDINGS
For the Fiscal Year Ended June 30, 2022**

Prior Fiscal Year Finding Number	Finding Title	Status / Current Fiscal Year Finding Number
2021-001	Fundraisers	Repeat/2022-001

**ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS – REGULATORY BASIS
SCHEDULE OF FINDINGS AND RESPONSES
For the Fiscal Year Ended June 30, 2022**

FINDINGS – FINANCIAL STATEMENT AUDIT

2022-001: Significant Deficiency: Fundraisers

Criteria: *Tennessee Internal School Uniform Accounting Policy Manual* (the Manual) Section 4, Title 8, Fundraising Activities.

Condition: Proper procedures for fundraisers were not always followed with respect to the documentation and analysis of fundraiser activities at Elizabethton High School and for the book fair at Harold McCormick Elementary School. The yearbook analysis at the high school was incomplete and did not provide detail of various other resale activities related to the yearbook. At the elementary school, the book fair fundraiser summary report was not completed and it also appears this event was held prior to approval from the director of schools. This school also did not complete the proposed fundraising reports for vending.

Effect: The effect of these issues causes the schools to not be in compliance with the internal control procedures as prescribed in the *Manual*.

Cause: The cause of these issues appear to be the result of school employees failure to follow adopted practices and procedures.

Recommendation: We recommend the schools follow all requirements for fundraisers as described in the *Manual*. Supporting records including ledger reports and online sale reports should be on file and properly reconciled.

Response: The principals will review fundraiser procedures with appropriate yearbook and book fair staff. The principals will ensure that all fundraising reports are completed in a timely manner and that no activities begin before approval is obtained.

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, 2022**

**ELIZABETHTON HIGH SCHOOL &
HAROLD McCORMICK ELEMENTARY
2022-001**

Fundraisers

Response and Corrective Action Plan Prepared by:

Beth Wilson
Director of Finance
Elizabethton City Schools

Person Responsible for

Implementing the Corrective Action:

Same

Anticipated Completion of Corrective Action:

September 30, 2022

Repeat Deficiency:

No

Planned Corrective Action:

The principals will review fundraiser procedures with appropriate yearbook and book fair staff. The principals will ensure that all fundraising reports are completed in a timely manner and that no activities begin before approval is obtained.

Richard VanHuss
Director of Schools

804 S. Watauga Ave.
Elizabethton, TN 37643
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, 2022

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2022

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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SECTION I

INTRODUCTORY SECTION

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
LIST OF ELECTED AND APPOINTED OFFICIALS
June 30, 2022

Elected Officials - as of June 30, 2022

Chair	Eddie Pless
Vice-Chair	Phil Isaacs
Board Member	Danny O'Quinn
Board Member	Jamie Bass Schaff
Board Member	Mike Wilson

Appointed Officials and Directors - as of June 30, 2022

Director of Schools	Richard VanHuss
Assistant Director of Schools for Academics	Dr. Myra Newman
Director of Technology, Facilities, and Transportation	Joey Trent
Assistant Director of Schools for Operations and Title IX Coordinator	John Hutchins
Director of Business and Fiscal Management	Beth Wilson, MBA
Director of Special Education & RTI	Josh Boatman
Director of Wandell Early Learning, Attendance, Accountability, Pre-K - 12 Testing, and Virtual Learning	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 Audit of the Financial Statements

Opinions

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, 2022, 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.

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, 2022, and the respective changes in financial position for each fund, and the respective budgetary comparison for the General Purpose School Fund, School Federal Projects Fund, and School Nutrition Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Elizabethton City Schools and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Elizabethton City Schools' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Elizabethton City Schools' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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 6-11 and pages 76-84 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Elizabethton City Schools' basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2022, 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, P.C.

BLACKBURN, CHILDERS & STEAGALL, PLC
Johnson City, Tennessee

November 17, 2022

**ELIZABETHTON CITY SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

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, 2022. 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 and inclusion of the internal school funds. The Board's Net Position increased by 21.8%.

- The total Unrestricted/Unassigned General Purpose fund balance increased by \$866,418; the total School Nutrition fund increased by \$679,911; the Federal Projects fund remained constant; the Internal School Funds decreased (\$17,271).
- New IT servers were purchased.
- A Reach-In Freezer was purchased with School Nutrition Funds.
- A school bus and a driver's education car were purchased.
- Band Instruments were purchased for Elizabethton High School.
- A Video Board for the Elizabethton High School gymnasium was purchased.
- Bleacher upgrades for the Elizabethton High School Gymnasium were completed.
- The remodel for protected entrances at three locations was completed.
- Interior Renovations at T. A. Dugger were completed.
- HVAC unit replacements were purchased for two locations with Covid Relief Funds.
- Interior Renovations at Harold McCormick Elementary were in progress.
- The Parking Lot Expansion at East Side Elementary was in progress.
- The purchase of a Professional Development/Training Facility was in progress.
- Other capital projects were in the planning phase.

**ELIZABETHTON CITY SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

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.

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, deferred outflows, liabilities and deferred inflows. 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 assets 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 as well as the internal school funds.

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, 2022**

Financial Analysis of the Board as a Whole

Condensed Statement of Net Position

	Governmental Activities		Total % Change 2021-2022
	2021	2022	
Current and Other Assets	\$ 8,864,315	11,198,132	26.3%
Capital Assets	21,119,577	21,210,434	0.4%
Net Pension Asset	2,372,657	11,903,313	401.7%
Total Assets	32,356,549	44,311,879	36.9%
Deferred Outflows of Resources	4,523,773	7,982,063	76.4%
Current Liabilities	1,123,325	1,224,622	9.0%
Long-Term Liabilities	6,918,920	6,195,317	-10.5%
Total Liabilities	8,042,245	7,419,939	-7.7%
Deferred Inflows of Resources	5,661,508	16,644,353	194.0%
Net Investment in Capital Assets	21,119,577	21,210,434	0.4%
Restricted	3,905,466	14,332,478	267.0%
Unrestricted	(1,848,474)	(7,313,262)	295.6%
Total Net Position	\$ 23,176,569	28,229,650	21.8%

Net Position

The Board's Total Assets increased during the 2021-2022 fiscal year by 36.9%. Liabilities decreased by 7.7%. There was a significant increase in the net pension asset. 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. Significant factors in 2021-2022 were the receipt of Elementary and Secondary Emergency Relief funding and the increase in USDA funding for the School Nutrition program.

**ELIZABETHTON CITY SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Changes in Net Position from Operating Results

	<u>Governmental Activities</u>		Total % Change <u>2021-2022</u>
	<u>2021</u>	<u>2022</u>	
Revenues			
Program Revenues			
Charges for Services	\$ 2,147,437	2,364,500	10.1%
Operating Grants	7,579,199	9,446,186	24.6%
Capital Grants	1,174,340	460,041	100.0%
General Revenues			
Property Taxes	3,324,929	3,527,713	6.1%
Other Taxes	2,903,511	3,806,051	31.1%
State Revenues	14,869,672	15,273,881	2.7%
Other	69,184	65,479	-5.4%
Total Revenues	<u>32,068,272</u>	<u>34,943,851</u>	9.0%
Expenses			
Instruction	16,124,116	16,385,150	1.6%
Support Services	9,940,291	10,373,562	4.4%
Food Service	1,051,267	1,227,042	16.7%
Community Services	1,664,153	1,931,941	16.1%
Early Childhood Education	393,500	368,336	-6.4%
Total Expenses	<u>29,173,327</u>	<u>30,286,031</u>	3.8%
Increase (Decrease) in Net Position	2,894,945	4,657,820	
Beginning Net Position, Unadjusted	<u>19,183,249</u>	<u>23,176,569</u>	
Prior Period Adjustment	<u>1,098,375</u>	<u>395,261</u>	
Net Position, Adjusted	<u>20,281,624</u>	<u>23,571,830</u>	
Ending Net Position	<u>\$ 23,176,569</u>	<u>28,229,650</u>	

The total cost of all programs and services increased 3.8% to \$30.3 million. The Board's expenses are predominately related to instruction of K-12 students and support services for educators (88.4% of total costs). The operation of food service, community service and early childhood service programs accounted for 11.6% of the expenditures.

Governmental Activities

Revenues for the Board's governmental activities increased by 9.0%, and total expenses increased by 3.8%. Net Position of the Board increased by \$5,053,081 or 21.8%.

**ELIZABETHTON CITY SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

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 \$6,415,122, which were more than last year's ending fund balances of \$4,372,877. This increase is mainly due to sales tax revenue received was more than projected, increased USDA revenue in the School Nutrition Fund and savings from staffing shortages due to COVID-19.

The Board's governmental funds experienced revenues and other sources more than expenditures in 2022 as follows:

General Purpose	\$	984,434
Child Nutrition	\$	679,911
Federal Projects	\$	0
Internal School Funds	\$	(17,271)

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 \$26,443,641 of revenues and other sources would be received, the Board actually received \$295,235 more than anticipated. This amount is mostly due to the increase in sales tax revenue. The Board budgeted \$26,615,599 of expenditures. The actual expenditures of \$25,776,897 were \$838,702 under budget.

Capital Asset and Debt Administration

At the end of 2022, the Elizabethton City Schools had invested \$21.2 million in a broad range of capital assets, including school buildings, athletic facilities, computer equipment, and school vehicles (mainly buses). This amount represents an increase of \$90,857 or 0.4% 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 \$792,670, while building improvements and additions to equipment amounted to \$883,527 (net of decreases).

**ELIZABETHTON CITY SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Capital Assets (Net of Depreciation)

	<u>Governmental Activities</u>		Total %
	<u>2021</u>	<u>2022</u>	<u>2021-2022</u>
Land	\$ 303,700	303,700	0.0%
Construction In Progress	747,367	345,358	-53.8%
Buildings	19,295,331	19,617,864	1.7%
Equipment and Vehicles	<u>773,179</u>	<u>943,512</u>	22.0%
Total Assets	<u>\$ 21,119,577</u>	<u>21,210,434</u>	0.4%

The Board's fiscal year 2022 capital expenditures consisted of the purchase of IT servers, band instruments, gymnasium video board, school bus, drivers' education car, HVAC units and a reach-in freezer. Also, the completion of for protected entrances at Elizabethton High School, Harold McCormick Elementary, and East Side Elementary, bleacher upgrades at Elizabethton High School and interior renovations at T. A. Dugger Junior High School. Construction in Progress included the Interior Renovations at Harold McCormick Elementary, Parking Lot Expansion at East Side Elementary, and the purchase of a Professional Development/Training Facility

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 following 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, 2022

	Governmental Activities
ASSETS	
Cash	\$ 5,058,330
Restricted Cash - Scholarships and Memorials	336,987
Restricted Investments - TCRS Stabilization Reserve	238,099
Accounts Receivable	63,894
Due from Other Governments	1,896,974
Due from Carter County	3,505,883
Inventories	45,102
Prepaid Assets	52,863
Capital Assets Not Being Depreciated	
Land	303,700
Construction in Progress	345,358
Capital Assets, Net of Accumulated Depreciation	
Buildings	19,617,864
Equipment	943,512
Net Pension Asset - Teacher Retirement Plan and Legacy Plan	11,903,313
Total Assets	44,311,879
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to OPEB	1,856,137
Deferred Outflows Related to Pensions	6,125,926
Total Deferred Outflows of Resources	7,982,063
LIABILITIES	
Accounts Payable	1,224,622
Long-Term Liabilities	
Due Within One Year	22,021
Due Within More Than One Year:	
Compensated Absences	81,757
OPEB Liability	5,937,770
Net Pension Liability	153,769
Total Liabilities	7,419,939
DEFERRED INFLOWS OF RESOURCES	
Deferred Revenues - Current Property Tax	3,460,687
Deferred Inflows Related to OPEB	1,286,785
Deferred Inflows Related to Pensions	11,896,881
Total Deferred Inflows of Resources	16,644,353
NET POSITION	
Investment in Capital Assets	21,210,434
Restricted for TCRS Stabilization Reserve	238,099
Restricted for Internal School Funds	1,134,755
Restricted for Operations	1,056,311
Restricted for Net Pension Asset	11,903,313
Unrestricted	(7,313,262)
Total Net Position	\$ 28,229,650

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, 2022

	General Purpose School Fund	School Federal Projects Fund	School Nutrition Fund	Internal School Funds	Total Governmental Funds
ASSETS					
Cash	\$ 3,055,784	113,635	1,095,105	793,806	5,058,330
Restricted Cash - Scholarships and Memorials	-	-	-	336,987	336,987
Restricted Investments - TCRS Stabilization Reserve	238,099	-	-	-	238,099
Accounts Receivable	44,389	-	15,543	3,962	63,894
Due from Other Governments	1,863,047	25,539	8,388	-	1,896,974
Due from Carter County	3,505,883	-	-	-	3,505,883
Inventories	-	-	45,102	-	45,102
TOTAL ASSETS	\$ 8,707,202	139,174	1,164,138	1,134,755	11,145,269
LIABILITIES					
Accounts Payable	\$ 1,046,544	114,174	63,904	-	1,224,622
DEFERRED INFLOWS OF RESOURCES					
Deferred Revenues - Current Property Tax	3,460,687	-	-	-	3,460,687
Deferred Revenues - Unavailable	44,748	-	-	-	44,748
Total Deferred Inflows of Resources	3,505,435	-	-	-	3,505,435
FUND BALANCES					
Non Spendable					
Inventories	-	-	45,102	-	45,102
Committed for					
Connie Baker Computer Lab	5,000	-	-	-	5,000
Library Grant	10,000	-	-	-	10,000
Education	-	25,000	-	-	25,000
Restricted for					
Instruction	1,179	-	-	-	1,179
Operations of Noninstructional Program	-	-	1,055,132	-	1,055,132
Internal School Funds	-	-	-	1,134,755	1,134,755
Assigned to					
Archiving	5,000	-	-	-	5,000
After School	39,314	-	-	-	39,314
Back to School Bash	10,564	-	-	-	10,564
Betsy Book Bus	7,762	-	-	-	7,762
Capital Outlay	1,836,000	-	-	-	1,836,000
Community Involment	12,873	-	-	-	12,873
CTE Supplies	35,450	-	-	-	35,450
EHS Interior	20,000	-	-	-	20,000
Equipment, Non-SNP	57,059	-	-	-	57,059
Maintenance Truck	40,000	-	-	-	40,000
New Desk Phones	20,000	-	-	-	20,000
Special Education	1,810	-	-	-	1,810
Special Education Van	39,000	-	-	-	39,000
Student Health	1,500	-	-	-	1,500
Technology	45,000	-	-	-	45,000
Unassigned	1,967,712	-	-	-	1,967,712
Total Fund Balances	4,155,223	25,000	1,100,234	1,134,755	6,415,212
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 8,707,202	139,174	1,164,138	1,134,755	11,145,269

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, 2022

Total Fund Balances - Governmental Funds	\$ 6,415,212
Amounts reported for governmental activities in the Statement of Net Position are different because:	
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 \$37,482,665 and the accumulated depreciation is (\$16,272,231).	21,210,434
Prepays are expensed when disbursed and are not recognized based upon economic benefit or recorded as assets in the governmental funds.	52,863
Revenue, for amounts not received during the period of availability, is not considered "available" and has been deferred in the funds.	44,748
OPEB benefits represent liabilities of the Schools 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.	(5,368,418)
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.	5,978,589
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.	<u>(103,778)</u>
Total Net Position - Governmental Activities	<u>\$ 28,229,650</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, 2022

	General Purpose School Fund	School Federal Projects Fund	School Nutrition Fund	Internal School Funds	Total Governmental Funds
REVENUES					
Payments from County and City	\$ 9,724,516	-	-	-	9,724,516
Revenue from State of Tennessee	16,365,621	-	10,017	-	16,375,638
Revenue from Federal Government	-	4,399,568	2,004,902	-	6,404,470
Charges for Services	574,985	-	40,083	-	615,068
Investment Earnings	(992)	-	1,723	-	731
Other Local Revenues	74,746	-	-	1,739,432	1,814,178
Total Revenues	26,738,876	4,399,568	2,056,725	1,739,432	34,934,601
EXPENDITURES					
Instruction	14,966,344	3,068,335	-	-	18,034,679
Support Services	9,626,578	907,357	-	-	10,533,935
Food Services	30,906	-	1,318,194	-	1,349,100
Community Services	192,670	-	-	-	192,670
Early Childhood Education	404,976	-	-	-	404,976
Capital Outlay	555,423	401,421	58,620	-	1,015,464
Community Services - Other Charges	-	-	-	1,756,703	1,756,703
Total Expenditures	25,776,897	4,377,113	1,376,814	1,756,703	33,287,527
Excess (Deficiency) of Revenues Over (Under) Expenditures	961,979	22,455	679,911	(17,271)	1,647,074
OTHER FINANCING SOURCES (USES)					
Transfers In	22,455	-	-	-	22,455
Transfers Out	-	(22,455)	-	-	(22,455)
Total Other Financing Sources (Uses)	22,455	(22,455)	-	-	-
NET CHANGE IN FUND BALANCES	984,434	-	679,911	(17,271)	1,647,074
FUND BALANCES, JULY 1, 2021	2,775,528	25,000	420,323	1,152,026	4,372,877
Prior Period Adjustment	395,261	-	-	-	395,261
FUND BALANCES, JULY 1, 2021, RESTATED	3,170,789	25,000	420,323	1,152,026	4,768,138
FUND BALANCES, JUNE 30, 2022	\$ 4,155,223	25,000	1,100,234	1,134,755	6,415,212

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, 2022

Total Net Change in Fund Balances - Governmental Funds \$ 1,647,074

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 capital outlays subject to the School's capitalization policy of \$883,527 exceeds depreciation expense of \$792,670. 90,857

Certain expenditures are expensed as paid. A portion of the payments are prepaid for the next fiscal year. 52,863

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 increased by this amount for the current fiscal year. 9,248

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. 5,070

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 \$3,612,941, change in Deferred Inflows of Resources Related to Pensions (\$10,757,670), and the change in Net Pension Asset (Liability) \$10,211,351. 3,066,622

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 (\$154,651), change in Deferred Inflows of Resources Related to OPEB (\$115,247), and the change in Net OPEB Liability \$55,984. (213,914)

Change in Net Position of Governmental Activities \$ 4,657,820

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, 2022

	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	\$ 2,718,000	3,421,000	3,713,994	292,994
County Property Tax	3,517,000	3,537,000	3,578,585	41,585
Other Local Tax	30,550	31,925	31,937	12
City of Elizabethton				
Contributions	2,400,000	2,400,000	2,400,000	-
Total Payments from County and City	<u>8,665,550</u>	<u>9,389,925</u>	<u>9,724,516</u>	<u>334,591</u>
INTERGOVERNMENTAL REVENUES				
State of Tennessee				
Basic Education Program	15,199,000	15,242,000	15,241,887	(113)
Driver's Education	6,500	9,400	9,384	(16)
Career Ladder Program	41,359	41,359	31,994	(9,365)
Early Childhood Education	404,779	405,894	405,894	-
Other State Education Funds	365,560	674,751	676,462	1,711
Total Intergovernmental Revenues	<u>16,017,198</u>	<u>16,373,404</u>	<u>16,365,621</u>	<u>(7,783)</u>
MISCELLANEOUS REVENUES				
Tuition	523,302	630,402	574,985	(55,417)
Rental of School Property	1,000	1,000	100	(900)
Investment Earnings	10,000	9,000	(992)	(9,992)
Donations	25,200	28,210	11,283	(16,927)
Marriage Licenses	600	600	533	(67)
Other Local Revenues	200	11,100	62,830	51,730
Total Miscellaneous Revenues	<u>560,302</u>	<u>680,312</u>	<u>648,739</u>	<u>(31,573)</u>
TOTAL REVENUES	<u>25,243,050</u>	<u>26,443,641</u>	<u>26,738,876</u>	<u>295,235</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, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
EXPENDITURES				
Instruction				
Instruction - Regular Instruction				
Teachers	7,571,086	7,645,386	7,626,653	18,733
Career Ladder Program	24,000	24,000	16,500	7,500
Homebound Teachers	25,000	31,250	31,235	15
Educational Assistants	243,990	258,390	243,458	14,932
Other Salaries and Wages	127,000	247,000	220,916	26,084
Certified Substitute Teachers	10,000	10,000	6,046	3,954
Non-Certified Substitute Teachers	85,000	85,000	54,477	30,523
Social Security	488,563	499,092	483,057	16,035
State Retirement	738,351	751,577	731,462	20,115
Life Insurance	13,163	13,163	13,739	(576)
Medical Insurance	1,332,527	1,344,527	1,334,337	10,190
Dental Insurance	51,470	51,770	51,146	624
Medicare	115,833	118,296	113,946	4,350
Other Post-Employment Benefit Payments	68,200	68,200	68,200	-
TCRS Stabilization Payments	37,035	39,930	1	39,929
Other Contracted Services	29,000	29,000	27,514	1,486
Instructional Supplies	150,500	196,084	189,648	6,436
Textbooks	200,000	181,700	181,026	674
Other Supplies and Materials	79,120	89,395	61,309	28,086
Total Instruction - Regular Instruction	11,389,838	11,683,760	11,454,670	229,090
Instruction - Special Education				
Teachers	900,150	916,150	915,738	412
Career Ladder Program	1,000	1,000	1,000	-
Homebound Teachers	2,000	2,000	90	1,910
Educational Assistants	361,375	361,375	351,442	9,933
Speech Pathologist	170,230	170,230	169,528	702
Certified Substitute Teachers	500	750	709	41
Non-Certified Substitute Teachers	1,000	1,500	1,481	19
Social Security	86,062	86,062	85,596	466
State Retirement	122,106	122,106	122,624	(518)
Life Insurance	2,365	2,365	2,383	(18)
Medical Insurance	264,325	264,325	261,890	2,435
Dental Insurance	10,415	10,565	10,441	124
Medicare	19,015	20,015	20,024	(9)
Other Post-Employment Benefit Payments	16,500	16,500	16,500	-

(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, 2022

	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	8,070	8,070	-	8,070
Contracts with Other Public Agencies	12,425	12,425	9,308	3,117
Contracts with Private Agencies	60,000	60,000	50,911	9,089
Instructional Supplies	15,000	15,000	14,366	634
Other Supplies and Materials	3,000	4,500	4,309	191
Special Education Equipment	10,000	11,810	7,130	4,680
Total Instruction - Special Education	<u>2,065,538</u>	<u>2,086,748</u>	<u>2,045,470</u>	<u>41,278</u>
Instruction - Vocational Education				
Teachers	754,220	741,220	740,498	722
Other Salaries and Wages	-	17,000	16,779	221
Certified Substitute Teachers	500	800	770	30
Non-Certified Substitute Teachers	10,000	12,000	11,916	84
Social Security	46,000	46,000	43,875	2,125
State Retirement	64,900	64,900	62,675	2,225
Life Insurance	1,260	1,260	1,260	-
Medical Insurance	127,210	127,210	127,458	(248)
Dental Insurance	4,755	4,755	4,447	308
Medicare	11,000	11,000	10,298	702
Other Post-Employment Benefit Payments	5,900	5,900	5,900	-
TCRS Stabilization Payments	5,950	7,000	-	7,000
Maintenance and Repair - Equipment	2,500	2,500	2,513	(13)
Instructional Supplies	40,000	40,000	36,574	3,426
Other Supplies and Charges	1,000	1,000	782	218
Total Instruction - Vocational Education	<u>1,075,195</u>	<u>1,082,545</u>	<u>1,065,745</u>	<u>16,800</u>
Instruction - Student Body				
Other Salaries and Wages	290,000	335,000	333,231	1,769
Social Security	18,000	20,500	20,044	456
State Retirement	20,500	20,500	20,078	422
Life Insurance	45	45	45	-
Medical Insurance	7,600	7,600	6,656	944
Dental Insurance	315	315	307	8
Employer Medicare	4,200	4,700	4,698	2
TCRS Stabilization Payments	5,300	5,300	-	5,300
Other Supplies and Materials	4,500	4,500	4,400	100
Other Charges	13,000	13,000	11,000	2,000
Total Instruction - Student Body	<u>363,460</u>	<u>411,460</u>	<u>400,459</u>	<u>11,001</u>
Total Instruction Expenditures				
	<u>14,894,031</u>	<u>15,264,513</u>	<u>14,966,344</u>	<u>298,169</u>
Support Services				
Student Support Services				
Student Services - Attendance				
Supervisor/Director	1,500	1,500	1,500	-
Secretary(ies)	46,135	46,135	46,134	1
Social Security	2,950	2,950	2,937	13
State Retirement	4,545	4,545	4,542	3
Life Insurance	45	45	45	-
Medical	7,600	7,600	7,542	58
Dental	315	315	307	8

(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, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
EXPENDITURES (CONTINUED)				
Support Services (Continued)				
Student Support Services (Continued)				
Student Services - Attendance (Continued)				
Medicare	650	700	687	13
Other Supplies and Materials	7,000	7,000	135	6,865
Travel	3,500	3,500	2,318	1,182
Other Contracted Services	22,000	23,700	23,693	7
Total Student Services - Attendance	<u>96,240</u>	<u>97,990</u>	<u>89,840</u>	<u>8,150</u>
Student Services - Health Services				
Supervisor/Director	62,574	46,222	46,222	-
Medical Personnel	193,307	209,922	209,917	5
Social Security	15,805	15,689	15,141	548
State Retirement	25,650	24,508	23,600	908
Life Insurance	450	450	450	-
Medical Insurance	62,870	77,137	76,660	477
Dental Insurance	2,895	3,495	3,067	428
Medicare	3,635	3,688	3,541	147
Travel	750	750	-	750
Other Contracted Services	250	-	-	-
Other Supplies and Materials	7,916	22,374	22,323	51
Other Charges	750	750	249	501
In-Service/Staff Development	1,500	6,200	6,181	19
Total Student Services - Health Services	<u>378,352</u>	<u>411,185</u>	<u>407,351</u>	<u>3,834</u>
Student Services - Other Student Support				
Guidance Personnel	435,680	500,680	499,822	858
Social Workers	51,150	-	-	-
Secretaries	122,475	98,475	98,218	257
Other Salaries and Wages	4,000	4,000	-	4,000
Social Security	40,062	40,062	35,708	4,354
State Retirement	54,246	54,246	54,548	(302)
Life Insurance	1,035	1,035	891	144
Medical Insurance	116,225	116,225	96,611	19,614
Dental Insurance	4,750	4,750	3,834	916
Medicare	9,615	9,615	8,351	1,264
Other Post-Employment Benefit Payments	5,700	5,700	5,700	-
TCRS Stabilization Payments	5,140	5,140	-	5,140
Evaluation and Testing	37,000	37,000	18,208	18,792
Career Ladder Program	1,000	1,000	1,000	-
Contracts with Other Governments	169,300	171,400	171,400	-
Other Contracted Services	43,000	43,000	43,160	(160)
Other Charges	9,000	9,000	6,000	3,000
Total Student Services - Other Student Support	<u>1,109,378</u>	<u>1,101,328</u>	<u>1,043,451</u>	<u>57,877</u>
Total Student Support Services	<u>1,583,970</u>	<u>1,610,503</u>	<u>1,540,642</u>	<u>69,861</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, 2022

	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	183,584	192,437	192,437	-
Career Ladder Program	4,000	4,000	4,000	-
Librarians	287,461	287,461	272,645	14,816
Secretary	46,134	46,134	46,134	-
Education Assistants	27,090	28,590	28,374	216
Other Salaries and Wages	83,270	83,270	76,804	6,466
Social Security	38,403	38,403	36,293	2,110
State Retirement	62,830	62,830	62,576	254
Life Insurance	758	818	806	12
Medical Insurance	83,690	83,690	86,084	(2,394)
Dental Insurance	3,155	3,155	3,203	(48)
Medicare	9,098	9,098	8,488	610
Other Post-Employment Benefit Payments	5,500	5,500	5,500	-
TCRS Stabilization Payments	990	2,190	-	2,190
Maintenance and Repair - Equipment	13,400	13,400	13,400	-
Travel	1,000	1,000	647	353
Library Books/Media	41,000	41,000	41,501	(501)
Other Contracted Services	50,000	50,000	21,447	28,553
Other Supplies and Materials	4,800	9,600	9,284	316
In-Service/Staff Development	16,975	27,075	20,075	7,000
Other Charges	17,000	17,000	3,095	13,905
Other Equipment	-	12,000	11,672	328
Total Instructional Staff Services - Regular Instruction	<u>980,138</u>	<u>1,018,651</u>	<u>944,465</u>	<u>74,186</u>
Instructional Staff Services - Special Education				
Supervisor/Director	77,732	77,732	74,530	3,202
Secretaries	23,067	23,067	23,067	-
Social Security	6,200	6,200	5,830	370
State Retirement	10,200	10,200	9,870	330
Life Insurance	110	110	120	(10)
Medical Insurance	18,000	18,000	14,253	3,747
Dental Insurance	600	600	511	89
Medicare	1,450	1,450	1,363	87
Other Post-Employment Benefit Payments	800	800	800	-
Contracts with Private Agencies	200,000	200,000	167,294	32,706
Maintenance and Repair - Equipment	1,000	1,000	609	391
Travel	2,000	2,000	681	1,319
Maintenance and Repair Service	5,000	5,000	17	4,983
In-Service/Staff Development	12,000	12,000	5,715	6,285
Total Instructional Staff Services - Special Education	<u>358,159</u>	<u>358,159</u>	<u>304,660</u>	<u>53,499</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, 2022

	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	84,790	84,790	84,346	444
Career Ladder Program	1,000	1,000	1,000	-
Secretaries	24,430	24,430	24,427	3
Social Security	6,762	6,762	6,050	712
State Retirement	11,161	11,161	11,114	47
Life Insurance	135	135	135	-
Medical Insurance	18,875	18,875	18,729	146
Dental Insurance	630	630	613	17
Medicare	1,515	1,515	1,415	100
In-Service/Staff Development	3,700	5,300	3,712	1,588
Total Instructional Staff Services - Vocational Education	<u>152,998</u>	<u>154,598</u>	<u>151,541</u>	<u>3,057</u>
Instructional Staff Services - Technical Services Support				
Supervisor/Director	42,020	42,020	42,610	(590)
Data Processing Personnel	191,090	197,190	197,170	20
Social Security	14,450	14,450	14,709	(259)
State Retirement	22,500	22,500	22,803	(303)
Life Insurance	225	225	225	-
Medical Insurance	34,200	34,200	32,447	1,753
Dental Insurance	1,425	1,425	1,329	96
Medicare	3,380	3,380	3,440	(60)
Maintenance and Repair - Equipment	58,000	58,000	26,593	31,407
Internet Connectivity	133,000	158,000	152,840	5,160
Travel	3,000	3,000	2,607	393
Other Contracted Services	30,000	30,000	12,765	17,235
Data Processing Supplies	16,000	16,000	13,337	2,663
In-Service/Staff Development	2,000	2,000	2,000	-
Data Processing Equipment	68,500	23,547	23,473	74
Total Instructional Staff Services - Technical Services Support	<u>619,790</u>	<u>605,937</u>	<u>548,348</u>	<u>57,589</u>
Total Instructional Staff Support Services	<u>2,111,085</u>	<u>2,137,345</u>	<u>1,949,014</u>	<u>188,331</u>
General Administrative Services				
General Administrative Services - Board of Education				
Secretary to Board	3,000	3,000	3,000	-
Other Salary and Wages	46,605	46,605	46,606	(1)
Social Security	3,050	3,050	2,787	263

(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, 2022

	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	4,720	4,720	4,718	2
Life Insurance	45	45	45	-
Medical Insurance	8,750	8,750	8,659	91
Dental Insurance	315	315	307	8
Unemployment Compensation	15,000	15,000	1,406	13,594
Medicare	700	700	652	48
Audit Services	33,800	34,900	34,900	-
Dues and Memberships	12,000	19,300	19,211	89
Legal Services	15,000	30,000	26,777	3,223
Other Contracted Services	6,000	6,000	2,000	4,000
Liability Insurance	60,000	60,000	59,041	959
Trustee Commissions	100,000	110,000	102,631	7,369
Workers' Compensation	173,000	173,000	153,044	19,956
In-Service/Staff Development	10,000	10,000	8,532	1,468
Other Charges	7,500	7,500	5,470	2,030
Total General Administrative Services - Board of Education	499,485	532,885	479,786	53,099
General Administrative Services -				
Office of the Superintendent				
County Official/Administrative Officer	119,480	124,980	124,866	114
Career Ladder Program	1,000	1,000	1,000	-
Secretaries	46,135	46,135	46,134	1
Clerical Personnel	24,410	24,410	24,829	(419)
Other Salaries and Wages	4,800	4,800	4,800	-
Social Security	12,062	12,062	11,732	330
State Retirement	19,586	19,586	20,207	(621)
Life Insurance	180	180	225	(45)
Medical Insurance	34,690	42,690	35,338	7,352
Dental Insurance	1,260	1,560	1,227	333
Medicare	2,815	2,815	2,744	71
Advertising	4,000	4,000	3,583	417
Communication	58,000	88,000	81,916	6,084
Dues and Memberships	3,500	3,500	595	2,905
Postal Charges	3,000	3,000	2,552	448
Printing, Stationery and Forms	1,500	1,500	591	909
Travel	500	500	170	330
Other Contracted Services	10,000	10,000	4,348	5,652

(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, 2022

	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	4,500	4,500	3,587	913
In-Service/Staff Development	6,000	6,000	5,763	237
Other Charges	10,000	10,000	9,789	211
Total General Administrative Services - Office of the Superintendent	<u>367,418</u>	<u>411,218</u>	<u>385,996</u>	<u>25,222</u>
Total General Administrative Services	<u>866,903</u>	<u>944,103</u>	<u>865,782</u>	<u>78,321</u>
School Administrative Services - Office of the Principal				
Principals	456,895	456,895	449,310	7,585
Career Ladder Program	3,000	3,000	3,000	-
Assistant Principals	373,800	387,800	387,928	(128)
Secretaries	198,284	235,884	227,941	7,943
Other Salaries and Wages	178,510	133,510	131,128	2,382
Social Security	73,186	74,278	70,833	3,445
State Retirement	121,419	122,706	121,736	970
Life Insurance	1,575	1,575	1,553	22
Medical Insurance	190,000	192,550	189,904	2,646
Dental Insurance	7,130	7,210	6,978	232
Medicare	17,044	17,299	16,566	733
Other Post-Employment Benefit Payments	10,400	10,400	10,400	-
TCRS Stabilization Payments	1,340	1,759	-	1,759
Travel	2,000	2,250	1,735	515
Office Supplies	17,225	17,225	17,220	5
In-Service/Staff Development	3,750	4,125	1,913	2,212
Total School Administrative Services - Office of the Principal	<u>1,655,558</u>	<u>1,668,466</u>	<u>1,638,145</u>	<u>30,321</u>
Business Administrative Services - Fiscal Services				
Supervisor/Director	89,385	89,385	90,606	(1,221)
Accountants/Bookkeepers	92,270	92,270	92,269	1
Secretaries	46,135	46,135	46,134	1
Clerical Personnel	19,440	19,440	19,440	-
Social Security	15,500	15,500	14,912	588
State Retirement	23,515	23,515	23,627	(112)
Life Insurance	250	250	225	25
Medical Insurance	35,000	35,000	25,864	9,136
Dental Insurance	1,425	1,425	1,066	359
Medicare	3,500	3,500	3,488	12
Data Processing Services	30,000	30,000	29,663	337
Dues and Subscriptions	100	100	-	100
Travel	250	250	-	250
Office Supplies	5,000	8,800	8,774	26
In-Service/Staff Development	5,000	1,719	98	1,621
Total Business Administrative Services - Fiscal Services	<u>366,770</u>	<u>367,289</u>	<u>356,166</u>	<u>11,123</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, 2022

	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	462,000	465,700	472,900	(7,200)
Social Security	28,000	28,196	28,737	(541)
State Retirement	43,650	43,950	44,550	(600)
Life Insurance	895	895	846	49
Medical Insurance	145,300	145,300	140,299	5,001
Dental Insurance	6,015	6,015	5,725	290
Medicare	6,800	6,846	6,721	125
Other Contracted Services	60,000	60,000	59,970	30
Custodial Supplies	64,000	70,000	68,865	1,135
Electricity	480,000	520,000	527,371	(7,371)
Natural Gas	85,000	93,000	90,832	2,168
Water and Sewer	47,000	97,000	92,548	4,452
Boiler Insurance	3,500	3,500	2,919	581
Building and Contents Insurance	134,000	134,000	137,682	(3,682)
Other Charges	8,000	8,000	1,535	6,465
Total Operation and Maintenance - Operation of Plant	1,574,160	1,682,402	1,681,500	902
Operation and Maintenance - Maintenance of Plant				
Supervisor/Director	42,020	42,020	39,936	2,084
Maintenance Personnel	249,560	256,860	256,837	23
Social Security	17,775	17,775	17,917	(142)
State Retirement	27,730	27,730	28,201	(471)
Life Insurance	315	315	315	-
Medical Insurance	47,930	52,580	45,555	7,025
Dental Insurance	2,350	2,350	1,994	356
Medicare	4,100	4,100	4,190	(90)
Laundry Service	3,000	3,000	2,105	895
Maintenance and Repair - Buildings	412,000	637,000	631,794	5,206
Maintenance and Repair - Equipment	1,000	1,000	-	1,000
Maintenance and Repair - Vehicles	5,000	6,500	6,276	224
Other Contracted Services	72,000	87,000	62,625	24,375
Total Operation and Maintenance - Maintenance of Plant	884,780	1,138,230	1,097,745	40,485
Total Operation and Maintenance	2,458,940	2,820,632	2,779,245	41,387
Student Transportation				
Supervisor/Director	2,800	13,063	13,800	(737)
Mechanics	23,000	23,000	23,000	-
Bus Drivers	151,300	159,300	143,696	15,604
Other Salaries and Wages	20,000	38,720	28,184	10,536
Social Security	11,960	14,129	11,453	2,676
State Retirement	18,875	21,587	18,846	2,741
Life Insurance	495	495	362	133
Medical Insurance	94,020	94,020	72,853	21,167
Dental Insurance	3,790	3,790	2,799	991
Medicare	2,790	3,297	2,698	599

(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, 2022

	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	20,000	45,000	39,725	5,275
Medical and Dental Services	3,000	3,000	2,740	260
Diesel Fuel	50,000	52,334	56,153	(3,819)
Gasoline	15,000	15,000	14,674	326
Tires and Tubes	10,000	10,000	4,988	5,012
Vehicle Parts	20,000	20,000	18,741	1,259
Vehicle Insurance	42,000	42,000	34,421	7,579
In-Service/Staff Development	2,000	2,000	1,907	93
Other Charges	5,000	6,700	6,544	156
Total Student Transportation	496,030	567,435	497,584	69,851
Total Support Services	9,539,256	10,115,773	9,626,578	489,195
Food Services				
Clerical Personnel	19,438	19,438	19,435	3
Social Security	1,205	1,205	1,151	54
State Retirement	1,850	1,850	1,848	2
Life Insurance	23	23	-	23
Medical Insurance	4,360	4,360	4,360	-
Dental Insurance	158	158	153	5
Employer Medicare	280	280	269	11
Food Supplies	-	6,000	1,478	4,522
Food Service Equipment	-	2,225	2,212	13
Total Food Services	27,314	35,539	30,906	4,633
Community Services				
Supervisor/Director	4,000	4,400	2,884	1,516
Teachers	85,000	85,000	73,656	11,344
Other Salaries and Wages	56,000	73,725	49,661	24,064
Social Security	8,977	10,052	7,783	2,269
State Retirement	4,505	4,530	3,016	1,514
Life Insurance	5	5	-	5
Medical Insurance	500	2,500	1,198	1,302
Dental Insurance	15	70	51	19
Medicare	2,050	2,300	1,682	618
Travel	2,500	2,500	-	2,500
Food Supplies	15,000	15,000	5,882	9,118
Other Supplies and Materials	34,500	48,070	40,626	7,444
Inservice/Staff Development	3,500	3,500	-	3,500
Other Charges	5,000	6,250	6,231	19
Total Community Services	221,552	257,902	192,670	65,232

(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, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
EXPENDITURES (CONTINUED)				
Early Childhood Education				
Supervisor/Director	70,518	68,405	68,404	1
Teachers	98,600	99,320	99,320	-
Secretary(ies)	18,900	19,410	19,407	3
Educational Assistants	98,350	72,000	71,207	793
Other Salaries and Wages	19,410	17,810	17,477	333
Social Security	18,900	16,780	16,717	63
State Retirement	22,840	24,500	24,807	(307)
Life Insurance	333	470	468	2
Medical Insurance	40,200	52,050	52,030	20
Dental Insurance	1,490	2,365	2,311	54
Employer Medicare	4,400	3,920	3,910	10
TCRS - SRT	915	925	-	925
Travel	1,500	85	82	3
Other Supplies and Materials	4,000	9,975	10,401	(426)
Other Equipment	4,423	17,878	18,435	(557)
Total Early Childhood Education	<u>404,779</u>	<u>405,893</u>	<u>404,976</u>	<u>917</u>
Capital Outlay	<u>186,000</u>	<u>535,979</u>	<u>555,423</u>	<u>(19,444)</u>
Total Expenditures	<u>25,272,932</u>	<u>26,615,599</u>	<u>25,776,897</u>	<u>838,702</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(29,882)</u>	<u>(171,958)</u>	<u>961,979</u>	<u>1,133,937</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	30,882	30,882	22,455	8,427
Transfers Out	(1,000)	(1,000)	-	1,000
Total Other Financing Sources (Uses)	<u>29,882</u>	<u>29,882</u>	<u>22,455</u>	<u>9,427</u>
NET CHANGE IN FUND BALANCE	-	(142,076)	984,434	1,143,364
FUND BALANCE, JULY 1, 2021	2,775,528	2,775,528	2,775,528	-
Prior Period Adjustment	<u>395,261</u>	<u>395,261</u>	<u>395,261</u>	<u>-</u>
FUND BALANCE, JULY 1, 2021, RESTATED	<u>3,170,789</u>	<u>3,170,789</u>	<u>3,170,789</u>	<u>-</u>
FUND BALANCE, JUNE 30, 2022	<u>\$ 2,775,528</u>	<u>2,633,452</u>	<u>4,155,223</u>	<u>1,521,771</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, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
INTERGOVERNMENTAL REVENUES				
Revenues from Federal Government				
Title I	\$ 787,654	946,638	822,576	(124,062)
Title II	101,668	140,302	104,533	(35,769)
Special Education (IDEA)	616,045	671,881	573,968	(97,913)
Special Education (Preschool)	15,299	17,030	12,830	(4,200)
Special Education (ARP)	-	151,077	79,452	(71,625)
Homeless Grant (ARP)	-	44,472	6,578	(37,894)
Vocational Education	43,355	43,355	43,355	-
Safe and Drug Free School	145,334	145,334	145,334	-
Essex Cares Act	-	186,094	186,094	-
Early Literacy Network	-	40,000	39,545	(455)
Literacy Stipend Grant	-	98,000	100,000	2,000
Essex 2.0	1,695,244	983,873	811,059	(172,814)
Essex 3.0	2,480,135	1,481,150	1,366,733	(114,417)
Other Federal Revenues	103,503	116,084	107,511	(8,573)
Total Revenues from Federal Government	5,988,237	5,065,290	4,399,568	(665,722)
TOTAL REVENUES	5,988,237	5,065,290	4,399,568	(665,722)
EXPENDITURES				
Instruction				
Instruction - Regular Instruction				
Teachers	164,277	661,270	574,863	86,407
Educational Assistants	90,595	294,538	276,612	17,926
Other Salaries and Wages	584,024	435,565	398,915	36,650
Social Security	52,010	83,579	75,188	8,391
State Retirement	81,592	125,365	116,996	8,369
Life Insurance	1,395	2,210	1,889	321
Medical Insurance	132,921	233,303	219,062	14,241
Dental Insurance	5,355	9,013	8,563	450
Medicare	12,164	18,905	17,685	1,220
Equipment	5,500	570,129	554,004	16,125
Software	274,264	60,225	43,003	17,222
Other Contracted Services	-	10,000	-	10,000
Other Supplies and Materials	-	44,010	4,223	39,787
Instructional Supplies and Materials	25,197	153,478	124,748	28,730
Total Instruction - Regular Instruction	1,429,294	2,701,590	2,415,751	285,839
Instruction - Special Education				
Teachers	50,771	50,771	48,705	2,066
Educational Assistants	438,773	526,241	463,514	62,727
Other Salaries and Wages	10,500	15,500	-	15,500
Social Security	30,855	36,279	29,904	6,375
State Retirement	16,120	24,437	18,381	6,056
Life Insurance	225	457	396	61
Medical Insurance	31,624	61,858	51,486	10,372
Dental Insurance	1,260	2,582	2,224	358
Medicare	7,216	8,483	7,337	1,146
Other Contracted Services	-	356	-	356
Special Education Equipment	-	6,750	2,915	3,835
Contracts with Private Agencies	1,500	-	-	-
Instructional Supplies and Materials	2,500	8,938	-	8,938
Total Instruction - Special Education	591,344	742,652	624,862	117,790

(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, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
EXPENDITURES (CONTINUED)				
Instruction (Continued)				
Instruction - Vocational Education				
Instructional Supplies	10,350	2,800	2,776	24
Other Supplies and Materials	6,330	3,450	3,442	8
Vocational Instruction Equipment	9,477	20,827	21,504	(677)
Total Instruction - Vocational Education	<u>26,157</u>	<u>27,077</u>	<u>27,722</u>	<u>(645)</u>
Total Instruction Expenditures	<u>2,046,795</u>	<u>3,471,319</u>	<u>3,068,335</u>	<u>402,984</u>
Support Services				
Instructional Staff Services - Regular Instruction				
Supervisor	61,784	62,603	62,628	(25)
Secretary	23,067	23,067	23,067	-
Other Salaries and Wages	156,880	272,214	218,511	53,703
Social Security	15,173	19,412	18,576	836
State Retirement	25,014	36,776	28,844	7,932
Life Insurance	224	419	370	49
Medical Insurance	24,699	38,475	31,400	7,075
Dental Insurance	1,104	1,548	1,273	275
Employer Medicare	3,548	5,232	4,344	888
Other Contracted Services	-	40,000	39,545	455
Other Supplies and Materials	500	18,648	5,299	13,349
In-Service/Staff Development	8,911	53,444	6,846	46,598
Total Instructional Staff Services - Regular Instruction	<u>320,904</u>	<u>571,838</u>	<u>440,703</u>	<u>131,135</u>
Other Support Services				
Student Health Services	40,000	60,000	56,000	4,000
Other Student Support	348,708	490,936	410,654	80,282
Student Transportation	-	4,121	-	4,121
Vocational Support	1,948	-	-	-
Total Other Support Services	<u>390,656</u>	<u>555,057</u>	<u>466,654</u>	<u>88,403</u>
Total Support Services	<u>711,560</u>	<u>1,131,016</u>	<u>907,357</u>	<u>223,659</u>
Capital Outlay	<u>3,200,000</u>	<u>420,000</u>	<u>401,421</u>	<u>18,579</u>
TOTAL EXPENDITURES	<u>5,958,355</u>	<u>5,022,335</u>	<u>4,377,113</u>	<u>645,222</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>29,882</u>	<u>42,955</u>	<u>22,455</u>	<u>(20,500)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(29,882)</u>	<u>(42,955)</u>	<u>(22,455)</u>	<u>20,500</u>
Total Other Financing Sources (Uses)	<u>(29,882)</u>	<u>(42,955)</u>	<u>(22,455)</u>	<u>20,500</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, JULY 1, 2021	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	-
FUND BALANCE, JUNE 30, 2022	<u>\$ 25,000</u>	<u>25,000</u>	<u>25,000</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, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental Revenues				
USDA Lunch Claims	\$ 615,000	1,229,000	1,229,618	618
USDA Breakfast Claims	370,000	549,000	549,792	792
Snack Reimbursement	18,000	15,277	15,211	(66)
Commodities	93,500	93,500	95,558	2,058
State Matching	10,000	10,000	10,017	17
Other Federal Revenues	-	114,723	114,723	-
Total Intergovernmental Revenues	<u>1,106,500</u>	<u>2,011,500</u>	<u>2,014,919</u>	<u>3,419</u>
Charges for Services				
Meal Payment - Adults	21,825	21,825	17,887	(3,938)
A La Carte Sales	30,750	30,750	20,036	(10,714)
Other Charges for Services	13,000	13,000	2,160	(10,840)
Total Charges for Services	<u>65,575</u>	<u>65,575</u>	<u>40,083</u>	<u>(25,492)</u>
Investment Earnings	<u>2,000</u>	<u>2,000</u>	<u>1,723</u>	<u>(277)</u>
TOTAL REVENUES	<u>1,174,075</u>	<u>2,079,075</u>	<u>2,056,725</u>	<u>(22,350)</u>
EXPENDITURES				
Food Services				
Supervisor/Director	46,845	46,845	46,826	19
Cafeteria Personnel	358,955	358,955	337,114	21,841
Social Security	25,030	25,030	22,639	2,391
State Retirement	32,380	32,380	31,238	1,142
Life Insurance	765	765	716	49
Medical Insurance	153,805	153,805	127,974	25,831
Dental Insurance	5,705	5,705	5,189	516
Medicare	5,815	5,815	5,295	520
Maintenance/Repair - Equipment	6,000	26,000	17,961	8,039
Transportation	2,500	2,500	1,737	763
Travel	200	200	98	102
Food Supplies	400,000	700,000	551,365	148,635
Office Supplies	1,000	1,000	1,092	(92)
USDA Commodities	93,500	93,500	95,558	(2,058)
Other Supplies and Materials	30,250	80,250	54,913	25,337
In-Service/Staff Development	1,075	1,075	1,059	16
Other Charges	7,750	22,750	17,420	5,330
Capital Outlay	2,500	522,500	58,620	463,880
TOTAL EXPENDITURES	<u>1,174,075</u>	<u>2,079,075</u>	<u>1,376,814</u>	<u>702,261</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	679,911	679,911
FUND BALANCE, JULY 1, 2021	<u>420,323</u>	<u>420,323</u>	<u>420,323</u>	-
FUND BALANCE, JUNE 30, 2022	<u>\$ 420,323</u>	<u>420,323</u>	<u>1,100,234</u>	<u>679,911</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, 2022

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, School Nutrition Fund, and the Internal School Funds are four 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.

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
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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.

Internal School Funds – The Internal School Funds accounts for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. A more detailed reporting of the fund activities at each individual school may be found at <https://www.comptroller.tn.gov/officefunctions/la/reports/find-other-audits.html>.

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.

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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 School's policy is silent on payment to employees upon termination.

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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.

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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 apply 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.

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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 of 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 of 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.

New Accounting Pronouncement

In June 2017, the Governmental Accounting Standards Board (GASB) issued Governmental Accounting Standards (GASB Statement) No. 87 *Leases*. GASB Statement No. 87 requires governmental entities to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. At June 30, 2022, the Elizabethton City Schools had no leases that met the requirements of this standard; accordingly, the adoption of this standard did not have an impact on the Elizabethton City Schools' results of operations and net position.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual Budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the Internal School Funds, which are not budgeted. All annual appropriations lapse at year-end.

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS

Interfund Balances

The composition of interfund balances as of June 30, 2022 is as follows:

Interfund Transfers

Transfer In Fund	Transfer Out Fund	Amount	Purpose
General Purpose School	School Federal Projects	\$ 22,455	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, 2022, 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.

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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 \$5,058,330 and the bank balance was \$6,659,032.

Certain assets of the Schools' are classified as restricted cash because their use is restricted by donor stipulations. Total restricted cash was \$336,987 at June 30, 2022.

Receivables

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

	<u>General Purpose School Fund</u>	<u>School Federal Projects Fund</u>	<u>School Nutrition Fund</u>	<u>Internal School Funds</u>	<u>Total</u>
Accounts Receivable	\$ 44,389	-	15,543	3,962	63,894
Carter County, Tax Allocation	3,505,883	-	-	-	3,505,883
Due from Other Governments Federal and State	<u>1,863,047</u>	<u>25,539</u>	<u>8,388</u>	<u>-</u>	<u>1,896,974</u>
Total Receivables	<u>\$ 5,413,319</u>	<u>25,539</u>	<u>23,931</u>	<u>3,962</u>	<u>5,466,751</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, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

Capital Assets

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated				
Land	\$ 303,700	-	-	303,700
Construction in Progress	747,367	585,368	(987,377)	345,358
Total Capital Assets, Not Being Depreciated	<u>1,051,067</u>	<u>585,368</u>	<u>(987,377)</u>	<u>649,058</u>
Capital Assets, Being Depreciated				
Buildings	33,126,187	987,377	-	34,113,564
Equipment	2,421,884	298,159	-	2,720,043
Total Capital Assets, Being Depreciated	<u>35,548,071</u>	<u>1,285,536</u>	<u>-</u>	<u>36,833,607</u>
Less Accumulated Depreciation For				
Buildings	(13,830,856)	(664,844)	-	(14,495,700)
Equipment	(1,648,705)	(127,826)	-	(1,776,531)
Total Accumulated Depreciation	<u>(15,479,561)</u>	<u>(792,670)</u>	<u>-</u>	<u>(16,272,231)</u>
Net Capital Assets, Being Depreciated	<u>20,068,510</u>	<u>492,866</u>	<u>-</u>	<u>20,561,376</u>
Net Capital Assets	<u>\$ 21,119,577</u>	<u>1,078,234</u>	<u>(987,377)</u>	<u>21,210,434</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, 2022, the Schools had uncompleted construction contracts of approximately \$278,900 for capital projects.

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

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, 2022 are as follows:

	Balance, Beginning of Year	Additions	Reductions	Balance, End of Year	Due Within One Year
Governmental Activities					
Compensated Absences	\$ 108,848	16,951	22,021	103,778	22,021
Net OPEB Liability	5,993,754	584,788	640,772	5,937,770	-
Net Pension Liability	834,464	2,594,374	3,275,069	153,769	-
	<u>834,464</u>	<u>2,594,374</u>	<u>3,275,069</u>	<u>153,769</u>	<u>-</u>
Governmental Activities					
Long-Term Liabilities	\$ 6,937,066	3,196,113	3,937,862	6,195,317	22,021
	<u>\$ 6,937,066</u>	<u>3,196,113</u>	<u>3,937,862</u>	<u>6,195,317</u>	<u>22,021</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. 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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NOTE 4 - OTHER INFORMATION (CONTINUED)

Agency Plan (Continued)

Employees Covered by Benefit Terms

At the measurement date of June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	139
Inactive employees entitled to but not yet receiving benefits	209
Active employees	143
	<u>491</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, 2022, the employer contributions for the Schools were \$363,686 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 actuarially determined contribution (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, 2021, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

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NOTE 4 - OTHER INFORMATION (CONTINUED)

Agency Plan (Continued)

Actuarial Assumptions

The total pension liability as of the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 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	6.75 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.125 percent

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

The actuarial assumptions used in the June 30, 2021 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

Changes of assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020 actuarial experience study. A blend of future capital market projections and 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 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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NOTE 4 - OTHER INFORMATION (CONTINUED)

Agency Plan (Continued)

Actuarial Assumptions (Continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate 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.

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NOTE 4 - OTHER INFORMATION (CONTINUED)

Agency Plan (Continued)

Changes in the Net Pension Liability

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
	(a)	(b)	(a) - (b)
Balance at 6/30/2020	\$ 11,133,493	10,299,029	834,464
Changes for the year:			
Service Cost	281,565	-	281,565
Interest	805,633	-	805,633
Differences Between Expected and Actual Experience	116,617	-	116,617
Changes in Assumptions	1,377,909	-	1,377,909
Contributions - Employer	-	405,212	(405,212)
Contributions - Employees	-	213,046	(213,046)
Net Investment Income	-	2,656,811	(2,656,811)
Benefit Payments, Including Refunds of Employee Contributions	(605,748)	(605,748)	-
Administrative Expense	-	(12,650)	12,650
Net Changes	<u>1,975,976</u>	<u>2,656,671</u>	<u>(680,695)</u>
Balance at 6/30/2021	<u>\$ 13,109,469</u>	<u>12,955,700</u>	<u>153,769</u>

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NOTE 4 - OTHER INFORMATION (CONTINUED)

Agency Plan (Continued)

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

The following presents the net pension liability (asset) of the Schools calculated using the discount rate of 6.75 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Elizabethton City Schools'			
Net Pension Liability (Asset)	\$ 1,850,366	153,769	(1,256,817)

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

Pension Expense

For the year ended June 30, 2022, the Schools recognized pension expense of \$173,564.

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2022, 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	\$ 221,656	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,417,810
Changes in Assumptions	1,033,432	-
Contributions Subsequent to the Measurement Date of June 30, 2021	363,686	-
	\$ 1,618,774	1,417,810

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2021,” 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:		
2023	\$	88,447
2024		93,879
2025		36,974
2026		(382,022)
2027		-
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, 2022, the Schools reported a payable of \$79,543 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2022.

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.

The Teacher Retirement Plan became effective July 1, 2014 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, 2022 to the Teacher Retirement Plan were \$70,084 which is 2.01 percent of covered payroll. In addition, employer contributions of \$70,007, which is 1.99 percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions, 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, 2022, the Schools reported a liability (asset) of (\$217,213) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, 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, 2021 the Schools' proportion was 0.200526 percent. The proportion measured as of June 30, 2020 was 0.188373 percent.

Pension Expense

For the year ended June 30, 2022 the Schools recognized pension expense (negative pension expense) of \$26,720.

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2022, 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
Differences Between Expected and Actual Experience	\$ 3,779	39,745
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	125,033
Changes in Assumptions	78,347	-
Changes in Proportion of Net Pension Liability (Asset)	8,940	7,464
LEA's Contributions Subsequent to the Measurement Date of June 30, 2021	70,084	-
	\$ 161,150	172,242

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NOTE 4 - OTHER INFORMATION (CONTINUED)

Teacher Retirement Pension Plan (Continued)

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

The Schools' employer contributions of \$70,084, 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, 2023. 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:		
2023	\$	(27,121)
2024		(26,437)
2025		(26,242)
2026		(29,388)
2027		3,961
Thereafter		24,051

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, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 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	6.75 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.125 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)

Actuarial Assumptions (Continued)

The actuarial assumptions used in the June 30, 2021 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. As a result of the 2020 actuarial experience study, investment and demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020 actuarial experience study. A blend of future capital market projections and 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 2.25 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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

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NOTE 4 - OTHER INFORMATION (CONTINUED)

Teacher Retirement Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate 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 6.75 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 (5.75 percent) or 1- percentage-point higher (7.75 percent) than the current rate:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Elizabethton City Schools' proportionate share of the Net Pension Liability (Asset)	\$ 74,672	(217,213)	(432,488)

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, 2022, the Schools reported a payable of \$56,309 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2022.

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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 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>.

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.

The Teacher Retirement Plan became effective July 1, 2014 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)

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, 2022 to the Teacher Legacy Pension Plan were \$1,054,041 which is 10.12 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, 2022, the Schools reported a liability (asset) of (\$11,686,100) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, 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, 2021 the Schools' proportion was 0.270936 percent. The proportion measured as of June 30, 2020 was 0.297091 percent.

Pension Expense

For the year ended June 30, 2022, the Schools recognized pension expense (negative pension expense) of (\$1,776,220).

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2022, 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	\$ 39,272	974,659
Changes in Assumptions	3,122,331	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	9,319,404
Changes in Proportion of Net Pension Liability (Asset)	130,358	12,766
Contributions Subsequent to the Measurement Date of June 30, 2021	1,054,041	-
	\$ 4,346,002	10,306,829

The School's employer contributions of \$1,054,041 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, 2023. 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:	
2023	\$ (1,659,344)
2024	(1,567,122)
2025	(1,273,374)
2026	(2,515,028)
2027	-
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)

Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 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	6.75 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.125 percent

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

The actuarial assumptions used in the June 30, 2021 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. As a result of the 2020 actuarial experience study, investment and demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020 actuarial experience study. A blend of future capital market projections and 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 2.25 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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NOTE 4 - OTHER INFORMATION (CONTINUED)

Teacher Legacy Plan (Continued)

Actuarial Assumptions (Continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate 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 6.75 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 (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

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NOTE 4 - OTHER INFORMATION (CONTINUED)

Teacher Legacy Plan (Continued)

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Elizabethton City Schools' proportionate share of the Net Pension Liability (Asset)	\$ (2,079,733)	(11,686,100)	(19,680,515)

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, 2022, the Schools reported a payable of \$357,656 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2022.

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, 2022, 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, 2022, the Schools had the following investments held by the trust on its behalf:

<u>Investment</u>	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 73,810
Developed Market International Equity	N/A	N/A	33,334
Emerging Market International Equity	N/A	N/A	9,524
U.S. Fixed Income	N/A	N/A	47,620
Real Estate	N/A	N/A	47,620
Short-term Securities	N/A	N/A	23,810
NAV - Private Equity and Strategic Lending	N/A	N/A	2,381
Total			<u>\$ 238,099</u>

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

	Fair Value June 30, 2022	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	\$ 73,810	73,810	-	-	-
Developed Market International Equity	33,334	33,334	-	-	-
Emerging Market International Equity	9,524	9,524	-	-	-
U.S. Fixed Income	47,620	-	47,620	-	-
Real Estate	47,620	-	-	47,620	-
Short-term Securities	23,810	-	23,810	-	-
Private Equity and Strategic Lending	2,381	-	-	-	2,381
Total	\$ 238,099	116,668	71,430	47,620	2,381

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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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/ag20045.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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NOTE 4 - OTHER INFORMATION (CONTINUED)

Other Post-Employment Healthcare Plans (Continued)

Teacher Group 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, receive the same plan benefits as active employees, at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for 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, 2021, the following employees of the Schools were covered by the benefit terms of the TGOP:

Inactive employees currently receiving benefit payments	26
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	234
	260
	260

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 \$281,205 to the TGOP for OPEB benefits as they came due.

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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, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary increases	Graded salary ranges from 3.44 to 8.72 percent based on age, including inflation, averaging 4.00 percent
Healthcare cost trend rates	7.36% for pre-65 in 2021, decreasing annually over a 7 year period to an ultimate rate of 4.50%. 7.32% for post-65 in 2021, decreasing annually over an 8 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, 2021, valuations were the same as those employed in the July 1, 2020 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, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The pre-retirement mortality rates employed in this valuation are taken from the PUB-2010 Headcount-weighted Employee mortality table for Teacher Employees projected generationally with MP-2020 from 2010. Post-retirement tables are Headcount-weighted Teacher Below Median Healthy Annuitant and adjusted with a 19% load for males and an 18% load for females, projected generationally from 2010 with MP-2020. 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, projected generationally from 2018 with MP-2020.

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NOTE 4 - OTHER INFORMATION (CONTINUED)

Other Post-Employment Healthcare Plan (Continued)

Teacher Group Plan (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 2.16 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
Total OPEB Liability - Beginning Balance	\$ 7,894,432
Changes for the year:	
Service Cost	435,695
Interest	179,838
Changes of Benefit Terms	(6,304)
Differences Between Expected and Actual Experience	175,149
Changes in Assumptions	(262,779)
Benefit Payments	(387,431)
Net Changes	134,168
Total OPEB Liability - Ending Balance	\$ 8,028,600
 Nonemployer contributing entities proportionate share of the collective total OPEB liability	 \$ 2,090,830
 Employer's proportionate share of the collective total OPEB liability	 \$ 5,937,770
 Employer's proportion of the collective total OPEB liability	 73.96%

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NOTE 4 - OTHER INFORMATION (CONTINUED)

Other Post-Employment Healthcare Plan (Continued)

Teacher Group Plan (Continued)

The Schools have a 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 -1.97% from the prior measurement date. The Schools recognized \$164,261 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 2.21% as of the beginning of the measurement period to 2.16% as of June 30, 2021. This change in assumption increased the total OPEB liability.

Changes in Benefit Terms

Changes in benefit terms of (\$6,304) during the year reduced 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 (1.16%)	Current Discount Rate (2.16%)	1.00% Increase (3.16%)
Proportionate share of collective total OPEB liability	\$ 6,363,773	5,937,770	5,530,787

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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NOTE 4 - OTHER INFORMATION (CONTINUED)

Other Post-Employment Healthcare Plan (Continued)

Teacher Group Plan (Continued)

	1.00% Decrease (6.36%/6.32% decreasing to 3.50%)	Current (7.36%/7.32% decreasing to 4.50%)	1.00% Increase (8.36%/8.32% Decreasing to 5.50%)
Proportionate share of collective total OPEB liability	\$ 5,292,199	5,937,770	6,698,602

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

OPEB Expense

For the fiscal year ended June, 30, 2021, the Schools recognized OPEB expense of \$659,380.

Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal year ended June, 30, 2022, 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	\$ 641,969	536,954
Differences Between Expected and Actual Experience	614,972	450,622
Changes in Proportion	317,991	299,209
Employer Payments Subsequent to the Measurement Date	281,205	-
	<u>\$ 1,856,137</u>	<u>1,286,785</u>

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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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:		
2023	\$	44,547
2024		44,547
2025		44,547
2026		44,547
2027		44,549
Thereafter		65,410

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 TNP does not include pharmacy coverage. 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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NOTE 4 - OTHER INFORMATION (CONTINUED)

Other Post-Employment Healthcare Plan (Continued)

Closed Tennessee 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 receive 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, 2021, the following employees of the Schools were covered by the benefit terms of the TNP:

Inactive employees currently receiving benefit payments	59
Inactive employees entitled to but not yet receiving benefit payments	36
Active employees	187
	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.

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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, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary increases	Graded salary ranges from 3.44 to 8.72 percent based on age, including inflation, averaging 4.00 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, 2021, valuations were the same as those employed in the July 1, 2020 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, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the headcount-weighted below median teachers PUB-2010 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2020. Post-retirement tables are adjusted with a 19% load for males and a 18% 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 with mortality improvement projected to all future years using Scale MP-2020.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.16 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.

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2022

NOTE 4 - OTHER INFORMATION (CONTINUED)

Other Post-Employment Healthcare Plan (Continued)

Closed Tennessee Plan (Continued)

Changes in Collective Total OPEB Liability

	Total OPEB Liability
Total OPEB Liability - Beginning Balance	\$ 842,584
Changes for the year:	
Service Cost	17,658
Interest	18,696
Differences Between Expected and Actual Experience	(7,068)
Changes in Assumptions	(134,982)
Benefit Payments	(28,697)
Net Changes	(134,393)
 Total OPEB Liability - Ending Balance	 \$ 708,191
 Nonemployer contributing entities proportionate share of the collective total OPEB liability	 \$ 708,191
 Employer's proportionate share of the collective total OPEB liability	 \$ -
 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 School's proportionate share of the collective total OPEB liability was based on a projection of the employers long-term share of benefits paid through the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployee contributing entities, actuarially determined. The School's proportion of 0% did not change from the prior measurement date. The School's recognized \$33,246 in revenue for support provided by nonemployee contributing entities for benefits paid to the TNP for the School'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, 2022

NOTE 4 - OTHER INFORMATION (CONTINUED)

Other Post-Employment Healthcare Plan (Continued)

Changes in Assumptions

The discount rate was changed from 2.21% as of the beginning of the measurement period to 2.16% as of June 30, 2021. This change in assumption increased 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, 2022, the Schools recognized OPEB expense of \$33,246.

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 \$33,246.

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 \$112,774, and employer contributions were \$184,033.

NOTE 5 - PRIOR PERIOD ADJUSTMENT

A prior period adjustment of \$395,261 was recorded to correct an error in recording amounts due from Carter County at June 30, 2021. The effect of this adjustment was to increase the beginning fund balance of the General Purpose School Fund and government-wide net position by \$395,261.

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	2020	2021
TOTAL PENSION LIABILITY								
Service Cost	\$ 203,227	206,173	212,921	214,734	245,124	255,031	267,644	281,565
Interest	603,524	606,661	629,301	661,037	685,089	720,446	756,259	805,633
Differences Between Actual and Expected Experience	(336,885)	(71,927)	6,848	(47,774)	25,550	52,124	242,324	116,617
Change of Assumptions	-	-	-	223,457	-	-	-	1,377,909
Benefit Payments, Including Refunds of Employee Contributions	(389,506)	(472,481)	(419,093)	(436,369)	(455,957)	(500,021)	(592,484)	(605,748)
NET CHANGE IN TOTAL PENSION LIABILITY	80,360	268,426	429,977	615,085	499,806	527,580	673,743	1,975,976
TOTAL PENSION LIABILITY - BEGINNING	8,038,516	8,118,876	8,387,302	8,817,279	9,432,364	9,932,170	10,459,750	11,133,493
TOTAL PENSION LIABILITY - ENDING (a)	\$ 8,118,876	8,387,302	8,817,279	9,432,364	9,932,170	10,459,750	11,133,493	13,109,469
PLAN FIDUCIARY NET POSITION								
Contributions - Employer	\$ 186,419	194,363	192,765	195,529	212,965	237,832	266,022	405,212
Contributions - Employee	112,436	116,946	115,985	117,647	123,962	128,698	139,865	213,046
Net Investment Income	1,132,859	240,557	209,788	907,747	729,347	698,370	491,375	2,656,811
Benefit Payments, Including Refunds of Employee Contributions	(389,506)	(472,481)	(419,093)	(436,369)	(455,957)	(500,021)	(592,484)	(605,748)
Administrative Expense	(4,231)	(5,700)	(7,271)	(9,801)	(10,574)	(10,607)	(11,246)	(12,650)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	1,037,977	73,685	92,174	774,753	599,743	554,272	293,532	2,656,671
PLAN FIDUCIARY NET POSITION - BEGINNING	6,872,893	7,910,870	7,984,555	8,076,729	8,851,482	9,451,225	10,005,497	10,299,029
PLAN FIDUCIARY NET POSITION - ENDING (b)	\$ 7,910,870	7,984,555	8,076,729	8,851,482	9,451,225	10,005,497	10,299,029	12,955,700
NET PENSION LIABILITY - ENDING (a) - (b)	\$ 208,006	402,747	740,550	580,882	480,945	454,253	834,464	153,769
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF TOTAL PENSION LIABILITY	97.44%	95.20%	91.60%	93.84%	95.16%	95.66%	92.50%	98.83%
COVERED PAYROLL	\$ 2,248,707	2,338,905	2,319,681	2,354,007	2,479,229	2,573,936	2,797,290	4,260,902
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	9.25%	17.22%	31.92%	24.68%	19.40%	17.65%	29.83%	3.61%

Changes of assumptions: In 2021, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, and mortality improvements. 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.

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 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	2021	2022
Actuarially determined contribution	\$ 186,419	194,363	192,765	195,529	212,965	237,832	266,022	405,212	363,686
Contributions in relation to the actuarially determined contribution	<u>186,419</u>	<u>194,363</u>	<u>192,765</u>	<u>195,529</u>	<u>212,965</u>	<u>237,832</u>	<u>266,022</u>	<u>405,212</u>	<u>363,686</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>							
Covered payroll	\$ 2,248,707	2,338,905	2,319,681	2,354,007	2,479,239	2,573,936	2,797,290	4,260,902	3,824,243
Contributions as a percentage of covered payroll	8.29%	8.31%	8.31%	8.31%	8.59%	9.24%	9.51%	9.51%	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.

(Continued)

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

Notes To Schedule

Valuation date: Actuarially determined contribution rates for fiscal year 2022 were calculated based on the June 30, 2020 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	2020	2021
Elizabethton City Schools' proportion of the net pension liability (asset)	0.266606%	0.271131%	0.282767%	0.291175%	0.285178%	0.292866%	0.297091%	0.270936%
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)	(2,265,540)	(11,686,100)
Elizabethton City Schools' covered payroll	\$ 10,464,264	10,149,813	10,207,349	10,358,477	9,989,028	9,820,226	9,887,660	8,828,141
Elizabethton City Schools' proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-0.41%	1.09%	17.31%	-0.92%	-10.05%	-30.66%	-22.91%	-132.37%
Plan fiduciary net position as a percentage of the total pension liability	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%

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.

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	2021	2022
Contractually Required Contribution	\$ 929,227	917,543	922,743	930,473	906,730	1,027,194	1,051,091	913,267	1,054,041
Contribution in relation to the contractually required contribution	929,227	917,543	922,743	930,473	906,730	1,027,194	1,051,091	913,267	1,054,041
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-
Covered payroll	\$ 10,464,264	10,149,813	10,207,349	10,358,447	9,989,028	9,820,226	9,887,660	8,828,141	10,413,448
Contributions as a percentage of covered payroll	8.88%	9.04%	9.04%	8.98%	9.08%	10.46%	10.63%	10.34%	10.12%

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.

Changes of assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 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	2020	2021
Elizabethton City Schools' proportion of the net pension liability (asset)	0.267838%	0.231179%	0.203596%	0.194796%	0.199822%	0.188373%	0.200526%
Elizabethton City Schools' proportionate share of the net pension liability (asset)	\$ (11,002)	(24,066)	(53,715)	(88,345)	(112,797)	(107,117)	(217,213)
Elizabethton City Schools' covered payroll	\$ 568,226	1,017,201	1,270,687	1,699,254	2,114,534	2,376,813	2,894,024
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%	-4.51%	-7.51%
Plan fiduciary net position as a percentage of the total pension liability	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%	121.53%

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	2021	2022
Contractually required contribution	\$ 14,206	25,463	53,451	27,760	41,022	48,256	58,260	70,084
Contribution in relation to the contractually required contribution	22,729	40,688	53,451	68,091	41,022	48,256	58,260	70,084
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	2,376,813	2,884,151	3,484,045
Contributions as a percentage of covered payroll	4.00%	4.00%	4.21%	4.01%	1.94%	2.03%	2.02%	2.01%

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.

Changes of assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 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.

Beginning in FY 2019, the Board of Education placed the actuarially determined contribution rate of covered payroll into the pension plan and placed the remainder of the four percent contractually required contribution into the Pension Stabilization Reserve Trust (SRT):

- 2019: Pension – 1.94%, SRT – 2.02%
- 2020: Pension – 2.03%, SRT – 1.97%
- 2021: Pension – 2.02%, SRT – 1.98%
- 2022: Pension – 2.01%, SRT – 1.99%

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

	2017	2018	2019	2020	2021
TOTAL OPEB LIABILITY					
Service Cost	\$ 323,771	300,296	480,708	391,167	435,695
Interest	181,096	215,294	287,390	261,042	179,838
Changes of Benefit Terms	-	-	239,111	-	(6,304)
Differences Between Actual and Expected Experience	-	1,113,535	(491,000)	(361,409)	175,149
Change of Assumptions	(274,640)	471,548	(530,931)	751,892	(262,779)
Benefit Payments	(349,040)	(373,156)	(409,882)	(385,031)	(387,431)
NET CHANGE IN TOTAL OPEB LIABILITY	(118,813)	1,727,517	(424,604)	657,661	134,168
TOTAL OPEB LIABILITY - BEGINNING	6,052,671	5,933,858	7,661,375	7,236,771	7,894,432
TOTAL OPEB LIABILITY - ENDING (a)	<u>\$ 5,933,858</u>	<u>7,661,375</u>	<u>7,236,771</u>	<u>7,894,432</u>	<u>8,028,600</u>
NONEMPLOYER CONTRIBUTING ENTITIES PROPORTIONATE SHARE OF THE COLLECTIVE TOTAL OPEB LIABILITY	\$ 1,714,582	1,562,093	1,668,003	1,900,678	2,090,830
EMPLOYER'S PROPORTIONATE SHARE OF THE COLLECTIVE TOTAL OPEB LIABILITY	\$ 4,219,276	6,099,282	5,568,768	5,993,754	5,937,770
COVERED PAYROLL	\$ 9,854,304	10,917,634	11,301,778	11,623,460	12,187,396
EMPLOYER'S PROPORTIONATE SHARE OF COLLECTIVE TOTAL OPEB LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	42.82%	55.87%	49.27%	51.57%	48.72%

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.

Changes in assumptions.

The following are the discount rates used in each period:

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

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

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

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 - CLOSED TENNESSEE PLAN
Last Fiscal Year Ending June 30

	2017	2018	2019	2020	2021
TOTAL OPEB LIABILITY					
Service Cost	\$ 15,870	12,860	10,497	12,144	17,658
Interest	20,150	22,714	20,584	23,149	18,696
Differences Between Actual and Expected Experience	-	(72,865)	70,906	26,262	(7,068)
Change of Assumptions	(59,301)	(4,380)	12,544	146,520	(134,982)
Benefit Payments	(25,500)	(25,970)	(25,019)	(25,513)	(28,697)
NET CHANGE IN TOTAL OPEB LIABILITY	(48,781)	(67,641)	89,512	182,562	(134,393)
TOTAL OPEB LIABILITY - BEGINNING	686,932	638,151	570,510	660,022	842,584
TOTAL OPEB LIABILITY - ENDING (a)	<u>\$ 638,151</u>	<u>570,510</u>	<u>660,022</u>	<u>842,584</u>	<u>708,191</u>
NONEMPLOYER CONTRIBUTING ENTITIES PROPORTIONATE SHARE OF THE COLLECTIVE TOTAL OPEB LIABILITY	\$ 638,151	570,510	660,022	842,584	708,191
EMPLOYER'S PROPORTIONATE SHARE OF THE COLLECTIVE TOTAL OPEB LIABILITY	\$ -	-	-	-	-
COVERED PAYROLL	\$ 9,854,304	10,917,634	11,301,778	11,623,460	12,187,396
EMPLOYER'S PROPORTIONATE SHARE OF COLLECTIVE TOTAL OPEB LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	0.00%	0.00%	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, 2022

Assistance Listing Number	Pass-Through Grant Number	Program Name	Grantor Agency	Balance July 1, 2021	Cash Receipts	Expenditures	Balance June 30, 2022
<u>School Federal Projects Fund</u>							
Pass-Through State Department of Education							
84.048A	V048A210042	Carl Perkins - Basic (CTE Program Improvements)	U.S. Department of Education	\$ -	43,355	43,355	-
Special Education Cluster (IDEA)							
84.027A	H027A210052	IDEA, Part B	U.S. Department of Education	-	532,581	532,581	-
84.027A	H027A200052	IDEA, Part B - Partnership for Systemic Change	U.S. Department of Education	-	1,387	1,387	-
84.027A	H027A210052	IDEA, Part B - Partnership for Systemic Change	U.S. Department of Education	-	40,000	40,000	-
84.173A	H713A210095	IDEA, Preschool	U.S. Department of Education	-	12,830	12,830	-
84.027X	H027X210052	COVID-19 American Rescue Plan - IDEA, Part B	U.S. Department of Education	-	67,094	70,009	(2,915) *
84.173X	H173X210095	COVID-19 American Rescue Plan - IDEA, Perschool	U.S. Department of Education	-	9,443	9,443	-
		Total Special Education Cluster (IDEA)		<u>-</u>	<u>663,335</u>	<u>666,250</u>	<u>(2,915)</u>
84.424A	S424A200044	Title IV, Part A	U.S. Department of Education	-	64,506	64,506	-
				<u>-</u>	<u>64,506</u>	<u>64,506</u>	<u>-</u>
84.287C	S287C210043	Title IV, Part B, 21st Century Community Learning Centers	U.S. Department of Education	-	145,334	145,334	-
84.425D	S425D200047	COVID-19 - Education Stabilization Fund Program - Elementary & Secondary School Emergency Relief Fund (ESSER) 1.0	U.S. Department of Education	(4,569)	190,663	186,094	-
84.425D	S425D210047	COVID-19 - Education Stabilization Fund Program - ESSER Fund 2.0	U.S. Department of Education	(3,232)	737,960	734,728	-
84.425D	S425D210047	COVID-19 - Education Stabilization Fund Program - Tennessee All Corps	U.S. Department of Education	-	258,094	258,094	-
84.425D	S425D210047	COVID-19 - Education Stabilization Fund Program - ESSER Planning	U.S. Department of Education	-	76,331	76,331	-
84.425D	S245US10047	COVID-19 - Education Stabilization Fund Program - ESSER Fund 3.0	U.S. Department of Education	-	1,108,639	1,108,639	-
84.425W	S425W210044-21A	COVID-19 - Education Stabilization Fund - Homeless Children and Youth	U.S. Department of Education	-	6,578	6,578	-
84.425	S425D200047	COVID-19 - Education Stabilization Fund - Early Literacy Network	U.S. Department of Education	-	19,773	39,545	(19,772) *
84.425	N/A	COVID-19 - Education Stabilization Fund - Literacy Training Teacher Stipend Grant	U.S. Department of Education	-	100,000	100,000	-
		Total Education Stabilization Fund		<u>(7,801)</u>	<u>2,498,038</u>	<u>2,510,009</u>	<u>(19,772)</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, 2022

Assistance Listing Number	Pass-Through Grant Number	Program Name	Grantor Agency	Balance July 1, 2021	Cash Receipts	Expenditures	Balance June 30, 2022
Pass-Through Tennessee Department of Human Services							
84.126	Z20-50721	Vocational Rehabilitation	Department of Human Services	(2,795)	13,569	10,774	-
84.126	Z20-50722	Vocational Rehabilitation	Department of Human Services	-	29,380	32,232	(2,852) *
		Total Vocational Rehabilitation		<u>(2,795)</u>	<u>42,949</u>	<u>43,006</u>	<u>(2,852)</u>
84.010A	S010A210042	Title I, Part A	U.S. Department of Education	-	796,491	796,491	-
84.010A	S010A200042	Title I, Part A, Local Neglected	U.S. Department of Education	(5,542)	5,542	-	-
84.010A	S010A210042	Title I, Part A, Local Neglected	U.S. Department of Education	-	26,085	26,085	-
		Total Title I, Part A		<u>(5,542)</u>	<u>828,118</u>	<u>822,576</u>	<u>-</u>
84.367A	S367A210040	Title II, Part A	U.S. Department of Education	-	104,532	104,532	-
		Total Title II, Part A		<u>-</u>	<u>104,532</u>	<u>104,532</u>	<u>-</u>
Total School Federal Projects Fund				<u>(16,138)</u>	<u>4,390,167</u>	<u>4,399,568</u>	<u>(25,539)</u>
<u>School Nutrition Fund</u>							
Pass-Through Tennessee Department of Agriculture							
Child Nutrition Cluster							
10.553	[1]	National School Breakfast Program	U.S. Department of Agriculture	(8,877)	550,281	549,792	(8,388) *
10.555	[1]	National School Lunch Program	U.S. Department of Agriculture	(16,092)	1,245,710	1,229,618	-
10.555	[1]	National Snack Reimbursement	U.S. Department of Agriculture	-	15,211	15,211	-
10.555	[1]	National School Lunch Program (Commodities - Noncash Assistance)	U.S. Department of Agriculture	-	95,558	95,558	-
10.555	[1]	National School Lunch Program - Supply Chain Assistance Grant	U.S. Department of Agriculture	-	55,993	55,993	-
10.555	[1]	School Programs Emergency Operational Costs Reimbursement	U.S. Department of Agriculture	-	53,677	53,677	-
10.649	[1]	Pandemic-EBT Administrative Costs Grant	U.S. Department of Agriculture	-	3,063	3,063	-
10.579	[1]	Child Nutrition Discretionary Grants	U.S. Department of Agriculture	(8,942)	8,942	-	-
		Total Child Nutrition Cluster		<u>(33,911)</u>	<u>2,028,435</u>	<u>2,002,912</u>	<u>(8,388)</u>
Total School Nutrition Fund				<u>(17,471)</u>	<u>2,028,435</u>	<u>2,002,912</u>	<u>(8,388)</u>
TOTAL FEDERAL AWARDS				<u>\$ (41,715)</u>	<u>6,418,602</u>	<u>6,402,480</u>	<u>(33,927)</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, 2022

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, 2022. 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.

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, 2022

CFDA Number	Program Name	Grantor Agency	Balance July 1, 2021	Cash Receipts	Expenditures	Balance June 30, 2022
<u>General Purpose School Fund</u>						
N/A	Coordinated School Health	Tennessee Department of Education	\$ -	60,544	85,000	(24,456) *
N/A	Early Childhood Grant	Tennessee Department of Education	-	315,097	405,894	(90,797) *
N/A	Basic Education Program	Tennessee Department of Education	-	14,869,725	15,241,887	(372,162) *
N/A	Driver's Education	Tennessee Department of Education	-	9,384	9,384	-
N/A	Summer Learning Camps	Tennessee Department of Education	(154,373)	154,373	155,101	(155,101) *
N/A	STREAM Mini Camps	Tennessee Department of Education	(44,106)	44,106	44,314	(44,314) *
N/A	Bridge Camp	Tennessee Department of Education	(69,786)	69,786	70,095	(70,095) *
N/A	Learning Camp Transportation	Tennessee Department of Education	(28,595)	28,595	42,680	(42,680) *
N/A	Career Ladder	Tennessee Department of Education	(737)	32,731	31,994	-
N/A	SIS Subsidy	Tennessee Department of Education	-	3,922	3,922	-
N/A	Three Star Grant	Tennessee Department of Economic & Community Development	(10,154)	10,154	-	-
N/A	SAFE Schools Grant	Tennessee Department of Education	-	57,350	57,350	-
N/A	SAFE Schools - SRO Grant	Tennessee Department of Education	-	105,000	105,000	-
Total General Purpose School Fund			<u>(307,751)</u>	<u>15,760,767</u>	<u>16,252,621</u>	<u>(799,605)</u>
<u>School Nutrition Fund</u>						
N/A	State Matching Funds	Tennessee Department of Agriculture	-	10,017	10,017	-
Total School Nutrition Fund			-	10,017	10,017	-
TOTAL STATE GRANTS			<u>\$ (307,751)</u>	<u>15,770,784</u>	<u>16,262,638</u>	<u>(799,605)</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, 2022, 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 November 17, 2022.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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, PLLC
BLACKBURN, CHILDERS & STEAGALL, PLC
Johnson City, Tennessee

November 17, 2022

**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

Opinion on 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, 2022. Elizabethton City Schools' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Blackburn Childers + Steagall, PLLC

BLACKBURN, CHILDERS & STEAGALL, PLC
Johnson City, Tennessee

November 17, 2022

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2022

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: | |
| Elementary & Secondary School Emergency Relief Fund | |
| Assistance Listing Numbers: 84.425, 84.425D and 84.425W | |
| 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, 2022

FINANCIAL STATEMENT FINDINGS

Prior Year Finding Number	Finding Title	Status / Current Year Finding Number
------------------------------	---------------	---

None noted.

MILLIGAN UNIVERSITY
Research Study Plan and Informed Consent

Research Project Overview:

Study/Project Title:	An Investigation of the Factors Affecting 6th grade Students' Motivation in Learning, From the Start of the Covid-19 Pandemic, up to the Year of 2023.
Principal Investigator:	Name: Isabella Cranford Email: imcranford@my.milligan.edu Phone: (704) 953-8827 Relation to Milligan: Graduate student
Faculty Advisor ¹ :	Name Dr. Patrick Kariuki Email: PNKariuki@milligan.edu Phone: (423).461-8744
Research Assistant(s)/Co-Investigator(s):	Name(s): N/A Email(s): N/A
Outside Collaborations:	N/A
Proposed Study Start:	Beginning of January, 2023.
Proposed Study End:	End of May, 2023.
Funding:	N/A

¹For principal investigators who are students

Study/Project Description:

This study is an investigation of the factors affecting 6th grade student motivation in learning from the beginning of the Covid-19 pandemic, up until the year of 2023. At the start and for the duration of the pandemic, there was a shift in classroom learning, specifically in regards to digital learning. This study will investigate the factors that have affected motivation in learners pre-pandemic, during, and post-pandemic as a result of the learning format in this time. The purpose of this study is to evaluate specific factors that have affected students' learning due to the Covid-19 pandemic strictly. If specific factors can be determined, there could be a return to learning that is engaging to students, valued to students, and seen as essential to their future careers. The participants in this study, which will be current 6th grade students at T.A. Dugger Junior High School and will be all 6th grade teachers at T.A. Dugger Junior High School who taught before, during, and after the pandemic. These participants will be asked to participate by providing insight of student learning before, during, and after the pandemic. The data gathered from these participants will be in the form of questionnaires, interviews, and focus groups.

Research Methods:

The research methods used in this study will be google form questionnaires, interviews, and focus groups. In this study, there will be two questionnaires. One questionnaire will be student specific, while the other will be teacher specific. Questionnaires administered to students will be used to identify factors that have affected each participants' motivation before, during, and after the pandemic. Questionnaires administered to teachers will be used to retrieve data to evaluate student motivation from the beginning of the pandemic, during, and after the pandemic. One on one interviews will be used to retrieve data from 6th grade student participants and 6th grade teachers that taught before, during, and after the pandemic. Focus groups will also be used to retrieve data. Student focus groups will be used to bring 6th grade participants together to discuss how their learning was impacted during the pandemic. Teacher focus groups will be brought together to evaluate the differences in student learning before, during, and after the pandemic.

MILLIGAN UNIVERSITY

Research Study Plan and Informed Consent

Research Plan, Procedures, and Methods:

In this study, I plan to investigate specific factors that have affected 6th grade motivation in learning at the start of the Covid-19 pandemic up until the year of 2023. In collecting data from 6th grade participants and teacher participants that meet requirements for this study, I plan to identify these factors to provide insight to teachers about how to increase motivation or reverse the negative impacts that might have been introduced as an effect of the pandemic. The approach and rationale for the study will be to use the grounded theory approach to seek to explain the phenomenon of how student motivation was affected because of the pandemic, by determining specific factors. The research questions to guide this study are listed below:

1. What are the factors affecting 6th grade science students' motivation in learning, during the start of the COVID-19 pandemic up to the year of 2023?
2. What might determine if a student will be extrinsically or intrinsically motivated?
3. What impacts are present in the post-covid classroom that were introduced in the pandemic learning experience, that are present in the post-covid classroom today?

These research questions are also included in Appendix B. I will gather data to determine factors by using instruments such as google form questionnaires, one on one interviews, and focus groups. Each participant will complete one questionnaire, have one, one on one interview, and be asked to participate in monthly focus groups for the duration of the study. For the one on one interview and focus groups with teachers, there will be no administrators present, which will negate any potential repercussions. For one on one interviews and focus groups with students, there will be no teachers present which will negate any potential repercussions. Interviews with the teachers and students, will just contain the Principal Investigator and the student/teacher interviewee. The focus groups for students will just contain the students and Principal Investigator. The focus groups for teachers will just contain teachers and Principal Investigator. The questionnaire questions (Appendix C), interview questions (Appendix D), and focus group topics of discussion (Appendix E) will be included in the Appendix II. Data collected from questionnaires, interviews, and focus groups will be organized, coded, and analyzed using Cresnell's (2013) six step model.

Study Participant Recruitment:

The participants in this study will be all 6th grade students who are willing to participate in this study at T.A. Dugger Junior High School in Elizabethton, TN. This study is not gender specific. The age of 6th grade students ranges between 11-12 years of age. Along with all 6th grade participants willing to join the study, this study will consist of all willing 6th grade teachers who taught 6th grade before the pandemic, during the pandemic, and after the pandemic. An invitation email will be sent out to all 6th graders and all 6th grade teachers who meet qualifications of this study. This email will ask teachers for their participation in this study. The emails that are returned, will be deemed participants of this study, as they have agreed. Students who are desiring participation will only be allowed to participate with parent/guardian consent. For teacher participants and student participants, a consent form will be attached to the email sent out through teacher/student school issued emails. Data will not be collected or analyzed without consent forms being collected and stored securely in a password protected computer.

Benefits:

In investigating the factors that impacted 6th grade students' motivation in learning at the beginning of the pandemic up until the year of 2023, the potential benefits will be providing teachers with specific factors that were introduced at the beginning of the pandemic and how those factors impact the classroom to the present day. These factors will be analyzed after data collection, and will aid in teachers motivating students to succeed in the classroom. This study provides benefits to students

MILLIGAN UNIVERSITY Research Study Plan and Informed Consent

as teachers might use investigated factors to engage students in the classroom, and in their learning overall. The quality of factors retrieved, will determine if the benefits are guaranteed for teachers and students. In this study, the aim is to discover specific factors that affected student motivation in learning at the start of the pandemic. This study will seek to investigate if Covid-19 was a catalyst in student motivation, and if so, which factors affected student motivation.

Risks:

The risks of this study will be in regards to student and teacher participation due to the nature of the pandemic. Due to the nature of the Covid-19 pandemic, there might be participants that have experienced great loss, mental, emotional, or any other psychological strain due to the extremity of the pandemic. Any discussion, in regards to the Covid-19 pandemic, might trigger negative memories that participants would not like to revisit. If any participants in this study feel uncomfortable with the nature of study, they will be allowed to withdraw from the study without penalty. Because of the age of 6th grade students (age 11-12), there will be a consent form that will be released before the study is conducted. Data will not be collected until students have completed the consent form, with a parent/guardian signature, and have turned their consent form to the principal investigator. There are no additional costs for participants to be included in this study.

Informed Consent

Participation in this study is voluntary. Teacher participants will be sent an email asking for participation in this study. This email will include an overview of the study, the purpose of the study, the benefits of the study, the risks of this study, with informed consent forms attached. Any responses received back from this email will be deemed participants. For any student participant that responds to this email, the principal investigator will retrieve the student's parent/guardian email, inform the parent/guardian of the study, inform them of their child's interest in the study, and will include an attached consent form.

An *Informed Consent* form for this study:

- Is described in **Appendix A**
 Is not required

Privacy and Confidentiality of Data:

Participants identifying information will be used, insofar as keeping each participant's questionnaire and interview data collected in one place, for the principal investigator. This data will be stored in a computer that is protected by a password lock. In the analysis of data, and release of results found from the study, participant identifying information will not be used. For students, the PII data that will be collected is the participant's name and date of birth. For teachers, the PII data that will be collected is the participant's name, date of birth, and any information regarding the amount of years they have been in the education system. This PII data will be collected on a Milligan network drive, protected by a password.

Research data shall be maintained at all times in a secure manner by the Principal Investigator on a password protected Milligan network drive, or Milligan account within research/archival software (such as Qualtrics, Sharepoint). The research data will be maintained by the Milligan Investigator (or designee) for 3 years, at which time the digital (and any related physical data) will be securely destroyed per the *Human Research Protections Program* policies. The culminating research report shall be archived in a central location on Sharepoint maintained by the IRB and the Office of

MILLIGAN UNIVERSITY
Research Study Plan and Informed Consent

Institutional Research and Effectiveness (IRE). The Principal Investigator will retain a personal copy of the culminating research report/document.

The research data and/or specimens from this study:

- Will not be used for any other studies
- May be stored for use in secondary research (broad consent to store will be obtained)
- May be used in secondary research (broad consent to use will be obtained)

Results and Reports:

The findings from this research will be used and disseminated as follows:

The results of this study will be used to increase motivation in the 6th grade classroom.

The results for this study will be used, strictly, to complete the requirements for the M.Ed graduate thesis that Milligan requires for this program. If participants desire the results of the study, they may email the principal investigator to acquire the results.

MILLIGAN UNIVERSITY
Research Study Plan and Informed Consent

Appendix A Description

Appendix A is an Informed Consent form that is to be completed prior to student and teacher participation. This consent form will first be sent to all 6th grade potential participants and all 6th grade student potential participants in the invitation email to participate in this study. This consent form includes an invitation to the study, the purpose of the study, procedures, additional considerations, information regarding privacy for participants, and risks and benefits of this study. The rights and responsibilities of participants are also included to ensure safety in the well being of all participants.

MILLIGAN UNIVERSITY
Research Study Plan and Informed Consent

Appendix A – Informed Consent Form

MILLIGAN UNIVERSITY

Research Participant Informed Consent Form

Invitation to Participate

You are invited to participate in a Milligan University sponsored research study. This form is part of a process called "informed consent" to allow you to understand this study before deciding whether or not to participate.

This research study is recruiting all 6th grade students in T.A. Dugger Junior High School and all 6th grade teachers in T.A. Dugger who taught 6th grade before the pandemic, during the pandemic, and after the pandemic, to participate in this study. The expected duration for participation is the beginning of the second semester of the 2022-2023 school year (Beginning of January) to the end of the semester (End of May).

This study is being conducted by Isabella Cranford (the Principal Investigator). The Principal Investigator is associated with Milligan as a graduate student in the M.Ed program.

Research Objective/Purpose:

The purpose of this research study is to investigate the factors that have affected 6th grade student motivation in learning from the start of the pandemic to the present day classroom. The onset of the pandemic changed the way the classroom operated, how students learned, how teachers taught, and how students engaged in the classroom. In investigating specific factors that have impacted 6th grade student motivation, because of the pandemic, teachers can have an understanding of the effects that the pandemic had on motivation; this study can lead to reversing any negative effects, if they present themselves. Motivation is crucial to the engagement of students in the classroom; investigating factors that have altered the classroom negatively or factors that contribute to higher student achievement, can prove to be beneficial to teachers and students, especially at the middle grade level.

Procedures:

The procedures used for this research study are described below. The types of participants in this study are all 6th grade teachers in T.A. Dugger that taught before, during, and after the pandemic and all 6th grade students in T.A. Dugger. If you are a parent/guardian of a child and giving consent for your child to participate, or are a teacher participant in this study, the procedures will remain the same for both types of participants.

If you are a participant that is classified as a teacher participant you will be:

- Administered a google form questionnaire that will ask you questions that will allow you to reflect on student motivation/learning before, during, and after the pandemic.
- Asked to schedule a time outside of class to have a one on one interview with the principal investigator. This will be held in rooms that are appropriate for a one on one interview with students and teachers. There will be no administrators present in the one on one interviews with teachers. This will ensure teachers feel comfortable answering questions without repercussions. Interviews with the teachers will just contain the Principal Investigator and the teacher interviewee.
- Asked to participate in a focus group, which will be scheduled with 6th grade teachers to discuss motivation levels in students and their learning experience from before the pandemic, during the pandemic, and after the pandemic. There will be no administrators present in the focus group discussions. This will ensure comfortability in answering questions and discussing

MILLIGAN UNIVERSITY
Research Participant Informed Consent Form

topics, without repercussions. The focus groups will just contain teachers and the Principal Investigator.

If you are a parent/ guardian and your child is participating in this study, your child will be:

- Administered a google form questionnaire that will ask your child questions that ask them to reflect on the learning before the pandemic, during, and after the pandemic
- Asked to schedule a time outside of class to have a one on one interview with the principal investigator. This will be held in rooms that are appropriate for a one on one interview with students and teachers. There will be no teachers present in this one on one interview. This will ensure students feel free to answer without repercussions. Interviews with the students will just contain the Principal Investigator and the student interviewee.
- Asked to participate in a focus group, which will be scheduled with other 6th grade students to discuss motivation levels and their learning experience from before the pandemic, during the pandemic, and after the pandemic. There will be no teachers present in the focus group discussions. This will ensure comfortability in answering questions and discussing topics, without repercussions. The focus groups will just contain students and the Principal Investigator.

**These meeting times will not interfere with the regular learning time from 7:30 a.m-2:45 p.m. These meetings will take place either before or after the school day.

Additional Considerations:

- This study is experimental, meaning that there will not be a standard procedure that is typically used for studying the factors that impact student motivation.
- The participants involved in this study will be all voluntary 6th grade students of T.A. Dugger and all volunteer 6th grade teachers who taught before the pandemic, during the pandemic, and after the pandemic.
- Due to the nature of the pandemic, specifically if the pandemic was taxing on you as a teacher or your child's mental and physical health, there may be emotional, mental, psychological risks that may come with revisiting the time during the years of the pandemic. Participants may withdraw themselves from the study without penalty.
- There are no costs for you as a teacher/your child to participate in this study.

Voluntary Nature of the Study:

Participation in this study is voluntary. If your decision is not to allow your student to participate, there will be no negative actions placed towards you or your child from either Milligan University or T.A. Dugger Junior High School. If your decision is to participate or allow your child to participate (if you are a parent/guardian) you may withdraw yourself or your child (if you are a parent/guardian giving consent) from the study at any point. Your status as a teacher or your child's status as a participant can change based on your discretion, without penalty.

Risks and Benefits of Being in the Study:

Risks: Participation in this research study involves the following risks or minimal risks.

- Mental, emotional, or any other psychological strain due to the re-visitation of the Covid-19 pandemic.
- There may be risks associated with this study that are involved in the daily life of your child, such as, stress, fatigue, or becoming upset. In this study, ethical considerations will be taken to ensure your child is safe throughout the duration of this study.

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Research Participant Informed Consent Form

Benefits: Participation in this research study involves the following benefits or potential benefits. These benefits, however, are not guaranteed. Benefits to the parent/guardian are directly related to their students learning, they are as follows:

- Providing teachers with specific factors that might heighten motivation in the classroom.
- Higher motivation in your child's learning.
- Higher engagement in your child's learning.

Compensation:

This research study:

- Does not involve any compensation.
- Does involve compensation as described below:
N/A

Privacy:

By participating in this research study:

- Your personal identifying information will be **maintained confidentially** and will not be used in association with any other research project. Your study-related research data will be used and reported as an aggregate only and will not be individually identifiable.
- Your responses to the survey will be **completely anonymous** and no personal identifying information will be associated with your responses. Your survey responses will be used and reported as an aggregate only.
- Your responses to the survey/interview will be **maintained confidentially** as follows: If you are a teacher participant or are giving consent for your child to participate in the study, the questionnaires and interviews will be associated with a name and date of birth. The data collected from interviews and questionnaires will be maintained confidentiality in a computer with a password lock for protection.

Research data for this study will be maintained securely by the Milligan Investigator (or Milligan designee) for a period of 3 years, at which time it will be securely discarded.

Secondary Research

(NOTE: Research conducted by Milligan Investigators typically does not involve future, secondary research initiatives.)

This research study:

- Does not involve** storage or use of the research data (or specimens) for future, secondary research.
- May involve** storage and/or use of the research data (or specimens) for future, secondary research.
- Your personal identifying information will be maintained as described in the "Privacy" section.
 - Data/specimens will be stored and used within <#> years.
 - The future, secondary research will be limited to <describe the type of research that is anticipated and permitted for this future, secondary research>.
 - By initialing/dating in the space provided, you give broad consent to for the storage and/or future use of the studies research data and/or specimens: Initials: _____ Date: _____

MILLIGAN UNIVERSITY
Research Participant Informed Consent Form

Research Participant's Rights and Responsibilities

As a research participant the following rights and responsibilities apply:

- If applicable, significant new findings developed during the course of this research, which may relate to your willingness to continue participation in the study will be provided to you during the course of the study by the Principal Investigator.
- To withdraw from the research study while it is still in-progress, contact the Principal Investigator to ensure orderly termination of your participation.
- For a summary of the findings or conclusions from this research study, you may contact the Principal Investigator.
- For questions about this research study, your rights and responsibilities, or a research-related injury, you may contact the Principal Investigator and/or Milligan's Institutional Review Board.

Contacts:

Principal Investigator:

Isabella Cranford, Graduate Student
imcranford@my.milligan.edu
(704)-953-8827

Milligan Institutional Review Board:

IRB@Milligan.edu

Office of IRE:

IRE@milligan.edu
423-461-8414

Faculty Advisor:

Dr. Patrick Kariuki, Professor of Education,
Director of Education Research, and Fine Chair
of Education
pnkariuki@milligan.edu
423-461-8744

Statement of Consent:

I have read and understand the Informed Consent information presented for participation in this research study.

- This study **does not** require written consent. As applicable to the study:
- By clicking the provided **link** or **"I consent" button**, I am 18 years or older and I agree to participate in this research study.
 - By **replying "I consent" via email** to the Investigator, I am 18 years or older and I agree to participate in this research study.
- This study **requires** written consent. By **signing below**, I (or my minor child) agree to participate in this research study.

Participant's Name (Printed): _____

Participant's Signature: _____ **Date:** _____

Parent/Guardian (Printed): _____

Parent/Guardian Signature: _____ **Date:** _____

Appendix B- Research Questions

1. What are the factors affecting 6th grade science students' motivation in learning, during the start of the COVID-19 pandemic up to the year of 2023?
2. What might determine if a student will be extrinsically or intrinsically motivated?
3. What impacts are present in the post-covid classroom that were introduced in the pandemic learning experience, that are present in the post-covid classroom today?

Appendix C- Questionnaire Questions

Questionnaire Questions (Teacher Version)

1. How many years have you taught 6th grade, and what is your subject area?
2. In terms of student motivation, what engagement tools do you use to increase student participation/motivation in the classroom?
3. Assuming you formatted your class digitally during the pandemic, how did you format your classroom during the pandemic?
 - a. What LMS (Learning Management System) did you use?
 - b. How did you format assignments?
 - c. Any other tools used during the pandemic?
4. How would you describe student motivation before the pandemic?
 - a. If student motivation was low before the pandemic, what factors would you say were responsible?
 - b. What factors increased student motivation before the Covid-19 pandemic?
5. How would you describe student motivation during the pandemic?
 - a. If student motivation was low during the pandemic, what factors would you say were responsible?
 - b. What factors increased student motivation during the Covid-19 pandemic?
6. How would you describe student motivation currently?
7. Have you observed any effects, personality differences, learning differences, motivation levels, or any other effects that entered the classroom after the pandemic that were not present before the pandemic?

Questionnaire Questions (Student Version)

1. What motivates you to engage in the classroom?
2. Are you driven by external rewards, and if so, which ones (applause, grades, prizes, etc.)?
3. Are you driven by internal rewards, and if so, which ones (value in learning, excitement to learn new things, fulfillment in life)?
4. Explain your learning experience during the COVID-19 pandemic.
5. Did COVID-19 pandemic change how you learned in any way? If so, please explain.
6. What did you find enjoyable in learning during the pandemic?
7. What did you find difficult in learning during the pandemic?
8. How would you describe your learning when in person learning re-entered the school system?

Appendix D- Interview Questions

Interview Questions for Teachers:

1. How would you define the phrase "student motivation?"

2. How would you identify a motivated student, and what are specific characteristics that define this type of student?
3. How would you identify an unmotivated student, and what characteristics does an unmotivated student have in the classroom?
4. Using your definition of student motivation stated earlier, before the COVID-19 pandemic, what would be a rough estimate of students who were motivated in your classroom?
5. What did you observe as a teacher that increased student motivation?
6. In the post-pandemic classroom, have you noticed a positive effect on student motivation or a negative effect on student motivation?

Interview Questions for Students:

1. Would you be able to define the phrase "student motivation?"
2. Using your definition of student motivation, can you determine ways that decrease your motivation to learn?
3. Using your definition of student motivation, can you determine ways that increase your motivation to learn?
4. If you had the choice of spending 5 hours on homework and receiving a good grade or spending 5 hours on homework and feeling excited to learn more, which would you choose, and why?
5. What types of rewards would you choose to feel accomplished in your learning?

6. If I told you that motivation in the classroom looks like feeling passionate and excited to learn, would you say that you felt this way before the start/duration of the pandemic?

a. What about after the pandemic?

7. Before the pandemic, what increased your motivation to learn, and what decreased your motivation to learn?

b. What about after the pandemic?

Appendix E- Focus Group Discussion Topics

Teacher Participant Discussion Topics

1. Describe the classroom setting in terms of student engagement and student motivation before the pandemic.
2. What are common things you noticed in students that kept them engaged in the classroom content before the pandemic?
3. Are there any factors that are common that typically disengage students from the classroom? (examples: emotional factors, physical factors, mental factors, behavior factors, etc.)
 - a. Were there any of these factors that appeared as an effect of the pandemic?
4. What are the most common trends in 6th grade learners now, that were minimal or not present in 6th graders before the pandemic, if any?
5. How can teachers create content material that engages students and motivates them to learn?

Student Participant Discussion Topics

1. What did your daily class schedule look like before the pandemic? What about after?
2. What are common things that help you enjoy learning, and motivate you to do well?
3. Are there any things that you know of that lower your motivation to learn?
 - a. Are there any things that you know of that lowered your motivation, specifically during the time of Covid-19, that discouraged you from learning?
4. Thinking about the switch from digital learning back to in-person learning, can you think about any ways that the pandemic has changed how you are as a student in an in-person classroom?
5. When you think about your favorite class times, what has motivated you to do well in those classes?

ELIZABETHTON CITY SCHOOLS

REQUEST FOR PROPERTY / EQUIPMENT / SALE / DISPOSAL

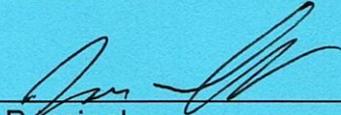
The following items are hereby declared surplus property/equipment of no value or valued at less than \$500.00. Since these items are no longer useful to the Elizabethton City School System, they may be sold at a fair price to any person interested in purchasing them, given away or disposal may be made in an appropriate manner.

ITEM: Dell server s77 JXZT M73
Dell server s77 BRPKR J3

INVENTORY TAG NUMBER: 12160, 12158

METHOD OF SALE/DISPOSAL: Recycle

SCHOOL/BUILDING WHERE ITEM IS HOUSED EHS - server Room

SALE/DISPOSAL AUTHORIZED BY:  DATE: 12/19/22
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: ① Metal chair rack ② 40 metal folding chairs
 ③ 6' folding table ④ 5' folding table ⑤ 9' folding
 table ⑥ 9' folding table ⑦ 5' folding table
 ⑧ Seven 5' folding tables ⑨ Small filing cabinet
 ⑩ Small filing cabinet ⑪ Wooden desk

INVENTORY TAG NUMBER: ① #2770 ② No tags ③ #7295 ④ #2347 ⑤ #2794 ⑥ #2790
 ⑦ #0654 ⑧ No tags ⑨ #0518 ⑩ #0204 ⑪ #2817

METHOD OF SALE/DISPOSAL: Trash/Recycle

SCHOOL/BUILDING WHERE ITEM IS HOUSED: HME

SALE/DISPOSAL AUTHORIZED BY: Erin Wampler DATE: 10 Nov 22
Principal

AUTHORIZED BY: Reel Velt DATE: 11/18/22
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 \$500.00. 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.

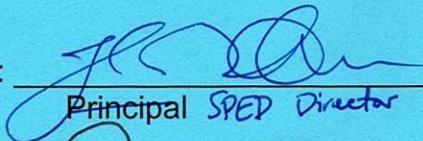
ITEM: Colorpro full color poster
printing system

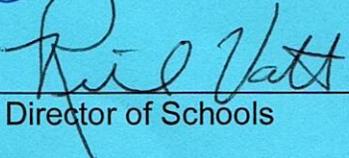
SN# AAED2271

INVENTORY TAG NUMBER: SPED inv # 4888

METHOD OF SALE/DISPOSAL: Discard - item is nonfunctional

SCHOOL/BUILDING WHERE ITEM IS HOUSED: EH9 - Mr. Lucas Andrew's room

SALE/DISPOSAL AUTHORIZED BY:  DATE: 11/14/22
Principal SPED Director

AUTHORIZED BY:  DATE: 11/14/22
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 \$500.00. 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: Victory (2) door Refrigerator - Harold McCormick
Victory (2) door Refrigerator - Elizabethton High School
Delfield Refrigerator - Elizabethton High School

INVENTORY TAG NUMBER: HME = 1245
EHS = 1363 and 4522

METHOD OF SALE/DISPOSAL: Maintenance to dispose

SCHOOL/BUILDING WHERE ITEM IS HOUSED Harold McCormick and Elizabethton High

SALE/DISPOSAL AUTHORIZED BY: *Demma Isaacs* DATE: 12/9/22
Principal

AUTHORIZED BY: *Rick Vatta* DATE: 12/12/22
Director of Schools

AUTHORIZED BY: _____ DATE: _____
Board Chairman



December 9, 2022

Thomas Weems Architect
3203 Hanover
Johnson City, TN 37604

Dear Tom,

RE: Renovations to Harold McCormick Elementary School

In accordance with your request, we quote the sum of \$4,775,000.00 for reduced scope of renovations to Harold McCormick Elementary School. The revised scope of work includes the following:

Lower Level –

- Removal of existing ceiling and lights in all existing spaces
- Installation of new acoustical ceilings
- HVAC and lights in all existing spaces; new work in electrical 39, including new door 39A

1st Level –

- Renovation of classrooms, restrooms, and corridors 001D and 001E in accordance with the VE package dated November 2, 2022.
- New HVAC only in cafeteria. Includes ceiling work in dishwashing 30B for the RTU and a chase for the return air duct.

Exterior –

- All work eliminated except for soffits required to accommodate new exterior classroom walls and windows.

Other Changes Included -

- Change operable windows to standard casement
- Change acoustical ceiling to Armstrong Fine Fissured.
- Change LVT flooring to Tarkett Latitude.

Please advise if you have any questions.

Very truly yours,

J. E. GREEN COMPANY

A handwritten signature in blue ink that reads "James F. Green".

James F. Green
President



303 E. MARKET STREET
JOHNSON CITY, TENNESSEE 37601
PHONE: 423-926-5161 FAX: 423-926-3572
EMAIL: FRONTDESK@JEGREENCO.COM



AIA® Document A101® – 2017

Standard Form of Agreement Between Owner and Contractor where the basis of payment is a Stipulated Sum

AGREEMENT made as of the Seventh day of December in the year Two Thousand Twenty Two
Two
(In words, indicate day, month and year.)

BETWEEN the Owner:
(Name, legal status, address and other information)

Elizabethton City Schools
804 South Watauga Avenue
Elizabethton, Tennessee 37643
Telephone: 423-547-8000

and the Contractor:
(Name, legal status, address and other information)

J E Green Company
303 East Market Street
Johnson City, Tennessee 37601
Telephone 423-926-5161

for the following Project:
(Name, location and detailed description)

Alterations to Existing Building
Harold McCormick Elementary School
226 South Cedar Avenue
Elizabethton, Tennessee 37643
Telephone: 423-547-8020
TWA Project 021-002

The Architect:
(Name, legal status, address and other information)

Thomas Weems Architect
3203 Hanover Road
Johnson City, Tennessee 37604
Telephone 423-282-2700

The Owner and Contractor agree as follows.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

The parties should complete A101®–2017, Exhibit A, Insurance and Bonds, contemporaneously with this Agreement. AIA Document A201®–2017, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

TABLE OF ARTICLES

1	THE CONTRACT DOCUMENTS
2	THE WORK OF THIS CONTRACT
3	DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION
4	CONTRACT SUM
5	PAYMENTS
6	DISPUTE RESOLUTION
7	TERMINATION OR SUSPENSION
8	MISCELLANEOUS PROVISIONS
9	ENUMERATION OF CONTRACT DOCUMENTS

EXHIBIT A INSURANCE AND BONDS

ARTICLE 1 THE CONTRACT DOCUMENTS

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary, and other Conditions), Drawings, Specifications, Addenda issued prior to execution of this Agreement, other documents listed in this Agreement, and Modifications issued after execution of this Agreement, all of which form the Contract, and are as fully a part of the Contract as if attached to this Agreement or repeated herein. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations, or agreements, either written or oral. An enumeration of the Contract Documents, other than a Modification, appears in Article 9.

ARTICLE 2 THE WORK OF THIS CONTRACT

The Contractor shall fully execute the Work described in the Contract Documents, except as specifically indicated in the Contract Documents to be the responsibility of others.

ARTICLE 3 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

§ 3.1 The date of commencement of the Work shall be:

(Check one of the following boxes.)

The date of this Agreement.

A date set forth in a notice to proceed issued by the Owner.

Established as follows:

(Insert a date or a means to determine the date of commencement of the Work.)

Work.)To be fixed in a Written Notice to Proceed issued by the Owner.

If a date of commencement of the Work is not selected, then the date of commencement shall be the date of this Agreement.

§ 3.2 The Contract Time shall be measured from the date of commencement of the Work.

§ 3.3 Substantial Completion

§ 3.3.1 Subject to adjustments of the Contract Time as provided in the Contract Documents, the Contractor shall achieve Substantial Completion of the entire Work:

(Check one of the following boxes and complete the necessary information.)

Init.

/

[] Not later than Six Hundred Forty Calendar Days (640) calendar days from the date of commencement of the Work.

[] By the following date:

§ 3.3.2 Subject to adjustments of the Contract Time as provided in the Contract Documents, if portions of the Work are to be completed prior to Substantial Completion of the entire Work, the Contractor shall achieve Substantial Completion of such portions by the following dates:

Portion of Work	Substantial Completion Date
<u>Entire Project</u>	<u>Six Hundred Forty (640) Calendar Days from Written Notice to Proceed.</u>

§ 3.3.3 If the Contractor fails to achieve Substantial Completion as provided in this Section 3.3, liquidated damages, if any, shall be assessed as set forth in Section 4.5.

ARTICLE 4 CONTRACT SUM

§ 4.1 The Owner shall pay the Contractor the Contract Sum in current funds for the Contractor's performance of the Contract. The Contract Sum shall be Four Million Seven Hundred Seventy Five Thousand Dollars and Zero Cents (\$ 4,775,000.00), subject to additions and deductions as provided in the Contract Documents.

<u>Low Base Bid</u>	<u>\$6,038,000.00</u>
<u>VE Scope Reductions</u>	<u>(\$1,263,000.00)</u>
<u>Contract Sum</u>	<u>\$4,775,000.00</u>
<u>N / A</u>	<u>N / A</u>

§ 4.2 Alternates

§ 4.2.1 Alternates, if any, included in the Contract Sum:

Item	Price
-------------	--------------

§ 4.2.2 Subject to the conditions noted below, the following alternates may be accepted by the Owner following execution of this Agreement. Upon acceptance, the Owner shall issue a Modification to this Agreement. *(Insert below each alternate and the conditions that must be met for the Owner to accept the alternate.)*

Item	Price	Conditions for Acceptance
-------------	--------------	----------------------------------

§ 4.3 Allowances, if any, included in the Contract Sum:
(Identify each allowance.)

<u>Owner's Contingency</u>	<u>\$50,000.00</u>
<u>Inspection and Testing</u>	<u>\$10,000.00</u>
<u>Total Allowances</u>	<u>\$60,000.00</u>

§ 4.4 Unit prices, if any:
(Identify the item and state the unit price and quantity limitations, if any, to which the unit price will be applicable.)

Init.

/

Item	Units and Limitations	Price per Unit (\$0.00)
<u>Alternate Floor Adhesive</u>	<u>10,000 Square Feet</u>	<u>\$2,800.00</u>
<u>Remedial Floor Coating</u>	<u>10,000 Square Feet</u>	<u>\$47,100.00</u>
<u>Abatement of Asbestos Pipe Insulation not listed in Asbestos Renovation Survey</u>	<u>500 Linear Feet</u>	<u>\$13,900.00</u>
<u>Abatement of Asbestos Door and Window Caulk not listed in Asbestos Renovation Survey</u>	<u>500 Linear Feet</u>	<u>\$11,100.00</u>
<u>Abatement of Asbestos Floor Tile and Adhesive not listed in Asbestos Renovation Survey</u>	<u>500 Square Feet</u>	<u>\$2,400.00</u>

§ 4.5 Liquidated damages, if any:
(Insert terms and conditions for liquidated damages, if any.)

Owner and Contractor recognize that time is of the essence of this agreement and that the Owner will suffer financial loss and inconvenience if Substantial Completion has not been reached on or before the date established in the Agreement. They also recognize the delays, expense, and difficulties involved in proving in a legal proceeding the actual loss suffered by the Owner if the work is not completed on time. Accordingly, instead of requiring proof, Owner and Contractor agree that as liquidated damages for delay, Contractor shall pay Owner Five Hundred Dollars (\$500.00) for EACH CALENDAR DAY that expires after the time specified. The Owner and Contractor agree and further stipulate that the agreed upon sum is not a penalty, but rather a reasonable measure of damages, based upon the parties' experience in their industries and given the nature of the damages that may result from delay. The Owner and Contractor further recognize that the completion dates for the two phases of this project are independent from each other and that, therefore, liquidated damages shall apply independently to each phase and, if the delays for completion of each phase overlap, the liquidated damages shall be additive.

N / A

§ 4.6 Other:
(Insert provisions for bonus or other incentives, if any, that might result in a change to the Contract Sum.)

ARTICLE 5 PAYMENTS

§ 5.1 Progress Payments

§ 5.1.1 Based upon Applications for Payment submitted to the Architect by the Contractor and Certificates for Payment issued by the Architect, the Owner shall make progress payments on account of the Contract Sum to the Contractor as provided below and elsewhere in the Contract Documents.

§ 5.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

One Calendar Month.

§ 5.1.3 Provided that an Application for Payment is received by the Architect not later than the Last day of a month, the Owner shall make payment of the amount certified to the Contractor not later than the Twenty First day of the Following month. If an Application for Payment is received by the Architect after the application date fixed above, payment of the amount certified shall be made by the Owner not later than Thirty (30) days after the Architect receives the Application for Payment.

(Federal, state or local laws may require payment within a certain period of time.)

§ 5.1.4 Each Application for Payment shall be based on the most recent schedule of values submitted by the Contractor in accordance with the Contract Documents. The schedule of values shall allocate the entire Contract Sum among the

Init.

various portions of the Work. The schedule of values shall be prepared in such form, and supported by such data to substantiate its accuracy, as the Architect may require. This schedule of values shall be used as a basis for reviewing the Contractor's Applications for Payment.

§ 5.1.5 Applications for Payment shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment.

§ 5.1.6 In accordance with AIA Document ~~A201™-2017~~, A201™-2007, General Conditions of the Contract for Construction, and subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

§ 5.1.6.1 The amount of each progress payment shall first include:

- .1 That portion of the Contract Sum properly allocable to completed Work;
- .2 That portion of the Contract Sum properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction, or, if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing; and
- .3 That portion of Construction Change Directives that the Architect determines, in the Architect's professional judgment, to be reasonably justified.

§ 5.1.6.2 The amount of each progress payment shall then be reduced by:

- .1 The aggregate of any amounts previously paid by the Owner;
- .2 The amount, if any, for Work that remains uncorrected and for which the Architect has previously withheld a Certificate for Payment as provided in Article 9 of AIA Document ~~A201-2017~~; A201-2007;
- .3 Any amount for which the Contractor does not intend to pay a Subcontractor or material supplier, unless the Work has been performed by others the Contractor intends to pay;
- .4 For Work performed or defects discovered since the last payment application, any amount for which the Architect may withhold payment, or nullify a Certificate of Payment in whole or in part, as provided in Article 9 of AIA Document ~~A201-2017~~; A201-2007; and
- .5 Retainage withheld pursuant to Section 5.1.7.

§ 5.1.7 Retainage

§ 5.1.7.1 For each progress payment made prior to Substantial Completion of the Work, the Owner may withhold the following amount, as retainage, from the payment otherwise due:

(Insert a percentage or amount to be withheld as retainage from each Application for Payment. The amount of retainage may be limited by governing law.)

Five Percent (5%).

N / A

N / A

§ 5.1.7.1.1 The following items are not subject to retainage:

(Insert any items not subject to the withholding of retainage, such as general conditions, insurance, etc.)

§ 5.1.7.2 Reduction or limitation of retainage, if any, shall be as follows:

(If the retainage established in Section 5.1.7.1 is to be modified prior to Substantial Completion of the entire Work, including modifications for Substantial Completion of portions of the Work as provided in Section 3.3.2, insert provisions for such modifications.)

§ 5.1.7.3 Except as set forth in this Section 5.1.7.3, upon Substantial Completion of the Work, the Contractor may submit an Application for Payment that includes the retainage withheld from prior Applications for Payment pursuant to this Section 5.1.7. The Application for Payment submitted at Substantial Completion shall not include retainage as follows:

(Insert any other conditions for release of retainage upon Substantial Completion.)

N / A

§ 5.1.8 If final completion of the Work is materially delayed through no fault of the Contractor, the Owner shall pay the Contractor any additional amounts in accordance with Article 9 of AIA Document ~~A201-2017~~, A201-2007.

§ 5.1.9 Except with the Owner's prior approval, the Contractor shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the site.

§ 5.2 Final Payment

§ 5.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Contractor when

- .1 the Contractor has fully performed the Contract except for the Contractor's responsibility to correct Work as provided in Article 12 of AIA Document ~~A201-2017~~, A201-2007, and to satisfy other requirements, if any, which extend beyond final payment; and
- .2 a final Certificate for Payment has been issued by the Architect.

§ 5.2.2 The Owner's final payment to the Contractor shall be made no later than 30 days after the issuance of the Architect's final Certificate for Payment, or as follows:

Thirty Calendar Days (30)

§ 5.3 Interest

Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

(Insert rate of interest agreed upon, if any.)

~~%~~ Legal prevailing rate in Elizabethton, Tennessee

ARTICLE 6 DISPUTE RESOLUTION

§ 6.1 Initial Decision Maker

The Architect will serve as the Initial Decision Maker pursuant to Article 15 of AIA Document ~~A201-2017~~, A201-2007, unless the parties appoint below another individual, not a party to this Agreement, to serve as the Initial Decision Maker.

(If the parties mutually agree, insert the name, address and other contact information of the Initial Decision Maker, if other than the Architect.)

N / A

§ 6.2 Binding Dispute Resolution

For any Claim subject to, but not resolved by, mediation pursuant to Article 15 of AIA Document ~~A201-2017~~, A201-2007, the method of binding dispute resolution shall be as follows:

(Check the appropriate box.)

2007

~~Arbitration pursuant to Section 15.4 of AIA Document A201-2017~~ Other (Specify)

~~Litigation in a court of competent jurisdiction~~

~~Other (Specify)~~

Court of competent jurisdiction in either Carter County, Tennessee or Federal District Court in

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Greeneville, Tennessee.

If the Owner and Contractor do not select a method of binding dispute resolution, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, Claims will be resolved by litigation in a court of competent jurisdiction.

ARTICLE 7 TERMINATION OR SUSPENSION

§ 7.1 The Contract may be terminated by the Owner or the Contractor as provided in Article 14 of AIA Document ~~A201-2017~~A201-2007.

2007

N/A

~~**§ 7.1.1** If the Contract is terminated for the Owner's convenience in accordance with Article 14 of AIA Document A201-2017, then the Owner shall pay the Contractor a termination fee as follows:
(Insert the amount of, or method for determining, the fee, if any, payable to the Contractor following a termination for the Owner's convenience.)~~

§ 7.2 The Work may be suspended by the Owner as provided in Article 14 of AIA Document ~~A201-2017~~A201-2007.

ARTICLE 8 MISCELLANEOUS PROVISIONS

§ 8.1 Where reference is made in this Agreement to a provision of AIA Document ~~A201-2017~~A201-2007 or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

§ 8.2 The Owner's representative:
(Name, address, email address, and other information)

Mr. Richard Van Huss, Director

Elizabethton City Schools

804 South Watauga Avenue

Elizabethton, Tennessee 37643

Telephone: 423-547-8000

§ 8.3 The Contractor's representative:
(Name, address, email address, and other information)

Mr. Jim Green, President

J E Green Company

303 East Main Street

Johnson City, Tennessee 37601

Telephone 423-926-5161

§ 8.4 Neither the Owner's nor the Contractor's representative shall be changed without ten days' prior notice to the other party.

§ 8.5 Insurance and Bonds

§ 8.5.1 The Owner and the Contractor shall purchase and maintain insurance as set forth in AIA Document ~~A101™-2017~~A101™-2007, Standard Form of Agreement Between Owner and Contractor where the basis of payment is a Stipulated Sum, ~~Exhibit A, Insurance and Bonds,~~ and elsewhere in the Contract Documents.

§ 8.5.2 The Contractor shall provide bonds as set forth in AIA Document ~~A101™-2017~~Exhibit A, A101™-2007, and elsewhere in the Contract Documents.

(State bonding requirements, if any, and limits of liability for insurance required in Article 11 of AIA Document ~~A201-2007~~.)

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Type of insurance or bond

Limit of liability or bond amount (\$0.00)

Bid Bond

Five Percent (5.00%) of highest possible bid amount

AIA A312 Performance Bond

Equal to the amount of the contract sum

AIA A312 Labor and Material Payment Bond

Equal to the amount of the contract sum

2007
N/A

~~§ 8.6~~ Notice in electronic format, pursuant to Article 1 of AIA Document A201-2017, may be given in accordance with AIA Document E203™-2013, Building Information Modeling and Digital Data Exhibit, if completed, or as otherwise set forth below:

(If other than in accordance with AIA Document E203-2013, insert requirements for delivering notice in electronic format such as name, title, and email address of the recipient and whether and how the system will be required to generate a read receipt for the transmission.)

§ 8.7 Other provisions:

§ 8.7.1 Davis Bacon Act and Buy American Act requirements are included in the Contract Sum.

ARTICLE 9 ENUMERATION OF CONTRACT DOCUMENTS

§ 9.1 This Agreement is comprised of the following documents:

- ~~.1~~ AIA Document A101™-2017, A101™-2007, Standard Form of Agreement Between Owner and Contractor
- ~~.2~~ AIA Document A101™-2017, Exhibit A, Insurance and Bonds
- ~~.3~~ AIA Document A201™-2017, 2007.3 AIA Document A201™-2007, General Conditions of the Contract for Construction
- ~~.4~~ AIA Document E203™-2013, Building Information Modeling and Digital Data Exhibit, dated as indicated below:

(Insert the date of the E203-2013 incorporated into this Agreement.)

N/A

.5 Drawings

Number

00 0115

Title

List of Drawing Sheets

Date

May 18, 2022

.6 Specifications

Section

00 0110

Title

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Date

May 18, 2022

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.7 Addenda, if any:

Number	Date	Pages
<u>Addendum #1</u>	<u>October 14, 2022</u>	<u>13</u>
<u>Addendum #2</u>	<u>October 21, 2022</u>	<u>12</u>
<u>Addendum #3</u>	<u>October 25, 2022</u>	<u>4</u>

Portions of Addenda relating to bidding or proposal requirements are not part of the Contract Documents unless the bidding or proposal requirements are also enumerated in this Article 9.

.8 Other Exhibits:
(Check all boxes that apply and include appropriate information identifying the exhibit where required.)

~~AIA Document E204™ 2017, Sustainable Projects Exhibit, dated as indicated below: 20072007~~
(Insert the date of the E204 2017 incorporated into this Agreement.) N / A

~~The Sustainability Plan:~~

Title	Date	Pages
<u>N / A</u>	<u>N / A</u>	<u>N / A</u>

Supplementary and other Conditions of the Contract:

Document	Title	Date	Pages
<u>00 7200</u>	<u>General Conditions</u>	<u>May 18, 2022</u>	<u>41</u>
<u>00 7300</u>	<u>Supplementary General Conditions</u>	<u>May 18, 2022</u>	<u>3</u>

.9 Other documents, if any, listed below:
(List here any additional documents that are intended to form part of the Contract Documents. AIA Document A201™ 2017 A201™ 2007 provides that the advertisement or invitation to bid, Instructions to Bidders, sample forms, the Contractor's bid or proposal, portions of Addenda relating to bidding or proposal requirements, and other information furnished by the Owner in anticipation of receiving bids or proposals, are not part of the Contract Documents unless enumerated in this Agreement. Any such documents should be listed here only if intended to be part of the Contract Documents.)

HMES Bid Packet – J E Green Company
HMES VE Pricing Document – J E Green Company

This Agreement entered into as of the day and year first written above.

Init.

/

OWNER (Signature)

Mr. Richard Van Huss, Director
Elizabethton City Schools

(Printed name and title)

CONTRACTOR (Signature)

Mr. Jim Green, President
J E Green Company

(Printed name and title)



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/

Certification of Document's Authenticity

AIA® Document D401™ – 2003

I, Thomas Weems, AIA, hereby certify, to the best of my knowledge, information and belief, that I created the attached final document simultaneously with this certification at 09:39:57 ET on 12/15/2022 under Order No. 2114302556 from AIA Contract Documents software and that in preparing the attached final document I made no changes to the original text of AIA® Document A101™ – 2017, Standard Form of Agreement Between Owner and Contractor where the basis of payment is a Stipulated Sum, as published by the AIA in its software, other than changes shown in the attached final document by underscoring added text and striking over deleted text.

(Signed)

(Title)

(Dated)



AIA® Document A201® – 2007

General Conditions of the Contract for Construction

for the following PROJECT:

(Name and location or address)Alterations to Existing Building
Harold McCormick Elementary School
226 South Cedar Avenue
Elizabethton, Tennessee 37643
Telephone: 423-547-8020
TWA Project 021-002

THE OWNER:

(Name, legal status and address)

Elizabethton City Schools
804 South Watauga Avenue
Elizabethton, Tennessee 37643
Telephone: 423-547-8000

THE ARCHITECT:

(Name, legal status and address)

Thomas Weems Architect
3203 Hanover Road
Johnson City, Tennessee 37604
Telephone: 423-952-2700

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

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ARTICLE 1 GENERAL PROVISIONS

§ 1.1 BASIC DEFINITIONS

§ 1.1.1 THE CONTRACT DOCUMENTS

The Contract Documents are enumerated in the Agreement between the Owner and Contractor (hereinafter the Agreement) and consist of the Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of the Contract, other documents listed in the Agreement and Modifications issued after execution of the Contract. A Modification is (1) a written amendment to the Contract signed by both parties, (2) a Change Order, (3) a Construction Change Directive or (4) a written order for a minor change in the Work issued by the Architect. Unless specifically enumerated in the Agreement, the Contract Documents do not include the advertisement or invitation to bid, Instructions to Bidders, sample forms, other information furnished by the Owner in anticipation of receiving bids or proposals, the Contractor's bid or proposal, or portions of Addenda relating to bidding requirements.

§ 1.1.2 THE CONTRACT

The Contract Documents form the Contract for Construction. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. The Contract may be amended or modified only by a Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind (1) between the Contractor and the Architect or the Architect's consultants, (2) between the Owner and a Subcontractor or a Sub-subcontractor, (3) between the Owner and the Architect or the Architect's consultants or (4) between any persons or entities other than the Owner and the Contractor. The Architect shall, however, be entitled to performance and enforcement of obligations under the Contract intended to facilitate performance of the Architect's duties.

§ 1.1.3 THE WORK

The term "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment and services provided or to be provided by the Contractor to fulfill the Contractor's obligations. The Work may constitute the whole or a part of the Project.

§ 1.1.4 THE PROJECT

The Project is the total construction of which the Work performed under the Contract Documents may be the whole or a part and which may include construction by the Owner and by separate contractors.

§ 1.1.5 THE DRAWINGS

The Drawings are the graphic and pictorial portions of the Contract Documents showing the design, location and dimensions of the Work, generally including plans, elevations, sections, details, schedules and diagrams.

§ 1.1.6 THE SPECIFICATIONS

The Specifications are that portion of the Contract Documents consisting of the written requirements for materials, equipment, systems, standards and workmanship for the Work, and performance of related services.

§ 1.1.7 INSTRUMENTS OF SERVICE

Instruments of Service are representations, in any medium of expression now known or later developed, of the tangible and intangible creative work performed by the Architect and the Architect's consultants under their respective professional services agreements. Instruments of Service may include, without limitation, studies, surveys, models, sketches, drawings, specifications, and other similar materials.

§ 1.1.8 INITIAL DECISION MAKER

The Initial Decision Maker is the person identified in the Agreement to render initial decisions on Claims in accordance with Section 15.2 and certify termination of the Agreement under Section 14.2.2.

§ 1.2 CORRELATION AND INTENT OF THE CONTRACT DOCUMENTS

§ 1.2.1 The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all; performance by the Contractor shall be required only to the extent consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the indicated results.

§ 1.2.2 Organization of the Specifications into divisions, sections and articles, and arrangement of Drawings shall not control the Contractor in dividing the Work among Subcontractors or in establishing the extent of Work to be performed by any trade.

§ 1.2.3 Unless otherwise stated in the Contract Documents, words that have well-known technical or construction industry meanings are used in the Contract Documents in accordance with such recognized meanings.

§ 1.3 CAPITALIZATION

Terms capitalized in these General Conditions include those that are (1) specifically defined, (2) the titles of numbered articles or (3) the titles of other documents published by the American Institute of Architects.

§ 1.4 INTERPRETATION

In the interest of brevity the Contract Documents frequently omit modifying words such as "all" and "any" and articles such as "the" and "an," but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement.

§ 1.5 OWNERSHIP AND USE OF DRAWINGS, SPECIFICATIONS AND OTHER INSTRUMENTS OF SERVICE

§ 1.5.1 The Architect and the Architect's consultants shall be deemed the authors and owners of their respective Instruments of Service, including the Drawings and Specifications, and will retain all common law, statutory and other reserved rights, including copyrights. The Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers shall not own or claim a copyright in the Instruments of Service. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with this Project is not to be construed as publication in derogation of the Architect's or Architect's consultants' reserved rights.

§ 1.5.2 The Contractor, Subcontractors, Sub-subcontractors and material or equipment suppliers are authorized to use and reproduce the Instruments of Service provided to them solely and exclusively for execution of the Work. All copies made under this authorization shall bear the copyright notice, if any, shown on the Instruments of Service. The Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers may not use the Instruments of Service on other projects or for additions to this Project outside the scope of the Work without the specific written consent of the Owner, Architect and the Architect's consultants.

§ 1.6 TRANSMISSION OF DATA IN DIGITAL FORM

If the parties intend to transmit Instruments of Service or any other information or documentation in digital form, they shall endeavor to establish necessary protocols governing such transmissions, unless otherwise already provided in the Agreement or the Contract Documents.

ARTICLE 2 OWNER

§ 2.1 GENERAL

§ 2.1.1 The Owner is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Owner shall designate in writing a representative who shall have express authority to bind the Owner with respect to all matters requiring the Owner's approval or authorization. Except as otherwise provided in Section 4.2.1, the Architect does not have such authority. The term "Owner" means the Owner or the Owner's authorized representative.

~~§ 2.1.2 The Owner shall furnish to the Contractor within fifteen days after receipt of a written request, information necessary and relevant for the Contractor to evaluate, give notice of or enforce mechanic's lien rights. Such information shall include a correct statement of the record legal title to the property on which the Project is located, usually referred to as the site, and the Owner's interest therein.~~

§ 2.2 INFORMATION AND SERVICES REQUIRED OF THE OWNER

§ 2.2.1 Prior to commencement of the Work, the Contractor may request in writing that the Owner provide reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract. Thereafter, the Contractor may only request such evidence if (1) the Owner fails to make payments to the Contractor as the Contract Documents require; (2) a change in the Work materially changes the Contract Sum; or (3) the Contractor identifies in writing a reasonable concern regarding the Owner's ability to make payment when due. The Owner shall furnish such evidence as a condition precedent to commencement or continuation of the Work or the

portion of the Work affected by a material change. After the Owner furnishes the evidence, the Owner shall not materially vary such financial arrangements without prior notice to the Contractor.

§ 2.2.2 Except for permits and fees that are the responsibility of the Contractor under the Contract Documents, including those required under Section 3.7.1, the Owner shall secure and pay for necessary approvals, easements, assessments and charges required for construction, use or occupancy of permanent structures or for permanent changes in existing facilities.

§ 2.2.3 The Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a legal description of the site. The Contractor shall be entitled to rely on the accuracy of information furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work.

§ 2.2.4 The Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Contractor's performance of the Work with reasonable promptness after receiving the Contractor's written request for such information or services.

§ 2.2.5 Unless otherwise provided in the Contract Documents, the Owner shall furnish to the Contractor one copy of the Contract Documents for purposes of making reproductions pursuant to Section 1.5.2.

§ 2.3 OWNER'S RIGHT TO STOP THE WORK

If the Contractor fails to correct Work that is not in accordance with the requirements of the Contract Documents as required by Section 12.2 or repeatedly fails to carry out Work in accordance with the Contract Documents, the Owner may issue a written order to the Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, the right of the Owner to stop the Work shall not give rise to a duty on the part of the Owner to exercise this right for the benefit of the Contractor or any other person or entity, except to the extent required by Section 6.1.3.

§ 2.4 OWNER'S RIGHT TO CARRY OUT THE WORK

If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a ten-day period after receipt of written notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies the Owner may have, correct such deficiencies. In such case an appropriate Change Order shall be issued deducting from payments then or thereafter due the Contractor the reasonable cost of correcting such deficiencies, including Owner's expenses and compensation for the Architect's additional services made necessary by such default, neglect or failure. Such action by the Owner and amounts charged to the Contractor are both subject to prior approval of the Architect. If payments then or thereafter due the Contractor are not sufficient to cover such amounts, the Contractor shall pay the difference to the Owner.

ARTICLE 3 CONTRACTOR

§ 3.1 GENERAL

§ 3.1.1 The Contractor is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Contractor shall be lawfully licensed, if required in the jurisdiction where the Project is located. The Contractor shall designate in writing a representative who shall have express authority to bind the Contractor with respect to all matters under this Contract. The term "Contractor" means the Contractor or the Contractor's authorized representative.

§ 3.1.2 The Contractor shall perform the Work in accordance with the Contract Documents.

§ 3.1.3 The Contractor shall not be relieved of obligations to perform the Work in accordance with the Contract Documents either by activities or duties of the Architect in the Architect's administration of the Contract, or by tests, inspections or approvals required or performed by persons or entities other than the Contractor.

§ 3.2 REVIEW OF CONTRACT DOCUMENTS AND FIELD CONDITIONS BY CONTRACTOR

§ 3.2.1 Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become generally familiar with local conditions under which the Work is to be performed and correlated personal observations with requirements of the Contract Documents.

§ 3.2.2 Because the Contract Documents are complementary, the Contractor shall, before starting each portion of the Work, carefully study and compare the various Contract Documents relative to that portion of the Work, as well as the information furnished by the Owner pursuant to Section 2.2.3, shall take field measurements of any existing conditions related to that portion of the Work, and shall observe any conditions at the site affecting it. These obligations are for the purpose of facilitating coordination and construction by the Contractor and are not for the purpose of discovering errors, omissions, or inconsistencies in the Contract Documents; however, the Contractor shall promptly report to the Architect any errors, inconsistencies or omissions discovered by or made known to the Contractor as a request for information in such form as the Architect may require. It is recognized that the Contractor's review is made in the Contractor's capacity as a contractor and not as a licensed design professional, unless otherwise specifically provided in the Contract Documents.

§ 3.2.3 The Contractor is not required to ascertain that the Contract Documents are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Contractor shall promptly report to the Architect any nonconformity discovered by or made known to the Contractor as a request for information in such form as the Architect may require.

§ 3.2.4 If the Contractor believes that additional cost or time is involved because of clarifications or instructions the Architect issues in response to the Contractor's notices or requests for information pursuant to Sections 3.2.2 or 3.2.3, the Contractor shall make Claims as provided in Article 15. If the Contractor fails to perform the obligations of Sections 3.2.2 or 3.2.3, the Contractor shall pay such costs and damages to the Owner as would have been avoided if the Contractor had performed such obligations. If the Contractor performs those obligations, the Contractor shall not be liable to the Owner or Architect for damages resulting from errors, inconsistencies or omissions in the Contract Documents, for differences between field measurements or conditions and the Contract Documents, or for nonconformities of the Contract Documents to applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities.

§ 3.3 SUPERVISION AND CONSTRUCTION PROCEDURES

§ 3.3.1 The Contractor shall supervise and direct the Work, using the Contractor's best skill and attention. The Contractor shall be solely responsible for, and have control over, construction means, methods, techniques, sequences and procedures and for coordinating all portions of the Work under the Contract, unless the Contract Documents give other specific instructions concerning these matters. If the Contract Documents give specific instructions concerning construction means, methods, techniques, sequences or procedures, the Contractor shall evaluate the jobsite safety thereof and, except as stated below, shall be fully and solely responsible for the jobsite safety of such means, methods, techniques, sequences or procedures. If the Contractor determines that such means, methods, techniques, sequences or procedures may not be safe, the Contractor shall give timely written notice to the Owner and Architect and shall not proceed with that portion of the Work without further written instructions from the Architect. If the Contractor is then instructed to proceed with the required means, methods, techniques, sequences or procedures without acceptance of changes proposed by the Contractor, the Owner shall be solely responsible for any loss or damage arising solely from those Owner-required means, methods, techniques, sequences or procedures.

§ 3.3.2 The Contractor shall be responsible to the Owner for acts and omissions of the Contractor's employees, Subcontractors and their agents and employees, and other persons or entities performing portions of the Work for, or on behalf of, the Contractor or any of its Subcontractors.

§ 3.3.3 The Contractor shall be responsible for inspection of portions of Work already performed to determine that such portions are in proper condition to receive subsequent Work.

§ 3.4 LABOR AND MATERIALS

§ 3.4.1 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

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§ 3.4.2 Except in the case of minor changes in the Work authorized by the Architect in accordance with Sections 3.12.8 or 7.4, the Contractor may make substitutions only with the consent of the Owner, after evaluation by the Architect and in accordance with a Change Order or Construction Change Directive.

§ 3.4.3 The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Work. The Contractor shall not permit employment of unfit persons or persons not properly skilled in tasks assigned to them.

§ 3.5 WARRANTY

The Contractor warrants to the Owner and Architect that materials and equipment furnished under the Contract will be of good quality and new unless the Contract Documents require or permit otherwise. The Contractor further warrants that the Work will conform to the requirements of the Contract Documents and will be free from defects, except for those inherent in the quality of the Work the Contract Documents require or permit. Work, materials, or equipment not conforming to these requirements may be considered defective. The Contractor's warranty excludes remedy for damage or defect caused by abuse, alterations to the Work not executed by the Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage. If required by the Architect, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment.

§ 3.6 TAXES

The Contractor shall pay sales, consumer, use and similar taxes for the Work provided by the Contractor that are legally enacted when bids are received or negotiations concluded, whether or not yet effective or merely scheduled to go into effect.

§ 3.7 PERMITS, FEES, NOTICES AND COMPLIANCE WITH LAWS

§ 3.7.1 Unless otherwise provided in the Contract Documents, the Contractor shall secure and pay for the building permit as well as for other permits, fees, licenses, and inspections by government agencies necessary for proper execution and completion of the Work that are customarily secured after execution of the Contract and legally required at the time bids are received or negotiations concluded.

§ 3.7.2 The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities applicable to performance of the Work.

§ 3.7.3 If the Contractor performs Work knowing it to be contrary to applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, the Contractor shall assume appropriate responsibility for such Work and shall bear the costs attributable to correction.

§ 3.7.4 **Concealed or Unknown Conditions.** If the Contractor encounters conditions at the site that are (1) subsurface or otherwise concealed physical conditions that differ materially from those indicated in the Contract Documents or (2) unknown physical conditions of an unusual nature, that differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract Documents, the Contractor shall promptly provide notice to the Owner and the Architect before conditions are disturbed and in no event later than 21 days after first observance of the conditions. The Architect will promptly investigate such conditions and, if the Architect determines that they differ materially and cause an increase or decrease in the Contractor's cost of, or time required for, performance of any part of the Work, will recommend an equitable adjustment in the Contract Sum or Contract Time, or both. If the Architect determines that the conditions at the site are not materially different from those indicated in the Contract Documents and that no change in the terms of the Contract is justified, the Architect shall promptly notify the Owner and Contractor in writing, stating the reasons. If either party disputes the Architect's determination or recommendation, that party may proceed as provided in Article 15.

§ 3.7.5 If, in the course of the Work, the Contractor encounters human remains or recognizes the existence of burial markers, archaeological sites or wetlands not indicated in the Contract Documents, the Contractor shall immediately suspend any operations that would affect them and shall notify the Owner and Architect. Upon receipt of such notice, the Owner shall promptly take any action necessary to obtain governmental authorization required to resume the operations. The Contractor shall continue to suspend such operations until otherwise instructed by the Owner but shall

continue with all other operations that do not affect those remains or features. Requests for adjustments in the Contract Sum and Contract Time arising from the existence of such remains or features may be made as provided in Article 15.

§ 3.8 ALLOWANCES

§ 3.8.1 The Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. Items covered by allowances shall be supplied for such amounts and by such persons or entities as the Owner may direct, but the Contractor shall not be required to employ persons or entities to whom the Contractor has reasonable objection.

§ 3.8.2 Unless otherwise provided in the Contract Documents,

- .1 Allowances shall cover the cost to the Contractor of materials and equipment delivered at the site and all required taxes, less applicable trade discounts;
- .2 Contractor's costs for unloading and handling at the site, labor, installation costs, overhead, profit and other expenses contemplated for stated allowance amounts shall be included in the Contract Sum but not in the allowances; and
- .3 Whenever costs are more than or less than allowances, the Contract Sum shall be adjusted accordingly by Change Order. The amount of the Change Order shall reflect (1) the difference between actual costs and the allowances under Section 3.8.2.1 and (2) changes in Contractor's costs under Section 3.8.2.2.

§ 3.8.3 Materials and equipment under an allowance shall be selected by the Owner with reasonable promptness.

§ 3.9 SUPERINTENDENT

§ 3.9.1 The Contractor shall employ a competent superintendent and necessary assistants who shall be in attendance at the Project site during performance of the Work. The superintendent shall represent the Contractor, and communications given to the superintendent shall be as binding as if given to the Contractor.

§ 3.9.2 The Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the Owner through the Architect the name and qualifications of a proposed superintendent. The Architect may reply within 14 days to the Contractor in writing stating (1) whether the Owner or the Architect has reasonable objection to the proposed superintendent or (2) that the Architect requires additional time to review. Failure of the Architect to reply within the 14 day period shall constitute notice of no reasonable objection.

§ 3.9.3 The Contractor shall not employ a proposed superintendent to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not change the superintendent without the Owner's consent, which shall not unreasonably be withheld or delayed.

§ 3.10 CONTRACTOR'S CONSTRUCTION SCHEDULES

§ 3.10.1 The Contractor, promptly after being awarded the Contract, shall prepare and submit for the Owner's and Architect's information a Contractor's construction schedule for the Work. The schedule shall not exceed time limits current under the Contract Documents, shall be revised at appropriate intervals as required by the conditions of the Work and Project, shall be related to the entire Project to the extent required by the Contract Documents, and shall provide for expeditious and practicable execution of the Work.

§ 3.10.2 The Contractor shall prepare a submittal schedule, promptly after being awarded the Contract and thereafter as necessary to maintain a current submittal schedule, and shall submit the schedule(s) for the Architect's approval. The Architect's approval shall not unreasonably be delayed or withheld. The submittal schedule shall (1) be coordinated with the Contractor's construction schedule, and (2) allow the Architect reasonable time to review submittals. If the Contractor fails to submit a submittal schedule, the Contractor shall not be entitled to any increase in Contract Sum or extension of Contract Time based on the time required for review of submittals.

§ 3.10.3 The Contractor shall perform the Work in general accordance with the most recent schedules submitted to the Owner and Architect.

§ 3.11 DOCUMENTS AND SAMPLES AT THE SITE

The Contractor shall maintain at the site for the Owner one copy of the Drawings, Specifications, Addenda, Change Orders and other Modifications, in good order and marked currently to indicate field changes and selections made during construction, and one copy of approved Shop Drawings, Product Data, Samples and similar required

submittals. These shall be available to the Architect and shall be delivered to the Architect for submittal to the Owner upon completion of the Work as a record of the Work as constructed.

§ 3.12 SHOP DRAWINGS, PRODUCT DATA AND SAMPLES

§ 3.12.1 Shop Drawings are drawings, diagrams, schedules and other data specially prepared for the Work by the Contractor or a Subcontractor, Sub-subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Work.

§ 3.12.2 Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams and other information furnished by the Contractor to illustrate materials or equipment for some portion of the Work.

§ 3.12.3 Samples are physical examples that illustrate materials, equipment or workmanship and establish standards by which the Work will be judged.

§ 3.12.4 Shop Drawings, Product Data, Samples and similar submittals are not Contract Documents. Their purpose is to demonstrate the way by which the Contractor proposes to conform to the information given and the design concept expressed in the Contract Documents for those portions of the Work for which the Contract Documents require submittals. Review by the Architect is subject to the limitations of Section 4.2.7. Informational submittals upon which the Architect is not expected to take responsive action may be so identified in the Contract Documents. Submittals that are not required by the Contract Documents may be returned by the Architect without action.

§ 3.12.5 The Contractor shall review for compliance with the Contract Documents, approve and submit to the Architect Shop Drawings, Product Data, Samples and similar submittals required by the Contract Documents in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Owner or of separate contractors.

§ 3.12.6 By submitting Shop Drawings, Product Data, Samples and similar submittals, the Contractor represents to the Owner and Architect that the Contractor has (1) reviewed and approved them, (2) determined and verified materials, field measurements and field construction criteria related thereto, or will do so and (3) checked and coordinated the information contained within such submittals with the requirements of the Work and of the Contract Documents.

§ 3.12.7 The Contractor shall perform no portion of the Work for which the Contract Documents require submittal and review of Shop Drawings, Product Data, Samples or similar submittals until the respective submittal has been approved by the Architect.

§ 3.12.8 The Work shall be in accordance with approved submittals except that the Contractor shall not be relieved of responsibility for deviations from requirements of the Contract Documents by the Architect's approval of Shop Drawings, Product Data, Samples or similar submittals unless the Contractor has specifically informed the Architect in writing of such deviation at the time of submittal and (1) the Architect has given written approval to the specific deviation as a minor change in the Work, or (2) a Change Order or Construction Change Directive has been issued authorizing the deviation. The Contractor shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples or similar submittals by the Architect's approval thereof.

§ 3.12.9 The Contractor shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data, Samples or similar submittals, to revisions other than those requested by the Architect on previous submittals. In the absence of such written notice, the Architect's approval of a resubmission shall not apply to such revisions.

§ 3.12.10 The Contractor shall not be required to provide professional services that constitute the practice of architecture or engineering unless such services are specifically required by the Contract Documents for a portion of the Work or unless the Contractor needs to provide such services in order to carry out the Contractor's responsibilities for construction means, methods, techniques, sequences and procedures. The Contractor shall not be required to provide professional services in violation of applicable law. If professional design services or certifications by a design professional related to systems, materials or equipment are specifically required of the Contractor by the Contract Documents, the Owner and the Architect will specify all performance and design criteria that such services must satisfy. The Contractor shall cause such services or certifications to be provided by a properly licensed design professional, whose signature and seal shall appear on all drawings, calculations, specifications, certifications, Shop

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Drawings and other submittals prepared by such professional. Shop Drawings and other submittals related to the Work designed or certified by such professional, if prepared by others, shall bear such professional's written approval when submitted to the Architect. The Owner and the Architect shall be entitled to rely upon the adequacy, accuracy and completeness of the services, certifications and approvals performed or provided by such design professionals, provided the Owner and Architect have specified to the Contractor all performance and design criteria that such services must satisfy. Pursuant to this Section 3.12.10, the Architect will review, approve or take other appropriate action on submittals only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Contractor shall not be responsible for the adequacy of the performance and design criteria specified in the Contract Documents.

§ 3.13 USE OF SITE

The Contractor shall confine operations at the site to areas permitted by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities and the Contract Documents and shall not unreasonably encumber the site with materials or equipment.

§ 3.14 CUTTING AND PATCHING

§ 3.14.1 The Contractor shall be responsible for cutting, fitting or patching required to complete the Work or to make its parts fit together properly. All areas requiring cutting, fitting and patching shall be restored to the condition existing prior to the cutting, fitting and patching, unless otherwise required by the Contract Documents.

§ 3.14.2 The Contractor shall not damage or endanger a portion of the Work or fully or partially completed construction of the Owner or separate contractors by cutting, patching or otherwise altering such construction, or by excavation. The Contractor shall not cut or otherwise alter such construction by the Owner or a separate contractor except with written consent of the Owner and of such separate contractor; such consent shall not be unreasonably withheld. The Contractor shall not unreasonably withhold from the Owner or a separate contractor the Contractor's consent to cutting or otherwise altering the Work.

§ 3.15 CLEANING UP

§ 3.15.1 The Contractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Contract. At completion of the Work, the Contractor shall remove waste materials, rubbish, the Contractor's tools, construction equipment, machinery and surplus materials from and about the Project.

§ 3.15.2 If the Contractor fails to clean up as provided in the Contract Documents, the Owner may do so and Owner shall be entitled to reimbursement from the Contractor.

§ 3.16 ACCESS TO WORK

The Contractor shall provide the Owner and Architect access to the Work in preparation and progress wherever located.

§ 3.17 ROYALTIES, PATENTS AND COPYRIGHTS

The Contractor shall pay all royalties and license fees. The Contractor shall defend suits or claims for infringement of copyrights and patent rights and shall hold the Owner and Architect harmless from loss on account thereof, but shall not be responsible for such defense or loss when a particular design, process or product of a particular manufacturer or manufacturers is required by the Contract Documents, or where the copyright violations are contained in Drawings, Specifications or other documents prepared by the Owner or Architect. However, if the Contractor has reason to believe that the required design, process or product is an infringement of a copyright or a patent, the Contractor shall be responsible for such loss unless such information is promptly furnished to the Architect.

§ 3.18 INDEMNIFICATION

§ 3.18.1 To the fullest extent permitted by law the Contractor shall indemnify and hold harmless the Owner, Architect, Architect's consultants, and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), but only to the extent caused by the negligent acts or omissions of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a

party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity that would otherwise exist as to a party or person described in this Section 3.18.

§ 3.18.2 In claims against any person or entity indemnified under this Section 3.18 by an employee of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under Section 3.18.1 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Contractor or a Subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts.

ARTICLE 4 ARCHITECT

§ 4.1 GENERAL

§ 4.1.1 The Owner shall retain an architect lawfully licensed to practice architecture or an entity lawfully practicing architecture in the jurisdiction where the Project is located. That person or entity is identified as the Architect in the Agreement and is referred to throughout the Contract Documents as if singular in number.

§ 4.1.2 Duties, responsibilities and limitations of authority of the Architect as set forth in the Contract Documents shall not be restricted, modified or extended without written consent of the Owner, Contractor and Architect. Consent shall not be unreasonably withheld.

§ 4.1.3 If the employment of the Architect is terminated, the Owner shall employ a successor architect as to whom the Contractor has no reasonable objection and whose status under the Contract Documents shall be that of the Architect.

§ 4.2 ADMINISTRATION OF THE CONTRACT

§ 4.2.1 The Architect will provide administration of the Contract as described in the Contract Documents and will be an Owner's representative during construction until the date the Architect issues the final Certificate for Payment. The Architect will have authority to act on behalf of the Owner only to the extent provided in the Contract Documents.

§ 4.2.2 The Architect will visit the site at intervals appropriate to the stage of construction, or as otherwise agreed with the Owner, to become generally familiar with the progress and quality of the portion of the Work completed, and to determine in general if the Work observed is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. However, the Architect will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. The Architect will not have control over, charge of, or responsibility for, the construction means, methods, techniques, sequences or procedures, or for the safety precautions and programs in connection with the Work, since these are solely the Contractor's rights and responsibilities under the Contract Documents, except as provided in Section 3.3.1.

§ 4.2.3 On the basis of the site visits, the Architect will keep the Owner reasonably informed about the progress and quality of the portion of the Work completed, and report to the Owner (1) known deviations from the Contract Documents and from the most recent construction schedule submitted by the Contractor, and (2) defects and deficiencies observed in the Work. The Architect will not be responsible for the Contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. The Architect will not have control over or charge of and will not be responsible for acts or omissions of the Contractor, Subcontractors, or their agents or employees, or any other persons or entities performing portions of the Work.

§ 4.2.4 COMMUNICATIONS FACILITATING CONTRACT ADMINISTRATION

Except as otherwise provided in the Contract Documents or when direct communications have been specially authorized, the Owner and Contractor shall endeavor to communicate with each other through the Architect about matters arising out of or relating to the Contract. Communications by and with the Architect's consultants shall be through the Architect. Communications by and with Subcontractors and material suppliers shall be through the Contractor. Communications by and with separate contractors shall be through the Owner.

§ 4.2.5 Based on the Architect's evaluations of the Contractor's Applications for Payment, the Architect will review and certify the amounts due the Contractor and will issue Certificates for Payment in such amounts.

§ 4.2.6 The Architect has authority to reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or advisable, the Architect will have authority to require inspection or testing of the Work in accordance with Sections 13.5.2 and 13.5.3, whether or not such Work is fabricated, installed or completed.

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However, neither this authority of the Architect nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, material and equipment suppliers, their agents or employees, or other persons or entities performing portions of the Work.

§ 4.2.7 The Architect will review and approve, or take other appropriate action upon, the Contractor's submittals such as Shop Drawings, Product Data and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Architect's action will be taken in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness while allowing sufficient time in the Architect's professional judgment to permit adequate review. Review of such submittals is not conducted for the purpose of determining the accuracy and completeness of other details such as dimensions and quantities, or for substantiating instructions for installation or performance of equipment or systems, all of which remain the responsibility of the Contractor as required by the Contract Documents. The Architect's review of the Contractor's submittals shall not relieve the Contractor of the obligations under Sections 3.3, 3.5 and 3.12. The Architect's review shall not constitute approval of safety precautions or, unless otherwise specifically stated by the Architect, of any construction means, methods, techniques, sequences or procedures. The Architect's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

§ 4.2.8 The Architect will prepare Change Orders and Construction Change Directives, and may authorize minor changes in the Work as provided in Section 7.4. The Architect will investigate and make determinations and recommendations regarding concealed and unknown conditions as provided in Section 3.7.4.

§ 4.2.9 The Architect will conduct inspections to determine the date or dates of Substantial Completion and the date of final completion; issue Certificates of Substantial Completion pursuant to Section 9.8; receive and forward to the Owner, for the Owner's review and records, written warranties and related documents required by the Contract and assembled by the Contractor pursuant to Section 9.10; and issue a final Certificate for Payment pursuant to Section 9.10.

§ 4.2.10 If the Owner and Architect agree, the Architect will provide one or more project representatives to assist in carrying out the Architect's responsibilities at the site. The duties, responsibilities and limitations of authority of such project representatives shall be as set forth in an exhibit to be incorporated in the Contract Documents.

§ 4.2.11 The Architect will interpret and decide matters concerning performance under, and requirements of, the Contract Documents on written request of either the Owner or Contractor. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness.

§ 4.2.12 Interpretations and decisions of the Architect will be consistent with the intent of, and reasonably inferable from, the Contract Documents and will be in writing or in the form of drawings. When making such interpretations and decisions, the Architect will endeavor to secure faithful performance by both Owner and Contractor, will not show partiality to either and will not be liable for results of interpretations or decisions rendered in good faith.

§ 4.2.13 The Architect's and Owner's decisions on matters relating to aesthetic effect will be final if consistent with the intent expressed in the Contract Documents.

§ 4.2.14 The Architect will review and respond to requests for information about the Contract Documents. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness. If appropriate, the Architect will prepare and issue supplemental Drawings and Specifications in response to the requests for information.

ARTICLE 5 SUBCONTRACTORS

§ 5.1 DEFINITIONS

§ 5.1.1 A Subcontractor is a person or entity who has a direct contract with the Contractor to perform a portion of the Work at the site. The term "Subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor. The term "Subcontractor" does not include a separate contractor or subcontractors of a separate contractor.

§ 5.1.2 A Sub-subcontractor is a person or entity who has a direct or indirect contract with a Subcontractor to perform a portion of the Work at the site. The term "Sub-subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Sub-subcontractor or an authorized representative of the Sub-subcontractor.

§ 5.2 AWARD OF SUBCONTRACTS AND OTHER CONTRACTS FOR PORTIONS OF THE WORK

§ 5.2.1 Unless otherwise stated in the Contract Documents or the bidding requirements, the Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the Owner through the Architect the names of persons or entities (including those who are to furnish materials or equipment fabricated to a special design) proposed for each principal portion of the Work. The Architect may reply within 14 days to the Contractor in writing stating (1) whether the Owner or the Architect has reasonable objection to any such proposed person or entity or (2) that the Architect requires additional time for review. Failure of the Owner or Architect to reply within the 14-day period shall constitute notice of no reasonable objection.

§ 5.2.2 The Contractor shall not contract with a proposed person or entity to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not be required to contract with anyone to whom the Contractor has made reasonable objection.

§ 5.2.3 If the Owner or Architect has reasonable objection to a person or entity proposed by the Contractor, the Contractor shall propose another to whom the Owner or Architect has no reasonable objection. If the proposed but rejected Subcontractor was reasonably capable of performing the Work, the Contract Sum and Contract Time shall be increased or decreased by the difference, if any, occasioned by such change, and an appropriate Change Order shall be issued before commencement of the substitute Subcontractor's Work. However, no increase in the Contract Sum or Contract Time shall be allowed for such change unless the Contractor has acted promptly and responsively in submitting names as required.

§ 5.2.4 The Contractor shall not substitute a Subcontractor, person or entity previously selected if the Owner or Architect makes reasonable objection to such substitution.

§ 5.3 SUBCONTRACTUAL RELATIONS

By appropriate agreement, written where legally required for validity, the Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by terms of the Contract Documents, and to assume toward the Contractor all the obligations and responsibilities, including the responsibility for safety of the Subcontractor's Work, which the Contractor, by these Documents, assumes toward the Owner and Architect. Each subcontract agreement shall preserve and protect the rights of the Owner and Architect under the Contract Documents with respect to the Work to be performed by the Subcontractor so that subcontracting thereof will not prejudice such rights, and shall allow to the Subcontractor, unless specifically provided otherwise in the subcontract agreement, the benefit of all rights, remedies and redress against the Contractor that the Contractor, by the Contract Documents, has against the Owner. Where appropriate, the Contractor shall require each Subcontractor to enter into similar agreements with Sub-subcontractors. The Contractor shall make available to each proposed Subcontractor, prior to the execution of the subcontract agreement, copies of the Contract Documents to which the Subcontractor will be bound, and, upon written request of the Subcontractor, identify to the Subcontractor terms and conditions of the proposed subcontract agreement that may be at variance with the Contract Documents. Subcontractors will similarly make copies of applicable portions of such documents available to their respective proposed Sub-subcontractors.

§ 5.4 CONTINGENT ASSIGNMENT OF SUBCONTRACTS

§ 5.4.1 Each subcontract agreement for a portion of the Work is assigned by the Contractor to the Owner, provided that

- .1 assignment is effective only after termination of the Contract by the Owner for cause pursuant to Section 14.2 and only for those subcontract agreements that the Owner accepts by notifying the Subcontractor and Contractor in writing; and
- .2 assignment is subject to the prior rights of the surety, if any, obligated under bond relating to the Contract.

When the Owner accepts the assignment of a subcontract agreement, the Owner assumes the Contractor's rights and obligations under the subcontract.

§ 5.4.2 Upon such assignment, if the Work has been suspended for more than 30 days, the Subcontractor's compensation shall be equitably adjusted for increases in cost resulting from the suspension.

§ 5.4.3 Upon such assignment to the Owner under this Section 5.4, the Owner may further assign the subcontract to a successor contractor or other entity. If the Owner assigns the subcontract to a successor contractor or other entity, the Owner shall nevertheless remain legally responsible for all of the successor contractor's obligations under the subcontract.

ARTICLE 6 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS

§ 6.1 OWNER'S RIGHT TO PERFORM CONSTRUCTION AND TO AWARD SEPARATE CONTRACTS

§ 6.1.1 The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and to award separate contracts in connection with other portions of the Project or other construction or operations on the site under Conditions of the Contract identical or substantially similar to these including those portions related to insurance and waiver of subrogation. If the Contractor claims that delay or additional cost is involved because of such action by the Owner, the Contractor shall make such Claim as provided in Article 15.

§ 6.1.2 When separate contracts are awarded for different portions of the Project or other construction or operations on the site, the term "Contractor" in the Contract Documents in each case shall mean the Contractor who executes each separate Owner-Contractor Agreement.

§ 6.1.3 The Owner shall provide for coordination of the activities of the Owner's own forces and of each separate contractor with the Work of the Contractor, who shall cooperate with them. The Contractor shall participate with other separate contractors and the Owner in reviewing their construction schedules. The Contractor shall make any revisions to the construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by the Contractor, separate contractors and the Owner until subsequently revised.

§ 6.1.4 Unless otherwise provided in the Contract Documents, when the Owner performs construction or operations related to the Project with the Owner's own forces, the Owner shall be deemed to be subject to the same obligations and to have the same rights that apply to the Contractor under the Conditions of the Contract, including, without excluding others, those stated in Article 3, this Article 6 and Articles 10, 11 and 12.

§ 6.2 MUTUAL RESPONSIBILITY

§ 6.2.1 The Contractor shall afford the Owner and separate contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate the Contractor's construction and operations with theirs as required by the Contract Documents.

§ 6.2.2 If part of the Contractor's Work depends for proper execution or results upon construction or operations by the Owner or a separate contractor, the Contractor shall, prior to proceeding with that portion of the Work, promptly report to the Architect apparent discrepancies or defects in such other construction that would render it unsuitable for such proper execution and results. Failure of the Contractor so to report shall constitute an acknowledgment that the Owner's or separate contractor's completed or partially completed construction is fit and proper to receive the Contractor's Work, except as to defects not then reasonably discoverable.

§ 6.2.3 The Contractor shall reimburse the Owner for costs the Owner incurs that are payable to a separate contractor because of the Contractor's delays, improperly timed activities or defective construction. The Owner shall be responsible to the Contractor for costs the Contractor incurs because of a separate contractor's delays, improperly timed activities, damage to the Work or defective construction.

§ 6.2.4 The Contractor shall promptly remedy damage the Contractor wrongfully causes to completed or partially completed construction or to property of the Owner or separate contractors as provided in Section 10.2.5.

§ 6.2.5 The Owner and each separate contractor shall have the same responsibilities for cutting and patching as are described for the Contractor in Section 3.14.

§ 6.3 OWNER'S RIGHT TO CLEAN UP

If a dispute arises among the Contractor, separate contractors and the Owner as to the responsibility under their respective contracts for maintaining the premises and surrounding area free from waste materials and rubbish, the Owner may clean up and the Architect will allocate the cost among those responsible.

ARTICLE 7 CHANGES IN THE WORK

§ 7.1 GENERAL

§ 7.1.1 Changes in the Work may be accomplished after execution of the Contract, and without invalidating the Contract, by Change Order, Construction Change Directive or order for a minor change in the Work, subject to the limitations stated in this Article 7 and elsewhere in the Contract Documents.

§ 7.1.2 A Change Order shall be based upon agreement among the Owner, Contractor and Architect; a Construction Change Directive requires agreement by the Owner and Architect and may or may not be agreed to by the Contractor; an order for a minor change in the Work may be issued by the Architect alone.

§ 7.1.3 Changes in the Work shall be performed under applicable provisions of the Contract Documents, and the Contractor shall proceed promptly, unless otherwise provided in the Change Order, Construction Change Directive or order for a minor change in the Work.

§ 7.2 CHANGE ORDERS

§ 7.2.1 A Change Order is a written instrument prepared by the Architect and signed by the Owner, Contractor and Architect stating their agreement upon all of the following:

- .1 The change in the Work;
- .2 The amount of the adjustment, if any, in the Contract Sum; and
- .3 The extent of the adjustment, if any, in the Contract Time.

§ 7.3 CONSTRUCTION CHANGE DIRECTIVES

§ 7.3.1 A Construction Change Directive is a written order prepared by the Architect and signed by the Owner and Architect, directing a change in the Work prior to agreement on adjustment, if any, in the Contract Sum or Contract Time, or both. The Owner may by Construction Change Directive, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions, the Contract Sum and Contract Time being adjusted accordingly.

§ 7.3.2 A Construction Change Directive shall be used in the absence of total agreement on the terms of a Change Order.

§ 7.3.3 If the Construction Change Directive provides for an adjustment to the Contract Sum, the adjustment shall be based on one of the following methods:

- .1 Mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation;
- .2 Unit prices stated in the Contract Documents or subsequently agreed upon;
- .3 Cost to be determined in a manner agreed upon by the parties and a mutually acceptable fixed or percentage fee; or
- .4 As provided in Section 7.3.7.

§ 7.3.4 If unit prices are stated in the Contract Documents or subsequently agreed upon, and if quantities originally contemplated are materially changed in a proposed Change Order or Construction Change Directive so that application of such unit prices to quantities of Work proposed will cause substantial inequity to the Owner or Contractor, the applicable unit prices shall be equitably adjusted.

§ 7.3.5 Upon receipt of a Construction Change Directive, the Contractor shall promptly proceed with the change in the Work involved and advise the Architect of the Contractor's agreement or disagreement with the method, if any, provided in the Construction Change Directive for determining the proposed adjustment in the Contract Sum or Contract Time.

§ 7.3.6 A Construction Change Directive signed by the Contractor indicates the Contractor's agreement therewith, including adjustment in Contract Sum and Contract Time or the method for determining them. Such agreement shall be effective immediately and shall be recorded as a Change Order.

§ 7.3.7 If the Contractor does not respond promptly or disagrees with the method for adjustment in the Contract Sum, the Architect shall determine the method and the adjustment on the basis of reasonable expenditures and savings of those performing the Work attributable to the change, including, in case of an increase in the Contract Sum, an amount for overhead and profit as set forth in the Agreement, or if no such amount is set forth in the Agreement, a reasonable amount. In such case, and also under Section 7.3.3.3, the Contractor shall keep and present, in such form as the Architect may prescribe, an itemized accounting together with appropriate supporting data. Unless otherwise provided in the Contract Documents, costs for the purposes of this Section 7.3.7 shall be limited to the following:

- .1 Costs of labor, including social security, old age and unemployment insurance, fringe benefits required by agreement or custom, and workers' compensation insurance;
- .2 Costs of materials, supplies and equipment, including cost of transportation, whether incorporated or consumed;
- .3 Rental costs of machinery and equipment, exclusive of hand tools, whether rented from the Contractor or others;
- .4 Costs of premiums for all bonds and insurance, permit fees, and sales, use or similar taxes related to the Work; and
- .5 Additional costs of supervision and field office personnel directly attributable to the change.

§ 7.3.8 The amount of credit to be allowed by the Contractor to the Owner for a deletion or change that results in a net decrease in the Contract Sum shall be actual net cost as confirmed by the Architect. When both additions and credits covering related Work or substitutions are involved in a change, the allowance for overhead and profit shall be figured on the basis of net increase, if any, with respect to that change.

§ 7.3.9 Pending final determination of the total cost of a Construction Change Directive to the Owner, the Contractor may request payment for Work completed under the Construction Change Directive in Applications for Payment. The Architect will make an interim determination for purposes of monthly certification for payment for those costs and certify for payment the amount that the Architect determines, in the Architect's professional judgment, to be reasonably justified. The Architect's interim determination of cost shall adjust the Contract Sum on the same basis as a Change Order, subject to the right of either party to disagree and assert a Claim in accordance with Article 15.

§ 7.3.10 When the Owner and Contractor agree with a determination made by the Architect concerning the adjustments in the Contract Sum and Contract Time, or otherwise reach agreement upon the adjustments, such agreement shall be effective immediately and the Architect will prepare a Change Order. Change Orders may be issued for all or any part of a Construction Change Directive.

§ 7.4 MINOR CHANGES IN THE WORK

The Architect has authority to order minor changes in the Work not involving adjustment in the Contract Sum or extension of the Contract Time and not inconsistent with the intent of the Contract Documents. Such changes will be effected by written order signed by the Architect and shall be binding on the Owner and Contractor.

ARTICLE 8 TIME

§ 8.1 DEFINITIONS

§ 8.1.1 Unless otherwise provided, Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work.

§ 8.1.2 The date of commencement of the Work is the date established in the Agreement.

§ 8.1.3 The date of Substantial Completion is the date certified by the Architect in accordance with Section 9.8.

§ 8.1.4 The term "day" as used in the Contract Documents shall mean calendar day unless otherwise specifically defined.

§ 8.2 PROGRESS AND COMPLETION

§ 8.2.1 Time limits stated in the Contract Documents are of the essence of the Contract. By executing the Agreement the Contractor confirms that the Contract Time is a reasonable period for performing the Work.

§ 8.2.2 The Contractor shall not knowingly, except by agreement or instruction of the Owner in writing, prematurely commence operations on the site or elsewhere prior to the effective date of insurance required by Article 11 to be furnished by the Contractor and Owner. The date of commencement of the Work shall not be changed by the effective date of such insurance.

§ 8.2.3 The Contractor shall proceed expeditiously with adequate forces and shall achieve Substantial Completion within the Contract Time.

§ 8.3 DELAYS AND EXTENSIONS OF TIME

§ 8.3.1 If the Contractor is delayed at any time in the commencement or progress of the Work by an act or neglect of the Owner or Architect, or of an employee of either, or of a separate contractor employed by the Owner; or by changes ordered in the Work; or by labor disputes, fire, unusual delay in deliveries, unavoidable casualties or other causes beyond the Contractor's control; or by delay authorized by the Owner pending mediation and arbitration; or by other causes that the Architect determines may justify delay, then the Contract Time shall be extended by Change Order for such reasonable time as the Architect may determine.

§ 8.3.2 Claims relating to time shall be made in accordance with applicable provisions of Article 15.

§ 8.3.3 This Section 8.3 does not preclude recovery of damages for delay by either party under other provisions of the Contract Documents.

ARTICLE 9 PAYMENTS AND COMPLETION

§ 9.1 CONTRACT SUM

The Contract Sum is stated in the Agreement and, including authorized adjustments, is the total amount payable by the Owner to the Contractor for performance of the Work under the Contract Documents.

§ 9.1.1 Davis Bacon Act and Buy American Act requirements are included in the Contract Sum.

§ 9.2 SCHEDULE OF VALUES

Where the Contract is based on a stipulated sum or Guaranteed Maximum Price, the Contractor shall submit to the Architect, before the first Application for Payment, a schedule of values allocating the entire Contract Sum to the various portions of the Work and prepared in such form and supported by such data to substantiate its accuracy as the Architect may require. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment.

§ 9.3 APPLICATIONS FOR PAYMENT

§ 9.3.1 At least ten days before the date established for each progress payment, the Contractor shall submit to the Architect an itemized Application for Payment prepared in accordance with the schedule of values, if required under Section 9.2, for completed portions of the Work. Such application shall be notarized, if required, and supported by such data substantiating the Contractor's right to payment as the Owner or Architect may require, such as copies of requisitions from Subcontractors and material suppliers, and shall reflect retainage if provided for in the Contract Documents.

§ 9.3.1.1 As provided in Section 7.3.9, such applications may include requests for payment on account of changes in the Work that have been properly authorized by Construction Change Directives, or by interim determinations of the Architect, but not yet included in Change Orders.

§ 9.3.1.2 Applications for Payment shall not include requests for payment for portions of the Work for which the Contractor does not intend to pay a Subcontractor or material supplier, unless such Work has been performed by others whom the Contractor intends to pay.

§ 9.3.2 Unless otherwise provided in the Contract Documents, payments shall be made on account of materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. If approved in advance

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by the Owner, payment may similarly be made for materials and equipment suitably stored off the site at a location agreed upon in writing. Payment for materials and equipment stored on or off the site shall be conditioned upon compliance by the Contractor with procedures satisfactory to the Owner to establish the Owner's title to such materials and equipment or otherwise protect the Owner's interest, and shall include the costs of applicable insurance, storage and transportation to the site for such materials and equipment stored off the site.

§ 9.3.3 The Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Contractor further warrants that upon submittal of an Application for Payment all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall, to the best of the Contractor's knowledge, information and belief, be free and clear of liens, claims, security interests or encumbrances in favor of the Contractor, Subcontractors, material suppliers, or other persons or entities making a claim by reason of having provided labor, materials and equipment relating to the Work.

§ 9.4 CERTIFICATES FOR PAYMENT

§ 9.4.1 The Architect will, within seven days after receipt of the Contractor's Application for Payment, either issue to the Owner a Certificate for Payment, with a copy to the Contractor, for such amount as the Architect determines is properly due, or notify the Contractor and Owner in writing of the Architect's reasons for withholding certification in whole or in part as provided in Section 9.5.1.

§ 9.4.2 The issuance of a Certificate for Payment will constitute a representation by the Architect to the Owner, based on the Architect's evaluation of the Work and the data comprising the Application for Payment, that, to the best of the Architect's knowledge, information and belief, the Work has progressed to the point indicated and that the quality of the Work is in accordance with the Contract Documents. The foregoing representations are subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, to results of subsequent tests and inspections, to correction of minor deviations from the Contract Documents prior to completion and to specific qualifications expressed by the Architect. The issuance of a Certificate for Payment will further constitute a representation that the Contractor is entitled to payment in the amount certified. However, the issuance of a Certificate for Payment will not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work, (2) reviewed construction means, methods, techniques, sequences or procedures, (3) reviewed copies of requisitions received from Subcontractors and material suppliers and other data requested by the Owner to substantiate the Contractor's right to payment, or (4) made examination to ascertain how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

§ 9.5 DECISIONS TO WITHHOLD CERTIFICATION

§ 9.5.1 The Architect may withhold a Certificate for Payment in whole or in part, to the extent reasonably necessary to protect the Owner, if in the Architect's opinion the representations to the Owner required by Section 9.4.2 cannot be made. If the Architect is unable to certify payment in the amount of the Application, the Architect will notify the Contractor and Owner as provided in Section 9.4.1. If the Contractor and Architect cannot agree on a revised amount, the Architect will promptly issue a Certificate for Payment for the amount for which the Architect is able to make such representations to the Owner. The Architect may also withhold a Certificate for Payment or, because of subsequently discovered evidence, may nullify the whole or a part of a Certificate for Payment previously issued, to such extent as may be necessary in the Architect's opinion to protect the Owner from loss for which the Contractor is responsible, including loss resulting from acts and omissions described in Section 3.3.2, because of

- .1 defective Work not remedied;
- .2 third party claims filed or reasonable evidence indicating probable filing of such claims unless security acceptable to the Owner is provided by the Contractor;
- .3 failure of the Contractor to make payments properly to Subcontractors or for labor, materials or equipment;
- .4 reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract Sum;
- .5 damage to the Owner or a separate contractor;
- .6 reasonable evidence that the Work will not be completed within the Contract Time, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay; or
- .7 repeated failure to carry out the Work in accordance with the Contract Documents.

§ 9.5.2 When the above reasons for withholding certification are removed, certification will be made for amounts previously withheld.

§ 9.5.3 If the Architect withholds certification for payment under Section 9.5.1.3, the Owner may, at its sole option, issue joint checks to the Contractor and to any Subcontractor or material or equipment suppliers to whom the Contractor failed to make payment for Work properly performed or material or equipment suitably delivered. If the Owner makes payments by joint check, the Owner shall notify the Architect and the Architect will reflect such payment on the next Certificate for Payment.

§ 9.6 PROGRESS PAYMENTS

§ 9.6.1 After the Architect has issued a Certificate for Payment, the Owner shall make payment in the manner and within the time provided in the Contract Documents, and shall so notify the Architect.

§ 9.6.2 The Contractor shall pay each Subcontractor no later than seven days after receipt of payment from the Owner the amount to which the Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of the Subcontractor's portion of the Work. The Contractor shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to Sub-subcontractors in a similar manner.

§ 9.6.3 The Architect will, on request, furnish to a Subcontractor, if practicable, information regarding percentages of completion or amounts applied for by the Contractor and action taken thereon by the Architect and Owner on account of portions of the Work done by such Subcontractor.

§ 9.6.4 The Owner has the right to request written evidence from the Contractor that the Contractor has properly paid Subcontractors and material and equipment suppliers amounts paid by the Owner to the Contractor for subcontracted Work. If the Contractor fails to furnish such evidence within seven days, the Owner shall have the right to contact Subcontractors to ascertain whether they have been properly paid. Neither the Owner nor Architect shall have an obligation to pay or to see to the payment of money to a Subcontractor, except as may otherwise be required by law.

§ 9.6.5 Contractor payments to material and equipment suppliers shall be treated in a manner similar to that provided in Sections 9.6.2, 9.6.3 and 9.6.4.

§ 9.6.6 A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall not constitute acceptance of Work not in accordance with the Contract Documents.

§ 9.6.7 Unless the Contractor provides the Owner with a payment bond in the full penal sum of the Contract Sum, payments received by the Contractor for Work properly performed by Subcontractors and suppliers shall be held by the Contractor for those Subcontractors or suppliers who performed Work or furnished materials, or both, under contract with the Contractor for which payment was made by the Owner. Nothing contained herein shall require money to be placed in a separate account and not commingled with money of the Contractor, shall create any fiduciary liability or tort liability on the part of the Contractor for breach of trust or shall entitle any person or entity to an award of punitive damages against the Contractor for breach of the requirements of this provision.

§ 9.7 FAILURE OF PAYMENT

If the Architect does not issue a Certificate for Payment, through no fault of the Contractor, within seven days after receipt of the Contractor's Application for Payment, or if the Owner does not pay the Contractor within seven days after the date established in the Contract Documents the amount certified by the Architect or awarded by binding dispute resolution, then the Contractor may, upon seven additional days' written notice to the Owner and Architect, stop the Work until payment of the amount owing has been received. The Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable costs of shut-down, delay and start-up, plus interest as provided for in the Contract Documents.

§ 9.8 SUBSTANTIAL COMPLETION

§ 9.8.1 Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work for its intended use.

§ 9.8.2 When the Contractor considers that the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Contractor shall prepare and submit to the Architect a comprehensive list of items to be completed or corrected prior to final payment. Failure to include an item on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents.

§ 9.8.3 Upon receipt of the Contractor's list, the Architect will make an inspection to determine whether the Work or designated portion thereof is substantially complete. If the Architect's inspection discloses any item, whether or not included on the Contractor's list, which is not sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work or designated portion thereof for its intended use, the Contractor shall, before issuance of the Certificate of Substantial Completion, complete or correct such item upon notification by the Architect. In such case, the Contractor shall then submit a request for another inspection by the Architect to determine Substantial Completion.

§ 9.8.4 When the Work or designated portion thereof is substantially complete, the Architect will prepare a Certificate of Substantial Completion that shall establish the date of Substantial Completion, shall establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance, and shall fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion.

§ 9.8.5 The Certificate of Substantial Completion shall be submitted to the Owner and Contractor for their written acceptance of responsibilities assigned to them in such Certificate. Upon such acceptance and consent of surety, if any, the Owner shall make payment of retainage applying to such Work or designated portion thereof. Such payment shall be adjusted for Work that is incomplete or not in accordance with the requirements of the Contract Documents.

§ 9.9 PARTIAL OCCUPANCY OR USE

§ 9.9.1 The Owner may occupy or use any completed or partially completed portion of the Work at any stage when such portion is designated by separate agreement with the Contractor, provided such occupancy or use is consented to by the insurer as required under Section 11.3.1.5 and authorized by public authorities having jurisdiction over the Project. Such partial occupancy or use may commence whether or not the portion is substantially complete, provided the Owner and Contractor have accepted in writing the responsibilities assigned to each of them for payments, retainage, if any, security, maintenance, heat, utilities, damage to the Work and insurance, and have agreed in writing concerning the period for correction of the Work and commencement of warranties required by the Contract Documents. When the Contractor considers a portion substantially complete, the Contractor shall prepare and submit a list to the Architect as provided under Section 9.8.2. Consent of the Contractor to partial occupancy or use shall not be unreasonably withheld. The stage of the progress of the Work shall be determined by written agreement between the Owner and Contractor or, if no agreement is reached, by decision of the Architect.

§ 9.9.2 Immediately prior to such partial occupancy or use, the Owner, Contractor and Architect shall jointly inspect the area to be occupied or portion of the Work to be used in order to determine and record the condition of the Work.

§ 9.9.3 Unless otherwise agreed upon, partial occupancy or use of a portion or portions of the Work shall not constitute acceptance of Work not complying with the requirements of the Contract Documents.

§ 9.10 FINAL COMPLETION AND FINAL PAYMENT

§ 9.10.1 Upon receipt of the Contractor's written notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Architect will promptly make such inspection and, when the Architect finds the Work acceptable under the Contract Documents and the Contract fully performed, the Architect will promptly issue a final Certificate for Payment stating that to the best of the Architect's knowledge, information and belief, and on the basis of the Architect's on-site visits and inspections, the Work has been completed in accordance with terms and conditions of the Contract Documents and that the entire balance found to be due the Contractor and noted in the final Certificate is due and payable. The Architect's final Certificate for Payment will constitute a further representation that conditions listed in Section 9.10.2 as precedent to the Contractor's being entitled to final payment have been fulfilled.

§ 9.10.2 Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to the Architect (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect and will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner, (3) a written statement that the Contractor

knows of no substantial reason that the insurance will not be renewable to cover the period required by the Contract Documents, (4) consent of surety, if any, to final payment and (5), if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner. If a Subcontractor refuses to furnish a release or waiver required by the Owner, the Contractor may furnish a bond satisfactory to the Owner to indemnify the Owner against such lien. If such lien remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging such lien, including all costs and reasonable attorneys' fees.

§ 9.10.3 If, after Substantial Completion of the Work, final completion thereof is materially delayed through no fault of the Contractor or by issuance of Change Orders affecting final completion, and the Architect so confirms, the Owner shall, upon application by the Contractor and certification by the Architect, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed and accepted. If the remaining balance for Work not fully completed or corrected is less than retainage stipulated in the Contract Documents, and if bonds have been furnished, the written consent of surety to payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by the Contractor to the Architect prior to certification of such payment. Such payment shall be made under terms and conditions governing final payment, except that it shall not constitute a waiver of claims.

§ 9.10.4 The making of final payment shall constitute a waiver of Claims by the Owner except those arising from

- .1 liens, Claims, security interests or encumbrances arising out of the Contract and unsettled;
- .2 failure of the Work to comply with the requirements of the Contract Documents; or
- .3 terms of special warranties required by the Contract Documents.

§ 9.10.5 Acceptance of final payment by the Contractor, a Subcontractor or material supplier shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment.

ARTICLE 10 PROTECTION OF PERSONS AND PROPERTY

§ 10.1 SAFETY PRECAUTIONS AND PROGRAMS

The Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Contract.

§ 10.2 SAFETY OF PERSONS AND PROPERTY

§ 10.2.1 The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to

- .1 employees on the Work and other persons who may be affected thereby;
- .2 the Work and materials and equipment to be incorporated therein, whether in storage on or off the site, under care, custody or control of the Contractor or the Contractor's Subcontractors or Sub-subcontractors; and
- .3 other property at the site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designated for removal, relocation or replacement in the course of construction.

§ 10.2.2 The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities bearing on safety of persons or property or their protection from damage, injury or loss.

§ 10.2.3 The Contractor shall erect and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent sites and utilities.

§ 10.2.4 When use or storage of explosives or other hazardous materials or equipment or unusual methods are necessary for execution of the Work, the Contractor shall exercise utmost care and carry on such activities under supervision of properly qualified personnel.

§ 10.2.5 The Contractor shall promptly remedy damage and loss (other than damage or loss insured under property insurance required by the Contract Documents) to property referred to in Sections 10.2.1.2 and 10.2.1.3 caused in whole or in part by the Contractor, a Subcontractor, a Sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible under Sections 10.2.1.2 and 10.2.1.3, except damage or loss attributable to acts or omissions of the Owner or Architect or anyone directly or indirectly employed by either of them, or by anyone for whose acts either of them may be liable, and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to the Contractor's obligations under Section 3.18.

§ 10.2.6 The Contractor shall designate a responsible member of the Contractor's organization at the site whose duty shall be the prevention of accidents. This person shall be the Contractor's superintendent unless otherwise designated by the Contractor in writing to the Owner and Architect.

§ 10.2.7 The Contractor shall not permit any part of the construction or site to be loaded so as to cause damage or create an unsafe condition.

§ 10.2.8 INJURY OR DAMAGE TO PERSON OR PROPERTY

If either party suffers injury or damage to person or property because of an act or omission of the other party, or of others for whose acts such party is legally responsible, written notice of such injury or damage, whether or not insured, shall be given to the other party within a reasonable time not exceeding 21 days after discovery. The notice shall provide sufficient detail to enable the other party to investigate the matter.

§ 10.3 HAZARDOUS MATERIALS

§ 10.3.1 The Contractor is responsible for compliance with any requirements included in the Contract Documents regarding hazardous materials. If the Contractor encounters a hazardous material or substance not addressed in the Contract Documents and if reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance, including but not limited to asbestos or polychlorinated biphenyl (PCB), encountered on the site by the Contractor, the Contractor shall, upon recognizing the condition, immediately stop Work in the affected area and report the condition to the Owner and Architect in writing.

§ 10.3.2 Upon receipt of the Contractor's written notice, the Owner shall obtain the services of a licensed laboratory to verify the presence or absence of the material or substance reported by the Contractor and, in the event such material or substance is found to be present, to cause it to be rendered harmless. Unless otherwise required by the Contract Documents, the Owner shall furnish in writing to the Contractor and Architect the names and qualifications of persons or entities who are to perform tests verifying the presence or absence of such material or substance or who are to perform the task of removal or safe containment of such material or substance. The Contractor and the Architect will promptly reply to the Owner in writing stating whether or not either has reasonable objection to the persons or entities proposed by the Owner. If either the Contractor or Architect has an objection to a person or entity proposed by the Owner, the Owner shall propose another to whom the Contractor and the Architect have no reasonable objection. When the material or substance has been rendered harmless, Work in the affected area shall resume upon written agreement of the Owner and Contractor. By Change Order, the Contract Time shall be extended appropriately and the Contract Sum shall be increased in the amount of the Contractor's reasonable additional costs of shut-down, delay and start-up.

~~§ 10.3.3 To the fullest extent permitted by law, the Owner shall indemnify and hold harmless the Contractor, Subcontractors, Architect, Architect's consultants and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work in the affected area if in fact the material or substance presents the risk of bodily injury or death as described in Section 10.3.1 and has not been rendered harmless, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), except to the extent that such damage, loss or expense is due to the fault or negligence of the party seeking indemnity.~~

§ 10.3.4 The Owner shall not be responsible under this Section 10.3 for materials or substances the Contractor brings to the site unless such materials or substances are required by the Contract Documents. The Owner shall be responsible

for materials or substances required by the Contract Documents, except to the extent of the Contractor's fault or negligence in the use and handling of such materials or substances.

§ 10.3.5 The Contractor shall indemnify the Owner for the cost and expense the Owner incurs (1) for remediation of a material or substance the Contractor brings to the site and negligently handles, or (2) where the Contractor fails to perform its obligations under Section 10.3.1, except to the extent that the cost and expense are due to the Owner's fault or negligence.

§ 10.3.6 If, without negligence on the part of the Contractor, the Contractor is held liable by a government agency for the cost of remediation of a hazardous material or substance solely by reason of performing Work as required by the Contract Documents, ~~the Owner shall indemnify the Contractor for all cost and expense thereby incurred.~~ Documents.

§ 10.4 EMERGENCIES

In an emergency affecting safety of persons or property, the Contractor shall act, at the Contractor's discretion, to prevent threatened damage, injury or loss. Additional compensation or extension of time claimed by the Contractor on account of an emergency shall be determined as provided in Article 15 and Article 7.

ARTICLE 11 INSURANCE AND BONDS

§ 11.1 CONTRACTOR'S LIABILITY INSURANCE

§ 11.1.1 The Contractor shall purchase from and maintain in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located such insurance as will protect the Contractor from claims set forth below which may arise out of or result from the Contractor's operations and completed operations under the Contract and for which the Contractor may be legally liable, whether such operations be by the Contractor or by a Subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

- .1 Claims under workers' compensation, disability benefit and other similar employee benefit acts that are applicable to the Work to be performed;
- .2 Claims for damages because of bodily injury, occupational sickness or disease, or death of the Contractor's employees;
- .3 Claims for damages because of bodily injury, sickness or disease, or death of any person other than the Contractor's employees;
- .4 Claims for damages insured by usual personal injury liability coverage;
- .5 Claims for damages, other than to the Work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom;
- .6 Claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle;
- .7 Claims for bodily injury or property damage arising out of completed operations; and
- .8 Claims involving contractual liability insurance applicable to the Contractor's obligations under Section 3.18.

§ 11.1.2 The insurance required by Section 11.1.1 shall be written for not less than limits of liability specified in the Contract Documents or required by law, whichever coverage is greater. Coverages, whether written on an occurrence or claims-made basis, shall be maintained without interruption from the date of commencement of the Work until the date of final payment and termination of any coverage required to be maintained after final payment, and, with respect to the Contractor's completed operations coverage, until the expiration of the period for correction of Work or for such other period for maintenance of completed operations coverage as specified in the Contract Documents.

§ 11.1.3 Certificates of insurance acceptable to the Owner shall be filed with the Owner prior to commencement of the Work and thereafter upon renewal or replacement of each required policy of insurance. These certificates and the insurance policies required by this Section 11.1 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner. An additional certificate evidencing continuation of liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment as required by Section 9.10.2 and thereafter upon renewal or replacement of such coverage until the expiration of the time required by Section 11.1.2. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by the Contractor with reasonable promptness.

§ 11.1.4 The Contractor shall cause the commercial liability coverage required by the Contract Documents to include (1) the Owner, the Architect and the Architect's consultants as additional insureds for claims caused in whole or in part by the Contractor's negligent acts or omissions during the Contractor's operations; and (2) the Owner as an additional insured for claims caused in whole or in part by the Contractor's negligent acts or omissions during the Contractor's completed operations.

§ 11.2 OWNER'S LIABILITY INSURANCE

The Owner shall be responsible for purchasing and maintaining the Owner's usual liability insurance.

§ 11.3 PROPERTY INSURANCE

§ 11.3.1 Unless otherwise provided, the Owner shall purchase and maintain, in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located, property insurance written on a builder's risk "all-risk" or equivalent policy form in the amount of the initial Contract Sum, plus value of subsequent Contract Modifications and cost of materials supplied or installed by others, comprising total value for the entire Project at the site on a replacement cost basis without optional deductibles. Such property insurance shall be maintained, unless otherwise provided in the Contract Documents or otherwise agreed in writing by all persons and entities who are beneficiaries of such insurance, until final payment has been made as provided in Section 9.10 or until no person or entity other than the Owner has an insurable interest in the property required by this Section 11.3 to be covered, whichever is later. This insurance shall include interests of the Owner, the Contractor, Subcontractors and Sub-subcontractors in the Project.

§ 11.3.1.1 Property insurance shall be on an "all-risk" or equivalent policy form and shall include, without limitation, insurance against the perils of fire (with extended coverage) and physical loss or damage including, without duplication of coverage, theft, vandalism, malicious mischief, collapse, earthquake, flood, windstorm, falsework, testing and startup, temporary buildings and debris removal including demolition occasioned by enforcement of any applicable legal requirements, and shall cover reasonable compensation for Architect's and Contractor's services and expenses required as a result of such insured loss.

§ 11.3.1.2 If the Owner does not intend to purchase such property insurance required by the Contract and with all of the coverages in the amount described above, the Owner shall so inform the Contractor in writing prior to commencement of the Work. The Contractor may then effect insurance that will protect the interests of the Contractor, Subcontractors and Sub-subcontractors in the Work, and by appropriate Change Order the cost thereof shall be charged to the Owner. If the Contractor is damaged by the failure or neglect of the Owner to purchase or maintain insurance as described above, without so notifying the Contractor in writing, then the Owner shall bear all reasonable costs properly attributable thereto.

§ 11.3.1.3 If the property insurance requires deductibles, the Owner shall pay costs not covered because of such deductibles.

§ 11.3.1.4 This property insurance shall cover portions of the Work stored off the site, and also portions of the Work in transit.

§ 11.3.1.5 Partial occupancy or use in accordance with Section 9.9 shall not commence until the insurance company or companies providing property insurance have consented to such partial occupancy or use by endorsement or otherwise. The Owner and the Contractor shall take reasonable steps to obtain consent of the insurance company or companies and shall, without mutual written consent, take no action with respect to partial occupancy or use that would cause cancellation, lapse or reduction of insurance.

§ 11.3.2 BOILER AND MACHINERY INSURANCE

The Owner shall purchase and maintain boiler and machinery insurance required by the Contract Documents or by law, which shall specifically cover such insured objects during installation and until final acceptance by the Owner; this insurance shall include interests of the Owner, Contractor, Subcontractors and Sub-subcontractors in the Work, and the Owner and Contractor shall be named insureds.

§ 11.3.3 LOSS OF USE INSURANCE

The Owner, at the Owner's option, may purchase and maintain such insurance as will insure the Owner against loss of use of the Owner's property due to fire or other hazards, however caused. The Owner waives all rights of action

against the Contractor for loss of use of the Owner's property, including consequential losses due to fire or other hazards however caused.

§ 11.3.4 If the Contractor requests in writing that insurance for risks other than those described herein or other special causes of loss be included in the property insurance policy, the Owner shall, if possible, include such insurance, and the cost thereof shall be charged to the Contractor by appropriate Change Order.

§ 11.3.5 If during the Project construction period the Owner insures properties, real or personal or both, at or adjacent to the site by property insurance under policies separate from those insuring the Project, or if after final payment property insurance is to be provided on the completed Project through a policy or policies other than those insuring the Project during the construction period, the Owner shall waive all rights in accordance with the terms of Section 11.3.7 for damages caused by fire or other causes of loss covered by this separate property insurance. All separate policies shall provide this waiver of subrogation by endorsement or otherwise.

§ 11.3.6 Before an exposure to loss may occur, the Owner shall file with the Contractor a copy of each policy that includes insurance coverages required by this Section 11.3. Each policy shall contain all generally applicable conditions, definitions, exclusions and endorsements related to this Project. Each policy shall contain a provision that the policy will not be canceled or allowed to expire, and that its limits will not be reduced, until at least 30 days' prior written notice has been given to the Contractor.

§ 11.3.7 WAIVERS OF SUBROGATION

The Owner and Contractor waive all rights against (1) each other and any of their subcontractors, sub-subcontractors, agents and employees, each of the other, and (2) the Architect, Architect's consultants, separate contractors described in Article 6, if any, and any of their subcontractors, sub-subcontractors, agents and employees, for damages caused by fire or other causes of loss to the extent covered by property insurance obtained pursuant to this Section 11.3 or other property insurance applicable to the Work, except such rights as they have to proceeds of such insurance held by the Owner as fiduciary. The Owner or Contractor, as appropriate, shall require of the Architect, Architect's consultants, separate contractors described in Article 6, if any, and the subcontractors, sub-subcontractors, agents and employees of any of them, by appropriate agreements, written where legally required for validity, similar waivers each in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

§ 11.3.8 A loss insured under the Owner's property insurance shall be adjusted by the Owner as fiduciary and made payable to the Owner as fiduciary for the insureds, as their interests may appear, subject to requirements of any applicable mortgagee clause and of Section 11.3.10. The Contractor shall pay Subcontractors their just shares of insurance proceeds received by the Contractor, and by appropriate agreements, written where legally required for validity, shall require Subcontractors to make payments to their Sub-subcontractors in similar manner.

§ 11.3.9 If required in writing by a party in interest, the Owner as fiduciary shall, upon occurrence of an insured loss, give bond for proper performance of the Owner's duties. The cost of required bonds shall be charged against proceeds received as fiduciary. The Owner shall deposit in a separate account proceeds so received, which the Owner shall distribute in accordance with such agreement as the parties in interest may reach, or as determined in accordance with the method of binding dispute resolution selected in the Agreement between the Owner and Contractor. If after such loss no other special agreement is made and unless the Owner terminates the Contract for convenience, replacement of damaged property shall be performed by the Contractor after notification of a Change in the Work in accordance with Article 7.

§ 11.3.10 The Owner as fiduciary shall have power to adjust and settle a loss with insurers unless one of the parties in interest shall object in writing within five days after occurrence of loss to the Owner's exercise of this power; if such objection is made, the dispute shall be resolved in the manner selected by the Owner and Contractor as the method of binding dispute resolution in the Agreement. If the Owner and Contractor have selected arbitration as the method of binding dispute resolution, the Owner as fiduciary shall make settlement with insurers or, in the case of a dispute over distribution of insurance proceeds, in accordance with the directions of the arbitrators.

§ 11.4 PERFORMANCE BOND AND PAYMENT BOND

§ 11.4.1 The Owner shall have the right to require the Contractor to furnish bonds covering faithful performance of the Contract and payment of obligations arising thereunder as stipulated in bidding requirements or specifically required in the Contract Documents on the date of execution of the Contract.

§ 11.4.2 Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Contractor shall promptly furnish a copy of the bonds or shall authorize a copy to be furnished.

ARTICLE 12 UNCOVERING AND CORRECTION OF WORK

§ 12.1 UNCOVERING OF WORK

§ 12.1.1 If a portion of the Work is covered contrary to the Architect's request or to requirements specifically expressed in the Contract Documents, it must, if requested in writing by the Architect, be uncovered for the Architect's examination and be replaced at the Contractor's expense without change in the Contract Time.

§ 12.1.2 If a portion of the Work has been covered that the Architect has not specifically requested to examine prior to its being covered, the Architect may request to see such Work and it shall be uncovered by the Contractor. If such Work is in accordance with the Contract Documents, costs of uncovering and replacement shall, by appropriate Change Order, be at the Owner's expense. If such Work is not in accordance with the Contract Documents, such costs and the cost of correction shall be at the Contractor's expense unless the condition was caused by the Owner or a separate contractor in which event the Owner shall be responsible for payment of such costs.

§ 12.2 CORRECTION OF WORK

§ 12.2.1 BEFORE OR AFTER SUBSTANTIAL COMPLETION

The Contractor shall promptly correct Work rejected by the Architect or failing to conform to the requirements of the Contract Documents, whether discovered before or after Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected Work, including additional testing and inspections, the cost of uncovering and replacement, and compensation for the Architect's services and expenses made necessary thereby, shall be at the Contractor's expense.

§ 12.2.2 AFTER SUBSTANTIAL COMPLETION

§ 12.2.2.1 In addition to the Contractor's obligations under Section 3.5, if, within one year after the date of Substantial Completion of the Work or designated portion thereof or after the date for commencement of warranties established under Section 9.9.1, or by terms of an applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of written notice from the Owner to do so unless the Owner has previously given the Contractor a written acceptance of such condition. The Owner shall give such notice promptly after discovery of the condition. During the one-year period for correction of Work, if the Owner fails to notify the Contractor and give the Contractor an opportunity to make the correction, the Owner waives the rights to require correction by the Contractor and to make a claim for breach of warranty. If the Contractor fails to correct nonconforming Work within a reasonable time during that period after receipt of notice from the Owner or Architect, the Owner may correct it in accordance with Section 2.4.

§ 12.2.2.2 The one-year period for correction of Work shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual completion of that portion of the Work.

§ 12.2.2.3 The one-year period for correction of Work shall not be extended by corrective Work performed by the Contractor pursuant to this Section 12.2.

§ 12.2.3 The Contractor shall remove from the site portions of the Work that are not in accordance with the requirements of the Contract Documents and are neither corrected by the Contractor nor accepted by the Owner.

§ 12.2.4 The Contractor shall bear the cost of correcting destroyed or damaged construction, whether completed or partially completed, of the Owner or separate contractors caused by the Contractor's correction or removal of Work that is not in accordance with the requirements of the Contract Documents.

§ 12.2.5 Nothing contained in this Section 12.2 shall be construed to establish a period of limitation with respect to other obligations the Contractor has under the Contract Documents. Establishment of the one-year period for correction of Work as described in Section 12.2.2 relates only to the specific obligation of the Contractor to correct the Work, and has no relationship to the time within which the obligation to comply with the Contract Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Contractor's liability with respect to the Contractor's obligations other than specifically to correct the Work.

§ 12.3 ACCEPTANCE OF NONCONFORMING WORK

If the Owner prefers to accept Work that is not in accordance with the requirements of the Contract Documents, the Owner may do so instead of requiring its removal and correction, in which case the Contract Sum will be reduced as appropriate and equitable. Such adjustment shall be effected whether or not final payment has been made.

ARTICLE 13 MISCELLANEOUS PROVISIONS

§ 13.1 GOVERNING LAW

The Contract shall be governed by the law of the place where the Project is located except that, if the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern Section 15.4.

§ 13.2 SUCCESSORS AND ASSIGNS

§ 13.2.1 The Owner and Contractor respectively bind themselves, their partners, successors, assigns and legal representatives to covenants, agreements and obligations contained in the Contract Documents. Except as provided in Section 13.2.2, neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make such an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

§ 13.2.2 The Owner may, without consent of the Contractor, assign the Contract to a lender providing construction financing for the Project, if the lender assumes the Owner's rights and obligations under the Contract Documents. The Contractor shall execute all consents reasonably required to facilitate such assignment.

§ 13.3 WRITTEN NOTICE

Written notice shall be deemed to have been duly served if delivered in person to the individual, to a member of the firm or entity, or to an officer of the corporation for which it was intended; or if delivered at, or sent by registered or certified mail or by courier service providing proof of delivery to, the last business address known to the party giving notice.

§ 13.4 RIGHTS AND REMEDIES

§ 13.4.1 Duties and obligations imposed by the Contract Documents and rights and remedies available thereunder shall be in addition to and not a limitation of duties, obligations, rights and remedies otherwise imposed or available by law.

§ 13.4.2 No action or failure to act by the Owner, Architect or Contractor shall constitute a waiver of a right or duty afforded them under the Contract, nor shall such action or failure to act constitute approval of or acquiescence in a breach there under, except as may be specifically agreed in writing.

§ 13.5 TESTS AND INSPECTIONS

§ 13.5.1 Tests, inspections and approvals of portions of the Work shall be made as required by the Contract Documents and by applicable laws, statutes, ordinances, codes, rules and regulations or lawful orders of public authorities. Unless otherwise provided, the Contractor shall make arrangements for such tests, inspections and approvals with an independent testing laboratory or entity acceptable to the Owner, or with the appropriate public authority, and shall bear all related costs of tests, inspections and approvals. The Contractor shall give the Architect timely notice of when and where tests and inspections are to be made so that the Architect may be present for such procedures. The Owner shall bear costs of (1) tests, inspections or approvals that do not become requirements until after bids are received or negotiations concluded, and (2) tests, inspections or approvals where building codes or applicable laws or regulations prohibit the Owner from delegating their cost to the Contractor.

§ 13.5.2 If the Architect, Owner or public authorities having jurisdiction determine that portions of the Work require additional testing, inspection or approval not included under Section 13.5.1, the Architect will, upon written authorization from the Owner, instruct the Contractor to make arrangements for such additional testing, inspection or

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approval by an entity acceptable to the Owner, and the Contractor shall give timely notice to the Architect of when and where tests and inspections are to be made so that the Architect may be present for such procedures. Such costs, except as provided in Section 13.5.3, shall be at the Owner's expense.

§ 13.5.3 If such procedures for testing, inspection or approval under Sections 13.5.1 and 13.5.2 reveal failure of the portions of the Work to comply with requirements established by the Contract Documents, all costs made necessary by such failure including those of repeated procedures and compensation for the Architect's services and expenses shall be at the Contractor's expense.

§ 13.5.4 Required certificates of testing, inspection or approval shall, unless otherwise required by the Contract Documents, be secured by the Contractor and promptly delivered to the Architect.

§ 13.5.5 If the Architect is to observe tests, inspections or approvals required by the Contract Documents, the Architect will do so promptly and, where practicable, at the normal place of testing.

§ 13.5.6 Tests or inspections conducted pursuant to the Contract Documents shall be made promptly to avoid unreasonable delay in the Work.

§ 13.6 INTEREST

Payments due and unpaid under the Contract Documents shall bear interest from the date payment is due at such rate as the parties may agree upon in writing or, in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

§ 13.7 TIME LIMITS ON CLAIMS

The Owner and Contractor shall commence all claims and causes of action, whether in contract, tort, breach of warranty or otherwise, against the other arising out of or related to the Contract in accordance with the requirements of the final dispute resolution method selected in the Agreement within the time period specified by applicable law, but in any case not more than 10 years after the date of Substantial Completion of the Work. The Owner and Contractor waive all claims and causes of action not commenced in accordance with this Section 13.7.

ARTICLE 14 TERMINATION OR SUSPENSION OF THE CONTRACT

§ 14.1 TERMINATION BY THE CONTRACTOR

§ 14.1.1 The Contractor may terminate the Contract if the Work is stopped for a period of 30 consecutive days through no act or fault of the Contractor or a Subcontractor, Sub-subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Contractor, for any of the following reasons:

- .1 Issuance of an order of a court or other public authority having jurisdiction that requires all Work to be stopped;
- .2 An act of government, such as a declaration of national emergency that requires all Work to be stopped;
- .3 Because the Architect has not issued a Certificate for Payment and has not notified the Contractor of the reason for withholding certification as provided in Section 9.4.1, or because the Owner has not made payment on a Certificate for Payment within the time stated in the Contract Documents; or
- .4 The Owner has failed to furnish to the Contractor promptly, upon the Contractor's request, reasonable evidence as required by Section 2.2.1.

§ 14.1.2 The Contractor may terminate the Contract if, through no act or fault of the Contractor or a Subcontractor, Sub-subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Contractor, repeated suspensions, delays or interruptions of the entire Work by the Owner as described in Section 14.3 constitute in the aggregate more than 100 percent of the total number of days scheduled for completion, or 120 days in any 365-day period, whichever is less.

§ 14.1.3 If one of the reasons described in Section 14.1.1 or 14.1.2 exists, the Contractor may, upon seven days' written notice to the Owner and Architect, terminate the Contract and recover from the Owner payment for Work executed, including reasonable overhead and profit, costs incurred by reason of such termination, and damages.

§ 14.1.4 If the Work is stopped for a period of 60 consecutive days through no act or fault of the Contractor or a Subcontractor or their agents or employees or any other persons performing portions of the Work under contract with

the Contractor because the Owner has repeatedly failed to fulfill the Owner's obligations under the Contract Documents with respect to matters important to the progress of the Work, the Contractor may, upon seven additional days' written notice to the Owner and the Architect, terminate the Contract and recover from the Owner as provided in Section 14.1.3.

§ 14.2 TERMINATION BY THE OWNER FOR CAUSE

§ 14.2.1 The Owner may terminate the Contract if the Contractor

- .1 repeatedly refuses or fails to supply enough properly skilled workers or proper materials;
- .2 fails to make payment to Subcontractors for materials or labor in accordance with the respective agreements between the Contractor and the Subcontractors;
- .3 repeatedly disregards applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of a public authority; or
- .4 otherwise is guilty of substantial breach of a provision of the Contract Documents.

§ 14.2.2 When any of the above reasons exist, the Owner, upon certification by the Initial Decision Maker that sufficient cause exists to justify such action, may without prejudice to any other rights or remedies of the Owner and after giving the Contractor and the Contractor's surety, if any, seven days' written notice, terminate employment of the Contractor and may, subject to any prior rights of the surety:

- .1 Exclude the Contractor from the site and take possession of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Contractor;
- .2 Accept assignment of subcontracts pursuant to Section 5.4; and
- .3 Finish the Work by whatever reasonable method the Owner may deem expedient. Upon written request of the Contractor, the Owner shall furnish to the Contractor a detailed accounting of the costs incurred by the Owner in finishing the Work.

§ 14.2.3 When the Owner terminates the Contract for one of the reasons stated in Section 14.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

§ 14.2.4 If the unpaid balance of the Contract Sum exceeds costs of finishing the Work, including compensation for the Architect's services and expenses made necessary thereby, and other damages incurred by the Owner and not expressly waived, such excess shall be paid to the Contractor. If such costs and damages exceed the unpaid balance, the Contractor shall pay the difference to the Owner. The amount to be paid to the Contractor or Owner, as the case may be, shall be certified by the Initial Decision Maker, upon application, and this obligation for payment shall survive termination of the Contract.

§ 14.3 SUSPENSION BY THE OWNER FOR CONVENIENCE

§ 14.3.1 The Owner may, without cause, order the Contractor in writing to suspend, delay or interrupt the Work in whole or in part for such period of time as the Owner may determine.

§ 14.3.2 The Contract Sum and Contract Time shall be adjusted for increases in the cost and time caused by suspension, delay or interruption as described in Section 14.3.1. Adjustment of the Contract Sum shall include profit. No adjustment shall be made to the extent

- .1 that performance is, was or would have been so suspended, delayed or interrupted by another cause for which the Contractor is responsible; or
- .2 that an equitable adjustment is made or denied under another provision of the Contract.

§ 14.4 TERMINATION BY THE OWNER FOR CONVENIENCE

§ 14.4.1 The Owner may, at any time, terminate the Contract for the Owner's convenience and without cause.

§ 14.4.2 Upon receipt of written notice from the Owner of such termination for the Owner's convenience, the Contractor shall

- .1 cease operations as directed by the Owner in the notice;
- .2 take actions necessary, or that the Owner may direct, for the protection and preservation of the Work; and
- .3 except for Work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.

§ 14.4.3 In case of such termination for the Owner's convenience, the Contractor shall be entitled to receive payment for Work executed, and costs incurred by reason of such termination, along with reasonable overhead and profit on the Work not executed.

ARTICLE 15 CLAIMS AND DISPUTES

§ 15.1 CLAIMS

§ 15.1.1 DEFINITION

A Claim is a demand or assertion by one of the parties seeking, as a matter of right, payment of money, or other relief with respect to the terms of the Contract. The term "Claim" also includes other disputes and matters in question between the Owner and Contractor arising out of or relating to the Contract. The responsibility to substantiate Claims shall rest with the party making the Claim.

§ 15.1.2 NOTICE OF CLAIMS

Claims by either the Owner or Contractor must be initiated by written notice to the other party and to the Initial Decision Maker with a copy sent to the Architect, if the Architect is not serving as the Initial Decision Maker. Claims by either party must be initiated within 21 days after occurrence of the event giving rise to such Claim or within 21 days after the claimant first recognizes the condition giving rise to the Claim, whichever is later.

§ 15.1.3 CONTINUING CONTRACT PERFORMANCE

Pending final resolution of a Claim, except as otherwise agreed in writing or as provided in Section 9.7 and Article 14, the Contractor shall proceed diligently with performance of the Contract and the Owner shall continue to make payments in accordance with the Contract Documents. The Architect will prepare Change Orders and issue Certificates for Payment in accordance with the decisions of the Initial Decision Maker.

§ 15.1.4 CLAIMS FOR ADDITIONAL COST

If the Contractor wishes to make a Claim for an increase in the Contract Sum, written notice as provided herein shall be given before proceeding to execute the Work. Prior notice is not required for Claims relating to an emergency endangering life or property arising under Section 10.4.

§ 15.1.5 CLAIMS FOR ADDITIONAL TIME

§ 15.1.5.1 If the Contractor wishes to make a Claim for an increase in the Contract Time, written notice as provided herein shall be given. The Contractor's Claim shall include an estimate of cost and of probable effect of delay on progress of the Work. In the case of a continuing delay, only one Claim is necessary.

§ 15.1.5.2 If adverse weather conditions are the basis for a Claim for additional time, such Claim shall be documented by data substantiating that weather conditions were abnormal for the period of time, could not have been reasonably anticipated and had an adverse effect on the scheduled construction.

§ 15.1.6 CLAIMS FOR CONSEQUENTIAL DAMAGES

The Contractor and Owner waive Claims against each other for consequential damages arising out of or relating to this Contract. This mutual waiver includes

- .1 damages incurred by the Owner for rental expenses, for losses of use, income, profit, financing, business and reputation, and for loss of management or employee productivity or of the services of such persons; and
- .2 damages incurred by the Contractor for principal office expenses including the compensation of personnel stationed there, for losses of financing, business and reputation, and for loss of profit except anticipated profit arising directly from the Work.

This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with Article 14. Nothing contained in this Section 15.1.6 shall be deemed to preclude an award of liquidated damages, when applicable, in accordance with the requirements of the Contract Documents.

§ 15.2 INITIAL DECISION

§ 15.2.1 Claims, excluding those arising under Sections 10.3, 10.4, 11.3.9, and 11.3.10, shall be referred to the Initial Decision Maker for initial decision. The Architect will serve as the Initial Decision Maker, unless otherwise indicated in the Agreement. Except for those Claims excluded by this Section 15.2.1, an initial decision shall be required as a

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condition precedent to mediation of any Claim arising prior to the date final payment is due, unless 30 days have passed after the Claim has been referred to the Initial Decision Maker with no decision having been rendered. Unless the Initial Decision Maker and all affected parties agree, the Initial Decision Maker will not decide disputes between the Contractor and persons or entities other than the Owner.

§ 15.2.2 The Initial Decision Maker will review Claims and within ten days of the receipt of a Claim take one or more of the following actions: (1) request additional supporting data from the claimant or a response with supporting data from the other party, (2) reject the Claim in whole or in part, (3) approve the Claim, (4) suggest a compromise, or (5) advise the parties that the Initial Decision Maker is unable to resolve the Claim if the Initial Decision Maker lacks sufficient information to evaluate the merits of the Claim or if the Initial Decision Maker concludes that, in the Initial Decision Maker's sole discretion, it would be inappropriate for the Initial Decision Maker to resolve the Claim.

§ 15.2.3 In evaluating Claims, the Initial Decision Maker may, but shall not be obligated to, consult with or seek information from either party or from persons with special knowledge or expertise who may assist the Initial Decision Maker in rendering a decision. The Initial Decision Maker may request the Owner to authorize retention of such persons at the Owner's expense.

§ 15.2.4 If the Initial Decision Maker requests a party to provide a response to a Claim or to furnish additional supporting data, such party shall respond, within ten days after receipt of such request, and shall either (1) provide a response on the requested supporting data, (2) advise the Initial Decision Maker when the response or supporting data will be furnished or (3) advise the Initial Decision Maker that no supporting data will be furnished. Upon receipt of the response or supporting data, if any, the Initial Decision Maker will either reject or approve the Claim in whole or in part.

§ 15.2.5 The Initial Decision Maker will render an initial decision approving or rejecting the Claim, or indicating that the Initial Decision Maker is unable to resolve the Claim. This initial decision shall (1) be in writing; (2) state the reasons therefor; and (3) notify the parties and the Architect, if the Architect is not serving as the Initial Decision Maker, of any change in the Contract Sum or Contract Time or both. The initial decision shall be final and binding on the parties but subject to mediation and, if the parties fail to resolve their dispute through mediation, to binding dispute resolution.

§ 15.2.6 Either party may file for mediation of an initial decision at any time, subject to the terms of Section 15.2.6.1.

§ 15.2.6.1 Either party may, within 30 days from the date of an initial decision, demand in writing that the other party file for mediation within 60 days of the initial decision. If such a demand is made and the party receiving the demand fails to file for mediation within the time required, then both parties waive their rights to mediate or pursue binding dispute resolution proceedings with respect to the initial decision.

§ 15.2.7 In the event of a Claim against the Contractor, the Owner may, but is not obligated to, notify the surety, if any, of the nature and amount of the Claim. If the Claim relates to a possibility of a Contractor's default, the Owner may, but is not obligated to, notify the surety and request the surety's assistance in resolving the controversy.

~~§ 15.2.8 If a Claim relates to or is the subject of a mechanic's lien, the party asserting such Claim may proceed in accordance with applicable law to comply with the lien notice or filing deadlines.~~

§ 15.3 MEDIATION

§ 15.3.1 Claims, disputes, or other matters in controversy arising out of or related to the Contract except those waived as provided for in Sections 9.10.4, 9.10.5, and 15.1.6 shall be subject to mediation as a condition precedent to binding dispute resolution.

§ 15.3.2 The parties shall endeavor to resolve their Claims by mediation which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Mediation Procedures in effect on the date of the Agreement. A request for mediation shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the mediation. The request may be made concurrently with the filing of binding dispute resolution proceedings but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending

mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. If an arbitration is stayed pursuant to this Section 15.3.2, the parties may nonetheless proceed to the selection of the arbitrator(s) and agree upon a schedule for later proceedings.

§ 15.3.3 The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

§ 15.4 ARBITRATION

~~§ 15.4.1 If the parties have selected arbitration as the method for binding dispute resolution in the Agreement, any Claim subject to, but not resolved by, mediation shall be subject to arbitration which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Arbitration Rules in effect on the date of the Agreement. A demand for arbitration shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the arbitration. The party filing a notice of demand for arbitration must assert in the demand all Claims then known to that party on which arbitration is permitted to be demanded.~~

~~§ 15.4.1.1 A demand for arbitration shall be made no earlier than concurrently with the filing of a request for mediation, but in no event shall it be made after the date when the institution of legal or equitable proceedings based on the Claim would be barred by the applicable statute of limitations. For statute of limitations purposes, receipt of a written demand for arbitration by the person or entity administering the arbitration shall constitute the institution of legal or equitable proceedings based on the Claim.~~

~~§ 15.4.2 The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.~~

~~§ 15.4.3 The foregoing agreement to arbitrate and other agreements to arbitrate with an additional person or entity duly consented to by parties to the Agreement shall be specifically enforceable under applicable law in any court having jurisdiction thereof.~~

§ 15.4.4 CONSOLIDATION OR JOINDER

~~§ 15.4.4.1 Either party, at its sole discretion, may consolidate an arbitration conducted under this Agreement with any other arbitration to which it is a party provided that (1) the arbitration agreement governing the other arbitration permits consolidation, (2) the arbitrations to be consolidated substantially involve common questions of law or fact, and (3) the arbitrations employ materially similar procedural rules and methods for selecting arbitrator(s).~~

~~§ 15.4.4.2 Either party, at its sole discretion, may include by joinder persons or entities substantially involved in a common question of law or fact whose presence is required if complete relief is to be accorded in arbitration, provided that the party sought to be joined consents in writing to such joinder. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of any claim, dispute or other matter in question not described in the written consent.~~

~~§ 15.4.4.3 The Owner and Contractor grant to any person or entity made a party to an arbitration conducted under this Section 15.4, whether by joinder or consolidation, the same rights of joinder and consolidation as the Owner and Contractor under this Agreement.~~

Certification of Document's Authenticity

AIA® Document D401™ – 2003

I, Thomas Weems, AIA, hereby certify, to the best of my knowledge, information and belief, that I created the attached final document simultaneously with this certification at 09:27:23 ET on 12/15/2022 under Order No. 2114302556 from AIA Contract Documents software and that in preparing the attached final document I made no changes to the original text of AIA® Document A201™ – 2007, General Conditions of the Contract for Construction, as published by the AIA in its software, other than changes shown in the attached final document by underscoring added text and striking over deleted text.

(Signed)

(Title)

(Dated)



2022-2023 TN TOGETHER STUDENT SURVEY PARENTAL PERMISSION FORM

STUDY TITLE: TN Together Statewide Student Survey
STUDY DIRECTOR: Lacey Hartigan, PhD, Project Director, EMT Associates, Inc.

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Your child’s school is taking part in a survey that is sponsored by the Tennessee Department of Mental Health and Substance Abuse Services (TDMHSAS), Division of Substance Abuse Services (DSAS). The survey is about alcohol, drug, tobacco, vaping device, marijuana, and other illicit drug use and prescription drug misuse as well as related risk and protective factors among 8th-, 10th-, and 12th-grade public school students in Tennessee.

SURVEY PROCEDURES

We would like your child to take part in a survey that asks questions about tobacco, vaping device, alcohol, and drug use and mental health. All students in grades 8, 10, and 12 who attend your child’s school are being asked to complete this survey. The survey will be completed during the school day and takes about 15 minutes to complete. A teacher or other school staff member will be there to help answer any questions.

POTENTIAL RISKS OR BENEFITS OF PARTICIPATION

Taking the survey will cause little or no risk to your child. The only potential risk is that some students might find certain questions to be sensitive. A school counselor or other school staff will be on hand to deal with any concerns your child may have. If you have questions about your child’s rights by taking part in this survey, you may contact Lacey Hartigan at 615-678-1037. A copy of the survey is also on file at the school if you would like to review it. This study may help children in the future by improving efforts to reduce alcohol and drug use and improve mental health. Your child will get no direct benefit from taking part in the survey.

ANONYMITY and CONFIDENTIALITY

The survey has been designed to protect your child’s privacy. Students do not put any personally identifiable information on the survey and, as such, this survey is anonymous at the student level. Further, no school will ever be mentioned by name in any public reporting of the results. The only people who will know if your child is taking part in the survey are those who are involved in the survey administration (e.g., school counselors, teachers, administrators). The survey results will be kept private to the extent allowed by law, and only study staff will be allowed to look at the anonymous student data. If you give permission, your child will be asked to complete this survey. Survey results will be kept through the conclusion of the study period and will be stored in a locked filing cabinet, storage facility, or on a protected computer.

VOLUNTARY PARTICIPATION/WITHDRAWAL

We would like all students in grades 8, 10, and 12 at selected schools to take part in the survey, but the survey is **voluntary**. No action will be taken against the school, you, or your child if your child does not take part. Students can skip any question that they do not wish to answer. Also, students may stop taking the survey at any point without penalty.

CONSENT

Please read the section below. If you do **not** want your child to take part in the survey, check the box, sign the form, and return it to the school **within three days**. Please see the next page of this form for more facts about the survey. If your child’s teacher or principal cannot answer your questions about the survey or if you have questions about this form, please contact Lacey Hartigan at 615-678-1037 or lacey@emt.org. Thank you for your partnership in this effort.

Child’s Name: _____

Grade: _____ School: _____

I have read this form and know what the survey is about.

PLEASE CHECK THE BOX BELOW AND SIGN IF YOU DO NOT WANT YOUR CHILD TO PARTICIPATE:

NO, my child **may not** take part in this survey.

Parent/Guardian Signature

Date



2022-2023 TN TOGETHER STUDENT SURVEY

Frequently Asked Questions

What is the 2022-2023 TN Together Student Survey?

The TN Together Student Survey is a state-funded substance use survey for Tennessee public school students in 8th, 10th, and 12th grade. Funding for participation is provided by the Tennessee Department of Mental Health and Substance Abuse Services (TDMHSAS), Division of Substance Abuse Services (DSAS). This anonymous survey assesses the extent of alcohol, drug, tobacco, and vaping device use and prescription drug misuse, and related risk and protective factors.

What is the purpose of the 2022-2023 TN Together Student Survey?

The TN Together Student Survey is a part of the TN Together initiative, which is focused on addressing the opioid epidemic in Tennessee. Survey results are anonymous and will be used for state- and local-level planning, prevention, and intervention efforts. The purpose of this survey is to provide Tennessee communities with community-level data that they can use to bolster prevention and intervention efforts aimed at youth substance misuse.

Does my child have to complete the survey?

No. Participation in the Tennessee Together Student Survey is completely voluntary. Your child will not be penalized in any way if s/he refuses to participate. We are asking your permission for your child to participate in this survey, but even after you give permission your child can choose not to participate or skip any question(s) s/he wishes to skip. The survey will be conducted during a regular class period at school.

How do I give permission for my child to participate in the survey?

Your child's school will alert you to their planned survey administration dates and will determine whether you need to return a signed permission slip for your child to participate in the survey. You can opt your child out of participation by either checking "No" and returning the permission slip to the school or by contacting the school before the survey administration. Please contact Lacey Hartigan at lacey@emt.org or (615) 678-1037 if you have questions.

Will anyone know how my child answers the questions?

No. Your child's responses to the questions are anonymous. Students do not write their names on the survey forms. Further, no one except the research study staff will see the students' anonymous data. Additionally, answers from all youth participants are summarized in all reports and products so that no individual-level data is ever made public.

What are the risks involved in taking the survey?

Thousands of Tennessee students have taken a version of this survey over the years. Most students experienced little difficulty in answering the questions. However, because answering questions about personal and sensitive behaviors may be uncomfortable, students are assured that they can skip any question they do not wish to answer. Additionally, schools are advised to have a school counselor available should a student need support.

What benefits are there from my child participating in this research?

Although your child will not directly benefit from completing the survey, his/her answers—along with those of thousands of others—will provide valuable information that may be used to improve prevention and intervention programs aimed at promoting students' wellbeing.

TN TOGETHER | 2022-23 Student Survey

THE SURVEY

Thank you for agreeing to participate in this survey. The survey asks questions about your life experiences, your attitudes, and the attitudes of your parents and close friends.

INSTRUCTIONS

- Your answers to the questions are anonymous and private. That means no one will know how you answered. Do not write your name on the survey.
- For the study to be helpful, it is important that you answer each question honestly and truthfully.
- This survey is completely voluntary, which means that you may choose to not fill out the questionnaire or any part of it. If you prefer not to answer a question, or if you don't know the answer, just leave it blank.
- This is not a test, so there are no right or wrong answers. We would like you to work quickly, so that you can finish.
- All of the questions should be answered by marking one of the response choices. If you do not find an answer that fits exactly, use the one that comes closest. Unless instructed on the questionnaire, do not mark more than one response for any item.
- Please answer by filling the circle of your choice.

When you finish, please place your survey in the envelope provided.

ABOUT YOU

These questions ask for some general information about you. Please mark the response that best describes you.

1. How old are you?

- 10 11 12 13 14 15 16 17 18+

2. What grade are you in?

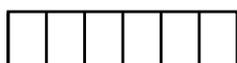
- 6th 7th 8th 9th 10th 11th 12th

3. How would you describe yourself? (Mark **ALL** that apply)

- White Black or African American Hispanic
 Asian/Pacific Islander American Indian or Alaska Native Other

4. Are you:

- Male Female Prefer to self-identify: _____



The next set of questions asks about your use of different substances, including tobacco, vaping devices, alcohol, marijuana, prescription drugs, and other illegal drugs. This excludes substance use for religious purposes (e.g., drinking a sip of wine during a religious ceremony).

5. Have you ever had one or more drinks of an ALCOHOLIC BEVERAGE? Yes No If No, SKIP TO QUESTION #6
Alcoholic beverages include beer, wine, wine coolers, malt beverages, and liquor.

- a. If you marked YES, **how old** were you when you first had one or more drinks of an **ALCOHOLIC BEVERAGE**?
 8 or under 9 10 11 12 13 14 15 16 17 18+
- b. During the **past 30 days**, on **how many days** did you have one or more drinks of an **ALCOHOLIC BEVERAGE**?
 0 Days 1-2 Days 3-5 Days 6-9 Days 10-19 Days 20-29 Days All 30 Days
- c. Enter the exact number of days you used in the past 30 days (0 to 30): _____

6. Have you ever had 5 or more drinks of an ALCOHOLIC BEVERAGE on the same occasion? Yes No If No, SKIP TO QUESTION #7
Alcoholic beverages include beer, wine, wine coolers, malt beverages, and liquor.

- a. If you marked YES, **how old** were you when you first had **5 or more drinks** on the same occasion?
 8 or under 9 10 11 12 13 14 15 16 17 18+
- b. During the **past 30 days**, on **how many days** did you have **5 or more drinks** on the same occasion?
 0 Days 1-2 Days 3-5 Days 6-9 Days 10-19 Days 20-29 Days All 30 Days
- c. Enter the exact number of days you used in the past 30 days (0 to 30): _____

7. Have you ever used PRESCRIPTION DRUGS not prescribed to you or just to get high? Yes No If No, SKIP TO QUESTION #8
Prescription drugs include drugs that require a doctor's prescription to purchase or consume like OxyContin, Percocet, Vicodin, Codeine, Adderall, Ritalin, Xanax, Klonopin, Benzos, Valium, Ativan, and Gabapentin. These do not include over-the-counter medicines.

- a. If you marked YES, **how old** were you when you first used **PRESCRIPTION DRUGS not prescribed to you**?
 8 or under 9 10 11 12 13 14 15 16 17 18+
- b. During the **past 30 days**, on **how many days** did you use **PRESCRIPTION DRUGS not prescribed to you**?
 0 Days 1-2 Days 3-5 Days 6-9 Days 10-19 Days 20-29 Days All 30 Days
- c. Enter the exact number of days you used in the past 30 days (0 to 30): _____

7A. Have you ever used PRESCRIPTION STIMULANTS not prescribed to you or just to get high? Yes No If No, SKIP TO QUESTION #7B
(e.g., Dexadrine, Adderall, Ritalin, or Concerta)

- a. **During the past 30 days**, on **how many days** did you use **PRESCRIPTION STIMULANTS**?
 0 Days 1-2 Days 3-5 Days 6-9 Days 10-19 Days 20-29 Days All 30 Days
- b. Enter the exact number of days you used in the past 30 days (0 to 30): _____

7B. Have you ever used PRESCRIPTION PAIN MEDICATIONS not prescribed to you or just to get high? Yes No If No, SKIP TO QUESTION #8
(e.g., Vicodin, Oxycontin, Morphine, or Demerol)

- a. **During the past 30 days**, on **how many days** did you use **PRESCRIPTION PAIN MEDICATIONS**?
 0 Days 1-2 Days 3-5 Days 6-9 Days 10-19 Days 20-29 Days All 30 Days
- b. Enter the exact number of days you used in the past 30 days (0 to 30): _____

8. Have you ever used **OVER-THE-COUNTER DRUGS** to get high or in a way other than directed? Yes No If No, SKIP TO QUESTION #9
(e.g., cough/cold medicines, diet pills, stay-awake pills, or laxatives)

- a. If you marked YES, **how old** were you when you first used **OVER-THE-COUNTER DRUGS**?
 8 or under 9 10 11 12 13 14 15 16 17 18+
- b. During the **past 30 days**, on how many days did you use **OVER-THE-COUNTER DRUGS**?
 0 Days 1-2 Days 3-5 Days 6-9 Days 10-19 Days 20-29 Days All 30 Days
- c. Enter the exact number of days you used in the past 30 days (0 to 30): _____

9. Have you ever smoked part or all of a **CIGARETTE**? Yes No If No, SKIP TO QUESTION #10
Cigarettes include menthol cigarettes, regular cigarettes, and loose tobacco rolled in cigarettes. This does not include e-cigarettes.

- a. If you marked YES, **how old** were you when you first **smoked part or all of a CIGARETTE**?
 8 or under 9 10 11 12 13 14 15 16 17 18+
- b. During the **past 30 days**, on how many days did you **smoke part or all of a CIGARETTE**?
 0 Days 1-2 Days 3-5 Days 6-9 Days 10-19 Days 20-29 Days All 30 Days
- c. Enter the exact number of days you used in the past 30 days (0 to 30): _____

10. Have you ever used a **VAPING DEVICE with nicotine**? Yes No If No, SKIP TO QUESTION #11
A vaping device includes electronic cigarettes also known as e-cigarettes, hookah pens, e-hookahs, or vape pipes.

- a. If you marked YES, **how old** were you when you first used a **VAPING DEVICE with nicotine**?
 8 or under 9 10 11 12 13 14 15 16 17 18+
- b. During the **past 30 days**, on how many days did you use a **VAPING DEVICE with nicotine**?
 0 Days 1-2 Days 3-5 Days 6-9 Days 10-19 Days 20-29 Days All 30 Days
- c. Enter the exact number of days you used in the past 30 days (0 to 30): _____

11. Have you ever used a **VAPING DEVICE with flavoring only**? Yes No If No, SKIP TO QUESTION #12
A vaping device includes electronic cigarettes also known as e-cigarettes, hookah pens, e-hookahs, or vape pipes.

- a. If you marked YES, **how old** were you when you first used a **VAPING DEVICE with flavoring only**?
 8 or under 9 10 11 12 13 14 15 16 17 18+
- b. During the **past 30 days**, on how many days did you use a **VAPING DEVICE with flavoring only**?
 0 Days 1-2 Days 3-5 Days 6-9 Days 10-19 Days 20-29 Days All 30 Days
- c. Enter the exact number of days you used in the past 30 days (0 to 30): _____

12. Have you ever used **SMOKELESS TOBACCO**? Yes No If No, SKIP TO QUESTION #13
Smokeless tobacco can be known as chewing tobacco, spit tobacco, chew, snuff, pinch, or dip.

- a. If you marked YES, **how old** were you when you first used **SMOKELESS TOBACCO**?
 8 or under 9 10 11 12 13 14 15 16 17 18+
- b. During the **past 30 days**, on how many days did you use **SMOKELESS TOBACCO**?
 0 Days 1-2 Days 3-5 Days 6-9 Days 10-19 Days 20-29 Days All 30 Days
- c. Enter the exact number of days you used in the past 30 days (0 to 30): _____

13. Have you ever used MARIJUANA or hashish?

Yes No If No, SKIP TO QUESTION #14

Marijuana or hashish can be known as grass, pot, weed, hash, hash oil, or edibles.

a. If you marked YES, how old were you when you first used MARIJUANA?

8 or under 9 10 11 12 13 14 15 16 17 18+

b. During the past 30 days, on how many days did you use MARIJUANA?

0 Days 1-2 Days 3-5 Days 6-9 Days 10-19 Days 20-29 Days All 30 Days

c. Enter the exact number of days you used in the past 30 days (0 to 30): _____

13A. Have you ever VAPED MARIJUANA?

Yes No If No, SKIP TO QUESTION #13B

A vaping device includes electronic cigarettes also known as e-cigarettes, hookah pens, e-hookas, or vape pipes.

a. During the past 30 days, on how many days did you VAPE MARIJUANA?

0 Days 1-2 Days 3-5 Days 6-9 Days 10-19 Days 20-29 Days All 30 Days

b. Enter the exact number of days you used in the past 30 days (0 to 30): _____

13B. Have you ever SMOKED MARIJUANA?

Yes No If No, SKIP TO QUESTION #13C

a. During the past 30 days, on how many days did you SMOKE MARIJUANA?

0 Days 1-2 Days 3-5 Days 6-9 Days 10-19 Days 20-29 Days All 30 Days

b. Enter the exact number of days you used in the past 30 days (0 to 30): _____

13C. Have you ever eaten MARIJUANA or THC edibles?

Yes No If No, SKIP TO QUESTION #14

Marijuana and THC edibles include Delta-8 and other edible marijuana.

a. During the past 30 days, on how many days did you use MARIJUANA or THC edibles?

0 Days 1-2 Days 3-5 Days 6-9 Days 10-19 Days 20-29 Days All 30 Days

b. Enter the exact number of days you used in the past 30 days (0 to 30): _____

14. Have you ever used METHAMPHETAMINES?

Yes No If No, SKIP TO QUESTION #15

Methamphetamines can be known as crank, meth, blue, ice, or crystal.

a. If you marked YES, how old were you when you first used METHAMPHETAMINES?

8 or under 9 10 11 12 13 14 15 16 17 18+

b. During the past 30 days, on how many days did you use METHAMPHETAMINES?

0 Days 1-2 Days 3-5 Days 6-9 Days 10-19 Days 20-29 Days All 30 Days

c. Enter the exact number of days you used in the past 30 days (0 to 30): _____

15. Have you ever used any OTHER ILLEGAL DRUGS?

Yes No If No, SKIP TO QUESTION #16

Other illegal drugs include substances like crack or powder cocaine, heroin, inhalants, barbiturates, steroids, etc.

a. If you marked YES, **how old** were you when you first used **OTHER ILLEGAL DRUGS**?

8 or under 9 10 11 12 13 14 15 16 17 18+

b. During the **past 30 days**, on **how many days** did you use **COCAINE** (crack, etc.)?

0 Days 1-2 Days 3-5 Days 6-9 Days 10-19 Days 20-29 Days All 30 Days

c. During the **past 30 days**, on **how many days** did you use **INHALANTS** (glue, gas, etc.)?

0 Days 1-2 Days 3-5 Days 6-9 Days 10-19 Days 20-29 Days All 30 Days

d. During the **past 30 days**, on **how many days** did you use **HALLUCINOGENS** (PCP, LSD, etc.)?

0 Days 1-2 Days 3-5 Days 6-9 Days 10-19 Days 20-29 Days All 30 Days

e. During the **past 30 days**, on **how many days** did you use **HEROIN** (opiates, etc.)?

0 Days 1-2 Days 3-5 Days 6-9 Days 10-19 Days 20-29 Days All 30 Days

f. During the **past 30 days**, on **how many days** did you use **STEROIDS**?

0 Days 1-2 Days 3-5 Days 6-9 Days 10-19 Days 20-29 Days All 30 Days

g. During the **past 30 days**, on **how many days** did you use **ECSTASY** (MDMA, Molly)?

0 Days 1-2 Days 3-5 Days 6-9 Days 10-19 Days 20-29 Days All 30 Days

The next questions ask about how easy or difficult it is for you to access alcohol, prescription drugs, cigarettes, vaping devices, and marijuana. Remember, your answers are anonymous.

16. How easy is it to get...	Don't Know	Very Difficult	Fairly Difficult	Fairly Easy	Very Easy
a. Alcohol (beer, coolers, liquor, etc.)?	<input type="radio"/>				
b. Tobacco products (cigarettes, dip, etc.)?	<input type="radio"/>				
c. Vaping devices (juuls, vape pens, e-cigarettes)?	<input type="radio"/>				
d. Marijuana (e.g., pot, hash, edibles)?	<input type="radio"/>				
e. Prescription drugs not prescribed to you?	<input type="radio"/>				

17. During the past 30 days, if you used alcohol, in which ways (if any) did you get alcohol? (Mark ALL that apply.)

- | | |
|---|--|
| <input type="checkbox"/> I got it at a party | <input type="checkbox"/> I bought it (e.g., restaurant, bar, event, store) |
| <input type="checkbox"/> I got it from a sibling or friend (under 21) | <input type="checkbox"/> I bought it through the internet or social media |
| <input type="checkbox"/> I got it from an older sibling or friend (over 21) | <input type="checkbox"/> I took it from someone without permission |
| <input type="checkbox"/> I got it from my parents <u>with</u> permission | <input type="checkbox"/> I stole it from a store |
| <input type="checkbox"/> I gave someone money to buy it for me | <input type="checkbox"/> I got it some other way |

18. If you bought or tried to buy alcohol yourself during the past 30 days, were you ever asked to show proof of age?

- I did not try to buy alcohol during the past 30 days
 No, I was not asked to show proof of age
 Yes, I was asked to show proof of age

19. During the past 30 days, if you used prescription drugs to get high, how did you get the drugs? (Mark ALL that apply.)

- | | |
|---|---|
| <input type="checkbox"/> I got them at a party | <input type="checkbox"/> I bought them from a friend, relative, or someone I know |
| <input type="checkbox"/> I got them from a friend, relative, or someone I know for free | <input type="checkbox"/> I bought them through the internet/social media |
| <input type="checkbox"/> I got a prescription from one doctor | <input type="checkbox"/> I took them from someone without asking |
| <input type="checkbox"/> I got a prescription from more than one doctor | <input type="checkbox"/> I got them some other way |

20. During the past 30 days, if you used marijuana/THC (through smoking, vaping, edibles, Delta-8, or any other way), how did you get it? (Mark ALL that apply.)

- | | |
|---|--|
| <input type="checkbox"/> I got it at a party | <input type="checkbox"/> I bought it through the internet/social media |
| <input type="checkbox"/> I got it from a sibling or friend | <input type="checkbox"/> I took it from someone without permission |
| <input type="checkbox"/> I gave someone money to buy it for me | <input type="checkbox"/> I stole it from a store/shop |
| <input type="checkbox"/> I bought it (e.g., in a store, shop, etc.) | <input type="checkbox"/> I got it some other way |

21. During the past 30 days, if you vaped, how did you get your vaping device and substances? (Mark ALL that apply.)

- | | |
|--|--|
| <input type="checkbox"/> I got them at a party | <input type="checkbox"/> I bought them through the internet/social media |
| <input type="checkbox"/> I got them from a sibling or friend | <input type="checkbox"/> I stole them from a store/shop |
| <input type="checkbox"/> I gave someone money to buy them for me | <input type="checkbox"/> I got them some other way |
| <input type="checkbox"/> I bought them in a store (e.g., vape shop, kiosk, etc.) | |

The next questions are about vehicle safety and driving while impaired.

22. Have you ever ridden in a car driven by someone who...

a. Was intoxicated by alcohol or drugs? No Yes Not sure

b. Was taking or was under the influence of prescription drugs? No Yes Not sure

23. During the past 30 days, how many times did you ride in a car or other vehicle driven by someone who...

a. Was intoxicated by alcohol or drugs? 0 times 1 time 2 or 3 times 4 or 5 times 6 or more times

b. Was taking or was under the influence of prescription drugs? 0 times 1 time 2 or 3 times 4 or 5 times 6 or more times

The next questions are about life experiences of your friends. In cases where they have NO experience at all, please mark "None".

24. Think of your four best friends (the friends you feel closest to). In the past year (12 months), how many, if any, of your friends have...	None	One	Two	Three	Four or more
a. Had one or more drinks of an alcoholic beverage?	<input type="radio"/>				
b. Had 5 or more drinks on the same occasion?	<input type="radio"/>				
c. Used prescription drugs not prescribed to them?	<input type="radio"/>				
d. Smoked part or all of a cigarette?	<input type="radio"/>				
e. Used a vaping device with nicotine?	<input type="radio"/>				
f. Used a vaping device with marijuana?	<input type="radio"/>				
g. Used marijuana or hashish some other way?	<input type="radio"/>				

The next questions ask about your parents' and friends' attitudes toward certain behaviors. By parents, we mean your biological parents, adoptive parents, stepparents, or adult guardians, whether or not they live with you.

25. How wrong do your <u>parents</u> feel it would be for <u>you</u> to...	Very Wrong	Wrong	A little bit wrong	Not at all wrong
a. Drink alcohol?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b. Have one or two drinks of an alcoholic beverage nearly every day?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c. Smoke tobacco?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d. Use a vaping device with nicotine?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
e. Use a vaping device with marijuana?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
f. Smoke marijuana?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
g. Use prescription drugs not prescribed to you?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

26. How wrong do your <u>friends</u> feel it would be for <u>you</u> to...	Very Wrong	Wrong	A little bit wrong	Not at all wrong
a. Drink alcohol?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b. Have one or two drinks of an alcoholic beverage nearly every day?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c. Smoke tobacco?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d. Use a vaping device with nicotine?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
e. Use a vaping device with marijuana?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
f. Smoke marijuana?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
g. Use prescription drugs not prescribed to you?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

The next questions are about your feelings and attitudes toward tobacco, alcohol, and other drug use.

27. How wrong do <u>you</u> think it is for <u>someone your age</u> to...	Very Wrong	Wrong	A little bit wrong	Not at all wrong
a. Drink alcohol?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b. Have one or two drinks of an alcoholic beverage nearly every day?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c. Smoke tobacco?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d. Use a vaping device with nicotine?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
e. Use a vaping device with marijuana?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
f. Use marijuana (some other way)?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
g. Use prescription drugs not prescribed to them?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
28. How much do <u>you</u> think people <u>risk harming themselves physically or in other ways</u> if they...	No Risk	Slight Risk	Moderate Risk	Great Risk
a. Drink alcohol?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b. Have five or more drinks of an alcoholic beverage (beer, wine, liquor) once or twice a week?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c. Smoke one or more packs of cigarettes a day?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d. Use a vaping device with nicotine?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
e. Use a vaping device with marijuana?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
f. Try marijuana once or twice?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
g. Smoke marijuana once or twice a week?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
h. Use prescription drugs that are not prescribed to them?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

The next questions asks about how you've been feeling the last 30 days and whether you've ever had thoughts about suicide.

29. Thinking about the past 30 days, about how often have you felt...	All of the time	Most of the time	Some of the time	A little of the time	None of the time
a. nervous?	<input type="radio"/>				
b. hopeless?	<input type="radio"/>				
c. restless or fidgety?	<input type="radio"/>				
d. so depressed that nothing could cheer you up?	<input type="radio"/>				
e. that everything was an effort?	<input type="radio"/>				
f. worthless?	<input type="radio"/>				

30. In the past 12 months, did you ever seriously consider attempting suicide?

Yes No Prefer not to state

31. In the past 12 months, did you make a plan about how you would attempt suicide?

Yes No Prefer not to state

If you are experiencing a mental health emergency, call now. **Help is available 24 hours a day, 7 days a week.**

Tennessee Crisis Services & Suicide Prevention HOTLINE

Call 855-CRISIS-1 (855-274-7471) or Text "TN" to 741-741

National Suicide Prevention LIFELINE

Call or Text 988 or www.suicidepreventionlifeline.org

These final questions ask about your communication with parents about the use of alcohol, tobacco, and other drugs and about information you may hear about the dangers of substance use. By parents, we mean your adult guardians, whether or not they live with you.

32. During the past 12 months, have you talked with at least one of your parents about the dangers of tobacco, alcohol, or drug use?

No Yes Yes, more than once

33. During the past 12 months, have you talked with at least one of your parents about the dangers of vaping?

No Yes Yes, more than once

34. During the past 12 months, have you talked with at least one of your parents about the dangers of using prescription drugs not prescribed to you?

No Yes Yes, more than once

35. During the past 12 months, do you recall hearing, reading, or watching an advertisement about the dangers of using prescription drugs not prescribed to you?

No Yes Yes, more than once

36. During the past 12 months, do you recall seeing anything online or on social media encouraging underage drinking, vaping, marijuana, or other drug use?

No Yes Yes, more than once

Thank you very much for your participation!

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