

**ANNUAL FINANCIAL REPORT**  
**UNICOI COUNTY, TENNESSEE**

**FOR THE YEAR ENDED JUNE 30, 2019**



**DIVISION OF LOCAL GOVERNMENT AUDIT**



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

***COMPTROLLER OF THE TREASURY***  
***JUSTIN P. WILSON***

***DIVISION OF LOCAL GOVERNMENT AUDIT***  
***JAMES R. ARNETTE***  
***Director***

***MARK TREECE, CPA, CGFM***  
***Audit Manager***

***MARIE TIDWELL, CPA***  
***Senior Auditor***

***BRANDON HAMMES***  
***PAULA KNIGHT***  
***GREG BRUSH, CISA***  
***State Auditors***

This financial report is available at [www.comptroller.tn.gov](http://www.comptroller.tn.gov)

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# ***Summary of Audit Findings***

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

## ***Scope***

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

## ***Results***

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

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

## ***Findings***

The following is the summary of the audit findings:

### **OFFICE OF COUNTY MAYOR**

- ◆ Duties were not segregated adequately.

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### **OFFICE OF ROAD SUPERINTENDENT**

- ◆ The office had purchasing deficiencies.

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## INTRODUCTORY SECTION

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# Unicoi County Officials

## June 30, 2019

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### **Officials**

Garland Evely, County Mayor  
Terry Haynes, Road Superintendent  
John English, Director of Schools  
Paul Berry, Trustee  
Teresa Kinsler, Assessor of Property  
Mitzi Bowen, County Clerk  
Darren Shelton, Circuit and General Sessions Courts Clerk  
Teresa Simerly, Clerk and Master  
Deborah Tittle, Register of Deeds  
Michael Hensley, Sheriff

### **Board of County Commissioners**

Loren Thomas, Chairman  
Jamie Harris  
Jason Harris  
Stephen Hendrix  
John Mosley

Marie Rice  
Matthew Rice  
Glenn White  
Todd Wilcox

### **Board of Education**

Tyler Engle, Chairman  
Glen Fisher  
Steve Scott

Cathy Thomas  
Tammy Tipton  
Steve Willis

### **Audit Committee**

Robert Stromberg, Chairman  
Fain Bennett  
John Harris

Kenneth Kisiel  
Marie Rice



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## **FINANCIAL SECTION**

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JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Deputy Comptroller*

## Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Unicoi County, Tennessee, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Unicoi County, Tennessee, as of June 30, 2019, and the respective changes in financial position thereof and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

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

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

not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Unicoi County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Unicoi County School Department (a discretely presented component unit), miscellaneous schedules and the other information such as the introductory section and management's corrective action plans are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

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

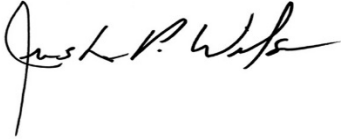
The introductory section and management's corrective action plans have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated October 23, 2019, on our consideration of Unicoi County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to

describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Unicoi County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Unicoi County's internal control over financial reporting and compliance.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a prominent initial "J" and "W".

Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

October 23, 2019

JPW/tg

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

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

|  | <u>Primary<br/>Government<br/>Governmental<br/>Activities</u> | <u>Component<br/>Unit<br/>Unicoi<br/>County<br/>School<br/>Department</u> |
|--|---|---|
| <u>ASSETS</u>                                      |   |   |
| Cash and Cash Equivalents                          | \$ 39,660   | \$ 716,000  |
| Equity in Pooled Cash and Investments              | 8,062,569   | 1,464,004   |
| Accounts Receivable                                | 59,404  | 4,256   |
| Due from Other Governments                         | 614,667   | 482,024   |
| Property Taxes Receivable                          | 6,573,413   | 2,633,687   |
| Allowance for Uncollectible Property Taxes         | (231,480)   | (92,745)  |
| Prepaid Items                                      | 54,150  | 0   |
| Net Pension Asset - Agent Plan                     | 497,574   | 342,071   |
| Net Pension Asset - Teacher Retirement Plan        | 0   | 63,031  |
| Net Pension Asset - Teacher Legacy Retirement Plan | 0   | 918,453   |
| Restricted Assets:                                 |   |   |
| Amounts Accumulated for Pension Benefits           | 0   | 38,051  |
| Capital Assets:                                    |   |   |
| Assets Not Depreciated:                            |   |   |
| Land   | 511,921   | 615,753   |
| Construction in Progress                           | 13,695  | 0   |
| Assets Net of Accumulated Depreciation:            |   |   |
| Buildings and Improvements                         | 3,439,940   | 22,757,935  |
| Other Capital Assets                               | 1,232,228   | 1,301,670   |
| Infrastructure                                     | 5,882,360   | 0   |
| Total Assets                                       | <u>\$ 26,750,101</u>  | <u>\$ 31,244,190</u>  |

DEFERRED OUTFLOWS OF RESOURCES

|  |                     |                     |
|--|---------------------|---------------------|
| Deferred Charge on Refunding                 | \$ 922,884          | \$ 0                |
| Pension Changes in Experience                | 0                   | 189,221             |
| Pension Changes in Assumptions               | 239,628             | 710,156             |
| Pension Contributions after Measurement Date | 301,631             | 1,196,232           |
| Pension Changes in Proportion                | 0                   | 115,444             |
| OPEB Changes in Assumptions                  | 0                   | 55,618              |
| OPEB Contributions after Measurement Date    | 0                   | 104,496             |
| OPEB Changes in Proportion                   | 0                   | 94,994              |
| Total Deferred Outflows of Resources         | <u>\$ 1,464,143</u> | <u>\$ 2,466,161</u> |

LIABILITIES

|                            |            |           |
|----------------------------|------------|-----------|
| Accounts Payable           | \$ 192,466 | \$ 94,115 |
| Accrued Payroll            | 69,671     | 0         |
| Accrued Interest Payable   | 123,564    | 0         |
| Payroll Deductions Payable | 67,486     | 40,906    |
| Due to State of Tennessee  | 1,974      | 0         |

(Continued)

Exhibit A

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

|  | Primary<br>Government<br>Governmental<br>Activities | Component<br>Unit<br>Unicoi<br>County<br>School<br>Department |
|--|---|---|
| <u>LIABILITIES (CONT.)</u>             |   |   |
| Other Current Liabilities              | \$ 18,592   | \$ 443,050  |
| Noncurrent Liabilities:                |   |   |
| Due Within One Year - Debt             | 1,988,100   | 0   |
| Due Within One Year - Other            | 140,396   | 36,000  |
| Due in More Than One Year - Debt       | 17,199,009  | 0   |
| Due in More Than One Year - Other      | 60,170  | 2,028,810   |
| Total Liabilities                      | <u>\$ 19,861,428</u>                                | <u>\$ 2,642,881</u>   |
| <u>DEFERRED INFLOWS OF RESOURCES</u>   |   |   |
| Deferred Current Property Taxes        | \$ 6,132,865  | \$ 2,457,178  |
| Pension Changes in Experience          | 627,631   | 1,673,060   |
| Pension Changes in Investment Earnings | 46,299  | 235,284   |
| Pension Changes in Proportion          | 0   | 8,565   |
| OPEB Changes in Experience             | 0   | 477,041   |
| OPEB Changes in Assumptions            | 0   | 93,661  |
| Total Deferred Inflows of Resources    | <u>\$ 6,806,795</u>                                 | <u>\$ 4,944,789</u>   |
| <u>NET POSITION</u>                    |   |   |
| Net Investment in Capital Assets       | \$ 8,742,995  | \$ 24,675,358   |
| Restricted for:                        |   |   |
| General Government                     | 382,452   | 0   |
| Finance                                | 32,464  | 0   |
| Administration of Justice              | 34,013  | 0   |
| Public Safety                          | 59,562  | 0   |
| Public Health and Welfare              | 401,238   | 0   |
| Highways/Public Works                  | 3,017,100   | 0   |
| Capital Outlay                         | 13,362  | 0   |
| Debt Service                           | 862,659   | 0   |
| Education                              | 0   | 523,245   |
| Pensions                               | 497,574   | 1,361,606   |
| Unrestricted                           | <u>(12,497,398)</u>                                 | <u>(437,528)</u>  |
| Total Net Position                     | <u>\$ 1,546,021</u>                                 | <u>\$ 26,122,681</u>  |

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



Exhibit B

Unicoi County, Tennessee  
Statement of Activities  
For the Year Ended June 30, 2019

| Functions/Programs                          | Expenses             | Program Revenues        |  |  | Net (Expense) Revenue and<br>Changes in Net Position |                        |
|---|----------------------|-------------------------|--|--|--|------------------------|
|   |                      | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Primary  | Component              |
|   |                      |                         |  |  | Government<br>Total                                  | Unit                   |
|   |                      |                         |  | Governmental                           | Unicoi<br>County<br>School<br>Department             |                        |
| Primary Government:                         |                      |                         |  |  |  |                        |
| Governmental Activities:                    |                      |                         |  |  |  |                        |
| General Government                          | \$ 1,173,611         | \$ 157,051              | \$ 15,164                                | \$ 0                                   | \$ (1,001,396)                                       | \$ 0                   |
| Finance                                     | 810,411              | 477,720                 | 0  | 0                                      | (332,691)  | 0                      |
| Administration of Justice                   | 794,243              | 530,545                 | 14,649                                   | 0                                      | (249,049)  | 0                      |
| Public Safety                               | 3,930,712            | 959,426                 | 94,712                                   | 25,000                                 | (2,851,574)  | 0                      |
| Public Health and Welfare                   | 1,412,040            | 0                       | 295,761                                  | 383,404                                | (732,875)  | 0                      |
| Social, Cultural, and Recreational Services | 73,409               | 19,701                  | 0  | 0                                      | (53,708)   | 0                      |
| Agriculture and Natural Resources           | 47,647               | 0                       | 0  | 0                                      | (47,647)   | 0                      |
| Highways                                    | 1,762,513            | 142,743                 | 1,914,771                                | 698,675                                | 993,676  | 0                      |
| Interest on Long-term Debt                  | 759,047              | 0                       | 0  | 0                                      | (759,047)  | 0                      |
| <b>Total Primary Government</b>             | <b>\$ 10,763,633</b> | <b>\$ 2,287,186</b>     | <b>\$ 2,335,057</b>                      | <b>\$ 1,107,079</b>                    | <b>\$ (5,034,311)</b>                                | <b>\$ 0</b>            |
| Component Unit:                             |                      |                         |  |  |  |                        |
| Unicoi County School Department             | \$ 22,024,672        | \$ 287,239              | \$ 3,208,597                             | \$ 0                                   | \$ 0   | \$ (18,528,836)        |
| <b>Total Component Unit</b>                 | <b>\$ 22,024,672</b> | <b>\$ 287,239</b>       | <b>\$ 3,208,597</b>                      | <b>\$ 0</b>                            | <b>\$ 0</b>  | <b>\$ (18,528,836)</b> |

(Continued)

Exhibit B

Unicoi County, Tennessee  
Statement of Activities (Cont.)

| Functions/Programs   | Expenses | Program Revenues        |  |  | Net (Expense) Revenue and<br>Changes in Net Position |                      |
|--|----------|-------------------------|--|--|--|----------------------|
|  |          | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Primary  | Component            |
|  |          |                         |  |  | Government<br>Total                                  | Unit                 |
|  |          |                         |  | Governmental                           | Unicoi<br>County<br>School<br>Department             |                      |
| General Revenues:  |          |                         |  |  |  |                      |
| Taxes:   |          |                         |  |  |  |                      |
| Property Taxes Levied for General Purposes                   |          |                         |  |  | \$ 4,595,117   | \$ 2,510,997         |
| Property Taxes Levied for Debt Service                       |          |                         |  |  | 1,696,730  | 0                    |
| Local Option Sales Taxes                                     |          |                         |  |  | 542,860  | 1,609,189            |
| Hotel/Motel Tax  |          |                         |  |  | 47,446   | 0                    |
| Litigation Tax - General                                     |          |                         |  |  | 79,461   | 0                    |
| Litigation Tax - Special Purpose                             |          |                         |  |  | 85,299   | 0                    |
| Litigation Tax - Jail, Workhouse, or Courthouse              |          |                         |  |  | 147,320  | 0                    |
| Business Tax   |          |                         |  |  | 86,841   | 34,194               |
| Mineral Severance Tax  |          |                         |  |  | 21,552   | 0                    |
| Wholesale Beer Tax   |          |                         |  |  | 10,399   | 4,588                |
| Interstate Telecommunications Tax                            |          |                         |  |  | 1,810  | 0                    |
| Other Local Taxes  |          |                         |  |  | 0  | 70                   |
| Grants and Contributions Not Restricted to Specific Programs |          |                         |  |  | 679,301  | 14,509,581           |
| Unrestricted Investment Income                               |          |                         |  |  | 75,990   | 19,517               |
| Gain on Investments  |          |                         |  |  | 0  | 1,921                |
| Miscellaneous  |          |                         |  |  | 50,744   | 91,585               |
| <b>Total General Revenues</b>                                |          |                         |  |  | <b>\$ 8,120,870</b>                                  | <b>\$ 18,781,642</b> |
| <br>   |          |                         |  |  |  |                      |
| Change in Net Position                                       |          |                         |  |  | \$ 3,086,559   | \$ 252,806           |
| Net Position, July 1, 2018                                   |          |                         |  |  | (1,540,538)  | 25,869,875           |
| <br>   |          |                         |  |  |  |                      |
| Net Position, June 30, 2019                                  |          |                         |  |  | <u>\$ 1,546,021</u>                                  | <u>\$ 26,122,681</u> |

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

Exhibit C-1

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

|  | Major Funds         |                              |                            | Nonmajor<br>Funds                   | Total<br>Governmental<br>Funds |
|--|---------------------|------------------------------|----------------------------|-------------------------------------|--------------------------------|
|  | General             | Highway /<br>Public<br>Works | General<br>Debt<br>Service | Other<br>Govern-<br>mental<br>Funds |                                |
| <u>ASSETS</u>                              |                     |                              |                            |                                     |                                |
| Cash                                       | \$ 0                | \$ 30,000                    | \$ 0                       | \$ 9,660                            | \$ 39,660                      |
| Equity in Pooled Cash and Investments      | 1,902,969           | 3,217,943                    | 2,748,565                  | 193,092                             | 8,062,569                      |
| Accounts Receivable                        | 48,187              | 10,879                       | 270                        | 68                                  | 59,404                         |
| Due from Other Governments                 | 187,883             | 314,821                      | 111,963                    | 0                                   | 614,667                        |
| Due from Other Funds                       | 9,660               | 0                            | 0                          | 0                                   | 9,660                          |
| Property Taxes Receivable                  | 4,138,358           | 218,188                      | 1,772,945                  | 443,922                             | 6,573,413                      |
| Allowance for Uncollectible Property Taxes | (145,731)           | (7,683)                      | (62,434)                   | (15,632)                            | (231,480)                      |
| Prepaid Items                              | 44,000              | 10,150                       | 0                          | 0                                   | 54,150                         |
| Total Assets                               | <u>\$ 6,185,326</u> | <u>\$ 3,794,298</u>          | <u>\$ 4,571,309</u>        | <u>\$ 631,110</u>                   | <u>\$ 15,182,043</u>           |
| <u>LIABILITIES</u>                         |                     |                              |                            |                                     |                                |
| Accounts Payable                           | \$ 152,325          | \$ 13,107                    | \$ 0                       | \$ 27,034                           | \$ 192,466                     |
| Accrued Payroll                            | 69,671              | 0                            | 0                          | 0                                   | 69,671                         |
| Payroll Deductions Payable                 | 58,356              | 9,130                        | 0                          | 0                                   | 67,486                         |
| Due to Other Funds                         | 0                   | 0                            | 0                          | 9,660                               | 9,660                          |
| Due to State of Tennessee                  | 1,572               | 395                          | 0                          | 7                                   | 1,974                          |
| Other Current Liabilities                  | 17,834              | 0                            | 0                          | 758                                 | 18,592                         |
| Total Liabilities                          | <u>\$ 299,758</u>   | <u>\$ 22,632</u>             | <u>\$ 0</u>                | <u>\$ 37,459</u>                    | <u>\$ 359,849</u>              |
| <u>DEFERRED INFLOWS OF RESOURCES</u>       |                     |                              |                            |                                     |                                |
| Deferred Current Property Taxes            | \$ 3,861,006        | \$ 203,565                   | \$ 1,654,123               | \$ 414,171                          | \$ 6,132,865                   |
| Deferred Delinquent Property Taxes         | 118,456             | 6,246                        | 50,748                     | 12,707                              | 188,157                        |
| Other Deferred/Unavailable Revenue         | 20,948              | 151,381                      | 48,430                     | 0                                   | 220,759                        |
| Total Deferred Inflows of Resources        | <u>\$ 4,000,410</u> | <u>\$ 361,192</u>            | <u>\$ 1,753,301</u>        | <u>\$ 426,878</u>                   | <u>\$ 6,541,781</u>            |

(Continued)

Exhibit C-1

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

|   | Major Funds  |                              |                            | Nonmajor<br>Funds                   | Total<br>Governmental<br>Funds |
|---|--------------|------------------------------|----------------------------|-------------------------------------|--------------------------------|
|   | General      | Highway /<br>Public<br>Works | General<br>Debt<br>Service | Other<br>Govern-<br>mental<br>Funds |                                |
| <u>FUND BALANCES</u>  |              |                              |                            |                                     |                                |
| Nonspendable:   |              |                              |                            |                                     |                                |
| Prepaid Items   | \$ 44,000    | \$ 10,150                    | \$ 0                       | \$ 0                                | \$ 54,150                      |
| Restricted:   |              |                              |                            |                                     |                                |
| Restricted for General Government                                   | 338,452      | 0                            | 0                          | 0                                   | 338,452                        |
| Restricted for Finance  | 32,464       | 0                            | 0                          | 0                                   | 32,464                         |
| Restricted for Administration of Justice                            | 34,013       | 0                            | 0                          | 0                                   | 34,013                         |
| Restricted for Public Safety  | 46,243       | 0                            | 0                          | 13,319                              | 59,562                         |
| Restricted for Public Health and Welfare                            | 15,984       | 0                            | 0                          | 30,547                              | 46,531                         |
| Restricted for Highways/Public Works                                | 0            | 2,878,987                    | 0                          | 0                                   | 2,878,987                      |
| Restricted for Capital Outlay                                       | 10,996       | 0                            | 0                          | 0                                   | 10,996                         |
| Restricted for Debt Service   | 0            | 0                            | 682,365                    | 0                                   | 682,365                        |
| Restricted for Capital Projects                                     | 0            | 0                            | 0                          | 2,366                               | 2,366                          |
| Restricted for Other Purposes                                       | 342,000      | 0                            | 0                          | 0                                   | 342,000                        |
| Committed:  |              |                              |                            |                                     |                                |
| Committed for Public Health and Welfare                             | 0            | 0                            | 0                          | 120,541                             | 120,541                        |
| Committed for Highways/Public Works                                 | 0            | 521,337                      | 0                          | 0                                   | 521,337                        |
| Committed for Debt Service  | 0            | 0                            | 2,135,643                  | 0                                   | 2,135,643                      |
| Assigned:   |              |                              |                            |                                     |                                |
| Assigned for General Government                                     | 351,418      | 0                            | 0                          | 0                                   | 351,418                        |
| Assigned for Public Safety  | 20           | 0                            | 0                          | 0                                   | 20                             |
| Assigned for Public Health and Welfare                              | 250          | 0                            | 0                          | 0                                   | 250                            |
| Unassigned  | 669,318      | 0                            | 0                          | 0                                   | 669,318                        |
| Total Fund Balances   | \$ 1,885,158 | \$ 3,410,474                 | \$ 2,818,008               | \$ 166,773                          | \$ 8,280,413                   |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 6,185,326 | \$ 3,794,298                 | \$ 4,571,309               | \$ 631,110                          | \$ 15,182,043                  |

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

Exhibit C-2

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

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

|   |    |                  |                         |
|---|----|------------------|-------------------------|
| Total fund balances - balance sheet - governmental funds (Exhibit C-1)  |    | \$               | 8,280,413               |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.  |    |                  |                         |
| Add: land   | \$ | 511,921          |                         |
| Add: construction in progress   |    | 13,695           |                         |
| Add: buildings and improvements net of accumulated depreciation   |    | 3,439,940        |                         |
| Add: other capital assets net of accumulated depreciation   |    | 1,232,228        |                         |
| Add: infrastructure net of accumulated depreciation   |    | <u>5,882,360</u> | 11,080,144              |
| (2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.   |    |                  |                         |
| Less: notes payable   | \$ | (1,452,900)      |                         |
| Less: bonds payable   |    | (16,445,000)     |                         |
| Add: deferred amount on refunding   |    | 922,884          |                         |
| Less: unamortized premium on debt   |    | (1,289,209)      |                         |
| Less: compensated absences payable  |    | (200,566)        |                         |
| Add: net pension asset  |    | 497,574          |                         |
| Less: accrued interest on bonds and notes   |    | <u>(123,564)</u> | (18,090,781)            |
| (3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years: |    |                  |                         |
| Add: deferred outflows of resources related to pensions   | \$ | 541,259          |                         |
| Less: deferred inflows of resources related to pensions   |    | <u>(673,930)</u> | (132,671)               |
| (4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.   |    |                  | <u>408,916</u>          |
| Net position of governmental activities (Exhibit A)   |    | \$               | <u><u>1,546,021</u></u> |

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

Exhibit C-3

Unicoi County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2019

|   | Major Funds         |                              |                            | Nonmajor                            | Total                |
|---|---------------------|------------------------------|----------------------------|-------------------------------------|----------------------|
|   | General             | Highway /<br>Public<br>Works | General<br>Debt<br>Service | Other<br>Govern-<br>mental<br>Funds |                      |
| <b>Revenues</b>                             |                     |                              |                            |                                     |                      |
| Local Taxes                                 | \$ 4,368,456        | \$ 220,579                   | \$ 2,473,799               | \$ 442,723                          | \$ 7,505,557         |
| Licenses and Permits                        | 18,383              | 969                          | 7,876                      | 1,972                               | 29,200               |
| Fines, Forfeitures, and Penalties           | 94,616              | 0                            | 0                          | 35,546                              | 130,162              |
| Charges for Current Services                | 102,415             | 0                            | 0                          | 6                                   | 102,421              |
| Other Local Revenues                        | 205,521             | 62,638                       | 2,346                      | 0                                   | 270,505              |
| Fees Received From County Officials         | 965,966             | 0                            | 0                          | 0                                   | 965,966              |
| State of Tennessee                          | 1,057,643           | 2,581,428                    | 37                         | 19,996                              | 3,659,104            |
| Federal Government                          | 71,752              | 17,872                       | 0                          | 383,404                             | 473,028              |
| Other Governments and Citizens Groups       | 436,689             | 103,778                      | 191,299                    | 0                                   | 731,766              |
| <b>Total Revenues</b>                       | <b>\$ 7,321,441</b> | <b>\$ 2,987,264</b>          | <b>\$ 2,675,357</b>        | <b>\$ 883,647</b>                   | <b>\$ 13,867,709</b> |
| <b>Expenditures</b>                         |                     |                              |                            |                                     |                      |
| <b>Current:</b>                             |                     |                              |                            |                                     |                      |
| General Government                          | \$ 974,132          | \$ 0                         | \$ 0                       | \$ 0                                | \$ 974,132           |
| Finance                                     | 806,594             | 0                            | 0                          | 319                                 | 806,913              |
| Administration of Justice                   | 838,906             | 0                            | 0                          | 6                                   | 838,912              |
| Public Safety                               | 4,138,093           | 0                            | 0                          | 23,990                              | 4,162,083            |
| Public Health and Welfare                   | 587,387             | 0                            | 0                          | 437,456                             | 1,024,843            |
| Social, Cultural, and Recreational Services | 67,909              | 0                            | 0                          | 0                                   | 67,909               |
| Agriculture and Natural Resources           | 45,699              | 0                            | 0                          | 0                                   | 45,699               |
| Other Operations                            | 93,387              | 0                            | 0                          | 0                                   | 93,387               |
| Highways                                    | 0                   | 2,484,960                    | 0                          | 0                                   | 2,484,960            |
| Capital Outlay                              | 5,000               | 0                            | 0                          | 0                                   | 5,000                |
| <b>Debt Service:</b>                        |                     |                              |                            |                                     |                      |
| Principal on Debt                           | 0                   | 0                            | 1,872,400                  | 0                                   | 1,872,400            |
| Interest on Debt                            | 0                   | 0                            | 754,236                    | 0                                   | 754,236              |

(Continued)

Exhibit C-3

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

|  | Major Funds         |                              |                            | Nonmajor<br>Funds                   | Total<br>Governmental<br>Funds |
|--|---------------------|------------------------------|----------------------------|-------------------------------------|--------------------------------|
|  | General             | Highway /<br>Public<br>Works | General<br>Debt<br>Service | Other<br>Govern-<br>mental<br>Funds |                                |
| <u>Expenditures (Cont.)</u>                          |                     |                              |                            |                                     |                                |
| Debt Service (Cont.)                                 |                     |                              |                            |                                     |                                |
| Other Debt Service                                   | \$ 0                | \$ 0                         | \$ 42,089                  | \$ 0                                | \$ 42,089                      |
| Capital Projects                                     | 0                   | 0                            | 0                          | 383,404                             | 383,404                        |
| Total Expenditures                                   | <u>\$ 7,557,107</u> | <u>\$ 2,484,960</u>          | <u>\$ 2,668,725</u>        | <u>\$ 845,175</u>                   | <u>\$ 13,555,967</u>           |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>\$ (235,666)</u> | <u>\$ 502,304</u>            | <u>\$ 6,632</u>            | <u>\$ 38,472</u>                    | <u>\$ 311,742</u>              |
| <u>Other Financing Sources (Uses)</u>                |                     |                              |                            |                                     |                                |
| Notes Issued   | \$ 200,000          | \$ 0                         | \$ 0                       | \$ 0                                | \$ 200,000                     |
| Insurance Recovery                                   | 3,567               | 0                            | 0                          | 0                                   | 3,567                          |
| Transfers In   | 0                   | 0                            | 34,079                     | 0                                   | 34,079                         |
| Transfers Out  | 0                   | (34,079)                     | 0                          | 0                                   | (34,079)                       |
| Total Other Financing Sources (Uses)                 | <u>\$ 203,567</u>   | <u>\$ (34,079)</u>           | <u>\$ 34,079</u>           | <u>\$ 0</u>                         | <u>\$ 203,567</u>              |
| Net Change in Fund Balances                          | \$ (32,099)         | \$ 468,225                   | \$ 40,711                  | \$ 38,472                           | \$ 515,309                     |
| Fund Balance, July 1, 2018                           | <u>1,917,257</u>    | <u>2,942,249</u>             | <u>2,777,297</u>           | <u>128,301</u>                      | <u>7,765,104</u>               |
| Fund Balance, June 30, 2019                          | <u>\$ 1,885,158</u> | <u>\$ 3,410,474</u>          | <u>\$ 2,818,008</u>        | <u>\$ 166,773</u>                   | <u>\$ 8,280,413</u>            |

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

Exhibit C-4

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

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

|   |    |                  |                     |
|---|----|------------------|---------------------|
| Net change in fund balances - total governmental funds (Exhibit C-3)  |    | \$               | 515,309             |
| (1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:   |    |                  |                     |
| Add: capital assets purchased in the current period   | \$ | 1,350,365        |                     |
| Less: current-year depreciation expense   |    | <u>(742,319)</u> | 608,046             |
| (2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.  |    |                  |                     |
| Less: net book value of assets disposed   |    |                  | (4,585)             |
| (3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.  |    |                  |                     |
| Add: deferred delinquent property taxes and other deferred June 30, 2019  | \$ | 408,916          |                     |
| Less: deferred delinquent property taxes and other deferred June 30, 2018   |    | <u>(426,433)</u> | (17,517)            |
| (4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items: |    |                  |                     |
| Less: note proceeds   | \$ | (200,000)        |                     |
| Add: principal payments on bonds  |    | 1,495,000        |                     |
| Add: principal payments on notes  |    | 377,400          |                     |
| Add: change in unamortized bond premium   |    | 130,631          |                     |
| Less: change in deferred amount on refunding debt   |    | <u>(145,124)</u> | 1,657,907           |
| (5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.   |    |                  |                     |
| Change in accrued interest payable  | \$ | 9,682            |                     |
| Change in compensated absences payable  |    | (41,253)         |                     |
| Change in net pension asset/liability   |    | 626,263          |                     |
| Change in deferred outflows related to pensions   |    | (68,496)         |                     |
| Change in deferred inflows related to pensions  |    | <u>(198,797)</u> | 327,399             |
| Change in net position of governmental activities (Exhibit B)   |    |                  | <u>\$ 3,086,559</u> |

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



Exhibit C-5

Unicoi County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund  
For the Year Ended June 30, 2019

|                                       | Actual<br>(GAAP<br>Basis) | Add:<br>Encumbrances<br>6/30/2019 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts    |                     | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|---------------------------------------|---------------------------|-----------------------------------|---|---------------------|---------------------|--|
|                                       |                           |                                   |   | Original            | Final               |  |
| <u>Revenues</u>                       |                           |                                   |   |                     |                     |  |
| Local Taxes                           | \$ 4,368,456              | \$ 0                              | \$ 4,368,456  | \$ 4,372,802        | \$ 4,372,802        | \$ (4,346)   |
| Licenses and Permits                  | 18,383                    | 0                                 | 18,383  | 21,000              | 21,000              | (2,617)  |
| Fines, Forfeitures, and Penalties     | 94,616                    | 0                                 | 94,616  | 97,100              | 102,350             | (7,734)  |
| Charges for Current Services          | 102,415                   | 0                                 | 102,415   | 105,725             | 105,725             | (3,310)  |
| Other Local Revenues                  | 205,521                   | 0                                 | 205,521   | 76,050              | 118,069             | 87,452   |
| Fees Received From County Officials   | 965,966                   | 0                                 | 965,966   | 952,500             | 952,500             | 13,466   |
| State of Tennessee                    | 1,057,643                 | 0                                 | 1,057,643   | 1,178,864           | 1,199,515           | (141,872)  |
| Federal Government                    | 71,752                    | 0                                 | 71,752  | 35,100              | 61,794              | 9,958  |
| Other Governments and Citizens Groups | 436,689                   | 0                                 | 436,689   | 448,435             | 456,935             | (20,246)   |
| <b>Total Revenues</b>                 | <b>\$ 7,321,441</b>       | <b>\$ 0</b>                       | <b>\$ 7,321,441</b>   | <b>\$ 7,287,576</b> | <b>\$ 7,390,690</b> | <b>\$ (69,249)</b>   |
| <u>Expenditures</u>                   |                           |                                   |   |                     |                     |  |
| <u>General Government</u>             |                           |                                   |   |                     |                     |  |
| County Commission                     | \$ 52,585                 | \$ 0                              | \$ 52,585   | \$ 54,222           | \$ 55,422           | \$ 2,837   |
| Board of Equalization                 | 2,235                     | 0                                 | 2,235   | 2,800               | 2,800               | 565  |
| County Mayor/Executive                | 290,744                   | 14,285                            | 305,029   | 280,361             | 310,646             | 5,617  |
| County Attorney                       | 29,493                    | 0                                 | 29,493  | 27,000              | 29,493              | 0  |
| Election Commission                   | 208,168                   | 0                                 | 208,168   | 213,217             | 213,218             | 5,050  |
| Register of Deeds                     | 201,931                   | 0                                 | 201,931   | 200,649             | 205,799             | 3,868  |
| Planning                              | 12,785                    | 0                                 | 12,785  | 13,229              | 13,229              | 444  |
| County Buildings                      | 122,975                   | 0                                 | 122,975   | 121,537             | 128,283             | 5,308  |
| Other General Administration          | 46,725                    | 0                                 | 46,725  | 50,890              | 50,890              | 4,165  |
| Preservation of Records               | 6,491                     | 0                                 | 6,491   | 43,850              | 43,850              | 37,359   |
| <u>Finance</u>                        |                           |                                   |   |                     |                     |  |
| Property Assessor's Office            | 252,451                   | 0                                 | 252,451   | 258,642             | 262,747             | 10,296   |
| County Trustee's Office               | 190,955                   | 0                                 | 190,955   | 192,352             | 192,352             | 1,397  |

(Continued)

Exhibit C-5

Unicoi County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund (Cont.)

|  | Actual<br>(GAAP<br>Basis) | Add:<br>Encumbrances<br>6/30/2019 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |            | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|---|------------------|------------|--|
|  |                           |                                   |   | Original         | Final      |  |
| <u>Expenditures (Cont.)</u>                    |                           |                                   |   |                  |            |  |
| <u>Finance (Cont.)</u>                         |                           |                                   |   |                  |            |  |
| County Clerk's Office                          | \$ 274,193                | \$ 0                              | \$ 274,193  | \$ 283,765       | \$ 303,452 | \$ 29,259  |
| Other Finance                                  | 88,995                    | 0                                 | 88,995  | 96,000           | 96,000     | 7,005  |
| <u>Administration of Justice</u>               |                           |                                   |   |                  |            |  |
| Circuit Court                                  | 489,808                   | 0                                 | 489,808   | 491,083          | 520,569    | 30,761   |
| General Sessions Court                         | 142,803                   | 0                                 | 142,803   | 143,432          | 142,946    | 143  |
| Chancery Court                                 | 163,936                   | 0                                 | 163,936   | 164,021          | 167,201    | 3,265  |
| Juvenile Court                                 | 42,359                    | 0                                 | 42,359  | 52,538           | 52,538     | 10,179   |
| <u>Public Safety</u>                           |                           |                                   |   |                  |            |  |
| Sheriff's Department                           | 2,029,615                 | 0                                 | 2,029,615   | 1,778,133        | 2,040,933  | 11,318   |
| Administration of the Sexual Offender Registry | 1,250                     | 0                                 | 1,250   | 1,700            | 1,700      | 450  |
| Jail   | 867,558                   | 0                                 | 867,558   | 781,237          | 867,628    | 70   |
| Workhouse                                      | 558,359                   | 20                                | 558,379   | 517,477          | 569,770    | 11,391   |
| Juvenile Services                              | 8,996                     | 0                                 | 8,996   | 9,000            | 9,000      | 4  |
| Fire Prevention and Control                    | 55,000                    | 0                                 | 55,000  | 55,000           | 55,000     | 0  |
| Civil Defense                                  | 60,219                    | 0                                 | 60,219  | 64,528           | 64,528     | 4,309  |
| Other Emergency Management                     | 4,750                     | 0                                 | 4,750   | 4,750            | 4,750      | 0  |
| County Coroner/Medical Examiner                | 30,945                    | 0                                 | 30,945  | 39,768           | 40,548     | 9,603  |
| Other Public Safety                            | 521,401                   | 0                                 | 521,401   | 555,823          | 555,823    | 34,422   |
| <u>Public Health and Welfare</u>               |                           |                                   |   |                  |            |  |
| Local Health Center                            | 68,542                    | 0                                 | 68,542  | 81,881           | 83,381     | 14,839   |
| Rabies and Animal Control                      | 148,031                   | 0                                 | 148,031   | 156,892          | 156,892    | 8,861  |
| Ambulance/Emergency Medical Services           | 132,000                   | 0                                 | 132,000   | 132,000          | 132,000    | 0  |
| Other Local Health Services                    | 153,596                   | 0                                 | 153,596   | 257,800          | 257,800    | 104,204  |
| Appropriation to State                         | 36,916                    | 0                                 | 36,916  | 36,916           | 36,916     | 0  |
| Sanitation Management                          | 582                       | 0                                 | 582   | 5,200            | 5,200      | 4,618  |

(Continued)

Exhibit C-5

Unicoi County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund (Cont.)

|  | Actual<br>(GAAP<br>Basis) | Add:<br>Encumbrances<br>6/30/2019 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |              | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|---|------------------|--------------|--|
|  |                           |                                   |   | Original         | Final        |  |
| <u>Expenditures (Cont.)</u>                        |                           |                                   |   |                  |              |  |
| <u>Public Health and Welfare (Cont.)</u>           |                           |                                   |   |                  |              |  |
| Sanitation Education/Information                   | \$ 40,116                 | \$ 250                            | \$ 40,366   | \$ 44,200        | \$ 44,200    | \$ 3,834   |
| Other Public Health and Welfare                    | 7,604                     | 0                                 | 7,604   | 18,717           | 18,717       | 11,113   |
| <u>Social, Cultural, and Recreational Services</u> |                           |                                   |   |                  |              |  |
| Senior Citizens Assistance                         | 38,600                    | 0                                 | 38,600  | 38,600           | 38,600       | 0  |
| Libraries  | 22,700                    | 0                                 | 22,700  | 22,700           | 22,700       | 0  |
| Other Social, Cultural, and Recreational           | 6,609                     | 0                                 | 6,609   | 6,609            | 6,609        | 0  |
| <u>Agriculture and Natural Resources</u>           |                           |                                   |   |                  |              |  |
| Agricultural Extension Service                     | 39,899                    | 0                                 | 39,899  | 45,716           | 45,716       | 5,817  |
| Forest Service                                     | 800                       | 0                                 | 800   | 800              | 800          | 0  |
| Soil Conservation                                  | 5,000                     | 0                                 | 5,000   | 5,000            | 5,000        | 0  |
| <u>Other Operations</u>                            |                           |                                   |   |                  |              |  |
| Tourism  | 500                       | 0                                 | 500   | 500              | 500          | 0  |
| Industrial Development                             | 66,355                    | 0                                 | 66,355  | 70,000           | 70,000       | 3,645  |
| Veterans' Services                                 | 0                         | 0                                 | 0   | 450              | 450          | 450  |
| Contributions to Other Agencies                    | 5,000                     | 0                                 | 5,000   | 5,000            | 5,000        | 0  |
| Employee Benefits                                  | 19,282                    | 0                                 | 19,282  | 24,000           | 24,000       | 4,718  |
| Miscellaneous                                      | 2,250                     | 0                                 | 2,250   | 2,250            | 2,250        | 0  |
| <u>Capital Outlay</u>                              |                           |                                   |   |                  |              |  |
| Regular Capital Outlay                             | 5,000                     | 0                                 | 5,000   | 0                | 5,000        | 0  |
| Total Expenditures                                 | \$ 7,557,107              | \$ 14,555                         | \$ 7,571,662  | \$ 7,452,235     | \$ 7,962,846 | \$ 391,184   |
| Excess (Deficiency) of Revenues                    |                           |                                   |   |                  |              |  |
| Over Expenditures                                  | \$ (235,666)              | \$ (14,555)                       | \$ (250,221)  | \$ (164,659)     | \$ (572,156) | \$ 321,935   |

(Continued)

Exhibit C-5

Unicoi County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund (Cont.)

|                                       | Actual<br>(GAAP<br>Basis) | Add:<br>Encumbrances<br>6/30/2019 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |              | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|---------------------------------------|---------------------------|-----------------------------------|---|------------------|--------------|--|
|                                       |                           |                                   |   | Original         | Final        |  |
| <u>Other Financing Sources (Uses)</u> |                           |                                   |   |                  |              |  |
| Notes Issued                          | \$ 200,000                | \$ 0                              | \$ 200,000  | \$ 0             | \$ 161,660   | \$ 38,340  |
| Insurance Recovery                    | 3,567                     | 0                                 | 3,567   | 0                | 3,567        | 0  |
| Total Other Financing Sources         | \$ 203,567                | \$ 0                              | \$ 203,567  | \$ 0             | \$ 165,227   | \$ 38,340  |
| Net Change in Fund Balance            | \$ (32,099)               | \$ (14,555)                       | \$ (46,654)   | \$ (164,659)     | \$ (406,929) | \$ 360,275   |
| Fund Balance, July 1, 2018            | 1,917,257                 | 0                                 | 1,917,257   | 1,085,709        | 1,085,709    | 831,548  |
| Fund Balance, June 30, 2019           | \$ 1,885,158              | \$ (14,555)                       | \$ 1,870,603  | \$ 921,050       | \$ 678,780   | \$ 1,191,823   |

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

Exhibit C-6

Unicoi County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 2019

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2018 | Add:<br>Encumbrances<br>6/30/2019 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts    |                     | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|---------------------|---------------------|--|
|  |                           |                                   |                                   |   | Original            | Final               |  |
| <u>Revenues</u>                                      |                           |                                   |                                   |   |                     |                     |  |
| Local Taxes  | \$ 220,579                | \$ 0                              | \$ 0                              | \$ 220,579  | \$ 215,803          | \$ 215,803          | \$ 4,776   |
| Licenses and Permits                                 | 969                       | 0                                 | 0                                 | 969   | 1,266               | 1,266               | (297)  |
| Other Local Revenues                                 | 62,638                    | 0                                 | 0                                 | 62,638  | 26,397              | 60,875              | 1,763  |
| State of Tennessee                                   | 2,581,428                 | 0                                 | 0                                 | 2,581,428   | 2,095,528           | 2,794,203           | (212,775)  |
| Federal Government                                   | 17,872                    | 0                                 | 0                                 | 17,872  | 3,815               | 3,815               | 14,057   |
| Other Governments and Citizens Groups                | 103,778                   | 0                                 | 0                                 | 103,778   | 121,623             | 121,623             | (17,845)   |
| <b>Total Revenues</b>                                | <b>\$ 2,987,264</b>       | <b>\$ 0</b>                       | <b>\$ 0</b>                       | <b>\$ 2,987,264</b>   | <b>\$ 2,464,432</b> | <b>\$ 3,197,585</b> | <b>\$ (210,321)</b>  |
| <u>Expenditures</u>                                  |                           |                                   |                                   |   |                     |                     |  |
| <u>Highways</u>                                      |                           |                                   |                                   |   |                     |                     |  |
| Administration                                       | \$ 225,834                | \$ 0                              | \$ 0                              | \$ 225,834  | \$ 228,747          | \$ 229,447          | \$ 3,613   |
| Highway and Bridge Maintenance                       | 865,154                   | 0                                 | 0                                 | 865,154   | 1,116,052           | 1,112,352           | 247,198  |
| Operation and Maintenance of Equipment               | 225,382                   | 0                                 | 0                                 | 225,382   | 223,060             | 245,880             | 20,498   |
| Other Charges  | 114,127                   | 0                                 | 0                                 | 114,127   | 149,500             | 149,680             | 35,553   |
| Capital Outlay                                       | 1,054,463                 | (709,606)                         | 21,900                            | 366,757   | 598,000             | 1,297,074           | 930,317  |
| <b>Total Expenditures</b>                            | <b>\$ 2,484,960</b>       | <b>\$ (709,606)</b>               | <b>\$ 21,900</b>                  | <b>\$ 1,797,254</b>   | <b>\$ 2,315,359</b> | <b>\$ 3,034,433</b> | <b>\$ 1,237,179</b>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ 502,304                | \$ 709,606                        | \$ (21,900)                       | \$ 1,190,010  | \$ 149,073          | \$ 163,152          | \$ 1,026,858   |
| <u>Other Financing Sources (Uses)</u>                |                           |                                   |                                   |   |                     |                     |  |
| Transfers Out  | \$ (34,079)               | \$ 0                              | \$ 0                              | \$ (34,079)   | \$ 0                | \$ (34,079)         | \$ 0   |
| <b>Total Other Financing Sources</b>                 | <b>\$ (34,079)</b>        | <b>\$ 0</b>                       | <b>\$ 0</b>                       | <b>\$ (34,079)</b>  | <b>\$ 0</b>         | <b>\$ (34,079)</b>  | <b>\$ 0</b>  |
| Net Change in Fund Balance                           | \$ 468,225                | \$ 709,606                        | \$ (21,900)                       | \$ 1,155,931  | \$ 149,073          | \$ 129,073          | \$ 1,026,858   |
| Fund Balance, July 1, 2018                           | 2,942,249                 | (709,606)                         | 0                                 | 2,232,643   | 2,858,182           | 2,858,182           | (625,539)  |
| <b>Fund Balance, June 30, 2019</b>                   | <b>\$ 3,410,474</b>       | <b>\$ 0</b>                       | <b>\$ (21,900)</b>                | <b>\$ 3,388,574</b>   | <b>\$ 3,007,255</b> | <b>\$ 2,987,255</b> | <b>\$ 401,319</b>  |

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

Exhibit D

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

|                                     | <u>Agency<br/>Funds</u>  |
|-------------------------------------|--------------------------|
| <u>ASSETS</u>                       |                          |
| Cash                                | \$ 260,422               |
| Accounts Receivable                 | 65                       |
| Due from Other Governments          | <u>285,240</u>           |
| Total Assets                        | <u><u>\$ 545,727</u></u> |
| <u>LIABILITIES</u>                  |                          |
| Due to Other Taxing Units           | \$ 285,240               |
| Due to Litigants, Heirs, and Others | <u>260,487</u>           |
| Total Liabilities                   | <u><u>\$ 545,727</u></u> |

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

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**UNICOI COUNTY, TENNESSEE**  
**Index of Notes to the Financial Statements**

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**UNICOI COUNTY, TENNESSEE**  
**Index of Notes to the Financial Statements (Cont.)**

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**UNICOI COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. Reporting Entity**

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

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

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

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

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

Administrative Office:

Unicoi County Emergency Communications District  
P.O. Box 548  
Erwin, TN 37650

**B. Government-wide and Fund Financial Statements**

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

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

Unicoi County issues all debt for the discretely presented Unicoi County School Department. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2019.

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

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

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

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

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

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

on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

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

Unicoi County reports the following major governmental funds:

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

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

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

Additionally, Unicoi County reports the following fund types:

**Capital Projects Funds** – These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of infrastructure and other capital assets.

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

The discretely presented Unicoi County School Department reports the following major governmental fund:

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

Additionally, the Unicoi County School Department reports the following fund type:

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

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

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

**1. Deposits and Investments**

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Unicoi County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Income from these pooled investments is assigned to the various funds based on the approved budgets. Unicoi County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as

prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. Other than amounts in the pension stabilization trust discussed in Note I.D.4., no investments required to be reported at fair value were held at the balance sheet date.

## **2. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either due to/from other funds (i.e., the current portion of interfund loans) or advances to/from other funds (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as due to/from other funds.

All property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 1.85 percent of total taxes levied.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as a deferred inflow of resources as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

Property taxes are levied as of the first Monday in October. Taxes become delinquent and begin accumulating interest and penalty the following March 1. Suit must be filed in Chancery Court between the following February 1 to April 1 for any remaining unpaid taxes. Additional costs attach to delinquent taxes after a court suit has been filed.

Most payables are disaggregated on the face of the financial statements. Other Current Liabilities in the General Fund represent retirement contributions (\$17,834) held in a clearing account and due to the Tennessee Consolidated Retirement System. Other Current Liabilities in the discretely presented School Department's General Purpose School Fund represent health insurance premiums (\$423,437) and payroll taxes (\$19,613) held in a clearing account and due to the insurance administrator and the U.S. Treasury, respectively.

**3. Prepaid Items**

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

**4. Restricted Assets**

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

**5. Capital Assets**

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

| <u>Assets</u>              | <u>Years</u> |
|----------------------------|--------------|
| Buildings and Improvements | 30           |
| Other Capital Assets       | 5 - 10       |
| Infrastructure:            |              |
| Roads                      | 40           |
| Bridges                    | 40           |

**6. Deferred Outflows/Inflows of Resources**

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

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue, etc.) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension changes in experience, pension changes in investment earnings, pension changes in proportion, OPEB changes in experience, OPEB changes in



assumptions, and various receivables for revenues, which do not meet the availability criteria in governmental funds.

**7. Compensated Absences**

It is the county's policy to permit employees to accumulate a limited amount of earned but unused vacation benefits. Vacation benefits for employees of the discretely presented School Department do not vest or accumulate and must be used within the year or lost. There is no liability for unpaid accumulated sick leave since neither Unicoi County nor the School Department has a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

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

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Debt premiums and discounts are deferred and are amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expenses in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

## 9. Net Position and Fund Balance

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

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

The government-wide Statement of Net Position reports \$5,300,424 of restricted net position, of which \$822,475 is restricted by enabling legislation.

As of June 30, 2019, Unicoi County had \$15,584,500 in outstanding debt for capital purposes for the discretely presented Unicoi County School Department. This debt is a liability of Unicoi County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Unicoi County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

These classifications may consist of the following:

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

Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. Restricted for Other Purposes in the General Fund (\$342,000) represents the unexpended balance of funds received from the sale of the Unicoi County Memorial Hospital in 2013. The sales agreement requires that the proceeds be expended for healthcare purposes only.

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission makes assignments for the general government and the Board of Education makes assignments for the School Department. Assigned fund balance in the General Fund includes fund balance approved for use in the budget for fiscal year ending June 30, 2020 (\$337,133), and encumbrances (\$14,555). Assigned fund balance in the discretely presented School Department's General Purpose School Fund includes fund balance approved for use in the budget for fiscal year ending June 30, 2020 (\$147,220), encumbrances (\$119,664), and amounts assigned by the board for various purposes within Instruction (\$19,773) and Support (\$90,000).

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

**E. Pension Plans**

**Primary Government**

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

**Discretely Presented Unicoi County School Department**

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

**F. Other Postemployment Benefit (OPEB) Plan**

**Discretely Presented Unicoi County School Department**

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

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

**Primary Government**

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

**Discretely Presented Unicoi County School Department**

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

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

**Primary Government**

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

**Discretely Presented Unicoi County School Department**

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

**III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

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

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

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

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

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

| <u>Opinion Unit</u>    | <u>Amount</u> |
|------------------------|---------------|
| Primary Government:    |               |
| Major Fund:            |               |
| General                | \$ 14,555     |
| Highway/Public Works   | 21,900        |
| School Department:     |               |
| Major Fund:            |               |
| General Purpose School | 133,115       |
| Nonmajor Governmental  | 19,633        |

**B. Expenditures Exceeded Appropriations**

Expenditures exceeded appropriations approved by County Commission in the Food Service major appropriations category (the legal level of control) for the General Purpose School Fund by \$908. Expenditures that exceed appropriations are a violation of state statute. The expenditures in excess of appropriations were funded by available fund balance in the General Purpose Fund.

#### IV. DETAILED NOTES ON ALL FUNDS

##### A. Deposits and Investments

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

##### Deposits

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

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

##### Investments

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

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

Other than amounts in the TCRS stabilization trust discussed below, the county had no investments at June 30, 2019.

### **TCRS Stabilization Trust**

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

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

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

Investments are reported at fair value or amortized, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the fair Securities and securities transactions are recorded in the financial statements on a trade-date basis. The fair value of assets of the TRGT held at June 30, 2019, represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets held are categorized for fair value measurement within the fair value hierarchy established by GAAP.



The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

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

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

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

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

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

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

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

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

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

| Investment                                   | Weighted<br>Average<br>Maturity<br>(days) | Maturities | Fair<br>Value           |
|--|---|------------|-------------------------|
| Investments at Fair Value:                   |   |            |                         |
| U.S. Equity                                  | N/A                                       | N/A        | \$ 11,796               |
| Developed Market International Equity        | N/A                                       | N/A        | 5,327                   |
| Emerging Market International Equity         | N/A                                       | N/A        | 1,522                   |
| U.S. Fixed Income                            | N/A                                       | N/A        | 7,610                   |
| Real Estate                                  | N/A                                       | N/A        | 3,805                   |
| Short-term Securities                        | N/A                                       | N/A        | 381                     |
| Investments at Amortized Cost using the NAV: |   |            |                         |
| Private Equity and Strategic Lending         | N/A                                       | N/A        | <u>7,610</u>            |
| Total  |   |            | <u><u>\$ 38,051</u></u> |

| Investment by fair value level          | Fair Value<br>6-30-19 | Fair Value Measurements Using  |   |  | Amortized       |
|---|-----------------------|--|---|--|-----------------|
|   |                       | Quoted<br>Prices in<br>Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | Cost<br><br>NAV |
| U.S. Equity                             | \$ 11,796             | \$ 11,796  | 0   | 0  | 0               |
| Developed Market                        |                       |  |   |  |                 |
| International Equity                    | 5,327                 | 5,327  | 0   | 0  | 0               |
| Emerging Market                         |                       |  |   |  |                 |
| International Equity                    | 1,522                 | 1,522  | 0   | 0  | 0               |
| U.S. Fixed Income                       | 7,610                 | 0  | 7,610   | 0  | 0               |
| Real Estate                             | 3,805                 | 0  | 0   | 3,805  | 0               |
| Short-term Securities                   | 381                   | 0  | 381   | 0  | 0               |
| Private Equity and<br>Strategic Lending | 7,610                 | 0  | 0   | 0  | 7,610           |
| Total                                   | \$ 38,051             | \$ 18,645  | \$ 7,991  | \$ 3,805   | 7,610           |

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

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

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

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

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

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

**B. Capital Assets**

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

**Primary Government**

**Governmental Activities:**

|  | Balance              |                     | Balance             |                      |
|--|----------------------|---------------------|---------------------|----------------------|
|  | 7-1-18               | Increases           | Decreases           | 6-30-19              |
| Capital Assets Not Depreciated:                |                      |                     |                     |                      |
| Land   | \$ 511,921           | \$ 0                | \$ 0                | \$ 511,921           |
| Construction in Progress                       | 89,729               | 758,650             | (834,684)           | 13,695               |
| Total Capital Assets<br>Not Depreciated        | <u>\$ 601,650</u>    | <u>\$ 758,650</u>   | <u>\$ (834,684)</u> | <u>\$ 525,616</u>    |
| Capital Assets Depreciated:                    |                      |                     |                     |                      |
| Buildings and Improvements                     | \$ 7,053,515         | \$ 0                | \$ 0                | \$ 7,053,515         |
| Other Capital Assets                           | 4,515,739            | 591,715             | (338,150)           | 4,769,304            |
| Infrastructure                                 | 9,711,073            | 834,684             | 0                   | 10,545,757           |
| Total Capital Assets<br>Depreciated            | <u>\$ 21,280,327</u> | <u>\$ 1,426,399</u> | <u>\$ (338,150)</u> | <u>\$ 22,368,576</u> |
| Less Accumulated<br>Depreciation For:          |                      |                     |                     |                      |
| Buildings and Improvements                     | \$ 3,412,094         | \$ 201,481          | \$ 0                | \$ 3,613,575         |
| Other Capital Assets                           | 3,587,552            | 283,089             | (333,565)           | 3,537,076            |
| Infrastructure                                 | 4,405,648            | 257,749             | 0                   | 4,663,397            |
| Total Accumulated<br>Depreciation              | <u>\$ 11,405,294</u> | <u>\$ 742,319</u>   | <u>\$ (333,565)</u> | <u>\$ 11,814,048</u> |
| Total Capital Assets<br>Depreciated, Net       | <u>\$ 9,875,033</u>  | <u>\$ 684,080</u>   | <u>\$ (4,585)</u>   | <u>\$ 10,554,528</u> |
| Governmental Activities<br>Capital Assets, Net | <u>\$ 10,476,683</u> | <u>\$ 1,442,730</u> | <u>\$ (839,269)</u> | <u>\$ 11,080,144</u> |

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

**Governmental Activities:**

|  |                   |
|--|-------------------|
| General Government                                   | \$ 164,118        |
| Finance  | 549               |
| Administration of Justice                            | 2,746             |
| Public Safety  | 201,161           |
| Public Health and Welfare                            | 13,769            |
| Highways   | <u>359,976</u>    |
| Total Depreciation Expense - Governmental Activities | <u>\$ 742,319</u> |

**Discretely Presented Unicoi County School Department**

**Governmental Activities:**

|  | Balance<br>7-1-18    | Increases           | Decreases             | Balance<br>6-30-19   |
|--|----------------------|---------------------|-----------------------|----------------------|
| <b>Capital Assets Not Depreciated:</b>                 |                      |                     |                       |                      |
| Land   | \$ 615,753           | \$ 0                | \$ 0                  | \$ 615,753           |
| Construction in Progress                               | 1,296,562            | 558,119             | (1,854,681)           | 0                    |
| <b>Total Capital Assets<br/>Not Depreciated</b>        | <b>\$ 1,912,315</b>  | <b>\$ 558,119</b>   | <b>\$ (1,854,681)</b> | <b>\$ 615,753</b>    |
| <b>Capital Assets Depreciated:</b>                     |                      |                     |                       |                      |
| Buildings and Improvements                             | \$ 37,236,933        | \$ 1,854,681        | \$ 0                  | \$ 39,091,614        |
| Other Capital Assets                                   | 5,133,653            | 61,969              | 0                     | 5,195,622            |
| <b>Total Capital Assets<br/>Depreciated</b>            | <b>\$ 42,370,586</b> | <b>\$ 1,916,650</b> | <b>\$ 0</b>           | <b>\$ 44,287,236</b> |
| <b>Less Accumulated<br/>Depreciation For:</b>          |                      |                     |                       |                      |
| Buildings and Improvements                             | \$ 15,269,783        | \$ 1,063,896        | \$ 0                  | \$ 16,333,679        |
| Other Capital Assets                                   | 3,671,782            | 222,170             | 0                     | 3,893,952            |
| <b>Total Accumulated<br/>Depreciation</b>              | <b>\$ 18,941,565</b> | <b>\$ 1,286,066</b> | <b>\$ 0</b>           | <b>\$ 20,227,631</b> |
| <b>Total Capital Assets<br/>Depreciated, Net</b>       | <b>\$ 23,429,021</b> | <b>\$ 630,584</b>   | <b>\$ 0</b>           | <b>\$ 24,059,605</b> |
| <b>Governmental Activities<br/>Capital Assets, Net</b> | <b>\$ 25,341,336</b> | <b>\$ 1,188,703</b> | <b>\$ (1,854,681)</b> | <b>\$ 24,675,358</b> |

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

**Governmental Activities:**

|   |                            |
|---|----------------------------|
| Instruction   | \$ 893,503                 |
| Support Services  | 362,298                    |
| Operation of Non-instructional Services                     | <u>30,265</u>              |
| <b>Total Depreciation Expense - Governmental Activities</b> | <b><u>\$ 1,286,066</u></b> |

**C. Construction Commitments**

At June 30, 2019, the Highway Department had uncompleted construction contracts of \$21,900 for the construction of a bridge. Funding for these future expenditures is expected to come from state grants.

**D. Interfund Receivables, Payables, and Transfers**

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

**Due to/from other funds:**

| <u>Receivable Fund</u>   | <u>Payable Fund</u>   | <u>Amount</u> |
|--|-----------------------|---------------|
| Primary Government:<br>General                                       | Nonmajor governmental | \$ 9,660      |
| Discretely Presented School<br>Department:<br>General Purpose School | Nonmajor governmental | 11,749        |

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

**Interfund Transfers:**

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

**Primary Government**

| <u>Transfer Out</u>       | <u>Transfer In</u>                 |
|---------------------------|------------------------------------|
|                           | General<br>Debt<br>Service<br>Fund |
| Highway/Public Works Fund | \$ 34,079                          |
| Total                     | <u>\$ 34,079</u>                   |

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

**E. Long-term Debt**

**Primary Government**

**General Obligation Bonds and Notes**

General Obligation Bonds - Unicoi County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds outstanding were issued for original terms of up to 20 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2019, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements - Unicoi County issues other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes, and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Capital outlay notes outstanding were issued for original terms of up to 13 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes included in long-term debt as of June 30, 2019, will be retired from the General Debt Service Fund. The county had no other loans outstanding as of June 30, 2019.

General obligation bonds and capital outlay notes outstanding as of June 30, 2019, for governmental activities are as follows:

| Type                       | Interest Rate | Final Maturity | Original Amount of Issue | Balance 6-30-19 |
|----------------------------|---------------|----------------|--------------------------|-----------------|
| General Obligation Bonds - |               |                |                          |                 |
| Refunding                  | 1.6 to 5.25 % | 5-1-35         | \$ 25,065,000            | \$ 16,445,000   |
| Capital Outlay Notes       | 2.65 to 2.96  | 4-1-26         | 1,317,000                | 837,900         |
| Capital Outlay Notes -     |               |                |                          |                 |
| Refunding                  | 2.96          | 4-1-21         | 2,835,000                | 615,000         |

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



| Year Ending<br>June 30 | Bonds         |              |               |
|------------------------|---------------|--------------|---------------|
|                        | Principal     | Interest     | Total         |
| 2020                   | 1,540,000     | 655,405      | 2,195,405     |
| 2021                   | 1,585,000     | 601,858      | 2,186,858     |
| 2022                   | 1,225,000     | 546,150      | 1,771,150     |
| 2023                   | 1,245,000     | 492,550      | 1,737,550     |
| 2024                   | 1,140,000     | 438,460      | 1,578,460     |
| 2025-2029              | 9,520,000     | 1,090,400    | 10,610,400    |
| 2030-2034              | 155,000       | 20,803       | 175,803       |
| 2035                   | 35,000        | 1,137        | 36,137        |
| Total                  | \$ 16,445,000 | \$ 3,846,763 | \$ 20,291,763 |

| Year Ending<br>June 30 | Notes - Direct Placement |            |              |
|------------------------|--------------------------|------------|--------------|
|                        | Principal                | Interest   | Total        |
| 2020                   | 448,100                  | 42,660     | 490,760      |
| 2021                   | 453,850                  | 29,162     | 483,012      |
| 2022                   | 149,550                  | 15,841     | 165,391      |
| 2023                   | 141,350                  | 11,532     | 152,882      |
| 2024                   | 97,100                   | 7,457      | 104,557      |
| 2025-2026              | 162,950                  | 6,606      | 169,556      |
| Total                  | \$ 1,452,900             | \$ 113,258 | \$ 1,566,158 |

There is \$2,818,008 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$898, based on the 2010 federal census. Total debt per capita, including bonds, notes, and unamortized debt premiums totaled \$1,048, based on the 2010 federal census.

#### Changes in Long-term Debt

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

Governmental Activities:

|                                | <u>Bonds</u>         | <u>Notes</u>        |
|--------------------------------|----------------------|---------------------|
| Balance, July 1, 2018          | \$ 17,940,000        | \$ 1,630,300        |
| Additions                      | 0                    | 200,000             |
| Reductions                     | <u>(1,495,000)</u>   | <u>(377,400)</u>    |
| Balance, June 30, 2019         | <u>\$ 16,445,000</u> | <u>\$ 1,452,900</u> |
| Balance Due Within<br>One Year | <u>\$ 1,540,000</u>  | <u>\$ 448,100</u>   |

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

|  |                      |
|--|----------------------|
| Total Noncurrent Liabilities - Debt, June 30, 2019                       | \$ 17,897,900        |
| Less: Balance Due Within One Year - Debt                                 | (1,988,100)          |
| Add: Unamortized Premium on Debt   | <u>1,289,209</u>     |
| Noncurrent Liabilities - Due in<br>More Than One Year - Debt - Exhibit A | <u>\$ 17,199,009</u> |

**F. Long-term Obligations**

Changes in Long-term Obligations

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

|                             | <u>Compensated<br/>Absences</u> | <u>Net<br/>Pension<br/>Liability</u> |
|-----------------------------|---------------------------------|--------------------------------------|
| Balance, July 1, 2018       | \$ 159,313                      | \$ 128,689                           |
| Additions                   | 167,836                         | 0                                    |
| Reductions                  | <u>(126,583)</u>                | <u>(128,689)</u>                     |
| Balance, June 30, 2019      | <u>\$ 200,566</u>               | <u>\$ 0</u>                          |
| Balance Due Within One Year | <u>\$ 140,396</u>               | <u>\$ 0</u>                          |

Analysis of Noncurrent Liabilities Presented on Exhibit A:

|   |                  |
|---|------------------|
| Total Noncurrent Liabilities - Other, June 30, 2019                       | \$ 200,566       |
| Less: Balance Due Within One Year - Other                                 | <u>(140,396)</u> |
| Noncurrent Liabilities - Due in<br>More Than One Year - Other - Exhibit A | <u>\$ 60,170</u> |

Compensated absences will be paid from the employing funds, primarily the General and Highway/Public Works funds.

**Discretely Presented Unicoi County School Department**

Changes in Long-term Obligations

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

Governmental Activities:

|                             | Other<br>Postemployment<br>Benefits | Termination<br>Benefits | Net<br>Pension<br>Liability -<br>Agent Plan |
|-----------------------------|-------------------------------------|-------------------------|---|
| Balance, July 1, 2018       | \$ 2,280,034                        | \$ 150,900              | \$ 93,840                                   |
| Additions                   | 285,588                             | 26,900                  | 0   |
| Reductions                  | <u>(632,712)</u>                    | <u>(45,900)</u>         | <u>(93,840)</u>                             |
| Balance, June 30, 2019      | <u>\$ 1,932,910</u>                 | <u>\$ 131,900</u>       | <u>\$ 0</u>                                 |
| Balance Due Within One Year | <u>\$ 0</u>                         | <u>\$ 36,000</u>        | <u>\$ 0</u>                                 |

Analysis of Noncurrent Liabilities for Other Presented on Exhibit A:

|   |                     |
|---|---------------------|
| Total Noncurrent Liabilities - Other, June 30, 2019                       | \$ 2,064,810        |
| Less: Balance Due Within One Year   | <u>(36,000)</u>     |
| Noncurrent Liabilities - Due in<br>More Than One Year - Other - Exhibit A | <u>\$ 2,028,810</u> |

Other postemployment benefits will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds. Termination benefits will be paid from the General Purpose School Fund.

**G. Pledges of Receivables and Future Revenues**

**Local Option Sales Tax Revenues Pledged**

Unicoi County, the discretely presented Unicoi County School Department, and the Town of Unicoi agreed in previous years to commit one cent on the local option sales tax rate for the repayment of general obligation bonds issued to finance the construction of a high school. On July 14, 2011, Unicoi County and the Town of Unicoi amended their sales tax agreement to limit the amount the town would contribute to the retirement of debt associated with the construction of the high school to \$175,000 annually. The county originally issued \$9.2 million in Public Improvement Bonds Series 1996 of which, \$8.5 million was used to construct the Unicoi County High School. Subsequently, the county refunded \$8.21 million of the outstanding portion of these bonds, with \$8.715 million of General Obligation Refunding Bonds Series 2001. The remaining principal (\$1,510,000) and interest (\$119,963) requirements for the bonds are payable semiannually through April 2021. For the current year, principal and interest paid associated with the high school portion of the refunding bond was \$744,282. The amount of revenue generated by the pledged sales tax levy and the agreement with the Town of Unicoi was \$572,439. The agreements dissolve with the maturity of the debt on April 1, 2021.

**H. On-Behalf Payments – Discretely Presented Unicoi County School Department**

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Unicoi County School Department. These payments are made by the state to the Local Education Group Insurance Plan. The plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments made by the state to the Local Education Group Insurance Plan for the year ended June 30, 2019, were \$62,770. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**V. OTHER INFORMATION**

**A. Risk Management**

**Primary Government**

The county is exposed to various risks related to general liability, property, casualty, and worker's compensation. The county decided it was more economically feasible to join a public entity risk pool instead of purchasing commercial insurance for these risks. The county joined the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the

LGPCF for its general liability, property, casualty, and workers compensation insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$100,000 for each event.

The county continues to carry commercial insurance for employee health and accident coverage. Retirees are not allowed to participate in the county's health insurance plan. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

### **Discretely Presented Unicoi County School Department**

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

The School Department is exposed to various risks related to general liability, property, casualty, and workers' compensation. The School Department has decided it was more economically feasible to join a public entity risk pool as opposed to purchasing commercial insurance for these risks. The School Department joined the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The School Department pays an annual premium to the TN-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for the pool to be self-sustaining through member premiums.

### **B. Accounting Changes**

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

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

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

GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period* amends paragraphs 5 through 22 of GASB Statement No. 62. This standard establishes that interest cost incurred before the end of a construction period should be recognized as an expense/expenditure. The changes adopted to conform with this standard are to be applied prospectively.

**C. Contingent Liabilities**

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

**D. Change in Administration**

On August 31, 2018, Greg Lynch left the Office of County Mayor and was succeeded by Garland Evely.

**E. Joint Ventures**

**Primary Government**

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

County's participation is 3.6 percent. The county also pays a daily fee for individuals from the county using the facility.

The Erwin, Unicoi, and Unicoi County Animal Welfare Board was formed through a cooperative agreement between Unicoi County, the Town of Erwin, and the Town of Unicoi to operate and maintain a facility for the sheltering of animals. This entity is governed by a seven-member board comprising two appointees from the county, two from the Town of Erwin, two from the Town of Unicoi, and one from the Unicoi County Humane Society. The board generates its operating revenues from fees charged for the reclamation, adoption, spaying, and neutering of animals; however, each member is responsible for one-third of the annual operating costs of the shelter if revenues are insufficient to meet such costs. Unicoi County contributed \$57,035 to the Animal Welfare Board for the year ended June 30, 2019.

The First Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the First Judicial District, Unicoi and Washington counties; and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Unicoi County did not contribute to the DTF for the year ended June 30, 2019.

Complete financial statements for the Juvenile Detention Center; the Erwin, Unicoi, and Unicoi County Animal Welfare Board and the First Judicial District Drug Task Force can be obtained from their administrative offices at the following addresses:

Administrative Offices:

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

Erwin, Unicoi, and Unicoi County  
Animal Welfare Board  
185 North Industrial Drive  
Erwin, TN 37650

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

### **Discretely Presented School Department**

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

Complete financial statements for NETCO can be obtained from its administrative office at the following address:

Administrative Office:

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

### **F. Jointly Governed Organizations**

The East Tennessee Regional Agribusiness Marketing Authority was established through Title 64 of *Tennessee Code Annotated*, and includes the counties of Claiborne, Cocke, Grainger, Greene, Hamblen, Hancock, Hawkins, Jefferson, Johnson, Sullivan, Unicoi, and Washington. The purpose of the authority is to establish and operate a market for agricultural products of the region through a food distribution center, and to further the economy and growth of the region served by the authority by developing, marketing, and promoting facilities for warehousing, distribution, light manufacturing, and agribusiness purposes. The authority is governed by a Board of Directors consisting of the county mayors/executives of each county or the county mayor's/executive's designee and one nonvoting member representing each of the following: the Tennessee Department of Agriculture and the University of Tennessee's Agriculture Extension Service. An executive committee, consisting of the chairman, vice-chairman, secretary, and treasurer of the Board of Directors, along with the center's manager as an ex-officio member, is in charge of the daily operations of the center.

The Joint Economic Development Board of Unicoi County is jointly governed by Unicoi County, the towns of Erwin and Unicoi, the Unicoi County Gas Utility District, and various local private enterprises. The board is composed of 16 members, four of whom represent Unicoi County. The purpose is to



coordinate the governmental and private sector activities in attracting businesses and industries to the Unicoi County area.

Unicoi County is a participant in the joint governance of the Alliance for Business and Training (AB&T), which administers funds received under the Workforce Innovation and Opportunity Act for the Northeast Tennessee Local Workforce Development Area. An interlocal consortium agreement between Carter, Greene, Hancock, Hawkins, Johnson, Sullivan, Unicoi, and Washington counties established the Northeast Tennessee Workforce Development Board and the governing structure of AB&T. The county mayors represent each county in the consortium. The Sullivan County Mayor serves as the chief local elected county official of the consortium by the majority approval of the local elected county officials in the consortium agreement and approves appointments of board members of the workforce development board following a nomination process specified in the agreement. The board has no financial activity but provides oversight for workforce development programs of the Development Area. Those programs are funded by grants passed through the state Department of Labor to AB&T.

Mayors of the participating counties, along with four members jointly appointed by the mayors serve as the governing board of AB&T. The consortium agreement calls for any liability for disallowed costs of the grant programs to be shared by member counties of the consortium based on each county's percent of the population of the local workforce development area. However, that contingent liability is to be mitigated by \$3 million of insurance coverage provided by AB&T to indemnify the counties pursuant to the consortium agreement.

Complete financial information for the Alliance for Business and Training can be obtained from the following address.

Alliance for Business and Training  
386 Hwy 91  
PO Box 249  
Elizabethton, TN 37643

**G. Retirement Commitments**

**1. Tennessee Consolidated Retirement System (TCRS)**

**Primary Government**

**General Information About the Pension Plan**

*Plan Description.* Employees of Unicoi County and non-certified employees of the discretely presented Unicoi County School Department are provided a defined benefit pension plan through the

Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 59.26 percent, the non-certified employees of the discretely presented School Department comprised 40.74 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at [www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies](http://www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies).

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

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

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

|  |     |
|--|-----|
| Inactive Employees or Beneficiaries Currently Receiving Benefits | 157 |
| Inactive Employees Entitled to But Not Yet Receiving Benefits    | 261 |
| Active Employees   | 225 |
| Total  | 643 |

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of their salary. Unicoi County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2019, the employer contributions for Unicoi County were \$529,816 based on a rate of 8.52 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Unicoi County’s state shared taxes if required employer contributions are not remitted. The employer’s actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

**Net Pension Liability (Asset)**

Unicoi County’s net pension liability (asset) was measured as of June 30, 2018, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability as of the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |  |
|---------------------------|--|
| Inflation                 | 2.5%   |
| Salary Increases          | Graded Salary Ranges from 8.72% to 3.46% Based on Age, Including Inflation, Averaging 4% |
| Investment Rate of Return | 7.25%, Net of Pension Plan Investment Expenses, Including Inflation                      |
| Cost of Living Adjustment | 2.25%  |

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

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

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

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

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

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

County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in the Net Pension Liability (Asset)**

|   | Increase (Decrease)                  |  |  |
|---|--------------------------------------|--|--|
|   | Total<br>Pension<br>Liability<br>(a) | Plan<br>Fiduciary<br>Net Position<br>(b) | Net Pension<br>Liability<br>(Asset)<br>(a)-(b) |
| Balance, July 1, 2017   | \$ 19,388,120                        | \$ 19,165,591                            | \$ 222,529                                     |
| Changes for the Year:   |                                      |  |  |
| Service Cost  | \$ 570,740                           | \$ 0                                     | \$ 570,740                                     |
| Interest  | 1,405,036                            | 0  | 1,405,036                                      |
| Differences Between Expected<br>and Actual Experience               | (632,907)                            | 0  | (632,907)                                      |
| Changes in Assumptions  | 0                                    | 0  | 0  |
| Contributions-Employer  | 0                                    | 534,791                                  | (534,791)                                      |
| Contributions-Employees   | 0                                    | 314,259                                  | (314,259)                                      |
| Net Investment Income   | 0                                    | 1,577,152                                | (1,577,152)                                    |
| Benefit Payments, Including<br>Refunds of Employee<br>Contributions | (1,158,104)                          | (1,158,104)                              | 0  |
| Administrative Expense  | 0                                    | (21,159)                                 | 21,159   |
| Other Changes   | 0                                    | 0  | 0  |
| Net Changes   | \$ 184,765                           | \$ 1,246,939                             | \$ (1,062,174)                                 |
| Balance, June 30, 2018  | \$ 19,572,885                        | \$ 20,412,530                            | \$ (839,645)                                   |

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

|                    |        | Total<br>Pension<br>Liability | Plan<br>Fiduciary<br>Net<br>Position | Net<br>Pension<br>Liability<br>(Asset) |
|--------------------|--------|-------------------------------|--------------------------------------|--|
| Primary Government | 59.26% | \$ 11,598,892                 | \$ 12,096,465                        | \$ (497,574)                           |
| School Department  | 40.74% | 7,973,993                     | 8,316,065                            | (342,071)                              |
| Total              |        | \$ 19,572,885                 | \$ 20,412,530                        | \$ (839,645)                           |

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the net pension liability (asset) of Unicoi County calculated using the discount rate of 7.25 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

|                       | 1%<br>Decrease<br>6.25% | Current<br>Discount<br>Rate<br>7.25% | 1%<br>Increase<br>8.25% |
|-----------------------|-------------------------|--------------------------------------|-------------------------|
| Net Pension Liability | \$ 1,493,189            | \$ (839,645)                         | \$ (2,789,035)          |

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

*Pension Expense or Negative Pension Expense.* For the year ended June 30, 2019, Unicoi County recognized (negative) pension expense of (\$110,651).

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2019, Unicoi County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred<br>Outflows<br>of<br>Resources | Deferred<br>Inflows<br>of<br>Resources |
|--|---|--|
| Difference Between Expected and Actual Experience                                | \$ 0                                    | \$ 1,059,114                           |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 0                                       | 78,129                                 |
| Changes in Assumptions   | 404,367                                 | 0                                      |
| Contributions Subsequent to the Measurement Date of June 30, 2018 (1)            | 529,816                                 | N/A                                    |
| Total  | <u>\$ 934,183</u>                       | <u>\$ 1,137,243</u>                    |

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2018,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

|                    | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--------------------|--------------------------------------|-------------------------------------|
| Primary Government | \$ 541,259                           | \$ 673,930                          |
| School Department  | 392,924                              | 463,313                             |
| Total              | <u>\$ 934,183</u>                    | <u>\$ 1,137,243</u>                 |

Amounts reported as deferred outflows of resources, with the exception of contributions subsequent to the measurement date, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending<br>June 30 | Amount      |
|------------------------|-------------|
| 2020                   | \$ (96,325) |
| 2021                   | (161,768)   |
| 2022                   | (327,740)   |
| 2023                   | (147,039)   |
| 2024                   | 0           |
| Thereafter             | 0           |

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

### **Payable to the Pension Plan**

At June 30, 2019, Unicoi County reported a payable of \$20,322 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2019.

### **Discretely Presented Unicoi County School Department**

#### **Non-certified Employees**

#### **General Information About the Pension Plan**

*Plan Description.* As noted above under the primary government, employees of Unicoi County and non-certified employees of the discretely presented Unicoi County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 59.26 percent and the non-certified employees of the discretely presented School Department comprise 40.74 percent of the plan based on contribution data.

#### **Certified Employees**

#### **Teacher Retirement Plan**

#### **General Information About the Pension Plan**

*Plan Description.* Teachers of the Unicoi County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher



Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at [www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies](http://www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies).

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

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing

TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2019, to the Teacher Retirement Plan were \$34,025, which is 1.94 percent of covered payroll. In addition, employer contributions of \$36,130, which is 2.06 percent of covered payroll, were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension Liabilities (Assets).* At June 30, 2019, the School Department reported a liability (asset) of (\$63,031) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The School Department's proportion of the net pension liability (asset) was based on the School Department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2018, the School Department's proportion was 0.138979 percent. The proportion as of June 30, 2017, was 0.171889 percent.

*Pension Expense.* For the year ended June 30, 2019, the School Department recognized pension expense of \$22,383.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2019, the School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred<br>Outflows<br>of<br>Resources | Deferred<br>Inflows<br>of<br>Resources |
|--|---|--|
| Difference Between Expected and Actual Experience                                | \$ 3,570                                | \$ 2,511                               |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 0                                       | 3,560                                  |
| Changes in Assumptions   | 2,974                                   | 0                                      |
| Changes in Proportion of Net Pension Liability (Asset)                           | 9,994                                   | 0                                      |
| LEA's Contributions Subsequent to the Measurement Date of June 30, 2018          | <u>34,025</u>                           | <u>N/A</u>                             |
| Total  | <u>\$ 50,563</u>                        | <u>\$ 6,071</u>                        |

The Unicoi County School Department's employer contributions of \$34,025, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending<br>June 30 | Amount |
|------------------------|--------|
| 2020                   | \$ 395 |
| 2021                   | 282    |
| 2022                   | (225)  |
| 2023                   | 705    |
| 2024                   | 1,179  |
| Thereafter             | 8,130  |

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

*Actuarial Assumptions.* The total pension liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |  |
|---------------------------|--|
| Inflation                 | 2.5%   |
| Salary Increases          | Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4% |
| Investment Rate of Return | 7.25%, Net of Pension Plan Investment Expenses, Including Inflation                      |
| Cost of Living Adjustment | 2.25%  |

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

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

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

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

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

*Discount Rate.* The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the School Department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

| School Department's<br>Proportionate Share of<br>the Net Pension<br>Liability (Asset) | 1%<br>Decrease<br>6.25% | Current<br>Discount<br>Rate<br>7.25% | 1%<br>Increase<br>8.25% |
|---|-------------------------|--------------------------------------|-------------------------|
| Net Pension Liability   | \$ 9,745                | \$ (63,031)                          | \$ (116,649)            |

*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

### **Teacher Legacy Pension Plan**

#### **General Information About the Pension Plan**

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

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

credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Unicoi County School Department for the year ended June 30, 2019, to the Teacher Legacy Pension Plan were \$934,022, which is 10.46 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension Liability (Assets).* At June 30, 2019, the School Department reported a liability (asset) of (\$918,453) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The School Department's proportion of the net pension liability (asset) was based on the School Department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2018, the Unicoi County School Department's proportion was 0.261005 percent. The proportion measured at June 30, 2017, was 0.254023 percent.

*Pension Expense.* For the year ended June 30, 2019, the School Department recognized (negative) pension expense of (\$234,131).

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2019, the School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred<br>Outflows<br>of<br>Resources | Deferred<br>Inflows<br>of<br>Resources |
|--|---|--|
| Difference Between Expected and Actual Experience                                | \$ 185,651                              | \$ 1,239,066                           |
| Changes in Assumptions   | 542,443                                 | 0                                      |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 0                                       | 199,894                                |
| Changes in Proportion of Net Pension Liability (Asset)                           | 105,450                                 | 8,565                                  |
| LEA's Contributions Subsequent to the Measurement Date of June 30, 2018          | 934,022                                 | N/A                                    |
| Total  | <u>\$ 1,767,566</u>                     | <u>\$ 1,447,525</u>                    |

The School Department's employer contributions of \$934,022 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending<br>June 30 | Amount     |
|------------------------|------------|
| 2020                   | \$ 218,115 |
| 2021                   | (264,529)  |
| 2022                   | (487,415)  |
| 2023                   | (80,151)   |
| 2024                   | 0          |
| Thereafter             | 0          |

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



*Actuarial Assumptions.* The total pension liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |  |
|---------------------------|--|
| Inflation                 | 2.5%   |
| Salary Increases          | Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4% |
| Investment Rate of Return | 7.25%, Net of Pension Plan Investment Expenses, Including Inflation                      |
| Cost of Living Adjustment | 2.25%  |

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

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

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

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

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

*Discount Rate.* The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the School Department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

| School Department's Proportionate Share of the Net Pension Liability (Asset) | 1% Decrease<br>6.25% | Current Discount Rate<br>7.25% | 1% Increase<br>8.25% |
|--|----------------------|--------------------------------|----------------------|
|--|----------------------|--------------------------------|----------------------|

Net Pension Liability      \$ 7,080,013    \$ (918,453)    \$ (7,536,069)

*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan’s fiduciary net position is available in a separately issued TCRS financial report.

**2. Deferred Compensation**

Teachers hired after July 1, 2014, by the School Department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion, which is placed into the state’s 401 (K) plan and is managed by the employee. The defined contribution portion of the plan requires that the School Department contribute five percent of each teacher’s salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. Additionally, some teachers have elected to contribute more than the required minimum two percent of salaries into the deferred compensation plan. During the year, the School Department contributed \$83,660 and teachers contributed \$108,046 to this deferred compensation pension plan.

**H. Other Postemployment Benefits (OPEB)**

Unicoi County primary government does not provide OPEB benefits to retirees. The discretely presented Unicoi County School Department provides OPEB benefits to its retirees through a state administered public entity risk pool. For reporting purposes the plan is considered a single employer defined benefit OPEB plan based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). The plan is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

The Unicoi County School Department provides healthcare benefits to its retirees under the closed Local Education Plan (LEP) until they reach Medicare eligibility. The certified retirees of Unicoi County School Department may then join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare. However, the School Department does not provide any subsidy (direct or indirect) to this plan and therefore does not recognize any OPEB liability associated with the TNM.

The School Department's total OPEB liability for the plan was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

*Plan description.* Employees of the Unicoi County School Department who were hired prior to July 1, 2015, are provided with pre-65 retiree health insurance benefits through the closed Local Education Plan (LEP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired teachers, support staff, and disability participants of local education agencies, who choose coverage, participate in the LEP. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

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

|  |  |
|--|--|
| Actuarial Cost Method                  | Entry Age Normal   |
| Inflation                              | 2.25%  |
| Salary Increases                       | Salary increases used in the July 1, 2108 TCRS actuarial valuation; 3.44% to 8.72%, including inflation  |
| Discount Rate                          | 3.62%  |
| Healthcare Cost Trend Rates            | Based on the Getzen Model, with trend starting at 6.75% for the 2019 calendar year, and gradually decreasing over a 32-year period to an ultimate trend of rate of 3.53% with .32% added to approximate the effect of the excise tax |
| Retirees Share of Benefit Related Cost | Discussed under each plan  |

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

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2018, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2018, valuations were the same as those employed in the July 1, 2018, Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect

actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2.0 percent load for males and a -3.0 percent load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10.0 percent load.

*Changes in Assumptions.* The discount rate changed from 3.56 percent as of the beginning of the measurement period to 3.62 percent as of the measurement date of June 30, 2018. The assumed initial costs and premium amounts were revised to reflect rates adopted for the 2019 plan year. The healthcare cost trend rate changed from 5.40 percent as of the beginning of the measurement period to 6.75 percent as of the measurement date of June 30, 2018.

*Benefits provided.* The Unicoi County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. Unicoi County School Department does not provide any direct subsidy toward the cost of the insurance plan selected by the retiree and is subject only to the implicit subsidy. The state, as a governmental non-employer 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 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 20 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

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

|  | School<br>Department |
|--|----------------------|
| Retirees and Beneficiaries                         | 13                   |
| Inactive, nonretired members                       | 0                    |
| Active Members Eligible for<br>Future Benefits     | 257                  |
| Active Members Not Eligible for<br>Future Benefits | 18                   |
| Total  | <u>288</u>           |

A state insurance committee, created in accordance with *TCA 8-27-301*, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the School Department paid \$104,496 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

|  | Share of Collective Liability                 |                           |                         |
|--|---|---------------------------|-------------------------|
|  | Unicoi County<br>School Department<br>67.516% | State of<br>TN<br>32.484% | Total OPEB<br>Liability |
| Balance July 1, 2017                                       | \$ 2,280,034                                  | \$ 1,249,900              | \$ 3,529,934            |
| Changes for the Year:                                      |   |                           |                         |
| Service Cost   | \$ 136,892                                    | \$ 65,862                 | \$ 202,754              |
| Interest   | 87,517  | 42,107                    | 129,624                 |
| Changes in<br>Benefit Terms                                | (87,564)                                      | (42,129)                  | (129,693)               |
| Difference between<br>Expected and Actuarial<br>Experience | (524,745)                                     | (252,470)                 | (777,215)               |
| Changes in Proportion                                      | 103,239                                       | (103,239)                 | 0                       |
| Changes in Assumption<br>and Other Inputs                  | 61,180  | 29,435                    | 90,615                  |
| Benefit Payments   | (123,643)                                     | (59,488)                  | (183,131)               |
| Net Changes  | \$ (347,124)                                  | \$ (319,922)              | \$ (667,046)            |
| Balance June 30, 2018                                      | \$ 1,932,910                                  | \$ 929,978                | \$ 2,862,888            |

The Unicoi County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Unicoi County School Department's proportionate share of the collective total OPEB Liability was based on a projection of the employers long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. On the government wide Statement of Activities, the School Department recognized \$30,762 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for School Department retirees.

During the year, the Unicoi County School Department's proportionate share of the collective OPEB Liability was 67.5161 percent and the State of Tennessee's share was 32.4839 percent.

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2019, the School Department recognized OPEB expense of \$123,946, including the state's share of the expense. At June 30, 2019, the School Department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

|  | Deferred<br>Outflows<br>of<br>Resources | Deferred<br>Inflows<br>of<br>Resources |
|--|---|--|
| Difference Between Expected and<br>Actual Experience   | \$ 0                                    | \$ 477,041                             |
| Changes of Assumptions/Inputs  | 55,618                                  | 93,661                                 |
| Changes in Proportion and Differences Between<br>Amounts Paid as Benefits Came Due and<br>Proportionate Share Amounts Paid by the<br>Employee and Nonemployer Contributors<br>As Benefits Came Due | 94,994                                  | 0                                      |
| Benefits Paid After the Measurement Date   | 104,496                                 | 0                                      |
| Total  | <u>\$ 255,108</u>                       | <u>\$ 570,702</u>                      |

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

| Year Ending<br>June 30 | School<br>Department |
|------------------------|----------------------|
| 2020                   | \$ (43,663)          |
| 2021                   | (43,663)             |
| 2022                   | (43,663)             |
| 2023                   | (43,663)             |
| 2024                   | (43,663)             |
| Thereafter             | (201,775)            |

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

*Sensitivity of proportionate share of the collective total OPEB liability to changes in the discount rate.* The following presents the School Department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate.



| <u>Discount Rate</u> | 1%<br>Decrease | Current<br>Discount<br>Rate | 1%<br>Increase |
|----------------------|----------------|-----------------------------|----------------|
|                      | 2.62%          | 3.62%                       | 4.62%          |

|  |              |              |              |
|--|--------------|--------------|--------------|
| Proportionate Share of the<br>Collective Total OPEB<br>Liability | \$ 2,089,608 | \$ 1,932,910 | \$ 1,785,375 |
|--|--------------|--------------|--------------|

*Sensitivity of proportionate share of the collective total OPEB liability to changes in the healthcare cost trend rate.* The following presents the School Department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

| <u>Healthcare Cost Trend Rate</u> | 1%<br>Decrease | Current<br>Rate | 1%<br>Increase |
|-----------------------------------|----------------|-----------------|----------------|
|                                   | 5.75 to 2.85%  | 6.75 to 3.85%   | 7.75 to 4.85%  |

|  |              |              |              |
|--|--------------|--------------|--------------|
| Proportionate Share of the<br>Collective Total OPEB<br>Liability | \$ 1,689,898 | \$ 1,932,910 | \$ 2,226,178 |
|--|--------------|--------------|--------------|

**I. Termination Benefits**

The discretely presented Unicoi County School Department through School Board policy provides termination benefits to all professional employees and those who meet eligibility requirements for the benefit. To be eligible for the benefit, employees must be at least age 52 and have at least 15 years of service with the Unicoi County School System at the time of retirement. Under the terms of the policy, those retirees will receive a supplement of \$1,200 per year for a period of ten years or until Medicare eligible. Retirees also receive an additional one-time payment of \$1,500 their first year of retirement. Upon death of the retiree, this benefit ceases. Currently, 35 retirees are eligible for participation in the program. The estimated cost of the cash payments for this benefit reported in the government-wide statement of net position is \$131,900.

**J. Purchasing Laws**

Office of County Mayor

Purchasing procedures for the Office of County Mayor are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*, which provide for purchases exceeding \$10,000 (excluding emergency purchases) to be made after public advertisement and solicitation of competitive bids.

Office of Road Superintendent

Purchasing procedures for the Highway Department are governed by Chapter 678, Private Acts of 1949, and provisions of the Uniform Road Law, Section 54-7-113, *TCA*, which provide for purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Director of Schools

Purchasing procedures for the discretely presented Unicoi County School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires that competitive bids be solicited through newspaper advertisement on all purchases exceeding \$10,000.

**K. Subsequent Events**

On October 14, 2019, Unicoi County issued \$5,100,000 of general obligation bonds to be used for the renovation of school athletic facilities and other improvements.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit E-1

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

|  | 2014          | 2015          | 2016          | 2017          | 2018          |
|--|---------------|---------------|---------------|---------------|---------------|
| <b>Total Pension Liability</b>   |               |               |               |               |               |
| Service Cost   | \$ 450,749    | \$ 498,400    | \$ 523,977    | \$ 549,365    | \$ 570,740    |
| Interest   | 1,265,006     | 1,307,182     | 1,341,066     | 1,383,248     | 1,405,036     |
| Differences Between Actual and Expected Experience                           | (278,910)     | (414,817)     | (286,629)     | (489,764)     | (632,907)     |
| Changes in Assumptions   | 0             | 0             | 0             | 606,551       | 0             |
| Benefit Payments, Including Refunds of Employee Contributions                | (887,503)     | (956,791)     | (972,329)     | (1,110,430)   | (1,158,104)   |
| Net Change in Total Pension Liability  | \$ 549,342    | \$ 433,974    | \$ 606,085    | \$ 938,970    | \$ 184,765    |
| Total Pension Liability, Beginning   | 16,859,749    | 17,409,091    | 17,843,065    | 18,449,150    | 19,388,120    |
| Total Pension Liability, Ending (a)  | \$ 17,409,091 | \$ 17,843,065 | \$ 18,449,150 | \$ 19,388,120 | \$ 19,572,885 |
| <b>Plan Fiduciary Net Position</b>   |               |               |               |               |               |
| Contributions - Employer   | \$ 477,234    | \$ 486,697    | \$ 517,289    | \$ 534,120    | \$ 534,791    |
| Contributions - Employee   | 284,754       | 286,181       | 303,989       | 314,359       | 314,259       |
| Net Investment Income  | 2,408,454     | 516,295       | 453,553       | 1,965,211     | 1,577,152     |
| Benefit Payments, Including Refunds of Employee Contributions                | (887,503)     | (956,791)     | (972,329)     | (1,110,430)   | (1,158,104)   |
| Administrative Expense   | (8,521)       | (10,989)      | (17,570)      | (19,097)      | (21,159)      |
| Net Change in Plan Fiduciary Net Position                                    | \$ 2,274,418  | \$ 321,393    | \$ 284,932    | \$ 1,684,163  | \$ 1,246,939  |
| Plan Fiduciary Net Position, Beginning                                       | 14,600,685    | 16,875,103    | 17,196,496    | 17,481,428    | 19,165,591    |
| Plan Fiduciary Net Position, Ending (b)                                      | \$ 16,875,103 | \$ 17,196,496 | \$ 17,481,428 | \$ 19,165,591 | \$ 20,412,530 |
| Net Pension Liability (Asset), Ending (a - b)                                | \$ 533,988    | \$ 646,569    | \$ 967,722    | \$ 222,529    | \$ (839,645)  |
| Plan Fiduciary Net Position as a Percentage of Total Pension Asset/Liability | 96.93%        | 96.38%        | 94.75%        | 98.85%        | 104.29%       |
| Covered Payroll  | \$ 5,695,012  | \$ 5,712,194  | \$ 6,071,475  | \$ 6,269,021  | \$ 6,276,884  |
| Net Pension Liability (Asset) as a Percentage of Covered Payroll             | 9.38%         | 11.32%        | 15.94%        | 3.55%         | (13.38%)      |

Note: Ten-year information will be presented when available.

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

Exhibit E-2

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

|  | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Actuarially Determined Contribution  | \$ 477,234   | \$ 486,697   | \$ 517,289   | \$ 534,120   | \$ 534,791   | \$ 529,816   |
| Less Contributions in Relation to the<br>Actuarially Determined Contribution | (477,234)    | (486,697)    | (517,289)    | (534,120)    | (534,791)    | (529,816)    |
| Contribution Deficiency (Excess)   | \$ 0         | \$ 0         | \$ 0         | \$ 0         | \$ 0         | \$ 0         |
| Covered Payroll  | \$ 5,695,012 | \$ 5,712,194 | \$ 6,071,475 | \$ 6,269,021 | \$ 6,276,884 | \$ 6,218,514 |
| Contributions as a Percentage of Covered Payroll                             | 8.38%        | 8.52%        | 8.52%        | 8.52%        | 8.52%        | 8.52%        |

Note: Ten-year information will be presented when available.

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

Exhibit E-3

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

|  | 2015       | 2016       | 2017         | 2018         | 2019*        |
|--|------------|------------|--------------|--------------|--------------|
| Contractually Required Contribution  | \$ 21,130  | \$ 30,757  | \$ 45,127    | \$ 48,580    | \$ 34,025    |
| Less Contributions in Relation to the<br>Contractually Required Contribution | (21,130)   | (30,757)   | (45,127)     | (48,580)     | (34,025)     |
| Contribution Deficiency (Excess)   | \$ 0       | \$ 0       | \$ 0         | \$ 0         | \$ 0         |
| Covered Payroll  | \$ 528,255 | \$ 768,938 | \$ 1,128,172 | \$ 1,214,508 | \$ 1,753,888 |
| Contributions as a Percentage of Covered Payroll                             | 4.00%      | 4.00%      | 4.00%        | 4.00%        | 1.94%        |

\* - In FY 2019 the School Department placed the actuarially determined contribution of \$34,025 into the pension plan and placed \$36,130 into the Pension Stabilization Reserve Trust.

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

Exhibit E-4

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

|  | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Contractually Required Contribution  | \$ 844,596   | \$ 813,280   | \$ 821,505   | \$ 811,753   | \$ 829,869   | \$ 934,022   |
| Less Contributions in Relation to the<br>Contractually Required Contribution | (844,596)    | (813,280)    | (821,505)    | (811,753)    | (829,869)    | (934,022)    |
| Contribution Deficiency (Excess)   | \$ 0         | \$ 0         | \$ 0         | \$ 0         | \$ 0         | \$ 0         |
| Covered Payroll  | \$ 9,511,240 | \$ 8,996,468 | \$ 9,087,944 | \$ 8,979,594 | \$ 9,139,517 | \$ 8,929,460 |
| Contributions as a Percentage of Covered Payroll                             | 8.88%        | 9.04%        | 9.04%        | 9.04%        | 9.08%        | 10.46%       |

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

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

|   | 2015        | 2016        | 2017         | 2018         |
|---|-------------|-------------|--------------|--------------|
| School Department's Proportion of the Net Pension Asset   | 0.248998%   | 0.174756%   | 0.171889%    | 0.138979%    |
| School Department's Proportionate Share of the Net Pension Liability (Asset)  | \$ (10,228) | \$ (18,193) | \$ (45,349)  | \$ (63,031)  |
| Covered Payroll   | \$ 528,255  | \$ 768,938  | \$ 1,128,172 | \$ 1,214,508 |
| School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll | (1.94%)     | (2.37%)     | (4.02%)      | (5.19%)      |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability  | 127.46%     | 121.88%     | 126.81%      | 126.97%      |

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



Exhibit E-6

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

|   | 2014            | 2015         | 2016         | 2017         | 2018      |
|---|-----------------|--------------|--------------|--------------|-----------|
| School Department's Proportion of the Net Pension Liability (Asset)   | 0.242324%       | 0.240322%    | 0.251744%    | 0.254023%    | 0.261005% |
| School Department's Proportionate Share of the Net Pension Liability (Asset)  | \$ (39,377) \$  | 98,444 \$    | 1,573,259 \$ | (83,112) \$  | (918,453) |
| Covered Payroll   | \$ 9,511,212 \$ | 8,996,468 \$ | 9,087,444 \$ | 8,979,594 \$ | 9,139,517 |
| School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll | (0.41%)         | 1.09%        | 17.31%       | (0.93%)      | (10.05%)  |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Asset  | 100.08%         | 99.81%       | 97.14%       | 100.14%      | 101.49%   |

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

Exhibit E-7

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

|   | 2017                | 2018                |
|---|---------------------|---------------------|
| <b>Total OPEB Liability</b>   |                     |                     |
| Service Cost  | \$ 220,180          | \$ 202,754          |
| Interest  | 107,523             | 129,624             |
| Changes in Benefit Terms  | 0                   | (129,693)           |
| Differences Between Actual and Expected Experience                              | 0                   | (777,215)           |
| Changes in Assumptions or Other Inputs  | (171,366)           | 90,615              |
| Benefit Payments  | (177,061)           | (183,131)           |
| Net Change in Total OPEB Liability  | \$ (20,724)         | \$ (667,046)        |
| Total OPEB Liability, Beginning   | 3,550,658           | 3,529,934           |
| <br>  |                     |                     |
| Total OPEB Liability, Ending  | <u>\$ 3,529,934</u> | <u>\$ 2,862,888</u> |
| <br>  |                     |                     |
| Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability | \$ 1,249,900        | \$ 929,978          |
| Employer Proportionate Share of the Total OPEB Liability                        | 2,280,034           | 1,932,910           |
| <br>  |                     |                     |
| Covered Employee Payroll  | \$ 11,477,624       | \$ 11,613,974       |
| Net OPEB Liability as a Percentage of Covered Employee Payroll                  | 19.87%              | 16.64%              |

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

Note 2. Changes in assumptions.

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

|      |       |
|------|-------|
| 2017 | 2.92% |
| 2018 | 3.56% |
| 2019 | 3.62% |

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

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

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

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

Methods and assumptions used to determine contribution rates:

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

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

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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

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Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for transactions involving solid waste collection. Local taxes are the foundational revenues of this fund.

Drug Control Fund – The Drug Control Fund is used to account for revenues received from drug-related fines, forfeitures, and seizures.

Constitutional Officers - Fees Fund – The Constitutional Officers - Fees Fund is used to account for operating expenses paid directly from the fee and commission accounts of the trustee, clerks, register of deeds, and sheriff.

## Capital Projects Funds

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Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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General Capital Projects Fund – The General Capital Projects Fund is used to account for general capital expenditures of the county.

Community Development/Industrial Park Fund – The Community Development/Industrial Park Fund is used to account for expenditures related to community development in the county.

Exhibit F-1

Unicoi County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2019

|  | Special Revenue Funds          |                  |  |                   | Capital  | Total             |
|--|--------------------------------|------------------|--|-------------------|--|-------------------|
|  | Solid<br>Waste /<br>Sanitation | Drug<br>Control  | Constitu -<br>tional<br>Officers -<br>Fees | Total             | Projects Fund<br>Community<br>Development/<br>Industrial<br>Park |                   |
| <u>ASSETS</u>                              |                                |                  |  |                   |  |                   |
| Cash                                       | \$ 0                           | \$ 0             | \$ 9,660                                   | \$ 9,660          | \$ 0   | \$ 9,660          |
| Equity in Pooled Cash and Investments      | 176,612                        | 14,114           | 0  | 190,726           | 2,366  | 193,092           |
| Accounts Receivable                        | 68                             | 0                | 0  | 68                | 0  | 68                |
| Property Taxes Receivable                  | 443,922                        | 0                | 0  | 443,922           | 0  | 443,922           |
| Allowance for Uncollectible Property Taxes | (15,632)                       | 0                | 0  | (15,632)          | 0  | (15,632)          |
| <b>Total Assets</b>                        | <b>\$ 604,970</b>              | <b>\$ 14,114</b> | <b>\$ 9,660</b>                            | <b>\$ 628,744</b> | <b>\$ 2,366</b>  | <b>\$ 631,110</b> |
| <u>LIABILITIES</u>                         |                                |                  |  |                   |  |                   |
| Accounts Payable                           | \$ 27,004                      | \$ 30            | \$ 0                                       | \$ 27,034         | \$ 0   | \$ 27,034         |
| Due to Other Funds                         | 0                              | 0                | 9,660                                      | 9,660             | 0  | 9,660             |
| Due to State of Tennessee                  | 0                              | 7                | 0  | 7                 | 0  | 7                 |
| Other Current Liabilities                  | 0                              | 758              | 0  | 758               | 0  | 758               |
| <b>Total Liabilities</b>                   | <b>\$ 27,004</b>               | <b>\$ 795</b>    | <b>\$ 9,660</b>                            | <b>\$ 37,459</b>  | <b>\$ 0</b>  | <b>\$ 37,459</b>  |
| <u>DEFERRED INFLOWS OF RESOURCES</u>       |                                |                  |  |                   |  |                   |
| Deferred Current Property Taxes            | \$ 414,171                     | \$ 0             | \$ 0                                       | \$ 414,171        | \$ 0   | \$ 414,171        |
| Deferred Delinquent Property Taxes         | 12,707                         | 0                | 0  | 12,707            | 0  | 12,707            |
| <b>Total Deferred Inflows of Resources</b> | <b>\$ 426,878</b>              | <b>\$ 0</b>      | <b>\$ 0</b>                                | <b>\$ 426,878</b> | <b>\$ 0</b>  | <b>\$ 426,878</b> |

(Continued)

Exhibit F-1

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

|   | Special Revenue Funds          |                  |  |                   | Capital  | Total             |
|---|--------------------------------|------------------|--|-------------------|--|-------------------|
|   | Solid<br>Waste /<br>Sanitation | Drug<br>Control  | Constitu -<br>tional<br>Officers -<br>Fees | Total             | Projects Fund<br>Community<br>Development/<br>Industrial<br>Park |                   |
| <u>FUND BALANCES</u>  |                                |                  |  |                   |  |                   |
| Restricted:   |                                |                  |  |                   |  |                   |
| Restricted for Public Safety  | \$ 0                           | \$ 13,319        | \$ 0                                       | \$ 13,319         | \$ 0   | \$ 13,319         |
| Restricted for Public Health and Welfare                            | 30,547                         | 0                | 0  | 30,547            | 0  | 30,547            |
| Restricted for Capital Projects                                     | 0                              | 0                | 0  | 0                 | 2,366  | 2,366             |
| Committed:  |                                |                  |  |                   |  |                   |
| Committed for Public Health and Welfare                             | 120,541                        | 0                | 0  | 120,541           | 0  | 120,541           |
| Total Fund Balances   | <u>\$ 151,088</u>              | <u>\$ 13,319</u> | <u>\$ 0</u>                                | <u>\$ 164,407</u> | <u>\$ 2,366</u>  | <u>\$ 166,773</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 604,970</u>              | <u>\$ 14,114</u> | <u>\$ 9,660</u>                            | <u>\$ 628,744</u> | <u>\$ 2,366</u>  | <u>\$ 631,110</u> |

Exhibit F-2

Unicoi County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2019

|  | Special Revenue Funds          |                 |  |            | Capital<br>Projects<br>Funds   |
|--|--------------------------------|-----------------|--|------------|--------------------------------|
|  | Solid<br>Waste /<br>Sanitation | Drug<br>Control | Constitu -<br>tional<br>Officers -<br>Fees | Total      | General<br>Capital<br>Projects |
| <u>Revenues</u>                                      |                                |                 |  |            |                                |
| Local Taxes  | \$ 442,723                     | \$ 0            | \$ 0                                       | \$ 442,723 | \$ 0                           |
| Licenses and Permits                                 | 1,972                          | 0               | 0  | 1,972      | 0                              |
| Fines, Forfeitures, and Penalties                    | 0                              | 35,546          | 0  | 35,546     | 0                              |
| Charges for Current Services                         | 0                              | 0               | 6  | 6          | 0                              |
| State of Tennessee                                   | 19,996                         | 0               | 0  | 19,996     | 0                              |
| Federal Government                                   | 0                              | 0               | 0  | 0          | 33,962                         |
| Total Revenues                                       | \$ 464,691                     | \$ 35,546       | \$ 6                                       | \$ 500,243 | \$ 33,962                      |
| <u>Expenditures</u>                                  |                                |                 |  |            |                                |
| Current:   |                                |                 |  |            |                                |
| Finance  | \$ 0                           | \$ 319          | \$ 0                                       | \$ 319     | \$ 0                           |
| Administration of Justice                            | 0                              | 0               | 6  | 6          | 0                              |
| Public Safety  | 0                              | 23,990          | 0  | 23,990     | 0                              |
| Public Health and Welfare                            | 437,456                        | 0               | 0  | 437,456    | 0                              |
| Capital Projects                                     | 0                              | 0               | 0  | 0          | 33,962                         |
| Total Expenditures                                   | \$ 437,456                     | \$ 24,309       | \$ 6                                       | \$ 461,771 | \$ 33,962                      |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ 27,235                      | \$ 11,237       | \$ 0                                       | \$ 38,472  | \$ 0                           |
| Net Change in Fund Balances                          | \$ 27,235                      | \$ 11,237       | \$ 0                                       | \$ 38,472  | \$ 0                           |
| Fund Balance, July 1, 2018                           | 123,853                        | 2,082           | 0  | 125,935    | 0                              |
| Fund Balance, June 30, 2019                          | \$ 151,088                     | \$ 13,319       | \$ 0                                       | \$ 164,407 | \$ 0                           |

(Continued)



Exhibit F-2

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

|  | <u>Capital Projects Funds (Cont.)</u>           |                   | Total                             |
|--|---|-------------------|-----------------------------------|
|  | Community<br>Development/<br>Industrial<br>Park | Total             | Nonmajor<br>Governmental<br>Funds |
| <u>Revenues</u>                                      |   |                   |                                   |
| Local Taxes  | \$ 0  | \$ 0              | \$ 442,723                        |
| Licenses and Permits                                 | 0   | 0                 | 1,972                             |
| Fines, Forfeitures, and Penalties                    | 0   | 0                 | 35,546                            |
| Charges for Current Services                         | 0   | 0                 | 6                                 |
| State of Tennessee                                   | 0   | 0                 | 19,996                            |
| Federal Government                                   | 349,442   | 383,404           | 383,404                           |
| Total Revenues                                       | <u>\$ 349,442</u>                               | <u>\$ 383,404</u> | <u>\$ 883,647</u>                 |
| <u>Expenditures</u>                                  |   |                   |                                   |
| Current:   |   |                   |                                   |
| Finance  | \$ 0  | \$ 0              | \$ 319                            |
| Administration of Justice                            | 0   | 0                 | 6                                 |
| Public Safety  | 0   | 0                 | 23,990                            |
| Public Health and Welfare                            | 0   | 0                 | 437,456                           |
| Capital Projects                                     | 349,442   | 383,404           | 383,404                           |
| Total Expenditures                                   | <u>\$ 349,442</u>                               | <u>\$ 383,404</u> | <u>\$ 845,175</u>                 |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>\$ 0</u>                                     | <u>\$ 0</u>       | <u>\$ 38,472</u>                  |
| Net Change in Fund Balances                          | \$ 0  | \$ 0              | \$ 38,472                         |
| Fund Balance, July 1, 2018                           | 2,366   | 2,366             | 128,301                           |
| Fund Balance, June 30, 2019                          | <u>\$ 2,366</u>                                 | <u>\$ 2,366</u>   | <u>\$ 166,773</u>                 |

Exhibit F-3

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

|   | Actual            | Budgeted Amounts   |                    | Variance with Final Budget - Positive (Negative) |
|---|-------------------|--------------------|--------------------|--|
|   |                   | Original           | Final              |  |
| <u>Revenues</u>                                   |                   |                    |                    |  |
| Local Taxes                                       | \$ 442,723        | \$ 439,787         | \$ 439,787         | \$ 2,936   |
| Licenses and Permits                              | 1,972             | 2,000              | 2,000              | (28)   |
| State of Tennessee                                | 19,996            | 18,000             | 18,000             | 1,996  |
| Total Revenues                                    | <u>\$ 464,691</u> | <u>\$ 459,787</u>  | <u>\$ 459,787</u>  | <u>\$ 4,904</u>                                  |
| <u>Expenditures</u>                               |                   |                    |                    |  |
| <u>Public Health and Welfare</u>                  |                   |                    |                    |  |
| Sanitation Management                             | \$ 437,456        | \$ 473,689         | \$ 476,689         | \$ 39,233  |
| Total Expenditures                                | <u>\$ 437,456</u> | <u>\$ 473,689</u>  | <u>\$ 476,689</u>  | <u>\$ 39,233</u>                                 |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 27,235</u>  | <u>\$ (13,902)</u> | <u>\$ (16,902)</u> | <u>\$ 44,137</u>                                 |
| Net Change in Fund Balance                        | \$ 27,235         | \$ (13,902)        | \$ (16,902)        | \$ 44,137  |
| Fund Balance, July 1, 2018                        | 123,853           | 118,346            | 118,346            | 5,507  |
| Fund Balance, June 30, 2019                       | <u>\$ 151,088</u> | <u>\$ 104,444</u>  | <u>\$ 101,444</u>  | <u>\$ 49,644</u>                                 |

Exhibit F-4

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

|   | Actual    | Budgeted Amounts |           | Variance with Final Budget - Positive (Negative) |
|---|-----------|------------------|-----------|--|
|   |           | Original         | Final     |  |
| <u>Revenues</u>                                   |           |                  |           |  |
| Fines, Forfeitures, and Penalties                 | \$ 35,546 | \$ 62,000        | \$ 62,000 | \$ (26,454)                                      |
| Other Local Revenues                              | 0         | 7,417            | 7,417     | (7,417)  |
| Total Revenues                                    | \$ 35,546 | \$ 69,417        | \$ 69,417 | \$ (33,871)                                      |
| <u>Expenditures</u>                               |           |                  |           |  |
| <u>Finance</u>                                    |           |                  |           |  |
| Other Finance                                     | \$ 319    | \$ 500           | \$ 500    | 181  |
| <u>Public Safety</u>                              |           |                  |           |  |
| Sheriff's Department                              | 23,990    | 68,917           | 68,917    | 44,927   |
| Total Expenditures                                | \$ 24,309 | \$ 69,417        | \$ 69,417 | \$ 45,108  |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 11,237 | \$ 0             | \$ 0      | \$ 11,237  |
| Net Change in Fund Balance                        | \$ 11,237 | \$ 0             | \$ 0      | \$ 11,237  |
| Fund Balance, July 1, 2018                        | 2,082     | 134              | 134       | 1,948  |
| Fund Balance, June 30, 2019                       | \$ 13,319 | \$ 134           | \$ 134    | \$ 13,185  |

# **Major Governmental Fund**

## **General Debt Service Fund**

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

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Exhibit G

Unicoi County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Debt Service Fund  
For the Year Ended June 30, 2019

|   | Actual              | Budgeted Amounts    |                     | Variance with Final Budget - Positive (Negative) |
|---|---------------------|---------------------|---------------------|--|
|   |                     | Original            | Final               |  |
| <u>Revenues</u>                                   |                     |                     |                     |  |
| Local Taxes                                       | \$ 2,473,799        | \$ 2,404,572        | \$ 2,404,572        | \$ 69,227  |
| Licenses and Permits                              | 7,876               | 8,700               | 8,700               | (824)  |
| Other Local Revenues                              | 2,346               | 3,000               | 3,000               | (654)  |
| State of Tennessee                                | 37                  | 0                   | 0                   | 37   |
| Other Governments and Citizens Groups             | 191,299             | 230,880             | 196,801             | (5,502)  |
| Total Revenues                                    | <u>\$ 2,675,357</u> | <u>\$ 2,647,152</u> | <u>\$ 2,613,073</u> | <u>\$ 62,284</u>                                 |
| <u>Expenditures</u>                               |                     |                     |                     |  |
| <u>Principal on Debt</u>                          |                     |                     |                     |  |
| General Government                                | \$ 1,844,000        | \$ 1,844,000        | \$ 1,844,000        | \$ 0   |
| Highways and Streets                              | 28,400              | 0                   | 28,400              | 0  |
| <u>Interest on Debt</u>                           |                     |                     |                     |  |
| General Government                                | 748,573             | 748,408             | 748,573             | 0  |
| Highways and Streets                              | 5,663               | 34,080              | 5,680               | 17   |
| <u>Other Debt Service</u>                         |                     |                     |                     |  |
| General Government                                | 42,089              | 43,250              | 43,250              | 1,161  |
| Total Expenditures                                | <u>\$ 2,668,725</u> | <u>\$ 2,669,738</u> | <u>\$ 2,669,903</u> | <u>\$ 1,178</u>                                  |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 6,632</u>     | <u>\$ (22,586)</u>  | <u>\$ (56,830)</u>  | <u>\$ 63,462</u>                                 |
| <u>Other Financing Sources (Uses)</u>             |                     |                     |                     |  |
| Transfers In                                      | \$ 34,079           | \$ 0                | \$ 34,079           | \$ 0   |
| Total Other Financing Sources                     | <u>\$ 34,079</u>    | <u>\$ 0</u>         | <u>\$ 34,079</u>    | <u>\$ 0</u>                                      |
| Net Change in Fund Balance                        | \$ 40,711           | \$ (22,586)         | \$ (22,751)         | \$ 63,462  |
| Fund Balance, July 1, 2018                        | <u>2,777,297</u>    | <u>2,710,429</u>    | <u>2,710,429</u>    | <u>66,868</u>                                    |
| Fund Balance, June 30, 2019                       | <u>\$ 2,818,008</u> | <u>\$ 2,687,843</u> | <u>\$ 2,687,678</u> | <u>\$ 130,330</u>                                |

# Fiduciary Funds

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

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

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

Exhibit H-1

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

|                                     | <u>Agency Funds</u>      |  |                   |
|-------------------------------------|--------------------------|--|-------------------|
|                                     | Cities -<br>Sales<br>Tax | Constitu -<br>tional<br>Officers -<br>Agency | Total             |
| <u>ASSETS</u>                       |                          |  |                   |
| Cash                                | \$ 0                     | \$ 260,422                                   | \$ 260,422        |
| Accounts Receivable                 | 0                        | 65   | 65                |
| Due from Other Governments          | 285,240                  | 0  | 285,240           |
| Total Assets                        | <u>\$ 285,240</u>        | <u>\$ 260,487</u>                            | <u>\$ 545,727</u> |
| <u>LIABILITIES</u>                  |                          |  |                   |
| Due to Other Taxing Units           | \$ 285,240               | \$ 0   | \$ 285,240        |
| Due to Litigants, Heirs, and Others | 0                        | 260,487                                      | 260,487           |
| Total Liabilities                   | <u>\$ 285,240</u>        | <u>\$ 260,487</u>                            | <u>\$ 545,727</u> |

Exhibit H-2

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

|  | Beginning<br>Balance | Additions           | Deductions          | Ending<br>Balance |
|--|----------------------|---------------------|---------------------|-------------------|
| <u>Cities - Sales Tax Fund</u>               |                      |                     |                     |                   |
| <u>Assets</u>                                |                      |                     |                     |                   |
| Equity in Pooled Cash and Investments        | \$ 0                 | \$ 1,742,819        | \$ 1,742,819        | \$ 0              |
| Due from Other Governments                   | 280,056              | 285,240             | 280,056             | 285,240           |
| <b>Total Assets</b>                          | <b>\$ 280,056</b>    | <b>\$ 2,028,059</b> | <b>\$ 2,022,875</b> | <b>\$ 285,240</b> |
| <u>Liabilities</u>                           |                      |                     |                     |                   |
| Due to Other Taxing Units                    | \$ 280,056           | \$ 2,028,059        | \$ 2,022,875        | \$ 285,240        |
| <b>Total Liabilities</b>                     | <b>\$ 280,056</b>    | <b>\$ 2,028,059</b> | <b>\$ 2,022,875</b> | <b>\$ 285,240</b> |
| <u>Constitutional Officers - Agency Fund</u> |                      |                     |                     |                   |
| <u>Assets</u>                                |                      |                     |                     |                   |
| Cash   | \$ 383,064           | \$ 3,527,426        | \$ 3,650,068        | \$ 260,422        |
| Accounts Receivable                          | 508                  | 65                  | 508                 | 65                |
| <b>Total Assets</b>                          | <b>\$ 383,572</b>    | <b>\$ 3,527,491</b> | <b>\$ 3,650,576</b> | <b>\$ 260,487</b> |
| <u>Liabilities</u>                           |                      |                     |                     |                   |
| Due to Litigants, Heirs, and Others          | \$ 383,572           | \$ 3,527,491        | \$ 3,650,576        | \$ 260,487        |
| <b>Total Liabilities</b>                     | <b>\$ 383,572</b>    | <b>\$ 3,527,491</b> | <b>\$ 3,650,576</b> | <b>\$ 260,487</b> |
| <u>Totals - All Agency Funds</u>             |                      |                     |                     |                   |
| <u>Assets</u>                                |                      |                     |                     |                   |
| Cash   | \$ 383,064           | \$ 3,527,426        | \$ 3,650,068        | \$ 260,422        |
| Equity in Pooled Cash and Investments        | 0                    | 1,742,819           | 1,742,819           | 0                 |
| Accounts Receivable                          | 508                  | 65                  | 508                 | 65                |
| Due from Other Governments                   | 280,056              | 285,240             | 280,056             | 285,240           |
| <b>Total Assets</b>                          | <b>\$ 663,628</b>    | <b>\$ 5,555,550</b> | <b>\$ 5,673,451</b> | <b>\$ 545,727</b> |
| <u>Liabilities</u>                           |                      |                     |                     |                   |
| Due to Other Taxing Units                    | \$ 280,056           | \$ 2,028,059        | \$ 2,022,875        | \$ 285,240        |
| Due to Litigants, Heirs, and Others          | 383,572              | 3,527,491           | 3,650,576           | 260,487           |
| <b>Total Liabilities</b>                     | <b>\$ 663,628</b>    | <b>\$ 5,555,550</b> | <b>\$ 5,673,451</b> | <b>\$ 545,727</b> |



# Unicoi County School Department

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This section presents combining and individual fund financial statements for the Unicoi County School Department, a discretely presented component unit. The School Department uses a General Fund and two Special Revenue Funds.

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

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

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

Exhibit I-1

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

| Functions/Programs   | Expenses             | Program Revenues     |                                    | Net (Expense) Revenue and Changes in Net Position |
|--|----------------------|----------------------|------------------------------------|---|
|  |                      | Charges for Services | Operating Grants and Contributions |   |
| Governmental Activities:                                     |                      |                      |                                    |   |
| Instruction  | \$ 12,907,206        | \$ 98,671            | \$ 2,011,495                       | \$ 0  |
| Support Services   | 7,317,366            | 0                    | 134,232                            | 0   |
| Operation of Non-instructional Services                      | 1,800,100            | 188,568              | 1,062,870                          | 0   |
| <b>Total Governmental Activities</b>                         | <b>\$ 22,024,672</b> | <b>\$ 287,239</b>    | <b>\$ 3,208,597</b>                | <b>\$ 0</b>                                       |
| General Revenues:  |                      |                      |                                    |   |
| Taxes:   |                      |                      |                                    |   |
| Property Taxes Levied for General Purposes                   |                      |                      |                                    | \$ 2,510,997                                      |
| Local Option Sales Taxes                                     |                      |                      |                                    | 1,609,189   |
| Business Tax   |                      |                      |                                    | 34,194  |
| Wholesale Beer Tax   |                      |                      |                                    | 4,588   |
| Other Local Taxes  |                      |                      |                                    | 70  |
| Grants and Contributions Not Restricted to Specific Programs |                      |                      |                                    | 14,509,581  |
| Unrestricted Investment Income                               |                      |                      |                                    | 19,517  |
| Gain on Investments  |                      |                      |                                    | 1,921   |
| Miscellaneous  |                      |                      |                                    | 91,585  |
| <b>Total General Revenues</b>                                |                      |                      |                                    | <b>\$ 18,781,642</b>                              |
| Change in Net Position                                       |                      |                      |                                    | \$ 252,806  |
| Net Position, July 1, 2018                                   |                      |                      |                                    | 25,869,875  |
| Net Position, June 30, 2019                                  |                      |                      |                                    | <b>\$ 26,122,681</b>                              |

Exhibit I-2

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

|   | <u>Major Fund</u>            | <u>Nonmajor<br/>Funds</u>           |                                |
|---|------------------------------|-------------------------------------|--------------------------------|
|   | General<br>Purpose<br>School | Other<br>Govern-<br>mental<br>Funds | Total<br>Governmental<br>Funds |
| <b><u>ASSETS</u></b>  |                              |                                     |                                |
| Cash  | \$ 713,000                   | \$ 3,000                            | \$ 716,000                     |
| Equity in Pooled Cash and Investments                               | 1,046,392                    | 417,612                             | 1,464,004                      |
| Accounts Receivable   | 613                          | 3,643                               | 4,256                          |
| Due from Other Governments  | 332,655                      | 149,369                             | 482,024                        |
| Due from Other Funds  | 11,749                       | 0                                   | 11,749                         |
| Property Taxes Receivable   | 2,633,687                    | 0                                   | 2,633,687                      |
| Allowance for Uncollectible Property Taxes                          | (92,745)                     | 0                                   | (92,745)                       |
| Restricted Assets   | 38,051                       | 0                                   | 38,051                         |
|   | <hr/>                        | <hr/>                               | <hr/>                          |
| Total Assets  | \$ 4,683,402                 | \$ 573,624                          | \$ 5,257,026                   |
| <b><u>LIABILITIES</u></b>   |                              |                                     |                                |
| Accounts Payable  | \$ 30,694                    | \$ 63,421                           | \$ 94,115                      |
| Payroll Deductions Payable  | 20,518                       | 20,388                              | 40,906                         |
| Due to Other Funds  | 0                            | 11,749                              | 11,749                         |
| Other Current Liabilities   | 443,050                      | 0                                   | 443,050                        |
| Total Liabilities   | \$ 494,262                   | \$ 95,558                           | \$ 589,820                     |
| <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>                         |                              |                                     |                                |
| Deferred Current Property Taxes                                     | \$ 2,457,178                 | \$ 0                                | \$ 2,457,178                   |
| Deferred Delinquent Property Taxes                                  | 75,386                       | 0                                   | 75,386                         |
| Other Deferred/Unavailable Revenue                                  | 131,428                      | 0                                   | 131,428                        |
| Total Deferred Inflows of Resources                                 | \$ 2,663,992                 | \$ 0                                | \$ 2,663,992                   |
| <b><u>FUND BALANCES</u></b>   |                              |                                     |                                |
| Restricted:   |                              |                                     |                                |
| Restricted for Education  | \$ 95,179                    | \$ 428,066                          | \$ 523,245                     |
| Restricted for Hybrid Retirement Stabilization Funds                | 38,051                       | 0                                   | 38,051                         |
| Committed:  |                              |                                     |                                |
| Committed for Education   | 0                            | 50,000                              | 50,000                         |
| Assigned:   |                              |                                     |                                |
| Assigned for Education  | 376,657                      | 0                                   | 376,657                        |
| Unassigned  | 1,015,261                    | 0                                   | 1,015,261                      |
| Total Fund Balances   | \$ 1,525,148                 | \$ 478,066                          | \$ 2,003,214                   |
|   | <hr/>                        | <hr/>                               | <hr/>                          |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 4,683,402                 | \$ 573,624                          | \$ 5,257,026                   |

Exhibit I-3

Unicoi County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to  
the Statement of Net Position  
Discretely Presented Unicoi County School Department  
June 30, 2019

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

|  |    |                  |                      |
|--|----|------------------|----------------------|
| Total fund balances - balance sheet - governmental funds (Exhibit I-2)   |    | \$               | 2,003,214            |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.   |    |                  |                      |
| Add: land  | \$ | 615,753          |                      |
| Add: building and improvements net of accumulated depreciation   |    | 22,757,936       |                      |
| Add: other capital assets net of accumulated depreciation  |    | <u>1,301,669</u> | 24,675,358           |
| (2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.  |    |                  |                      |
| Less: other postemployment benefits liability  | \$ | (1,932,910)      |                      |
| Less: termination benefits liability   |    | <u>(131,900)</u> | (2,064,810)          |
| (3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of expense in future years: |    |                  |                      |
| Add: deferred outflows of resources related to pensions  | \$ | 2,211,053        |                      |
| Less: deferred inflows of resources related to pensions  |    | (1,916,909)      |                      |
| Add: deferred outflows of resources related to other postemployment benefits   |    | 255,108          |                      |
| Less: deferred inflows of resources related to other postemployment benefits   |    | <u>(570,702)</u> | (21,450)             |
| (4) Net pension assets of the teacher legacy and hybrid cost-sharing plans are not current financial resources and therefore are not reported in the governmental funds.                         |    |                  |                      |
| Add: net pension asset - agent plan  | \$ | 342,071          |                      |
| Add: cost-sharing plans net pension assets - teacher plans   |    | <u>981,484</u>   | 1,323,555            |
| (5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.  |    |                  | <u>206,814</u>       |
| Net position of governmental activities (Exhibit A)  |    |                  | <u>\$ 26,122,681</u> |

Exhibit I-4

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

|  | <u>Major Fund</u>            | <u>Nonmajor</u><br><u>Funds</u>     |                                |
|--|------------------------------|-------------------------------------|--------------------------------|
|  | General<br>Purpose<br>School | Other<br>Govern-<br>mental<br>Funds | Total<br>Governmental<br>Funds |
| <u>Revenues</u>                                      |                              |                                     |                                |
| Local Taxes  | \$ 4,219,198                 | \$ 0                                | \$ 4,219,198                   |
| Licenses and Permits                                 | 13,366                       | 0                                   | 13,366                         |
| Charges for Current Services                         | 98,671                       | 188,367                             | 287,038                        |
| Other Local Revenues                                 | 143,771                      | 16,570                              | 160,341                        |
| State of Tennessee                                   | 14,291,805                   | 9,836                               | 14,301,641                     |
| Federal Government                                   | 592,022                      | 2,732,948                           | 3,324,970                      |
| Total Revenues                                       | <u>\$ 19,358,833</u>         | <u>\$ 2,947,721</u>                 | <u>\$ 22,306,554</u>           |
| <u>Expenditures</u>                                  |                              |                                     |                                |
| Current:   |                              |                                     |                                |
| Instruction  | \$ 11,718,014                | \$ 1,319,899                        | \$ 13,037,913                  |
| Support Services                                     | 7,055,305                    | 346,815                             | 7,402,120                      |
| Operation of Non-Instructional Services              | 642,207                      | 1,223,685                           | 1,865,892                      |
| Capital Outlay                                       | 572,460                      | 0                                   | 572,460                        |
| Total Expenditures                                   | <u>\$ 19,987,986</u>         | <u>\$ 2,890,399</u>                 | <u>\$ 22,878,385</u>           |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>\$ (629,153)</u>          | <u>\$ 57,322</u>                    | <u>\$ (571,831)</u>            |
| Net Change in Fund Balances                          | \$ (629,153)                 | \$ 57,322                           | \$ (571,831)                   |
| Fund Balance, July 1, 2018                           | <u>2,154,301</u>             | <u>420,744</u>                      | <u>2,575,045</u>               |
| Fund Balance, June 30, 2019                          | <u>\$ 1,525,148</u>          | <u>\$ 478,066</u>                   | <u>\$ 2,003,214</u>            |

Exhibit I-5

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

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

|   |    |                    |                   |
|---|----|--------------------|-------------------|
| Net change in fund balances - total governmental funds (Exhibit I-4)  |    | \$                 | (571,831)         |
| (1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows: |    |                    |                   |
| Add: capital assets purchased in the current period   | \$ | 620,088            |                   |
| Less: current-year depreciation expense   |    | <u>(1,286,066)</u> | (665,978)         |
| (2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.  |    |                    |                   |
| Add: deferred delinquent property taxes and other deferred June 30, 2019  | \$ | 206,814            |                   |
| Less: deferred delinquent property taxes and other deferred June 30, 2018   |    | <u>(203,884)</u>   | 2,930             |
| (3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.   |    |                    |                   |
| Change in other OPEB liability  | \$ | 347,124            |                   |
| Change in deferred outflows related to OPEB   |    | 134,747            |                   |
| Change in deferred inflows related to OPEB  |    | (470,556)          |                   |
| Change in termination benefits liability  |    | 19,000             |                   |
| Change in net pension asset/liability   |    | 1,288,934          |                   |
| Change in deferred outflows related to pensions   |    | 4,306              |                   |
| Change in deferred inflows related to pensions  |    | <u>164,130</u>     | <u>1,487,685</u>  |
| Change in net position of governmental activities (Exhibit B)   |    |                    | <u>\$ 252,806</u> |

Exhibit I-6

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

|                                       | <u>Special Revenue Funds</u>  |                      | Total                             |
|---------------------------------------|-------------------------------|----------------------|-----------------------------------|
|                                       | School<br>Federal<br>Projects | Central<br>Cafeteria | Nonmajor<br>Governmental<br>Funds |
| <u>ASSETS</u>                         |                               |                      |                                   |
| Cash                                  | \$ 0                          | \$ 3,000             | \$ 3,000                          |
| Equity in Pooled Cash and Investments | 19,502                        | 398,110              | 417,612                           |
| Accounts Receivable                   | 11                            | 3,632                | 3,643                             |
| Due from Other Governments            | 141,310                       | 8,059                | 149,369                           |
| Total Assets                          | <u>\$ 160,823</u>             | <u>\$ 412,801</u>    | <u>\$ 573,624</u>                 |
| <u>LIABILITIES</u>                    |                               |                      |                                   |
| Accounts Payable                      | \$ 63,421                     | \$ 0                 | \$ 63,421                         |
| Payroll Deductions Payable            | 20,388                        | 0                    | 20,388                            |
| Due to Other Funds                    | 11,749                        | 0                    | 11,749                            |
| Total Liabilities                     | <u>\$ 95,558</u>              | <u>\$ 0</u>          | <u>\$ 95,558</u>                  |
| <u>FUND BALANCES</u>                  |                               |                      |                                   |
| Restricted:                           |                               |                      |                                   |
| Restricted for Education              | \$ 15,265                     | \$ 412,801           | \$ 428,066                        |
| Committed:                            |                               |                      |                                   |
| Committed for Education               | 50,000                        | 0                    | 50,000                            |
| Total Fund Balances                   | <u>\$ 65,265</u>              | <u>\$ 412,801</u>    | <u>\$ 478,066</u>                 |
| Total Liabilities and Fund Balances   | <u>\$ 160,823</u>             | <u>\$ 412,801</u>    | <u>\$ 573,624</u>                 |

Exhibit I-7

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

|  | Special Revenue Funds         |                      | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|-------------------------------|----------------------|--|
|  | School<br>Federal<br>Projects | Central<br>Cafeteria |  |
| <u>Revenues</u>                                      |                               |                      |  |
| Charges for Current Services                         | \$ 0                          | \$ 188,367           | \$ 188,367                                 |
| Other Local Revenues                                 | 0                             | 16,570               | 16,570                                     |
| State of Tennessee                                   | 0                             | 9,836                | 9,836                                      |
| Federal Government                                   | 1,679,914                     | 1,053,034            | 2,732,948                                  |
| Total Revenues                                       | \$ 1,679,914                  | \$ 1,267,807         | \$ 2,947,721                               |
| <u>Expenditures</u>                                  |                               |                      |  |
| Current:   |                               |                      |  |
| Instruction  | \$ 1,319,899                  | \$ 0                 | \$ 1,319,899                               |
| Support Services                                     | 346,815                       | 0                    | 346,815                                    |
| Operation of Non-Instructional Services              | 0                             | 1,223,685            | 1,223,685                                  |
| Total Expenditures                                   | \$ 1,666,714                  | \$ 1,223,685         | \$ 2,890,399                               |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ 13,200                     | \$ 44,122            | \$ 57,322                                  |
| Net Change in Fund Balances                          | \$ 13,200                     | \$ 44,122            | \$ 57,322                                  |
| Fund Balance, July 1, 2018                           | 52,065                        | 368,679              | 420,744                                    |
| Fund Balance, June 30, 2019                          | \$ 65,265                     | \$ 412,801           | \$ 478,066                                 |



Exhibit I-8

Unicoi County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Unicoi County School Department  
General Purpose School Fund  
For the Year Ended June 30, 2019

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2018 | Add:<br>Encumbrances<br>6/30/2019 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts     |                      | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|----------------------|----------------------|--|
|  |                           |                                   |                                   |   | Original             | Final                |  |
| <u>Revenues</u>                        |                           |                                   |                                   |   |                      |                      |  |
| Local Taxes                            | \$ 4,219,198              | \$ 0                              | \$ 0                              | \$ 4,219,198  | \$ 4,043,211         | \$ 4,043,211         | \$ 175,987   |
| Licenses and Permits                   | 13,366                    | 0                                 | 0                                 | 13,366  | 19,500               | 19,500               | (6,134)  |
| Charges for Current Services           | 98,671                    | 0                                 | 0                                 | 98,671  | 77,884               | 77,884               | 20,787   |
| Other Local Revenues                   | 143,771                   | 0                                 | 0                                 | 143,771   | 186,900              | 186,900              | (43,129)   |
| State of Tennessee                     | 14,291,805                | 0                                 | 0                                 | 14,291,805  | 14,339,561           | 14,493,831           | (202,026)  |
| Federal Government                     | 592,022                   | 0                                 | 0                                 | 592,022   | 319,018              | 417,518              | 174,504  |
| <b>Total Revenues</b>                  | <b>\$ 19,358,833</b>      | <b>\$ 0</b>                       | <b>\$ 0</b>                       | <b>\$ 19,358,833</b>  | <b>\$ 18,986,074</b> | <b>\$ 19,238,844</b> | <b>\$ 119,989</b>  |
| <u>Expenditures</u>                    |                           |                                   |                                   |   |                      |                      |  |
| <u>Instruction</u>                     |                           |                                   |                                   |   |                      |                      |  |
| Regular Instruction Program            | \$ 9,256,264              | \$ (79,464)                       | \$ 54,413                         | \$ 9,231,213  | \$ 9,370,233         | \$ 9,352,268         | \$ 121,055   |
| Alternative Instruction Program        | 68,482                    | 0                                 | 0                                 | 68,482  | 68,485               | 68,485               | 3  |
| Special Education Program              | 1,535,539                 | (1,706)                           | 12,844                            | 1,546,677   | 1,572,560            | 1,571,560            | 24,883   |
| Career and Technical Education Program | 857,729                   | (350)                             | 0                                 | 857,379   | 888,932              | 888,932              | 31,553   |
| <u>Support Services</u>                |                           |                                   |                                   |   |                      |                      |  |
| Attendance                             | 96,538                    | 0                                 | 0                                 | 96,538  | 98,724               | 98,724               | 2,186  |
| Health Services                        | 305,321                   | 0                                 | 2,163                             | 307,484   | 317,455              | 320,455              | 12,971   |
| Other Student Support                  | 581,846                   | 0                                 | 221                               | 582,067   | 567,638              | 595,203              | 13,136   |
| Regular Instruction Program            | 519,844                   | (435)                             | 1,209                             | 520,618   | 583,290              | 584,290              | 63,672   |
| Special Education Program              | 171,051                   | (5,000)                           | 0                                 | 166,051   | 166,973              | 167,973              | 1,922  |
| Career and Technical Education Program | 145,421                   | 0                                 | 0                                 | 145,421   | 147,911              | 147,911              | 2,490  |
| Technology                             | 369,638                   | (1,553)                           | 10,011                            | 378,096   | 381,690              | 381,690              | 3,594  |
| Other Programs                         | 62,770                    | 0                                 | 0                                 | 62,770  | 0                    | 62,770               | 0  |
| Board of Education                     | 475,051                   | 0                                 | 152                               | 475,203   | 515,423              | 515,423              | 40,220   |
| Director of Schools                    | 304,881                   | (304)                             | 217                               | 304,794   | 331,241              | 331,241              | 26,447   |
| Office of the Principal                | 1,075,401                 | 0                                 | 0                                 | 1,075,401   | 1,100,785            | 1,100,785            | 25,384   |
| Fiscal Services                        | 131,110                   | 0                                 | 246                               | 131,356   | 139,086              | 139,086              | 7,730  |
| Operation of Plant                     | 1,644,828                 | 0                                 | 3,055                             | 1,647,883   | 1,700,231            | 1,700,231            | 52,348   |
| Maintenance of Plant                   | 469,191                   | (1,827)                           | 38,201                            | 505,565   | 530,888              | 605,288              | 99,723   |

(Continued)

Exhibit I-8

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

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2018 | Add:<br>Encumbrances<br>6/30/2019 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |               | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|---------------|--|
|  |                           |                                   |                                   |   | Original         | Final         |  |
| <u>Expenditures (Cont.)</u>                          |                           |                                   |                                   |   |                  |               |  |
| <u>Support Services (Cont.)</u>                      |                           |                                   |                                   |   |                  |               |  |
| Transportation                                       | \$ 702,414                | \$ (6,567)                        | \$ 6,198                          | \$ 702,045  | \$ 713,180       | \$ 716,680    | \$ 14,635  |
| <u>Operation of Non-Instructional Services</u>       |                           |                                   |                                   |   |                  |               |  |
| Food Service   | 980                       | (72)                              | 0                                 | 908   | 0                | 0             | (908)  |
| Community Services                                   | 65,789                    | 0                                 | 4,125                             | 69,914  | 0                | 98,501        | 28,587   |
| Early Childhood Education                            | 575,438                   | (17,375)                          | 60                                | 558,123   | 559,946          | 559,946       | 1,823  |
| <u>Capital Outlay</u>                                |                           |                                   |                                   |   |                  |               |  |
| Regular Capital Outlay                               | 572,460                   | (572,460)                         | 0                                 | 0   | 0                | 0             | 0  |
| Total Expenditures                                   | \$ 19,987,986             | \$ (687,113)                      | \$ 133,115                        | \$ 19,433,988   | \$ 19,754,671    | \$ 20,007,442 | \$ 573,454   |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ (629,153)              | \$ 687,113                        | \$ (133,115)                      | \$ (75,155)   | \$ (768,597)     | \$ (768,598)  | \$ 693,443   |
| <u>Other Financing Sources (Uses)</u>                |                           |                                   |                                   |   |                  |               |  |
| Insurance Recovery                                   | \$ 0                      | \$ 0                              | \$ 0                              | \$ 0  | \$ 10,000        | \$ 10,000     | \$ (10,000)  |
| Total Other Financing Sources                        | \$ 0                      | \$ 0                              | \$ 0                              | \$ 0  | \$ 10,000        | \$ 10,000     | \$ (10,000)  |
| Net Change in Fund Balance                           | \$ (629,153)              | \$ 687,113                        | \$ (133,115)                      | \$ (75,155)   | \$ (758,597)     | \$ (758,598)  | \$ 683,443   |
| Fund Balance, July 1, 2018                           | 2,154,301                 | (687,113)                         | 0                                 | 1,467,188   | 1,913,814        | 1,913,814     | (446,626)  |
| Fund Balance, June 30, 2019                          | \$ 1,525,148              | \$ 0                              | \$ (133,115)                      | \$ 1,392,033  | \$ 1,155,217     | \$ 1,155,216  | \$ 236,817   |

Exhibit I-9

Unicoi County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Unicoi County School Department  
School Federal Projects Fund  
For the Year Ended June 30, 2019

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2018 | Add:<br>Encumbrances<br>6/30/2019 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |              | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|--------------|--|
|  |                           |                                   |                                   |   | Original         | Final        |  |
| <u>Revenues</u>                                      |                           |                                   |                                   |   |                  |              |  |
| Federal Government                                   | \$ 1,679,914              | \$ 0                              | \$ 0                              | \$ 1,679,914  | \$ 1,717,398     | \$ 2,010,470 | \$ (330,556)   |
| Total Revenues                                       | \$ 1,679,914              | \$ 0                              | \$ 0                              | \$ 1,679,914  | \$ 1,717,398     | \$ 2,010,470 | \$ (330,556)   |
| <u>Expenditures</u>                                  |                           |                                   |                                   |   |                  |              |  |
| <u>Instruction</u>                                   |                           |                                   |                                   |   |                  |              |  |
| Regular Instruction Program                          | \$ 476,387                | \$ (400)                          | \$ 12,353                         | \$ 488,340  | \$ 475,971       | \$ 586,815   | \$ 98,475  |
| Special Education Program                            | 777,625                   | 0                                 | 0                                 | 777,625   | 709,443          | 869,548      | 91,923   |
| Career and Technical Education Program               | 65,887                    | 0                                 | 0                                 | 65,887  | 64,919           | 65,887       | 0  |
| <u>Support Services</u>                              |                           |                                   |                                   |   |                  |              |  |
| Other Student Support                                | 31,504                    | (600)                             | 0                                 | 30,904  | 45,187           | 46,307       | 15,403   |
| Regular Instruction Program                          | 284,393                   | 0                                 | 0                                 | 284,393   | 328,731          | 356,558      | 72,165   |
| Special Education Program                            | 25,248                    | 0                                 | 0                                 | 25,248  | 64,378           | 66,901       | 41,653   |
| Career and Technical Education Program               | 934                       | 0                                 | 0                                 | 934   | 1,902            | 934          | 0  |
| Transportation                                       | 4,736                     | 0                                 | 0                                 | 4,736   | 26,867           | 17,520       | 12,784   |
| Total Expenditures                                   | \$ 1,666,714              | \$ (1,000)                        | \$ 12,353                         | \$ 1,678,067  | \$ 1,717,398     | \$ 2,010,470 | \$ 332,403   |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ 13,200                 | \$ 1,000                          | \$ (12,353)                       | \$ 1,847  | \$ 0             | \$ 0         | \$ 1,847   |
| Net Change in Fund Balance                           | \$ 13,200                 | \$ 1,000                          | \$ (12,353)                       | \$ 1,847  | \$ 0             | \$ 0         | \$ 1,847   |
| Fund Balance, July 1, 2018                           | 52,065                    | (1,000)                           | 0                                 | 51,065  | 0                | 0            | 51,065   |
| Fund Balance, June 30, 2019                          | \$ 65,265                 | \$ 0                              | \$ (12,353)                       | \$ 52,912   | \$ 0             | \$ 0         | \$ 52,912  |

Exhibit I-10

Unicoi County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Unicoi County School Department  
Central Cafeteria Fund  
For the Year Ended June 30, 2019

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2018 | Add:<br>Encumbrances<br>6/30/2019 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts    |                     | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|---------------------|---------------------|--|
|  |                           |                                   |                                   |   | Original            | Final               |  |
| <u>Revenues</u>                                      |                           |                                   |                                   |   |                     |                     |  |
| Charges for Current Services                         | \$ 188,367                | \$ 0                              | \$ 0                              | \$ 188,367  | \$ 204,926          | \$ 204,926          | \$ (16,559)  |
| Other Local Revenues                                 | 16,570                    | 0                                 | 0                                 | 16,570  | 30,100              | 30,100              | (13,530)   |
| State of Tennessee                                   | 9,836                     | 0                                 | 0                                 | 9,836   | 8,000               | 8,000               | 1,836  |
| Federal Government                                   | 1,053,034                 | 0                                 | 0                                 | 1,053,034   | 1,017,598           | 1,017,598           | 35,436   |
| <b>Total Revenues</b>                                | <b>\$ 1,267,807</b>       | <b>\$ 0</b>                       | <b>\$ 0</b>                       | <b>\$ 1,267,807</b>   | <b>\$ 1,260,624</b> | <b>\$ 1,260,624</b> | <b>\$ 7,183</b>  |
| <u>Expenditures</u>                                  |                           |                                   |                                   |   |                     |                     |  |
| <u>Operation of Non-Instructional Services</u>       |                           |                                   |                                   |   |                     |                     |  |
| Food Service   | \$ 1,223,685              | \$ (3,102)                        | \$ 7,280                          | \$ 1,227,863  | \$ 1,260,624        | \$ 1,260,624        | \$ 32,761  |
| <b>Total Expenditures</b>                            | <b>\$ 1,223,685</b>       | <b>\$ (3,102)</b>                 | <b>\$ 7,280</b>                   | <b>\$ 1,227,863</b>   | <b>\$ 1,260,624</b> | <b>\$ 1,260,624</b> | <b>\$ 32,761</b>   |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ 44,122                 | \$ 3,102                          | \$ (7,280)                        | \$ 39,944   | \$ 0                | \$ 0                | \$ 39,944  |
| Net Change in Fund Balance                           | \$ 44,122                 | \$ 3,102                          | \$ (7,280)                        | \$ 39,944   | \$ 0                | \$ 0                | \$ 39,944  |
| Fund Balance, July 1, 2018                           | 368,679                   | (3,102)                           | 0                                 | 365,577   | 365,415             | 365,415             | 162  |
| <b>Fund Balance, June 30, 2019</b>                   | <b>\$ 412,801</b>         | <b>\$ 0</b>                       | <b>\$ (7,280)</b>                 | <b>\$ 405,521</b>   | <b>\$ 365,415</b>   | <b>\$ 365,415</b>   | <b>\$ 40,106</b>   |

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## MISCELLANEOUS SCHEDULES

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Exhibit J-1

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

| Description of Indebtedness                      | Original<br>Amount<br>of Issue | Interest<br>Rate | Date<br>of<br>Issue | Last<br>Maturity<br>Date | Outstanding<br>7-1-18 | Issued<br>During<br>Period | Paid and/or<br>Matured<br>During<br>Period | Outstanding<br>6-30-19 |
|--|--------------------------------|------------------|---------------------|--------------------------|-----------------------|----------------------------|--|------------------------|
| <b>NOTES PAYABLE</b>                             |                                |                  |                     |                          |                       |                            |  |                        |
| <u>Payable through General Debt Service Fund</u> |                                |                  |                     |                          |                       |                            |  |                        |
| Capital Outlay - Public Works Refunding          | \$ 2,835,000                   | 2.96%            | 6-16-11             | 4-1-21                   | \$ 900,000            | \$ 0                       | \$ 285,000                                 | \$ 615,000             |
| Capital Outlay - Public Works                    | 160,000                        | 2.85             | 5-31-12             | 4-1-22                   | 36,000                | 0                          | 9,000                                      | 27,000                 |
| Capital Outlay - E911 Office/Jail roofing        | 715,000                        | 2.94             | 10-2-13             | 4-1-26                   | 480,000               | 0                          | 55,000                                     | 425,000                |
| Capital Outlay - Highway Equipment               | 242,000                        | 2.65             | 1-24-17             | 5-1-25                   | 214,300               | 0                          | 28,400                                     | 185,900                |
| Capital Outlay - County Projects 2019            | 200,000                        | 2.96             | 4-10-19             | 5-1-23                   | 0                     | 200,000                    | 0  | 200,000                |
| Total Notes Payable                              |                                |                  |                     |                          | <u>\$ 1,630,300</u>   | <u>\$ 200,000</u>          | <u>\$ 377,400</u>                          | <u>\$ 1,452,900</u>    |
| <b>BONDS PAYABLE</b>                             |                                |                  |                     |                          |                       |                            |  |                        |
| <u>Payable through General Debt Service Fund</u> |                                |                  |                     |                          |                       |                            |  |                        |
| General Obligation Refunding                     | 8,715,000                      | 2.45 to 5.25     | 9-1-01              | 4-1-21                   | \$ 2,200,000          | \$ 0                       | \$ 690,000                                 | \$ 1,510,000           |
| General Obligation Refunding, Series 2015        | 14,500,000                     | 2.0 to 5.0       | 4-15-15             | 5-1-35                   | 14,420,000            | 0                          | 530,000                                    | 13,890,000             |
| General Obligation Refunding, Series 2016        | 1,850,000                      | 1.6              | 3-15-16             | 4-1-23                   | 1,320,000             | 0                          | 275,000                                    | 1,045,000              |
| Total Bonds Payable                              |                                |                  |                     |                          | <u>\$ 17,940,000</u>  | <u>\$ 0</u>                | <u>\$ 1,495,000</u>                        | <u>\$ 16,445,000</u>   |

Exhibit J-2

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

| Year<br>Ending<br>June 30 | Notes        |            |              |
|---------------------------|--------------|------------|--------------|
|                           | Principal    | Interest   | Total        |
| 2020                      | \$ 448,100   | \$ 42,660  | \$ 490,760   |
| 2021                      | 453,850      | 29,162     | 483,012      |
| 2022                      | 149,550      | 15,841     | 165,391      |
| 2023                      | 141,350      | 11,532     | 152,882      |
| 2024                      | 97,100       | 7,457      | 104,557      |
| 2025                      | 97,950       | 4,695      | 102,645      |
| 2026                      | 65,000       | 1,911      | 66,911       |
| Total                     | \$ 1,452,900 | \$ 113,258 | \$ 1,566,158 |

| Year<br>Ending<br>June 30 | Bonds         |              |               |
|---------------------------|---------------|--------------|---------------|
|                           | Principal     | Interest     | Total         |
| 2020                      | \$ 1,540,000  | \$ 655,405   | \$ 2,195,405  |
| 2021                      | 1,585,000     | 601,858      | 2,186,858     |
| 2022                      | 1,225,000     | 546,150      | 1,771,150     |
| 2023                      | 1,245,000     | 492,550      | 1,737,550     |
| 2024                      | 1,140,000     | 438,460      | 1,578,460     |
| 2025                      | 1,445,000     | 381,460      | 1,826,460     |
| 2026                      | 2,030,000     | 309,210      | 2,339,210     |
| 2027                      | 2,035,000     | 207,710      | 2,242,710     |
| 2028                      | 2,020,000     | 126,310      | 2,146,310     |
| 2029                      | 1,990,000     | 65,710       | 2,055,710     |
| 2030                      | 30,000        | 6,010        | 36,010        |
| 2031                      | 30,000        | 5,110        | 35,110        |
| 2032                      | 30,000        | 4,173        | 34,173        |
| 2033                      | 30,000        | 3,235        | 33,235        |
| 2034                      | 35,000        | 2,275        | 37,275        |
| 2035                      | 35,000        | 1,137        | 36,137        |
| Total                     | \$ 16,445,000 | \$ 3,846,763 | \$ 20,291,763 |

Exhibit J-3

Unicoi County, Tennessee  
Schedule of Transfers  
For the Year Ended June 30, 2019

| <u>From Fund</u>          | <u>To Fund</u>       | <u>Purpose</u>  | <u>Amount</u>           |
|---------------------------|----------------------|-----------------|-------------------------|
| Highway/Public Works Fund | General Debt Service | Debt retirement | <u>\$ 34,079</u>        |
| Total Transfers           |                      |                 | <u><u>\$ 34,079</u></u> |



Unicoi County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
Primary Government and Discretely Presented Unicoi County School Department  
For the Year Ended June 30, 2019

| Official  | Authorization for Salary                               | Salary Paid During Period | Bond       | Surety                                      |
|---|--|---------------------------|------------|---|
| County Mayor:                                   |  |                           |            |   |
| Greg Lynch (7-1-18 through 8-31-18)             | Section 8-24-102, <i>TCA</i>                           | \$ 14,567                 | \$ 400,000 | Local Government Property and Casualty Fund |
| Garland Evely (9-1-18 through 6-30-19)          | Section 8-24-102, <i>TCA</i>                           | 72,835                    | 400,000    | Local Government Property and Casualty Fund |
| Road Superintendent                             | Section 8-24-102, <i>TCA</i>                           | 79,276                    | 400,000    | Local Government Property and Casualty Fund |
| Director of Schools                             | State Board of Education and County Board of Education | 112,200 (1)               | 400,000    | Tennessee Risk Management Trust             |
| Trustee   | Section 8-24-102, <i>TCA</i>                           | 72,069                    | 400,000    | Local Government Property and Casualty Fund |
| Assessor of Property                            | Section 8-24-102, <i>TCA</i>                           | 72,069                    | 400,000    | Local Government Property and Casualty Fund |
| County Clerk                                    | Section 8-24-102, <i>TCA</i>                           | 72,069                    | 400,000    | Local Government Property and Casualty Fund |
| Circuit and General Sessions Courts Clerk       | Section 8-24-102, <i>TCA</i>                           | 72,069                    | 400,000    | Local Government Property and Casualty Fund |
| Clerk and Master                                | Section 8-24-102, <i>TCA</i>                           | 72,069                    | 400,000    | Local Government Property and Casualty Fund |
| Register of Deeds                               | Section 8-24-102, <i>TCA</i>                           | 72,069                    | 400,000    | Local Government Property and Casualty Fund |
| Sheriff   | Section 8-24-102, <i>TCA</i>                           | 83,240 (2)                | 400,000    | Local Government Property and Casualty Fund |
| Employee Blanket Bonds:                         |  |                           |            |   |
| Public Employee Dishonesty - County Departments |  |                           | 400,000    | Local Government Property and Casualty Fund |
| Public Employee Dishonesty - School Department  |  |                           | 400,000    | Tennessee Risk Management Trust             |

(1) Does not include a career ladder supplement of \$1,000, a bonus of \$750, equity pay of \$655 and contractual payments of \$350 per month for a travel allowance.

(2) Includes \$3,964 for serving as a workhouse superintendent, does not include law enforcement training supplement of \$600.

Exhibit J-5

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

|  | Special Revenue Funds |                          |              |                                |                        | Debt Service Fund    |
|--|-----------------------|--------------------------|--------------|--------------------------------|------------------------|----------------------|
|  | General               | Solid Waste / Sanitation | Drug Control | Constitutional Officers - Fees | Highway / Public Works | General Debt Service |
| <u>Local Taxes</u>                                       |                       |                          |              |                                |                        |                      |
| <u>County Property Taxes</u>                             |                       |                          |              |                                |                        |                      |
| Current Property Tax                                     | \$ 3,700,362          | \$ 396,901               | \$ 0         | \$ 0                           | \$ 194,744             | \$ 1,585,159         |
| Trustee's Collections - Prior Year                       | 156,774               | 16,958                   | 0            | 0                              | 9,645                  | 67,726               |
| Trustee's Collections - Bankruptcy                       | 409                   | 41                       | 0            | 0                              | 25                     | 177                  |
| Circuit Clerk/Clerk and Master Collections - Prior Years | 81,010                | 8,755                    | 0            | 0                              | 6,013                  | 34,998               |
| Interest and Penalty                                     | 25,812                | 2,786                    | 0            | 0                              | 1,536                  | 11,129               |
| Pickup Taxes   | 745                   | 80                       | 0            | 0                              | 42                     | 320                  |
| Payments in-Lieu-of Taxes - T.V.A.                       | 222                   | 24                       | 0            | 0                              | 12                     | 95                   |
| Payments in-Lieu-of Taxes - Local Utilities              | 69,964                | 7,505                    | 0            | 0                              | 3,689                  | 29,974               |
| Payments in-Lieu-of Taxes - Other                        | 10,932                | 1,173                    | 0            | 0                              | 576                    | 4,683                |
| <u>County Local Option Taxes</u>                         |                       |                          |              |                                |                        |                      |
| Local Option Sales Tax                                   | 0                     | 0                        | 0            | 0                              | 0                      | 558,222              |
| Hotel/Motel Tax  | 52,302                | 0                        | 0            | 0                              | 0                      | 0                    |
| Litigation Tax - General                                 | 79,461                | 0                        | 0            | 0                              | 0                      | 0                    |
| Litigation Tax - Special Purpose                         | 85,299                | 0                        | 0            | 0                              | 0                      | 0                    |
| Litigation Tax - Jail, Workhouse, or Courthouse          | 0                     | 0                        | 0            | 0                              | 0                      | 147,320              |
| Business Tax   | 54,645                | 5,865                    | 0            | 0                              | 2,859                  | 23,472               |
| Mineral Severance Tax                                    | 24,289                | 0                        | 0            | 0                              | 0                      | 0                    |
| <u>Statutory Local Taxes</u>                             |                       |                          |              |                                |                        |                      |
| Bank Excise Tax  | 17,867                | 1,933                    | 0            | 0                              | 1,099                  | 7,719                |
| Wholesale Beer Tax                                       | 6,553                 | 702                      | 0            | 0                              | 339                    | 2,805                |
| Interstate Telecommunications Tax                        | 1,810                 | 0                        | 0            | 0                              | 0                      | 0                    |
| Total Local Taxes  | \$ 4,368,456          | \$ 442,723               | \$ 0         | \$ 0                           | \$ 220,579             | \$ 2,473,799         |

(Continued)

Exhibit J-5

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

|  | Special Revenue Funds |                          |              |                                |                        | Debt Service Fund    |
|--|-----------------------|--------------------------|--------------|--------------------------------|------------------------|----------------------|
|  | General               | Solid Waste / Sanitation | Drug Control | Constitutional Officers - Fees | Highway / Public Works | General Debt Service |
| <u>Licenses and Permits</u>              |                       |                          |              |                                |                        |                      |
| <u>Licenses</u>                          |                       |                          |              |                                |                        |                      |
| Cable TV Franchise                       | \$ 18,383             | \$ 1,972                 | \$ 0         | \$ 0                           | \$ 969                 | \$ 7,876             |
| Total Licenses and Permits               | \$ 18,383             | \$ 1,972                 | \$ 0         | \$ 0                           | \$ 969                 | \$ 7,876             |
| <u>Fines, Forfeitures, and Penalties</u> |                       |                          |              |                                |                        |                      |
| <u>Circuit Court</u>                     |                       |                          |              |                                |                        |                      |
| Fines                                    | \$ 784                | \$ 0                     | \$ 0         | \$ 0                           | \$ 0                   | \$ 0                 |
| Officers Costs                           | 1,980                 | 0                        | 0            | 0                              | 0                      | 0                    |
| Drug Control Fines                       | 0                     | 0                        | 6,636        | 0                              | 0                      | 0                    |
| Drug Court Fees                          | 333                   | 0                        | 0            | 0                              | 0                      | 0                    |
| Jail Fees                                | 1,922                 | 0                        | 0            | 0                              | 0                      | 0                    |
| DUI Treatment Fines                      | 119                   | 0                        | 0            | 0                              | 0                      | 0                    |
| Courtroom Security Fee                   | 130                   | 0                        | 0            | 0                              | 0                      | 0                    |
| <u>Criminal Court</u>                    |                       |                          |              |                                |                        |                      |
| Data Entry Fee - Criminal Court          | 1,814                 | 0                        | 0            | 0                              | 0                      | 0                    |
| Victims Assistance Assessments           | 874                   | 0                        | 0            | 0                              | 0                      | 0                    |
| <u>General Sessions Court</u>            |                       |                          |              |                                |                        |                      |
| Fines                                    | 10,184                | 0                        | 0            | 0                              | 0                      | 0                    |
| Fines for Littering                      | 100                   | 0                        | 0            | 0                              | 0                      | 0                    |
| Officers Costs                           | 9,348                 | 0                        | 0            | 0                              | 0                      | 0                    |
| Game and Fish Fines                      | 14                    | 0                        | 0            | 0                              | 0                      | 0                    |
| Drug Control Fines                       | 0                     | 0                        | 5,836        | 0                              | 0                      | 0                    |
| Drug Court Fees                          | 2,123                 | 0                        | 0            | 0                              | 0                      | 0                    |
| Jail Fees                                | 17,879                | 0                        | 0            | 0                              | 0                      | 0                    |
| DUI Treatment Fines                      | 2,333                 | 0                        | 0            | 0                              | 0                      | 0                    |
| Data Entry Fee - General Sessions Court  | 11,877                | 0                        | 0            | 0                              | 0                      | 0                    |

(Continued)

Exhibit J-5

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

|  | Special Revenue Funds |                          |                  |                                |                        | Debt Service Fund    |
|--|-----------------------|--------------------------|------------------|--------------------------------|------------------------|----------------------|
|  | General               | Solid Waste / Sanitation | Drug Control     | Constitutional Officers - Fees | Highway / Public Works | General Debt Service |
| <u>Fines, Forfeitures, and Penalties (Cont.)</u> |                       |                          |                  |                                |                        |                      |
| <u>General Sessions Court (Cont.)</u>            |                       |                          |                  |                                |                        |                      |
| Courtroom Security Fee                           | \$ 1,187              | \$ 0                     | \$ 0             | \$ 0                           | \$ 0                   | \$ 0                 |
| Victims Assistance Assessments                   | 3,765                 | 0                        | 0                | 0                              | 0                      | 0                    |
| <u>Juvenile Court</u>                            |                       |                          |                  |                                |                        |                      |
| Fines  | 622                   | 0                        | 0                | 0                              | 0                      | 0                    |
| Officers Costs                                   | 1,213                 | 0                        | 0                | 0                              | 0                      | 0                    |
| Jail Fees  | 3,650                 | 0                        | 0                | 0                              | 0                      | 0                    |
| Data Entry Fee - Juvenile Court                  | 4,179                 | 0                        | 0                | 0                              | 0                      | 0                    |
| Courtroom Security Fee                           | 2                     | 0                        | 0                | 0                              | 0                      | 0                    |
| <u>Chancery Court</u>                            |                       |                          |                  |                                |                        |                      |
| Officers Costs                                   | 103                   | 0                        | 0                | 0                              | 0                      | 0                    |
| Data Entry Fee - Chancery Court                  | 2,024                 | 0                        | 0                | 0                              | 0                      | 0                    |
| <u>Judicial District Drug Program</u>            |                       |                          |                  |                                |                        |                      |
| Data Entry Fee - Other Courts                    | 16,052                | 0                        | 0                | 0                              | 0                      | 0                    |
| <u>Other Fines, Forfeitures, and Penalties</u>   |                       |                          |                  |                                |                        |                      |
| Proceeds from Confiscated Property               | 0                     | 0                        | 23,074           | 0                              | 0                      | 0                    |
| Other Fines, Forfeitures, and Penalties          | 5                     | 0                        | 0                | 0                              | 0                      | 0                    |
| <b>Total Fines, Forfeitures, and Penalties</b>   | <b>\$ 94,616</b>      | <b>\$ 0</b>              | <b>\$ 35,546</b> | <b>\$ 0</b>                    | <b>\$ 0</b>            | <b>\$ 0</b>          |
| <u>Charges for Current Services</u>              |                       |                          |                  |                                |                        |                      |
| <u>General Service Charges</u>                   |                       |                          |                  |                                |                        |                      |
| Other General Service Charges                    | \$ 119                | \$ 0                     | \$ 0             | \$ 0                           | \$ 0                   | \$ 0                 |
| <u>Fees</u>                                      |                       |                          |                  |                                |                        |                      |
| Recreation Fees                                  | 19,701                | 0                        | 0                | 0                              | 0                      | 0                    |
| Archives and Records Management Fee              | 52,222                | 0                        | 0                | 0                              | 0                      | 0                    |
| Telephone Commissions                            | 19,696                | 0                        | 0                | 0                              | 0                      | 0                    |

(Continued)

Exhibit J-5

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

|   | Special Revenue Funds |                          |              |                                |                        | Debt Service Fund    |
|---|-----------------------|--------------------------|--------------|--------------------------------|------------------------|----------------------|
|   | General               | Solid Waste / Sanitation | Drug Control | Constitutional Officers - Fees | Highway / Public Works | General Debt Service |
| <u>Charges for Current Services (Cont.)</u>       |                       |                          |              |                                |                        |                      |
| <u>Fees (Cont.)</u>                               |                       |                          |              |                                |                        |                      |
| Constitutional Officers' Fees and Commissions     | \$ 0                  | \$ 0                     | \$ 0         | \$ 6                           | \$ 0                   | \$ 0                 |
| Data Processing Fee - Register                    | 4,764                 | 0                        | 0            | 0                              | 0                      | 0                    |
| Data Processing Fee - Sheriff                     | 642                   | 0                        | 0            | 0                              | 0                      | 0                    |
| Sexual Offender Registration Fee - Sheriff        | 3,000                 | 0                        | 0            | 0                              | 0                      | 0                    |
| Data Processing Fee - County Clerk                | 2,106                 | 0                        | 0            | 0                              | 0                      | 0                    |
| Vehicle Insurance Coverage and Reinstatement Fees | 165                   | 0                        | 0            | 0                              | 0                      | 0                    |
| <b>Total Charges for Current Services</b>         | <b>\$ 102,415</b>     | <b>\$ 0</b>              | <b>\$ 0</b>  | <b>\$ 6</b>                    | <b>\$ 0</b>            | <b>\$ 0</b>          |
| <u>Other Local Revenues</u>                       |                       |                          |              |                                |                        |                      |
| <u>Recurring Items</u>                            |                       |                          |              |                                |                        |                      |
| Investment Income                                 | \$ 51,629             | \$ 0                     | \$ 0         | \$ 0                           | \$ 22,015              | \$ 2,346             |
| Lease/Rentals                                     | 20                    | 0                        | 0            | 0                              | 0                      | 0                    |
| Sale of Materials and Supplies                    | 1,133                 | 0                        | 0            | 0                              | 0                      | 0                    |
| Commissary Sales                                  | 6,048                 | 0                        | 0            | 0                              | 0                      | 0                    |
| Sale of Recycled Materials                        | 612                   | 0                        | 0            | 0                              | 605                    | 0                    |
| Retirees' Insurance Payments                      | 7,456                 | 0                        | 0            | 0                              | 760                    | 0                    |
| Cobra Insurance Payments                          | 691                   | 0                        | 0            | 0                              | 4                      | 0                    |
| Miscellaneous Refunds                             | 40,939                | 0                        | 0            | 0                              | 894                    | 0                    |
| <u>Nonrecurring Items</u>                         |                       |                          |              |                                |                        |                      |
| Sale of Equipment                                 | 87,518                | 0                        | 0            | 0                              | 38,360                 | 0                    |
| Sale of Property                                  | 9,475                 | 0                        | 0            | 0                              | 0                      | 0                    |
| <b>Total Other Local Revenues</b>                 | <b>\$ 205,521</b>     | <b>\$ 0</b>              | <b>\$ 0</b>  | <b>\$ 0</b>                    | <b>\$ 62,638</b>       | <b>\$ 2,346</b>      |

(Continued)

Exhibit J-5

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

|  | Special Revenue Funds |                          |              |                                |                        | Debt Service Fund    |
|--|-----------------------|--------------------------|--------------|--------------------------------|------------------------|----------------------|
|  | General               | Solid Waste / Sanitation | Drug Control | Constitutional Officers - Fees | Highway / Public Works | General Debt Service |
| <u>Fees Received From County Officials</u>       |                       |                          |              |                                |                        |                      |
| <u>Fees In-Lieu-of Salary</u>                    |                       |                          |              |                                |                        |                      |
| County Clerk                                     | \$ 177,297            | \$ 0                     | \$ 0         | \$ 0                           | \$ 0                   | \$ 0                 |
| Circuit Court Clerk                              | 66,565                | 0                        | 0            | 0                              | 0                      | 0                    |
| General Sessions Court Clerk                     | 311,159               | 0                        | 0            | 0                              | 0                      | 0                    |
| Clerk and Master                                 | 47,571                | 0                        | 0            | 0                              | 0                      | 0                    |
| Juvenile Court Clerk                             | 14,208                | 0                        | 0            | 0                              | 0                      | 0                    |
| Register   | 61,033                | 0                        | 0            | 0                              | 0                      | 0                    |
| Sheriff  | 6,033                 | 0                        | 0            | 0                              | 0                      | 0                    |
| Trustee  | 282,100               | 0                        | 0            | 0                              | 0                      | 0                    |
| <b>Total Fees Received From County Officials</b> | <b>\$ 965,966</b>     | <b>\$ 0</b>              | <b>\$ 0</b>  | <b>\$ 0</b>                    | <b>\$ 0</b>            | <b>\$ 0</b>          |
| <u>State of Tennessee</u>                        |                       |                          |              |                                |                        |                      |
| <u>General Government Grants</u>                 |                       |                          |              |                                |                        |                      |
| Juvenile Services Program                        | \$ 9,000              | \$ 0                     | \$ 0         | \$ 0                           | \$ 0                   | \$ 0                 |
| <u>Health and Welfare Grants</u>                 |                       |                          |              |                                |                        |                      |
| Health Department Programs                       | 136,135               | 0                        | 0            | 0                              | 0                      | 0                    |
| Other Health and Welfare Grants                  | 20,000                | 0                        | 0            | 0                              | 0                      | 0                    |
| <u>Public Works Grants</u>                       |                       |                          |              |                                |                        |                      |
| Bridge Program                                   | 0                     | 0                        | 0            | 0                              | 698,675                | 0                    |
| Litter Program                                   | 34,042                | 0                        | 0            | 0                              | 0                      | 0                    |
| <u>Other State Revenues</u>                      |                       |                          |              |                                |                        |                      |
| Income Tax                                       | 15,510                | 0                        | 0            | 0                              | 0                      | 0                    |
| Beer Tax   | 17,959                | 0                        | 0            | 0                              | 0                      | 0                    |
| Vehicle Certificate of Title Fees                | 6,787                 | 0                        | 0            | 0                              | 0                      | 0                    |
| Alcoholic Beverage Tax                           | 38,898                | 0                        | 0            | 0                              | 0                      | 0                    |
| State Revenue Sharing - T.V.A.                   | 207,705               | 15,598                   | 0            | 0                              | 7,666                  | 0                    |

(Continued)

Exhibit J-5

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

|  | Special Revenue Funds |                          |              |                                |                        | Debt Service Fund    |
|--|-----------------------|--------------------------|--------------|--------------------------------|------------------------|----------------------|
|  | General               | Solid Waste / Sanitation | Drug Control | Constitutional Officers - Fees | Highway / Public Works | General Debt Service |
| <u>State of Tennessee (Cont.)</u>            |                       |                          |              |                                |                        |                      |
| <u>Other State Revenues (Cont.)</u>          |                       |                          |              |                                |                        |                      |
| State Revenue Sharing - Telecommunications   | \$ 18,938             | \$ 0                     | \$ 0         | \$ 0                           | \$ 0                   | \$ 37                |
| Contracted Prisoner Boarding                 | 484,993               | 0                        | 0            | 0                              | 0                      | 0                    |
| Gasoline and Motor Fuel Tax                  | 0                     | 0                        | 0            | 0                              | 1,861,873              | 0                    |
| Petroleum Special Tax                        | 0                     | 0                        | 0            | 0                              | 13,214                 | 0                    |
| Registrar's Salary Supplement                | 15,164                | 0                        | 0            | 0                              | 0                      | 0                    |
| Other State Grants                           | 34,549                | 0                        | 0            | 0                              | 0                      | 0                    |
| Other State Revenues                         | 17,963                | 4,398                    | 0            | 0                              | 0                      | 0                    |
| <b>Total State of Tennessee</b>              | <b>\$ 1,057,643</b>   | <b>\$ 19,996</b>         | <b>\$ 0</b>  | <b>\$ 0</b>                    | <b>\$ 2,581,428</b>    | <b>\$ 37</b>         |
| <u>Federal Government</u>                    |                       |                          |              |                                |                        |                      |
| <u>Federal Through State</u>                 |                       |                          |              |                                |                        |                      |
| Community Development                        | \$ 0                  | \$ 0                     | \$ 0         | \$ 0                           | \$ 0                   | \$ 0                 |
| Civil Defense Reimbursement                  | 23,500                | 0                        | 0            | 0                              | 0                      | 0                    |
| Law Enforcement Grants                       | 35,267                | 0                        | 0            | 0                              | 0                      | 0                    |
| Other Federal through State                  | 890                   | 0                        | 0            | 0                              | 0                      | 0                    |
| <u>Direct Federal Revenue</u>                |                       |                          |              |                                |                        |                      |
| Forest Service                               | 11,095                | 0                        | 0            | 0                              | 17,872                 | 0                    |
| Other Direct Federal Revenue                 | 1,000                 | 0                        | 0            | 0                              | 0                      | 0                    |
| <b>Total Federal Government</b>              | <b>\$ 71,752</b>      | <b>\$ 0</b>              | <b>\$ 0</b>  | <b>\$ 0</b>                    | <b>\$ 17,872</b>       | <b>\$ 0</b>          |
| <u>Other Governments and Citizens Groups</u> |                       |                          |              |                                |                        |                      |
| <u>Other Governments</u>                     |                       |                          |              |                                |                        |                      |
| Contributions                                | \$ 119,487            | \$ 0                     | \$ 0         | \$ 0                           | \$ 0                   | \$ 185,025           |
| Contracted Services                          | 317,202               | 0                        | 0            | 0                              | 103,778                | 0                    |

(Continued)

Exhibit J-5

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

|  | Special Revenue Funds |                          |              |                                   |                        | Debt Service Fund    |
|--|-----------------------|--------------------------|--------------|-----------------------------------|------------------------|----------------------|
|  | General               | Solid Waste / Sanitation | Drug Control | Constitu - tional Officers - Fees | Highway / Public Works | General Debt Service |
| <u>Other Governments and Citizens Groups (Cont.)</u> |                       |                          |              |                                   |                        |                      |
| <u>Other</u>   |                       |                          |              |                                   |                        |                      |
| Other  | \$ 0                  | \$ 0                     | \$ 0         | \$ 0                              | \$ 0                   | \$ 6,274             |
| Total Other Governments and Citizens Groups          | \$ 436,689            | \$ 0                     | \$ 0         | \$ 0                              | \$ 103,778             | \$ 191,299           |
| Total  | \$ 7,321,441          | \$ 464,691               | \$ 35,546    | \$ 6                              | \$ 2,987,264           | \$ 2,675,357         |

(Continued)



Exhibit J-5

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

|  | Capital Projects Funds         |   | Total        |
|--|--------------------------------|---|--------------|
|  | General<br>Capital<br>Projects | Community<br>Development/<br>Industrial<br>Park |              |
| <u>Local Taxes</u>                                       |                                |   |              |
| <u>County Property Taxes</u>                             |                                |   |              |
| Current Property Tax                                     | \$ 0                           | \$ 0  | \$ 5,877,166 |
| Trustee's Collections - Prior Year                       | 0                              | 0   | 251,103      |
| Trustee's Collections - Bankruptcy                       | 0                              | 0   | 652          |
| Circuit Clerk/Clerk and Master Collections - Prior Years | 0                              | 0   | 130,776      |
| Interest and Penalty                                     | 0                              | 0   | 41,263       |
| Pickup Taxes   | 0                              | 0   | 1,187        |
| Payments in-Lieu-of Taxes - T.V.A.                       | 0                              | 0   | 353          |
| Payments in-Lieu-of Taxes - Local Utilities              | 0                              | 0   | 111,132      |
| Payments in-Lieu-of Taxes - Other                        | 0                              | 0   | 17,364       |
| <u>County Local Option Taxes</u>                         |                                |   |              |
| Local Option Sales Tax                                   | 0                              | 0   | 558,222      |
| Hotel/Motel Tax  | 0                              | 0   | 52,302       |
| Litigation Tax - General                                 | 0                              | 0   | 79,461       |
| Litigation Tax - Special Purpose                         | 0                              | 0   | 85,299       |
| Litigation Tax - Jail, Workhouse, or Courthouse          | 0                              | 0   | 147,320      |
| Business Tax   | 0                              | 0   | 86,841       |
| Mineral Severance Tax                                    | 0                              | 0   | 24,289       |
| <u>Statutory Local Taxes</u>                             |                                |   |              |
| Bank Excise Tax  | 0                              | 0   | 28,618       |
| Wholesale Beer Tax                                       | 0                              | 0   | 10,399       |
| Interstate Telecommunications Tax                        | 0                              | 0   | 1,810        |
| Total Local Taxes  | \$ 0                           | \$ 0  | \$ 7,505,557 |

(Continued)

Exhibit J-5

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

|  | Capital Projects Funds         |   | Total     |
|--|--------------------------------|---|-----------|
|  | General<br>Capital<br>Projects | Community<br>Development/<br>Industrial<br>Park |           |
| <u>Licenses and Permits</u>              |                                |   |           |
| <u>Licenses</u>                          |                                |   |           |
| Cable TV Franchise                       | \$ 0                           | \$ 0  | \$ 29,200 |
| Total Licenses and Permits               | \$ 0                           | \$ 0  | \$ 29,200 |
| <u>Fines, Forfeitures, and Penalties</u> |                                |   |           |
| <u>Circuit Court</u>                     |                                |   |           |
| Fines                                    | \$ 0                           | \$ 0  | \$ 784    |
| Officers Costs                           | 0                              | 0   | 1,980     |
| Drug Control Fines                       | 0                              | 0   | 6,636     |
| Drug Court Fees                          | 0                              | 0   | 333       |
| Jail Fees                                | 0                              | 0   | 1,922     |
| DUI Treatment Fines                      | 0                              | 0   | 119       |
| Courtroom Security Fee                   | 0                              | 0   | 130       |
| <u>Criminal Court</u>                    |                                |   |           |
| Data Entry Fee - Criminal Court          | 0                              | 0   | 1,814     |
| Victims Assistance Assessments           | 0                              | 0   | 874       |
| <u>General Sessions Court</u>            |                                |   |           |
| Fines                                    | 0                              | 0   | 10,184    |
| Fines for Littering                      | 0                              | 0   | 100       |
| Officers Costs                           | 0                              | 0   | 9,348     |
| Game and Fish Fines                      | 0                              | 0   | 14        |
| Drug Control Fines                       | 0                              | 0   | 5,836     |
| Drug Court Fees                          | 0                              | 0   | 2,123     |
| Jail Fees                                | 0                              | 0   | 17,879    |
| DUI Treatment Fines                      | 0                              | 0   | 2,333     |
| Data Entry Fee - General Sessions Court  | 0                              | 0   | 11,877    |

(Continued)

Exhibit J-5

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

|  | Capital Projects Funds   |                                       | Total      |
|--|--------------------------|---------------------------------------|------------|
|  | General Capital Projects | Community Development/Industrial Park |            |
| <u>Fines, Forfeitures, and Penalties (Cont.)</u> |                          |                                       |            |
| <u>General Sessions Court (Cont.)</u>            |                          |                                       |            |
| Courtroom Security Fee                           | \$ 0                     | \$ 0                                  | \$ 1,187   |
| Victims Assistance Assessments                   | 0                        | 0                                     | 3,765      |
| <u>Juvenile Court</u>                            |                          |                                       |            |
| Fines  | 0                        | 0                                     | 622        |
| Officers Costs                                   | 0                        | 0                                     | 1,213      |
| Jail Fees  | 0                        | 0                                     | 3,650      |
| Data Entry Fee - Juvenile Court                  | 0                        | 0                                     | 4,179      |
| Courtroom Security Fee                           | 0                        | 0                                     | 2          |
| <u>Chancery Court</u>                            |                          |                                       |            |
| Officers Costs                                   | 0                        | 0                                     | 103        |
| Data Entry Fee - Chancery Court                  | 0                        | 0                                     | 2,024      |
| <u>Judicial District Drug Program</u>            |                          |                                       |            |
| Data Entry Fee - Other Courts                    | 0                        | 0                                     | 16,052     |
| <u>Other Fines, Forfeitures, and Penalties</u>   |                          |                                       |            |
| Proceeds from Confiscated Property               | 0                        | 0                                     | 23,074     |
| Other Fines, Forfeitures, and Penalties          | 0                        | 0                                     | 5          |
| Total Fines, Forfeitures, and Penalties          | \$ 0                     | \$ 0                                  | \$ 130,162 |
| <u>Charges for Current Services</u>              |                          |                                       |            |
| <u>General Service Charges</u>                   |                          |                                       |            |
| Other General Service Charges                    | \$ 0                     | \$ 0                                  | \$ 119     |
| <u>Fees</u>                                      |                          |                                       |            |
| Recreation Fees                                  | 0                        | 0                                     | 19,701     |
| Archives and Records Management Fee              | 0                        | 0                                     | 52,222     |
| Telephone Commissions                            | 0                        | 0                                     | 19,696     |

(Continued)

Exhibit J-5

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

|   | <u>Capital Projects Funds</u>  |   |             | Total          |
|---|--------------------------------|---|-------------|----------------|
|   | General<br>Capital<br>Projects | Community<br>Development/<br>Industrial<br>Park |             |                |
| <u>Charges for Current Services (Cont.)</u>       |                                |   |             |                |
| <u>Fees (Cont.)</u>                               |                                |   |             |                |
| Constitutional Officers' Fees and Commissions     | \$ 0                           | \$ 0  | \$ 0        | 6              |
| Data Processing Fee - Register                    | 0                              | 0   | 0           | 4,764          |
| Data Processing Fee - Sheriff                     | 0                              | 0   | 0           | 642            |
| Sexual Offender Registration Fee - Sheriff        | 0                              | 0   | 0           | 3,000          |
| Data Processing Fee - County Clerk                | 0                              | 0   | 0           | 2,106          |
| Vehicle Insurance Coverage and Reinstatement Fees | 0                              | 0   | 0           | 165            |
| Total Charges for Current Services                | <u>\$ 0</u>                    | <u>\$ 0</u>                                     | <u>\$ 0</u> | <u>102,421</u> |
| <u>Other Local Revenues</u>                       |                                |   |             |                |
| <u>Recurring Items</u>                            |                                |   |             |                |
| Investment Income                                 | \$ 0                           | \$ 0  | \$ 0        | 75,990         |
| Lease/Rentals                                     | 0                              | 0   | 0           | 20             |
| Sale of Materials and Supplies                    | 0                              | 0   | 0           | 1,133          |
| Commissary Sales                                  | 0                              | 0   | 0           | 6,048          |
| Sale of Recycled Materials                        | 0                              | 0   | 0           | 1,217          |
| Retirees' Insurance Payments                      | 0                              | 0   | 0           | 8,216          |
| Cobra Insurance Payments                          | 0                              | 0   | 0           | 695            |
| Miscellaneous Refunds                             | 0                              | 0   | 0           | 41,833         |
| <u>Nonrecurring Items</u>                         |                                |   |             |                |
| Sale of Equipment                                 | 0                              | 0   | 0           | 125,878        |
| Sale of Property                                  | 0                              | 0   | 0           | 9,475          |
| Total Other Local Revenues                        | <u>\$ 0</u>                    | <u>\$ 0</u>                                     | <u>\$ 0</u> | <u>270,505</u> |

(Continued)

Exhibit J-5

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

|  | Capital Projects Funds         |   | Total             |
|--|--------------------------------|---|-------------------|
|  | General<br>Capital<br>Projects | Community<br>Development/<br>Industrial<br>Park |                   |
| <u>Fees Received From County Officials</u>       |                                |   |                   |
| <u>Fees In-Lieu-of Salary</u>                    |                                |   |                   |
| County Clerk                                     | \$ 0                           | \$ 0  | \$ 177,297        |
| Circuit Court Clerk                              | 0                              | 0   | 66,565            |
| General Sessions Court Clerk                     | 0                              | 0   | 311,159           |
| Clerk and Master                                 | 0                              | 0   | 47,571            |
| Juvenile Court Clerk                             | 0                              | 0   | 14,208            |
| Register   | 0                              | 0   | 61,033            |
| Sheriff  | 0                              | 0   | 6,033             |
| Trustee  | 0                              | 0   | 282,100           |
| <b>Total Fees Received From County Officials</b> | <b>\$ 0</b>                    | <b>\$ 0</b>                                     | <b>\$ 965,966</b> |
| <u>State of Tennessee</u>                        |                                |   |                   |
| <u>General Government Grants</u>                 |                                |   |                   |
| Juvenile Services Program                        | \$ 0                           | \$ 0  | \$ 9,000          |
| <u>Health and Welfare Grants</u>                 |                                |   |                   |
| Health Department Programs                       | 0                              | 0   | 136,135           |
| Other Health and Welfare Grants                  | 0                              | 0   | 20,000            |
| <u>Public Works Grants</u>                       |                                |   |                   |
| Bridge Program                                   | 0                              | 0   | 698,675           |
| Litter Program                                   | 0                              | 0   | 34,042            |
| <u>Other State Revenues</u>                      |                                |   |                   |
| Income Tax                                       | 0                              | 0   | 15,510            |
| Beer Tax   | 0                              | 0   | 17,959            |
| Vehicle Certificate of Title Fees                | 0                              | 0   | 6,787             |
| Alcoholic Beverage Tax                           | 0                              | 0   | 38,898            |
| State Revenue Sharing - T.V.A.                   | 0                              | 0   | 230,969           |

(Continued)

Exhibit J-5

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

|  | <u>Capital Projects Funds</u>  |   |             | Total            |
|--|--------------------------------|---|-------------|------------------|
|  | General<br>Capital<br>Projects | Community<br>Development/<br>Industrial<br>Park |             |                  |
| <u>State of Tennessee (Cont.)</u>            |                                |   |             |                  |
| <u>Other State Revenues (Cont.)</u>          |                                |   |             |                  |
| State Revenue Sharing - Telecommunications   | \$ 0                           | \$ 0  | \$ 0        | 18,975           |
| Contracted Prisoner Boarding                 | 0                              | 0   | 0           | 484,993          |
| Gasoline and Motor Fuel Tax                  | 0                              | 0   | 0           | 1,861,873        |
| Petroleum Special Tax                        | 0                              | 0   | 0           | 13,214           |
| Registrar's Salary Supplement                | 0                              | 0   | 0           | 15,164           |
| Other State Grants                           | 0                              | 0   | 0           | 34,549           |
| Other State Revenues                         | 0                              | 0   | 0           | 22,361           |
| Total State of Tennessee                     | <u>\$ 0</u>                    | <u>\$ 0</u>                                     | <u>\$ 0</u> | <u>3,659,104</u> |
| <u>Federal Government</u>                    |                                |   |             |                  |
| <u>Federal Through State</u>                 |                                |   |             |                  |
| Community Development                        | \$ 33,962                      | \$ 349,442                                      | \$ 0        | 383,404          |
| Civil Defense Reimbursement                  | 0                              | 0   | 0           | 23,500           |
| Law Enforcement Grants                       | 0                              | 0   | 0           | 35,267           |
| Other Federal through State                  | 0                              | 0   | 0           | 890              |
| <u>Direct Federal Revenue</u>                |                                |   |             |                  |
| Forest Service                               | 0                              | 0   | 0           | 28,967           |
| Other Direct Federal Revenue                 | 0                              | 0   | 0           | 1,000            |
| Total Federal Government                     | <u>\$ 33,962</u>               | <u>\$ 349,442</u>                               | <u>\$ 0</u> | <u>473,028</u>   |
| <u>Other Governments and Citizens Groups</u> |                                |   |             |                  |
| <u>Other Governments</u>                     |                                |   |             |                  |
| Contributions                                | \$ 0                           | \$ 0  | \$ 0        | 304,512          |
| Contracted Services                          | 0                              | 0   | 0           | 420,980          |

(Continued)

Exhibit J-5

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

|  | <u>Capital Projects Funds</u>  |   | Total         |
|--|--------------------------------|---|---------------|
|  | General<br>Capital<br>Projects | Community<br>Development/<br>Industrial<br>Park |               |
| <u>Other Governments and Citizens Groups (Cont.)</u> |                                |   |               |
| <u>Other</u>   |                                |   |               |
| Other  | \$ 0                           | \$ 0  | \$ 6,274      |
| Total Other Governments and Citizens Groups          | \$ 0                           | \$ 0  | \$ 731,766    |
| Total  | \$ 33,962                      | \$ 349,442                                      | \$ 13,867,709 |

Exhibit J-6

Unicoi County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Unicoi County School Department  
For the Year Ended June 30, 2019

|  | <u>Special Revenue Funds</u> |                               |                      |                     |
|--|------------------------------|-------------------------------|----------------------|---------------------|
|  | General<br>Purpose<br>School | School<br>Federal<br>Projects | Central<br>Cafeteria | Total               |
| <u>Local Taxes</u>                                       |                              |                               |                      |                     |
| <u>County Property Taxes</u>                             |                              |                               |                      |                     |
| Current Property Tax                                     | \$ 2,354,736                 | \$ 0                          | \$ 0                 | \$ 2,354,736        |
| Trustee's Collections - Prior Year                       | 100,607                      | 0                             | 0                    | 100,607             |
| Trustee's Collections - Bankruptcy                       | 269                          | 0                             | 0                    | 269                 |
| Circuit Clerk/Clerk and Master Collections - Prior Years | 42,501                       | 0                             | 0                    | 42,501              |
| Interest and Penalty                                     | 16,535                       | 0                             | 0                    | 16,535              |
| Pickup Taxes   | 476                          | 0                             | 0                    | 476                 |
| Payments in-Lieu-of Taxes - T.V.A.                       | 141                          | 0                             | 0                    | 141                 |
| Payments in-Lieu-of Taxes - Local Utilities              | 44,526                       | 0                             | 0                    | 44,526              |
| Payments in-Lieu-of Taxes - Other                        | 6,957                        | 0                             | 0                    | 6,957               |
| <u>County Local Option Taxes</u>                         |                              |                               |                      |                     |
| Local Option Sales Tax                                   | 1,602,132                    | 0                             | 0                    | 1,602,132           |
| Business Tax   | 34,194                       | 0                             | 0                    | 34,194              |
| Other County Local Option Taxes                          | 70                           | 0                             | 0                    | 70                  |
| <u>Statutory Local Taxes</u>                             |                              |                               |                      |                     |
| Bank Excise Tax  | 11,466                       | 0                             | 0                    | 11,466              |
| Wholesale Beer Tax                                       | 4,588                        | 0                             | 0                    | 4,588               |
| Total Local Taxes  | <u>\$ 4,219,198</u>          | <u>\$ 0</u>                   | <u>\$ 0</u>          | <u>\$ 4,219,198</u> |
| <u>Licenses and Permits</u>                              |                              |                               |                      |                     |
| <u>Licenses</u>  |                              |                               |                      |                     |
| Marriage Licenses  | \$ 1,667                     | \$ 0                          | \$ 0                 | \$ 1,667            |
| Cable TV Franchise                                       | 11,699                       | 0                             | 0                    | 11,699              |
| Total Licenses and Permits                               | <u>\$ 13,366</u>             | <u>\$ 0</u>                   | <u>\$ 0</u>          | <u>\$ 13,366</u>    |

(Continued)



Exhibit J-6

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

|                                     | <u>Special Revenue Funds</u> |                               |                      |                   |
|-------------------------------------|------------------------------|-------------------------------|----------------------|-------------------|
|                                     | General<br>Purpose<br>School | School<br>Federal<br>Projects | Central<br>Cafeteria | Total             |
| <u>Charges for Current Services</u> |                              |                               |                      |                   |
| <u>Education Charges</u>            |                              |                               |                      |                   |
| Tuition - Other                     | \$ 98,671                    | \$ 0                          | \$ 0                 | \$ 98,671         |
| Lunch Payments - Children           | 0                            | 0                             | 116,909              | 116,909           |
| Lunch Payments - Adults             | 0                            | 0                             | 11,018               | 11,018            |
| Income from Breakfast               | 0                            | 0                             | 586                  | 586               |
| A la Carte Sales                    | 0                            | 0                             | 58,228               | 58,228            |
| Other Charges for Services          | 0                            | 0                             | 1,626                | 1,626             |
| Total Charges for Current Services  | <u>\$ 98,671</u>             | <u>\$ 0</u>                   | <u>\$ 188,367</u>    | <u>\$ 287,038</u> |
| <u>Other Local Revenues</u>         |                              |                               |                      |                   |
| <u>Recurring Items</u>              |                              |                               |                      |                   |
| Investment Income                   | \$ 12,331                    | \$ 0                          | \$ 9,107             | \$ 21,438         |
| Retirees' Insurance Payments        | 28,525                       | 0                             | 0                    | 28,525            |
| Commodity Rebates                   | 0                            | 0                             | 931                  | 931               |
| Miscellaneous Refunds               | 55,798                       | 0                             | 6,331                | 62,129            |
| <u>Nonrecurring Items</u>           |                              |                               |                      |                   |
| Contributions and Gifts             | 47,117                       | 0                             | 0                    | 47,117            |
| <u>Other Local Revenues</u>         |                              |                               |                      |                   |
| Other Local Revenues                | 0                            | 0                             | 201                  | 201               |
| Total Other Local Revenues          | <u>\$ 143,771</u>            | <u>\$ 0</u>                   | <u>\$ 16,570</u>     | <u>\$ 160,341</u> |
| <u>State of Tennessee</u>           |                              |                               |                      |                   |
| <u>General Government Grants</u>    |                              |                               |                      |                   |
| On-behalf Contributions for OPEB    | \$ 62,770                    | \$ 0                          | \$ 0                 | \$ 62,770         |

(Continued)

Exhibit J-6

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

|   | <u>Special Revenue Funds</u> |                               |                      |                      |
|---|------------------------------|-------------------------------|----------------------|----------------------|
|   | General<br>Purpose<br>School | School<br>Federal<br>Projects | Central<br>Cafeteria | Total                |
| <u>State of Tennessee (Cont.)</u>             |                              |                               |                      |                      |
| <u>State Education Funds</u>                  |                              |                               |                      |                      |
| Basic Education Program                       | \$ 13,330,369                | \$ 0                          | \$ 0                 | \$ 13,330,369        |
| Early Childhood Education                     | 485,912                      | 0                             | 0                    | 485,912              |
| School Food Service                           | 0                            | 0                             | 9,836                | 9,836                |
| Other State Education Funds                   | 77,659                       | 0                             | 0                    | 77,659               |
| Coordinated School Health                     | 100,600                      | 0                             | 0                    | 100,600              |
| Career Ladder Program                         | 49,952                       | 0                             | 0                    | 49,952               |
| <u>Other State Revenues</u>                   |                              |                               |                      |                      |
| State Revenue Sharing - T.V.A.                | 92,539                       | 0                             | 0                    | 92,539               |
| Other State Grants                            | 65,204                       | 0                             | 0                    | 65,204               |
| Safe Schools                                  | 26,800                       | 0                             | 0                    | 26,800               |
| Total State of Tennessee                      | <u>\$ 14,291,805</u>         | <u>\$ 0</u>                   | <u>\$ 9,836</u>      | <u>\$ 14,301,641</u> |
| <u>Federal Government</u>                     |                              |                               |                      |                      |
| <u>Federal Through State</u>                  |                              |                               |                      |                      |
| USDA School Lunch Program                     | \$ 0                         | \$ 0                          | \$ 620,263           | \$ 620,263           |
| USDA - Commodities                            | 0                            | 0                             | 80,598               | 80,598               |
| Breakfast                                     | 0                            | 0                             | 343,772              | 343,772              |
| USDA - Other                                  | 0                            | 0                             | 8,401                | 8,401                |
| Vocational Education - Basic Grants to States | 0                            | 77,428                        | 0                    | 77,428               |
| Title I Grants to Local Education Agencies    | 0                            | 670,443                       | 0                    | 670,443              |
| Special Education - Grants to States          | 78,777                       | 748,550                       | 0                    | 827,327              |
| Special Education Preschool Grants            | 0                            | 58,813                        | 0                    | 58,813               |
| English Language Acquisition Grants           | 0                            | 8,071                         | 0                    | 8,071                |
| Safe and Drug-free Schools - State Grants     | 0                            | 35,687                        | 0                    | 35,687               |

(Continued)

Exhibit J-6

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

|  | <u>Special Revenue Funds</u> |                         |                     |                      |
|--|------------------------------|-------------------------|---------------------|----------------------|
|  | General Purpose School       | School Federal Projects | Central Cafeteria   | Total                |
| <u>Federal Government (Cont.)</u>                |                              |                         |                     |                      |
| <u>Federal Through State (Cont.)</u>             |                              |                         |                     |                      |
| Eisenhower Professional Development State Grants | \$ 0                         | \$ 80,922               | \$ 0                | \$ 80,922            |
| Other Federal through State                      | 117,481                      | 0                       | 0                   | 117,481              |
| <u>Direct Federal Revenue</u>                    |                              |                         |                     |                      |
| Public Law 874 - Maintenance and Operation       | 191,794                      | 0                       | 0                   | 191,794              |
| ROTC Reimbursement                               | 55,990                       | 0                       | 0                   | 55,990               |
| Other Direct Federal Revenue                     | 147,980                      | 0                       | 0                   | 147,980              |
| Total Federal Government                         | <u>\$ 592,022</u>            | <u>\$ 1,679,914</u>     | <u>\$ 1,053,034</u> | <u>\$ 3,324,970</u>  |
| Total  | <u>\$ 19,358,833</u>         | <u>\$ 1,679,914</u>     | <u>\$ 1,267,807</u> | <u>\$ 22,306,554</u> |

Exhibit J-7

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

General Fund

General Government

County Commission

|   |    |        |           |
|---|----|--------|-----------|
| Board and Committee Members Fees          | \$ | 32,400 |           |
| Social Security                           |    | 1,934  |           |
| Pensions                                  |    | 613    |           |
| Unemployment Compensation                 |    | 101    |           |
| Employer Medicare                         |    | 452    |           |
| Audit Services                            |    | 6,959  |           |
| Dues and Memberships                      |    | 5,141  |           |
| Legal Notices, Recording, and Court Costs |    | 2,166  |           |
| Printing, Stationery, and Forms           |    | 1,004  |           |
| Travel                                    |    | 186    |           |
| Other Charges                             |    | 1,629  |           |
| Total County Commission                   |    |        | \$ 52,585 |

Board of Equalization

|                                  |    |       |       |
|----------------------------------|----|-------|-------|
| Board and Committee Members Fees | \$ | 2,100 |       |
| Travel                           |    | 135   |       |
| Total Board of Equalization      |    |       | 2,235 |

County Mayor/Executive

|  |    |        |         |
|--|----|--------|---------|
| County Official/Administrative Officer             | \$ | 87,402 |         |
| Accountants/Bookkeepers                            |    | 46,118 |         |
| Secretary(ies)                                     |    | 29,875 |         |
| Clerical Personnel                                 |    | 33,967 |         |
| Part-time Personnel                                |    | 4,591  |         |
| Bonus Payments                                     |    | 1,650  |         |
| Social Security                                    |    | 12,355 |         |
| Pensions   |    | 15,811 |         |
| Life Insurance                                     |    | 494    |         |
| Medical Insurance                                  |    | 21,009 |         |
| Dental Insurance                                   |    | 898    |         |
| Unemployment Compensation                          |    | 260    |         |
| Employer Medicare                                  |    | 2,889  |         |
| Communication                                      |    | 4,944  |         |
| Data Processing Services                           |    | 15,620 |         |
| Dues and Memberships                               |    | 1,833  |         |
| Maintenance and Repair Services - Office Equipment |    | 1,387  |         |
| Travel   |    | 3,873  |         |
| Penalties  |    | 417    |         |
| Office Supplies                                    |    | 3,378  |         |
| Premiums on Corporate Surety Bonds                 |    | 36     |         |
| Other Charges                                      |    | 963    |         |
| Office Equipment                                   |    | 974    |         |
| Total County Mayor/Executive                       |    |        | 290,744 |

County Attorney

|  |    |        |        |
|--|----|--------|--------|
| County Official/Administrative Officer | \$ | 27,000 |        |
| Legal Services                         |    | 2,493  |        |
| Total County Attorney                  |    |        | 29,493 |

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Election Commission

|   |    |        |            |
|---|----|--------|------------|
| County Official/Administrative Officer      | \$ | 64,862 |            |
| Deputy(ies)                                 |    | 29,969 |            |
| Mechanic(s)                                 |    | 1,149  |            |
| Clerical Personnel                          |    | 9,926  |            |
| Bonus Payments                              |    | 550    |            |
| Election Commission                         |    | 4,020  |            |
| Election Workers                            |    | 17,230 |            |
| Social Security                             |    | 6,085  |            |
| Pensions                                    |    | 8,126  |            |
| Life Insurance                              |    | 312    |            |
| Medical Insurance                           |    | 17,574 |            |
| Dental Insurance                            |    | 575    |            |
| Unemployment Compensation                   |    | 208    |            |
| Employer Medicare                           |    | 1,423  |            |
| Communication                               |    | 1,882  |            |
| Data Processing Services                    |    | 15,815 |            |
| Dues and Memberships                        |    | 450    |            |
| Janitorial Services                         |    | 920    |            |
| Legal Notices, Recording, and Court Costs   |    | 8,660  |            |
| Maintenance and Repair Services - Buildings |    | 476    |            |
| Maintenance and Repair Services - Equipment |    | 541    |            |
| Printing, Stationery, and Forms             |    | 446    |            |
| Travel                                      |    | 6,945  |            |
| Other Contracted Services                   |    | 3,410  |            |
| Electricity                                 |    | 2,077  |            |
| Office Supplies                             |    | 2,150  |            |
| Office Equipment                            |    | 2,387  |            |
| Total Election Commission                   |    |        | \$ 208,168 |

Register of Deeds

|  |    |        |
|--|----|--------|
| County Official/Administrative Officer             | \$ | 72,069 |
| Deputy(ies)  |    | 28,896 |
| Clerical Personnel                                 |    | 28,972 |
| Part-time Personnel                                |    | 3,561  |
| Bonus Payments                                     |    | 1,350  |
| Social Security                                    |    | 8,156  |
| Pensions   |    | 11,258 |
| Life Insurance                                     |    | 468    |
| Medical Insurance                                  |    | 19,782 |
| Dental Insurance                                   |    | 863    |
| Unemployment Compensation                          |    | 142    |
| Employer Medicare                                  |    | 1,907  |
| Communication                                      |    | 3,116  |
| Data Processing Services                           |    | 8,455  |
| Dues and Memberships                               |    | 726    |
| Maintenance and Repair Services - Office Equipment |    | 303    |
| Travel   |    | 3,422  |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

|                              |    |       |            |
|------------------------------|----|-------|------------|
| Other Contracted Services    | \$ | 316   |            |
| Data Processing Supplies     |    | 493   |            |
| Office Supplies              |    | 2,014 |            |
| In Service/Staff Development |    | 485   |            |
| Data Processing Equipment    |    | 4,828 |            |
| Office Equipment             |    | 349   |            |
| Total Register of Deeds      |    |       | \$ 201,931 |

Planning

|                                    |    |       |        |
|------------------------------------|----|-------|--------|
| Board and Committee Members Fees   | \$ | 3,600 |        |
| Social Security                    |    | 223   |        |
| Employer Medicare                  |    | 52    |        |
| Contracts with Government Agencies |    | 8,910 |        |
| Total Planning                     |    |       | 12,785 |

County Buildings

|   |    |        |         |
|---|----|--------|---------|
| Part-time Personnel                         | \$ | 23,480 |         |
| Bonus Payments                              |    | 500    |         |
| Social Security                             |    | 1,487  |         |
| Unemployment Compensation                   |    | 164    |         |
| Employer Medicare                           |    | 348    |         |
| Maintenance and Repair Services - Buildings |    | 34,481 |         |
| Custodial Supplies                          |    | 4,088  |         |
| Natural Gas                                 |    | 14,001 |         |
| Utilities                                   |    | 37,829 |         |
| Building and Contents Insurance             |    | 6,597  |         |
| Total County Buildings                      |    |        | 122,975 |

Other General Administration

|                                    |    |        |        |
|------------------------------------|----|--------|--------|
| Postal Charges                     | \$ | 21,149 |        |
| Duplicating Supplies               |    | 3,991  |        |
| Office Supplies                    |    | 163    |        |
| Excess Risk Insurance              |    | 1,000  |        |
| Liability Insurance                |    | 15,790 |        |
| Other Charges                      |    | 4,632  |        |
| Total Other General Administration |    |        | 46,725 |

Preservation of Records

|   |    |       |       |
|---|----|-------|-------|
| Dues and Memberships                        | \$ | 255   |       |
| Maintenance and Repair Services - Buildings |    | 6,000 |       |
| Office Supplies                             |    | 56    |       |
| Other Charges                               |    | 180   |       |
| Total Preservation of Records               |    |       | 6,491 |

Finance

Property Assessor's Office

|  |    |        |  |
|--|----|--------|--|
| County Official/Administrative Officer | \$ | 72,069 |  |
|--|----|--------|--|

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

|  |    |        |            |
|--|----|--------|------------|
| Assistant(s)                                       | \$ | 30,719 |            |
| Deputy(ies)  |    | 28,377 |            |
| Clerical Personnel                                 |    | 29,726 |            |
| Bonus Payments                                     |    | 1,650  |            |
| Social Security                                    |    | 9,716  |            |
| Pensions   |    | 12,271 |            |
| Life Insurance                                     |    | 552    |            |
| Medical Insurance                                  |    | 27,883 |            |
| Dental Insurance                                   |    | 1,018  |            |
| Unemployment Compensation                          |    | 202    |            |
| Employer Medicare                                  |    | 2,272  |            |
| Audit Services                                     |    | 8,105  |            |
| Communication                                      |    | 4,240  |            |
| Data Processing Services                           |    | 10,000 |            |
| Maintenance and Repair Services - Office Equipment |    | 5,311  |            |
| Printing, Stationery, and Forms                    |    | 328    |            |
| Travel   |    | 1,074  |            |
| Office Supplies                                    |    | 2,138  |            |
| Motor Vehicles                                     |    | 3,000  |            |
| Office Equipment                                   |    | 1,800  |            |
| Total Property Assessor's Office                   |    |        | \$ 252,451 |

County Trustee's Office

|  |    |        |         |
|--|----|--------|---------|
| County Official/Administrative Officer             | \$ | 72,069 |         |
| Assistant(s)                                       |    | 31,872 |         |
| Deputy(ies)  |    | 30,530 |         |
| Bonus Payments                                     |    | 1,100  |         |
| Social Security                                    |    | 8,278  |         |
| Pensions   |    | 11,551 |         |
| Life Insurance                                     |    | 468    |         |
| Medical Insurance                                  |    | 13,374 |         |
| Dental Insurance                                   |    | 863    |         |
| Unemployment Compensation                          |    | 110    |         |
| Employer Medicare                                  |    | 1,936  |         |
| Communication                                      |    | 2,288  |         |
| Data Processing Services                           |    | 9,394  |         |
| Dues and Memberships                               |    | 651    |         |
| Legal Notices, Recording, and Court Costs          |    | 360    |         |
| Maintenance and Repair Services - Office Equipment |    | 537    |         |
| Travel   |    | 2,335  |         |
| Data Processing Supplies                           |    | 1,550  |         |
| Office Supplies                                    |    | 939    |         |
| Office Equipment                                   |    | 750    |         |
| Total County Trustee's Office                      |    |        | 190,955 |

County Clerk's Office

|  |    |        |  |
|--|----|--------|--|
| County Official/Administrative Officer | \$ | 72,069 |  |
|--|----|--------|--|

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

|  |    |        |            |
|--|----|--------|------------|
| Deputy(ies)  | \$ | 30,530 |            |
| Clerical Personnel                                 |    | 30,530 |            |
| Part-time Personnel                                |    | 17,889 |            |
| Bonus Payments                                     |    | 1,900  |            |
| Other Salaries and Wages                           |    | 30,530 |            |
| Social Security                                    |    | 10,706 |            |
| Pensions   |    | 13,934 |            |
| Life Insurance                                     |    | 624    |            |
| Medical Insurance                                  |    | 30,948 |            |
| Dental Insurance                                   |    | 1,150  |            |
| Unemployment Compensation                          |    | 236    |            |
| Employer Medicare                                  |    | 2,504  |            |
| Communication                                      |    | 3,869  |            |
| Dues and Memberships                               |    | 561    |            |
| Maintenance and Repair Services - Buildings        |    | 1,500  |            |
| Maintenance and Repair Services - Office Equipment |    | 16,902 |            |
| Travel   |    | 66     |            |
| Office Supplies                                    |    | 2,116  |            |
| Utilities  |    | 1,470  |            |
| In Service/Staff Development                       |    | 200    |            |
| Data Processing Equipment                          |    | 1,883  |            |
| Office Equipment                                   |    | 2,076  |            |
| Total County Clerk's Office                        |    |        | \$ 274,193 |

Other Finance

|                      |    |        |        |
|----------------------|----|--------|--------|
| Trustee's Commission | \$ | 88,995 |        |
| Total Other Finance  |    |        | 88,995 |

Administration of Justice

Circuit Court

|  |    |        |  |
|--|----|--------|--|
| County Official/Administrative Officer | \$ | 72,069 |  |
| Assistant(s)                           |    | 31,497 |  |
| Deputy(ies)                            |    | 57,936 |  |
| Accountants/Bookkeepers                |    | 28,970 |  |
| Clerical Personnel                     |    | 56,361 |  |
| Part-time Personnel                    |    | 14,940 |  |
| Overtime Pay                           |    | 9,708  |  |
| Bonus Payments                         |    | 4,650  |  |
| Other Salaries and Wages               |    | 57,936 |  |
| Jury and Witness Expense               |    | 7,013  |  |
| Social Security                        |    | 20,368 |  |
| Pensions                               |    | 24,653 |  |
| Life Insurance                         |    | 1,398  |  |
| Medical Insurance                      |    | 32,478 |  |
| Dental Insurance                       |    | 2,432  |  |
| Unemployment Compensation              |    | 505    |  |
| Employer Medicare                      |    | 4,764  |  |

(Continued)



Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

|  |    |        |            |
|--|----|--------|------------|
| Communication                                      | \$ | 5,438  |            |
| Data Processing Services                           |    | 350    |            |
| Dues and Memberships                               |    | 1,161  |            |
| Evaluation and Testing                             |    | 574    |            |
| Maintenance and Repair Services - Office Equipment |    | 31,144 |            |
| Travel   |    | 1,072  |            |
| Remittance of Revenue Collected                    |    | 3,640  |            |
| Data Processing Supplies                           |    | 407    |            |
| Office Supplies                                    |    | 9,589  |            |
| Office Equipment                                   |    | 8,755  |            |
| Total Circuit Court                                |    |        | \$ 489,808 |

General Sessions Court

|                                 |    |         |         |
|---------------------------------|----|---------|---------|
| Judge(s)                        | \$ | 112,249 |         |
| Social Security                 |    | 6,879   |         |
| Pensions                        |    | 9,564   |         |
| Life Insurance                  |    | 156     |         |
| Medical Insurance               |    | 6,687   |         |
| Dental Insurance                |    | 288     |         |
| Employer Medicare               |    | 1,609   |         |
| Communication                   |    | 657     |         |
| Travel                          |    | 1,114   |         |
| Remittance of Revenue Collected |    | 3,600   |         |
| Total General Sessions Court    |    |         | 142,803 |

Chancery Court

|  |    |        |         |
|--|----|--------|---------|
| County Official/Administrative Officer             | \$ | 72,069 |         |
| Deputy(ies)  |    | 28,970 |         |
| Part-time Personnel                                |    | 12,670 |         |
| Bonus Payments                                     |    | 800    |         |
| Social Security                                    |    | 6,955  |         |
| Pensions   |    | 8,655  |         |
| Life Insurance                                     |    | 312    |         |
| Medical Insurance                                  |    | 13,374 |         |
| Dental Insurance                                   |    | 575    |         |
| Unemployment Compensation                          |    | 109    |         |
| Employer Medicare                                  |    | 1,627  |         |
| Communication                                      |    | 1,548  |         |
| Dues and Memberships                               |    | 826    |         |
| Maintenance and Repair Services - Office Equipment |    | 12,890 |         |
| Travel   |    | 186    |         |
| Office Supplies                                    |    | 2,370  |         |
| Total Chancery Court                               |    |        | 163,936 |

Juvenile Court

|                    |    |       |  |
|--------------------|----|-------|--|
| Salary Supplements | \$ | 7,146 |  |
| Bonus Payments     |    | 250   |  |

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

|                                    |    |        |           |
|------------------------------------|----|--------|-----------|
| Social Security                    | \$ | 459    |           |
| Unemployment Compensation          |    | 38     |           |
| Employer Medicare                  |    | 107    |           |
| Communication                      |    | 980    |           |
| Contracts with Government Agencies |    | 32,813 |           |
| Travel                             |    | 439    |           |
| Office Supplies                    |    | 127    |           |
| Total Juvenile Court               |    |        | \$ 42,359 |

Public Safety

Sheriff's Department

|   |    |         |
|---|----|---------|
| County Official/Administrative Officer      | \$ | 83,240  |
| Supervisor/Director                         |    | 54,286  |
| Deputy(ies)                                 |    | 375,726 |
| Investigator(s)                             |    | 123,583 |
| Captain(s)                                  |    | 37,731  |
| Sergeant(s)                                 |    | 190,376 |
| Salary Supplements                          |    | 14,400  |
| Secretary(ies)                              |    | 66,019  |
| Overtime Pay                                |    | 19,888  |
| Bonus Payments                              |    | 16,350  |
| Other Salaries and Wages                    |    | 48,738  |
| In-service Training                         |    | 17,822  |
| Social Security                             |    | 62,782  |
| Pensions                                    |    | 75,822  |
| Life Insurance                              |    | 3,810   |
| Medical Insurance                           |    | 122,592 |
| Dental Insurance                            |    | 7,033   |
| Unemployment Compensation                   |    | 1,969   |
| Employer Medicare                           |    | 14,683  |
| Communication                               |    | 17,041  |
| Dues and Memberships                        |    | 1,800   |
| Maintenance and Repair Services - Equipment |    | 1,028   |
| Maintenance and Repair Services - Vehicles  |    | 35,264  |
| Towing Services                             |    | 415     |
| Travel                                      |    | 4,758   |
| Other Contracted Services                   |    | 2,680   |
| Gasoline                                    |    | 95,422  |
| Law Enforcement Supplies                    |    | 3,338   |
| Office Supplies                             |    | 2,980   |
| Tires and Tubes                             |    | 9,476   |
| Uniforms                                    |    | 7,135   |
| Other Supplies and Materials                |    | 602     |
| Liability Insurance                         |    | 118,068 |
| Workers' Compensation Insurance             |    | 73,900  |
| Other Charges                               |    | 4,434   |
| Communication Equipment                     |    | 3,773   |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

|                            |    |         |              |
|----------------------------|----|---------|--------------|
| Law Enforcement Equipment  | \$ | 22,373  |              |
| Motor Vehicles             |    | 288,278 |              |
| Total Sheriff's Department |    |         | \$ 2,029,615 |

Administration of the Sexual Offender Registry

|  |    |       |       |
|--|----|-------|-------|
| Fines, Assessments, and Penalties                    | \$ | 1,250 |       |
| Total Administration of the Sexual Offender Registry |    |       | 1,250 |

Jail

|   |    |         |         |
|---|----|---------|---------|
| Supervisor/Director                         | \$ | 26,128  |         |
| Teachers                                    |    | 14,352  |         |
| Guards                                      |    | 159,904 |         |
| Cafeteria Personnel                         |    | 28,121  |         |
| Bonus Payments                              |    | 7,200   |         |
| Other Salaries and Wages                    |    | 129,356 |         |
| Social Security                             |    | 23,787  |         |
| Pensions                                    |    | 14,429  |         |
| Life Insurance                              |    | 1,059   |         |
| Medical Insurance                           |    | 32,050  |         |
| Dental Insurance                            |    | 1,964   |         |
| Unemployment Compensation                   |    | 1,289   |         |
| Employer Medicare                           |    | 5,563   |         |
| Maintenance and Repair Services - Buildings |    | 25,502  |         |
| Maintenance and Repair Services - Equipment |    | 3,814   |         |
| Maintenance and Repair Services - Vehicles  |    | 787     |         |
| Medical and Dental Services                 |    | 200,887 |         |
| Travel                                      |    | 736     |         |
| Other Contracted Services                   |    | 32,000  |         |
| Custodial Supplies                          |    | 2,839   |         |
| Drugs and Medical Supplies                  |    | 15,500  |         |
| Food Supplies                               |    | 86,081  |         |
| Natural Gas                                 |    | 3,724   |         |
| Prisoners Clothing                          |    | 119     |         |
| Uniforms                                    |    | 338     |         |
| Utilities                                   |    | 38,090  |         |
| Building and Contents Insurance             |    | 11,452  |         |
| Other Charges                               |    | 487     |         |
| Total Jail                                  |    |         | 867,558 |

Workhouse

|                          |    |         |  |
|--------------------------|----|---------|--|
| Supervisor/Director      | \$ | 31,990  |  |
| Guards                   |    | 103,398 |  |
| Cafeteria Personnel      |    | 30,822  |  |
| Bonus Payments           |    | 5,550   |  |
| Other Salaries and Wages |    | 113,503 |  |
| Social Security          |    | 17,437  |  |
| Pensions                 |    | 10,934  |  |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Workhouse (Cont.)

|   |    |        |            |
|---|----|--------|------------|
| Life Insurance                              | \$ | 858    |            |
| Medical Insurance                           |    | 41,476 |            |
| Dental Insurance                            |    | 1,462  |            |
| Unemployment Compensation                   |    | 890    |            |
| Employer Medicare                           |    | 4,078  |            |
| Maintenance and Repair Services - Buildings |    | 16,099 |            |
| Maintenance and Repair Services - Equipment |    | 2,126  |            |
| Maintenance and Repair Services - Vehicles  |    | 831    |            |
| Medical and Dental Services                 |    | 57,819 |            |
| Custodial Supplies                          |    | 2,533  |            |
| Drugs and Medical Supplies                  |    | 11,077 |            |
| Food Supplies                               |    | 43,087 |            |
| Natural Gas                                 |    | 6,591  |            |
| Prisoners Clothing                          |    | 347    |            |
| Uniforms                                    |    | 297    |            |
| Utilities                                   |    | 52,662 |            |
| Law Enforcement Equipment                   |    | 2,492  |            |
| Total Workhouse                             |    |        | \$ 558,359 |

Juvenile Services

|                           |    |       |       |
|---------------------------|----|-------|-------|
| Other Salaries and Wages  | \$ | 8,340 |       |
| Social Security           |    | 517   |       |
| Unemployment Compensation |    | 18    |       |
| Employer Medicare         |    | 121   |       |
| Total Juvenile Services   |    |       | 8,996 |

Fire Prevention and Control

|                                   |    |        |        |
|-----------------------------------|----|--------|--------|
| Contributions                     | \$ | 55,000 |        |
| Total Fire Prevention and Control |    |        | 55,000 |

Civil Defense

|  |    |        |        |
|--|----|--------|--------|
| County Official/Administrative Officer | \$ | 39,379 |        |
| Bonus Payments                         |    | 550    |        |
| Social Security                        |    | 2,433  |        |
| Pensions                               |    | 3,402  |        |
| Life Insurance                         |    | 156    |        |
| Medical Insurance                      |    | 6,687  |        |
| Dental Insurance                       |    | 288    |        |
| Unemployment Compensation              |    | 53     |        |
| Employer Medicare                      |    | 569    |        |
| Travel                                 |    | 290    |        |
| Gasoline                               |    | 2,770  |        |
| Law Enforcement Supplies               |    | 1,429  |        |
| Office Supplies                        |    | 70     |        |
| Communication Equipment                |    | 2,143  |        |
| Total Civil Defense                    |    |        | 60,219 |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management

|                                  |          |          |
|----------------------------------|----------|----------|
| Contributions                    | \$ 4,750 |          |
| Total Other Emergency Management |          | \$ 4,750 |

County Coroner/Medical Examiner

|  |          |        |
|--|----------|--------|
| County Official/Administrative Officer | \$ 2,394 |        |
| Assistant(s)                           | 300      |        |
| Social Security                        | 148      |        |
| Pensions                               | 204      |        |
| Unemployment Compensation              | 3        |        |
| Employer Medicare                      | 35       |        |
| Contracts with Other Public Agencies   | 27,503   |        |
| Law Enforcement Supplies               | 358      |        |
| Total County Coroner/Medical Examiner  |          | 30,945 |

Other Public Safety

|                                 |           |         |
|---------------------------------|-----------|---------|
| Supervisor/Director             | \$ 43,706 |         |
| Dispatchers/Radio Operators     | 282,664   |         |
| Part-time Personnel             | 58,773    |         |
| Other Salaries and Wages        | 18,434    |         |
| Social Security                 | 24,462    |         |
| Pensions                        | 22,600    |         |
| Life Insurance                  | 1,430     |         |
| Medical Insurance               | 59,064    |         |
| Dental Insurance                | 2,636     |         |
| Unemployment Compensation       | 947       |         |
| Employer Medicare               | 5,721     |         |
| Workers' Compensation Insurance | 964       |         |
| Total Other Public Safety       |           | 521,401 |

Public Health and Welfare

Local Health Center

|  |        |  |
|--|--------|--|
| Bonus Payments                                     | \$ 550 |  |
| Other Salaries and Wages                           | 17,410 |  |
| Social Security                                    | 1,109  |  |
| Pensions   | 1,304  |  |
| Life Insurance                                     | 130    |  |
| Dental Insurance                                   | 240    |  |
| Unemployment Compensation                          | 61     |  |
| Employer Medicare                                  | 259    |  |
| Communication                                      | 2,884  |  |
| Maintenance and Repair Services - Equipment        | 3,119  |  |
| Maintenance and Repair Services - Office Equipment | 4,413  |  |
| Custodial Supplies                                 | 1,236  |  |
| Drugs and Medical Supplies                         | 4,272  |  |
| Natural Gas  | 1,997  |  |
| Office Supplies                                    | 260    |  |
| Utilities  | 20,768 |  |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

|                                 |    |       |           |
|---------------------------------|----|-------|-----------|
| Other Supplies and Materials    | \$ | 1,215 |           |
| Liability Insurance             |    | 2,919 |           |
| Workers' Compensation Insurance |    | 740   |           |
| Other Charges                   |    | 3,656 |           |
| Total Local Health Center       |    |       | \$ 68,542 |

Rabies and Animal Control

|                                 |    |        |         |
|---------------------------------|----|--------|---------|
| Supervisor/Director             | \$ | 29,640 |         |
| Part-time Personnel             |    | 66,371 |         |
| Other Salaries and Wages        |    | 23,020 |         |
| Social Security                 |    | 7,373  |         |
| Pensions                        |    | 3,260  |         |
| Life Insurance                  |    | 208    |         |
| Medical Insurance               |    | 13,374 |         |
| Dental Insurance                |    | 383    |         |
| Unemployment Compensation       |    | 589    |         |
| Employer Medicare               |    | 1,706  |         |
| Workers' Compensation Insurance |    | 2,107  |         |
| Total Rabies and Animal Control |    |        | 148,031 |

Ambulance/Emergency Medical Services

|  |    |         |         |
|--|----|---------|---------|
| Other Contracted Services                  | \$ | 132,000 |         |
| Total Ambulance/Emergency Medical Services |    |         | 132,000 |

Other Local Health Services

|                                   |    |         |         |
|-----------------------------------|----|---------|---------|
| Bonus Payments                    | \$ | 1,900   |         |
| Other Salaries and Wages          |    | 111,262 |         |
| Social Security                   |    | 6,854   |         |
| Pensions                          |    | 7,344   |         |
| Life Insurance                    |    | 468     |         |
| Medical Insurance                 |    | 20,061  |         |
| Dental Insurance                  |    | 731     |         |
| Unemployment Compensation         |    | 291     |         |
| Employer Medicare                 |    | 1,603   |         |
| Travel                            |    | 3,082   |         |
| Total Other Local Health Services |    |         | 153,596 |

Appropriation to State

|   |    |        |        |
|---|----|--------|--------|
| Contracts with Government Agencies          | \$ | 29,489 |        |
| Maintenance and Repair Services - Equipment |    | 7,427  |        |
| Total Appropriation to State                |    |        | 36,916 |

Sanitation Management

|                                    |    |     |     |
|------------------------------------|----|-----|-----|
| Contracts with Government Agencies | \$ | 582 |     |
| Total Sanitation Management        |    |     | 582 |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Education/Information

|  |    |        |           |
|--|----|--------|-----------|
| Other Salaries and Wages               | \$ | 26,292 |           |
| Social Security                        |    | 1,630  |           |
| Unemployment Compensation              |    | 81     |           |
| Employer Medicare                      |    | 381    |           |
| Instructional Supplies and Materials   |    | 7,735  |           |
| Other Supplies and Materials           |    | 3,997  |           |
| Total Sanitation Education/Information |    |        | \$ 40,116 |

Other Public Health and Welfare

|                                       |    |       |       |
|---------------------------------------|----|-------|-------|
| Other Supplies and Materials          | \$ | 7,604 |       |
| Total Other Public Health and Welfare |    |       | 7,604 |

Social, Cultural, and Recreational Services

Senior Citizens Assistance

|                                      |    |        |        |
|--------------------------------------|----|--------|--------|
| Contracts with Other Public Agencies | \$ | 10,600 |        |
| Contributions                        |    | 28,000 |        |
| Total Senior Citizens Assistance     |    |        | 38,600 |

Libraries

|                 |    |        |        |
|-----------------|----|--------|--------|
| Contributions   | \$ | 22,700 |        |
| Total Libraries |    |        | 22,700 |

Other Social, Cultural, and Recreational

|  |    |       |       |
|--|----|-------|-------|
| Contributions                                  | \$ | 6,609 |       |
| Total Other Social, Cultural, and Recreational |    |       | 6,609 |

Agriculture and Natural Resources

Agricultural Extension Service

|                                      |    |        |        |
|--------------------------------------|----|--------|--------|
| Communication                        | \$ | 2,937  |        |
| Contributions                        |    | 32,982 |        |
| Dues and Memberships                 |    | 220    |        |
| Travel                               |    | 2,500  |        |
| Office Supplies                      |    | 460    |        |
| Office Equipment                     |    | 800    |        |
| Total Agricultural Extension Service |    |        | 39,899 |

Forest Service

|                      |    |     |     |
|----------------------|----|-----|-----|
| Contributions        | \$ | 800 |     |
| Total Forest Service |    |     | 800 |

Soil Conservation

|                         |    |       |       |
|-------------------------|----|-------|-------|
| Contributions           | \$ | 5,000 |       |
| Total Soil Conservation |    |       | 5,000 |

Other Operations

Tourism

|               |    |     |     |
|---------------|----|-----|-----|
| Other Charges | \$ | 500 |     |
| Total Tourism |    |     | 500 |

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Industrial Development

|                              |           |           |
|------------------------------|-----------|-----------|
| Contributions                | \$ 65,000 |           |
| Other Charges                | 1,355     |           |
| Total Industrial Development |           | \$ 66,355 |

Contributions to Other Agencies

|                                       |          |       |
|---------------------------------------|----------|-------|
| Contributions                         | \$ 5,000 |       |
| Total Contributions to Other Agencies |          | 5,000 |

Employee Benefits

|                                  |          |        |
|----------------------------------|----------|--------|
| Employee and Dependent Insurance | \$ 6,276 |        |
| Workers' Compensation Insurance  | 13,006   |        |
| Total Employee Benefits          |          | 19,282 |

Miscellaneous

|                     |          |       |
|---------------------|----------|-------|
| Contributions       | \$ 2,250 |       |
| Total Miscellaneous |          | 2,250 |

Capital Outlay

Regular Capital Outlay

|                              |          |       |
|------------------------------|----------|-------|
| Consultants                  | \$ 5,000 |       |
| Total Regular Capital Outlay |          | 5,000 |

Total General Fund \$ 7,557,107

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

|                                 |          |            |
|---------------------------------|----------|------------|
| Communication                   | \$ 2,046 |            |
| Contracts with Private Agencies | 350,905  |            |
| Operating Lease Payments        | 41,376   |            |
| Rentals                         | 1,345    |            |
| Other Contracted Services       | 17,339   |            |
| Electricity                     | 4,680    |            |
| Liability Insurance             | 541      |            |
| Trustee's Commission            | 8,884    |            |
| Workers' Compensation Insurance | 603      |            |
| Site Development                | 9,737    |            |
| Total Sanitation Management     |          | \$ 437,456 |

Total Solid Waste/Sanitation Fund 437,456

Drug Control Fund

Finance

Other Finance

|                      |        |        |
|----------------------|--------|--------|
| Trustee's Commission | \$ 319 |        |
| Total Other Finance  |        | \$ 319 |

(Continued)



Exhibit J-7

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

Drug Control Fund (Cont.)

Public Safety

Sheriff's Department

|  |    |       |           |
|--|----|-------|-----------|
| Deputy(ies)                                | \$ | 3,518 |           |
| Bonus Payments                             |    | 250   |           |
| Social Security                            |    | 197   |           |
| Unemployment Compensation                  |    | 11    |           |
| Employer Medicare                          |    | 50    |           |
| Communication                              |    | 737   |           |
| Confidential Drug Enforcement Payments     |    | 3,000 |           |
| Maintenance and Repair Services - Vehicles |    | 313   |           |
| Towing Services                            |    | 615   |           |
| Veterinary Services                        |    | 369   |           |
| Law Enforcement Supplies                   |    | 100   |           |
| Office Supplies                            |    | 49    |           |
| Uniforms                                   |    | 410   |           |
| Law Enforcement Equipment                  |    | 9,371 |           |
| Motor Vehicles                             |    | 5,000 |           |
| Total Sheriff's Department                 |    |       | \$ 23,990 |

Total Drug Control Fund \$ 24,309

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

|                      |    |   |      |
|----------------------|----|---|------|
| Bank Charges         | \$ | 6 |      |
| Total Chancery Court |    |   | \$ 6 |

Total Constitutional Officers - Fees Fund 6

Highway/Public Works Fund

Highways

Administration

|  |    |        |  |
|--|----|--------|--|
| County Official/Administrative Officer | \$ | 79,276 |  |
| Accountants/Bookkeepers                |    | 75,389 |  |
| Overtime Pay                           |    | 3,624  |  |
| Bonus Payments                         |    | 1,100  |  |
| In-service Training                    |    | 3,113  |  |
| Social Security                        |    | 8,890  |  |
| Pensions                               |    | 13,863 |  |
| Life Insurance                         |    | 462    |  |
| Medical Insurance                      |    | 24,167 |  |
| Dental Insurance                       |    | 856    |  |
| Unemployment Compensation              |    | 100    |  |
| Employer Medicare                      |    | 2,099  |  |
| Communication                          |    | 4,836  |  |
| Evaluation and Testing                 |    | 865    |  |
| Postal Charges                         |    | 300    |  |
| Travel                                 |    | 2,730  |  |
| Data Processing Supplies               |    | 254    |  |

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

|                      |    |       |            |
|----------------------|----|-------|------------|
| Office Supplies      | \$ | 766   |            |
| Other Charges        |    | 2,288 |            |
| Office Equipment     |    | 856   |            |
| Total Administration |    |       | \$ 225,834 |

Highway and Bridge Maintenance

|                                      |    |         |         |
|--------------------------------------|----|---------|---------|
| Foremen                              | \$ | 39,083  |         |
| Laborers                             |    | 420,758 |         |
| Overtime Pay                         |    | 14,488  |         |
| Bonus Payments                       |    | 8,500   |         |
| Other Salaries and Wages             |    | 14,762  |         |
| Social Security                      |    | 30,042  |         |
| Pensions                             |    | 38,530  |         |
| Life Insurance                       |    | 2,008   |         |
| Medical Insurance                    |    | 81,718  |         |
| Dental Insurance                     |    | 3,972   |         |
| Unemployment Compensation            |    | 630     |         |
| Employer Medicare                    |    | 7,006   |         |
| Asphalt                              |    | 136,823 |         |
| Crushed Stone                        |    | 18,016  |         |
| Other Road Materials                 |    | 3,944   |         |
| Pipe                                 |    | 7,932   |         |
| Salt                                 |    | 36,942  |         |
| Total Highway and Bridge Maintenance |    |         | 865,154 |

Operation and Maintenance of Equipment

|  |    |        |         |
|--|----|--------|---------|
| Mechanic(s)                                  | \$ | 39,998 |         |
| Overtime Pay                                 |    | 2,705  |         |
| Bonus Payments                               |    | 550    |         |
| Social Security                              |    | 2,605  |         |
| Pensions                                     |    | 3,685  |         |
| Life Insurance                               |    | 156    |         |
| Medical Insurance                            |    | 6,687  |         |
| Dental Insurance                             |    | 288    |         |
| Unemployment Compensation                    |    | 40     |         |
| Employer Medicare                            |    | 609    |         |
| Diesel Fuel                                  |    | 47,185 |         |
| Electricity                                  |    | 7,159  |         |
| Equipment and Machinery Parts                |    | 59,962 |         |
| Garage Supplies                              |    | 1,113  |         |
| Gasoline                                     |    | 19,883 |         |
| Lubricants                                   |    | 3,473  |         |
| Natural Gas                                  |    | 4,595  |         |
| Propane Gas                                  |    | 859    |         |
| Tires and Tubes                              |    | 10,727 |         |
| Uniforms                                     |    | 10,156 |         |
| Other Charges                                |    | 500    |         |
| Communication Equipment                      |    | 2,447  |         |
| Total Operation and Maintenance of Equipment |    |        | 225,382 |

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges

|   |    |        |            |
|---|----|--------|------------|
| Dues and Memberships                        | \$ | 2,549  |            |
| Maintenance Agreements                      |    | 10,102 |            |
| Maintenance and Repair Services - Buildings |    | 10,178 |            |
| Trustee's Commission                        |    | 23,030 |            |
| Vehicle and Equipment Insurance             |    | 28,104 |            |
| Workers' Compensation Insurance             |    | 40,164 |            |
| Total Other Charges                         |    |        | \$ 114,127 |

Capital Outlay

|                      |    |         |           |
|----------------------|----|---------|-----------|
| Engineering Services | \$ | 9,797   |           |
| Bridge Construction  |    | 785,210 |           |
| Highway Equipment    |    | 259,456 |           |
| Total Capital Outlay |    |         | 1,054,463 |

Total Highway/Public Works Fund \$ 2,484,960

General Debt Service Fund

Principal on Debt

General Government

|                          |    |           |              |
|--------------------------|----|-----------|--------------|
| Principal on Bonds       | \$ | 1,495,000 |              |
| Principal on Notes       |    | 349,000   |              |
| Total General Government |    |           | \$ 1,844,000 |

Highways and Streets

|                            |    |        |        |
|----------------------------|----|--------|--------|
| Principal on Notes         | \$ | 28,400 |        |
| Total Highways and Streets |    |        | 28,400 |

Interest on Debt

General Government

|                          |    |         |         |
|--------------------------|----|---------|---------|
| Interest on Bonds        | \$ | 706,534 |         |
| Interest on Notes        |    | 42,039  |         |
| Total General Government |    |         | 748,573 |

Highways and Streets

|                            |    |       |       |
|----------------------------|----|-------|-------|
| Interest on Notes          | \$ | 5,663 |       |
| Total Highways and Streets |    |       | 5,663 |

Other Debt Service

General Government

|                          |    |        |        |
|--------------------------|----|--------|--------|
| Trustee's Commission     | \$ | 41,789 |        |
| Other Debt Service       |    | 300    |        |
| Total General Government |    |        | 42,089 |

Total General Debt Service Fund 2,668,725

(Continued)

Exhibit J-7

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

General Capital Projects Fund

Capital Projects

Other General Government Projects

|   |              |                  |
|---|--------------|------------------|
| Consultants                             | \$ 3,027     |                  |
| Other Contracted Services               | 29,735       |                  |
| Other Charges                           | <u>1,200</u> |                  |
| Total Other General Government Projects |              | <u>\$ 33,962</u> |

Total General Capital Projects Fund \$ 33,962

Community Development/Industrial Park Fund

Capital Projects

Public Utility Projects

|                               |                |                   |
|-------------------------------|----------------|-------------------|
| Consultants                   | \$ 25,200      |                   |
| Other Contracted Services     | <u>324,242</u> |                   |
| Total Public Utility Projects |                | <u>\$ 349,442</u> |

Total Community Development/Industrial Park Fund 349,442

Total Governmental Funds - Primary Government \$ 13,555,967

Exhibit J-8

Unicoi County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Unicoi County School Department  
For the Year Ended June 30, 2019

General Purpose School Fund

Instruction

Regular Instruction Program

|                                      |              |              |
|--------------------------------------|--------------|--------------|
| Teachers                             | \$ 5,947,484 |              |
| Career Ladder Program                | 29,174       |              |
| Homebound Teachers                   | 8,047        |              |
| Educational Assistants               | 221,995      |              |
| Bonus Payments                       | 202,250      |              |
| Other Salaries and Wages             | 135,727      |              |
| Certified Substitute Teachers        | 48,601       |              |
| Non-certified Substitute Teachers    | 75,741       |              |
| Social Security                      | 407,780      |              |
| Pensions                             | 655,120      |              |
| Life Insurance                       | 5,957        |              |
| Medical Insurance                    | 1,002,066    |              |
| Dental Insurance                     | 12,008       |              |
| Employer Medicare                    | 95,378       |              |
| Other Contracted Services            | 4,396        |              |
| Instructional Supplies and Materials | 173,413      |              |
| Textbooks - Bound                    | 130,868      |              |
| Other Supplies and Materials         | 6,977        |              |
| Fee Waivers                          | 21,295       |              |
| Other Charges                        | 14,772       |              |
| Regular Instruction Equipment        | 57,215       |              |
| Total Regular Instruction Program    |              | \$ 9,256,264 |

Alternative Instruction Program

|                                       |           |        |
|---------------------------------------|-----------|--------|
| Teachers                              | \$ 57,948 |        |
| Social Security                       | 3,593     |        |
| Pensions                              | 6,061     |        |
| Life Insurance                        | 40        |        |
| Employer Medicare                     | 840       |        |
| Total Alternative Instruction Program |           | 68,482 |

Special Education Program

|                                      |            |           |
|--------------------------------------|------------|-----------|
| Teachers                             | \$ 858,087 |           |
| Educational Assistants               | 82,084     |           |
| Speech Pathologist                   | 178,508    |           |
| Certified Substitute Teachers        | 2,319      |           |
| Non-certified Substitute Teachers    | 8,062      |           |
| Social Security                      | 65,018     |           |
| Pensions                             | 111,189    |           |
| Life Insurance                       | 1,150      |           |
| Medical Insurance                    | 201,168    |           |
| Dental Insurance                     | 2,464      |           |
| Employer Medicare                    | 15,205     |           |
| Instructional Supplies and Materials | 4,860      |           |
| Other Supplies and Materials         | 852        |           |
| Special Education Equipment          | 4,573      |           |
| Total Special Education Program      |            | 1,535,539 |

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program

|  |    |         |            |
|--|----|---------|------------|
| Teachers                                     | \$ | 587,232 |            |
| Career Ladder Program                        |    | 2,000   |            |
| Educational Assistants                       |    | 23,239  |            |
| Certified Substitute Teachers                |    | 1,753   |            |
| Non-certified Substitute Teachers            |    | 8,838   |            |
| Social Security                              |    | 35,173  |            |
| Pensions                                     |    | 60,363  |            |
| Life Insurance                               |    | 563     |            |
| Medical Insurance                            |    | 102,785 |            |
| Dental Insurance                             |    | 516     |            |
| Employer Medicare                            |    | 8,226   |            |
| Maintenance and Repair Services - Equipment  |    | 2,681   |            |
| Other Contracted Services                    |    | 2,511   |            |
| Instructional Supplies and Materials         |    | 16,024  |            |
| Other Supplies and Materials                 |    | 2,423   |            |
| Other Charges                                |    | 483     |            |
| Vocational Instruction Equipment             |    | 2,919   |            |
| Total Career and Technical Education Program |    |         | \$ 857,729 |

Support Services

Attendance

|                       |    |        |        |
|-----------------------|----|--------|--------|
| Supervisor/Director   | \$ | 74,338 |        |
| Career Ladder Program |    | 2,000  |        |
| Social Security       |    | 4,664  |        |
| Pensions              |    | 7,985  |        |
| Life Insurance        |    | 40     |        |
| Medical Insurance     |    | 6,300  |        |
| Dental Insurance      |    | 120    |        |
| Employer Medicare     |    | 1,091  |        |
| Total Attendance      |    |        | 96,538 |

Health Services

|                              |    |         |         |
|------------------------------|----|---------|---------|
| Medical Personnel            | \$ | 109,623 |         |
| Other Salaries and Wages     |    | 107,057 |         |
| Social Security              |    | 12,469  |         |
| Pensions                     |    | 18,441  |         |
| Life Insurance               |    | 312     |         |
| Medical Insurance            |    | 46,220  |         |
| Dental Insurance             |    | 240     |         |
| Employer Medicare            |    | 2,916   |         |
| Travel                       |    | 331     |         |
| Drugs and Medical Supplies   |    | 5,945   |         |
| Other Supplies and Materials |    | 1,170   |         |
| Other Charges                |    | 597     |         |
| Total Health Services        |    |         | 305,321 |

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support

|                              |    |         |            |
|------------------------------|----|---------|------------|
| Career Ladder Program        | \$ | 3,001   |            |
| Guidance Personnel           |    | 314,259 |            |
| Psychological Personnel      |    | 48,274  |            |
| School Resource Officer      |    | 49,350  |            |
| Other Salaries and Wages     |    | 7,490   |            |
| Social Security              |    | 23,757  |            |
| Pensions                     |    | 41,896  |            |
| Life Insurance               |    | 364     |            |
| Medical Insurance            |    | 59,693  |            |
| Dental Insurance             |    | 479     |            |
| Employer Medicare            |    | 5,557   |            |
| Evaluation and Testing       |    | 6,624   |            |
| Other Supplies and Materials |    | 21,102  |            |
| Total Other Student Support  |    |         | \$ 581,846 |

Regular Instruction Program

|                                   |    |         |         |
|-----------------------------------|----|---------|---------|
| Supervisor/Director               | \$ | 147,151 |         |
| Career Ladder Program             |    | 1,792   |         |
| Librarians                        |    | 225,272 |         |
| Social Security                   |    | 22,632  |         |
| Pensions                          |    | 39,302  |         |
| Life Insurance                    |    | 279     |         |
| Medical Insurance                 |    | 30,070  |         |
| Dental Insurance                  |    | 588     |         |
| Employer Medicare                 |    | 5,293   |         |
| Travel                            |    | 20,233  |         |
| Other Contracted Services         |    | 779     |         |
| In Service/Staff Development      |    | 25,974  |         |
| Other Equipment                   |    | 479     |         |
| Total Regular Instruction Program |    |         | 519,844 |

Special Education Program

|                                 |    |        |         |
|---------------------------------|----|--------|---------|
| Supervisor/Director             | \$ | 79,593 |         |
| Career Ladder Program           |    | 875    |         |
| Secretary(ies)                  |    | 38,641 |         |
| Social Security                 |    | 6,972  |         |
| Pensions                        |    | 11,572 |         |
| Life Insurance                  |    | 81     |         |
| Medical Insurance               |    | 14,950 |         |
| Dental Insurance                |    | 240    |         |
| Employer Medicare               |    | 1,631  |         |
| Travel                          |    | 9,296  |         |
| Other Contracted Services       |    | 3,229  |         |
| In Service/Staff Development    |    | 3,971  |         |
| Total Special Education Program |    |        | 171,051 |

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Career and Technical Education Program

|  |    |        |            |
|--|----|--------|------------|
| Supervisor/Director                          | \$ | 68,534 |            |
| Secretary(ies)                               |    | 29,253 |            |
| Social Security                              |    | 5,298  |            |
| Pensions                                     |    | 9,565  |            |
| Life Insurance                               |    | 81     |            |
| Medical Insurance                            |    | 26,750 |            |
| Dental Insurance                             |    | 240    |            |
| Employer Medicare                            |    | 1,239  |            |
| Maintenance and Repair Services - Equipment  |    | 2,780  |            |
| Travel                                       |    | 814    |            |
| Other Supplies and Materials                 |    | 867    |            |
| Total Career and Technical Education Program |    |        | \$ 145,421 |

Technology

|                              |    |         |         |
|------------------------------|----|---------|---------|
| Supervisor/Director          | \$ | 62,973  |         |
| Computer Programmer(s)       |    | 123,252 |         |
| Data Processing Personnel    |    | 28,856  |         |
| Other Salaries and Wages     |    | 4,000   |         |
| Social Security              |    | 12,996  |         |
| Pensions                     |    | 17,470  |         |
| Life Insurance               |    | 202     |         |
| Medical Insurance            |    | 40,310  |         |
| Dental Insurance             |    | 480     |         |
| Employer Medicare            |    | 3,039   |         |
| Internet Connectivity        |    | 42,732  |         |
| Travel                       |    | 2,345   |         |
| Data Processing Supplies     |    | 20,860  |         |
| Other Supplies and Materials |    | 10,123  |         |
| Total Technology             |    |         | 369,638 |

Other Programs

|                            |    |        |        |
|----------------------------|----|--------|--------|
| On-behalf Payments to OPEB | \$ | 62,770 |        |
| Total Other Programs       |    |        | 62,770 |

Board of Education

|                                  |    |        |  |
|----------------------------------|----|--------|--|
| Secretary to Board               | \$ | 29,488 |  |
| Other Salaries and Wages         |    | 73,432 |  |
| Board and Committee Members Fees |    | 5,580  |  |
| Social Security                  |    | 4,374  |  |
| Pensions                         |    | 2,513  |  |
| Life Insurance                   |    | 40     |  |
| Medical Insurance                |    | 9,600  |  |
| Dental Insurance                 |    | 120    |  |
| Unemployment Compensation        |    | 2,408  |  |
| Employer Medicare                |    | 974    |  |
| Audit Services                   |    | 10,174 |  |

(Continued)



Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

|   |    |         |            |
|---|----|---------|------------|
| Dues and Memberships                      | \$ | 11,409  |            |
| Legal Services                            |    | 18,000  |            |
| Travel                                    |    | 8,553   |            |
| Maintenance and Repair Services - Records |    | 5,447   |            |
| Other Contracted Services                 |    | 2,500   |            |
| Other Supplies and Materials              |    | 1,037   |            |
| Liability Insurance                       |    | 43,017  |            |
| Trustee's Commission                      |    | 101,548 |            |
| Workers' Compensation Insurance           |    | 138,518 |            |
| Other Charges                             |    | 6,319   |            |
| Total Board of Education                  |    |         | \$ 475,051 |

Director of Schools

|  |    |         |         |
|--|----|---------|---------|
| County Official/Administrative Officer | \$ | 112,200 |         |
| Assistant(s)                           |    | 38,336  |         |
| Career Ladder Extended Contracts       |    | 1,000   |         |
| Secretary(ies)                         |    | 27,935  |         |
| Clerical Personnel                     |    | 1,840   |         |
| Social Security                        |    | 11,416  |         |
| Pensions                               |    | 17,848  |         |
| Life Insurance                         |    | 122     |         |
| Medical Insurance                      |    | 12,600  |         |
| Employer Medicare                      |    | 2,670   |         |
| Other Fringe Benefits                  |    | 5,770   |         |
| Communication                          |    | 46,708  |         |
| Dues and Memberships                   |    | 2,164   |         |
| Postal Charges                         |    | 3,469   |         |
| Travel                                 |    | 5,344   |         |
| Other Contracted Services              |    | 8,791   |         |
| Office Supplies                        |    | 3,798   |         |
| Other Supplies and Materials           |    | 1,773   |         |
| Other Charges                          |    | 245     |         |
| Administration Equipment               |    | 852     |         |
| Total Director of Schools              |    |         | 304,881 |

Office of the Principal

|                         |    |         |  |
|-------------------------|----|---------|--|
| Principals              | \$ | 399,671 |  |
| Career Ladder Program   |    | 2,000   |  |
| Accountants/Bookkeepers |    | 55,003  |  |
| Assistant Principals    |    | 208,068 |  |
| Secretary(ies)          |    | 142,534 |  |
| Clerical Personnel      |    | 1,409   |  |
| Social Security         |    | 47,135  |  |
| Pensions                |    | 69,638  |  |
| Life Insurance          |    | 683     |  |
| Medical Insurance       |    | 137,053 |  |

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

|                               |    |        |              |
|-------------------------------|----|--------|--------------|
| Dental Insurance              | \$ | 1,184  |              |
| Employer Medicare             |    | 11,023 |              |
| Total Office of the Principal |    |        | \$ 1,075,401 |

Fiscal Services

|                           |    |        |         |
|---------------------------|----|--------|---------|
| Accountants/Bookkeepers   | \$ | 89,084 |         |
| Social Security           |    | 5,368  |         |
| Pensions                  |    | 7,274  |         |
| Life Insurance            |    | 81     |         |
| Medical Insurance         |    | 12,659 |         |
| Dental Insurance          |    | 120    |         |
| Employer Medicare         |    | 1,255  |         |
| Travel                    |    | 847    |         |
| Other Contracted Services |    | 11,029 |         |
| Data Processing Supplies  |    | 1,403  |         |
| Office Supplies           |    | 1,990  |         |
| Total Fiscal Services     |    |        | 131,110 |

Operation of Plant

|                                 |    |         |           |
|---------------------------------|----|---------|-----------|
| Supervisor/Director             | \$ | 37,229  |           |
| Custodial Personnel             |    | 514,811 |           |
| Social Security                 |    | 31,901  |           |
| Pensions                        |    | 39,659  |           |
| Life Insurance                  |    | 887     |           |
| Medical Insurance               |    | 135,969 |           |
| Dental Insurance                |    | 516     |           |
| Employer Medicare               |    | 7,461   |           |
| Disposal Fees                   |    | 41,121  |           |
| Other Contracted Services       |    | 14,785  |           |
| Custodial Supplies              |    | 46,359  |           |
| Electricity                     |    | 541,461 |           |
| Natural Gas                     |    | 65,998  |           |
| Water and Sewer                 |    | 41,392  |           |
| Boiler Insurance                |    | 6,715   |           |
| Building and Contents Insurance |    | 118,141 |           |
| Other Charges                   |    | 423     |           |
| Total Operation of Plant        |    |         | 1,644,828 |

Maintenance of Plant

|                       |    |         |  |
|-----------------------|----|---------|--|
| Supervisor/Director   | \$ | 39,335  |  |
| Maintenance Personnel |    | 148,480 |  |
| Social Security       |    | 11,012  |  |
| Pensions              |    | 15,258  |  |
| Life Insurance        |    | 210     |  |
| Medical Insurance     |    | 36,036  |  |
| Dental Insurance      |    | 120     |  |

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

|   |    |        |            |
|---|----|--------|------------|
| Employer Medicare                           | \$ | 2,575  |            |
| Maintenance and Repair Services - Buildings |    | 43,580 |            |
| Maintenance and Repair Services - Equipment |    | 37,082 |            |
| Maintenance and Repair Services - Vehicles  |    | 6,135  |            |
| Other Contracted Services                   |    | 36,698 |            |
| Equipment and Machinery Parts               |    | 6,632  |            |
| General Construction Materials              |    | 937    |            |
| Other Supplies and Materials                |    | 20,075 |            |
| Other Charges                               |    | 5,114  |            |
| Administration Equipment                    |    | 59,912 |            |
| Total Maintenance of Plant                  |    |        | \$ 469,191 |

Transportation

|                                 |    |         |         |
|---------------------------------|----|---------|---------|
| Supervisor/Director             | \$ | 45,539  |         |
| Mechanic(s)                     |    | 37,897  |         |
| Bus Drivers                     |    | 263,295 |         |
| Social Security                 |    | 21,498  |         |
| Pensions                        |    | 29,542  |         |
| Life Insurance                  |    | 87      |         |
| Medical Insurance               |    | 22,978  |         |
| Dental Insurance                |    | 244     |         |
| Employer Medicare               |    | 5,019   |         |
| Medical and Dental Services     |    | 1,422   |         |
| Other Contracted Services       |    | 3,441   |         |
| Diesel Fuel                     |    | 104,821 |         |
| Garage Supplies                 |    | 993     |         |
| Gasoline                        |    | 28,403  |         |
| Lubricants                      |    | 2,905   |         |
| Tires and Tubes                 |    | 18,039  |         |
| Vehicle Parts                   |    | 69,592  |         |
| Other Supplies and Materials    |    | 5,922   |         |
| Vehicle and Equipment Insurance |    | 37,772  |         |
| Other Charges                   |    | 3,005   |         |
| Total Transportation            |    |         | 702,414 |

Operation of Non-Instructional Services

Food Service

|                    |    |     |     |
|--------------------|----|-----|-----|
| Social Security    | \$ | 48  |     |
| Pensions           |    | 67  |     |
| Employer Medicare  |    | 11  |     |
| Food Supplies      |    | 854 |     |
| Total Food Service |    |     | 980 |

Community Services

|                     |    |        |  |
|---------------------|----|--------|--|
| Supervisor/Director | \$ | 5,865  |  |
| Teachers            |    | 15,034 |  |

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

|                                      |    |        |           |
|--------------------------------------|----|--------|-----------|
| Educational Assistants               | \$ | 25,034 |           |
| Other Salaries and Wages             |    | 10,770 |           |
| Social Security                      |    | 2,700  |           |
| Pensions                             |    | 4,133  |           |
| Employer Medicare                    |    | 632    |           |
| Travel                               |    | 40     |           |
| Instructional Supplies and Materials |    | 387    |           |
| Other Supplies and Materials         |    | 1,194  |           |
| Total Community Services             |    |        | \$ 65,789 |

Early Childhood Education

|                                      |    |         |         |
|--------------------------------------|----|---------|---------|
| Supervisor/Director                  | \$ | 52,742  |         |
| Teachers                             |    | 221,891 |         |
| Educational Assistants               |    | 109,789 |         |
| Other Salaries and Wages             |    | 17,519  |         |
| Social Security                      |    | 23,543  |         |
| Pensions                             |    | 36,101  |         |
| Life Insurance                       |    | 543     |         |
| Medical Insurance                    |    | 75,974  |         |
| Dental Insurance                     |    | 1,069   |         |
| Employer Medicare                    |    | 5,506   |         |
| Instructional Supplies and Materials |    | 28,228  |         |
| In Service/Staff Development         |    | 480     |         |
| Other Charges                        |    | 2,053   |         |
| Total Early Childhood Education      |    |         | 575,438 |

Capital Outlay

|                               |    |         |         |
|-------------------------------|----|---------|---------|
| <u>Regular Capital Outlay</u> |    |         |         |
| Engineering Services          | \$ | 16,678  |         |
| Building Improvements         |    | 555,782 |         |
| Total Regular Capital Outlay  |    |         | 572,460 |

Total General Purpose School Fund \$ 19,987,986

School Federal Projects Fund

Instruction

Regular Instruction Program

|                               |    |         |  |
|-------------------------------|----|---------|--|
| Educational Assistants        | \$ | 45,803  |  |
| Other Salaries and Wages      |    | 279,227 |  |
| Certified Substitute Teachers |    | 300     |  |
| Social Security               |    | 4,676   |  |
| Pensions                      |    | 5,851   |  |
| Life Insurance                |    | 81      |  |
| Medical Insurance             |    | 6,300   |  |
| Dental Insurance              |    | 120     |  |
| Employer Medicare             |    | 1,094   |  |

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

|                                      |    |        |            |
|--------------------------------------|----|--------|------------|
| Other Fringe Benefits                | \$ | 253    |            |
| Instructional Supplies and Materials |    | 36,575 |            |
| Other Supplies and Materials         |    | 66,582 |            |
| Regular Instruction Equipment        |    | 29,525 |            |
| Total Regular Instruction Program    |    |        | \$ 476,387 |

Special Education Program

|                                      |    |         |         |
|--------------------------------------|----|---------|---------|
| Teachers                             | \$ | 83,212  |         |
| Educational Assistants               |    | 415,846 |         |
| Social Security                      |    | 27,364  |         |
| Pensions                             |    | 38,909  |         |
| Life Insurance                       |    | 1,243   |         |
| Medical Insurance                    |    | 184,121 |         |
| Dental Insurance                     |    | 1,829   |         |
| Employer Medicare                    |    | 6,400   |         |
| Other Fringe Benefits                |    | 4,028   |         |
| Instructional Supplies and Materials |    | 12,952  |         |
| Other Supplies and Materials         |    | 914     |         |
| Special Education Equipment          |    | 807     |         |
| Total Special Education Program      |    |         | 777,625 |

Career and Technical Education Program

|  |    |        |        |
|--|----|--------|--------|
| Other Supplies and Materials                 | \$ | 2,904  |        |
| Vocational Instruction Equipment             |    | 62,983 |        |
| Total Career and Technical Education Program |    |        | 65,887 |

Support Services

Other Student Support

|                              |    |        |        |
|------------------------------|----|--------|--------|
| Other Salaries and Wages     | \$ | 15,950 |        |
| Social Security              |    | 828    |        |
| Pensions                     |    | 1,259  |        |
| Employer Medicare            |    | 193    |        |
| Travel                       |    | 7,607  |        |
| Other Supplies and Materials |    | 2,067  |        |
| In Service/Staff Development |    | 3,600  |        |
| Total Other Student Support  |    |        | 31,504 |

Regular Instruction Program

|                          |    |        |  |
|--------------------------|----|--------|--|
| Supervisor/Director      | \$ | 77,470 |  |
| Secretary(ies)           |    | 40,178 |  |
| Other Salaries and Wages |    | 58,368 |  |
| Social Security          |    | 10,169 |  |
| Pensions                 |    | 16,752 |  |
| Life Insurance           |    | 122    |  |
| Medical Insurance        |    | 10,854 |  |
| Dental Insurance         |    | 360    |  |

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

|                                   |    |        |            |
|-----------------------------------|----|--------|------------|
| Employer Medicare                 | \$ | 2,378  |            |
| Other Fringe Benefits             |    | 1,158  |            |
| Consultants                       |    | 6,722  |            |
| Travel                            |    | 72     |            |
| Library Books/Media               |    | 1,622  |            |
| Other Supplies and Materials      |    | 2,226  |            |
| In Service/Staff Development      |    | 33,006 |            |
| Other Charges                     |    | 21,550 |            |
| Other Equipment                   |    | 1,386  |            |
| Total Regular Instruction Program |    |        | \$ 284,393 |

Special Education Program

|                                 |    |        |        |
|---------------------------------|----|--------|--------|
| Travel                          | \$ | 191    |        |
| Other Contracted Services       |    | 6,392  |        |
| Other Supplies and Materials    |    | 3,968  |        |
| In Service/Staff Development    |    | 14,697 |        |
| Total Special Education Program |    |        | 25,248 |

Career and Technical Education Program

|  |    |     |     |
|--|----|-----|-----|
| In Service/Staff Development                 | \$ | 934 |     |
| Total Career and Technical Education Program |    |     | 934 |

Transportation

|                          |    |       |       |
|--------------------------|----|-------|-------|
| Other Salaries and Wages | \$ | 4,053 |       |
| Social Security          |    | 244   |       |
| Pensions                 |    | 29    |       |
| Life Insurance           |    | 3     |       |
| Medical Insurance        |    | 315   |       |
| Dental Insurance         |    | 3     |       |
| Employer Medicare        |    | 57    |       |
| Other Fringe Benefits    |    | 32    |       |
| Total Transportation     |    |       | 4,736 |

Total School Federal Projects Fund \$ 1,666,714

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

|                          |    |         |  |
|--------------------------|----|---------|--|
| Supervisor/Director      | \$ | 60,740  |  |
| Clerical Personnel       |    | 27,204  |  |
| Cafeteria Personnel      |    | 321,019 |  |
| Other Salaries and Wages |    | 21,150  |  |
| Social Security          |    | 25,840  |  |
| Pensions                 |    | 19,488  |  |
| Life Insurance           |    | 352     |  |
| Medical Insurance        |    | 41,860  |  |

(Continued)

Exhibit J-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

|   |    |         |                     |
|---|----|---------|---------------------|
| Dental Insurance                            | \$ | 360     |                     |
| Employer Medicare                           |    | 6,043   |                     |
| Licenses                                    |    | 480     |                     |
| Maintenance Agreements                      |    | 6,849   |                     |
| Maintenance and Repair Services - Equipment |    | 5,457   |                     |
| Travel                                      |    | 478     |                     |
| Other Contracted Services                   |    | 56,240  |                     |
| Food Preparation Supplies                   |    | 45,517  |                     |
| Food Supplies                               |    | 447,814 |                     |
| Office Supplies                             |    | 1,378   |                     |
| Uniforms                                    |    | 1,134   |                     |
| USDA - Commodities                          |    | 80,598  |                     |
| Other Supplies and Materials                |    | 8,550   |                     |
| Trustee's Commission                        |    | 107     |                     |
| In Service/Staff Development                |    | 11,546  |                     |
| Other Charges                               |    | 643     |                     |
| Food Service Equipment                      |    | 32,838  |                     |
| Total Food Service                          |    |         | <u>\$ 1,223,685</u> |

Total Central Cafeteria Fund \$ 1,223,685

Total Governmental Funds - Unicoi County School Department \$ 22,878,385

Exhibit J-9

Unicoi County, Tennessee  
Schedule of Detailed Receipts, Disbursements, and Changes  
in Cash Balance - City Agency Fund  
For the Year Ended June 30, 2019

|  | Cities -<br>Sales Tax<br>Fund |
|--|-------------------------------|
| <hr/>                                    |                               |
| <u>Cash Receipts</u>                     |                               |
| Local Option Sales Tax                   | \$ 1,742,819                  |
| Total Cash Receipts                      | <u>\$ 1,742,819</u>           |
| <br><u>Cash Disbursements</u>            |                               |
| Remittance of Revenues Collected         | \$ 1,725,391                  |
| Trustee's Commissions                    | 17,428                        |
| Total Cash Disbursements                 | <u>\$ 1,742,819</u>           |
| <br>Excess of Cash Receipts Over (Under) |                               |
| Cash Disbursements                       | \$ 0                          |
| Cash Balance, July 1, 2018               | <u>0</u>                      |
| <br>Cash Balance, June 30, 2019          | <u><u>\$ 0</u></u>            |



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**SINGLE AUDIT SECTION**

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JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Deputy Comptroller*

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Unicoi County, Tennessee, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Unicoi County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated October 23, 2019.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be significant deficiencies: 2019-001 and 2019-002.

### **Compliance and Other Matters**

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

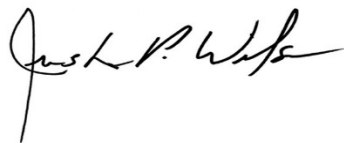
### **Unicoi County's Responses to the Findings**

Unicoi County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Unicoi County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **Purpose of this Report**

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

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

October 23, 2019

JPW/tg



JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Deputy Comptroller*

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

**Report on Compliance for Each Major Federal Program**

We have audited Unicoi County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Unicoi County's major federal programs for the year ended June 30, 2019. Unicoi County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Unicoi County's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, Unicoi County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

### **Report on Internal Control Over Compliance**

Management of Unicoi County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Unicoi County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Unicoi County's internal control over compliance.

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

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

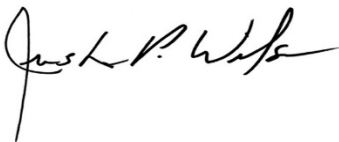
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the

requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Unicoi County, Tennessee, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Unicoi County's basic financial statements. We issued our report thereon dated October 23, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

October 23, 2019

JPW/tg

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

| Federal/Pass-Through Agency/State<br>Grantor Program Title                 | Federal<br>CFDA<br>Number | Pass-through<br>Entity Identifying<br>Number | Expenditures |
|--|---------------------------|--|--------------|
| U.S. Department of Agriculture:  |                           |  |              |
| Direct Programs:   |                           |  |              |
| Forest Service Schools and Roads Cluster: (4)                              |                           |  |              |
| Schools and Roads - Grants to States                                       | 10.665                    | N/A  | \$ 71,486    |
| Community Facilities Loans and Grants Cluster: (4)                         |                           |  |              |
| Community Facilities Loans and Grants                                      | 10.766                    | N/A  | 25,000       |
| Passed-through State Department of Education:                              |                           |  |              |
| Child Nutrition Cluster: (4)   |                           |  |              |
| School Breakfast Program   | 10.553                    | N/A  | 343,772      |
| National School Lunch Program  | 10.555                    | N/A  | 628,664 (6)  |
| Passed-through State Department of Agriculture:                            |                           |  |              |
| Child Nutrition Cluster: (4)   |                           |  |              |
| National School Lunch Program (Commodities - Noncash Assistance)           | 10.555                    | N/A  | 80,598 (6)   |
| Passed-through State Department of Health:                                 |                           |  |              |
| Special Supplemental Nutrition Program for Women, Infants,<br>and Children | 10.557                    | GG-19-59303-00                               | 13,660 (7)   |
| Total U.S. Department of Agriculture                                       |                           |  | \$ 1,163,180 |
| U.S. Department of Housing and Urban Development:                          |                           |  |              |
| Passed-through State Housing Development Agency:                           |                           |  |              |
| Community Development Block Grants/State's Program                         | 14.228                    | 49405-11178                                  | \$ 349,442   |
| Home Investment Partnerships Program                                       | 14.239                    | HM-1516-30                                   | 33,962       |
| Total U.S. Department of Housing and Urban Development                     |                           |  | \$ 383,404   |
| U.S. Department of the Interior:   |                           |  |              |
| Direct Program:  |                           |  |              |
| Payments in-Lieu-of Taxes  | 15.226                    | N/A  | \$ 94,365    |
| Total U.S. Department of the Interior                                      |                           |  | \$ 94,365    |
| U.S. Department of Transportation:   |                           |  |              |
| Passed-through State Department of Transportation:                         |                           |  |              |
| Highway Safety Cluster: (4)  |                           |  |              |
| State and Community Highway Safety   | 20.600                    | (5)  | \$ 35,267    |
| Total U.S. Department of Transportation                                    |                           |  | \$ 35,267    |
| U.S. Department of Education:  |                           |  |              |
| Passed-through State Department of Human Services:                         |                           |  |              |
| Rehabilitation Services - Vocational Rehabilitation Grants to States       | 84.126                    | Z-19-52719-00                                | \$ 65,204    |
| Passed-through State Department of Education:                              |                           |  |              |
| Title 1 Grants to Local Educational Agencies                               | 84.010                    | N/A  | 656,396      |
| Special Education Cluster: (4)   |                           |  |              |
| Special Education - Grants to States                                       | 84.027                    | N/A  | 828,392      |
| Special Education - Preschool Grants                                       | 84.173                    | N/A  | 57,996       |
| Impact Aid   | 84.041                    | N/A  | 191,794      |
| Career and Technical Education-Basic Grants to States                      | 84.048                    | N/A  | 78,028       |
| Twenty- first Century Community Learning Centers                           | 84.287                    | (3)  | 71,800       |
| Improving Teacher Quality State Grants                                     | 84.367                    | N/A  | 80,922       |
| Student Support and Academic Enrichment Program                            | 84.424                    | N/A  | 36,887       |
| Passed-through Greeneville City School Department:                         |                           |  |              |
| English Language Acquisition Grants  | 84.365                    | (3)  | 8,071        |
| Total U.S. Department of Education   |                           |  | \$ 2,075,490 |

(Continued)

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

| Federal/Pass-through Agency/State<br>Grantor Program Title            | Federal<br>CFDA<br>Number | Pass-through<br>Entity Identifying<br>Number | Expenditures        |
|---|---------------------------|--|---------------------|
| U.S. Department of Health and Human Services:                         |                           |  |                     |
| Passed-through State Department of Health:                            |                           |  |                     |
| Family Planning Services  | 93.217                    | GG-19-59303-00                               | \$ 4,473 (7)        |
| Medicaid Cluster: (4)   |                           |  |                     |
| Medical Assistance Program  | 93.778                    | GG-19-59303-00                               | 21,473 (7)          |
| Maternal and Child Health Services Block Grant to the States          | 93.994                    | GG-19-59303-00                               | 5,386 (7)           |
| Passed-through State Department of Education:                         |                           |  |                     |
| CCDF Cluster: (4)   |                           |  |                     |
| Child Care and Development Block Grant                                | 93.575                    | (3)  | 28,200              |
| Total U.S. Department of Health and Human Services                    |                           |  | <u>\$ 59,532</u>    |
| U.S. Department of Homeland Security:                                 |                           |  |                     |
| Passed-through State Department of Military:                          |                           |  |                     |
| Emergency Management Performance Grants                               | 97.042                    | (3)  | \$ 23,500           |
| Total U.S. Department of Homeland Security                            |                           |  | <u>\$ 23,500</u>    |
| Total Expenditures of Federal Grants                                  |                           |  | <u>\$ 3,834,738</u> |
| State Grants  |                           |  |                     |
|   |                           | <u>Contract<br/>Number</u>                   |                     |
| Juvenile Service Program - State Commission on Children and Youth     | N/A                       | (3)  | \$ 9,000            |
| Rural Local Health Services - State Department of Health              | N/A                       | GG-19-59303-00                               | 91,144 (7)          |
| Health Access Grant - State Department of Health                      | N/A                       | (3)  | 20,000              |
| Bridge Program - State Department of Transportation                   | N/A                       | (3)  | 698,675             |
| Litter Program - State Department of Transportation                   | N/A                       | (3)  | 34,042              |
| Litter Pickup Interstate Program - State Department of Transportation | N/A                       | CMA1828/1914                                 | 3,900               |
| Coordinated School Health- State Department of Education              | N/A                       | (3)  | 100,600             |
| Safe Schools - State Department of Education                          | N/A                       | (3)  | 26,800              |
| Early Childhood Education Project - State Department of Education     | N/A                       | (3)  | 485,912             |
| Childcare and Development Block Grant - State Department of Education | N/A                       | (3)  | 18,323              |
| School Safety - State Department of Education                         | N/A                       | (3)  | 67,000              |
| Court Security Grant Program - Administrative Office of the Courts    | N/A                       | (3)  | 5,649               |
| Total State Grants  |                           |  | <u>\$ 1,561,045</u> |

CFDA = Catalog of Federal Domestic Assistance

N/A = Not Applicable

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.

(2) Unicoi County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.

(3) Information not available.

(4) Forest Service and Roads Cluster total \$71,486; Community Facilities Loans and Grant Cluster total \$25,000;

Child Nutrition Cluster total \$1,053,034; Highway Safety Cluster total \$35,267; Special Education

Cluster total \$886,388; Medicaid Cluster total \$21,473; and CCDF Cluster total; \$28,200.

(5) Z-18-THS368 - \$15,567; Z-19-THS337 - \$19,700.

(6) Total for CFDA No. 10.555 is \$709,262.

(7) Multi-service contract.



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

*Government Auditing Standards* require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings, along with their current status from the Annual Financial Report for Unicoi County, Tennessee, for the year ended June 30, 2019.

***Prior-year Financial Statement Findings***

| Fiscal Year | Page Number | Finding Number | Title of Finding | CFDA Number | Current Status |
|-------------|-------------|----------------|------------------|-------------|----------------|
|-------------|-------------|----------------|------------------|-------------|----------------|

**OFFICE OF COUNTY MAYOR**

|      |     |          |  |     |           |
|------|-----|----------|--|-----|-----------|
| 2018 | 178 | 2018-001 | Unicoi County did not report its contributions to the veterans' service officer or require documentation of how funds were expended. | N/A | Corrected |
|------|-----|----------|--|-----|-----------|

***Prior-year Federal Awards Findings***

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

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**UNICOI COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2019**

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**PART I, SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements:**

1. Our report on the financial statements of Unicoi County is unmodified.
2. Internal Control Over Financial Reporting:
  - \* Material weakness identified? **NO**
  - \* Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **NO**

**Federal Awards:**

4. Internal Control Over Major Federal Programs:
  - \* Material weakness identified? **NO**
  - \* Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of major federal programs:
  - \* CFDA Numbers: 84.027 and 84.173 Special Education Cluster:  
Special Education - Grants to States  
Special Education - Preschool Grants
8. Dollar threshold used to distinguish between type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

## **PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS**

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

### **OFFICE OF COUNTY MAYOR**

#### **FINDING 2019-001**

#### **DUTIES WERE NOT SEGREGATED ADEQUATELY**

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

Duties were not segregated adequately among the official and employees in the County Mayor's Office. Multiple instances were noted in which the employee processing payments had also signed the corresponding warrants and purchase orders. Other instances were noted where the invoice had been signed by the employee processing payment. Sound business practices dictate that management is responsible for designing internal controls to give reasonable assurance of the reliability in financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions.

#### **RECOMMENDATION**

Management should segregate duties to the extent possible using available resources.

#### **MANAGEMENT'S RESPONSE – COUNTY MAYOR**

This has been past practice in the Mayor's Office. The deficiency came to light when the present audit staff were discussing current job duties with the accounting staff. The issue probably increased due to new accounting staff in the office and being trained during this time. We have reviewed our internal controls with the audit staff and taken corrective measures. I feel we understand the importance of segregation of duties and have corrected this finding.

---

## OFFICE OF ROAD SUPERINTENDENT

### FINDING 2019-002

### **THE OFFICE HAD PURCHASING DEFICIENCIES**

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

Purchasing procedures for the Highway Department are governed by Chapter 678, Private Acts of 1949, and provisions of the Uniform Road Law, Section 54-7-113, *Tennessee Code Annotated*, which provides for purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids. As a part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 35 disbursements totaling \$237,607 from a population of 672 vendor warrants totaling \$2,504,937. Our examination revealed the following deficiencies in purchasing procedures, which are the result of a lack of management oversight and the failure to comply and/or implement proper policies and procedures.

- A. In four of 22 applicable instances, purchase orders were issued after purchases were made. Purchase orders are necessary to control who has purchasing authority for the department and to document purchasing commitments. Issuing the purchase order after the purchase defeats the purpose of the purchase order and makes it an approval of payment rather than an approval of the purchase. The failure to properly issue purchase orders increases the risks of unauthorized purchases.
- B. In five of 22 applicable instances, purchase orders were not issued. Purchase orders are necessary to control who has purchasing authority for the department and to document purchasing commitments. The failure to issue purchase orders increases the risks of unauthorized purchases.
- C. In 21 instances, we noted that the bookkeeper or the clerk signed the road superintendent's name on a warrant then signed their initials next to the road superintendent's name. This practice removes the internal control of segregation of duties, which is an important oversight responsibility to prevent unauthorized payments. Sound business practices dictate that management is responsible for designing internal controls to give reasonable assurance of the reliability in financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions.
- D. Invoices were paid without documentation that goods had been received and/or services had been rendered. Invoices were signed as documentation of receipt by unauthorized employees in 21 of 35 applicable purchases. This practice weakens controls over the purchasing process and increases the risks of paying for something that was never received.
- E. In two of 35 applicable instances, purchases were coded to accounts that did not reflect the true nature of the expenditures. Sound budgetary principles require expenditures to be coded to accounts that reflect the true nature of the

expenditures. Misclassifying expenditures diminishes the usefulness of the accounting records as a management tool.

- F. We noted that sales tax was paid on several credit card purchases even though the county has tax exempt status. The payment of sales tax increases the costs of goods and services and results in the unnecessary expenditure of county funds.

#### RECOMMENDATION

To strengthen internal controls over purchasing procedures and to document purchasing commitments, the office should issue purchase orders for all applicable purchases before purchases are made. The bookkeeper or clerk should never sign the road superintendent's name on any document, and management should segregate duties to the extent possible using available resources. Documentation that goods have been received and/or services have been rendered should be maintained. Expenditures should be coded to accounts that most appropriately reflect the true nature of the transactions. Sales tax should not be paid on department purchases.

#### MANAGEMENT'S RESPONSE – ROAD SUPERINTENDENT

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

### **PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

There were no findings and questioned costs related to federal awards for the year ended June 30, 2019.

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

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Management's corrective action plans for all financial statement findings and federal award findings are presented in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted.

| Finding<br>Number | Title of Finding | Corrective Action<br>Plan Page Number |
|-------------------|------------------|---------------------------------------|
|-------------------|------------------|---------------------------------------|

**OFFICE OF COUNTY MAYOR**

|          |                                       |     |
|----------|---------------------------------------|-----|
| 2019-001 | Duties were not Segregated Adequately | 192 |
|----------|---------------------------------------|-----|

**OFFICE OF ROAD SUPERINTENDENT**

|          |  |     |
|----------|--|-----|
| 2019-002 | The Office had Purchasing Deficiencies | 193 |
|----------|--|-----|



# Unicoi County

Post Office Box 169 • Erwin, Tennessee 37650 • (423) 743-9391 • FAX 743-8007

Garland "Bubba" Evely  
County Mayor

## Corrective Action Plan

**FINDING: DUTIES WERE NOT SEGREGATED ADEQUATELY**

### **Response and Corrective Action Plan Prepared by:**

Name, Title: Garland Evely, County Mayor

### **Person Responsible for Implementing the Corrective Action:**

Name, Title: Garland Evely, County Mayor

### **Anticipated Completion Date of Corrective Action:**

Date: September 27, 2019

### **Repeat Finding:**

No

### **Reason Corrective Action was Not Taken in the Prior Year:**

No finding in prior year.

### **Planned Corrective Action:**

The current finding has been past practice in the Mayor's Office. It came to light when present staff were discussing present job duties with accounting staff. The issue probably increased due to new staff in the office and being trained during this time. We have reviewed our internal controls with the staff and taken corrective measures. I feel we have an understanding of the importance of Segregation of Duties and have corrected the finding.

Signature: \_\_\_\_\_





Corrective Action Plan

Finding: The Office had purchasing deficiencies

Response and Corrective Action Plan Prepared by:

Name, Title: Terry L. Haynes, County Hwy Superintendent

Person Responsible for Implementing the Corrective Action:

Name, Title: Terry L. Haynes, County Hwy Superintendent

Anticipated Completion Date of Corrective Action:

Date: September 24, 2019

Repeat Finding:


No

Reason Corrective Action was Not Taken in the Prior Year:

N/A

Planned Corrective Action:

Review Purchasing Policy and correct areas pertaining to issuing purchase orders, approving invoices for payments. We are familiar with the process of the findings and have already taken steps to improve them.

Signature:  \_\_\_\_\_

## **BEST PRACTICE**

Accounting literature describes a best practice as a recommended policy, procedure, or technique that aids management in improving financial performance. Historically, a best practice has consistently shown superior results over conventional methods.

The Division of Local Government Audit strongly believes that the item noted below is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Unicoi County.

### **UNICOI COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING**

Unicoi County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the county commission resulting in decentralization and some duplication of effort. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Unicoi County. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.