ELIZABETHTON CITY SCHOOLS BOARD OF EDUCATION
REGULAR SCHEDULED MEETING

Thursday, December 18, 2025, @ 5:30 PM

Board Members

Eddie Pless | Phil Isaacs | Dr. Bob Lewis| Josh Smith | Jamie Schaff
Helen Hackett (Student Liaison)

The Elizabethton Board of Education will meet on Thursday, December 18, 2025, at 5:30 PM in the Mack Pierce Board Room, 804 South Watauga Ave , Elizabethton, TN 37643.

1. **CALL TO ORDER**
2. **MOMENT OF SILENCE**
3. **PLEDGE TO THE FLAG**
4. **APPROVE CONSENT AGENDA AND REGULAR AGENDA**
5. **TIME FOR CITIZENS TO SPEAK**
6. **SPECIAL RECOGNITION:**
   ECS Elementary Cross Country Team
   TAD Football Teams and Cross Country Teams
   EHS Cross Country Teams, CSI Team, Girls Soccer Team
   EHS-Skills USA Construction Contest

7. **CONSENT AGENDA**
   A. Minutes of Regular Meeting: Date: November 20, 2025
   B. Approve General Purpose Fund Financial Statement, Date: November 2025
   C. Approve Federal Projects Fund Financial Statement, Date: November 2025
   D. Approve School Nutrition Fund Financial Statement, Date: November 2025
   E. Approve Audit reports for Fiscal Year ending June 30, 2025.
   F. Approve changes to Checking Accounts and Request for Resolution at Citizens Bank.
   G. Approve the opening of a retainage/escrow account with FieldTurf USA, Inc.
   H. Approve request for Property/Equipment Sale/Disposal.
8. **REPORT - DIRECTOR OF SCHOOLS/BOARD MEMBERS**
   A. Personnel Report

      NEW HIRES:

      Faith Brazil- Substitute Teacher, eff. 11/20/2025
      Michelle Brooks- Systemwide Cafeteria Personnel, eff. 11/4/2025
      Delvonte Dixon- Substitute Teacher, eff. 11/19/2025

Savannah Yankee-Substitute Teacher, eff. 11/12/2025
Andrew Barnett- Asst. Boys' Basketball Coach @ TAD, eff. 11/20/2025
Tyler Williams- Finance Director, eff. 12/1/2025
Daniel Burleson- Substitute Teacher, eff. 12/1/2025
Constance Ferguson- Substitute Teacher, eff. 12/1/2025
Elizabeth Tucker- Interim Educational Assistant @ EHS, eff. 12/5/2025
Cathy Blevins- Substitute Cook & Custodian-systemwide, eff. 12/11/2025
Kaylie Melville- Substitute Teacher, eff. 12/9/2025
ADDITIONAL POSITION:
Angelia Hathaway- ESP Student Leader, eff. 11/12/2025
TRANSFERS:
Sara Perry-FT cook to Substitute Cook, eff. 12/1/2025
Andrew Andes- PT Instructional Assistant to FT Instructional Assistant @ ESE eff. 12/1/2025
Amanda Woodby- Substitute teacher to PT Educational Assistant @ HME, eff. 11/21/2025
Aundria Sartin- PT Educational Assistant to FT Computer lab @ HME, eff. 11/3/2025
Charles Bradford- Interim Custodian to permanent custodian @ EHS, eff. 11/21/2025
RESIGNATIONS:
Erika Heaton- Educational Assistant @ TAD, eff. 11/17/2025
Cassie Minton- Asst. Softball Coach @ TAD. eff. 11/17/2025
Isabel Swearingin-Spanish Teacher @ EHS. eff. 12/22/2025
James T Rice- SPED Assistant @ EHS. eff. 11/17/2025
Jennifer Hanson- Asst. Softball Coach. eff. 11/6/2025
Carmen Chimeno- ESP Student Leader, eff. 12/19/2025
Tonia White- ESP Student Leader, eff. 12/1/2025
Malarie Guinn- Secretary @ WELC, eff. 12/15/2025
TERMINATIONS:
Christopher Rhodes- Custodian @ EHS, eff. 11/21/2025
LEAVE OF ABSENCE:
Tyanna Hitechew- Educational Assistant @ TAD, eff. 12/1/2025-2/28/2026

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

9. **REGULAR AGENDA**

A. Approve the following teachers being recommended for Tenure:
ESE: Hannah Starkey
Casey Waters
HME: Macy Finger
Rebekah Hornyak

Kendra Killion
TAD: William Dugger
EHS: Jerry Agan
Timothy Blevins
Gary Harrison

10. **FOR YOUR INFORMATION**
11. **NEXT REGULARLY SCHEDULED BOARD MEETING**

    The next regularly scheduled Board Meeting will be held on Thursday, January 19, 2026 at 5:30pm in the Mack Pierce Board Room of the Elizabethton Board of Education, located at 804 S. Watauga Avenue, Elizabethton, TN.
12. **ADJOURN**

ELIZABETHTON CITY SCHOOLS BOARD OF EDUCATION
REGULAR SCHEDULED MEETING
Thursday, November 20, 2025 5:30 PM
Mack Pierce Board Room

The Elizabethton Board of Education met in a regular meeting on Thursday, November 20, 2025, at 5:30 PM, at Mack Pierce Board Room.

Attendance Taken at 5:26 PM.

Phil Isaacs:	Present
Bob Lewis:	Present
Eddie Pless:	Present
Jamie Schaff:	Present
Josh Smith:	Present

1. CALL TO ORDER
2. MOMENT OF SILENCE
3. PLEDGE TO THE FLAG
4. APPROVE CONSENT AGENDA AND REGULAR AGENDA
   Motion was made by Jamie Schaff, second by Bob Lewis to approve the Consent and Regular Agendas. Motion carried.

Phil Isaacs:	aye
Bob Lewis:	aye
Eddie Pless:	aye
Jamie Schaff:	aye
Josh Smith:	aye

   aye: 5, nay: 0
5. TIME FOR CITIZENS TO SPEAK
   No citizens ask to appear before the Board.
6. <u>SPECIAL RECOGNITION</u>

A. Hannah Daniels, artist for the 2025 Christmas Card.

Mrs Turbyfill, who has Hannah in class, stated that she approached Hannah and asked her if she would draw something for our systemwide Christmas card. Hannah is very talented, and she also performs in many dramas and plays. She created the card and we are very pleased that she was chosen as the winner. Hannah plans to attend SCAD and pursue Arts and Drama Education. Tonight, we celebrate more than just an artist but also a future educator. We are very proud of Hannah.

B. Elizabethton High School Betsy Band for their 2025 State Championship, their fourth year in a row.

Mr. VanHuss welcomed the State Champion Betsy Band. Mr. Valentine thanked everyone for their support of the band and the fantastic year that they had. This was the band's 4th consecutive championship. They began the year in Enca, NC finishing 4th place. They placed 4th in the competition at James F Burns in South Carolina. They competed in the BOA Regional competition and placed 3rd in class and 12th overall. The school was also able to host a band competition this year at the high school, which was great.

The final competition was the State Championship at Stewart's Creek. The preliminary event was great, but the evening performance was wet, cold, and miserable, but our students responded and had one of their best performances. It was spectacular, and we came home as State Champions. This senior class has gone undefeated during their 4 years of band. We are very proud of all of them.

7. CONSENT AGENDA

A. Minutes of Regular Meeting: Date: October 16, 2025

B. Approve General Purpose Fund Financial Statement, Date October 2025

C. Approve General Purpose Budget Amendment for 2025-2026 school year.

D. Approve Federal Projects Fund Financial Statement, Date: October 2025

E. Approve School Nutrition Fund Financial Statement, Date: October 2025

F. Approve 2nd reading of board policies:
   5.500 Discrimination / Harassment of Employees
   6.3041 Title IX & Sexual Harassment
G. Approve agreement with ETSU and Elizabethton City Schools for the Golden Opportunity Program to provide Extended School Program (ESP) tutors for the 2025-2026 school year.
H. Approve Business Associate Agreement and Consulting Agreement between Elizabethton City Schools and Gallagher Benefit Services.
I. Approve State Recognized Partnership Agreement between East Tennessee State University and Elizabethon City Schools for the 2025-2026 SY.
J. Approve State Recognized Partnership Agreement between Elizabethton City Schools and the University of Tennessee for the 2025-2026 SY.
K. Approve for Elizabeth Bennett, a doctoral candidate in the Educational Leadership Program at Milligan University to conduct her dissertation study with Elizabethon City Schools.
L. Approve Request for Property/Equipment Sale/Disposal.

8. <u>REPORT - DIRECTOR OF SCHOOLS/BOARD MEMBERS</u>
A. Personnel Report
   NEW HIRES:
B. Director's Update
   Mr. VanHuss thanked the system for allowing him and the board members to attend the TSBA Annual Convention. We had 100% board participation for the first time in several years. It was a great convention, and we heard many excellent presentations.
   There is a copy of the Ballad Health Academy report regarding the nursing program. It is very beneficial and informative.
   The Tennessee Association of Secondary Principal of the Year was awarded to Dr. Jon Minton. He was the East Grand Division and State Winner. He can compete for the National Secondary Principal of the Year Award. We are very proud of Dr. Minton.
   The ribbon-cutting ceremony for the Dave Rider Center for Athletic

Performance is scheduled for tomorrow at 1:00 p.m. It should be a great time. The students are already using it. This facility will enable students and teachers to spend more time with their families at home.

C. Board Member Reports

Mr. Pless commented that overall, this was the best collective group of speakers they have had in some time. It was hard to choose which sessions to attend.

Dr. Lewis stated that he really enjoyed the Delegate Assembly and seeing how it works. There were many opinions, and it was very interesting.

Mr. Smith stated that all the information and the challenges. He did say that Elizabethton City Schools were repeatatively called out, especially the high school and Mr. VanHuss. It was wonderful to hear our school system continually being praised and used as a positive example.

D. City Council Liaison's Report

Mr Simerly thanked the Board for what they do. He also reminded everyone that the Council has volunteer hours for students through Carter Compassion Center. This is a good way to get volunteer hours and to help students understand that other people need help. Mr Simerly also wanted to let us know that one of our students is working on a project for the Tweetsie Trail to help beautify the Trail. If anyone is interested, they are welcome to contact Carter Compassion or me.

E. Student Liaison's Report

9. REGULAR AGENDA

A. Approve the 2026-2027 School year calendar.

Motion was made by Phil Isaacs, second by Bob Lewis To approve the 2026-2027 School year calendar. Motion carried.

Phil Isaacs:	aye
Bob Lewis:	aye
Eddie Pless:	aye
Jamie Schaff:	aye

Josh Smith: aye

aye: 5, nay: 0

Mr. VanHuss stated that the calendar committee is comprised of 2 representatives from each school, as well as Mr. Thompson. The committee tries to work 2 years ahead. He also noted that there was only one change and it was a professional development date that was changed. The committee tries to take everything possible into consideration, and to keep each year as similar as we can. .

B. Approve waiver of policies for Harbor Freight Tools for Schools grant award to teacher.

Motion was made by Jamie Schaff, second by Bob Lewis To approve waiver of policies for Harbor Freight Tools for Schools grant award to teacher. Motion carried.

Phil Isaacs: aye

Bob Lewis: aye

Eddie Pless: aye

Jamie Schaff: aye

Josh Smith: aye

aye: 5, nay: 0

Last month, Mr. Agan wrote a proposal to Harbor Freight Tools for Schools. Part of the grant was that the teacher receive a certain amount of the grant money. Since Mr. Agan took responsibility for writing the grant, we feel like he should be allowed to receive the money. We are asking that you allow us to suspend board policies 5.110 Compensation Guides and Contracts and 5.605 Staff Gifts and Solicitations. By suspending these on a one-time basis that will allow us to meet the dispersement of this grant. It will just be suspended for this particular situation.

10. FOR YOUR INFORMATION

11. NEXT REGULARLY SCHEDULED BOARD MEETING

The next regularly scheduled Board Meeting will be held on Thursday, December 18, 2025 at 5:30pm in the Mack Pierce Board Room of the

Elizabethton Board of Education, located at 804 S. Watauga Avenue, Elizabethton, TN.

12. ADJOURN

Motion was made by Jamie Schaff Motion to Adjourn Motion carried.

Phil Isaacs:	aye
Bob Lewis:	aye
Eddie Pless:	aye
Jamie Schaff:	aye
Josh Smith:	aye

aye: 5, nay: 0

Chairman of the Board

Director of Schools

		Acct	2025-26 Original Budget	2025-26 Revised Budget	2025-26 FYTD Activity	2025-26 FYTD %	Unencumbered Balance - YTD Act	November 2025-26 Monthly Activity
141 R 40110	000	CURRENT PROPERTY TAX	3,700,000.00	3,700,000.00	0.00	0.00	3,700,000.00	0.00
141 R 40120	000	TRUSTEE'S COLLECTIONS - PRIOR	100,000.00	100,000.00	6,086.87	6.09	93,913.13	0.00
141 R 40130	000	CIR CLK/CLK & MASTER COLLECTIO	26,000.00	26,000.00	3,128.04	12.03	22,871.96	0.00
141 R 40140	000	INTEREST AND PENALTY	28,000.00	28,000.00	2,682.20	9.58	25,317.80	0.00
141 R 40162	000	PAYMENTS IN LIEU OF TAXES-LOCA	61,000.00	61,000.00	0.00	0.00	61,000.00	0.00
141 R 40163	000	PAYMENTS IN LIEU OF TAXES - OT	2,000.00	2,000.00	0.00	0.00	2,000.00	0.00
141 R 40210	000	LOCAL OPTION SALES TAX	4,300,000.00	4,300,000.00	364,902.53	8.49	3,935,097.47	0.00
141 R 40275	000	MIXED DRINK TAX	25,000.00	25,000.00	11,349.94	45.40	13,650.06	2,499.75
141 R 40320	000	BANK EXCISE TAX	39,000.00	39,000.00	0.00	0.00	39,000.00	0.00
141 R 41110	000	MARRIAGE LICENSES	650.00	650.00	172.96	26.61	477.04	0.00
141 R 43511	000	TUITION - REGULAR DAY STUDENTS	385,000.00	385,000.00	63,541.29	16.50	321,458.71	200.00
141 R 43513	000	TUITION - SUMMER SCHOOL	750.00	750.00	0.00	0.00	750.00	0.00
141 R 43517	000	TUITION - OTHER	268,375.00	268,375.00	92,308.57	34.40	176,066.43	14,138.45
141 R 44110	000	INVESTMENT INCOME	130,000.00	130,000.00	24,548.60	18.88	105,451.40	3,028.05
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	10,367.64	0.00	-10,367.64	-175.12
141 R 44990	000	OTHER LOCAL REVENUES	1,000.00	108,800.00	25,000.00	22.98	83,800.00	0.00
141 R 46510	000	TISA STATE FUNDING	20,601,732.00	20,601,732.00	8,091,199.40	39.27	12,510,532.60	2,022,799.85
141 R 46513	000	TISA OBP	90,000.00	90,000.00	0.00	0.00	90,000.00	0.00
141 R 46515	000	EARLY CHILDHOOD EDUCATION	487,721.00	469,682.18	126,521.11	26.94	343,161.07	39,209.01
141 R 46550	000	DRIVER EDUCATION	8,500.00	8,500.00	0.00	0.00	8,500.00	0.00
141 R 46590	000	OTHER STATE EDUCATION FUNDS	313,362.00	804,743.00	491,380.80	61.06	313,362.20	0.00
141 R 46596	000	TN PPL	50,000.00	50,000.00	0.00	0.00	50,000.00	0.00
141 R 46610	000	CAREER LADDER PROGRAM	7,374.00	7,374.00	6,173.83	83.72	1,200.17	0.00
141 R 46790	000	OTHER VOCATIONAL	317,497.00	423,717.42	87,389.52	20.62	336,327.90	87,389.52
141 R 46980	000	OTHER STATE GRANTS	0.00	52,833.31	0.00	0.00	52,833.31	0.00
141 R 46990	000	OTHER STATE REVENUES	113,000.00	113,000.00	0.00	0.00	113,000.00	0.00
141 R 47590	000	OTHER FEDERAL THROUGH STATE	53,046.00	53,046.00	0.00	0.00	53,046.00	0.00
141 R 48610	000	DONATIONS	26,400.00	436,700.00	410,062.87	93.90	26,637.13	404,500.00
141 R 49810	000	CITY GENERAL FUND TRANSFER	2,525,000.00	3,275,000.00	1,052,083.30	32.12	2,222,916.70	210,416.66
Grand Revenue Totals			33,661,407.00	35,561,902.91	10,868,899.47	30.56	24,693,003.44	2,784,006.17

Number of Accounts: 50

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

	Acct	2025-26 Original Budget	2025-26 Revised Budget	2025-26 FYTD Activity	2025-26 FYTD %	Unencumbered Balance - YTD Act	November 2025-26 Monthly Activity
141 E 71100 --- --- ----- ---	REGULAR INSTRUCTION PROGRAM	15,016,698.00	15,401,869.00	4,416,590.48	28.68	10,972,228.52	1,173,693.14
141 E 71200 --- --- ----- ---	SPECIAL EDUCATION PROGRAM	2,923,270.00	2,975,632.74	798,367.25	26.83	2,177,115.49	258,104.80
141 E 71300 --- --- ----- ---	VOCATIONAL EDUCATION PROGRAM	1,774,265.00	1,971,068.05	538,886.68	27.34	1,302,680.99	173,106.43
141 E 71400 --- --- ----- ---	STUDENT BODY EDUCATION PROGRAM	519,585.00	602,987.00	368,836.26	61.17	233,735.74	183,057.92
141 E 72110 --- --- ----- ---	ATTENDANCE	122,100.00	122,702.00	58,485.33	47.66	64,216.67	6,477.14
141 E 72120 --- --- ----- ---	HEALTH SERVICES	479,851.00	495,431.00	133,180.18	26.88	358,523.92	39,635.43
141 E 72130 --- --- ----- ---	OTHER STUDENT SUPPORT	1,326,061.00	1,232,796.00	364,316.03	29.55	845,441.76	86,941.69
141 E 72210 --- --- ----- ---	REGULAR INSTRUCTION PROGRAM	1,353,055.00	1,379,705.00	519,809.12	37.68	852,340.68	92,624.36
141 E 72220 --- --- ----- ---	SPECIAL EDUCATION PROGRAM	470,390.00	499,408.00	155,125.95	31.06	338,357.05	36,938.01
141 E 72230 --- --- ----- ---	VOCATIONAL EDUCATION PROGRAM	196,030.00	198,900.00	76,152.32	38.29	122,747.68	15,837.30
141 E 72250 --- --- ----- ---	TECHNOLOGY	1,013,615.00	1,023,030.00	473,923.58	46.33	525,641.87	78,099.15
141 E 72310 --- --- ----- ---	BOARD OF EDUCATION	624,380.00	634,790.00	411,668.39	64.85	218,846.00	23,042.29
141 E 72320 --- --- ----- ---	OFFICE OF THE SUPERINTENDENT	451,350.00	454,825.00	185,380.12	40.76	250,865.50	30,246.21
141 E 72410 --- --- ----- ---	OFFICE OF THE PRINCIPAL	2,063,970.00	2,094,705.00	764,794.01	36.51	1,329,910.99	161,972.10
141 E 72510 --- --- ----- ---	FISCAL SERVICES	454,665.00	488,075.00	205,347.01	42.07	280,123.83	33,641.61
141 E 72610 --- --- ----- ---	OPERATION OF PLANT	2,149,141.00	2,180,751.00	997,022.22	45.72	1,177,671.39	164,740.39
141 E 72620 --- --- ----- ---	MAINTENANCE OF PLANT	1,261,225.00	1,362,823.31	559,829.35	41.08	569,878.04	92,725.29
141 E 72710 --- --- ----- ---	TRANSPORTATION	727,000.00	966,295.00	245,529.34	25.41	683,345.95	43,682.07
141 E 73100 --- --- ----- ---	FOOD SERVICE	38,660.00	71,440.00	46,714.82	65.39	24,725.18	2,782.91
141 E 73300 --- --- ----- ---	COMMUNITY SERVICES	268,375.00	274,810.00	95,179.84	34.63	175,639.64	8,177.36
141 E 73400 --- --- ----- ---	EARLY CHILDHOOD EDUCATION	427,721.00	412,360.44	110,257.84	26.74	302,102.60	33,856.38
141 E 76100 --- --- ----- ---	REGULAR CAPITAL OUTLAY	0.00	2,440,000.00	2,027,779.13	83.11	-285,880.57	2,500.00
Grand Expense Totals		33,661,407.00	37,284,403.54	13,553,175.25	36.35	22,520,258.92	2,741,881.98

Number of Accounts: 766

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

		Acct	2025-26 Original Budget	2025-26 Revised Budget	2025-26 FYTD Activity	2025-26 FYTD %	Unencumbered Balance - YTD Act	November 2025-26 Monthly Activity
142 R 47141	0CA	TITLE 1 GRANTS TO LOCAL EDUC A	0.00	0.00	21,968.41	0.00	-21,968.41	6,610.22
142 R 47189	0CA	EISENHOWER PROF DEVELOPMENT ST	0.00	0.00	3,060.35	0.00	-3,060.35	920.84
142 R 47131	0CP	VOCATIONAL EDUC - BASIC GRANTS	41,276.01	41,276.01	22,811.52	55.27	18,464.49	13,522.37
142 R 47143	0ID	SPECIAL EDUCATION - GRANTS TO	0.00	0.00	181,812.04	0.00	-181,812.04	63,249.82
142 R 47145	0PS	SPECIAL EDUCATION PRESCHOOL GR	0.00	0.00	4,577.82	0.00	-4,577.82	1,525.94
142 R 47141	0T1	TITLE 1 GRANTS TO LOCAL EDUC A	0.00	0.00	155,889.16	0.00	-155,889.16	51,778.63
142 R 47590	0T1	OTHER FEDERAL THROUGH STATE	0.00	0.00	14,504.62	0.00	-14,504.62	4,817.71
142 R 47189	0T2	EISENHOWER PROF DEVELOPMENT ST	0.00	0.00	39,025.20	0.00	-39,025.20	5,919.58
142 R 47147	21C	SAFE AND DRUG-FREE SCHOOLS-ST	110,058.75	110,058.75	36,279.04	32.96	73,779.71	13,086.22
142 R 47141	T1N	TITLE 1 GRANTS TO LOCAL EDUC A	0.00	0.00	5,464.00	0.00	-5,464.00	2,107.00
Grand Revenue Totals			151,334.76	151,334.76	485,392.16	320.74	-334,057.40	163,538.33

Number of Accounts: 10

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

	Acct	2025-26 Original Budget	2025-26 Revised Budget	2025-26 FYTD Activity	2025-26 FYTD %	Unencumbered Balance - YTD Act	November 2025-26 Monthly Activity
142 E 71100 --- --- ----- ---	REGULAR INSTRUCTION PROGRAM	0.00	0.00	148,648.38	0.00	-155,532.03	47,603.46
142 E 71200 --- --- ----- ---	SPECIAL EDUCATION PROGRAM	0.00	0.00	186,389.86	0.00	-186,389.86	64,571.28
142 E 71300 --- --- ----- ---	VOCATIONAL EDUCATION PROGRAM	9,500.00	9,500.00	5,755.87	60.59	3,744.13	0.00
142 E 72130 --- --- ----- ---	OTHER STUDENT SUPPORT	29,701.01	29,701.01	28,145.81	94.76	-16,307.17	11,817.84
142 E 72210 --- --- ----- ---	REGULAR INSTRUCTION PROGRAM	0.00	0.00	90,222.72	0.00	-103,558.07	20,200.32
142 E 72230 --- --- ----- ---	VOCATIONAL EDUCATION PROGRAM	2,075.00	2,075.00	880.08	42.41	-305.08	0.00
142 E 73300 --- --- ----- ---	COMMUNITY SERVICES	110,058.75	110,058.75	41,560.52	37.76	68,498.23	13,788.55
Grand Expense Totals		151,334.76	151,334.76	501,603.24	331.45	-389,849.85	157,981.45

Number of Accounts: 75

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

		Acct	2025-26 Original Budget	2025-26 Revised Budget	2025-26 FYTD Activity	2025-26 FYTD %	Unencumbered Balance - YTD Act	November 2025-26 Monthly Activity
143 R 43522	000	LUNCH PAYMENTS - ADULTS	25,000.00	25,000.00	4,459.15	17.84	20,540.85	1,749.00
143 R 43525	000	A LA CARTE SALES	60,000.00	60,000.00	15,531.48	25.89	44,468.52	3,458.46
143 R 43990	000	OTHER CHARGES FOR SERVICES	12,500.00	12,500.00	2,170.65	17.37	10,329.35	0.00
143 R 44110	000	INVESTMENT INCOME	40,000.00	40,000.00	8,605.54	21.51	31,394.46	1,761.16
143 R 46520	000	SCHOOL FOOD SERVICE	11,000.00	11,000.00	0.00	0.00	11,000.00	0.00
143 R 47111	000	USDA SCHOOL LUNCH PROGRAM	820,000.00	820,000.00	272,978.39	33.29	547,021.61	64,741.07
143 R 47112	000	USDA COMMODITIES	93,500.00	93,500.00	15,406.25	16.48	78,093.75	0.00
143 R 47113	000	USDA BREAKFAST	475,000.00	475,000.00	161,414.64	33.98	313,585.36	38,121.80
143 R 47114	000	USDA - ESP SNACK PROGRAM	25,000.00	25,000.00	5,857.74	23.43	19,142.26	1,275.12
Grand Revenue Totals			1,562,000.00	1,562,000.00	486,423.84	31.14	1,075,576.16	111,106.61

Number of Accounts: 34

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

	Acct	2025-26 Original Budget	2025-26 Revised Budget	2025-26 FYTD Activity	2025-26 FYTD %	Unencumbered Balance - YTD Act	November 2025-26 Monthly Activity
143 E 73100 --- --- ----- ---	FOOD SERVICE	1,562,000.00	1,562,000.00	616,759.08	39.49	945,240.92	146,848.94
Grand Expense Totals		1,562,000.00	1,562,000.00	616,759.08	39.49	945,240.92	146,848.94

Number of Accounts: 79

************************ 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, 2025

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, 2025

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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Central Office

Director of Schools	Richard VanHuss
Board of Education - as of June 30, 2025	
	Eddie Pless, Chair
	Jamie Bass Schaff
	Phil Isaacs
	Dr. Robert Lewis
	Josh Smith
Director of Finance	Beth Wilson, MBA

SECTION II

FINANCIAL SECTION

BLACKBURN, CHILDERS
& STEAGALL, PLC

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of Elizabethton, Tennessee Board of Education's Internal School Funds (the Internal School Funds), which comprise the combined and individual school balance sheets – regulatory basis, as of June 30, 2025, and the related combined and individual school statements of revenues, expenditures and changes in fund balances – regulatory basis for the fiscal year then ended, and the related notes to the financial statements.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying combined and individual school financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balances of the Internal School Funds as of June 30, 2025, and the related revenues, expenditures and changes in fund balances for the fiscal year then ended, in accordance with the financial reporting provisions of the *Internal School Funds 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 the Internal School Funds as of June 30, 2025, or the changes in financial position for the fiscal 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*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 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 the Internal School Funds on the basis of the financial reporting provisions of the *Internal School Funds 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 *Internal School Funds Manual*, as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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.

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 the 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 the 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 opinions on the combined and individual school financial statements – regulatory basis that collectively comprise the Internal School Funds' basic financial statements. The supplementary schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements – regulatory basis. As described in Note 1 of the financial statements, the supplementary schedules, as listed in the table of contents, are prepared by the Internal School Funds on the basis of the financial reporting provisions of the *Internal School Funds 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 schedules, as listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements – regulatory basis as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory section 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 2, 2025 on our consideration of the 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 the 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 the Internal School Funds' internal control over financial reporting and compliance.

Blackburn, Childers + Steagall, PLC

BLACKBURN, CHILDERS & STEAGALL, PLC
Johnson City, Tennessee

September 2, 2025

ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS – REGULATORY BASIS
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ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS
COMBINED BALANCE SHEET - REGULATORY BASIS - ALL SCHOOLS
June 30, 2025

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	$ 674,199	86,994	62,539	80,428	115,166	1,019,326
Cash in Bank - Savings	94,942	30,154	-	-	-	125,096
Cash in Bank - Bank CD	201,042	-	-	-	-	201,042
TOTAL ASSETS	$ 970,183	117,148	62,539	80,428	115,166	1,345,464
FUND BALANCES						
Restricted	$ 970,183	117,148	62,539	80,428	115,166	1,345,464
TOTAL FUND BALANCES	$ 970,183	117,148	62,539	80,428	115,166	1,345,464

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, 2025

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, 2024	$ 852,930	121,620	66,158	100,008	111,584	1,252,300
REVENUES	1,173,550	385,009	97,887	105,365	153,907	1,915,718
EXPENDITURES	1,056,297	389,481	101,506	124,945	150,325	1,822,554
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	117,253	(4,472)	(3,619)	(19,580)	3,582	93,164
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	27,795	4,190	4,222	5,977	38	42,222
Operating Transfers Out	(27,795)	(4,190)	(4,222)	(5,977)	(38)	(42,222)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	117,253	(4,472)	(3,619)	(19,580)	3,582	93,164
FUND BALANCES, JUNE 30, 2025	$ 970,183	117,148	62,539	80,428	115,166	1,345,464

The notes are an integral part of these financial statements.

ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
ELIZABETHTON HIGH SCHOOL
INTERNAL SCHOOL FUND
BALANCE SHEET - REGULATORY BASIS
June 30, 2025

EXHIBIT A

	ASSETS				LIABILITIES AND FUND BALANCES			
						Fund Balances		Total
	Cash in Bank - Checking	Cash in Bank - Savings	Cash in Bank - Bank CD	Total Assets	Accounts Payable	Restricted	Total Fund Balances	Liabilities and Fund Balances
General Fund	$ 170,169	41,608	-	211,777	-	211,777	211,777	211,777
Restricted Funds								
Board of Education Allocations								
TISA Instructional Supplies	8,440	-	-	8,440	-	8,440	8,440	8,440
Athletic Accounts								
Athletic A.V.T. Jenkins	734	-	-	734	-	734	734	734
Athletic Banners	2,225	-	-	2,225	-	2,225	2,225	2,225
Athletics	44,765	-	-	44,765	-	44,765	44,765	44,765
Bricks	1,155	-	-	1,155	-	1,155	1,155	1,155
Cheerleaders	263	-	-	263	-	263	263	263
Gym Video Board	20,127	-	-	20,127	-	20,127	20,127	20,127
Club Accounts								
Alliance Club	115	-	-	115	-	115	115	115
E-Sports	178	-	-	178	-	178	178	178
FBLA	2,380	-	-	2,380	-	2,380	2,380	2,380
FCA Club	709	-	-	709	-	709	709	709
FCA Club II	500	-	-	500	-	500	500	500
FCCLA Club	7,474	-	-	7,474	-	7,474	7,474	7,474
FFA Club	13,078	-	-	13,078	-	13,078	13,078	13,078
Fishing Club	65	-	-	65	-	65	65	65
French Club	31	-	-	31	-	31	31	31
FTA Club	312	-	-	312	-	312	312	312
H.O.S.A.	5,070	-	-	5,070	-	5,070	5,070	5,070
Key Club	167	-	-	167	-	167	167	167
Mountain Club	1,654	-	-	1,654	-	1,654	1,654	1,654
National Honor Society	1,215	-	-	1,215	-	1,215	1,215	1,215
RHO Kappa	150	-	-	150	-	150	150	150
ROTC	3,388	-	-	3,388	-	3,388	3,388	3,388
Spanish Club	395	-	-	395	-	395	395	395
Student Council	12,323	-	-	12,323	-	12,323	12,323	12,323
VICA - Criminal Justice	32	-	-	32	-	32	32	32
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, 2025

EXHIBIT A

	ASSETS				LIABILITIES AND FUND BALANCES			
						Fund Balances		Total
	Cash in Bank - Checking	Cash in Bank - Savings	Cash in Bank - Bank CD	Total Assets	Accounts Payable	Restricted	Total Fund Balances	Liabilities and Fund Balances
Restricted Funds (Continued)								
Grant Account								
Niswonger Mini Grant	859	-	-	859	-	859	859	859
Other Accounts								
Achievement Incentives	1,000	-	-	1,000	-	1,000	1,000	1,000
AP History Class	2	-	-	2	-	2	2	2
Auto Mechanics	666	-	-	666	-	666	666	666
Band	9,316	-	-	9,316	-	9,316	9,316	9,316
Band Colorguard	2,610	-	-	2,610	-	2,610	2,610	2,610
Band Uniform	714	-	-	714	-	714	714	714
Betsy Entrepreneurship	445	-	-	445	-	445	445	445
Building Improvements	857	-	-	857	-	857	857	857
Cadet Corp	17	-	-	17	-	17	17	17
Caring Clones	27	-	-	27	-	27	27	27
Carl's Pantry	70	-	-	70	-	70	70	70
C.D.C. Greenhouse	382	-	-	382	-	382	382	382
C.D.C. - Special Education	144	-	-	144	-	144	144	144
Chorus	531	-	-	531	-	531	531	531
Computer Hardware	635	-	-	635	-	635	635	635
Construction	8,288	-	-	8,288	-	8,288	8,288	8,288
Cyclone Print Shop Sp. Ed.	2,970	-	-	2,970	-	2,970	2,970	2,970
Dramatics	3,106	-	-	3,106	-	3,106	3,106	3,106
EHS Pageant	2,440	-	-	2,440	-	2,440	2,440	2,440
English Department	139	-	-	139	-	139	139	139
Environmental Science	650	-	-	650	-	650	650	650
Ethics Team	410	-	-	410	-	410	410	410
Flight Fund	761	-	-	761	-	761	761	761
Guidance Testing	1,691	-	-	1,691	-	1,691	1,691	1,691
Instruction and Equipment	424	-	-	424	-	424	424	424
Library Office	73	-	-	73	-	73	73	73
Ly. Honeycutt Field Trips	68	-	-	68	-	68	68	68
Math Department	65	-	-	65	-	65	65	65
N.E.T.S.P.A.	96	-	-	96	-	96	96	96
Newspaper	50	-	-	50	-	50	50	50
Physical Education	58	-	-	58	-	58	58	58
Powderpuff Football	208	-	-	208	-	208	208	208
Power Lifting	119	-	-	119	-	119	119	119
Ralph Lingerfelt Award	125	-	-	125	-	125	125	125

(Continued)

ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
ELIZABETHTON HIGH SCHOOL
INTERNAL SCHOOL FUND
BALANCE SHEET - REGULATORY BASIS
June 30, 2025

EXHIBIT A

	ASSETS				LIABILITIES AND FUND BALANCES			
						Fund Balances		Total
	Cash in Bank - Checking	Cash in Bank - Savings	Cash in Bank - Bank CD	Total Assets	Accounts Payable	Restricted	Total Fund Balances	Liabilities and Fund Balances
Restricted Funds (Continued)								
Other Accounts (Continued)								
Social Studies Department	130	-	-	130	-	130	130	130
Spring Prom	9,819	-	-	9,819	-	9,819	9,819	9,819
STEM	2,724	-	-	2,724	-	2,724	2,724	2,724
Teacher of the Year - Wal-Mart	78	-	-	78	-	78	78	78
Textbook - State	20	-	-	20	-	20	20	20
Top Gun Aviators Club	1,217	-	-	1,217	-	1,217	1,217	1,217
Transcripts	12,030	-	-	12,030	-	12,030	12,030	12,030
Transportation	672	-	-	672	-	672	672	672
Tuffy Con	547	-	-	547	-	547	547	547
Tuffy's Café	23,545	-	-	23,545	-	23,545	23,545	23,545
Vocational Department	578	-	-	578	-	578	578	578
VR Lab	129	-	-	129	-	129	129	129
Washington DC Trip	791	-	-	791	-	791	791	791
XQ	47,959	-	-	47,959	-	47,959	47,959	47,959
XQ - Other	481	-	-	481	-	481	481	481
XQ - Year 4	186	-	-	186	-	186	186	186
XQ - Year 5	31,614	-	-	31,614	-	31,614	31,614	31,614
XQ - 2025	66,141	-	-	66,141	-	66,141	66,141	66,141
Yearbook	17,641	-	-	17,641	-	17,641	17,641	17,641
Youth Risk	345	-	-	345	-	345	345	345
Scholarship Accounts								
A. H. Tipton Scholarship	-	3,178	-	3,178	-	3,178	3,178	3,178
Brad Hardie Aviation Scholarship	4,000	-	-	4,000	-	4,000	4,000	4,000
Class of 1957	58,821	-	-	58,821	-	58,821	58,821	58,821
Crockett-Montgomery Memorial Fund	-	-	18,338	18,338	-	18,338	18,338	18,338
Fred Wetzel Memorial Scholarship	1,000	-	-	1,000	-	1,000	1,000	1,000
Katherine Jones Scholarship	-	-	89,865	89,865	-	89,865	89,865	89,865
Katherine Jones Scholarship - Interest	912	-	-	912	-	912	912	912
Kenneth Jack Scholarship	-	-	92,839	92,839	-	92,839	92,839	92,839
Nancy Hunt Scholarship	-	4,817	-	4,817	-	4,817	4,817	4,817
Sam Greenwell Scholarship	1,665	-	-	1,665	-	1,665	1,665	1,665
Student Council Memorial Fund	-	953	-	953	-	953	953	953
Tanner Perkins Scholarship	25	-	-	25	-	25	25	25
Teacher Memorial Scholarship	52,847	44,386	-	97,233	-	97,233	97,233	97,233
Wanda K. Bass Scholarship	199	-	-	199	-	199	199	199
Total Restricted Funds	504,030	53,334	201,042	758,406	-	758,406	758,406	758,406
Total General and Restricted Funds	$ 674,199	94,942	201,042	970,183	-	970,183	970,183	970,183

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, 2025

EXHIBIT B

	Fund Balances July 1, 2024	Revenues	Expenditures	Other Financing Sources (Uses) Transfers In	Out	Fund Balances June 30, 2025
General Fund						
Gifts and Donations	$ -	1,679	-	-	-	-
Fines, Fees and Dues	-	1,364	-	-	-	-
Interest	-	30,367	-	-	-	-
Resale Items	-	4,351	-	-	-	-
Total General Fund	174,016	37,761	-	-	-	211,777
Restricted Funds						
Board of Education Allocations						
TISA Instructional Supplies	43,266	22,112	56,938	-	-	8,440
Instructional Equipment	-	921	921	-	-	-
Textbooks	-	38,352	38,352	-	-	-
Furniture and Fixtures	-	19,983	19,983	-	-	-
Maintenance and Repair	-	4,676	4,676	-	-	-
Administrative Supplies	-	6,734	6,734	-	-	-
TISA Other Supplies and Materials	-	8,494	8,494	-	-	-
Library	-	17,581	17,581	-	-	-
Honors/Graduation	-	18,249	18,249	-	-	-
Student Body	-	6,602	6,602	-	-	-
Custodial Supplies	-	33,330	33,330	-	-	-
Band	-	1,000	1,000	-	-	-
Band Repair	-	7,680	7,680	-	-	-
Community Partnership	-	7,140	7,140	-	-	-
Cadet Program	-	2,500	2,500	-	-	-
Cafeteria	-	2,624	2,624	-	-	-
Athletic Accounts						
Athletic A.V.T. Jenkins	734	-	-	-	-	734
Athletic Banners	2,225	-	-	-	-	2,225
Athletics	7,732	373,629	336,596	-	-	44,765
Bricks	1,155	-	-	-	-	1,155
Cheerleaders	7,668	12,321	19,726	-	-	263
Gym Video Board	18,929	17,849	16,651	-	-	20,127
Club Accounts						
Alliance Club	115	-	-	-	-	115
E-Sports	178	-	-	-	-	178
FBLA	-	3,270	2,235	1,345	-	2,380
FCA Club	877	354	522	-	-	709
FCA Club II	500	-	-	-	-	500
FCCLA Club	6,614	6,064	5,204	-	-	7,474
FFA Club	14,640	34,500	36,062	-	-	13,078
Fishing Club	65	-	-	-	-	65
French Club	31	-	-	-	-	31
FTA Club	312	-	-	-	-	312
H.O.S.A.	2,966	7,841	5,737	-	-	5,070
Key Club	-	3,603	3,436	-	-	167
Mountain Club	1,561	139	46	-	-	1,654

(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, 2025

EXHIBIT B

	Fund Balances July 1, 2024	Revenues	Expenditures	Other Financing Sources (Uses) Transfers In	Other Financing Sources (Uses) Transfers Out	Fund Balances June 30, 2025
Restricted Funds (Continued)						
Club Accounts (Continued)						
National Honor Society	1,159	1,667	1,611	-	-	1,215
RHO Kappa	-	150	-	-	-	150
ROTC	2,303	13,237	12,152	-	-	3,388
Spanish Club	395	-	-	-	-	395
Student Council	14,193	16,890	18,760	-	-	12,323
VICA - Criminal Justice	122	-	90	-	-	32
Young Democrats Club	100	-	-	-	-	100
Young Republicans Club	100	-	-	-	-	100
Donation Accounts						
Donations for Seniors	728	-	-	-	-	728
Buckle Up Program	25	-	-	-	-	25
EHS Class of 1964	-	500	500	-	-	-
Grant Account						
Niswonger Mini Grant	378	946	465	-	-	859
Other Accounts						
Achievement Incentives	1,000	-	-	-	-	1,000
AP History Class	2	-	-	-	-	2
Art Department	-	405	405	-	-	-
Auto Mechanics	166	500	-	-	-	666
Band	10,943	26,882	28,509	-	-	9,316
Band Colorguard	659	15,785	13,834	-	-	2,610
Band Uniform	714	-	-	-	-	714
Betsy Entrepreneurship	445	-	-	-	-	445
Building Improvements	857	-	-	-	-	857
Cadet Corp	317	-	300	-	-	17
Caring Clones	-	110	83	-	-	27
Carl's Pantry	-	375	305	-	-	70
C.D.C. Greenhouse	382	-	-	-	-	382
C.D.C. - Special Education	299	-	155	-	-	144
Chorus	505	33,705	33,679	-	-	531
Computer Hardware	635	-	-	-	-	635
Construction	5,026	5,562	2,300	-	-	8,288
Cyclone Print Shop Sp. Ed.	2,560	15,571	15,161	-	-	2,970
Dramatics	5,539	19,957	22,390	-	-	3,106
Drivers Ed Program	500	900	1,400	-	-	-
EHS Pageant	2,440	-	-	-	-	2,440
English Department	139	-	-	-	-	139
Environmental Science	750	-	100	-	-	650
Ethics Team	410	-	-	-	-	410
Flight Fund	802	370	411	-	-	761
Guidance Testing	2,493	240	1,042	-	-	1,691
Instruction and Equipment	544	-	120	-	-	424
Library Office	73	-	-	-	-	73
Ly. Honeycutt Field Trips	68	-	-	-	-	68
Math Department	65	-	-	-	-	65
Mock Trial	-	1,381	1,381	-	-	-
N.E.T.S.P.A.	96	-	-	-	-	96
Newspaper	50	-	-	-	-	50
Physical Education	108	-	50	-	-	58
Powderpuff Football	208	-	-	-	-	208
Power Lifting	119	-	-	-	-	119
Ralph Lingerfelt Award	125	-	-	-	-	125

(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, 2025

EXHIBIT B

	Fund Balances July 1, 2024	Revenues	Expenditures	Other Financing Sources (Uses) Transfers In	Out	Fund Balances June 30, 2025
Restricted Funds (Continued)						
Other Accounts (Continued)						
Social Studies Department	57	73	-	-	-	130
Spring Prom	9,019	8,045	7,245	-	-	9,819
STEM	1,647	13,635	12,558	-	-	2,724
Teacher of the Year - Wal-Mart	78	-	-	-	-	78
Textbook - State	20	-	-	-	-	20
Top Gun Aviators Club	1,217	-	-	-	-	1,217
Transcripts	27	12,072	69	-	-	12,030
Transportation	672	-	-	-	-	672
Tuffy Con	547	-	-	-	-	547
Tuffy's Café	18,069	36,104	30,628	-	-	23,545
Vocational Department	578	-	-	-	-	578
VR Lab	129	-	-	-	-	129
Washington DC Trip	4,786	10,739	14,734	-	-	791
XQ	47,959	-	-	-	-	47,959
XQ Other	481	-	-	-	-	481
XQ Year 4	186	-	-	-	-	186
XQ Year 5	44,683	1,254	37,401	24,423	1,345	31,614
XQ 2025	-	200,000	109,436	-	24,423	66,141
Yearbook	10,536	9,465	2,360	-	-	17,641
Youth Risk	345	-	-	-	-	345
Scholarship Accounts						
A. H. Tipton Scholarship	3,052	126	-	-	-	3,178
Brad Hardie Aviation Scholarship	4,500	-	500	-	-	4,000
Class of 1957	62,721	100	4,000	-	-	58,821
Crockett-Montgomery Memorial Fund	18,692	2,646	3,000	-	-	18,338
Fred Wetzel Memorial Scholarship	2,000	-	1,000	-	-	1,000
Josh Wandell Memorial Scholarship	-	3,000	3,000	-	-	-
Katherine Jones Scholarship	86,044	3,794	2,000	2,027	-	89,865
Katherine Jones Scholarship - Interest	4,036	2,696	3,793	-	2,027	912
Katie Tilson Memorial Scholarship	-	500	500	-	-	-
Kenadee Williams Scholarship	-	1,000	1,000	-	-	-
Kenneth Jack Scholarship	88,839	6,000	2,000	-	-	92,839
Kenneth Jack Scholarship - Interest	3,564	1,487	5,051	-	-	-
Nancy Hunt Scholarship	5,817	-	1,000	-	-	4,817
Pearl Virginia Miles	-	300	300	-	-	-
Sam Greenwell Scholarship	1,665	-	-	-	-	1,665
Student Council Memorial Fund	952	1	-	-	-	953
Tanner Perkins Scholarship	25	-	-	-	-	25
Teacher Memorial Scholarship	87,662	10,071	500	-	-	97,233
Wanda K. Bass Scholarship	199	-	-	-	-	199
Total Restricted Funds	678,914	1,135,789	1,056,297	27,795	27,795	758,406
Total General and Restricted Funds	$ 852,930	1,173,550	1,056,297	27,795	27,795	970,183

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, 2025

EXHIBIT A

	ASSETS			LIABILITIES AND FUND BALANCES			
					Fund Balances		Total
	Cash in Bank - Checking	Cash in Bank - Savings	Total Assets	Accounts Payable	Restricted	Total Fund Balances	Liabilities and Fund Balances
General Fund	$ 18,175	30,154	48,329	-	48,329	48,329	48,329
Restricted Funds							
Board of Education Allocations							
Administrative Supplies	31	-	31	-	31	31	31
Custodial Supplies	109	-	109	-	109	109	109
Instructional Supplies	243	-	243	-	243	243	243
Library Books Media	77	-	77	-	77	77	77
Other Supplies and Materials	618	-	618	-	618	618	618
Athletics Account	55,346	-	55,346	-	55,346	55,346	55,346
Club Accounts							
Builders Club	60	-	60	-	60	60	60
Drama Club	250	-	250	-	250	250	250
Future Business Leaders of America	60	-	60	-	60	60	60
Library Club	29	-	29	-	29	29	29
Show Choir	1,354	-	1,354	-	1,354	1,354	1,354
Student Council	324	-	324	-	324	324	324
Donation Accounts							
PTAC Donation	620	-	620	-	620	620	620
Shape the State	478	-	478	-	478	478	478
Teacher Donation	100	-	100	-	100	100	100
Other Accounts							
Industrial Arts	491	-	491	-	491	491	491
Math Competition	54	-	54	-	54	54	54
Washington Trip	8,575	-	8,575	-	8,575	8,575	8,575
Total Restricted Funds	68,819	-	68,819	-	68,819	68,819	68,819
Total General and Restricted Funds	$ 86,994	30,154	117,148	-	117,148	117,148	117,148

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, 2025

EXHIBIT B

	Fund Balances July 1, 2024	Revenues	Expenditures	Other Financing Sources (Uses) Transfers In	Other Financing Sources (Uses) Transfers Out	Fund Balances June 30, 2025
General Fund						
Fines, Fees and Dues	$ -	527	-	-	-	-
Interest	-	325	-	-	-	-
Resale Items	-	186	-	-	-	-
Total General Fund	47,291	1,038	-	-	-	48,329
Restricted Funds						
Board of Education Allocations						
Administration Supplies	-	4,635	4,604	-	-	31
Custodial Supplies	-	18,750	18,641	-	-	109
Furniture and Fixtures	-	24,015	24,015	-	-	-
Instructional Supplies	-	47,740	47,497	-	-	243
Library Books/Media	-	9,950	9,873	-	-	77
Maintenance and Repairs	-	1,430	1,430	-	-	-
Other Charges	6,227	6,500	12,727	-	-	-
Other Supplies and Materials	-	3,970	3,352	-	-	618
Textbooks	-	22,018	22,018	-	-	-
Athletics Account	46,745	58,890	50,289	-	-	55,346
Club Accounts						
Builders Club	60	-	-	-	-	60
Drama Club	250	-	-	-	-	250
Enrichment Club	77	500	503	-	74	-
Fellowship of Christian Athletes	367	-	-	-	367	-
Future Business Leaders of America	60	-	-	-	-	60
Library Club	29	-	-	-	-	29
Show Choir	1,366	256	268	-	-	1,354
Student Council	1,174	360	1,210	-	-	324
Donation Accounts						
PTAC Donation	4,220	4,987	8,587	-	-	620
Shape the State	478	-	-	-	-	478
Teacher Donation	100	-	-	-	-	100
Other Accounts						
Chattanooga Trip	1,416	42,260	41,806	-	1,870	-
Industrial Arts	491	-	-	-	-	491
Lead Field Trip	566	13,590	14,156	-	-	-
Leadership	500	-	-	-	500	-
Math Competition	54	-	-	-	-	54
Nashville Trip	225	42,150	42,355	-	20	-
Celebration	3,370	-	2,867	-	503	-
Washington Trip	6,428	4,481	6,524	4,190	-	8,575
Washington Trip Sponsor	126	77,489	76,759	-	856	-
Total Restricted Funds	74,329	383,971	389,481	4,190	4,190	68,819
Total General and Restricted Funds	$ 121,620	385,009	389,481	4,190	4,190	117,148

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, 2025

EXHIBIT A

	ASSETS			LIABILITIES AND FUND BALANCES			
					Fund Balances		Total
	Cash in Bank - Checking	Accounts Receivable	Total Assets	Accounts Payable	Restricted	Total Fund Balances	Liabilities and Fund Balances
General Fund	$ 45,204	-	45,204	-	45,204	45,204	45,204
Restricted Funds							
Board of Education Allocations							
Attendance Incentives	377	-	377	-	377	377	377
Distance Learning	1,000	-	1,000	-	1,000	1,000	1,000
Furniture and Fixtures	3,983	-	3,983	-	3,983	3,983	3,983
Club Accounts							
Boys to Men Club	400	-	400	-	400	400	400
K/Create It Kids Club	645	-	645	-	645	645	645
Donation Accounts							
Accelerated Reader Donations	950	-	950	-	950	950	950
Basketball Donations	250	-	250	-	250	250	250
Bloom Account	1,500	-	1,500	-	1,500	1,500	1,500
Combined Restricted	94	-	94	-	94	94	94
Dollar General Literacy	182	-	182	-	182	182	182
Douglas H.O.P.E. PreK	43	-	43	-	43	43	43
M. R. Foundation	250	-	250	-	250	250	250
PTAC Donations	53	-	53	-	53	53	53
PTAC Field Trip	9	-	9	-	9	9	9
Questar Grant	44	-	44	-	44	44	44
Student Support Fund	1,406	-	1,406	-	1,406	1,406	1,406
Target Field Trip Grant	104	-	104	-	104	104	104
United Way Literacy Fund	800	-	800	-	800	800	800
WELC Funds	4,790	-	4,790	-	4,790	4,790	4,790
Other Accounts							
Camp Explorer	20	-	20	-	20	20	20
Level 5	35	-	35	-	35	35	35
Luau	119	-	119	-	119	119	119
Skatetime	281	-	281	-	281	281	281
Total Restricted Funds	17,335	-	17,335	-	17,335	17,335	17,335
Total General and Restricted Funds	$ 62,539	-	62,539	-	62,539	62,539	62,539

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, 2025

EXHIBIT B

	Fund Balances July 1, 2024	Revenues	Expenditures	Other Financing Sources (Uses) Transfers In	Other Financing Sources (Uses) Transfers Out	Fund Balances June 30, 2025
General Fund						
Fines, Fees and Dues	$ -	11,747	11,516	-	-	-
Resale	-	379	-	-	-	-
Total General Fund	44,594	12,126	11,516	-	-	45,204
Restricted Funds						
Board of Education Allocations						
Administrative Supplies	1,042	1,990	1,910	-	1,122	-
Art - Instructional Materials	-	913	913	-	-	-
Attendance Incentives	377	-	-	-	-	377
Custodial Supplies	-	12,710	12,710	-	-	-
Distance Learning	1,000	-	-	-	-	1,000
Furniture and Fixtures	5,191	-	3,530	2,322	-	3,983
Guidance	-	1,000	1,000	-	-	-
Instructional Materials	-	24,041	25,941	1,900	-	-
Library	-	5,870	5,870	-	-	-
Maintenance and Repairs	-	845	845	-	-	-
Music	-	1,625	1,625	-	-	-
Other Supplies and Materials	-	2,165	2,165	-	-	-
Physical Education	565	1,000	1,565	-	-	-
Textbooks	-	20,000	16,900	-	3,100	-
Club Accounts						
Boys to Men Club	400	-	-	-	-	400
K/Create It Kids Club	596	150	101	-	-	645
Donation Accounts						
Accelerated Reader Donations	450	500	-	-	-	950
Basketball Donations	250	-	-	-	-	250
Bloom Account	-	1,500	-	-	-	1,500
Combined Restricted	94	-	-	-	-	94
Dollar General Literacy	-	2,000	1,818	-	-	182
Douglas H.O.P.E. PreK	43	-	-	-	-	43
Kiwanis Donations	104	-	104	-	-	-
M.R. Foundation	-	250	-	-	-	250
PTAC Donations	53	951	951	-	-	53
PTAC Field Trip	220	-	211	-	-	9
Questar Grant	45	-	1	-	-	44
Student Support Fund	2,093	50	737	-	-	1,406
Target Field Trip Grant	104	-	-	-	-	104
United Way Literacy Funds	700	100	-	-	-	800
WELC Funds	7,927	355	3,492	-	-	4,790
Other Accounts						
Camp Explorer	-	5,263	5,243	-	-	20
Level 5	35	-	-	-	-	35
Luau	192	360	433	-	-	119
Skatetime	83	2,123	1,925	-	-	281
Total Restricted Funds	21,564	85,761	89,990	4,222	4,222	17,335
Total General and Restricted Funds	$ 66,158	97,887	101,506	4,222	4,222	62,539

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, 2025

EXHIBIT A

	ASSETS			LIABILITIES AND FUND BALANCES			
					Fund Balances		Total
	Cash in Bank - Checking	Accounts Receivable	Total Assets	Accounts Payable	Restricted	Total Fund Balances	Liabilities and Fund Balances
General Fund	$ 72,320	-	72,320	-	72,320	72,320	72,320
Restricted Funds							
Board of Education Allocations							
Custodial Supplies	9	-	9	-	9	9	9
Instructional Materials	1,557	-	1,557	-	1,557	1,557	1,557
Donation Accounts							
Arts Council Donation	4	-	4	-	4	4	4
Guidance Donation	75	-	75	-	75	75	75
Hurricane Way	314	-	314	-	314	314	314
Jacket Fund	133	-	133	-	133	133	133
K-Kids	436	-	436	-	436	436	436
Literacy Library	331	-	331	-	331	331	331
Music Donation	23	-	23	-	23	23	23
PTAC/Items Needed Donation	1,294	-	1,294	-	1,294	1,294	1,294
Sensory Room	771	-	771	-	771	771	771
Student/Teacher Donation	167	-	167	-	167	167	167
Walmart Grant Estep	35	-	35	-	35	35	35
Walmart Grant Perkins	871	-	871	-	871	871	871
Other Accounts							
5th Grade Bash	144	-	144	-	144	144	144
Angel Tree	15	-	15	-	15	15	15
Choir	8	-	8	-	8	8	8
Furniture/Technology Fund	126	-	126	-	126	126	126
Graduation - Honors Day	53	-	53	-	53	53	53
TN Treble Choir	14	-	14	-	14	14	14
Yearbooks	1,477	-	1,477	-	1,477	1,477	1,477
Memorial Account							
Estep Memorial	251	-	251	-	251	251	251
Total Restricted Funds	8,108	-	8,108	-	8,108	8,108	8,108
Total General and Restricted Funds	$ 80,428	-	80,428	-	80,428	80,428	80,428

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, 2025

EXHIBIT B

	Fund Balances July 1, 2024	Revenues	Expenditures	Other Financing Sources (Uses) Transfers In	Other Financing Sources (Uses) Transfers Out	Fund Balances June 30, 2025
General Fund						
Fines, Fees and Dues	$ -	4,639	4,292	-	-	-
Interest	-	4,782	-	-	-	-
Resale Items	-	5,118	2,730	-	-	-
Total General Fund	64,803	14,539	7,022	-	-	72,320
Restricted Funds						
Board of Education Allocations						
Administrative Supplies	102	1,990	2,652	560	-	-
Art	336	2,875	3,127	-	84	-
Attendance Incentives	52	-	-	-	52	-
Custodial Supplies	-	11,130	11,121	-	-	9
Furniture and Fixtures	25,216	-	25,144		72	-
Guidance	222	1,000	209	-	1,013	-
Instructional Materials	1,231	23,583	28,674	5,417	-	1,557
Library	2,284	7,269	9,272	-	281	-
Maintenance and Repairs	-	810	585	-	225	-
Music	-	1,625	1,618	-	7	-
Other Supplies and Materials	-	2,115	2,104	-	11	-
Physical Education	29	1,000	644	-	385	-
Textbooks	-	20,000	16,153	-	3,847	-
Donation Accounts						
Arts Council Donation	4	-	-	-	-	4
Guidance Donation	75	-	-	-	-	75
Hurricane Way	314	-	-	-	-	314
Hearts for House	-	-	-	-	-	-
Jacket Fund	305	-	172	-	-	133
K-Kids	352	150	66	-	-	436
Literacy Library	331	-	-	-	-	331
Music Donation	23	-	-	-	-	23
PTAC/Items Needed Donation	705	861	272	-	-	1,294
Sensory Room	771	-	-	-	-	771
Student/Teacher Donation	167	-	-	-	-	167
Walmart Grant Estep	357	-	322	-	-	35
Walmart Grant Perkins	967	-	96	-	-	871
Other Accounts						
5th Grade Bash	144	-	-	-	-	144
Angel Tree	-	1,540	1,525	-	-	15
Author Visit Books	-	445	445	-	-	-
Camp Explore	61	6,370	6,431	-	-	-
Choir	110	486	588	-	-	8
Furniture/Technology Fund	126	-	-	-	-	126
Graduation - Honors Day	-	988	935	-	-	53
TN Treble Choir	15	325	326	-	-	14
Yearbooks	655	6,264	5,442	-	-	1,477
Memorial Account						
Estep Memorial	251	-	-	-	-	251
Total Restricted Funds	35,205	90,826	117,923	5,977	5,977	8,108
Total General and Restricted Funds	$ 100,008	105,365	124,945	5,977	5,977	80,428

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, 2025

EXHIBIT A

	ASSETS			LIABILITIES AND FUND BALANCES			
					Fund Balances		Total
	Cash in Bank - Checking	Accounts Receivable	Total Assets	Accounts Payable	Restricted	Total Fund Balances	Total Liabilities and Fund Balances
General Fund	$ 111,484	-	111,484	-	111,484	111,484	111,484
Restricted Funds							
Board of Education Allocations							
Library	776	-	776	-	776	776	776
Donation Accounts							
Christmas Angels	1,479	-	1,479	-	1,479	1,479	1,479
Chromebook Donations	245	-	245	-	245	245	245
Food City Rewards	10	-	10	-	10	10	10
K-Kids	520	-	520	-	520	520	520
Other Accounts							
AR Rewards	6	-	6	-	6	6	6
May Day	90	-	90	-	90	90	90
Media Center STEM	5	-	5	-	5	5	5
Paw Patrol	45	-	45	-	45	45	45
Extra-Curricular Club	506	-	506	-	506	506	506
Total Restricted Funds	3,682	-	3,682	-	3,682	3,682	3,682
Total General and Restricted Funds	$ 115,166	-	115,166	-	115,166	115,166	115,166

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, 2025

EXHIBIT B

				Other Financing Sources (Uses)		
	Fund Balances			Transfers		Fund Balances
	July 1, 2024	Revenues	Expenditures	In	Out	June 30, 2025
General Fund						
Administration	$ -	-	29,281	-	-	-
Fines, Fees and Dues	-	21,722	16,334	-	-	-
Gifts, Bequests and Donations	-	10,300	-	-	-	-
Instructional Supplies	-	-	12,602	-	35	-
Interest	-	5,670	-	-	-	-
Resale Items	-	28,179	4,671	-	-	-
Total General Fund	108,536	65,871	62,888	-	35	111,484
Restricted Funds						
Board of Education Allocations						
Administrative Supplies	-	1,990	1,990	-	-	-
Art	-	2,875	2,875	-	-	-
Custodial Supplies	-	9,714	9,714	-	-	-
Guidance	-	1,000	1,000	-	-	-
Instructional Materials	-	23,851	23,886	35	-	-
Library	202	6,002	5,428	-	-	776
Maintenance and Repairs	-	835	835	-	-	-
Music	-	1,381	1,381	-	-	-
Other Supplies and Materials	-	2,145	2,145	-	-	-
Physical Education	-	1,000	1,000	-	-	-
Rewards School	-	500	500	-	-	-
Textbooks	-	20,000	20,000	-	-	-
Donation Accounts						
Accelerated Reader	542	500	1,039	-	3	-
Christmas Angels	920	1,500	941	-	-	1,479
Chromebook Donations	-	245	-	-	-	245
Food City Rewards	-	150	140	-	-	10
K-Kids	285	1,762	1,527	-	-	520
Other Accounts						
AR Rewards	-	168	162	-	-	6
Camp Explore	-	6,682	6,682	-	-	-
May Day	100	-	10	-	-	90
Media Center Book Fair	-	4,196	4,199	3	-	-
Media Center STEM	433	-	428	-	-	5
Paw Patrol	77	340	372	-	-	45
Extra-Curricular Club	489	1,200	1,183	-	-	506
Total Restricted Funds	3,048	88,036	87,437	38	3	3,682
Total General and Restricted Funds	$ 111,584	153,907	150,325	38	38	115,166

The notes are an integral part of these financial statements.

BACKGROUND

Tennessee Code Annotated Section 49-2-110, 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. REGULATORY BASIS OF ACCOUNTING

The accounting and financial reporting requirements for internal school funds are set forth in the *Internal School Funds Manual*, issued by the Tennessee Department of Education and the Tennessee Comptroller of the Treasury. The requirements established in the *Internal School Funds 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 combined financial statements and before 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. 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.

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.

Restricted Fund Balance

Fund balances reported as restricted are the result of externally imposed restrictions placed upon certain resources accounted for in the restricted funds. All internal school fund activity is restricted in accordance with TCA Section 49-2-110.

When both restricted and unrestricted resources are available for use, it is the school system’s policy to use restricted resources first, then unrestricted resources as they are needed. The internal school funds did not report any unrestricted resources for the period.

Unassigned Fund Balance

This classification represents a deficit fund balance.

NOTE 2 - BUDGETARY INFORMATION

Legally appropriated budgets have not been adopted at the individual school level. Therefore, presentation of budgetary comparison information is not required.

NOTE 3 - DEPOSITS

Legal Provisions

All deposits with financial institutions in excess of 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.

Cash Deposits

Cash in bank represents funds on deposit in various depositories.

Custodial Credit Risk

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.

NOTE 4 - TRANSFERS

Transfers completed during the fiscal year were for interfund donations and residual fund balance transfers.

NOTE 5 - LEASES

All long-term lease contracts that obligate a school for more than one school year are approved and accounted for by the Board of Education.

NOTE 6 - CAPITAL ASSETS

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

NOTE 7 - RISK MANAGEMENT

Elizabethton, Tennessee Board of Education internal school funds are exposed to various risks of loss related to torts, theft of, damage to, and destructions of assets; errors and omissions; and natural disasters for which Elizabethton, Tennessee Board of Education carries commercial insurance. Settlements have not exceeded coverage for each of the past three fiscal years.

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, 2025

ELIZABETHTON HIGH SCHOOL

Transfer To	Transfer From: Katherine Jones Scholarship - Interest	XQ 2025	XQ Year 5	Total
FBLA	$ -	-	1,345	1,345
Katherine Jones Scholarship	2,027	-	-	2,027
XQ Year 5	-	24,423	-	24,423
	$ 2,027	24,423	1,345	27,795

(Continued)

T.A. DUGGER JUNIOR HIGH SCHOOL

Transfer To	Transfer From							
	Celebration	Chattanooga Trip	Enrichment Club	Fellowship of Christian Athletes	Leadership	Nashville Trip	Washington Trip Sponsor	Total
Washington Trip	$ 503	1,870	74	367	500	20	856	4,190
Total	$ 503	1,870	74	367	500	20	856	4,190

(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, 2025

EAST SIDE ELEMENTARY SCHOOL

Transfer To	**Transfer From** Administrative Supplies	Textbooks	Total
Furniture and Fixtures	$ 1,122	1,200	2,322
Instructional Materials		1,900	1,900
Total	$ 1,122	3,100	4,222

WEST SIDE ELEMETARY SCHOOL

Transfer To	**Transfer From** Accelerated Reader	Instructional Supplies	Total
Instructional Materials	$ -	35	35
Media Center Book Fair	3	-	3
Total	$ 3	35	38

(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, 2025

HAROLD MCCORMICK ELEMENTARY SCHOOL

Transfer To	**Transfer From** Art	Attendance Incentives	Furniture and Fixtures	Guidance	Library	Maintenance and Repairs	Music	Other Supplies and Materials	Physical Education	Textbooks	Total
Administrative Supplies	$ -	-	-	-	-	-	-	-	-	560	560
Instructional Materials	84	52	72	1,013	281	225	7	11	385	3,287	5,417
Total	$ 84	52	72	1,013	281	225	7	11	385	3,847	5,977

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, 2025

Company	Tennessee Risk Management Trust
Type of Coverage	Public School System Honesty Blanket Position Bond
Amount	$500,000 each and every loss $500 deductible - each occurrence
Period Covered	July 1, 2024 - July 1, 2025
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, 2025

School	Amount	Source	Board Approved (1)	Proper Withholding
Elizabethton High School				
G. Sams	$ 2,814	Athletics/Band	Yes	Yes
J. Diaz	1,373	Athletics	Yes	Yes
K. Grindstaff	4,888	Athletics/Band/Activities	Yes	Yes
L. Adams	1,845	Athletics/Band/Cheer	Yes	Yes
L. Andrews	837	Athletics/Colorguard	Yes	Yes
L. Honeycutt	828	Athletics/Activities	Yes	Yes
S. Ellis	8,891	Athletics/Band/Activities	Yes	Yes
T. Dyer	1,453	Athletics/Band/Activities	Yes	Yes
TT. Holliday	1,636	Athletics/Band/Activities	Yes	Yes
A. Jarrett	1,787	Athletics	Yes	Yes
A. Morris	1,849	Athletics	Yes	Yes
C. Taylor	3,150	Athletics	Yes	Yes
D. Gibson	2,340	Colorguard	Yes	Yes
G. Lewis	655	Colorguard	Yes	Yes
J. Morris	800	Athletics	Yes	Yes
J. Fox	2,622	Athletics	Yes	Yes
J. Harrison	1,345	Athletics	Yes	Yes
M. Ellis	1,500	XQ	Yes	Yes
N. Miller	1,370	Athletics	Yes	Yes
R. Livingston	2,254	Athletics	Yes	Yes
R. Wagner	43,289	Athletics/XQ	Yes	Yes
D. Hensley	6,711	XQ	Yes	Yes
J. Fletcher	1,500	XQ	Yes	Yes
D. Profitt	15,000	XQ	Yes	Yes
Other	6,584	Athletics/Band/Activities	Yes	Yes
Total Elizabethton High School	$ 117,320			

(Continued)

ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS - REGULATORY BASIS
SCHEDULE OF SALARY SUPPLEMENTS
For the Fiscal Year Ended June 30, 2025

School	Amount	Source	Board Approved (1)	Proper Withholding
T.A. Dugger Junior High				
G. Nidiffer	$ 2,490	Athletics/Excursions	Yes	Yes
G. Sams	679	Athletics/Excursions	Yes	Yes
K. Grindstaff	1,357	Athletics/Excursions	Yes	Yes
L. Nidiffer	987	Athletics	Yes	Yes
S. Ellis	1,136	Athletics/Excursions	Yes	Yes
T. Holliday	751	Athletics/Excursions	Yes	Yes
E. Pearman	847	Athletics	Yes	Yes
J. Fox	680	Athletics	Yes	Yes
S. Perry	812	Athletics	Yes	Yes
W. Kelley	542	Athletics	Yes	Yes
Other	2,950	Athletics/Excursions	Yes	Yes
Total T.A. Dugger Junior High School	$ 13,231			
Harold McCormick Elementary				
Other	$ 1,439	Field Trips / Instruction	Yes	Yes
Total Harold McCormick Elementary School	$ 1,439			
West Side Elementary				
S. Ellis	$ 762	Field Trips / Instruction	Yes	Yes
L. Reasor	800	Administration	Yes	Yes
Other	1,498	Field Trips / Instruction	Yes	Yes
Total West Side Elementary	$ 3,060			
East Side Elementary				
Other	$ 896	Field Trips / Instruction	Yes	Yes
Total East Side Elementary School	$ 896			
Total School Activity Funds	$ 135,946			

(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 and individual school financial statements - regulatory basis of the Elizabethton, Tennessee Board of Education's Internal School Funds (the Internal School Funds), as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Internal School Funds' basic financial statements, and have issued our report thereon dated September 2, 2025. 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 *Internal School Funds 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 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 Internal School Funds' internal control. Accordingly, we do not express an opinion on the effectiveness of the Internal School Funds' internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that 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 2025-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 2025-001.

Elizabethton, Tennessee Board of Education's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Internal School Funds' response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The 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, PLC

BLACKBURN, CHILDERS & STEAGALL, PLC
Johnson City, Tennessee

September 2, 2025

ELIZABETHTON, TENNESSEE BOARD OF EDUCATION
INTERNAL SCHOOL FUNDS - REGULATORY BASIS
SUMMARY SCHEDULE OF PRIOR FISCAL YEAR FINDINGS
For the Fiscal Year Ended June 30, 2025

Prior Fiscal Year Finding Number	Finding Title	Status / Current Fiscal Year Finding Number
2024-001	Significant Deficiency: Fundraisers (original finding #2021-001)	Repeat and updated as 2025-001
2024-002	Significant Deficiency: Bank Reconciliations (original finding #2024-002)	Corrected

FINDINGS – FINANCIAL STATEMENT AUDIT

2025-001: Significant Deficiency: Fundraisers

Criteria: *Tennessee Internal School Funds Manual* (the Manual) Section 4, Title 7, Resale and 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 West Side Elementary. At the high school, one event in our sample was not completed properly based upon the sale price, quantity and inventory of items received. Sales tax was not paid on the purchase of resale items for another fundraiser at the high school. Approval for one fundraiser event at West Side was after the event started.

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

Cause: The cause appears 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 staff. The principals will ensure that all fundraising reports are completed in a timely manner and supporting documentation will be retained.

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, 2025

ELIZABETHTON HIGH SCHOOL &
WEST SIDE ELEMENTARY **Fundraisers**
2025-001

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, 2025
Repeat Deficiency:	No

Planned Corrective Action:

The principals will review fundraiser procedures with appropriate staff. The principals will ensure that all fundraising reports are completed in a timely manner, supporting documentation will be retained .

Richard VanHuss
Director of Schools

804 S. Watauga Avenue 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, 2025

ELIZABETHTON CITY SCHOOLS

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

FINANCIAL STATEMENTS

AND SUPPLEMENTARY INFORMATION

For the Fiscal Year Ended June 30, 2025

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
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For the Fiscal Year Ended June 30, 2025

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
TABLE OF CONTENTS
For the Fiscal Year Ended June 30, 2025

SECTION I

INTRODUCTORY SECTION

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
LIST OF ELECTED AND APPOINTED OFFICIALS
June 30, 2025

Elected Officials - as of June 30, 2025

Chair	Eddie Pless
Vice-Chair	Jamie Bass Schaff
Board Member	Phil Isaacs
Board Member	Josh Smith
Board Member	Dr. Robert Lewis

Appointed Officials and Directors - as of June 30, 2025

Director of Schools	Richard VanHuss
Assistant Director of Schools for Academics	Dr. Myra Newman
Assistant Director of Schools for Operations and Federal Projects	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 Data Services	Travis Thompson

SECTION II

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

Report on the 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, 2025, 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, 2025, and the respective changes in financial position, 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.

Change in Accounting Principle

As described in Note 1, the Elizabethton City Schools has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. GASB 101 establishes recognition and measurement guidance for all types of compensated absences. As a result of this implementation, the Elizabethton City Schools changed its method of accounting for compensated absences, which affected the measurement and recognition of related liabilities. Our opinion is not modified with respect to this matter.

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 75-84 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 supplementary information, and the 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our 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 December 1, 2025, 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, PLC

BLACKBURN, CHILDERS & STEAGALL, PLC
Johnson City, Tennessee

December 1, 2025

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, 2025. Please read it in conjunction with the Board's financial statements, which immediately follow this section.

Financial Highlights

The financial status of the Board decreased during the year mainly due to the addition of capital assets, increases in pension and OPEB liabilities and implementation of GASB 101. The Board's Net Position decreased by 3.5%.

- The total Unrestricted/Unassigned General Purpose fund balance decreased by $437,573; the total School Nutrition fund decreased by $216,682; the Federal Projects fund remained constant; the Internal School Funds increased by $93,164.
- A Toyota Sienna minivan was purchased for the CTE department.
- Two Toyota Sienna minivans were purchased for the transportation department.
- A pickup truck was purchased for the maintenance department.
- A Bus was purchased for Special Education transportation.
- IT equipment/switches were purchased.
- A driving simulator was purchased for the CTE department.
- A poster printer was purchased for the CTE department.
- Ballistic film was installed on all ground level windows in the school system.
- The renovations for a secure entrance of T. A. Dugger were completed.
- Installation of Interior Access Controls was completed at all locations.
- Interior Renovations at Harold McCormick Elementary utilizing Covid relief Funding were completed.
- Renovations of the Professional Development/Training Facility were completed.
- Installation of Interior Access Controls was completed at all locations.

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 on the Board's net assets and how they have changed. Net assets, 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.

Financial Analysis of the Board as a Whole

Condensed Statement of Net Position

	Governmental Activities		Total % Change
	2024	2025	2024-2025
Current and Other Assets	$ 12,566,274	$ 11,587,345	-7.8%
Capital Assets	26,641,897	29,978,970	12.5%
Net Pension Asset	3,929,060	5,800,045	47.6%
Total Assets	43,137,231	47,366,360	9.8%
Deferred Outflows of Resources	7,155,083	5,831,784	-18.5%
Current Liabilities	1,863,673	1,891,760	1.5%
Long-Term Liabilities	7,906,557	11,409,283	44.3%
Total Liabilities	9,770,230	13,301,043	36.1%
Deferred Inflows of Resources	6,141,305	6,721,686	9.5%
Net Investment in Capital Assets	26,641,897	29,978,970	12.5%
Restricted	6,689,912	8,543,591	27.7%
Unrestricted	1,048,970	(5,347,146)	-609.8%
Total Net Position	$ 34,380,779	$ 33,175,415	-3.5%

Net Position

The Board's Total Assets increased during the 2024-2025 fiscal year by 9.8%. Liabilities increased by 36.1%. There was an increase of 47.6% in Net Pension Asset. More detailed information regarding pensions can be accessed in the Notes and Supplementary Information sections of the audit report. Capital Assets increased by 12.5% due to the completion of several projects from funds that had been previously assigned. Total long-term liabilities increase is related to increases in pension, OPEB, and implementation of GASB 101 to include an estimate of accrued sick leave.

The Board's financial position is the product of many factors. Significant factors in 2024-2025 were no more funds for Elementary and Secondary Emergency Relief and the spending of assigned funds for capital assets.

Changes in Net Position from Operating Results

	Governmental Activities		Total % Change
	2024	2025	2024-2025
Revenues			
Program Revenues			
Charges for Services	$ 2,756,466	$ 2,639,278	-4.3%
Operating Grants	9,009,225	7,032,381	-21.9%
Capital Grants	2,210,193	1,536,501	-30.5%
General Revenues			
Property Taxes	3,635,311	3,656,405	0.6%
Other Taxes	4,187,229	4,323,168	3.2%
State Revenues	19,622,816	20,645,716	5.2%
Other	563,885	634,698	12.6%
Total Revenues	41,985,125	40,468,147	-3.6%
Expenses			
Instruction	21,399,484	21,899,773	2.3%
Support Services	13,185,684	13,346,068	1.2%
Food Service	1,534,631	1,622,766	5.7%
Community Services	2,157,996	2,194,011	1.7%
Early Childhood Education	416,191	423,849	1.8%
Total Expenses	38,693,986	39,486,467	2.0%
Increase (Decrease) in Net Position	3,291,139	981,680	
Beginning Net Position	31,089,640	34,380,779	
Restatement	-	(2,187,044)	
Beginning Net Position - Restated	31,089,640	32,193,735	
Ending Net Position	$ 34,380,779	$ 33,175,415	

The total cost of all programs and services increased 2.0% to $39.5 million. The Board's expenses are predominately related to instruction of K-12 students and support services for educators (89.3% of total costs). The operation of food service, community service and early childhood service programs accounted for 10.7% of the expenditures.

Governmental Activities

Revenues for the Board's governmental activities decreased by 3.6%, and total expenses increased by 2.0%. The Net Position of the Board increased by $981,680. The decrease in revenue is mainly due to the ending of COVID-19 Elementary and Secondary Emergency Relief funding. The increase in expenditures is due the spending of reserve funds for specific projects.

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 $6,075,253, which were less than last year's ending fund balances of $7,073,888. This decrease is mainly due to investment in capital assets and decreased USDA revenue in the School Nutrition Fund and the ending of COVID-19 Elementary and Secondary Emergency Relief funding.

The Board's governmental funds experienced revenues and other sources more than expenditures in 2025 as follows:

General Purpose	$	(875,117)
Child Nutrition	$	(216,682)
Federal Projects	$	0
Internal School Funds	$	93,164

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 $35,251,716 of revenues and other sources would be received, the Board actually received $344,529 less than anticipated. This amount is mostly due to over budgeting Local Sales and County Property Tax and the decline in tuition revenue. The Board budgeted $36,980,546 of expenditures for the general fund. The actual expenditures of $35,783,258 were $1,197,288 under budget.

Capital Asset and Debt Administration

At the end of 2025, the Elizabethton City Schools had invested almost $30 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 $3,337,073 or 12.5% 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 $970,015.

Capital Assets (Net of Depreciation)

	Governmental Activities		Total %
	2024	2025	Change 2024-2025
Land	$ 662,855	$ 662,855	0.0%
Construction In Progress	6,091,679	2,340,985	-61.6%
Buildings	18,966,760	25,914,345	36.6%
Equipment and Vehicles	920,603	1,060,785	15.2%
Total	$ 26,641,897	$ 29,978,970	12.5%

The Board's fiscal year 2024-2025 capital expenditures consisted of the purchase of IT switches, vans, pick up truck, bus, driving simulator, and poster printer. Also, the following projects were completed: installation of ballistic film, the interior renovations at Harold McCormick Elementary, the renovations of the Professional Development/Training Facility, the secure entrance at T.A. Dugger Junior High School, and installation of interior access controls. The construction of the Dave Rider Center for Athletic Performance was in progress..

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
- 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
- The declining number of students classified as Economically Disadvantaged
- The increasing number of students participating in the Individualized Education Account Program
- The shrinking qualified applicant pool for classified positions
- The increasing number of students withdrawing to homeschool/virtual school

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, 2025

	Governmental Activities
ASSETS	
Cash	$ 4,876,165
Restricted Cash - Scholarships and Memorials	374,096
Restricted Investments - TCRS Stabilization Reserve	488,222
Accounts Receivable	141,035
Due from Other Governments	2,034,233
Due from Carter County	3,620,332
Inventories	53,262
Capital Assets Not Being Depreciated	
Land	662,855
Construction in Progress	2,340,985
Capital Assets, Net of Accumulated Depreciation	
Buildings	25,914,345
Equipment	1,060,785
Net Pension Asset - Teacher Retirement Plan and Legacy Plan	5,800,045
Total Assets	47,366,360
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to OPEB	1,954,557
Deferred Outflows Related to Pensions	3,877,227
Total Deferred Ouflows of Resources	5,831,784

(Continued)

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
STATEMENT OF NET POSITION
June 30, 2025

	Governmental Activities
LIABILITIES	
Accounts Payable	1,891,760
Long-Term Liabilities	
Due Within One Year	1,174,787
Due Within More Than One Year:	
Compensated Absences	1,425,195
OPEB Liability	6,746,925
Net Pension Liability	2,062,376
Total Liabilities	13,301,043
DEFERRED INFLOWS OF RESOURCES	
Deferred Revenues - Current Property Tax	3,550,178
Deferred Inflows Related to OPEB	1,281,961
Deferred Inflows Related to Pensions	1,889,547
Total Deferred Inflows of Resources	6,721,686
NET POSITION	
Investment in Capital Assets	29,978,970
Restricted for TCRS Stabilization Reserve	488,222
Restricted for Internal School Funds	1,345,464
Restricted for Operations	909,860
Restricted for Net Pension Asset	5,800,045
Unrestricted	(5,347,146)
Total Net Position	$ 33,175,415

See accompanying notes to the basic financial statements.

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2025

		PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction	$ 21,899,773	613,390	5,157,790	1,536,501	(14,592,092)
Support Services	13,346,068	-	127,809	-	(13,218,259)
Food Services	1,622,766	67,948	1,215,929	-	(338,889)
Community Services	2,194,011	1,957,940	-	-	(236,071)
Early Childhood Education	423,849	-	530,853	-	107,004
Total Governmental Activities	39,486,467	2,639,278	7,032,381	1,536,501	(28,278,307)
General Revenues					
Payments from Carter County					
Property Taxes					3,656,405
Sales Taxes					4,205,565
Other Taxes					117,603
Other Local Governments					505
State Aid					20,645,716
Unrestricted Investment Earnings					220,011
Miscellaneous					382,171
Contributions and Donations not Restricted to Specific Programs					32,011
Total General Revenues					29,259,987
Change in Net Position					981,680
Net Position - Beginning					34,380,779
Restatement					(2,187,044)
Net Position - Beginning, Restated					32,193,735
Net Position - Ending					$ 33,175,415

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, 2025

	General Purpose School Fund	School Federal Projects Fund	School Nutrition Fund	Internal School Funds	Total Governmental Funds
ASSETS					
Cash	$ 3,074,077	48,241	782,479	971,368	4,876,165
Restricted Cash - Scholarships and Memorials	-	-	-	374,096	374,096
Restricted Investments - TCRS Stabilization Reserve	488,222	-	-	-	488,222
Accounts Receivable	29,793	-	111,242	-	141,035
Due from Other Governments	1,991,338	23,643	19,252	-	2,034,233
Due from Carter County	3,620,332	-	-	-	3,620,332
Inventories	-	-	53,262	-	53,262
TOTAL ASSETS	$ 9,203,762	71,884	966,235	1,345,464	11,587,345
LIABILITIES					
Accounts Payable	$ 1,841,067	46,884	3,809	-	1,891,760
DEFERRED INFLOWS OF RESOURCES					
Deferred Revenues - Current Property Tax	3,550,178	-	-	-	3,550,178
Deferred Revenues - Unavailable	70,154	-	-	-	70,154
Total Deferred Inflows of Resources	3,620,332	-	-	-	3,620,332
FUND BALANCES					
Non Spendable					
Inventories	-	-	53,262	-	53,262
Committed for					
Education	-	25,000	-	-	25,000
Restricted for					
Instruction	696	-	-	-	696
Operations of Noninstructional Program	-	-	909,164	-	909,164
Internal School Funds	-	-	-	1,345,464	1,345,464
TCRS - SRT	488,222	-	-	.	488,222
Assigned to					
Archiving	5,000	-	-	-	5,000
After School	16,475	-	-	-	16,475
Back to School Bash	11,659	-	-	-	11,659
Betsy Book Bus	16,812	-	-	-	16,812
Capital Outlay	1,624,592	-	-	-	1,624,592
Community Involvement	4,375	-	-	-	4,375
CTE	42,990	-	-	-	42,990
Donations	2,072	-	-	-	2,072
Special Education	5,415	-	-	-	5,415
Technology	55,000	-	-	-	55,000
Unassigned	1,469,055	-	-	-	1,469,055
Total Fund Balances	3,742,363	25,000	962,426	1,345,464	6,075,253
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 9,203,762	71,884	966,235	1,345,464	11,587,345

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, 2025

Total Fund Balances - Governmental Funds	$ 6,075,253
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 $48,878,755 and the accumulated depreciation is ($18,899,785).	29,978,970
Revenue, for amounts not received during the period of availability, is not considered "available" and has been deferred in the funds.	70,154
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.	(6,074,329)
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.	5,725,349
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.	(2,599,982)
Total Net Position - Governmental Activities	$ 33,175,415

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, 2025

	General Purpose School Fund	School Federal Projects Fund	School Nutrition Fund	Internal School Funds	Total Governmental Funds
REVENUES					
Payments from County and City	$ 11,629,387	-	-	-	11,629,387
Revenue from State of Tennessee	22,063,411	-	10,950	-	22,074,361
Revenue from Federal Government	-	2,285,258	1,204,979	-	3,490,237
Charges for Services	613,390	-	67,947	-	681,337
Investment Earnings	186,311	-	33,700	-	220,011
Other Local Revenues	414,688	-	-	1,957,940	2,372,628
Total Revenues	34,907,187	2,285,258	1,317,576	1,957,940	40,467,961
EXPENDITURES					
Instruction	19,821,119	1,243,763	-	-	21,064,882
Support Services	11,464,053	519,573	-	-	11,983,626
Food Services	40,118	-	1,532,123	-	1,572,241
Community Services	259,666	-	-	-	259,666
Early Childhood Education	410,409	-	-	-	410,409
Capital Outlay	3,787,893	520,968	2,135	-	4,310,996
Community Services - Other Charges	-	-	-	1,864,776	1,864,776
Total Expenditures	35,783,258	2,284,304	1,534,258	1,864,776	41,466,596
Excess (Deficiency) of Revenues Over (Under) Expenditures	(876,071)	954	(216,682)	93,164	(998,635)
OTHER FINANCING SOURCES (USES)					
Transfers In	954	-	-	-	954
Transfers Out	-	(954)	-	-	(954)
Total Other Financing Sources (Uses)	954	(954)	-	-	-
NET CHANGE IN FUND BALANCES	(875,117)	-	(216,682)	93,164	(998,635)
FUND BALANCES, JULY 1, 2024	4,617,480	25,000	1,179,108	1,252,300	7,073,888
FUND BALANCES, JUNE 30, 2025	$ 3,742,363	25,000	962,426	1,345,464	6,075,253

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, 2025

Total Net Change in Fund Balances - Governmental Funds	$ (998,635)
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 $4,308,861 exceeds depreciation expense of $970,015.	3,338,846
Sales of capital assets are recorded in governmental funds at the full amount of proceeds received. However, in the Statement of Activities, the amount should be recorded as the proceeds minus net book value of the capital asset.	(1,773)
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.	186
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.	(332,125)
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 ($1,620,758), change in Deferred Inflows of Resources Related to Pensions ($857,045), and the change in Net Pension Asset (Liability) $1,775,978.	(701,825)
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 $297,459, change in Deferred Inflows of Resources Related to OPEB $268,097, and the change in Net OPEB Liability ($888,550).	(322,994)
Change in Net Position of Governmental Activities	$ 981,680

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, 2025

	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	$ 4,274,000	4,282,000	4,239,855	(42,145)
County Property Tax	3,888,000	3,888,000	3,705,212	(182,788)
Other Local Tax	38,750	38,750	34,320	(4,430)
City of Elizabethton				
Contributions	2,400,000	3,650,000	3,650,000	-
Total Payments from County and City	10,600,750	11,858,750	11,629,387	(229,363)
INTERGOVERNMENTAL REVENUES				
State of Tennessee				
Tennessee Investment in Student Achievement	20,592,093	20,676,093	20,633,912	(42,181)
Driver's Education	6,500	8,450	8,463	13
Career Ladder Program	23,947	22,806	11,804	(11,002)
Early Childhood Education	411,160	530,853	530,853	-
Vocational Equipment	317,497	290,197	286,501	(3,696)
Other State Education Funds	410,718	590,289	591,878	1,589
Total Intergovernmental Revenues	21,761,915	22,118,688	22,063,411	(55,277)
MISCELLANEOUS REVENUES				
Tuition	613,725	701,875	613,390	(88,485)
Rental of School Property	1,000	1,000	100	(900)
Investment Earnings	120,000	145,000	186,311	41,311
Donations	26,400	48,400	32,011	(16,389)
Marriage Licenses	650	650	505	(145)
Other Local Revenues	1,000	377,353	382,072	4,719
Total Miscellaneous Revenues	762,775	1,274,278	1,214,389	(59,889)
TOTAL REVENUES	33,125,440	35,251,716	34,907,187	(344,529)

(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, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
EXPENDITURES				
Instruction				
Instruction - Regular Instruction				
Teachers	9,443,500	9,665,175	9,681,912	(16,737)
Career Ladder Program	12,000	12,000	4,500	7,500
Homebound Teachers	32,300	32,300	32,055	245
Educational Assistants	293,432	294,008	264,407	29,601
Other Salaries and Wages	691,600	782,700	781,759	941
Certified Substitute Teachers	15,000	15,000	10,343	4,657
Non-Certified Substitute Teachers	85,000	85,000	79,181	5,819
Social Security	662,649	639,520	638,440	1,080
State Retirement	685,569	681,290	684,699	(3,409)
Life Insurance	15,090	15,475	14,679	796
Medical Insurance	1,610,684	1,653,884	1,632,069	21,815
Dental Insurance	55,195	56,680	55,318	1,362
Medicare	152,958	152,422	150,351	2,071
Other Post-Employment Benefit Payments	68,200	68,200	68,200	-
TCRS Stabilization Payments	72,214	121,892	79,648	42,244
Other Contracted Services	40,000	30,000	23,567	6,433
Instructional Supplies	246,952	210,610	208,992	1,618
Tennessee Investment in Student Achievement	-	43,000	43,717	(717)
Textbooks	512,735	550,035	526,827	23,208
Other Supplies and Materials	190,120	154,080	136,051	18,029
Total Instruction - Regular Instruction	14,885,198	15,263,271	15,116,715	146,556
Instruction - Special Education				
Teachers	1,225,000	1,210,665	1,201,199	9,466
Career Ladder Program	1,000	1,000	500	500
Homebound Teachers	5,000	5,000	660	4,340
Educational Assistants	500,000	565,000	498,020	66,980
Speech Pathologist	207,825	207,825	208,630	(805)
Certified Substitute Teachers	2,500	2,500	465	2,035
Non-Certified Substitute Teachers	15,000	15,000	7,598	7,402
Social Security	119,252	123,282	114,728	8,554
State Retirement	128,189	131,889	133,464	(1,575)
Life Insurance	2,680	2,680	2,772	(92)
Medical Insurance	315,000	315,000	309,926	5,074
Dental Insurance	12,615	12,615	11,681	934
Medicare	27,500	28,450	26,949	1,501
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, 2025

	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	10,400	19,000	12,638	6,362
Contracts with Other Public Agencies	15,000	2,500	2,494	6
Contracts with Private Agencies	65,000	50,000	48,840	1,160
Instructional Supplies	20,000	5,000	1,320	3,680
Other Supplies and Materials	3,000	18,000	8,896	9,104
Tennessee Investment in Student Achievement	-	41,000	40,589	411
Special Education Equipment	10,000	51,368	46,554	4,814
Total Instruction - Special Education	2,701,461	2,824,274	2,694,423	129,851
Instruction - Vocational Education				
Teachers	1,185,550	1,130,550	1,123,477	7,073
Other Salaries and Wages	20,000	21,500	21,267	233
Certified Substitute Teachers	2,500	3,500	3,798	(298)
Non-Certified Substitute Teachers	15,000	14,000	14,026	(26)
Social Security	74,492	65,492	64,219	1,273
State Retirement	76,904	69,504	67,845	1,659
Life Insurance	1,734	1,734	1,530	204
Medical Insurance	193,789	193,789	183,716	10,073
Dental Insurance	6,553	6,553	5,163	1,390
Medicare	17,410	17,410	15,767	1,643
Other Post-Employment Benefit Payments	5,900	5,900	5,900	-
TCRS Stabilization Payments	8,825	15,275	10,130	5,145
Maintenance and Repair - Equipment	2,500	2,500	79	2,421
Instructional Supplies	40,000	66,108	34,983	31,125
Other Supplies and Charges	16,000	16,000	13,108	2,892
Total Instruction - Vocational Education	1,667,157	1,629,815	1,565,008	64,807
Instruction - Student Body				
Other Salaries and Wages	374,940	374,940	345,678	29,262
Social Security	22,000	22,000	20,424	1,576
State Retirement	28,700	28,700	13,705	14,995
Life Insurance	45	45	45	-
Medical Insurance	8,200	8,200	8,256	(56)
Dental Insurance	315	315	332	(17)
Employer Medicare	5,130	5,130	4,856	274
TCRS Stabilization Payments	7,000	7,000	1,990	5,010
Other Supplies and Materials	5,500	5,500	5,500	-
Other Contracted Services	-	45,000	29,940	15,060
Other Charges	14,000	14,000	14,247	(247)
Total Instruction - Student Body	465,830	510,830	444,973	65,857
Total Instruction Expenditures	19,719,646	20,228,190	19,821,119	407,071

(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, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
EXPENDITURES (CONTINUED)				
Support Services				
Student Support Services				
Student Services - Attendance				
Supervisor/Director	1,500	1,500	1,500	-
Secretary(ies)	53,100	53,100	53,286	(186)
Social Security	3,385	3,385	3,375	10
State Retirement	6,665	6,665	6,676	(11)
Life Insurance	45	45	45	-
Medical	8,000	8,000	8,532	(532)
Dental	315	315	307	8
Medicare	790	790	789	1
Other Supplies and Materials	7,000	500	189	311
Travel	3,500	4,500	4,473	27
Other Contracted Services	30,000	22,000	12,769	9,231
Total Student Services - Attendance	114,300	100,800	91,941	8,859
Student Services - Health Services				
Supervisor/Director	29,405	29,405	29,138	267
Medical Personnel	245,105	245,105	231,780	13,325
Secretary	36,930	22,930	17,654	5,276
Social Security	19,008	19,008	16,490	2,518
State Retirement	25,572	33,700	29,503	4,197
Life Insurance	495	495	450	45
Medical Insurance	97,580	97,580	96,221	1,359
Dental Insurance	3,525	3,525	3,297	228
Medicare	4,432	4,432	4,499	(67)
Travel	750	750	164	586
Other Supplies and Materials	11,000	22,000	13,039	8,961
Other Charges	750	150	141	9
In-Service/Staff Development	1,500	1,500	1,398	102
Total Student Services - Health Services	476,052	480,580	443,774	36,806
Student Services - Other Student Support				
Guidance Personnel	538,800	538,800	538,665	135
Social Workers	29,405	29,405	29,138	267
Secretaries	112,700	112,700	112,678	22
Social Security	42,120	42,120	39,970	2,150
State Retirement	43,460	51,460	50,909	551
Life Insurance	900	900	900	-
Medical Insurance	101,000	101,000	97,570	3,430
Dental Insurance	3,375	3,375	3,221	154
Medicare	9,855	9,855	8,705	1,150
Other Post-Employment Benefit Payments	5,700	5,700	5,700	-
TCRS Stabilization Payments	5,770	7,270	4,986	2,284
Evaluation and Testing	37,000	37,000	23,074	13,926
Other Contracted Services	123,000	104,000	110,800	(6,800)
Other Charges	9,000	9,000	182	8,818
Staff Development	4,000	4,500	1,247	3,253
Total Student Services - Other Student Support	1,066,085	1,057,085	1,027,745	29,340
Total Student Support Services	1,656,437	1,638,465	1,563,460	75,005

(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, 2025

	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	322,000	312,000	295,237	16,763
Career Ladder Program	4,000	4,000	4,000	-
Librarians	335,600	335,600	335,563	37
Secretary	53,100	53,100	53,286	(186)
Education Assistants	28,310	28,310	28,310	-
Other Salaries and Wages	160,248	160,248	136,189	24,059
Social Security	54,995	55,243	50,501	4,742
State Retirement	64,210	64,210	59,263	4,947
Life Insurance	885	885	959	(74)
Medical Insurance	119,300	119,300	107,245	12,055
Dental Insurance	9,190	9,190	3,977	5,213
Medicare	13,528	13,528	11,957	1,571
Other Post-Employment Benefit Payments	5,500	5,500	5,500	-
TCRS Stabilization Payments	2,500	2,500	1,569	931
Maintenance and Repair - Equipment	13,400	13,400	12,070	1,330
Travel	1,000	1,000	1,002	(2)
Library Books/Media	41,000	41,000	40,949	51
Other Contracted Services	45,000	45,000	23,365	21,635
Other Supplies and Materials	4,800	66,800	64,856	1,944
In-Service/Staff Development	61,975	25,475	19,854	5,621
Other Charges	17,000	17,000	10,949	6,051
Total Instructional Staff Services - Regular Instruction	1,357,541	1,373,289	1,266,601	106,688
Instructional Staff Services - Special Education				
Supervisor/Director	71,675	97,675	97,547	128
Psychological Personnel	85,085	40,085	35,456	4,629
Secretaries	25,480	25,480	21,437	4,043
Other Salaries and Wages	26,545	26,545	21,850	4,695
Social Security	11,360	11,360	9,462	1,898
State Retirement	13,585	13,585	10,978	2,607
Life Insurance	260	260	99	161
Medical Insurance	50,300	35,300	17,160	18,140
Dental Insurance	1,890	1,890	606	1,284
Medicare	3,030	3,030	2,530	500
Other Post-Employment Benefit Payments	800	800	800	-
TCRS Stabilization Payments	-	1,000	715	285
Contracts with Private Agencies	200,000	164,000	140,382	23,618
Maintenance and Repair - Equipment	1,000	1,000	795	205
Travel	2,500	2,500	1,305	1,195
Maintenance and Repair Service	2,500	2,500	-	2,500
In-Service/Staff Development	15,000	15,000	9,539	5,461
Total Instructional Staff Services - Special Education	511,010	442,010	370,661	71,349

(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, 2025

	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	101,525	101,525	100,464	1,061
Career Ladder Program	1,000	1,000	1,000	-
Secretaries	28,600	28,600	28,577	23
Social Security	8,122	8,122	7,114	1,008
State Retirement	10,514	10,514	9,982	532
Life Insurance	135	135	135	-
Medical Insurance	28,375	28,375	28,853	(478)
Dental Insurance	945	945	920	25
Medicare	1,895	1,895	1,664	231
In-Service/Staff Development	8,500	8,500	5,145	3,355
Total Instructional Staff Services - Vocational Education	189,611	189,611	183,854	5,757
Instructional Staff Services - Technical Services Support				
Supervisor/Director	77,605	77,605	77,605	-
Data Processing Personnel	232,800	232,800	233,689	(889)
Instructional Computer Personnel	132,635	132,635	132,633	2
Social Security	27,460	27,460	26,640	820
State Retirement	47,180	47,180	46,646	534
TCRS Stabilization Payments	1,310	1,310	651	659
Life Insurance	450	450	405	45
Medical Insurance	58,000	58,000	48,789	9,211
Dental Insurance	2,205	2,205	1,840	365
Medicare	6,415	6,415	6,230	185
Maintenance and Repair - Equipment	58,000	58,000	45,672	12,328
Internet Connectivity	155,000	100,000	87,960	12,040
Travel	3,000	3,000	2,459	541
Other Contracted Services	15,000	15,000	14,764	236
Data Processing Supplies	16,000	16,000	15,251	749
In-Service/Staff Development	2,000	2,000	2,000	-
Total Instructional Staff Services - Technical Services Support	835,060	780,060	743,234	36,826
Total Instructional Staff Services	2,893,222	2,784,970	2,564,350	220,620
General Administrative Services				
General Administrative Services - Board of Education				
Secretary to Board	3,000	3,000	3,000	-
Other Salary and Wages	58,425	58,425	58,700	(275)
Social Security	3,805	3,805	3,499	306

(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, 2025

	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	7,590	7,590	7,620	(30)
Life Insurance	45	45	45	-
Medical Insurance	9,750	9,750	9,571	179
Dental Insurance	315	315	307	8
Unemployment Compensation	10,000	5,000	2,544	2,456
Medicare	885	885	818	67
Audit Services	40,600	41,600	41,600	-
Dues and Memberships	18,000	19,200	19,178	22
Legal Services	25,000	20,000	10,452	9,548
Other Contracted Services	3,000	6,500	6,500	-
Liability Insurance	75,000	78,500	78,240	260
Trustee Commissions	130,000	130,000	115,743	14,257
Workers' Compensation	210,000	200,000	198,223	1,777
In-Service/Staff Development	12,500	12,500	7,848	4,652
Other Charges	30,000	30,000	29,146	854
Total General Administrative Services - Board of Education	637,915	627,115	593,034	34,081
General Administrative Services - Office of the Superintendent				
County Official/Administrative Officer	144,145	153,145	153,154	(9)
Secretaries	53,100	53,100	53,286	(186)
Clerical Personnel	36,695	36,695	36,832	(137)
Other Salaries and Wages	5,400	6,400	6,400	-
Social Security	14,835	14,897	14,956	(59)
State Retirement	20,610	20,674	21,277	(603)
Life Insurance	180	180	180	-
Medical Insurance	35,500	39,500	39,761	(261)
Dental Insurance	1,260	1,260	1,227	33
Medicare	3,470	3,485	3,498	(13)
Advertising	6,000	6,000	3,114	2,886
Communication	70,000	70,000	65,567	4,433
Dues and Memberships	3,500	3,500	3,399	101
Postal Charges	3,000	3,000	2,297	703
Printing, Stationery and Forms	1,500	1,500	68	1,432
Travel	500	500	-	500
Other Contracted Services	20,000	20,000	13,900	6,100

(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, 2025

	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	1,947	2,553
In-Service/Staff Development	7,500	7,500	7,039	461
Other Charges	18,000	18,000	13,661	4,339
Total General Administrative Services - Office of the Superintendent	449,695	463,836	441,563	22,273
Total General Administrative Services	1,087,610	1,090,951	1,034,597	56,354
School Administrative Services - Office of the Principal				
Principals	558,675	558,675	542,375	16,300
Career Ladder Program	2,000	2,000	1,000	1,000
Assistant Principals	468,230	468,230	486,173	(17,943)
Secretaries	273,270	273,630	271,694	1,936
Other Salaries and Wages	168,005	168,005	174,258	(6,253)
Social Security	91,260	91,282	87,119	4,163
State Retirement	110,559	110,277	110,394	(117)
Life Insurance	1,575	1,575	1,598	(23)
Medical Insurance	216,200	224,200	231,576	(7,376)
Dental Insurance	7,415	7,415	7,719	(304)
Medicare	21,319	21,324	20,375	949
Other Post-Employment Benefit Payments	10,400	10,400	10,400	-
Travel	3,000	3,000	144	2,856
Office Supplies	17,225	17,225	17,218	7
In-Service/Staff Development	5,000	5,000	78	4,922
Total School Administrative Services - Office of the Principal	1,954,133	1,962,238	1,962,121	117
Business Administrative Services - Fiscal Services				
Supervisor/Director	106,970	106,970	106,966	4
Accountants/Bookkeepers	106,175	106,175	106,572	(397)
Secretaries	53,100	53,100	53,286	(186)
Clerical Personnel	22,935	22,935	23,020	(85)
Social Security	17,920	17,920	17,058	862
State Retirement	35,720	35,720	35,796	(76)
Life Insurance	250	250	248	2
Medical Insurance	46,954	46,954	49,810	(2,856)
Dental Insurance	1,715	1,715	1,687	28
Medicare	4,190	4,190	3,989	201
Data Processing Services	32,000	32,000	33,216	(1,216)
Dues and Subscriptions	100	100	-	100
Travel	250	250	-	250
Office Supplies	5,500	5,500	2,865	2,635
In-Service/Staff Development	5,500	5,500	1,072	4,428
Total Business Administrative Services - Fiscal Services	439,279	439,279	435,585	3,694

(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, 2025

	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	633,584	633,935	635,258	(1,323)
Social Security	39,222	39,244	38,954	290
State Retirement	76,393	76,436	75,922	514
Life Insurance	900	900	900	-
Medical Insurance	184,750	171,200	166,433	4,767
Dental Insurance	6,960	6,960	6,134	826
Medicare	9,152	9,157	9,110	47
Other Contracted Services	65,000	65,000	67,300	(2,300)
Custodial Supplies	114,000	116,000	94,960	21,040
Electricity	590,000	590,000	550,860	39,140
Natural Gas	110,000	110,000	89,879	20,121
Water and Sewer	100,000	185,000	190,225	(5,225)
Boiler Insurance	4,000	4,500	4,388	112
Building and Contents Insurance	175,000	213,000	212,601	399
Other Charges	10,000	10,000	4,524	5,476
Total Operation and Maintenance - Operation of Plant	2,118,961	2,231,332	2,147,448	83,884
Operation and Maintenance - Maintenance of Plant				
Maintenance Personnel	371,300	371,300	371,998	(698)
Social Security	23,000	23,000	22,174	826
State Retirement	45,900	45,900	48,004	(2,104)
Life Insurance	405	405	351	54
Medical Insurance	75,950	79,100	73,380	5,720
Dental Insurance	2,785	3,065	2,837	228
Medicare	5,380	5,380	5,186	194
Laundry Service	3,500	5,700	5,397	303
Maintenance and Repair - Buildings	506,665	587,461	482,117	105,344
Maintenance and Repair - Equipment	1,000	1,000	-	1,000
Maintenance and Repair - Vehicles	10,000	22,000	12,377	9,623
Other Contracted Services	-	-	100,921	(100,921)
Total Operation and Maintenance - Maintenance of Plant	1,045,885	1,144,311	1,124,742	19,569
Total Operation and Maintenance	3,164,846	3,375,643	3,272,190	103,453
Student Transportation				
Supervisor/Director	14,244	13,545	14,687	(1,142)
Mechanics	25,000	25,000	22,755	2,245
Bus Drivers	230,100	219,300	214,727	4,573
Other Salaries and Wages	44,968	74,968	77,774	(2,806)
Social Security	19,489	21,521	20,048	1,473
State Retirement	36,838	36,562	33,182	3,380
TCRS Stabilization Payments	-	500	253	247
Life Insurance	450	450	347	103
Medical Insurance	109,635	69,135	64,029	5,106
Dental Insurance	4,020	4,020	2,324	1,696
Medicare	4,554	5,161	4,721	440

(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, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
EXPENDITURES (CONTINUED)				
Support Services (Continued)				
Student Tranportation (Continued)				
Maintenance and Repair - Vehicles	30,000	40,000	32,498	7,502
Medical and Dental Services	3,000	4,500	4,304	196
Diesel Fuel	80,000	51,963	40,667	11,296
Gasoline	30,000	16,000	16,881	(881)
Tires and Tubes	10,000	10,000	7,267	2,733
Vehicle Parts	20,000	20,000	18,883	1,117
Vehicle Insurance	40,000	47,750	47,689	61
In-Service/Staff Development	2,000	3,750	3,550	200
Other Charges	7,500	7,500	5,164	2,336
Total Student Transportation	711,798	671,625	631,750	39,875
Total Support Services	11,907,325	11,963,171	11,464,053	499,118
Food Services				
Clerical Personnel	22,935	22,935	23,020	(85)
Social Security	1,420	1,420	1,261	159
State Retirement	2,835	2,835	2,843	(8)
Life Insurance	25	25	23	2
Medical Insurance	5,000	5,000	4,511	489
Dental Insurance	160	160	153	7
Employer Medicare	330	330	295	35
Food Supplies	10,000	10,000	8,012	1,988
Total Food Services	42,705	42,705	40,118	2,587
Community Services				
Supervisor/Director	7,000	27,500	24,573	2,927
Teachers	87,000	91,235	77,170	14,065
Other Salaries and Wages	58,500	104,500	85,580	18,920
Social Security	8,845	13,345	10,933	2,412
State Retirement	4,705	12,705	12,313	392
Life Insurance	15	40	24	16
Medical Insurance	1,700	5,500	4,891	609
Dental Insurance	65	205	187	18
Medicare	2,070	2,620	2,439	181
Travel	500	400	120	280
Food Supplies	15,000	7,500	4,685	2,815
Other Supplies and Materials	35,075	45,075	32,710	12,365
In-service/Staff Development	2,500	500	251	249
Other Charges	5,000	5,000	3,790	1,210
Total Community Services	227,975	316,125	259,666	56,459

(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, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
EXPENDITURES (CONTINUED)				
Early Childhood Education				
Supervisor/Director	28,445	28,445	29,691	(1,246)
Teachers	188,415	188,415	187,046	1,369
Secretary(ies)	12,055	12,055	12,056	(1)
Educational Assistants	83,155	83,155	83,679	(524)
Social Security	19,600	19,600	19,532	68
State Retirement	24,540	24,540	24,632	(92)
Life Insurance	340	340	343	(3)
Medical Insurance	45,300	45,300	45,280	20
Dental Insurance	1,970	1,970	1,917	53
Employer Medicare	4,350	4,350	4,352	(2)
Retirement - SRT	1,170	1,170	812	358
Travel	500	500	440	60
Other Supplies and Materials	1,320	965	629	336
Total Early Childhood Education	411,160	410,805	410,409	396
Capital Outlay	816,629	4,019,550	3,787,893	231,657
Total Expenditures	33,125,440	36,980,546	35,783,258	1,197,288
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(1,728,830)	(876,071)	852,759
OTHER FINANCING SOURCES (USES)				
Transfers In	-	1,975	954	(1,021)
NET CHANGE IN FUND BALANCE	-	(1,726,855)	(875,117)	851,738
FUND BALANCE, JULY 1, 2024	4,617,480	4,617,480	4,617,480	-
FUND BALANCE, JUNE 30, 2025	$ 4,617,480	2,890,625	3,742,363	851,738

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, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
INTERGOVERNMENTAL REVENUES				
Revenues from Federal Government				
Title I	$ 713,082	965,791	701,906	(263,885)
Title II	103,545	141,357	113,831	(27,526)
Special Education (IDEA)	628,419	768,989	641,918	(127,071)
Special Education (Preschool)	17,353	20,345	20,274	(71)
Education of Homeless Children	-	8,000	6,523	(1,477)
Vocational Education	41,597	49,643	49,643	-
Safe and Drug Free School	110,059	127,809	127,809	-
Esser 3.0	-	62,069	62,069	-
Other Federal Revenues	105,036	584,678	561,285	(23,393)
Total Revenues from Federal Government	1,719,091	2,728,681	2,285,258	(443,423)
TOTAL REVENUES	1,719,091	2,728,681	2,285,258	(443,423)
EXPENDITURES				
Instruction				
Instruction - Regular Instruction				
Teachers	61,425	61,425	61,425	-
Educational Assistants	71,065	69,260	69,761	(501)
Other Salaries and Wages	195,650	185,965	185,965	-
Social Security	20,350	19,635	19,056	579
State Retirement	24,720	23,910	21,623	2,287
Life Insurance	405	405	405	-
Medical Insurance	46,250	45,030	46,253	(1,223)
Dental Insurance	1,575	1,575	1,713	(138)
Medicare	4,760	4,585	4,456	129
Equipment	52,700	99,571	10,405	89,166
Instructional Supplies and Materials	75,441	278,480	139,485	138,995
Total Instruction - Regular Instruction	554,341	789,841	560,547	229,294
Instruction - Special Education				
Educational Assistants	540,950	631,026	525,896	105,130
Social Security	31,930	39,440	31,170	8,270
State Retirement	34,470	41,970	40,810	1,160
Life Insurance	135	285	270	15
Medical Insurance	24,600	48,600	47,326	1,274
Dental Insurance	945	1,795	1,661	134
Medicare	7,845	9,675	7,490	2,185
Instructional Supplies and Materials	4,897	12,719	7,568	5,151
Total Instruction - Special Education	645,772	785,510	662,191	123,319

(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, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
EXPENDITURES (CONTINUED)				
Instruction (Continued)				
Instruction - Vocational Education				
Instructional Supplies	10,400	-	-	-
Other Supplies and Materials	8,490	-	-	-
Software	-	7,601	7,601	-
Vocational Instruction Equipment	1,061	14,861	13,424	1,437
Total Instruction - Vocational Education	19,951	22,462	21,025	1,437
Total Instruction Expenditures	1,220,064	1,597,813	1,243,763	354,050
Support Services				
Instructional Staff Services - Regular Instruction				
Supervisor	59,400	57,000	57,330	(330)
Secretary	26,545	25,397	21,437	3,960
Other Salaries and Wages	101,890	98,554	98,135	419
Social Security	11,835	11,399	10,714	685
State Retirement	14,600	14,133	12,963	1,170
Life Insurance	163	163	158	5
Medical Insurance	17,850	17,110	17,234	(124)
Dental Insurance	620	633	588	45
Employer Medicare	2,770	2,665	2,506	159
Other Contracted Services	-	-	1,608	(1,608)
Other Supplies and Materials	2,000	17,329	-	17,329
In-Service/Staff Development	33,500	88,003	46,689	41,314
Software	-	8,880	-	8,880
Total Instructional Staff Services - Regular Instruction	271,173	341,266	269,362	71,904
Other Support Services				
Other Student Support	227,854	259,464	243,786	15,678
Student Tranportation	-	7,200	6,425	775
Total Other Support Services	227,854	266,664	250,211	16,453
Total Support Services	499,027	607,930	519,573	88,357
Capital Outlay	-	520,968	520,968	-
TOTAL EXPENDITURES	1,719,091	2,726,711	2,284,304	442,407
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	1,970	954	(1,016)
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(1,970)	(954)	1,016
Total Other Financing Sources (Uses)	-	(1,970)	(954)	1,016
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, JULY 1, 2024	25,000	25,000	25,000	-
FUND BALANCE, JUNE 30, 2025	$ 25,000	25,000	25,000	-

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, 2025

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental Revenues				
USDA Lunch Claims	$ 785,000	785,000	703,857	(81,143)
USDA Breakfast Claims	447,500	447,500	392,777	(54,723)
Snack Reimbursement	31,000	28,715	20,779	(7,936)
Commodities	93,500	93,500	85,281	(8,219)
State Matching	11,000	11,000	10,950	(50)
Other Federal Revenues	-	2,285	2,285	-
Total Intergovernmental Revenues	1,368,000	1,368,000	1,215,929	(152,071)
Charges for Services				
Meal Payment - Children	-	-	(35)	(35)
Meal Payment - Adults	22,000	22,000	19,199	(2,801)
A La Carte Sales	55,280	55,280	46,319	(8,961)
Other Charges for Services	12,500	12,500	2,464	(10,036)
Total Charges for Services	89,780	89,780	67,947	(21,833)
Investment Earnings	40,000	40,000	33,700	(6,300)
TOTAL REVENUES	1,497,780	1,497,780	1,317,576	(180,204)
EXPENDITURES				
Food Services				
Supervisor/Director	53,085	53,085	53,038	47
Cafeteria Personnel	430,000	430,000	425,967	4,033
Social Security	29,900	29,900	28,630	1,270
State Retirement	48,605	48,605	49,440	(835)
Life Insurance	720	720	716	4
Medical Insurance	140,980	140,980	142,067	(1,087)
Dental Insurance	5,355	5,355	5,138	217
Medicare	6,935	6,935	6,696	239
Maintenance/Repair - Equipment	6,000	9,000	8,960	40
Transportation	2,500	2,500	1,248	1,252
Travel	200	200	-	200
Food Supplies	620,000	642,000	692,962	(50,962)
Office Supplies	2,000	-	-	-
USDA Commodities	93,500	93,500	85,281	8,219
Other Supplies and Materials	36,500	16,500	17,085	(585)
In-Service/Staff Development	2,500	1,500	1,236	264
Other Charges	16,500	14,500	13,659	841
Capital Outlay	2,500	2,500	2,135	365
TOTAL EXPENDITURES	1,497,780	1,497,780	1,534,258	(36,478)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(216,682)	(216,682)
FUND BALANCE, JULY 1, 2024	1,179,108	1,179,108	1,179,108	-
FUND BALANCE, JUNE 30, 2025	$ 1,179,108	1,179,108	962,426	(216,682)

See accompanying notes to the basic financial statements.

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.

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, ESSER, Department of Justice Public Safety Partnership grant, 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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.

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 other than the investment with the Stabilization Reserve Trust as disclosed in note 4.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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:

Assets	Years
Buildings and Improvements	40
Vehicles and Equipment	3-20

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 items.

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 items. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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. The Schools accrue an estimate for sick leave more likely than not to be used and paid out in the government-wide financial statements. Effective for the fiscal year ended June 30, 2025, the Schools implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. GASB 101 establishes recognition and measurement criteria for all types of compensated absences, including vacation leave, sick leave, and other forms of paid time off earned by employees. The Schools now recognizes an estimated amount of sick leave and compensatory time earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The effect of implementing GASB 101 resulted in a decrease in beginning net position of $2,187,044 for the School's government-wide net position. Prior year net position has been restated.

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.

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)

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.

- 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

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. Actual expenditures in the School Nutrition Fund exceeded those budgeted.

NOTE 3 - DETAILED NOTES ON ALL FUNDS

Interfund Balances

The composition of interfund balances as of June 30, 2025 is as follows:

Interfund Transfers

Transfer In Fund	Transfer Out Fund	Amount	Purpose
General Purpose School	School Federal Projects	$ 954	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 fair 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, 2025, there are no investments other than the TCRS stabilization reserve as disclosed in Note 4.

NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

Deposits and Investments (Continued)

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.

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 $5,250,261 and the bank balance was $5,265,114.

Certain assets of the Schools' are classified as restricted cash because their use is restricted by contributor stipulations. Total restricted cash was $374,096 at June 30, 2025.

Receivables

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

	General Purpose School Fund	School Federal Projects Fund	School Nutrition Fund	Total
Accounts Receivable	$ 29,793	-	111,242	141,035
Carter County, Tax Allocation	3,620,332	-	-	3,620,332
Due from Other Governments				
Federal and State	1,991,338	23,643	19,252	2,034,233
Total Receivables	$ 5,641,463	23,643	130,494	5,795,600

NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

Capital Assets

Capital asset activity for the fiscal year ended June 30, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated				
Land	$ 662,855	-	-	662,855
Construction in Progress	6,091,679	3,988,784	(7,739,478)	2,340,985
Total Capital Assets, Not Being Depreciated	6,754,534	3,988,784	(7,739,478)	3,003,840
Capital Assets, Being Depreciated				
Buildings	34,832,108	7,739,478	-	42,571,586
Equipment	3,018,704	320,077	(35,452)	3,303,329
Total Capital Assets, Being Depreciated	37,850,812	8,059,555	(35,452)	45,874,915
Less Accumulated Depreciation For				
Buildings	(15,865,348)	(791,893)	-	(16,657,241)
Equipment	(2,098,101)	(178,122)	33,679	(2,242,544)
Total Accumulated Depreciation	(17,963,449)	(970,015)	33,679	(18,899,785)
Net Capital Assets, Being Depreciated	19,887,363	7,089,540	(1,773)	26,975,130
Net Capital Assets	$ 26,641,897	11,078,324	(7,741,251)	29,978,970

Depreciation expense is charged to Support Services in the Statement of Activities. Certain capital outlay expenditures were below the Board's capitalization threshold; thus these items were not recorded as additions to capital assets.

Construction Commitments

At June 30, 2025, the Schools had uncompleted construction contracts of approximately $2,492,475 for capital projects.

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, 2025 are as follows:

	Restated Balance, Beginning of Year	Additions	Reductions	Balance, End of Year	Due Within One Year
Governmental Activities					
Compensated Absences	$ 2,267,857	1,506,912	1,174,787	2,599,982	1,174,787
Net OPEB Liability	5,858,375	1,103,079	214,529	6,746,925	-
Net Pension Liability	1,967,369	2,215,188	2,120,181	2,062,376	-
Governmental Activities Long-Term Liabilities	$ 10,093,601	4,825,179	3,509,497	11,409,283	1,174,787

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.

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.

NOTE 4 - OTHER INFORMATION (CONTINUED)

Agency Plan (Continued)

Employees Covered by Benefit Terms

At the measurement date of June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	169
Inactive employees entitled to but not yet receiving benefits	250
Active employees	178
	597

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, 2025, the employer contributions for the Schools were $576,003 based on a rate of 12.35 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 (Asset)

The Schools' net pension liability (asset) was measured as of June 30, 2024, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

NOTE 4 - OTHER INFORMATION (CONTINUED)

Agency Plan (Continued)

Actuarial Assumptions

The total pension liability as of the June 30, 2024 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, 2024 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020 actuarial experience study. A blend of future capital market projections and 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:

NOTE 4 - OTHER INFORMATION (CONTINUED)

Agency Plan (Continued)

Actuarial Assumptions (Continued)

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.

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.

NOTE 4 - OTHER INFORMATION (CONTINUED)

Agency Plan (Continued)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 6/30/2023	$ 15,419,304	13,451,935	1,967,369
Changes for the year:			
Service Cost	465,770	-	465,770
Interest	1,045,401	-	1,045,401
Differences Between Expected and Actual Experience	677,923	-	677,923
Contributions - Employer	-	574,881	(574,881)
Contributions - Employees	-	232,747	(232,747)
Net Investment Income	-	1,312,553	(1,312,553)
Benefit Payments, Including Refunds of Employee Contributions	(795,307)	(795,307)	-
Administrative Expense	-	(26,094)	26,094
Net Changes	1,393,787	1,298,780	95,007
Balance at 6/30/2024	$ 16,813,091	14,750,715	2,062,376

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)	$ 4,250,681	2,062,376	259,621

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

Pension Expense

For the year ended June 30, 2025, the Schools recognized pension expense of $1,041,517.

NOTE 4 - OTHER INFORMATION (CONTINUED)

Agency Plan (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2025, 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	$ 839,888	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	154,424
Contributions Subsequent to the Measurement Date of June 30, 2024	576,003	-
	$ 1,415,891	154,424

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2024,” 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:	
2026	$ 225,535
2027	451,750
2028	89,186
2029	(81,007)
2030	-
Thereafter	-

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

NOTE 4 - OTHER INFORMATION (CONTINUED)

Agency Plan (Continued)

Payable to the Pension Plan

At June 30, 2024, the Schools reported a payable of $109,107 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2025.

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 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 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.

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, 2025 to the Teacher Retirement Plan were $170,165 which is 2.95 percent of covered payroll. In addition, employer contributions of $55,281, which is 1.05 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.

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, 2025, the Schools reported a liability (asset) of ($154,095) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2024, 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, 2024 the Schools' proportion was 0.216240 percent. The proportion measured as of June 30, 2023 was 0.223484 percent.

Pension Expense

For the year ended June 30, 2025 the Schools recognized pension expense (negative pension expense) of $128,093.

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2025, 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	$ 12,729	47,342
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	25,993
Changes in Assumptions	61,234	-
Changes in Proportion of Net Pension Liability (Asset)	10,124	16,829
LEA's Contributions Subsequent to the Measurement Date of June 30, 2024	170,165	-
	$ 254,252	90,164

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 $170,165, 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, 2026. 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:		
2026	$	(15,721)
2027		20,242
2028		(10,248)
2029		(10,106)
2030		2,449
Thereafter		7,307

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, 2024 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.

NOTE 4 - OTHER INFORMATION (CONTINUED)

Teacher Retirement Pension Plan (Continued)

Actuarial Assumptions (Continued)

The actuarial assumptions used in the June 30, 2024 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.

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)	$ 406,397	(154,095)	(571,217)

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, 2025, the Schools reported a payable of $106,827 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2025.

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.

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, 2025 to the Teacher Legacy Pension Plan were $701,459 which is 6.84 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, 2025, the Schools reported a liability (asset) of ($5,645,950) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2024, 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, 2024 the Schools' proportion was 0.327708 percent. The proportion measured as of June 30, 2023 was 0.325223 percent.

Pension Expense

For the year ended June 30, 2025, the Schools recognized pension expense (negative pension expense) of $979,840.

NOTE 4 - OTHER INFORMATION (CONTINUED)

Teacher Legacy Plan (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2025, 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	$ 1,505,625	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,099,602
Changes in Proportion of Net Pension Liability (Asset)	-	545,357
Contributions Subsequent to the Measurement Date of June 30, 2024	701,459	-
	$ 2,207,084	1,644,959

The School's employer contributions of $701,459 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, 2026. 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:	
2026	$ (916,144)
2027	1,929,454
2028	(573,696)
2029	(578,948)
2030	-
Thereafter	-

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

NOTE 4 - OTHER INFORMATION (CONTINUED)

Teacher Legacy Plan (Continued)

Actuarial Assumptions

The total pension liability in the June 30, 2024 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, 2024 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:

NOTE 4 - OTHER INFORMATION (CONTINUED)

Teacher Legacy Plan (Continued)

Actuarial Assumptions (Continued)

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.

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 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.

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

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)	$ 7,172,313	(5,645,950)	(16,276,950)

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, 2025, the Schools reported a payable of $280,342 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2025.

Reconciliation of all three Pension Plans to the Statement of Net Position

	Net Pension (Asset)	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Agency Plan	$ -	2,062,376	1,415,891	154,424
Teacher Legacy Plan	(5,645,950)	-	2,207,084	1,644,959
Teacher Retirement Plan	(154,095)	-	254,252	90,164
Total Statement of Net Position	$ (5,800,045)	2,062,376	3,877,227	1,889,547

NOTE 4 - OTHER INFORMATION (CONTINUED)

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

At June 30, 2025, the Schools had the following investments held by the trust on its behalf:

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	$ 151,350
Developed Market International Equity	N/A	N/A	68,351
Emerging Market International Equity	N/A	N/A	19,529
U.S. Fixed Income	N/A	N/A	97,644
Real Estate	N/A	N/A	48,822
Short-term Securities	N/A	N/A	4,882
NAV - Private Equity and Strategic Lending	N/A	N/A	97,644
Total			$ 488,222

For further information concerning the legal provisions, investment policies, investment types, and credit risks of the Schools' investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

NOTE 4 - OTHER INFORMATION (CONTINUED)

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.

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.

NOTE 4 - OTHER INFORMATION (CONTINUED)

Other Post-Employment Healthcare Plan (Continued)

Employees Covered by Benefit Terms

At July 1, 2024, the following employees of the Schools were covered by the benefit terms of the TGOP:

Inactive employees currently receiving benefit payments	24
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	196
	220

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 $288,953 to the TGOP for OPEB benefits as they came due.

Total OPEB Liability

The total OPEB liability for the plan was measured as of June 30, 2025, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The collective total OPEB liability in the June 30, 2025 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	10.68% for pre-65 in 2024, decreasing annually over an 13 year period to an ultimate rate of 4.50%. 13.44% for post-65 in 2024, decreasing annually over an 12 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.

NOTE 4 - OTHER INFORMATION (CONTINUED)

Other Post-Employment Healthcare Plan (Continued)

Actuarial Assumptions (Continued)

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2024, 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-2021 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-2021. 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-2021.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.93 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.

NOTE 4 - OTHER INFORMATION (CONTINUED)

Other Post-Employment Healthcare Plan (Continued)

Changes in Collective Total OPEB Liability

	Total OPEB Liability
Total OPEB Liability - Beginning Balance	$ 8,190,207
Changes for the year:	
Service Cost	401,481
Interest	308,372
Changes of Benefit Terms	31,897
Differences Between Expected and Actual Experience	324,331
Changes in Assumptions	118,095
Benefit Payments	(288,889)
Net Changes	895,287
Total OPEB Liability - Ending Balance	$ 9,085,494
Nonemployer contributing entities proportionate share of the collective total OPEB liability	$ 2,338,569
Employer's proportionate share of the collective total OPEB liability	$ 6,746,925
Employer's proportion of the collective total OPEB liability	74.26%

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 2.73% from the prior measurement date. The Schools recognized $193,634 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the TGOP for School's retirees.

NOTE 4 - OTHER INFORMATION (CONTINUED)

Other Post-Employment Healthcare Plan (Continued)

Changes in Assumptions

The discount rate was changed from 3.65% as of the beginning of the measurement period to 3.93% as of June 30, 2024. This change in assumption decreased the total OPEB liability. Other changes in assumptions include changes to coverage acceptance rates to reflect more recent subsidy amounts and plan experience and the medical and drug trend rate assumptions were updated to reflect more recent experience as of the measurement date.

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

The following presents the proportionate share of the collective total OPEB liability related to the TGOP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate.

	1.00% Decrease (2.93%)	Discount Rate (3.93%)	1.00% Increase (4.93%)
Proportionate share of collective total OPEB liability	$ 7,251,622	6,746,925	6,270,655

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.

	1.00% Decrease (9.68% / 12.44% decreasing to 3.50%)	Current (10.68/13.44% decreasing to 4.50%)	1.00% Increase (11.68%/14.44% decreasing to 5.50%)
Proportionate share of collective total OPEB liability	$ 6,073,786	6,746,925	7,528,488

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

OPEB Expense

For the fiscal year ended June, 30, 2025, the Schools recognized OPEB expense of $805,581, including the state's share of expense.

NOTE 4 - OTHER INFORMATION (CONTINUED)

Other Post-Employment Healthcare Plan (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal year ended June, 30, 2025, 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	$ 775,028	621,670
Differences Between Expected and Actual Experience	538,375	373,988
Changes in Proportion	352,201	286,303
Employer Payments Subsequent to the Measurement Date	288,953	-
	$ 1,954,557	1,281,961

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.

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

Year Ended June 30:	
2026	$ 61,121
2027	61,121
2028	81,516
2029	30,668
2030	2,844
Thereafter	146,373

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

NOTE 4 - OTHER INFORMATION (CONTINUED)

Other Post-Employment Healthcare Plan (Continued)

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. 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.

NOTE 4 - OTHER INFORMATION (CONTINUED)

Other Post-Employment Healthcare Plan (Continued)

Employees Covered by Benefit Terms

At July 1, 2024, the following employees of the Schools were covered by the benefit terms of the TNP:

Inactive employees currently receiving benefit payments	52
Inactive employees entitled to but not yet receiving benefit payments	24
Active employees	166
	242

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.

Total OPEB Liability

Actuarial Assumptions

The collective total OPEB liability in the June 30, 2025 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

NOTE 4 - OTHER INFORMATION (CONTINUED)

Other Post-Employment Healthcare Plan (Continued)

Actuarial Assumptions (Continued)

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2024, 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-2021. 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-2021.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.93 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.

NOTE 4 - OTHER INFORMATION (CONTINUED)

Other Post-Employment Healthcare Plan (Continued)

Changes in Collective Total OPEB Liability

		Total OPEB Liability
Total OPEB Liability - Beginning Balance	$	595,294
Changes for the year:		
Service Cost		9,420
Interest		21,542
Differences Between Expected and Actual Experience		(17,871)
Changes in Assumptions		(20,653)
Benefit Payments		(29,299)
Net Changes		(36,861)
Total OPEB Liability - Ending Balance	$	558,433
Nonemployer contributing entities proportionate share of the collective total OPEB liability	$	558,433
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 $4,503 in revenue for support provided by nonemployee contributing entities for benefits paid to the TNP for the School's retired employees.

NOTE 4 - OTHER INFORMATION (CONTINUED)

Other Post-Employment Healthcare Plan (Continued)

Changes in Assumptions

The discount rate was changed from 3.65% as of the beginning of the measurement period to 3.93% as of June 30, 2024. This change in assumption decreased the total OPEB liability. Other changes in assumptions include changes to coverage acceptance rates to reflect more recent subsidy amounts and plan experience and the medical and drug trend rate assumptions were updated to reflect more recent experience as of the measurement date.

OPEB Expense

For the fiscal year ended June 30, 2025, the Schools recognized OPEB expense of $4,503.

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 $4,503.

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 $125,819, and employer contributions were $289,935.

NOTE 5 - PRIOR PERIOD RESTATEMENT

The beginning balance of the net position has been restated to implement the provisions of GASB 101, *Compensated Absences.* A reconciliation of the prior period ending net position to the current year beginning net position is as follows:

	Net Position 6/30/2024 as Previously Reported	Restatement - GASB 101 Implementation	Net Position 6/30/2024 as Restated
Government-Wide			
Governmental Activities	$ 34,380,779	(2,187,044)	32,193,735
Total Government-Wide	$ 34,380,779	(2,187,044)	32,193,735

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
TOTAL PENSION LIABILITY										
Service Cost	$ 206,173	212,921	214,734	245,124	255,031	267,644	281,565	351,692	401,711	465,770
Interest	606,661	629,301	661,037	685,089	720,446	756,259	805,633	887,615	973,539	1,045,401
Differences Between Actual and Expected Experience	(71,927)	6,848	(47,774)	25,550	52,124	242,324	116,617	623,247	351,269	677,923
Change of Assumptions	-	-	223,457	-	-	-	1,377,909	-		
Benefit Payments, Including Refunds of Employee Contributions	(472,481)	(419,093)	(436,369)	(455,957)	(500,021)	(592,484)	(605,748)	(622,617)	(656,621)	(795,307)
NET CHANGE IN TOTAL PENSION LIABILITY	268,426	429,977	615,085	499,806	527,580	673,743	1,975,976	1,239,937	1,069,898	1,393,787
TOTAL PENSION LIABILITY - BEGINNING	8,118,876	8,387,302	8,817,279	9,432,364	9,932,170	10,459,750	11,133,493	13,109,469	14,349,406	15,419,304
TOTAL PENSION LIABILITY - ENDING (a)	8,387,302	8,817,279	9,432,364	9,932,170	10,459,750	11,133,493	13,109,469	14,349,406	15,419,304	16,813,091
PLAN FIDUCIARY NET POSITION										
Contributions - Employer	194,363	192,765	195,529	212,965	237,832	266,022	405,212	460,949	539,347	574,881
Contributions - Employee	116,946	115,985	117,647	123,962	128,698	139,865	213,046	242,351	218,361	232,747
Net Investment Income	240,557	209,788	907,747	729,347	698,370	491,375	2,656,811	(496,934)	844,732	1,312,553
Benefit Payments, Including Refunds of Employee Contributions	(472,481)	(419,093)	(436,369)	(455,957)	(500,021)	(592,484)	(605,748)	(622,617)	(656,621)	(795,307)
Administrative Expense	(5,700)	(7,271)	(9,801)	(10,574)	(10,607)	(11,246)	(12,650)	(12,815)	(20,518)	(26,094)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	73,685	92,174	774,753	599,743	554,272	293,532	2,656,671	(429,066)	925,301	1,298,780
PLAN FIDUCIARY NET POSITION - BEGINNING	7,910,870	7,984,555	8,076,729	8,851,482	9,451,225	10,005,497	10,299,029	12,955,700	12,526,634	13,451,935
PLAN FIDUCIARY NET POSITION - ENDING (b)	7,984,555	8,076,729	8,851,482	9,451,225	10,005,497	10,299,029	12,955,700	12,526,634	13,451,935	14,750,715
NET PENSION LIABILITY - ENDING (a) - (b)	$ 402,747	740,550	580,882	480,945	454,253	834,464	153,769	1,822,772	1,967,369	2,062,376
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF TOTAL PENSION LIABILITY	95.20%	91.60%	93.84%	95.16%	95.66%	92.50%	98.83%	87.30%	87.24%	87.73%
COVERED PAYROLL	$ 2,338,905	2,319,681	2,354,007	2,479,229	2,573,936	2,797,290	4,260,902	3,824,243	4,367,177	4,654,908
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	17.22%	31.92%	24.68%	19.40%	17.65%	29.83%	3.61%	47.66%	45.05%	44.31%

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.

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contribution	$ 192,765	195,529	212,965	237,832	266,022	405,212	460,949	539,347	574,881	576,003
Contributions in relation to the actuarially determined contribution	192,765	195,529	212,965	237,832	266,022	405,212	460,949	539,347	574,881	576,003
Contribution deficiency (excess)	$ -	-	-	-	-	-	-	-	-	-
Covered payroll	$ 2,319,681	2,354,007	2,479,229	2,573,936	2,797,290	4,260,902	3,824,243	4,367,177	4,654,908	4,663,992
Contributions as a percentage of covered payroll	8.31%	8.31%	8.59%	9.24%	9.51%	9.51%	12.05%	12.35%	12.35%	12.35%

(Continued)

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 2025 were calculated based on the June 30, 2023 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	2.25 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 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	2.125 percent

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.

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Elizabethton City Schools' proportion of the net pension liability (asset)	0.271131%	0.282767%	0.291175%	0.285178%	0.292866%	0.297091%	0.270936%	0.276630%	0.325223%	0.327708%
Elizabethton City Schools' proportionate share of the net pension liability (asset)	$111,065	1,767,139	(95,266)	(1,003,518)	(3,011,189)	(2,265,540)	(11,686,100)	(3,392,603)	(3,834,295)	(5,645,950)
Elizabethton City Schools' covered payroll	$10,149,813	10,207,349	10,358,477	9,989,028	9,820,226	9,887,660	8,828,141	10,155,938	10,553,654	10,851,576
Elizabethton City Schools' proportionate share of the net pension liability (asset) as a percentage of its covered payroll	1.09%	17.31%	-0.92%	-10.05%	-30.66%	-22.91%	-132.37%	-33.41%	-36.33%	-52.03%
Plan fiduciary net position as a percentage of the total pension liability	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%	104.42%	104.11%	105.76%

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually Required Contribution	$ 922,743	930,473	906,730	1,027,194	1,051,091	913,267	937,683	917,111	738,992	701,459
Contribution in relation to the contractually required contribution	922,743	930,473	906,730	1,027,194	1,051,091	913,267	937,683	917,111	738,992	701,459
Contribution deficiency (excess)	$ -	-	-	-	-	-	-	-	-	-
Covered payroll	$ 10,207,349	10,358,477	9,989,028	9,820,226	9,887,660	8,828,141	10,155,938	10,553,654	10,851,876	10,255,249
Contributions as a percentage of covered payroll	9.04%	8.98%	9.08%	10.46%	10.63%	10.34%	9.23%	8.69%	6.81%	6.84%

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.

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	2022	2023	2024
Elizabethton City Schools' proportion of the net pension liability (asset)	0.267838%	0.231179%	0.203596%	0.194796%	0.199822%	0.188373%	0.200526%	0.219096%	0.223484%	0.216240%
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)	(66,370)	(94,765)	(154,095)
Elizabethton City Schools' covered payroll	$ 568,226	1,017,201	1,270,687	1,699,254	2,114,534	2,376,813	2,884,151	3,741,555	4,445,158	5,079,799
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%	-1.77%	-2.13%	-3.03%
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%	104.55%	104.97%	106.49%

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution	$ 25,463	53,451	27,760	41,022	48,256	58,260	75,204	127,577	149,855	170,165
Contribution in relation to the contractually required contribution	40,688	53,451	68,091	41,022	48,256	58,260	75,204	127,577	149,855	170,165
Contribution deficiency (excess)	$ (15,225)	-	(40,331)	-	-	-	-	-	-	-
Covered payroll	$ 1,017,201	1,270,687	1,699,254	2,114,534	2,376,813	2,884,151	3,741,555	4,445,158	5,079,799	5,768,305
Contributions as a percentage of covered payroll	4.00%	4.21%	4.01%	1.94%	2.03%	2.02%	2.01%	2.87%	2.95%	2.95%

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%
2023: Pension – 2.87%, SRT – 1.13%
2024: Pension – 2.95%, SRT – 1.05%
2025: Pension – 2.95%, SRT – 1.05%

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	2022	2023	2024
TOTAL OPEB LIABILITY								
Service Cost	$ 323,771	300,296	480,708	391,167	435,695	456,493	370,467	401,481
Interest	181,096	215,294	287,390	261,042	179,838	179,233	270,437	308,372
Changes of Benefit Terms	-	-	239,111	-	(6,304)	-	-	31,897
Differences Between Actual and Expected Experience	-	1,113,535	(491,000)	(361,409)	175,149	(98,186)	(156,880)	324,331
Change of Assumptions	(274,640)	471,548	(530,931)	751,892	(262,779)	(733,777)	627,255	118,085
Benefit Payments	(349,040)	(373,156)	(409,882)	(385,031)	(387,431)	(376,571)	(376,864)	(288,889)
NET CHANGE IN TOTAL OPEB LIABILITY	(118,813)	1,727,517	(424,604)	657,661	134,168	(572,808)	734,415	895,277
TOTAL OPEB LIABILITY - BEGINNING	6,052,671	5,933,858	7,661,375	7,236,771	7,894,432	8,028,600	7,455,792	8,190,207
TOTAL OPEB LIABILITY - ENDING (a)	$ 5,933,858	7,661,375	7,236,771	7,894,432	8,028,600	7,455,792	8,190,207	9,085,484
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	2,024,573	2,331,832	2,338,559
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	5,431,219	5,858,375	6,746,925
COVERED PAYROLL	$ 9,854,304	10,917,634	11,301,778	11,623,460	12,187,396	13,428,215	14,573,603	16,334,202
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%	40.45%	40.20%	41.31%

(Continued)

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

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:

2017	3.56%
2018	3.62%
2019	3.51%
2020	2.21%
2021	2.16%
2022	3.54%
2023	3.65%
2024	3.93%

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

2019 plan year - from 5.4% to 6.75%
2020 plan year - from 6.75% to 6.03%
2021 plan year - from 6.03% to 9.02%
2022 plan year - from 9.02% to 7.36%
2023 plan year - from 7.36% to 8.37%
2024 plan year - from 8.37% to 10.31%
2025 plan year - from 10.31% to 10.68%

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	2022	2023	2024
TOTAL OPEB LIABILITY								
Service Cost	$ 15,870	12,860	10,497	12,144	17,658	14,449	9,434	9,420
Interest	20,150	22,714	20,584	23,149	18,696	15,305	20,353	21,542
Differences Between Actual and Expected Experience	-	(72,865)	70,906	26,262	(7,068)	(9,931)	20,592	(17,871)
Change of Assumptions	(59,301)	(4,380)	12,544	146,520	(134,982)	(120,682)	(6,827)	(20,653)
Benefit Payments	(25,500)	(25,970)	(25,019)	(25,513)	(28,697)	(28,320)	(27,270)	(29,299)
NET CHANGE IN TOTAL OPEB LIABILITY	(48,781)	(67,641)	89,512	182,562	(134,393)	(129,179)	16,282	(36,861)
TOTAL OPEB LIABILITY - BEGINNING	686,932	638,151	570,510	660,022	842,584	708,191	579,012	595,294
TOTAL OPEB LIABILITY - ENDING (a)	$ 638,151	570,510	660,022	842,584	708,191	579,012	595,294	558,433
NONEMPLOYER CONTRIBUTING ENTITIES PROPORTIONATE SHARE OF THE COLLECTIVE TOTAL OPEB LIABILITY	$ 638,151	570,510	660,022	842,584	708,191	579,012	595,294	558,433
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	13,428,215	14,573,603	16,334,202
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%	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.

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, 2025

Federal Assistance Listing Number (FALN)	Pass-Through Grant Number	Program Name/Grant Number	Grantor Agency	Expenditures
School Federal Projects Fund				
Pass-Through State of Tennessee, Department of Education				
84.048	V048A230042	Career and Technical Education - Basic Grants to States	U.S. Department of Education	$ 49,643
Special Education Cluster (IDEA)				
84.027	H027A230052	Special Education Grants to States	U.S. Department of Education	641,918
84.173	H713A230095	Special Education Preschool Grants	U.S. Department of Education	20,274
		Total Special Education Cluster (IDEA)		662,192
84.010	S010A230042	Title I, Grants to Local Education Agencies	U.S. Department of Education	670,571
84.010	S010A230042	Title I, Grants to Local Education Agencies	U.S. Department of Education	31,334
		Total Title I, FALN: 84.010		701,905
84.367	S367A230040	Supporting Effective Instruction State Grants	U.S. Department of Education	113,832
84.424	S424A2300044	Student Support and Academic Enrichment Program	U.S. Department of Education	53,913
84.287	S287C230043	Title IV, Part B, 21st Century Community Learning Centers	U.S. Department of Education	127,809
84.425D	S425U210047	COVID 19 - ARP - Elementary & Secondary School Emergency Relief Fund 3.0	U.S. Department of Education	62,069
84.196	S196A23044	Education for Homeless Children and Youth	U.S. Department of Education	6,523
Direct Federal Funds				
16.710	15JCOPS-23-GG-04680-SSIX	Public Safety Partnership and Community Policing Grants	U.S. Department of Justice	458,899
Pass-Through Tennessee Department of Human Services				
84.126	Z24-70507 and Z25-70507	Rehabilitation Services Vocational Rehab Grants to States	U.S. Department of Education	48,473
Total School Federal Projects Fund				2,285,258

(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, 2025

Federal Assistance Listing Number (FALN)	Pass-Through Grant Number	Program Name/Grant Number	Grantor Agency	Expenditures
School Nutrition Fund				
Pass-Through Tennessee Department of Education				
Child Nutrition Cluster				
10.553	N/A	National School Breakfast Program	U.S. Department of Agriculture	$ 392,777
10.555	N/A	National School Lunch Program	U.S. Department of Agriculture	703,857
10.555	N/A	National Snack Reimbursement	U.S. Department of Agriculture	23,064
Pass-Through Tennessee Department of Agriculture				
10.555	N/A	National School Lunch Program - Commodities -Noncash Assistance	U.S. Department of Agriculture	85,281
		Total Child Nutrition Cluster		1,204,979
Pass-Through Tennessee Department of Education				
10.649	N/A	COVID-19 - Pandemic - EBT Administrative Costs	U.S. Department of Agriculture	2,285
Total School Nutrition Fund				1,207,264
TOTAL FEDERAL AWARDS				$ 3,492,522

NOTE A: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Elizabethton City Schools and is presented on the accrual basis of accounting. 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.

NOTE B: SUMMARY OF SIGNIFCANT 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 value of commodities received and used.

NOTE D: INDIRECT COST RATES

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

See Independent Auditors’ Report

ELIZABETHTON, TENNESSEE CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Fiscal Year Ended June 30, 2025

FALN Number	Program Name/Grant Number	Grantor Agency	Expenditures
General Purpose School Fund			
N/A	Early Childhood Grant	Tennessee Department of Education	$ 410,805
N/A	TISA State Funding	Tennessee Department of Education	20,549,606
N/A	TISA OBP	Tennessee Department of Education	84,306
N/A	Driver's Education	Tennessee Department of Education	8,463
N/A	Summer Learning Camps	Tennessee Department of Education	264,292
N/A	Learning Camp Transportation	Tennessee Department of Education	47,935
N/A	Career Ladder	Tennessee Department of Education	12,416
N/A	CEO Funds	Tennessee Department of Education	1,140
N/A	Innovative School Models	Tennessee Department of Education	286,501
N/A	Special Education PreK	Tennessee Department of Education	120,048
N/A	Public School Safety	Tennessee Department of Education	100,921
N/A	Tennessee Paid Parental Leave	Tennessee Department of Education	64,589
Total General Purpose School Fund			21,951,022
School Nutrition Fund:			
N/A	State Matching Funds	Tennessee Department of Agriculture	10,950
Total School Nutrition Fund			10,950
TOTAL STATE GRANTS			$ 21,961,972

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, 2025, and the related notes to the financial statements, which collectively comprise the Elizabethton City Schools' basic financial statements, and have issued our report thereon dated December 1, 2025.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a material weakness.

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 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 questioned costs as item 2025-001.

The Elizabethton City Schools' Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Elizabethton City Schools' response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Elizabethton City Schools' 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, PLC

BLACKBURN, CHILDERS & STEAGALL, PLC
Johnson City, Tennessee

December 1, 2025

BLACKBURN, CHILDERS
& STEAGALL, PLC

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 the Major Federal Program

Qualified Opinion on the 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 identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Elizabethton City Schools' major federal program for the fiscal year ended June 30, 2025. Elizabethton City Schools' major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, except for the noncompliance descried in the Basis for Qualified Opinion section of our report, Elizabethton City Schools complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster for the fiscal year ended June 30, 2025.

Basis for Qualified Opinion

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 qualified opinion on compliance for the major federal program. Our audit does not provide a legal determination of Elizabethton City Schools' compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on Child Nutrition Cluster

As described in the accompany schedule of findings and questioned costs as Finding 2025-001, Elizabethton City Schools did not comply with requirements regarding Child Nutrition Cluster for Eligibility and Reporting. Compliance with such requirements is necessary, in our opinion, for Elizabethton City Schools' to comply with the requirements applicable to that program.

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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2025-001.

Government Auditing Standards requires the auditor to perform limited procedures on Elizabethton City Schools' response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Elizabethton City Schools' response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a material weakness.

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.

Government Auditing Standards requires the auditor to perform limited procedures on Elizabethton City Schools' response to the internal control over compliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Elizabethton City Schools' response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Blackburn, Childers + Steagall, PLC

BLACKBURN, CHILDERS & STEAGALL, PLC
Johnson City, Tennessee

December 1, 2025

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
For the Fiscal Year Ended June 30, 2025

FINANCIAL STATEMENT FINDINGS

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

None noted.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

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

None noted.

ELIZABETHTON CITY SCHOOLS
(A COMPONENT UNIT OF THE CITY OF ELIZABETHTON, TENNESSEE)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2025

SECTION I - SUMMARY OF AUDITORS' RESULTS

PART 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?	Yes
Significant deficiency identified?	None Reported
3. Noncompliance material to the financial statements noted?	Yes

FEDERAL AWARDS

4. Internal control over major federal programs:	
Material weakness identified?	Yes
Significant deficiency identified?	None Reported
5. Type of report auditor issued on compliance for major programs:	Qualified
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes
7. Identification of major federal programs:	
Child Nutrition Cluster Assistance Listing Numbers: 10.553 and 10.555	
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)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2025

Findings Relating to the Financial Statements

2025-001: Material Weakness - School Nutrition Fund had deficiencies in claim reimbursement process

Criteria: The U.S. Department of Agriculture has established policies and procedures for determining eligibility requirements of children, (i.e., free, reduced and full pay), which includes the establishment of adequate internal controls for accumulating and reporting such data. Further, reimbursements for meals served is based upon Food Service data and monthly reporting of claims for reimbursement.

Condition: During preliminary audit procedures in May 2025, we noted possible errors in data, including participant counts, and monthly claims submitted for reimbursement. School system personnel began efforts to amend and correct student count data and monthly claims that had been submitted. Amended claims were submitted to the state. The total of the amended claims was $167,498.

Effect: The School system was not compliant with student data counts or claims submitted for reimbursement. As a result, $167,498 had been overclaimed by the School system. Amended claims were filed with the appropriate state agency and proper accounting adjustments were made by School system personnel to correct this error in the June 30, 2025 financial statements.

Cause: The original student count data was incorrect and thus claims for reimbursement were overstated by $167,498.

Recommendation: We recommend proper procedures including review of student count data and monthly claims be a part of the normal monthly accounting process.

Response: The student numbers were corrected and the USDA claims were adjusted before the end of the fiscal year. The School Nutrition Coordinator has been instructed to ensure that all students are counted correctly.

Findings and Questioned Costs for Federal Awards

2025-001: School Nutrition Fund had deficiencies in claim reimbursement process – Material Weakness and Noncompliance under Government Auditing Standards and Uniform Guidance

Repeat Finding Number (if applicable)	N/A
Assistance Listing #(s)	10.553 and 10.555
Assistance Listings Title	Child Nutrition Cluster - National School Breakfast Program, National School Lunch Program and National Snack Reimbursement
Federal Agency	U.S. Department of Agriculture
State Pass-Through Agency	Tennessee Department of Education
Grant/Contract Number	N/A
Federal Award Year	2025
Finding Type	Material Weakness and Noncompliance
Compliance Requirement	Eligibility and Reporting

Criteria: The U.S. Department of Agriculture has established policies and procedures for determining eligibility requirements of children, (i.e., free, reduced and full pay), which includes the establishment of adequate internal controls for accumulating and reporting such data. Further, reimbursements for meals served is based upon Food Service data and monthly reporting of claims for reimbursement.

Condition: During preliminary audit procedures in May 2025, we noted possible errors in data, including participant counts, and monthly claims submitted for reimbursement. School system personnel began efforts to amend and correct student count data and monthly claims that had been submitted. Amended claims were submitted to the state. The total of the amended claims was $167,498.

Context: The School system's monthly claims for the months of August through May were incorrect and as a result, $167,498 had been overclaimed by the School system.

Cause: The original student count data was incorrect and thus claims for reimbursement were overstated.

Effect: The School system was not compliant with student data counts or claims submitted for reimbursement. As a result, $167,498 had been overclaimed by the School system and these costs are questioned. Amended claims were filed with the appropriate state agency and proper accounting adjustments were made by School system personnel to correct this error in the June 30, 2025 financial statements.

Recommendation: We recommend proper procedures including review of student count data and monthly claims be a part of the normal monthly accounting process.

Response: The student numbers were corrected and the USDA claims were adjusted before the end of the fiscal year. The School Nutrition Coordinator has been instructed to ensure that all students are counted correctly.

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

Material Weakness
JUNE 30, 2025

School Nutrition Fund — **USDA Claim Reimbursement Process**
2025-001

Response and Corrective Action Plan Prepared by:	Beth Wilson Director of Finance Elizabethton City Schools
Person Responsible for Implementing the Corrective Action:	Regina Isaacs School Nutrition Coordinator Elizabethton City Schools
Anticipated Completion of Corrective Action:	May 31, 2025
Repeat Deficiency:	No

Planned Corrective Action:

The student numbers were corrected and the USDA claims were adjusted before the end of the fiscal year. The School Nutrition Coordinator has been instructed to ensure that all students are counted correctly.

Richard VanHuss
Director of Schools

ELIZABETHTON CITY SCHOOLS
Experience Excellence

December 18, 2025

Kim Norris
Citizens Bank
300 Broad Street
Elizabethton, TN 37643

Dear Ms. Norris:

We would like to make the following changes, listed in red, to accounts held at your institution with the Federal ID # of 62-0730716. The following locations have accounts and the current signers for those accounts are listed.

- Elizabethton Board of Education Checking &
- Elizabethton School Food Service Checking
  - Eddie Pless
  - Jamie Schaff
  - Richard VanHuss
  - Myra Newman

- Harold McCormick Elementary -
  - Carla Whiles
  - Liz Grill
  - Eric Wampler
  - Tyler Williams (add)
  - ~~Beth Wilson~~ (delete)

- West Side Elementary
  - John Wright
  - Sara Yeager
  - Tammy Markland
  - Tyler Willliams (add)
  - ~~Beth Wilson~~ (delete)

- Elizabethton High School
  - Anna Hurley
  - Tom Hopson
  - Jonathan Minton
  - Justin White
  - Brian Culbert
  - Jennifer Hardin
  - Beth Hilbert

804 S. Watauga Ave.
Elizabethton, TN 37643
www.ecschools.net
[P] 423.547.8000
[F] 423.547.8929

- Katherine J. Jones, CD
    - Jonathan Minton
    - Brian Culbert
    - Jennifer Hardin
    - Beth Hilbert
- Nancy Hunt Scholarship Savings Account
    - Jonathan Minton
    - Brian Culbert
    - Jennifer Hardin
    - Beth Hilbert

Any changes in signers to the above accounts must be approved by the Board of Education. The current members of the Board of Education are listed below.

Eddie Pless
Phil Isaacs
Robert Lewis, DDS
Jamie Schaff
Josh Smith

Thank you for your assistance in this matter.

Sincerely,

______________________________ ______________________________

Eddie Pless/Board Chair Phil Isaacs/Board Member

______________________________ ______________________________

Jamie Schaff/Board Vice-Chair Robert Lewis, DDS/Board Member

____

Josh Smith/Board Member

December 18, 2025

Kim Norris
Citizens Bank
300 Broad Street
Elizabethton, TN 37643

Dear Ms. Melton:

Our signatures below indicate that we agree to open a retainage/escrow account with FieldTurf USA, Inc. under the Federal ID # of 62-0730716.

The following will be the signers for that account:

Eddie Pless
Jamie Schaff
Richard VanHuss
Myra Newman

Any changes in signers to the account must be approved by the Board of Education.

Thank you for your assistance in this matter.

Sincerely,

Eddie Pless/Board Chair

Jamie Schaff/Board Vice-Chair

Phil Isaacs/Board Member

Robert Lewis, DDS/Board Member

Josh Smith/Board Member

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: Lenovo 110e Chromebooks (3)
- All Esser funded

INVENTORY TAG NUMBER: # 449, 954 and 2020-15-0023CRS

METHOD OF SALE/DISPOSAL: retired by technology

SCHOOL/BUILDING WHERE ITEM IS HOUSED: TA Dugger

SALE/DISPOSAL AUTHORIZED BY: [signature] DATE: 11-13-25
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 $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: Lenovo 110e Chromebook G2

Serial #'s MP1W5L7Y

MP1W5VP2

Esser Funded (Cares)

INVENTORY TAG NUMBER: Cares #s 380 + 5039

METHOD OF SALE/DISPOSAL: Retired by tech

SCHOOL/BUILDING WHERE ITEM IS HOUSED: TAD

SALE/DISPOSAL AUTHORIZED BY: [signature] DATE: 12-8-25
Principal

AUTHORIZED BY: [signature] DATE: 12/8/25
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: Lenovo 110e Chromebook G2
multiple units (see attached) -
all Esser funded.

INVENTORY TAG NUMBER: see attached

METHOD OF SALE/DISPOSAL: retired by technology

SCHOOL/BUILDING WHERE ITEM IS HOUSED: TAD

SALE/DISPOSAL AUTHORIZED BY: [signature] DATE: 12-9-25
Principal

AUTHORIZED BY: [signature] DATE: 12/11/25
Director of Schools

AUTHORIZED BY: ______________________ DATE: _______
Board Chairman

serial # tag #

MP1WSVRF cares 549

MP1WVPTL cares 1034

MP1WVS85 cares 1332

MP1WSTYC cares 501

MP1WVKQ0 cares 742

MP1WSYE7 cares 587

MP1WSYCN cares 579

MP1WSJ27 cares 367

MP1WSY9R cares 589

MP1WW5Y9 cares 1469

MP1WVM1V cares 948

MP1WVQ3B cares 1176

MP1WWK8M cares 1461

MP1WSQ7R cares 470

MP1WSNM6 cares 424