

ANNUAL FINANCIAL REPORT
UNICOI COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2020



DIVISION OF LOCAL GOVERNMENT AUDIT



ANNUAL FINANCIAL REPORT
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FOR THE YEAR ENDED JUNE 30, 2020

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
ROBERT ANDERSON, CPA, CGFM
Senior Auditors

PAULA KNIGHT
MORGAN HAMILTON-PIGG
GREG BRUSH, CISA
State Auditors

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

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Summary of Audit Findings

Annual Financial Report
Unicoi County, Tennessee
For the Year Ended June 30, 2020

Scope

We have audited the basic financial statements of Unicoi County as of and for the year ended June 30, 2020.

Results

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

Our audit resulted in three 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

- ◆ A payroll tax deposit to the Internal Revenue Service was not properly remitted resulting in the assessment of interest and penalties totaling \$1,074.
-

OFFICE OF ROAD SUPERINTENDENT

- ◆ The office had purchasing deficiencies.
-

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The office had purchasing deficiencies.

INTRODUCTORY SECTION

Unicoi County Officials
June 30, 2020

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

FINANCIAL SECTION



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, 2020, 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, 2020, 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 other information such as the introductory section 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.

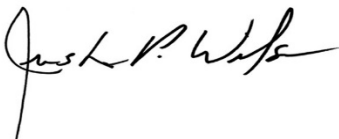
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Unicoi County School Department (a discretely presented component unit), schedule 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 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2020, 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,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

October 30, 2020

JPW/tg

BASIC FINANCIAL STATEMENTS

Exhibit A

Unicoi County, Tennessee
Statement of Net Position
June 30, 2020

	Primary Government Governmental Activities	Component Unit Unicoi County School Department
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 75,710	\$ 716,000
Equity in Pooled Cash and Investments	8,008,174	4,126,136
Accounts Receivable	10,334	7,017
Due from Other Governments	563,254	500,437
Property Taxes Receivable	7,233,680	2,673,105
Allowance for Uncollectible Property Taxes	(227,379)	(87,236)
Net Pension Asset - Agent Plan	537,993	407,015
Net Pension Asset - Teacher Retirement Plan	0	93,559
Net Pension Asset - Teacher Legacy Retirement Plan	0	2,738,058
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	79,591
Capital Assets:		
Assets Not Depreciated:		
Land	511,921	615,753
Construction in Progress	0	3,543,469
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	3,239,870	21,694,039
Other Capital Assets	1,668,405	1,245,734
Infrastructure	5,761,740	0
Total Assets	<u>\$ 27,383,702</u>	<u>\$ 38,352,677</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Charge on Refunding	\$ 780,787	\$ 0
Pension Changes in Experience	110,330	220,657
Pension Changes in Assumptions	172,654	502,839
Pension Contributions after Measurement Date	302,055	1,178,077
Pension Changes in Proportion	0	76,780
OPEB Changes in Experience	0	268,767
OPEB Changes in Assumptions	0	49,189
OPEB Contributions after Measurement Date	0	104,020
OPEB Changes in Proportion	0	85,495
Total Deferred Outflows of Resources	<u>\$ 1,365,826</u>	<u>\$ 2,485,824</u>

LIABILITIES

Accounts Payable	\$ 82,995	\$ 1,146
Accrued Payroll	97,892	0
Accrued Interest Payable	108,710	0
Payroll Deductions Payable	24,636	2,400
Contracts Payable	0	686,518
Retainage Payable	0	163,979
Due to State of Tennessee	1,219	0

(Continued)

Exhibit A

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

	Primary Governmental Activities	Component Unit Unicoi County School Department
<u>LIABILITIES (CONT.)</u>		
Other Current Liabilities	\$ 37,555	\$ 394,178
Noncurrent Liabilities:		
Due Within One Year - Debt	2,213,850	0
Due Within One Year - Other	147,495	32,800
Due in More Than One Year - Debt	19,733,611	0
Due in More Than One Year - Other	63,212	2,235,097
Total Liabilities	<u>\$ 22,511,175</u>	<u>\$ 3,516,118</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 6,776,662	\$ 2,493,862
Pension Changes in Experience	409,992	1,998,970
Pension Changes in Investment Earnings	143,198	894,608
Pension Changes in Proportion	0	18,941
OPEB Changes in Experience	0	421,899
OPEB Changes in Assumptions		229,481
OPEB Changes in Proportion	0	38,026
Total Deferred Inflows of Resources	<u>\$ 7,329,852</u>	<u>\$ 6,095,787</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 9,482,784	\$ 27,098,995
Restricted for:		
General Government	376,971	0
Finance	36,196	0
Administration of Justice	19,837	0
Public Safety	43,075	0
Public Health and Welfare	291,627	0
Highways/Public Works	2,921,824	0
Capital Outlay	2,366	1,458,338
Debt Service	226,542	0
Education	0	688,490
Pensions	537,993	3,318,223
Unrestricted	<u>(15,030,714)</u>	<u>(1,337,450)</u>
Total Net Position	<u>\$ (1,091,499)</u>	<u>\$ 31,226,596</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, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Governmental Total Activities	Unit Unicoi County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 1,337,672	\$ 153,979	\$ 40,393	\$ 0	\$ (1,143,300)	\$ 0
Finance	842,256	474,720	0	0	(367,536)	0
Administration of Justice	857,577	468,184	9,000	0	(380,393)	0
Public Safety	4,301,775	1,121,109	94,345	0	(3,086,321)	0
Public Health and Welfare	1,455,950	0	347,164	365,559	(743,227)	0
Social, Cultural, and Recreational Services	73,409	10,596	0	0	(62,813)	0
Agriculture and Natural Resources	51,479	0	0	0	(51,479)	0
Highways	1,895,583	172,810	1,894,170	241,994	413,391	0
Education	5,001,807	0	0	0	(5,001,807)	0
Interest on Long-term Debt	693,960	0	0	0	(693,960)	0
Total Primary Government	\$ 16,511,468	\$ 2,401,398	\$ 2,385,072	\$ 607,553	\$ (11,117,445)	\$ 0
Component Unit:						
Unicoi County School Department	\$ 23,224,477	\$ 238,879	\$ 3,437,001	\$ 5,001,807	\$ 0	\$ (14,546,790)
Total Component Unit	\$ 23,224,477	\$ 238,879	\$ 3,437,001	\$ 5,001,807	\$ 0	\$ (14,546,790)

(Continued)

Exhibit B

Unicoi County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Governmental Total Activities	Unit Unicoi County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 4,746,639	\$ 2,613,586
Property Taxes Levied for Debt Service					1,753,013	0
Local Option Sales Taxes					666,288	1,852,631
Hotel/Motel Tax					46,892	0
Litigation Tax - General					65,266	0
Litigation Tax - Special Purpose					68,920	0
Litigation Tax - Jail, Workhouse, or Courthouse					118,281	0
Business Tax					70,494	24,152
Mineral Severance Tax					12,727	0
Wholesale Beer Tax					13,915	5,575
Other Local Taxes					0	225
Grants and Contributions Not Restricted to Specific Programs					750,354	15,045,811
Unrestricted Investment Income					135,110	19,730
Gain on Investments					0	2,497
Miscellaneous					32,026	86,498
Total General Revenues					\$ 8,479,925	\$ 19,650,705
Change in Net Position					\$ (2,637,520)	\$ 5,103,915
Net Position, July 1, 2019					1,546,021	26,122,681
Net Position, June 30, 2020					\$ (1,091,499)	\$ 31,226,596

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, 2020

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 35,000	\$ 30,002	\$ 0	\$ 10,708	\$ 75,710
Equity in Pooled Cash and Investments	1,760,818	3,390,171	2,617,741	239,444	8,008,174
Accounts Receivable	9,955	64	252	63	10,334
Due from Other Governments	118,070	303,013	142,171	0	563,254
Due from Other Funds	10,708	0	0	0	10,708
Property Taxes Receivable	4,876,097	256,272	1,700,323	400,988	7,233,680
Allowance for Uncollectible Property Taxes	(148,139)	(8,363)	(57,024)	(13,853)	(227,379)
Total Assets	\$ 6,662,509	\$ 3,971,159	\$ 4,403,463	\$ 637,350	\$ 15,674,481
<u>LIABILITIES</u>					
Accounts Payable	\$ 47,698	\$ 0	\$ 0	\$ 35,297	\$ 82,995
Accrued Payroll	97,892	0	0	0	97,892
Payroll Deductions Payable	16,209	8,427	0	0	24,636
Due to Other Funds	0	0	0	10,708	10,708
Due to State of Tennessee	907	308	0	4	1,219
Other Current Liabilities	18,207	0	0	19,348	37,555
Total Liabilities	\$ 180,913	\$ 8,735	\$ 0	\$ 65,357	\$ 255,005
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 4,584,585	\$ 239,088	\$ 1,581,362	\$ 371,627	\$ 6,776,662
Deferred Delinquent Property Taxes	131,125	8,067	56,646	14,183	210,021
Other Deferred/Unavailable Revenue	32,914	156,984	53,817	0	243,715
Total Deferred Inflows of Resources	\$ 4,748,624	\$ 404,139	\$ 1,691,825	\$ 385,810	\$ 7,230,398

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 376,971	\$ 0	\$ 0	\$ 0	\$ 376,971
Restricted for Finance	36,196	0	0	0	36,196
Restricted for Administration of Justice	19,837	0	0	0	19,837
Restricted for Public Safety	19,379	0	0	23,696	43,075
Restricted for Public Health and Welfare	40,088	0	0	7,606	47,694
Restricted for Highways/Public Works	0	2,776,327	0	0	2,776,327
Restricted for Debt Service	0	0	224,789	0	224,789
Restricted for Capital Projects	0	0	0	2,366	2,366
Restricted for Other Purposes	229,750	0	0	0	229,750
Committed:					
Committed for Public Health and Welfare	0	0	0	152,515	152,515
Committed for Highways/Public Works	0	781,958	0	0	781,958
Committed for Debt Service	0	0	2,486,849	0	2,486,849
Unassigned	1,010,751	0	0	0	1,010,751
Total Fund Balances	<u>\$ 1,732,972</u>	<u>\$ 3,558,285</u>	<u>\$ 2,711,638</u>	<u>\$ 186,183</u>	<u>\$ 8,189,078</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,662,509</u>	<u>\$ 3,971,159</u>	<u>\$ 4,403,463</u>	<u>\$ 637,350</u>	<u>\$ 15,674,481</u>

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, 2020

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)		\$	8,189,078
(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: buildings and improvements net of accumulated depreciation		3,239,870	
Add: other capital assets net of accumulated depreciation		1,668,405	
Add: infrastructure net of accumulated depreciation		<u>5,761,740</u>	11,181,936
(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	\$	(1,004,800)	
Less: bonds payable		(19,690,000)	
Add: deferred amount on refunding		780,787	
Less: unamortized premium on debt		(1,252,661)	
Less: compensated absences payable		(210,707)	
Add: net pension asset		537,993	
Less: accrued interest on bonds and notes		<u>(108,710)</u>	(20,948,098)
(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	\$	585,039	
Less: deferred inflows of resources related to pensions		<u>(553,190)</u>	31,849
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>453,736</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>(1,091,499)</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, 2020

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>						
Local Taxes	\$ 4,415,077	\$ 254,481	\$ 2,573,387	\$ 0	\$ 455,336	\$ 7,698,281
Licenses and Permits	16,688	1,027	7,209	0	1,805	26,729
Fines, Forfeitures, and Penalties	94,639	0	0	0	21,685	116,324
Charges for Current Services	95,271	0	0	0	585	95,856
Other Local Revenues	97,870	144,700	48,167	0	0	290,737
Fees Received From County Officials	911,518	0	0	0	0	911,518
State of Tennessee	1,294,724	2,123,862	4,253	0	20,764	3,443,603
Federal Government	45,599	17,904	0	0	365,559	429,062
Other Governments and Citizens Groups	531,390	79,409	206,219	0	0	817,018
Total Revenues	\$ 7,502,776	\$ 2,621,383	\$ 2,839,235	\$ 0	\$ 865,734	\$ 13,829,128
<u>Expenditures</u>						
Current:						
General Government	\$ 987,989	\$ 0	\$ 0	\$ 0	\$ 0	\$ 987,989
Finance	808,598	0	0	0	269	808,867
Administration of Justice	865,866	0	0	0	585	866,451
Public Safety	4,133,632	0	0	0	11,039	4,144,671
Public Health and Welfare	622,834	0	0	0	468,872	1,091,706
Social, Cultural, and Recreational Services	67,909	0	0	0	0	67,909
Agriculture and Natural Resources	51,479	0	0	0	0	51,479
Other Operations	122,709	0	0	0	0	122,709
Highways	0	2,472,129	0	0	0	2,472,129
Debt Service:						
Principal on Debt	0	0	2,163,100	0	0	2,163,100
Interest on Debt	0	0	772,796	0	0	772,796
Other Debt Service	0	0	43,735	127,724	0	171,459

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>						
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 0	\$ 365,559	\$ 365,559
Capital Projects - Donated	0	0	0	5,001,807	0	5,001,807
Total Expenditures	\$ 7,661,016	\$ 2,472,129	\$ 2,979,631	\$ 5,129,531	\$ 846,324	\$ 19,088,631
<u>Excess (Deficiency) of Revenues Over Expenditures</u>						
	\$ (158,240)	\$ 149,254	\$ (140,396)	\$ (5,129,531)	\$ 19,410	\$ (5,259,503)
<u>Other Financing Sources (Uses)</u>						
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 4,960,000	\$ 0	\$ 4,960,000
Premiums on Debt Sold	0	0	0	169,531	0	169,531
Insurance Recovery	6,054	32,583	0	0	0	38,637
Transfers In	0	0	34,026	0	0	34,026
Transfers Out	0	(34,026)	0	0	0	(34,026)
Total Other Financing Sources (Uses)	\$ 6,054	\$ (1,443)	\$ 34,026	\$ 5,129,531	\$ 0	\$ 5,168,168
<u>Net Change in Fund Balances</u>						
Fund Balance, July 1, 2019	\$ 1,885,158	\$ 3,410,474	\$ 2,818,008	\$ 0	\$ 166,773	\$ 8,280,413
Fund Balance, June 30, 2020	\$ 1,732,972	\$ 3,558,285	\$ 2,711,638	\$ 0	\$ 186,183	\$ 8,189,078

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, 2020

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)		\$	(91,335)
(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	\$	1,025,524	
Less: current-year depreciation expense		<u>(923,732)</u>	101,792
(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, 2020	\$	453,736	
Less: deferred delinquent property taxes and other deferred June 30, 2019		<u>(408,916)</u>	44,820
(3) 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: bond proceeds	\$	(4,960,000)	
Add: principal payments on bonds		1,715,000	
Add: principal payments on notes		448,100	
Add: change in unamortized bond premium		36,548	
Less: change in deferred amount on refunding debt		<u>(142,097)</u>	(2,902,449)
(4) 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	\$	14,854	
Change in compensated absences payable		(10,141)	
Change in net pension asset/liability		40,419	
Change in deferred outflows related to pensions		43,780	
Change in deferred inflows related to pensions		<u>120,740</u>	<u>209,652</u>
Change in net position of governmental activities (Exhibit B)			<u>\$ (2,637,520)</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, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 4,415,077	\$ 0	\$ 4,415,077	\$ 4,384,208	\$ 4,384,208	\$ 30,869
Licenses and Permits	16,688	0	16,688	18,500	18,500	(1,812)
Fines, Forfeitures, and Penalties	94,639	0	94,639	92,400	92,400	2,239
Charges for Current Services	95,271	0	95,271	97,175	97,175	(1,904)
Other Local Revenues	97,870	0	97,870	76,550	92,465	5,405
Fees Received From County Officials	911,518	0	911,518	974,937	974,937	(63,419)
State of Tennessee	1,294,724	0	1,294,724	1,215,264	1,235,655	59,069
Federal Government	45,599	0	45,599	33,500	53,212	(7,613)
Other Governments and Citizens Groups	531,390	0	531,390	456,588	513,588	17,802
Total Revenues	\$ 7,502,776	\$ 0	\$ 7,502,776	\$ 7,349,122	\$ 7,462,140	\$ 40,636
<u>Expenditures</u>						
<u>General Government</u>						
County Commission	\$ 71,185	\$ 0	\$ 71,185	\$ 51,472	\$ 71,072	\$ (113)
Board of Equalization	2,100	0	2,100	2,800	2,800	700
County Mayor/Executive	308,953	(14,285)	294,668	296,900	296,900	2,232
County Attorney	27,000	0	27,000	27,000	27,000	0
Election Commission	187,487	0	187,487	196,158	197,874	10,387
Register of Deeds	206,369	0	206,369	202,171	207,402	1,033
Planning	12,570	0	12,570	13,229	13,229	659
County Buildings	116,757	0	116,757	128,267	127,192	10,435
Other General Administration	48,729	0	48,729	51,459	51,459	2,730
Preservation of Records	6,839	0	6,839	42,850	42,850	36,011
<u>Finance</u>						
Property Assessor's Office	251,060	0	251,060	257,691	255,457	4,397
County Trustee's Office	189,906	0	189,906	193,646	193,646	3,740

(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 (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Finance (Cont.)</u>						
County Clerk's Office	\$ 277,567	\$ 0	\$ 277,567	\$ 300,858	\$ 324,858	\$ 47,291
Other Finance	90,065	0	90,065	97,000	97,000	6,935
<u>Administration of Justice</u>						
Circuit Court	505,607	0	505,607	491,226	516,061	10,454
General Sessions Court	142,091	0	142,091	145,325	145,325	3,234
Chancery Court	171,399	0	171,399	166,840	173,299	1,900
Juvenile Court	46,769	0	46,769	45,538	45,538	(1,231)
<u>Public Safety</u>						
Sheriff's Department	1,779,938	0	1,779,938	1,744,217	1,804,852	24,914
Administration of the Sexual Offender Registry	750	0	750	1,700	1,700	950
Jail	995,762	0	995,762	917,022	1,028,875	33,113
Workhouse	622,778	(20)	622,758	601,261	632,337	9,579
Juvenile Services	9,000	0	9,000	9,000	9,000	0
Fire Prevention and Control	55,000	0	55,000	55,000	55,000	0
Civil Defense	61,506	0	61,506	64,818	64,817	3,311
Other Emergency Management	4,750	0	4,750	4,750	4,750	0
County Coroner/Medical Examiner	31,961	0	31,961	41,586	41,586	9,625
Other Public Safety	572,187	0	572,187	559,560	573,520	1,333
<u>Public Health and Welfare</u>						
Local Health Center	74,986	0	74,986	81,581	83,081	8,095
Rabies and Animal Control	163,474	0	163,474	161,883	165,079	1,605
Ambulance/Emergency Medical Services	116,039	0	116,039	118,000	118,000	1,961
Other Local Health Services	193,025	0	193,025	275,500	275,500	82,475
Appropriation to State	36,916	0	36,916	36,916	36,916	0
Sanitation Management	1,542	0	1,542	6,500	5,538	3,996

(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 (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Public Health and Welfare (Cont.)</u>						
Sanitation Education/Information	\$ 32,240	\$ (250)	\$ 31,990	\$ 44,523	\$ 44,523	\$ 12,533
Other Public Health and Welfare	4,612	0	4,612	30,848	30,848	26,236
<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	45,679	0	45,679	45,701	45,701	22
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	66,965	0	66,965	70,000	70,000	3,035
Veterans' Services	600	0	600	0	3,200	2,600
Contributions to Other Agencies	5,000	0	5,000	5,000	5,000	0
Employee Benefits	18,901	0	18,901	24,000	24,000	5,099
COVID-19 Grant #2	24,981	0	24,981	0	24,981	0
COVID-19 Grant #10	3,512	0	3,512	0	3,512	0
Miscellaneous	2,250	0	2,250	2,250	2,250	0
Total Expenditures	\$ 7,661,016	\$ (14,555)	\$ 7,646,461	\$ 7,686,255	\$ 8,017,737	\$ 371,276
Excess (Deficiency) of Revenues						
Over Expenditures	\$ (158,240)	\$ 14,555	\$ (143,685)	\$ (337,133)	\$ (555,597)	\$ 411,912

(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 (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 6,054	\$ 0	\$ 6,054	\$ 0	\$ 6,054	\$ 0
Total Other Financing Sources	\$ 6,054	\$ 0	\$ 6,054	\$ 0	\$ 6,054	\$ 0
Net Change in Fund Balance	\$ (152,186)	\$ 14,555	\$ (137,631)	\$ (337,133)	\$ (549,543)	\$ 411,912
Fund Balance, July 1, 2019	1,885,158	(14,555)	1,870,603	1,096,288	1,226,142	644,461
Fund Balance, June 30, 2020	\$ 1,732,972	\$ 0	\$ 1,732,972	\$ 759,155	\$ 676,599	\$ 1,056,373

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, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 254,481	\$ 0	\$ 254,481	\$ 250,509	\$ 250,509	\$ 3,972
Licenses and Permits	1,027	0	1,027	900	900	127
Other Local Revenues	144,700	0	144,700	51,900	144,958	(258)
State of Tennessee	2,123,862	0	2,123,862	2,276,142	2,278,757	(154,895)
Federal Government	17,904	0	17,904	16,000	16,000	1,904
Other Governments and Citizens Groups	79,409	0	79,409	90,000	90,000	(10,591)
Total Revenues	\$ 2,621,383	\$ 0	\$ 2,621,383	\$ 2,685,451	\$ 2,781,124	\$ (159,741)
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 237,888	\$ 0	\$ 237,888	\$ 240,930	\$ 243,545	\$ 5,657
Highway and Bridge Maintenance	953,930	0	953,930	1,142,424	1,122,191	168,261
Operation and Maintenance of Equipment	223,924	0	223,924	289,375	289,375	65,451
Other Charges	118,162	0	118,162	125,000	127,511	9,349
Capital Outlay	938,225	(21,900)	916,325	1,048,000	1,230,860	314,535
Total Expenditures	\$ 2,472,129	\$ (21,900)	\$ 2,450,229	\$ 2,845,729	\$ 3,013,482	\$ 563,253
Excess (Deficiency) of Revenues Over Expenditures	\$ 149,254	\$ 21,900	\$ 171,154	\$ (160,278)	\$ (232,358)	\$ 403,512
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 32,583	\$ 0	\$ 32,583	\$ 0	\$ 32,583	\$ 0
Transfers Out	(34,026)	0	(34,026)	0	(34,026)	0
Total Other Financing Sources	\$ (1,443)	\$ 0	\$ (1,443)	\$ 0	\$ (1,443)	\$ 0

(Continued)

Exhibit C-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Net Change in Fund Balance	\$ 147,811	\$ 21,900	\$ 169,711	\$ (160,278)	\$ (233,801)	\$ 403,512
Fund Balance, July 1, 2019	3,410,474	(21,900)	3,388,574	2,667,940	2,667,940	720,634
Fund Balance, June 30, 2020	\$ 3,558,285	\$ 0	\$ 3,558,285	\$ 2,507,662	\$ 2,434,139	\$ 1,124,146

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, 2020

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 310,630
Accounts Receivable	8,297
Due from Other Governments	<u>189,630</u>
Total Assets	<u><u>\$ 508,557</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 189,630
Due to Litigants, Heirs, and Others	<u>318,927</u>
Total Liabilities	<u><u>\$ 508,557</u></u>

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

UNICOI COUNTY, TENNESSEE
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UNICOI COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

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. Net debt issues totaling \$5,001,807 were contributed by the county to the school department during the year ended June 30, 2020.

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.

General Capital Projects Fund – This fund accounts for general capital expenditures of the county and for debt issued by the primary government for the benefit of the discretely presented Unicoi County School Department.

Additionally, Unicoi County reports the following fund type:

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 funds:

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

Education Capital Projects Fund – This fund is used to account for the receipt of debt issued by Unicoi County and contributed to the school department for building construction and renovation.

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented 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. The primary oversight responsibility for the investments and operations of the State Treasurer's

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

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

All other investments are reported at fair value. Other than amounts in the pension stabilization trust discussed in Note I.D.3., 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 1.72 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 (\$18,207) held in a clearing account and due to the Tennessee Consolidated Retirement System. Other Current Liabilities of the nonmajor governmental funds consist of asset seizures that have not been awarded to the county as of June 30, 2020 (\$19,348). Other Current Liabilities in the discretely presented school department's General Purpose School Fund represent health insurance premiums (\$394,178) held in a clearing account and due to the insurance administrator and the U.S. Treasury, respectively.

Retainage Payable represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the applicable funds.

3. 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.

4. 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

5. 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 changes in proportion, OPEB changes in experience, 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, OPEB changes in proportion, and various receivables for revenues, which do not meet the availability criteria in governmental funds.

6. 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 Unicoi County 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.

7. 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. 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.

8. 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 \$4,456,431 of restricted net position, of which \$668,651 is restricted by enabling legislation.

As of June 30, 2020, Unicoi County had \$19,016,750 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 (\$229,750) 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 discretely presented school department's General Purpose School Fund includes fund balance approved for use in the budget for fiscal year ending June 30, 2021 (\$10,981), encumbrances (\$71,370), and amounts assigned by the board for various purposes within Instruction (\$784,198) 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, 2020, Unicoi County and the Unicoi County School Department reported the following encumbrances in budgeted funds:

<u>Funds</u>	<u>Amount</u>
School Department:	
Major Fund:	
General Purpose School	\$ 71,370
Nonmajor Governmental:	
School Federal Projects	40,269

B. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by county commission in major appropriations categories (the legal level of control) in the following funds:

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
Primary Government:	
General:	
County Commission	\$ 113
Juvenile Court	1,231
Drug Control:	
Other Finance	269
General Debt Service:	
Interest on Debt - General Government	42

Expenditures that exceed appropriations are a violation of state statute. These expenditures in excess of appropriations were funded by available fund balance and greater than anticipated revenues in the respective funds.

C. Pending Investigations

The Comptroller of the Treasury, Division of Investigations, is conducting investigations related to certain operations of the Unicoi County School Department. Reports, if any, resulting from these investigations can be found on the Comptroller of the Treasury's website, <http://www.comptroller.tn.gov/ia/> and may be disclosed in a subsequent annual financial report.

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, the State Treasurer's Intermediate Term Investment Fund, and in repurchase agreements. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the State Treasurer's Investment Pool are reported both by the pool and the county at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the Intermediate Term Investment Fund are reported both by the pool and the county at amortized cost using a floating net asset value. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

Investment Balances. As of June 30, 2020, Unicoi County had the following investments carried at amortized cost using a Stable Net Asset Value. Separate disclosures concerning pooled investments cannot be made for

Unicoi County and the discretely presented Unicoi County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity	Maturities		Fair Value or Amortized Cost
Investments at Amortized Cost:				
State Treasurer's Investment Pool	1 to 105 days	N/A	\$	943,517

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Unicoi County does not have a formal investment policy that limits 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. State statutes limit the ratings of certain investments as previously explained. Unicoi County has no investment policy that would further limit its investment choices. As of June 30, 2020, Unicoi County’s investment in the State Treasurer’s Investment Pool was unrated.

Further information concerning the legal provisions, investment policies, investment types, and credit risks for the State Treasurer’s Investment Pool can be obtained by reviewing the State of Tennessee Consolidated Annual Financial Report at <https://www.tn.gov/finance/rd-doa/fa-acffin-cafr.html>.

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

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

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

Where inputs used in the measurement of fair value fall into different levels of the hierarchy, fair value of the instrument in its entirety is categorized based on the lowest level input that is significant to the valuation. This assessment requires professional 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, 2020, the Unicoi County School Department had the following investments held by the trust on its behalf.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 24,673
Developed Market International Equity	N/A	N/A	11,143
Emerging Market International Equity	N/A	N/A	3,184
U.S. Fixed Income	N/A	N/A	15,918
Real Estate	N/A	N/A	7,959
Short-term Securities	N/A	N/A	796
NAV - Private Equity and Strategic Lending	N/A	N/A	15,918
 Total			\$ 79,591

Investment by Fair Value Level	Fair Value 6-30-20	Fair Value Measurements Using			Amortized Cost
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV
U.S. Equity	\$ 24,673	\$ 24,673	\$ 0	\$ 0	0
Developed Market International Equity	11,143	11,143	0	0	0
Emerging Market International Equity	3,184	3,184	0	0	0
U.S. Fixed Income	15,918	0	15,918	0	0
Real Estate	7,959	0	0	7,959	0
Short-term Securities	796	0	796	0	0
Private Equity and Strategic Lending	15,918	0	0	0	15,918
 Total	\$ 79,591	\$ 39,000	\$ 16,714	\$ 7,959	15,918

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/2020/ag19091.pdf>

B. Capital Assets

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

Primary Government

Governmental Activities:

	Balance 7-1-19	Increases	Decreases	Balance 6-30-20
Capital Assets Not Depreciated:				
Land	\$ 511,921	\$ 0	\$ 0	\$ 511,921
Construction in Progress	13,695	121,916	(135,611)	0
Total Capital Assets Not Depreciated	<u>\$ 525,616</u>	<u>\$ 121,916</u>	<u>\$ (135,611)</u>	<u>\$ 511,921</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 7,053,515	\$ 0	\$ 0	\$ 7,053,515
Other Capital Assets Infrastructure	4,769,304 10,545,757	903,608 135,611	(481,841) 0	5,191,071 10,681,368
Total Capital Assets Depreciated	<u>\$ 22,368,576</u>	<u>\$ 1,039,219</u>	<u>\$ (481,841)</u>	<u>\$ 22,925,954</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 3,613,575	\$ 200,070	\$ 0	\$ 3,813,645
Other Capital Assets Infrastructure	3,537,076 4,663,397	467,431 256,231	(481,841) 0	3,522,666 4,919,628
Total Accumulated Depreciation	<u>\$ 11,814,048</u>	<u>\$ 923,732</u>	<u>\$ (481,841)</u>	<u>\$ 12,255,939</u>
Total Capital Assets Depreciated, Net	<u>\$ 10,554,528</u>	<u>\$ 115,487</u>	<u>\$ 0</u>	<u>\$ 10,670,015</u>
Governmental Activities Capital Assets, Net	<u>\$ 11,080,144</u>	<u>\$ 237,403</u>	<u>\$ (135,611)</u>	<u>\$ 11,181,936</u>

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

Governmental Activities:

General Government	\$ 163,153
Finance	503
Public Safety	232,618
Highways	<u>527,458</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 923,732</u>

Discretely Presented Unicoi County School Department

Governmental Activities:

	Balance 7-1-19	Increases	Balance 6-30-20
Capital Assets Not Depreciated:			
Land	\$ 615,753	\$ 0	\$ 615,753
Construction in Progress	0	3,543,469	3,543,469
Total Capital Assets Not Depreciated	\$ 615,753	\$ 3,543,469	\$ 4,159,222
Capital Assets Depreciated:			
Buildings and Improvements	\$ 39,091,614	\$ 0	\$ 39,091,614
Other Capital Assets	5,195,622	169,724	5,365,346
Total Capital Assets Depreciated	\$ 44,287,236	\$ 169,724	\$ 44,456,960
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 16,333,679	\$ 1,063,896	\$ 17,397,575
Other Capital Assets	3,893,952	225,660	4,119,612
Total Accumulated Depreciation	\$ 20,227,631	\$ 1,289,556	\$ 21,517,187
Total Capital Assets Depreciated, Net	\$ 24,059,605	\$ (1,119,832)	\$ 22,939,773
Governmental Activities Capital Assets, Net	\$ 24,675,358	\$ 2,423,637	\$ 27,098,995

There were no decreases in capital assets to report for the year.

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

Governmental Activities:

Instruction	\$ 896,483
Support Services	359,842
Operation of Non-instructional Services	33,231
Total Depreciation Expense - Governmental Activities	\$ 1,289,556

C. Construction Commitments

At June 30, 2020, the discretely presented Unicoi County School Department had uncompleted construction contracts of \$1,761,996 for various construction and renovation projects. A majority of the funding for these future expenditures has been provided through proceeds of general obligation bonds issued by Unicoi County and contributed to the school department.

Future transfers from the General Purpose School Fund are expected to be provided to fund any remaining costs not covered by the bond proceeds.

D. Interfund Receivables, Payables, and Transfers

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

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 10,708
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	3,515

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, 2020, consisted of the following amounts:

Primary Government

Transfer Out	Transfer In General Debt Service Fund
Highway/Public Works Fund	\$ 34,026
Total	\$ 34,026

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, 2020, 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, 2020, will be retired from the General Debt Service Fund. The county had no other loans outstanding as of June 30, 2020.

General obligation bonds and capital outlay notes outstanding as of June 30, 2020, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-20
General Obligation Bonds	1.4 to 5%	5-1-39	\$ 4,960,000	\$ 4,785,000
General Obligation Bonds - Refunding	1.6 to 5.25	5-1-35	25,065,000	14,905,000
Capital Outlay Notes	2.65 to 2.96	4-1-26	1,317,000	694,800
Capital Outlay Notes - Refunding	2.96	4-1-21	2,835,000	310,000

The annual requirements to amortize all general obligation bonds and notes as of June 30, 2020, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2021	\$ 1,760,000	\$ 731,739	\$ 2,491,739
2022	1,425,000	667,281	2,092,281
2023	1,445,000	610,881	2,055,881
2024	1,345,000	553,891	1,898,891
2025	1,660,000	486,641	2,146,641
2026-2030	9,315,000	1,092,055	10,407,055
2031-2035	1,535,000	243,049	1,778,049
2036-2039	1,205,000	71,208	1,276,208
Total	\$ 19,690,000	\$ 4,456,745	\$ 24,146,745

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
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	\$ 1,004,800	\$ 70,598	\$ 1,075,398

There is \$2,711,638 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,075, based on the 2010 federal census. Total debt per capita, including bonds, notes, and unamortized debt premiums totaled \$1,198, based on the 2010 federal census.

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2020, was as follows:
Governmental Activities:

	<u>Bonds</u>	<u>Notes</u>
Balance, July 1, 2019	\$ 16,445,000	\$ 1,452,900
Additions	4,960,000	0
Reductions	(1,715,000)	(448,100)
	<u>\$ 19,690,000</u>	<u>\$ 1,004,800</u>
Balance, June 30, 2020		
	<u>\$ 19,690,000</u>	<u>\$ 1,004,800</u>
Balance Due Within One Year	<u>\$ 1,760,000</u>	<u>\$ 453,850</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2020	\$ 20,694,800
Less: Balance Due Within One Year - Debt	(2,213,850)
Add: Unamortized Premium on Debt	<u>1,252,661</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 19,733,611</u>

F. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2020, was as follows:

	<u>Compensated Absences</u>
Balance, July 1, 2019	\$ 200,566
Additions	189,998
Reductions	(179,857)
	<u>\$ 210,707</u>
Balance, June 30, 2020	
	<u>\$ 210,707</u>
Balance Due Within One Year	<u>\$ 147,495</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2020	\$ 210,707
Less: Balance Due Within One Year - Other	<u>(147,495)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 63,212</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, 2020, was as follows:

Governmental Activities:

	Other Postemployment Benefits	Termination Benefits
	<u> </u>	<u> </u>
Balance, July 1, 2019	\$ 1,932,910	\$ 131,900
Additions	495,541	79,000
Reductions	<u>(303,254)</u>	<u>(68,200)</u>
Balance, June 30, 2020	<u>\$ 2,125,197</u>	<u>\$ 142,700</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 32,800</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2020	\$ 2,267,897
Less: Balance Due Within One Year - Other	<u>(32,800)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 2,235,097</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

By agreement in prior years, Unicoi County, the discretely presented Unicoi County School Department, and the Town of Unicoi pledged proceeds of one cent of the local option sales tax levy toward the retirement of the outstanding General Obligation Refunding Bonds, Series 2001. A portion of those bonds were used to refinance obligations related to the construction of a high school. The Town of Unicoi's pledge is currently limited to \$175,000 per year. The remaining principal (\$775,000) and interest (\$40,688) 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 \$752,390. The amount of revenue generated by the pledged sales tax levy and the agreement with the Town of Unicoi was \$626,311. This agreement dissolves with the maturity of the debt on April 1, 2021.

On September 13, 2019, Unicoi County and the discretely presented Unicoi County School Department agreed to continue the commitment of one cent on the local option sales tax rate for the repayment of General Obligation Bonds Series 2019 issued to finance school construction projects on October 17, 2019. This agreement becomes effective with the maturity of the General Obligation Refunding Bonds Series 2001 on April 1, 2021. The Town of Unicoi is not a party to the new agreement.

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, 2020, were \$52,975. 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. 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.

C. **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 \$47,748 to the Animal Welfare Board for the year ended June 30, 2020.

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, 2020.

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

D. 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

E. 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 56.93 percent, the non-certified employees of the discretely presented school department comprised 43.07 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.

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, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	168
Inactive Employees Entitled to But Not Yet Receiving Benefits	269
Active Employees	223
Total	660

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, 2020, the employer contributions for Unicoi County were \$512,834 based on a rate of 7.84 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, 2019, 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, 2019, 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 were based on actual experience including an adjustment for some anticipated improvement.

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

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital market projections and 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 Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	5.69 %	31 %
International Equity Emerging Market	5.29	14
International Equity Private Equity and 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 Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2018	\$ 19,572,885	\$ 20,412,530	\$ (839,645)
Changes for the Year:			
Service Cost	\$ 579,934	\$ 0	\$ 579,934
Interest	1,425,084	0	1,425,084
Differences Between Expected and Actual Experience	242,249	0	242,249
Contributions-Employer	0	540,136	(540,136)
Contributions-Employees	0	317,781	(317,781)
Net Investment Income	0	1,514,157	(1,514,157)
Benefit Payments, Including Refunds of Employee Contributions	(992,985)	(992,985)	0
Administrative Expense	0	(19,444)	19,444
Net Changes	\$ 1,254,282	\$ 1,359,645	\$ (105,363)
Balance, June 30, 2019	\$ 20,827,167	\$ 21,772,175	\$ (945,008)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	56.93%	\$ 11,856,906	\$ 12,394,899	\$ (537,993)
School Department	43.07%	8,970,261	9,377,276	(407,015)
Total		\$ 20,827,167	\$ 21,772,175	\$ (945,008)

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% Decrease	Current Discount Rate	1% Increase
	6.25%	7.25%	8.25%

Net Pension Liability (Asset) \$ 1,524,593 \$ (945,008) \$ (3,010,815)

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

Pension Expense (Negative Pension Expense). For the year ended June 30, 2020, Unicoi County recognized pension expense of \$176,526.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, Unicoi County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 193,799	\$ 720,169
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	251,534
Changes in Assumptions	303,275	0
Contributions Subsequent to the Measurement Date of June 30, 2019 (1)	512,834	N/A
Total	\$ 1,009,908	\$ 971,703

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 585,039	\$ 553,190
School Department	<u>424,869</u>	<u>418,513</u>
Total	<u>\$ 1,009,908</u>	<u>\$ 971,703</u>

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

Year Ending June 30	Amount
2021	\$ (121,288)
2022	(287,260)
2023	(106,559)
2024	40,480
2025	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, 2020, Unicoi County reported a payable of \$21,765 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2020.

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 56.93 percent and the non-certified employees of the discretely presented school department comprise 43.07 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.

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, 2020, to the Teacher Retirement Plan were \$40,233, which is 2.03 percent of covered payroll. In addition, employer contributions of \$39,043, which is 1.97 percent of covered payroll, were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). At June 30, 2020, the school department reported a liability (asset) of (\$93,559) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The 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, 2019, the school department's proportion was 0.165742 percent. The proportion as of June 30, 2018, was 0.138979 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2020, the school department recognized pension expense of \$29,278.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 3,879	\$ 16,333
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	3,956
Changes in Assumptions	3,251	0
Changes in Proportion of Net Pension Liability (Asset)	9,132	11,288
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	<u>40,233</u>	<u>N/A</u>
Total	<u>\$ 56,495</u>	<u>\$ 31,577</u>

The Unicoi County School Department's employer contributions of \$40,233, 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2021	\$ (2,067)
2022	(2,673)
2023	(1,563)
2024	(997)
2025	(836)
Thereafter	(7,177)

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

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital market projections and 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 Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	5.69 %	31 %
International Equity Emerging Market	5.29	14
International Equity Private Equity and Strategic Lending	6.36	4
U.S. Fixed Income Real Estate	5.79	20
Short-term Securities	2.01	20
	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 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability (Asset) \$ 29,643 \$ (93,559) \$ (184,628)

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.

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, 2020, to the Teacher Legacy Pension Plan were \$927,065, which is 10.63 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liability (Assets). At June 30, 2020, the school department reported a liability (asset) of (\$2,738,058) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The 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, 2019, the Unicoi County School Department's proportion was

0.266301 percent. The proportion measured at June 30, 2018, was 0.261005 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2020, the school department recognized pension expense of \$392,941.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 133,309	\$ 1,672,460
Changes in Assumptions	368,967	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	782,316
Changes in Proportion of Net Pension Liability (Asset)	67,648	7,653
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	927,065	N/A
Total	<u>\$ 1,496,989</u>	<u>\$ 2,462,429</u>

The school department's employer contributions of \$927,065 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2021	\$ (531,137)
2022	(758,375)
2023	(342,434)
2024	(260,559)
2025	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, 2019, 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, 2019, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital market projections and 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 Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity Developed Market	5.69	%	31	%
International Equity Emerging Market	5.29		14	
International Equity Private Equity and 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 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability (Asset)	\$ 5,598,538	\$ (2,738,058)	\$ (9,369,589)
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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 \$94,392 and teachers contributed \$108,625 to this deferred compensation pension plan.

F. 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, 2019, 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, 2019, 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	2.2%
Salary Increases	Salary increases used in the July 1, 2018 TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.51%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 6.03% for pre-65 retirees in the 2019 calendar year, and gradually decreasing over a 10 year period to an ultimate trend rate of 4.5 percent.
Retirees Share of Benefit Related Cost	Discussed under Benefits Provided

The discount rate was 3.51 percent, based on an average rating of AA/Aa as shown the Bond Buyer 20-Year Municipal GO AA index closest to but not later than the measurement date.

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

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2019, valuations were the same as those employed in the July 1, 2018, Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the

results of an actuarial experience study for the period July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2.0 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 3.62 percent as of the beginning of the measurement period to 3.51 percent as of the measurement date of June 30, 2019. This change in assumption increased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 2020 plan year was revised from 6.75 percent to 6.03 percent.

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, 25 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	14
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	254
Total	<u><u>268</u></u>

A state insurance committee, created in accordance with *TCA 8-27-301*, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$104,020 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	Unicoi County School Department 66.3465%	State of TN 33.6535%	Total OPEB Liability
Balance July 1, 2018	\$ 1,932,910	\$ 929,978	\$ 2,862,888
Changes for the Year:			
Service Cost	\$ 124,540	\$ 63,171	\$ 187,711
Interest	71,393	36,214	107,607
Difference between Expected and Actuarial Experience	299,588	151,963	451,551
Changes in Proportion	(33,484)	33,484	0
Changes in Assumption and Other Inputs	(165,274)	(83,833)	(249,107)
Benefit Payments	(104,476)	(52,995)	(157,471)
Net Changes	<u>\$ 192,287</u>	<u>\$ 148,004</u>	<u>\$ 340,291</u>
Balance June 30, 2019	<u><u>\$ 2,125,197</u></u>	<u><u>\$ 1,077,982</u></u>	<u><u>\$ 3,203,179</u></u>

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 \$74,759 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 66.3465 percent and the State of Tennessee's share was 33.6535 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the school department recognized OPEB expense of \$237,407, including the state's share of the expense. At June 30, 2020, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 268,767	\$ 421,899
Changes of Assumptions/Inputs	49,189	229,481
Changes in Proportion	85,495	38,026
Benefits Paid After the Measurement Date of June 30, 2019	<u>104,020</u>	<u>0</u>
Total	<u>\$ 507,471</u>	<u>\$ 689,406</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:

<u>Year Ending June 30</u>	<u>School Department</u>
2021	\$ (33,283)
2022	(33,283)
2023	(33,283)
2024	(33,283)
2025	(33,283)
Thereafter	(119,543)

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

Sensitivity of proportionate share of the collective total OPEB liability to changes in the discount rate. The following presents the school department's

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

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	2.51%	3.51%	4.51%

Proportionate Share of the Collective Total OPEB Liability	\$ 2,299,944	\$ 2,125,197	\$ 1,960,432
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Sensitivity of proportionate share of the collective total OPEB liability to changes in the healthcare cost trend rate. The following presents the school department’s proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>	1% Decrease	Current Rate	1% Increase
	5.03 to 3.5%	6.03 to 4.5%	7.03 to 5.5%

Proportionate Share of the Collective Total OPEB Liability	\$ 1,874,548	\$ 2,125,197	\$ 2,424,440
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G. 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. During the year ended June 30, 2020, the School Board approved a super bonus of \$8,500 per employee for the first ten employees making retirement declaration before June 15, 2020. Upon death of the retiree, this benefit ceases. Currently, 31 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 \$142,700. During the year, expenditures of \$36,700 were made for the supplement benefits and \$31,500 for the one-time payment for a total of \$68,200.

H. 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.

I. Subsequent Events

On July 1, 2020, Unicoi County began participating in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities. Employees and pre-65 retirees of the Unicoi County primary government are eligible to participate. Due to the participation of Unicoi County pre-65 retirees in the LGGIF, Unicoi County has incurred a liability for other postemployment benefits which will be reported in financial statements of future years. Retirees were not permitted to participate in Unicoi County's commercial health insurance plan which was in place through June 30, 2020. Consequently, no liability for other postemployment benefits were reported on the financial statements of the primary government for the year ended June 30, 2020.

On August 24, 2020, Unicoi County Emergency Medical Services (EMS) began operations. Unicoi County EMS is a joint venture formed through an interlocal agreement between Unicoi County, the Town of Erwin, and the

Town of Unicoi to provide ambulance services in Unicoi County. This entity is governed by a nine-member board comprising three appointees from the county, two from the Town of Erwin, two from the Town of Unicoi, the CEO of the local hospital or their designee, and the Medical Director of the Unicoi County EMS. Unicoi County EMS generates its operating revenues from fees charged for services; however, Unicoi County, the Town of Erwin, and the Town of Unicoi are respectively responsible for 65.31 percent, 21.74 percent, and 12.95 percent of the annual operating costs if revenues are insufficient to meet such costs.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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	2019
Total Pension Liability						
Service Cost	\$ 450,749	\$ 498,400	\$ 523,977	\$ 549,365	\$ 570,740	\$ 579,934
Interest	1,265,006	1,307,182	1,341,066	1,383,248	1,405,036	1,425,084
Differences Between Actual and Expected Experience	(278,910)	(414,817)	(286,629)	(489,764)	(632,907)	242,249
Changes in Assumptions	0	0	0	606,551	0	0
Benefit Payments, Including Refunds of Employee Contributions	(887,503)	(956,791)	(972,329)	(1,110,430)	(1,158,104)	(992,985)
Net Change in Total Pension Liability	\$ 549,342	\$ 433,974	\$ 606,085	\$ 938,970	\$ 184,765	\$ 1,254,282
Total Pension Liability, Beginning	16,859,749	17,409,091	17,843,065	18,449,150	19,388,120	19,572,885
Total Pension Liability, Ending (a)	\$ 17,409,091	\$ 17,843,065	\$ 18,449,150	\$ 19,388,120	\$ 19,572,885	\$ 20,827,167
Plan Fiduciary Net Position						
Contributions - Employer	\$ 477,234	\$ 486,697	\$ 517,289	\$ 534,120	\$ 534,791	\$ 540,136
Contributions - Employee	284,754	286,181	303,989	314,359	314,259	317,781
Net Investment Income	2,408,454	516,295	453,553	1,965,211	1,577,152	1,514,157
Benefit Payments, Including Refunds of Employee Contributions	(887,503)	(956,791)	(972,329)	(1,110,430)	(1,158,104)	(992,985)
Administrative Expense	(8,521)	(10,989)	(17,570)	(19,097)	(21,159)	(19,444)
Net Change in Plan Fiduciary Net Position	\$ 2,274,418	\$ 321,393	\$ 284,932	\$ 1,684,163	\$ 1,246,939	\$ 1,359,645
Plan Fiduciary Net Position, Beginning	14,600,685	16,875,103	17,196,496	17,481,428	19,165,591	20,412,530
Plan Fiduciary Net Position, Ending (b)	\$ 16,875,103	\$ 17,196,496	\$ 17,481,428	\$ 19,165,591	\$ 20,412,530	\$ 21,772,175
Net Pension Liability (Asset), Ending (a - b)	\$ 533,988	\$ 646,569	\$ 967,722	\$ 222,529	\$ (839,645)	\$ (945,008)
Plan Fiduciary Net Position as a Percentage of Total Pension Asset/Liability	96.93%	96.38%	94.75%	98.85%	104.29%	104.54%
Covered Payroll	\$ 5,695,012	\$ 5,712,194	\$ 6,071,475	\$ 6,269,021	\$ 6,276,884	\$ 6,339,618
Net Pension Liability (Asset) as a Percentage of Covered Payroll	9.38%	11.32%	15.94%	3.55%	(13.38%)	(14.91%)

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	2020
Actuarially Determined Contribution	\$ 477,234	\$ 486,697	\$ 517,289	\$ 534,120	\$ 534,791	\$ 540,136	\$ 512,834
Less Contributions in Relation to the Actuarially Determined Contribution	(477,234)	(486,697)	(517,289)	(534,120)	(534,791)	(540,136)	(512,834)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 5,695,012	\$ 5,712,194	\$ 6,071,475	\$ 6,269,021	\$ 6,276,884	\$ 6,339,618	\$ 6,541,229
Contributions as a Percentage of Covered Payroll	8.38%	8.52%	8.52%	8.52%	8.52%	8.52%	7.84%

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
Retirement Plan of TCRS
Discretely Presented Unicoi County School Department
For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 21,130	\$ 30,757	\$ 45,127	\$ 48,580	\$ 34,025	\$ 40,233
Less Contributions in Relation to the Contractually Required Contribution	(21,130)	(30,757)	(45,127)	(48,580)	(34,025)	(40,233)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 528,255	\$ 768,938	\$ 1,128,172	\$ 1,214,508	\$ 1,753,888	\$ 1,981,892
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%

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	2020
Contractually Required Contribution	\$ 844,596	\$ 813,280	\$ 821,505	\$ 811,753	\$ 829,869	\$ 934,022	\$ 927,065
Less Contributions in Relation to the Contractually Required Contribution	(844,596)	(813,280)	(821,505)	(811,753)	(829,869)	(934,022)	(927,065)
Contribution Deficiency (Excess)	\$ 0	\$ 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	\$ 8,721,202
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%

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

Exhibit E-5

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

	2015	2016	2017	2018	2019
School Department's Proportion of the Net Pension Asset	0.248998%	0.174756%	0.171889%	0.138979%	0.165742%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (10,228) \$	(18,193) \$	(45,349) \$	(63,031) \$	(93,559)
Covered Payroll	\$ 528,255 \$	768,938 \$	1,128,172 \$	1,214,508 \$	1,753,888
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94%)	(2.37%)	(4.02%)	(5.19%)	(5.33%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%	126.97%	123.07%

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	2019
School Department's Proportion of the Net Pension Liability (Asset)	0.242324%	0.240322%	0.251744%	0.254023%	0.261005%	0.266301%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (39,377)	\$ 98,444	\$ 1,573,259	\$ (83,112)	\$ (918,453)	\$ (2,738,058)
Covered Payroll	\$ 9,511,212	\$ 8,996,468	\$ 9,087,444	\$ 8,979,594	\$ 9,139,517	\$ 8,929,460
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41%)	1.09%	17.31%	(0.93%)	(10.05%)	(30.66%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%

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	2019
Total OPEB Liability			
Service Cost	\$ 220,180	\$ 202,754	\$ 187,711
Interest	107,523	129,624	107,607
Changes in Benefit Terms	0	(129,693)	0
Differences Between Actual and Expected Experience	0	(777,215)	451,551
Changes in Assumptions or Other Inputs	(171,366)	90,615	(249,107)
Benefit Payments	(177,061)	(183,131)	(157,471)
Net Change in Total OPEB Liability	\$ (20,724)	\$ (667,046)	\$ 340,291
Total OPEB Liability, Beginning	3,550,658	3,529,934	2,862,888
Total OPEB Liability, Ending	<u>\$ 3,529,934</u>	<u>\$ 2,862,888</u>	<u>\$ 3,203,179</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 1,249,900	\$ 929,978	\$ 1,077,982
Employer Proportionate Share of the Total OPEB Liability	2,280,034	1,932,910	2,125,197
Covered Employee Payroll	\$ 11,477,624	\$ 11,613,974	\$ 12,014,577
Net OPEB Liability as a Percentage of Covered Employee Payroll	19.87%	16.64%	17.69%

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

Note 2: Changes in assumptions.

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

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%

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

2019 plan year	- from 5.4% to 6.75%.
2020 plan year	- from 6.75% to 6.03%

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

UNICOI COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2020

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2020 were calculated based on the July 1, 2018, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% 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.

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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.

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, 2020

	Special Revenue Funds				Capital	Total
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	Projects Fund Community Development/ Industrial Park	
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 10,708	\$ 10,708	\$ 0	\$ 10,708
Equity in Pooled Cash and Investments	194,030	43,048	0	237,078	2,366	239,444
Accounts Receivable	63	0	0	63	0	63
Property Taxes Receivable	400,988	0	0	400,988	0	400,988
Allowance for Uncollectible Property Taxes	(13,853)	0	0	(13,853)	0	(13,853)
Total Assets	<u>\$ 581,228</u>	<u>\$ 43,048</u>	<u>\$ 10,708</u>	<u>\$ 634,984</u>	<u>\$ 2,366</u>	<u>\$ 637,350</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 35,297	\$ 0	\$ 0	\$ 35,297	\$ 0	\$ 35,297
Due to Other Funds	0	0	10,708	10,708	0	10,708
Due to State of Tennessee	0	4	0	4	0	4
Other Current Liabilities	0	19,348	0	19,348	0	19,348
Total Liabilities	<u>\$ 35,297</u>	<u>\$ 19,352</u>	<u>\$ 10,708</u>	<u>\$ 65,357</u>	<u>\$ 0</u>	<u>\$ 65,357</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 371,627	\$ 0	\$ 0	\$ 371,627	\$ 0	\$ 371,627
Deferred Delinquent Property Taxes	14,183	0	0	14,183	0	14,183
Total Deferred Inflows of Resources	<u>\$ 385,810</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 385,810</u>	<u>\$ 0</u>	<u>\$ 385,810</u>

(Continued)

Exhibit F-1

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

	<u>Special Revenue Funds</u>				<u>Capital</u>	<u>Total</u>
	<u>Solid</u>	<u>Drug</u>	<u>Constitu -</u>	<u>Total</u>	<u>Projects Fund</u>	
	<u>Waste /</u>	<u>Control</u>	<u>tional</u>		<u>Community</u>	<u>Nonmajor</u>
	<u>Sanitation</u>		<u>Officers -</u>		<u>Development/</u>	<u>Governmental</u>
			<u>Fees</u>		<u>Industrial</u>	<u>Funds</u>
					<u>Park</u>	
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 23,696	\$ 0	\$ 23,696	\$ 0	\$ 23,696
Restricted for Public Health and Welfare	7,606	0	0	7,606	0	7,606
Restricted for Capital Projects	0	0	0	0	2,366	2,366
Committed:						
Committed for Public Health and Welfare	152,515	0	0	152,515	0	152,515
Total Fund Balances	\$ 160,121	\$ 23,696	\$ 0	\$ 183,817	\$ 2,366	\$ 186,183
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 581,228	\$ 43,048	\$ 10,708	\$ 634,984	\$ 2,366	\$ 637,350

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, 2020

	Special Revenue Funds				Capital	Total	
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	Projects Fund Community Development/ Industrial Park		Nonmajor Governmental Funds
<u>Revenues</u>							
Local Taxes	\$ 455,336	\$ 0	\$ 0	\$ 455,336	\$ 0	\$ 455,336	
Licenses and Permits	1,805	0	0	1,805	0	1,805	
Fines, Forfeitures, and Penalties	0	21,685	0	21,685	0	21,685	
Charges for Current Services	0	0	585	585	0	585	
State of Tennessee	20,764	0	0	20,764	0	20,764	
Federal Government	0	0	0	0	365,559	365,559	
Total Revenues	\$ 477,905	\$ 21,685	\$ 585	\$ 500,175	\$ 365,559	\$ 865,734	
<u>Expenditures</u>							
Current:							
Finance	\$ 0	\$ 269	\$ 0	\$ 269	\$ 0	\$ 269	
Administration of Justice	0	0	585	585	0	585	
Public Safety	0	11,039	0	11,039	0	11,039	
Public Health and Welfare	468,872	0	0	468,872	0	468,872	
Capital Projects	0	0	0	0	365,559	365,559	
Total Expenditures	\$ 468,872	\$ 11,308	\$ 585	\$ 480,765	\$ 365,559	\$ 846,324	
Excess (Deficiency) of Revenues Over Expenditures	\$ 9,033	\$ 10,377	\$ 0	\$ 19,410	\$ 0	\$ 19,410	
Net Change in Fund Balances	\$ 9,033	\$ 10,377	\$ 0	\$ 19,410	\$ 0	\$ 19,410	
Fund Balance, July 1, 2019	151,088	13,319	0	164,407	2,366	166,773	
Fund Balance, June 30, 2020	\$ 160,121	\$ 23,696	\$ 0	\$ 183,817	\$ 2,366	\$ 186,183	

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, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 455,336	\$ 447,543	\$ 447,543	\$ 7,793
Licenses and Permits	1,805	2,000	2,000	(195)
State of Tennessee	20,764	20,400	20,400	364
Total Revenues	<u>\$ 477,905</u>	<u>\$ 469,943</u>	<u>\$ 469,943</u>	<u>\$ 7,962</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Management	\$ 468,872	\$ 519,203	\$ 519,203	\$ 50,331
Total Expenditures	<u>\$ 468,872</u>	<u>\$ 519,203</u>	<u>\$ 519,203</u>	<u>\$ 50,331</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 9,033</u>	<u>\$ (49,260)</u>	<u>\$ (49,260)</u>	<u>\$ 58,293</u>
Net Change in Fund Balance	\$ 9,033	\$ (49,260)	\$ (49,260)	\$ 58,293
Fund Balance, July 1, 2019	<u>151,088</u>	<u>152,751</u>	<u>152,751</u>	<u>(1,663)</u>
Fund Balance, June 30, 2020	<u><u>\$ 160,121</u></u>	<u><u>\$ 103,491</u></u>	<u><u>\$ 103,491</u></u>	<u><u>\$ 56,630</u></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, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 21,685	\$ 53,400	\$ 53,400	\$ (31,715)
Other Local Revenues	0	2,000	2,000	(2,000)
Total Revenues	<u>\$ 21,685</u>	<u>\$ 55,400</u>	<u>\$ 55,400</u>	<u>\$ (33,715)</u>
<u>Expenditures</u>				
<u>Finance</u>				
Other Finance	\$ 269	\$ 0	\$ 0	\$ (269)
<u>Public Safety</u>				
Sheriff's Department	11,039	55,400	55,400	44,361
Total Expenditures	<u>\$ 11,308</u>	<u>\$ 55,400</u>	<u>\$ 55,400</u>	<u>\$ 44,092</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 10,377</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,377</u>
Net Change in Fund Balance	\$ 10,377	\$ 0	\$ 0	\$ 10,377
Fund Balance, July 1, 2019	13,319	9,969	9,969	3,350
Fund Balance, June 30, 2020	<u>\$ 23,696</u>	<u>\$ 9,969</u>	<u>\$ 9,969</u>	<u>\$ 13,727</u>

Major Governmental Fund

General Debt Service Fund

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.

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, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,573,387	\$ 2,421,774	\$ 2,421,774	\$ 151,613
Licenses and Permits	7,209	8,700	8,700	(1,491)
Other Local Revenues	48,167	3,000	3,000	45,167
State of Tennessee	4,253	0	0	4,253
Other Governments and Citizens Groups	206,219	228,856	194,830	11,389
Total Revenues	<u>\$ 2,839,235</u>	<u>\$ 2,662,330</u>	<u>\$ 2,628,304</u>	<u>\$ 210,931</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,959,000	\$ 1,967,360	\$ 1,967,360	\$ 8,360
Highways and Streets	29,100	0	29,100	0
Education	175,000	0	175,000	0
<u>Interest on Debt</u>				
General Government	693,181	693,139	693,139	(42)
Highways and Streets	4,908	34,027	4,927	19
Education	74,707	0	74,707	0
<u>Other Debt Service</u>				
General Government	43,735	44,250	44,250	515
Total Expenditures	<u>\$ 2,979,631</u>	<u>\$ 2,738,776</u>	<u>\$ 2,988,483</u>	<u>\$ 8,852</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (140,396)</u>	<u>\$ (76,446)</u>	<u>\$ (360,179)</u>	<u>\$ 219,783</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 34,026	\$ 0	\$ 34,026	\$ 0
Total Other Financing Sources	<u>\$ 34,026</u>	<u>\$ 0</u>	<u>\$ 34,026</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (106,370)	\$ (76,446)	\$ (326,153)	\$ 219,783
Fund Balance, July 1, 2019	<u>2,818,008</u>	<u>2,877,431</u>	<u>2,877,431</u>	<u>(59,423)</u>
Fund Balance, June 30, 2020	<u>\$ 2,711,638</u>	<u>\$ 2,800,985</u>	<u>\$ 2,551,278</u>	<u>\$ 160,360</u>

Fiduciary Funds

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.

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, 2020

	<u>Agency Funds</u>		
	<u>Cities - Sales Tax</u>	<u>Constitu - tional Officers - Agency</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$ 0	\$ 310,630	\$ 310,630
Accounts Receivable	0	8,297	8,297
Due from Other Governments	189,630	0	189,630
Total Assets	<u>\$ 189,630</u>	<u>\$ 318,927</u>	<u>\$ 508,557</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 189,630	\$ 0	\$ 189,630
Due to Litigants, Heirs, and Others	0	318,927	318,927
Total Liabilities	<u>\$ 189,630</u>	<u>\$ 318,927</u>	<u>\$ 508,557</u>

Exhibit H-2

Unicoi County, Tennessee
Combining Statement of Changes in Assets
and Liabilities - All Agency Funds
For the Year Ended June 30, 2020

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 1,963,705	\$ 1,963,705	\$ 0
Due from Other Governments	285,240	189,630	285,240	189,630
Total Assets	\$ 285,240	\$ 2,153,335	\$ 2,248,945	\$ 189,630
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 285,240	\$ 2,153,335	\$ 2,248,945	\$ 189,630
Total Liabilities	\$ 285,240	\$ 2,153,335	\$ 2,248,945	\$ 189,630
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 260,422	\$ 3,090,872	\$ 3,040,664	\$ 310,630
Accounts Receivable	65	8,297	65	8,297
Total Assets	\$ 260,487	\$ 3,099,169	\$ 3,040,729	\$ 318,927
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 260,487	\$ 3,099,169	\$ 3,040,729	\$ 318,927
Total Liabilities	\$ 260,487	\$ 3,099,169	\$ 3,040,729	\$ 318,927
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 260,422	\$ 3,090,872	\$ 3,040,664	\$ 310,630
Equity in Pooled Cash and Investments	0	1,963,705	1,963,705	0
Accounts Receivable	65	8,297	65	8,297
Due from Other Governments	285,240	189,630	285,240	189,630
Total Assets	\$ 545,727	\$ 5,252,504	\$ 5,289,674	\$ 508,557
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 285,240	\$ 2,153,335	\$ 2,248,945	\$ 189,630
Due to Litigants, Heirs, and Others	260,487	3,099,169	3,040,729	318,927
Total Liabilities	\$ 545,727	\$ 5,252,504	\$ 5,289,674	\$ 508,557

Unicoi County School Department

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, two Special Revenue Funds, and a Capital Projects Fund.

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

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

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

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

Exhibit I-1

Unicoi County, Tennessee
Statement of Activities
Discretely Presented Unicoi County School Department
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental Activities:					
Instruction	\$ 13,335,079	\$ 85,338	\$ 1,941,285	\$ 0	\$ (11,308,456)
Support Services	7,920,176	0	175,174	5,001,807	(2,743,195)
Operation of Non-instructional Services	1,969,222	153,541	1,320,542	0	(495,139)
Total Governmental Activities	\$ 23,224,477	\$ 238,879	\$ 3,437,001	\$ 5,001,807	\$ (14,546,790)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes				\$ 2,613,586	
Local Option Sales Taxes				1,852,631	
Business Tax				24,152	
Wholesale Beer Tax				5,575	
Other Local Taxes				225	
Grants and Contributions Not Restricted to Specific Programs				15,045,811	
Unrestricted Investment Income				19,730	
Gain on Investments				2,497	
Miscellaneous				86,498	
Total General Revenues				\$ 19,650,705	
Change in Net Position				\$ 5,103,915	
Net Position, July 1, 2019					26,122,681
Net Position, June 30, 2020				\$ 31,226,596	

Exhibit I-2

Unicoi County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Unicoi County School Department
June 30, 2020

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	Education Capital Projects	Other Govern- mental Funds	
<u>ASSETS</u>				
Cash	\$ 713,000	\$ 0	\$ 3,000	\$ 716,000
Equity in Pooled Cash and Investments	1,337,386	2,308,835	479,915	4,126,136
Accounts Receivable	376	0	6,641	7,017
Due from Other Governments	322,734	0	177,703	500,437
Due from Other Funds	3,515	0	0	3,515
Property Taxes Receivable	2,673,105	0	0	2,673,105
Allowance for Uncollectible Property Taxes	(87,236)	0	0	(87,236)
Restricted Assets	79,591	0	0	79,591
Total Assets	<u>\$ 5,042,471</u>	<u>\$ 2,308,835</u>	<u>\$ 667,259</u>	<u>\$ 8,018,565</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 0	\$ 1,146	\$ 1,146
Payroll Deductions Payable	0	0	2,400	2,400
Contracts Payable	0	686,518	0	686,518
Retainage Payable	0	163,979	0	163,979
Due to Other Funds	0	0	3,515	3,515
Other Current Liabilities	394,178	0	0	394,178
Total Liabilities	<u>\$ 394,178</u>	<u>\$ 850,497</u>	<u>\$ 7,061</u>	<u>\$ 1,251,736</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 2,493,862	\$ 0	\$ 0	\$ 2,493,862
Deferred Delinquent Property Taxes	84,147	0	0	84,147
Other Deferred/Unavailable Revenue	156,812	0	0	156,812
Total Deferred Inflows of Resources	<u>\$ 2,734,821</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,734,821</u>

(Continued)

Exhibit I-2

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

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Education</u>	<u>Funds</u>	
	<u>Purpose</u>	<u>Capital</u>	<u>Other</u>	<u>Governmental</u>
	<u>School</u>	<u>Projects</u>	<u>Funds</u>	<u>Funds</u>
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Education	\$ 78,292	\$ 0	\$ 610,198	\$ 688,490
Restricted for Capital Projects	0	1,458,338	0	1,458,338
Restricted for Hybrid Retirement Stabilization Funds	79,591	0	0	79,591
Committed:				
Committed for Education	0	0	50,000	50,000
Assigned:				
Assigned for Education	956,549	0	0	956,549
Unassigned	799,040	0	0	799,040
Total Fund Balances	<u>\$ 1,913,472</u>	<u>\$ 1,458,338</u>	<u>\$ 660,198</u>	<u>\$ 4,032,008</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,042,471</u>	<u>\$ 2,308,835</u>	<u>\$ 667,259</u>	<u>\$ 8,018,565</u>

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, 2020

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)		\$	4,032,008
(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: construction in progress		3,543,469	
Add: building and improvements net of accumulated depreciation		21,694,039	
Add: other capital assets net of accumulated depreciation		<u>1,245,734</u>	27,098,995
(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	\$	(2,125,197)	
Less: termination benefits liability		<u>(142,700)</u>	(2,267,897)
(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	\$	1,978,353	
Less: deferred inflows of resources related to pensions		(2,912,519)	
Add: deferred outflows of resources related to other postemployment benefits		507,471	
Less: deferred inflows of resources related to other postemployment benefits		<u>(689,406)</u>	(1,116,101)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$	407,015	
Add: net pension asset - teacher retirement plan		93,559	
Add: net pension asset - teacher legacy pension plan		<u>2,738,058</u>	3,238,632
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>240,959</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>31,226,596</u></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, 2020

	Major Funds		Nonmajor	Total
	General Purpose School	Education Capital Projects	Other Governmental Funds	
<u>Revenues</u>				
Local Taxes	\$ 4,533,634	\$ 0	\$ 0	\$ 4,533,634
Licenses and Permits	12,063	0	0	12,063
Charges for Current Services	85,338	0	153,541	238,879
Other Local Revenues	137,601	0	18,747	156,348
State of Tennessee	14,831,726	0	10,259	14,841,985
Federal Government	533,643	0	2,954,104	3,487,747
Other Governments and Citizens Groups	0	5,001,807	0	5,001,807
Total Revenues	<u>\$ 20,134,005</u>	<u>\$ 5,001,807</u>	<u>\$ 3,136,651</u>	<u>\$ 28,272,463</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 11,637,204	\$ 0	\$ 1,294,004	\$ 12,931,208
Support Services	7,459,801	0	310,144	7,769,945
Operation of Non-Instructional Services	649,176	0	1,350,371	1,999,547
Capital Outlay	0	3,543,469	0	3,543,469
Total Expenditures	<u>\$ 19,746,181</u>	<u>\$ 3,543,469</u>	<u>\$ 2,954,519</u>	<u>\$ 26,244,169</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>\$ 387,824</u>	<u>\$ 1,458,338</u>	<u>\$ 182,132</u>	<u>\$ 2,028,294</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 500	\$ 0	\$ 0	\$ 500
Total Other Financing Sources (Uses)	<u>\$ 500</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 500</u>

(Continued)

Exhibit I-4

Unicoi County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Unicoi County School Department (Cont.)

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Education</u>	<u>Other</u>	
	<u>Purpose</u>	<u>Capital</u>	<u>Govern-</u>	<u>Governmental</u>
	<u>School</u>	<u>Projects</u>	<u>mental</u>	<u>Funds</u>
			<u>Funds</u>	
Net Change in Fund Balances	\$ 388,324	\$ 1,458,338	\$ 182,132	\$ 2,028,794
Fund Balance, July 1, 2019	1,525,148	0	478,066	2,003,214
Fund Balance, June 30, 2020	\$ 1,913,472	\$ 1,458,338	\$ 660,198	\$ 4,032,008

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, 2020

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)		\$ 2,028,794
<p>(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:</p>		
Add: capital assets purchased in the current period	\$ 3,713,193	
Less: current-year depreciation expense	<u>(1,289,556)</u>	2,423,637
<p>(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2020	\$ 240,959	
Less: deferred delinquent property taxes and other deferred June 30, 2019	<u>(206,814)</u>	34,145
<p>(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.</p>		
Change in other OPEB liability	\$ (192,287)	
Change in deferred outflows related to OPEB	252,363	
Change in deferred inflows related to OPEB	(118,704)	
Change in termination benefits liability	(10,800)	
Change in net pension asset/liability	1,915,077	
Change in deferred outflows related to pensions	(232,700)	
Change in deferred inflows related to pensions	<u>(995,610)</u>	617,339
Change in net position of governmental activities (Exhibit B)		<u>\$ 5,103,915</u>

Exhibit I-6

Unicoi County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Unicoi County School Department
June 30, 2020

	<u>Special Revenue Funds</u>		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 3,000	\$ 3,000
Equity in Pooled Cash and Investments	92,373	387,542	479,915
Accounts Receivable	0	6,641	6,641
Due from Other Governments	14,965	162,738	177,703
Total Assets	<u>\$ 107,338</u>	<u>\$ 559,921</u>	<u>\$ 667,259</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 1,146	\$ 1,146
Payroll Deductions Payable	2,400	0	2,400
Due to Other Funds	0	3,515	3,515
Total Liabilities	<u>\$ 2,400</u>	<u>\$ 4,661</u>	<u>\$ 7,061</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 54,938	\$ 555,260	\$ 610,198
Committed:			
Committed for Education	50,000	0	50,000
Total Fund Balances	<u>\$ 104,938</u>	<u>\$ 555,260</u>	<u>\$ 660,198</u>
Total Liabilities and Fund Balances	<u>\$ 107,338</u>	<u>\$ 559,921</u>	<u>\$ 667,259</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, 2020

	<u>Special Revenue Funds</u>		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 153,541	\$ 153,541
Other Local Revenues	0	18,747	18,747
State of Tennessee	0	10,259	10,259
Federal Government	1,643,821	1,310,283	2,954,104
Total Revenues	<u>\$ 1,643,821</u>	<u>\$ 1,492,830</u>	<u>\$ 3,136,651</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,294,004	\$ 0	\$ 1,294,004
Support Services	310,144	0	310,144
Operation of Non-Instructional Services	0	1,350,371	1,350,371
Total Expenditures	<u>\$ 1,604,148</u>	<u>\$ 1,350,371</u>	<u>\$ 2,954,519</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 39,673</u>	<u>\$ 142,459</u>	<u>\$ 182,132</u>
Net Change in Fund Balances	\$ 39,673	\$ 142,459	\$ 182,132
Fund Balance, July 1, 2019	65,265	412,801	478,066
Fund Balance, June 30, 2020	<u>\$ 104,938</u>	<u>\$ 555,260</u>	<u>\$ 660,198</u>

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, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 4,533,634	\$ 0	\$ 0	\$ 4,533,634	\$ 4,059,838	\$ 4,059,838	\$ 473,796
Licenses and Permits	12,063	0	0	12,063	19,500	19,500	(7,437)
Charges for Current Services	85,338	0	0	85,338	110,402	110,402	(25,064)
Other Local Revenues	137,601	0	0	137,601	184,500	184,500	(46,899)
State of Tennessee	14,831,726	0	0	14,831,726	14,695,891	14,846,546	(14,820)
Federal Government	533,643	0	0	533,643	319,500	418,000	115,643
Total Revenues	\$ 20,134,005	\$ 0	\$ 0	\$ 20,134,005	\$ 19,389,631	\$ 19,638,786	\$ 495,219
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 9,122,232	\$ (54,413)	\$ 16,375	\$ 9,084,194	\$ 8,926,634	\$ 9,176,970	\$ 92,776
Alternative Instruction Program	70,637	0	0	70,637	70,639	70,639	2
Special Education Program	1,528,651	(12,844)	8,634	1,524,441	1,559,390	1,570,590	46,149
Career and Technical Education Program	915,684	0	8,000	923,684	900,571	936,571	12,887
<u>Support Services</u>							
Attendance	99,220	0	0	99,220	100,631	100,631	1,411
Health Services	317,271	(2,163)	1,282	316,390	323,555	323,555	7,165
Other Student Support	645,795	(221)	1,664	647,238	631,488	666,488	19,250
Regular Instruction Program	615,658	(1,209)	251	614,700	649,897	649,897	35,197
Special Education Program	178,269	0	1,200	179,469	193,193	181,993	2,524
Career and Technical Education Program	148,918	0	0	148,918	151,386	151,386	2,468
Technology	396,192	(10,011)	11,569	397,750	406,844	406,844	9,094
Other Programs	52,975	0	0	52,975	0	52,975	0
Board of Education	496,797	(152)	2,430	499,075	509,695	577,732	78,657
Director of Schools	253,655	(217)	0	253,438	255,608	255,608	2,170
Office of the Principal	1,141,185	0	6,770	1,147,955	1,148,318	1,156,010	8,055
Fiscal Services	137,756	(246)	111	137,621	141,449	141,449	3,828
Operation of Plant	1,662,348	(3,055)	83	1,659,376	1,685,690	1,711,777	52,401
Maintenance of Plant	512,260	(38,201)	11,819	485,878	506,339	495,519	9,641

(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 (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Transportation	\$ 735,037	\$ (6,198)	\$ 491	\$ 729,330	\$ 843,494	\$ 820,522	\$ 91,192
Central and Other	66,465	0	691	67,156	78,000	78,000	10,844
<u>Operation of Non-Instructional Services</u>							
Community Services	56,638	(4,125)	0	52,513	0	98,500	45,987
Early Childhood Education	592,538	(60)	0	592,478	599,030	599,030	6,552
Total Expenditures	\$ 19,746,181	\$ (133,115)	\$ 71,370	\$ 19,684,436	\$ 19,681,851	\$ 20,222,686	\$ 538,250
Excess (Deficiency) of Revenues Over Expenditures	\$ 387,824	\$ 133,115	\$ (71,370)	\$ 449,569	\$ (292,220)	\$ (583,900)	\$ 1,033,469
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 500	\$ 0	\$ 0	\$ 500	\$ 0	\$ 0	\$ 500
Total Other Financing Sources	\$ 500	\$ 0	\$ 0	\$ 500	\$ 0	\$ 0	\$ 500
Net Change in Fund Balance	\$ 388,324	\$ 133,115	\$ (71,370)	\$ 450,069	\$ (292,220)	\$ (583,900)	\$ 1,033,969
Fund Balance, July 1, 2019	1,525,148	(133,115)	0	1,392,033	1,797,554	1,797,554	(405,521)
Fund Balance, June 30, 2020	\$ 1,913,472	\$ 0	\$ (71,370)	\$ 1,842,102	\$ 1,505,334	\$ 1,213,654	\$ 628,448

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, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 1,643,821	\$ 0	\$ 0	\$ 1,643,821	\$ 1,534,524	\$ 2,086,048	\$ (442,227)
Total Revenues	\$ 1,643,821	\$ 0	\$ 0	\$ 1,643,821	\$ 1,534,524	\$ 2,086,048	\$ (442,227)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 510,338	\$ (12,353)	\$ 26,862	\$ 524,847	\$ 449,601	\$ 703,185	\$ 178,338
Special Education Program	717,225	0	0	717,225	724,748	837,852	120,627
Career and Technical Education Program	66,441	0	13,407	79,848	0	79,848	0
<u>Support Services</u>							
Other Student Support	12,829	0	0	12,829	23,472	28,610	15,781
Regular Instruction Program	278,460	0	0	278,460	276,715	345,565	67,105
Special Education Program	9,759	0	0	9,759	43,830	65,146	55,387
Career and Technical Education Program	639	0	0	639	0	639	0
Transportation	8,457	0	0	8,457	16,158	25,203	16,746
Total Expenditures	\$ 1,604,148	\$ (12,353)	\$ 40,269	\$ 1,632,064	\$ 1,534,524	\$ 2,086,048	\$ 453,984
Excess (Deficiency) of Revenues Over Expenditures	\$ 39,673	\$ 12,353	\$ (40,269)	\$ 11,757	\$ 0	\$ 0	\$ 11,757
Net Change in Fund Balance	\$ 39,673	\$ 12,353	\$ (40,269)	\$ 11,757	\$ 0	\$ 0	\$ 11,757
Fund Balance, July 1, 2019	65,265	(12,353)	0	52,912	0	0	52,912
Fund Balance, June 30, 2020	\$ 104,938	\$ 0	\$ (40,269)	\$ 64,669	\$ 0	\$ 0	\$ 64,669

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, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 153,541	\$ 0	\$ 153,541	\$ 205,500	\$ 205,500	\$ (51,959)
Other Local Revenues	18,747	0	18,747	36,600	36,600	(17,853)
State of Tennessee	10,259	0	10,259	9,500	9,500	759
Federal Government	1,310,283	0	1,310,283	1,022,375	1,022,375	287,908
Total Revenues	\$ 1,492,830	\$ 0	\$ 1,492,830	\$ 1,273,975	\$ 1,273,975	\$ 218,855
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 1,350,371	\$ (7,280)	\$ 1,343,091	\$ 1,273,975	\$ 1,373,975	\$ 30,884
Total Expenditures	\$ 1,350,371	\$ (7,280)	\$ 1,343,091	\$ 1,273,975	\$ 1,373,975	\$ 30,884
Excess (Deficiency) of Revenues Over Expenditures	\$ 142,459	\$ 7,280	\$ 149,739	\$ 0	\$ (100,000)	\$ 249,739
Net Change in Fund Balance	\$ 142,459	\$ 7,280	\$ 149,739	\$ 0	\$ (100,000)	\$ 249,739
Fund Balance, July 1, 2019	412,801	(7,280)	405,521	404,468	404,468	1,053
Fund Balance, June 30, 2020	\$ 555,260	\$ 0	\$ 555,260	\$ 404,468	\$ 304,468	\$ 250,792

MISCELLANEOUS SCHEDULES

Exhibit J-1

Unicoi County, Tennessee
Schedule of Changes in Long-term Notes and Bonds
For the Year Ended June 30, 2020

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-19	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-20
NOTES PAYABLE								
<u>Payable through General Debt Service Fund</u>								
Capital Outlay - Public Works Refunding	\$ 2,835,000	2.96%	6-16-11	4-1-21	\$ 615,000	\$ 0	\$ 305,000	\$ 310,000
Capital Outlay - Public Works	160,000	2.85	5-31-12	4-1-22	27,000	0	9,000	18,000
Capital Outlay - E911 Office/Jail roofing	715,000	2.94	10-2-13	4-1-26	425,000	0	55,000	370,000
Capital Outlay - Highway Equipment	242,000	2.65	1-24-17	5-1-25	185,900	0	29,100	156,800
Capital Outlay - County Projects 2019	200,000	2.96	4-10-19	5-1-23	200,000	0	50,000	150,000
Total Notes Payable					<u>\$ 1,452,900</u>	<u>\$ 0</u>	<u>\$ 448,100</u>	<u>\$ 1,004,800</u>
BONDS PAYABLE								
<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	\$ 1,510,000	\$ 0	\$ 735,000	\$ 775,000
General Obligation Refunding, Series 2015	14,500,000	2.0 to 5.0	4-15-15	5-1-35	13,890,000	0	520,000	13,370,000
General Obligation Refunding, Series 2016	1,850,000	1.6	3-15-16	4-1-23	1,045,000	0	285,000	760,000
General Obligation, Series 2019	4,960,000	1.4 to 5.0	10-17-19	5-1-39	0	4,960,000	175,000	4,785,000
Total Bonds Payable					<u>\$ 16,445,000</u>	<u>\$ 4,960,000</u>	<u>\$ 1,715,000</u>	<u>\$ 19,690,000</u>

Exhibit J-2

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

Year Ending June 30	Notes		Total
	Principal	Interest	
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	\$ 1,004,800	\$ 70,598	\$ 1,075,398

Year Ending June 30	Bonds		Total
	Principal	Interest	
2021	\$ 1,760,000	\$ 731,739	\$ 2,491,739
2022	1,425,000	667,281	2,092,281
2023	1,445,000	610,881	2,055,881
2024	1,345,000	553,891	1,898,891
2025	1,660,000	486,641	2,146,641
2026	2,255,000	403,641	2,658,641
2027	2,270,000	290,891	2,560,891
2028	2,265,000	197,741	2,462,741
2029	2,240,000	132,241	2,372,241
2030	285,000	67,541	352,541
2031	295,000	61,541	356,541
2032	300,000	55,304	355,304
2033	305,000	48,966	353,966
2034	315,000	42,163	357,163
2035	320,000	35,075	355,075
2036	290,000	27,881	317,881
2037	300,000	21,356	321,356
2038	305,000	14,607	319,607
2039	310,000	7,364	317,364
Total	\$ 19,690,000	\$ 4,456,745	\$ 24,146,745

Exhibit J-3

Unicoi County, Tennessee
Schedule of Transfers
For the Year Ended June 30, 2020

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
Highway/Public Works Fund	General Debt Service	Debt retirement	<u>\$ 34,026</u>
Total Transfers			<u><u>\$ 34,026</u></u>

Exhibit J-4

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, 2020

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 89,708	\$ 400,000	Local Government Property and Casualty Fund
Road Superintendent	Section 8-24-102, <i>TCA</i>	81,368	400,000	Local Government Property and Casualty Fund
Director of Schools	State Board of Education and County Board of Education	115,500 (1)	400,000	Tennessee Risk Management Trust
Trustee	Section 8-24-102, <i>TCA</i>	73,971	400,000	Local Government Property and Casualty Fund
Assessor of Property	Section 8-24-102, <i>TCA</i>	73,971	400,000	Local Government Property and Casualty Fund
County Clerk	Section 8-24-102, <i>TCA</i>	73,971	400,000	Local Government Property and Casualty Fund
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	73,971	400,000	Local Government Property and Casualty Fund
Clerk and Master	Section 8-24-102, <i>TCA</i> and Chancery Court Judge	73,971 (2)	400,000	Local Government Property and Casualty Fund
Register of Deeds	Section 8-24-102, <i>TCA</i>	73,971	400,000	Local Government Property and Casualty Fund
Sheriff	Section 8-24-102, <i>TCA</i>	85,436 (3)	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, equity pay of \$655 and contractual payments of \$350 per month for a travel allowance.

(2) Does not include special commissioner fees of \$585.

(3) Includes \$4,068 for serving as a workhouse superintendent, does not include law enforcement training supplement of \$800.

Exhibit J-5

Unicoi County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2020

	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	\$ 3,742,549	\$ 404,830	\$ 0	\$ 0	\$ 230,371	\$ 1,616,826
Trustee's Collections - Prior Year	136,151	14,603	0	0	7,181	58,331
Circuit Clerk/Clerk and Master Collections - Prior Years	90,206	9,684	0	0	4,986	38,676
Interest and Penalty	25,142	2,700	0	0	1,363	10,787
Pickup Taxes	52,422	5,632	0	0	2,853	22,495
Payments in-Lieu-of Taxes - T.V.A.	220	24	0	0	14	95
Payments in-Lieu-of Taxes - Local Utilities	67,123	7,260	0	0	4,130	28,997
Payments in-Lieu-of Taxes - Other	11,076	1,198	0	0	681	4,785
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	647,258
Hotel/Motel Tax	46,892	0	0	0	0	0
Litigation Tax - General	65,266	0	0	0	0	0
Litigation Tax - Special Purpose	57,295	0	0	0	0	11,625
Litigation Tax - Jail, Workhouse, or Courthouse	18,265	0	0	0	0	100,016
Business Tax	47,888	4,877	0	0	2,315	15,414
Mineral Severance Tax	12,727	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	33,169	3,588	0	0	51	14,329
Wholesale Beer Tax	8,686	940	0	0	536	3,753
Total Local Taxes	\$ 4,415,077	\$ 455,336	\$ 0	\$ 0	\$ 254,481	\$ 2,573,387
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 16,688	\$ 1,805	\$ 0	\$ 0	\$ 1,027	\$ 7,209
Total Licenses and Permits	\$ 16,688	\$ 1,805	\$ 0	\$ 0	\$ 1,027	\$ 7,209

(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</u>						
<u>Circuit Court</u>						
Fines	\$ 459	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	2,008	0	0	0	0	0
Drug Control Fines	0	0	3,808	0	0	0
Drug Court Fees	542	0	0	0	0	0
Jail Fees	1,753	0	0	0	0	0
DUI Treatment Fines	119	0	0	0	0	0
Courtroom Security Fee	124	0	0	0	0	0
<u>Criminal Court</u>						
Data Entry Fee - Criminal Court	1,457	0	0	0	0	0
Victims Assistance Assessments	995	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	11,298	0	0	0	0	0
Fines for Littering	48	0	0	0	0	0
Officers Costs	8,177	0	0	0	0	0
Game and Fish Fines	4	0	0	0	0	0
Drug Control Fines	0	0	1,805	0	0	0
Drug Court Fees	2,499	0	0	0	0	0
Jail Fees	19,708	0	0	0	0	0
DUI Treatment Fines	2,424	0	0	0	0	0
Data Entry Fee - General Sessions Court	9,326	0	0	0	0	0
Courtroom Security Fee	828	0	0	0	0	0
Victims Assistance Assessments	4,096	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	570	0	0	0	0	0
Officers Costs	986	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>Juvenile Court (Cont.)</u>						
Jail Fees	\$ 6,510	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Data Entry Fee - Juvenile Court	3,177	0	0	0	0	0
Courtroom Security Fee	4	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	173	0	0	0	0	0
Data Entry Fee - Chancery Court	2,202	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Data Entry Fee - Other Courts	15,152	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	16,072	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 94,639	\$ 0	\$ 21,685	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Work Release Charges for Board	\$ 1,630	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fees</u>						
Recreation Fees	10,596	0	0	0	0	0
Archives and Records Management Fee	45,876	0	0	0	0	0
Telephone Commissions	27,231	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	585	0	0
Data Processing Fee - Register	4,712	0	0	0	0	0
Data Processing Fee - Sheriff	586	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	2,190	0	0	0	0	0
Data Processing Fee - County Clerk	1,620	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	830	0	0	0	0	0
Total Charges for Current Services	\$ 95,271	\$ 0	\$ 0	\$ 585	\$ 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>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 53,627	\$ 0	\$ 0	\$ 0	\$ 33,316	\$ 48,167
Sale of Materials and Supplies	4,057	0	0	0	0	0
Commissary Sales	11,572	0	0	0	0	0
Sale of Recycled Materials	106	0	0	0	343	0
Retirees' Insurance Payments	8,134	0	0	0	1,339	0
Cobra Insurance Payments	99	0	0	0	0	0
Miscellaneous Refunds	5,810	0	0	0	16,644	0
<u>Nonrecurring Items</u>						
Sale of Equipment	14,465	0	0	0	93,058	0
Total Other Local Revenues	\$ 97,870	\$ 0	\$ 0	\$ 0	\$ 144,700	\$ 48,167
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 165,620	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	60,274	0	0	0	0	0
General Sessions Court Clerk	258,066	0	0	0	0	0
Clerk and Master	51,806	0	0	0	0	0
Juvenile Court Clerk	12,353	0	0	0	0	0
Register	67,162	0	0	0	0	0
Sheriff	4,739	0	0	0	0	0
Trustee	291,498	0	0	0	0	0
Total Fees Received From County Officials	\$ 911,518	\$ 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>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	179,826	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	120,981	0
State Aid Program	0	0	0	0	121,013	0
Litter Program	44,840	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	13,094	0	0	0	0	0
Beer Tax	18,663	0	0	0	0	4,253
Vehicle Certificate of Title Fees	6,724	0	0	0	0	0
Alcoholic Beverage Tax	41,233	0	0	0	0	0
State Revenue Sharing - T.V.A.	214,516	12,153	0	0	9,216	0
State Revenue Sharing - Telecommunications	21,077	0	0	0	0	0
Contracted Prisoner Boarding	681,797	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	1,853,733	0
Petroleum Special Tax	0	0	0	0	14,315	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	6,916	0	0	0	0	0
Other State Revenues	41,874	8,611	0	0	4,604	0
Total State of Tennessee	\$ 1,294,724	\$ 20,764	\$ 0	\$ 0	\$ 2,123,862	\$ 4,253
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 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>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Civil Defense Reimbursement	\$ 23,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Law Enforcement Grants	275	0	0	0	0	0
COVID-19 Grant E	3,512	0	0	0	0	0
Other Federal through State	1,572	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Forest Service	8,390	0	0	0	17,904	0
Other Direct Federal Revenue	8,350	0	0	0	0	0
Total Federal Government	<u>\$ 45,599</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 17,904</u>	<u>\$ 0</u>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 174,726	\$ 0	\$ 0	\$ 0	\$ 0	\$ 178,111
Contracted Services	356,664	0	0	0	79,409	0
<u>Other</u>						
Other	0	0	0	0	0	28,108
Total Other Governments and Citizens Groups	<u>\$ 531,390</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 79,409</u>	<u>\$ 206,219</u>
Total	<u>\$ 7,502,776</u>	<u>\$ 477,905</u>	<u>\$ 21,685</u>	<u>\$ 585</u>	<u>\$ 2,621,383</u>	<u>\$ 2,839,235</u>

(Continued)

Exhibit J-5

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

	Capital Projects Fund Community Development/ Industrial Park	Total
<u>Local Taxes</u>		
<u>County Property Taxes</u>		
Current Property Tax	\$ 0	\$ 5,994,576
Trustee's Collections - Prior Year	0	216,266
Circuit Clerk/Clerk and Master Collections - Prior Years	0	143,552
Interest and Penalty	0	39,992
Pickup Taxes	0	83,402
Payments in-Lieu-of Taxes - T.V.A.	0	353
Payments in-Lieu-of Taxes - Local Utilities	0	107,510
Payments in-Lieu-of Taxes - Other	0	17,740
<u>County Local Option Taxes</u>		
Local Option Sales Tax	0	647,258
Hotel/Motel Tax	0	46,892
Litigation Tax - General	0	65,266
Litigation Tax - Special Purpose	0	68,920
Litigation Tax - Jail, Workhouse, or Courthouse	0	118,281
Business Tax	0	70,494
Mineral Severance Tax	0	12,727
<u>Statutory Local Taxes</u>		
Bank Excise Tax	0	51,137
Wholesale Beer Tax	0	13,915
Total Local Taxes	<u>\$ 0</u>	<u>\$ 7,698,281</u>
<u>Licenses and Permits</u>		
<u>Licenses</u>		
Cable TV Franchise	\$ 0	\$ 26,729
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 26,729</u>

(Continued)

Exhibit J-5

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

	<u>Capital Projects Fund</u>	<u>Community Development/ Industrial Park</u>	<u>Total</u>
<u>Fines, Forfeitures, and Penalties</u>			
<u>Circuit Court</u>			
Fines	\$ 0	\$ 0	459
Officers Costs	0	0	2,008
Drug Control Fines	0	0	3,808
Drug Court Fees	0	0	542
Jail Fees	0	0	1,753
DUI Treatment Fines	0	0	119
Courtroom Security Fee	0	0	124
<u>Criminal Court</u>			
Data Entry Fee - Criminal Court	0	0	1,457
Victims Assistance Assessments	0	0	995
<u>General Sessions Court</u>			
Fines	0	0	11,298
Fines for Littering	0	0	48
Officers Costs	0	0	8,177
Game and Fish Fines	0	0	4
Drug Control Fines	0	0	1,805
Drug Court Fees	0	0	2,499
Jail Fees	0	0	19,708
DUI Treatment Fines	0	0	2,424
Data Entry Fee - General Sessions Court	0	0	9,326
Courtroom Security Fee	0	0	828
Victims Assistance Assessments	0	0	4,096
<u>Juvenile Court</u>			
Fines	0	0	570
Officers Costs	0	0	986

(Continued)

Exhibit J-5

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

	<u>Capital Projects Fund Community Development/ Industrial Park</u>	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>		
<u>Juvenile Court (Cont.)</u>		
Jail Fees	\$ 0	\$ 6,510
Data Entry Fee - Juvenile Court	0	3,177
Courtroom Security Fee	0	4
<u>Chancery Court</u>		
Officers Costs	0	173
Data Entry Fee - Chancery Court	0	2,202
<u>Judicial District Drug Program</u>		
Data Entry Fee - Other Courts	0	15,152
<u>Other Fines, Forfeitures, and Penalties</u>		
Proceeds from Confiscated Property	0	16,072
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$ 116,324</u>
<u>Charges for Current Services</u>		
<u>General Service Charges</u>		
Work Release Charges for Board	\$ 0	\$ 1,630
<u>Fees</u>		
Recreation Fees	0	10,596
Archives and Records Management Fee	0	45,876
Telephone Commissions	0	27,231
Special Commissioner Fees/Special Master Fees	0	585
Data Processing Fee - Register	0	4,712
Data Processing Fee - Sheriff	0	586
Sexual Offender Registration Fee - Sheriff	0	2,190
Data Processing Fee - County Clerk	0	1,620
Vehicle Insurance Coverage and Reinstatement Fees	0	830
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 95,856</u>

(Continued)

Exhibit J-5

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

	<u>Capital Projects Fund</u>	<u>Community Development/ Industrial Park</u>	<u>Total</u>
<hr/>			
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$ 0	\$	135,110
Sale of Materials and Supplies	0		4,057
Commissary Sales	0		11,572
Sale of Recycled Materials	0		449
Retirees' Insurance Payments	0		9,473
Cobra Insurance Payments	0		99
Miscellaneous Refunds	0		22,454
<u>Nonrecurring Items</u>			
Sale of Equipment	0		107,523
Total Other Local Revenues	<u>\$ 0</u>	<u>\$</u>	<u>290,737</u>
<hr/>			
<u>Fees Received From County Officials</u>			
<u>Fees In-Lieu-of Salary</u>			
County Clerk	\$ 0	\$	165,620
Circuit Court Clerk	0		60,274
General Sessions Court Clerk	0		258,066
Clerk and Master	0		51,806
Juvenile Court Clerk	0		12,353
Register	0		67,162
Sheriff	0		4,739
Trustee	0		291,498
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$</u>	<u>911,518</u>

(Continued)

Exhibit J-5

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

	<u>Capital Projects Fund</u>		<u>Community Development/ Industrial Park</u>	<u>Total</u>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
Juvenile Services Program	\$	0	\$	9,000
<u>Health and Welfare Grants</u>				
Health Department Programs		0		179,826
<u>Public Works Grants</u>				
Bridge Program		0		120,981
State Aid Program		0		121,013
Litter Program		0		44,840
<u>Other State Revenues</u>				
Income Tax		0		13,094
Beer Tax		0		22,916
Vehicle Certificate of Title Fees		0		6,724
Alcoholic Beverage Tax		0		41,233
State Revenue Sharing - T.V.A.		0		235,885
State Revenue Sharing - Telecommunications		0		21,077
Contracted Prisoner Boarding		0		681,797
Gasoline and Motor Fuel Tax		0		1,853,733
Petroleum Special Tax		0		14,315
Registrar's Salary Supplement		0		15,164
Other State Grants		0		6,916
Other State Revenues		0		55,089
Total State of Tennessee	\$	0	\$	3,443,603
<u>Federal Government</u>				
<u>Federal Through State</u>				
Community Development	\$	365,559	\$	365,559

(Continued)

Exhibit J-5

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

	<u>Capital Projects Fund Community Development/ Industrial Park</u>	<u>Total</u>
<u>Federal Government (Cont.)</u>		
<u>Federal Through State (Cont.)</u>		
Civil Defense Reimbursement	\$ 0	\$ 23,500
Law Enforcement Grants	0	275
COVID-19 Grant E	0	3,512
Other Federal through State	0	1,572
<u>Direct Federal Revenue</u>		
Forest Service	0	26,294
Other Direct Federal Revenue	0	8,350
Total Federal Government	<u>\$ 365,559</u>	<u>\$ 429,062</u>
<u>Other Governments and Citizens Groups</u>		
<u>Other Governments</u>		
Contributions	\$ 0	\$ 352,837
Contracted Services	0	436,073
<u>Other</u>		
Other	0	28,108
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 817,018</u>
Total	<u>\$ 365,559</u>	<u>\$ 13,829,128</u>

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, 2020

	Special Revenue Funds			Capital Projects Fund	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 2,401,778	\$ 0	\$ 0	\$ 0	\$ 2,401,778
Trustee's Collections - Prior Year	86,653	0	0	0	86,653
Circuit Clerk/Clerk and Master Collections - Prior Years	66,953	0	0	0	66,953
Interest and Penalty	16,025	0	0	0	16,025
Pickup Taxes	33,416	0	0	0	33,416
Payments in-Lieu-of Taxes - T.V.A.	141	0	0	0	141
Payments in-Lieu-of Taxes - Local Utilities	43,075	0	0	0	43,075
Payments in-Lieu-of Taxes - Other	7,108	0	0	0	7,108
<u>County Local Option Taxes</u>					
Local Option Sales Tax	1,827,247	0	0	0	1,827,247
Business Tax	24,152	0	0	0	24,152
Other County Local Option Taxes	225	0	0	0	225
<u>Statutory Local Taxes</u>					
Bank Excise Tax	21,286	0	0	0	21,286
Wholesale Beer Tax	5,575	0	0	0	5,575
Total Local Taxes	<u>\$ 4,533,634</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,533,634</u>
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 1,354	\$ 0	\$ 0	\$ 0	\$ 1,354
Cable TV Franchise	10,709	0	0	0	10,709
Total Licenses and Permits	<u>\$ 12,063</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 12,063</u>

(Continued)

Exhibit J-6

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

	Special Revenue Funds			Capital Projects Fund	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Tuition - Other	\$ 85,338	\$ 0	\$ 0	\$ 0	\$ 85,338
Lunch Payments - Children	0	0	99,114	0	99,114
Lunch Payments - Adults	0	0	9,196	0	9,196
Income from Breakfast	0	0	527	0	527
A la Carte Sales	0	0	43,997	0	43,997
Other Charges for Services	0	0	707	0	707
Total Charges for Current Services	<u>\$ 85,338</u>	<u>\$ 0</u>	<u>\$ 153,541</u>	<u>\$ 0</u>	<u>\$ 238,879</u>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 12,460	\$ 0	\$ 9,767	\$ 0	\$ 22,227
Retirees' Insurance Payments	30,585	0	0	0	30,585
Rebates	0	0	7,606	0	7,606
Miscellaneous Refunds	46,933	0	1,374	0	48,307
<u>Nonrecurring Items</u>					
Contributions and Gifts	47,623	0	0	0	47,623
Total Other Local Revenues	<u>\$ 137,601</u>	<u>\$ 0</u>	<u>\$ 18,747</u>	<u>\$ 0</u>	<u>\$ 156,348</u>
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 52,975	\$ 0	\$ 0	\$ 0	\$ 52,975
<u>State Education Funds</u>					
Basic Education Program	13,812,369	0	0	0	13,812,369
Early Childhood Education	488,628	0	0	0	488,628

(Continued)

Exhibit J-6

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

	Special Revenue Funds			Capital	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Projects Fund Education Capital Projects	
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds (Cont.)</u>					
School Food Service	\$ 0	\$ 0	\$ 10,259	\$ 0	\$ 10,259
Other State Education Funds	3,508	0	0	0	3,508
Coordinated School Health	100,000	0	0	0	100,000
Career Ladder Program	43,463	0	0	0	43,463
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	96,132	0	0	0	96,132
Other State Grants	145,971	0	0	0	145,971
Safe Schools	88,680	0	0	0	88,680
Total State of Tennessee	\$ 14,831,726	\$ 0	\$ 10,259	\$ 0	\$ 14,841,985
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 457,964	\$ 0	\$ 457,964
USDA - Commodities	0	0	70,454	0	70,454
Breakfast	0	0	242,438	0	242,438
USDA - Other	0	0	539,427	0	539,427
Vocational Education - Basic Grants to States	0	84,211	0	0	84,211
Title I Grants to Local Education Agencies	0	678,238	0	0	678,238
Special Education - Grants to States	41,264	689,062	0	0	730,326
Special Education Preschool Grants	0	59,074	0	0	59,074
English Language Acquisition Grants	0	9,356	0	0	9,356
Safe and Drug-free Schools - State Grants	0	34,792	0	0	34,792
Eisenhower Professional Development State Grants	0	89,088	0	0	89,088
Other Federal through State	51,336	0	0	0	51,336

(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>			<u>Capital</u>	<u>Total</u>
	<u>General Purpose School</u>	<u>School Federal Projects</u>	<u>Central Cafeteria</u>	<u>Projects Fund Education Capital Projects</u>	
<u>Federal Government (Cont.)</u>					
<u>Direct Federal Revenue</u>					
Public Law 874 - Maintenance and Operation	\$ 218,677	\$ 0	\$ 0	\$ 0	\$ 218,677
ROTC Reimbursement	65,644	0	0	0	65,644
Other Direct Federal Revenue	156,722	0	0	0	156,722
Total Federal Government	\$ 533,643	\$ 1,643,821	\$ 1,310,283	\$ 0	\$ 3,487,747
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 0	\$ 0	\$ 5,001,807	\$ 5,001,807
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 5,001,807	\$ 5,001,807
Total	\$ 20,134,005	\$ 1,643,821	\$ 1,492,830	\$ 5,001,807	\$ 28,272,463

Exhibit J-7

Unicoi County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2020

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	32,400	
Social Security		2,009	
Pensions		564	
Unemployment Compensation		43	
Employer Medicare		470	
Audit Services		6,959	
Communication		19,600	
Dues and Memberships		5,141	
Legal Notices, Recording, and Court Costs		2,500	
Printing, Stationery, and Forms		750	
Travel		749	
Total County Commission			\$ 71,185

Board of Equalization

Board and Committee Members Fees	\$	2,100	
Total Board of Equalization			2,100

County Mayor/Executive

County Official/Administrative Officer	\$	89,708	
Accountants/Bookkeepers		37,593	
Secretary(ies)		30,505	
Clerical Personnel		34,544	
Part-time Personnel		2,070	
Longevity Pay		300	
Social Security		11,624	
Pensions		15,091	
Life Insurance		624	
Medical Insurance		32,061	
Dental Insurance		1,138	
Unemployment Compensation		126	
Employer Medicare		2,719	
Communication		4,705	
Data Processing Services		30,552	
Dues and Memberships		1,650	
Maintenance and Repair Services - Office Equipment		1,460	
Travel		1,448	
Penalties		1,074	
Office Supplies		6,602	
Premiums on Corporate Surety Bonds		48	
In Service/Staff Development		1,768	
Other Charges		1,203	
Office Equipment		340	
Total County Mayor/Executive			308,953

County Attorney

County Official/Administrative Officer	\$	27,000	
Total County Attorney			27,000

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission

County Official/Administrative Officer	\$	66,574	
Deputy(ies)		33,723	
Mechanic(s)		844	
Clerical Personnel		4,068	
Longevity Pay		900	
Election Commission		3,955	
Election Workers		8,500	
Social Security		6,413	
Pensions		7,930	
Life Insurance		312	
Medical Insurance		12,516	
Dental Insurance		575	
Unemployment Compensation		75	
Employer Medicare		1,500	
Communication		1,800	
Data Processing Services		17,110	
Dues and Memberships		450	
Janitorial Services		600	
Legal Notices, Recording, and Court Costs		4,440	
Maintenance and Repair Services - Buildings		1,019	
Maintenance and Repair Services - Equipment		30	
Printing, Stationery, and Forms		645	
Travel		6,197	
Other Contracted Services		3,124	
Electricity		2,034	
Office Supplies		1,851	
Office Equipment		302	
Total Election Commission			\$ 187,487

Register of Deeds

County Official/Administrative Officer	\$	73,971
Deputy(ies)		30,642
Clerical Personnel		31,894
Part-time Personnel		4,750
Longevity Pay		1,400
Social Security		8,607
Pensions		10,804
Life Insurance		468
Medical Insurance		20,061
Dental Insurance		863
Unemployment Compensation		113
Employer Medicare		2,013
Communication		2,901
Data Processing Services		5,364
Dues and Memberships		745
Maintenance and Repair Services - Office Equipment		475
Travel		1,406

(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	\$	915	
Data Processing Supplies		541	
Office Supplies		3,073	
In Service/Staff Development		335	
Data Processing Equipment		4,828	
Office Equipment		200	
Total Register of Deeds			\$ 206,369

Planning

Board and Committee Members Fees	\$	3,400	
Social Security		211	
Employer Medicare		49	
Contracts with Government Agencies		8,910	
Total Planning			12,570

County Buildings

Part-time Personnel	\$	22,348	
Longevity Pay		500	
Social Security		1,417	
Unemployment Compensation		80	
Employer Medicare		331	
Maintenance and Repair Services - Buildings		32,038	
Custodial Supplies		4,464	
Natural Gas		13,167	
Utilities		35,489	
Building and Contents Insurance		6,923	
Total County Buildings			116,757

Other General Administration

Postal Charges	\$	23,367	
Duplicating Supplies		4,371	
Liability Insurance		16,359	
Other Charges		4,632	
Total Other General Administration			48,729

Preservation of Records

Dues and Memberships	\$	285	
Maintenance and Repair Services - Buildings		6,000	
Other Charges		54	
Office Equipment		500	
Total Preservation of Records			6,839

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	73,971	
Assistant(s)		30,961	
Deputy(ies)		28,075	

(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.)

Clerical Personnel	\$	29,954	
Longevity Pay		700	
Social Security		9,825	
Pensions		12,819	
Life Insurance		624	
Medical Insurance		31,946	
Dental Insurance		1,162	
Unemployment Compensation		126	
Employer Medicare		2,298	
Audit Services		5,350	
Communication		3,874	
Data Processing Services		9,485	
Maintenance and Repair Services - Office Equipment		5,737	
Maintenance and Repair Services - Vehicles		178	
Printing, Stationery, and Forms		458	
Travel		1,096	
Gasoline		199	
Office Supplies		892	
Office Equipment		1,330	
Total Property Assessor's Office			\$ 251,060

County Trustee's Office

County Official/Administrative Officer	\$	73,971	
Assistant(s)		32,120	
Deputy(ies)		30,763	
Longevity Pay		800	
Social Security		8,411	
Pensions		10,784	
Life Insurance		468	
Medical Insurance		13,374	
Dental Insurance		863	
Unemployment Compensation		84	
Employer Medicare		1,967	
Communication		2,098	
Data Processing Services		9,415	
Dues and Memberships		670	
Legal Notices, Recording, and Court Costs		258	
Travel		1,814	
Data Processing Supplies		1,111	
Office Supplies		690	
Office Equipment		245	
Total County Trustee's Office			189,906

County Clerk's Office

County Official/Administrative Officer	\$	73,971	
Deputy(ies)		31,247	
Clerical Personnel		30,763	

(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.)

Part-time Personnel	\$	21,579	
Longevity Pay		1,000	
Other Salaries and Wages		30,763	
Social Security		11,175	
Pensions		13,289	
Life Insurance		624	
Medical Insurance		32,661	
Dental Insurance		1,150	
Unemployment Compensation		197	
Employer Medicare		2,613	
Communication		3,869	
Dues and Memberships		560	
Maintenance and Repair Services - Buildings		1,650	
Maintenance and Repair Services - Office Equipment		16,225	
Travel		42	
Office Supplies		877	
Utilities		1,325	
In Service/Staff Development		200	
Data Processing Equipment		1,599	
Office Equipment		188	
Total County Clerk's Office			\$ 277,567

Other Finance

Trustee's Commission	\$	90,065	
Total Other Finance			90,065

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	73,971	
Assistant(s)		31,742	
Deputy(ies)		58,376	
Accountants/Bookkeepers		29,190	
Clerical Personnel		58,385	
Part-time Personnel		14,760	
Longevity Pay		3,450	
Overtime Pay		13,295	
Other Salaries and Wages		57,724	
Jury and Witness Expense		5,913	
Social Security		20,880	
Pensions		22,009	
Life Insurance		1,358	
Medical Insurance		25,711	
Dental Insurance		2,264	
Unemployment Compensation		420	
Employer Medicare		4,883	
Communication		5,778	
Dues and Memberships		747	

(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.)

Evaluation and Testing	\$	1,630	
Maintenance and Repair Services - Office Equipment		30,792	
Travel		255	
Remittance of Revenue Collected		4,565	
Data Processing Supplies		451	
Office Supplies		10,948	
Premiums on Corporate Surety Bonds		140	
Office Equipment		25,970	
Total Circuit Court			\$ 505,607

General Sessions Court

Judge(s)	\$	112,249	
Social Security		6,881	
Pensions		8,800	
Life Insurance		156	
Medical Insurance		6,687	
Dental Insurance		288	
Employer Medicare		1,609	
Communication		637	
Travel		1,184	
Remittance of Revenue Collected		3,600	
Total General Sessions Court			142,091

Chancery Court

County Official/Administrative Officer	\$	73,971	
Deputy(ies)		29,190	
Part-time Personnel		14,690	
Longevity Pay		450	
Social Security		7,200	
Pensions		8,096	
Life Insurance		312	
Medical Insurance		13,374	
Dental Insurance		575	
Unemployment Compensation		90	
Employer Medicare		1,684	
Communication		1,805	
Dues and Memberships		720	
Legal Notices, Recording, and Court Costs		709	
Maintenance and Repair Services - Office Equipment		12,360	
Travel		421	
Data Processing Supplies		3,309	
Office Supplies		2,443	
Total Chancery Court			171,399

Juvenile Court

Salary Supplements	\$	7,178	
Social Security		445	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Unemployment Compensation	\$	20	
Employer Medicare		104	
Communication		990	
Contracts with Government Agencies		37,430	
Travel		451	
Office Supplies		151	
Total Juvenile Court			\$ 46,769

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	85,436	
Supervisor/Director		58,532	
Deputy(ies)		402,826	
Investigator(s)		136,828	
Captain(s)		38,365	
Sergeant(s)		197,429	
Salary Supplements		18,400	
Secretary(ies)		67,264	
Longevity Pay		8,600	
Overtime Pay		16,214	
Other Salaries and Wages		45,378	
In-service Training		13,974	
Social Security		66,199	
Pensions		74,645	
Life Insurance		4,385	
Medical Insurance		146,284	
Dental Insurance		8,081	
Unemployment Compensation		1,460	
Employer Medicare		15,482	
Communication		17,523	
Dues and Memberships		1,900	
Maintenance and Repair Services - Equipment		960	
Maintenance and Repair Services - Vehicles		38,324	
Towing Services		1,100	
Travel		1,669	
Other Contracted Services		2,680	
Gasoline		80,745	
Law Enforcement Supplies		2,795	
Office Supplies		2,725	
Tires and Tubes		10,450	
Uniforms		5,595	
Other Supplies and Materials		275	
Liability Insurance		127,745	
Workers' Compensation Insurance		65,254	
Other Charges		6,002	
Communication Equipment		4,659	
Law Enforcement Equipment		3,755	
Total Sheriff's Department			1,779,938

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Administration of the Sexual Offender Registry

Fines, Assessments, and Penalties	\$ 750	
Total Administration of the Sexual Offender Registry		\$ 750

Jail

Supervisor/Director	\$ 28,134	
Teachers	18,896	
Guards	166,209	
Cafeteria Personnel	30,912	
Longevity Pay	1,750	
Other Salaries and Wages	143,153	
Social Security	24,680	
Pensions	12,567	
Life Insurance	1,200	
Medical Insurance	36,797	
Dental Insurance	2,284	
Unemployment Compensation	1,226	
Employer Medicare	5,923	
Maintenance and Repair Services - Buildings	37,578	
Maintenance and Repair Services - Equipment	7,313	
Maintenance and Repair Services - Vehicles	1,191	
Medical and Dental Services	268,114	
Travel	2,002	
Other Contracted Services	25,852	
Custodial Supplies	2,184	
Drugs and Medical Supplies	23,370	
Food Supplies	99,061	
Natural Gas	4,070	
Prisoners Clothing	239	
Uniforms	260	
Utilities	38,142	
Building and Contents Insurance	11,453	
Other Charges	1,202	
Total Jail		995,762

Workhouse

Supervisor/Director	\$ 32,582
Guards	108,233
Cafeteria Personnel	33,358
Longevity Pay	3,450
Other Salaries and Wages	115,444
Social Security	20,663
Pensions	12,692
Life Insurance	1,025
Medical Insurance	41,614
Dental Insurance	1,758
Unemployment Compensation	781
Employer Medicare	4,682

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Workhouse (Cont.)

Maintenance and Repair Services - Buildings	\$	46,884	
Maintenance and Repair Services - Equipment		2,101	
Maintenance and Repair Services - Vehicles		969	
Medical and Dental Services		37,450	
Other Contracted Services		34,730	
Custodial Supplies		3,123	
Drugs and Medical Supplies		15,162	
Food Supplies		41,438	
Natural Gas		6,335	
Prisoners Clothing		269	
Uniforms		524	
Utilities		55,208	
Other Charges		787	
Law Enforcement Equipment		1,516	
Total Workhouse			\$ 622,778

Juvenile Services

Other Salaries and Wages	\$	8,340	
Social Security		517	
Unemployment Compensation		22	
Employer Medicare		121	
Total Juvenile Services			9,000

Fire Prevention and Control

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

Civil Defense

County Official/Administrative Officer	\$	39,524	
Longevity Pay		1,000	
Social Security		2,472	
Pensions		3,172	
Life Insurance		156	
Medical Insurance		6,687	
Dental Insurance		288	
Unemployment Compensation		40	
Employer Medicare		578	
Maintenance and Repair Services - Vehicles		2,308	
Travel		235	
Gasoline		2,580	
Office Supplies		155	
Other Supplies and Materials		116	
Communication Equipment		2,195	
Total Civil Defense			61,506

Other Emergency Management

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

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

County Coroner/Medical Examiner

County Official/Administrative Officer	\$	2,394	
Assistant(s)		450	
Social Security		148	
Pensions		188	
Unemployment Compensation		2	
Employer Medicare		35	
Contracts with Other Public Agencies		28,374	
Law Enforcement Supplies		370	
Total County Coroner/Medical Examiner			\$ 31,961

Other Public Safety

Supervisor/Director	\$	46,739	
Dispatchers/Radio Operators		338,389	
Part-time Personnel		47,568	
Other Salaries and Wages		14,319	
Social Security		27,054	
Pensions		26,027	
Life Insurance		1,866	
Medical Insurance		58,789	
Dental Insurance		3,474	
Unemployment Compensation		663	
Employer Medicare		6,327	
Workers' Compensation Insurance		972	
Total Other Public Safety			572,187

Public Health and Welfare

Local Health Center

Other Salaries and Wages	\$	13,374	
Social Security		808	
Pensions		587	
Life Insurance		78	
Medical Insurance		2,786	
Dental Insurance		192	
Unemployment Compensation		50	
Employer Medicare		189	
Communication		3,051	
Contracts with Private Agencies		7,000	
Maintenance and Repair Services - Buildings		10,140	
Maintenance and Repair Services - Equipment		928	
Maintenance and Repair Services - Office Equipment		1,380	
Custodial Supplies		1,923	
Drugs and Medical Supplies		2,480	
Natural Gas		1,973	
Office Supplies		540	
Utilities		18,891	
Other Supplies and Materials		1,173	
Liability Insurance		3,099	

(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.)

Workers' Compensation Insurance	\$	380	
Other Charges		3,964	
Total Local Health Center			\$ 74,986

Rabies and Animal Control

Supervisor/Director	\$	32,746	
Part-time Personnel		61,259	
Other Salaries and Wages		37,199	
Social Security		7,913	
Pensions		3,521	
Life Insurance		364	
Medical Insurance		15,045	
Dental Insurance		683	
Unemployment Compensation		391	
Employer Medicare		1,881	
Other Contracted Services		310	
Workers' Compensation Insurance		2,162	
Total Rabies and Animal Control			163,474

Ambulance/Emergency Medical Services

Other Contracted Services	\$	116,039	
Total Ambulance/Emergency Medical Services			116,039

Other Local Health Services

Longevity Pay	\$	1,200	
Other Salaries and Wages		149,769	
Social Security		9,207	
Pensions		6,939	
Life Insurance		468	
Medical Insurance		20,061	
Dental Insurance		863	
Unemployment Compensation		239	
Employer Medicare		2,153	
Travel		763	
Liability Insurance		984	
Workers' Compensation Insurance		379	
Total Other Local Health Services			193,025

Appropriation to State

Contracts with Government Agencies	\$	36,916	
Total Appropriation to State			36,916

Sanitation Management

Contracts with Government Agencies	\$	1,542	
Total Sanitation Management			1,542

(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

Longevity Pay	\$	300	
Other Salaries and Wages		20,829	
Social Security		1,231	
Unemployment Compensation		35	
Employer Medicare		288	
Instructional Supplies and Materials		6,753	
Other Supplies and Materials		2,804	
Total Sanitation Education/Information	\$		32,240

Other Public Health and Welfare

Other Supplies and Materials	\$	3,727	
Other Charges		885	
Total Other Public Health and Welfare			4,612

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	\$	3,095	
Contributions		38,296	
Dues and Memberships		310	
Travel		2,500	
Office Supplies		679	
Office Equipment		799	
Total Agricultural Extension Service			45,679

Forest Service

Contributions	\$	800	
Total Forest Service			800

Soil Conservation

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

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations

Tourism

Other Charges	\$ 500	
Total Tourism		\$ 500

Industrial Development

Contributions	\$ 65,000	
Other Charges	1,965	
Total Industrial Development		66,965

Veterans' Services

Supervisor/Director	\$ 600	
Total Veterans' Services		600

Contributions to Other Agencies

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

Employee Benefits

Employee and Dependent Insurance	\$ 5,615	
Workers' Compensation Insurance	13,286	
Total Employee Benefits		18,901

COVID-19 Grant #2

Deputy(ies)	\$ 10,505	
Contracts with Government Agencies	962	
Maintenance and Repair Services - Buildings	1,075	
Law Enforcement Supplies	750	
Office Supplies	1,584	
Other Charges	405	
Office Equipment	650	
Other Capital Outlay	9,050	
Total COVID-19 Grant #2		24,981

COVID-19 Grant #10

Other Supplies and Materials	\$ 3,512	
Total COVID-19 Grant #10		3,512

Miscellaneous

Contributions	\$ 2,250	
Total Miscellaneous		2,250

Total General Fund		\$ 7,661,016
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Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Communication	\$ 2,042	
Contracts with Private Agencies	338,811	

(Continued)

Exhibit J-7

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

<u>Solid Waste/Sanitation Fund (Cont.)</u>			
<u>Public Health and Welfare (Cont.)</u>			
<u>Sanitation Management (Cont.)</u>			
Operating Lease Payments	\$	44,871	
Rentals		1,345	
Other Contracted Services		30,000	
Electricity		4,550	
Liability Insurance		541	
Trustee's Commission		9,051	
Workers' Compensation Insurance		617	
Site Development		37,044	
Total Sanitation Management			\$ 468,872
Total Solid Waste/Sanitation Fund			\$ 468,872
<u>Drug Control Fund</u>			
<u>Finance</u>			
<u>Other Finance</u>			
Trustee's Commission	\$	269	
Total Other Finance			\$ 269
<u>Public Safety</u>			
<u>Sheriff's Department</u>			
Deputy(ies)	\$	2,365	
Longevity Pay		200	
Social Security		196	
Unemployment Compensation		34	
Employer Medicare		42	
Communication		323	
Confidential Drug Enforcement Payments		3,000	
Dues and Memberships		300	
Maintenance and Repair Services - Equipment		204	
Maintenance and Repair Services - Vehicles		379	
Towing Services		495	
Travel		440	
Veterinary Services		457	
Animal Food and Supplies		412	
Tires and Tubes		553	
Uniforms		300	
Law Enforcement Equipment		1,339	
Total Sheriff's Department			11,039
Total Drug Control Fund			11,308
<u>Constitutional Officers - Fees Fund</u>			
<u>Administration of Justice</u>			
<u>Chancery Court</u>			
Special Commissioner Fees/Special Master Fees	\$	585	
Total Chancery Court			\$ 585
Total Constitutional Officers - Fees Fund			585

(Continued)

Exhibit J-7

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	81,368	
Accountants/Bookkeepers		80,096	
Overtime Pay		2,556	
Bonus Payments		700	
Other Salaries and Wages		4,680	
Social Security		9,834	
Pensions		12,718	
Life Insurance		468	
Medical Insurance		25,974	
Dental Insurance		863	
Unemployment Compensation		56	
Employer Medicare		2,300	
Communication		5,073	
Evaluation and Testing		1,491	
Postal Charges		287	
Travel		4,117	
Data Processing Supplies		272	
Office Supplies		999	
Other Charges		3,180	
Office Equipment		856	
Total Administration			\$ 237,888

Highway and Bridge Maintenance

Foremen	\$	16,651	
Laborers		449,050	
Overtime Pay		15,246	
Bonus Payments		4,600	
Other Salaries and Wages		16,655	
Social Security		30,136	
Pensions		36,750	
Life Insurance		2,171	
Medical Insurance		89,622	
Dental Insurance		3,965	
Unemployment Compensation		377	
Employer Medicare		7,048	
Asphalt		208,495	
Crushed Stone		40,119	
Other Road Materials		18,989	
Pipe		8,276	
Salt		5,780	
Total Highway and Bridge Maintenance			953,930

Operation and Maintenance of Equipment

Mechanic(s)	\$	42,025	
Overtime Pay		2,761	
Bonus Payments		300	
Social Security		2,720	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Pensions	\$	3,535	
Life Insurance		156	
Medical Insurance		6,687	
Dental Insurance		288	
Unemployment Compensation		21	
Employer Medicare		636	
Rentals		10,469	
Diesel Fuel		39,527	
Electricity		8,104	
Equipment and Machinery Parts		49,839	
Garage Supplies		1,711	
Gasoline		19,250	
Lubricants		3,138	
Natural Gas		3,562	
Propane Gas		114	
Tires and Tubes		17,345	
Uniforms		10,885	
Other Charges		851	
Total Operation and Maintenance of Equipment			\$ 223,924

Other Charges

Dues and Memberships	\$	2,582	
Maintenance Agreements		10,867	
Maintenance and Repair Services - Buildings		2,978	
Trustee's Commission		24,297	
Vehicle and Equipment Insurance		28,011	
Workers' Compensation Insurance		49,427	
Total Other Charges			118,162

Capital Outlay

Highway Equipment	\$	816,309	
State Aid Projects		121,916	
Total Capital Outlay			<u>938,225</u>

Total Highway/Public Works Fund \$ 2,472,129

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	1,540,000	
Principal on Notes		419,000	
Total General Government			\$ 1,959,000

Highways and Streets

Principal on Notes	\$	29,100	
Total Highways and Streets			29,100

(Continued)

Exhibit J-7

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

<u>General Debt Service Fund (Cont.)</u>		
<u>Principal on Debt (Cont.)</u>		
<u>Education</u>		
Principal on Bonds	\$ 175,000	
Total Education		\$ 175,000
 <u>Interest on Debt</u>		
<u>General Government</u>		
Interest on Bonds	\$ 655,295	
Interest on Notes	37,886	
Total General Government		693,181
 <u>Highways and Streets</u>		
Interest on Notes	\$ 4,908	
Total Highways and Streets		4,908
 <u>Education</u>		
Interest on Bonds	\$ 74,707	
Total Education		74,707
 <u>Other Debt Service</u>		
<u>General Government</u>		
Trustee's Commission	\$ 43,435	
Other Debt Service	300	
Total General Government		43,735
Total General Debt Service Fund		\$ 2,979,631
 <u>General Capital Projects Fund</u>		
<u>Other Debt Service</u>		
<u>Education</u>		
Underwriter's Discount	\$ 67,591	
Other Debt Issuance Charges	60,133	
Total Education		\$ 127,724
 <u>Capital Projects - Donated</u>		
<u>Capital Projects Donated to School Department</u>		
Contributions	\$ 5,001,807	
Total Capital Projects Donated to School Department		5,001,807
Total General Capital Projects Fund		5,129,531
 <u>Community Development/Industrial Park Fund</u>		
<u>Capital Projects</u>		
<u>Other General Government Projects</u>		
Other Contracted Services	\$ 365,559	
Total Other General Government Projects		\$ 365,559
Total Community Development/Industrial Park Fund		365,559
Total Governmental Funds - Primary Government		<u>\$ 19,088,631</u>

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, 2020

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 6,079,813	
Career Ladder Program	22,664	
Homebound Teachers	4,648	
Educational Assistants	184,001	
Other Salaries and Wages	136,414	
Certified Substitute Teachers	38,312	
Non-certified Substitute Teachers	38,878	
Social Security	395,626	
Pensions	638,773	
Life Insurance	5,838	
Medical Insurance	907,161	
Dental Insurance	10,958	
Employer Medicare	95,684	
Other Contracted Services	19,488	
Instructional Supplies and Materials	148,882	
Textbooks - Bound	182,603	
Other Supplies and Materials	17,032	
Fee Waivers	19,505	
Other Charges	25,981	
Regular Instruction Equipment	149,971	
Total Regular Instruction Program		\$ 9,122,232

Alternative Instruction Program

Teachers	\$ 59,686	
Social Security	3,701	
Pensions	6,345	
Life Insurance	40	
Employer Medicare	865	
Total Alternative Instruction Program		70,637

Special Education Program

Teachers	\$ 816,331	
Educational Assistants	94,052	
Speech Pathologist	188,157	
Certified Substitute Teachers	7,899	
Non-certified Substitute Teachers	4,131	
Social Security	63,092	
Pensions	110,637	
Life Insurance	1,146	
Medical Insurance	209,539	
Dental Insurance	2,684	
Employer Medicare	14,755	
Instructional Supplies and Materials	3,695	
Other Supplies and Materials	11,356	
Special Education Equipment	1,177	
Total Special Education Program		1,528,651

(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	\$	610,149	
Career Ladder Program		2,000	
Educational Assistants		23,937	
Certified Substitute Teachers		1,462	
Non-certified Substitute Teachers		5,111	
Social Security		36,140	
Pensions		62,628	
Life Insurance		567	
Medical Insurance		104,784	
Dental Insurance		828	
Employer Medicare		8,452	
Maintenance and Repair Services - Equipment		2,481	
Other Contracted Services		2,713	
Instructional Supplies and Materials		16,322	
Other Supplies and Materials		988	
Vocational Instruction Equipment		37,122	
Total Career and Technical Education Program			\$ 915,684

Support Services

Attendance

Supervisor/Director	\$	76,191	
Career Ladder Program		2,000	
Social Security		4,724	
Pensions		8,100	
Life Insurance		40	
Medical Insurance		6,300	
Dental Insurance		120	
Employer Medicare		1,105	
Travel		640	
Total Attendance			99,220

Health Services

Medical Personnel	\$	112,990	
Other Salaries and Wages		110,367	
Social Security		12,927	
Pensions		19,464	
Life Insurance		324	
Medical Insurance		43,598	
Dental Insurance		240	
Employer Medicare		3,023	
Travel		2,920	
Drugs and Medical Supplies		7,194	
Other Supplies and Materials		2,166	
Other Charges		2,058	
Total Health Services			317,271

(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	\$	2,000	
Guidance Personnel		336,046	
Psychological Personnel		49,722	
School Resource Officer		84,350	
Other Salaries and Wages		24,206	
Social Security		25,210	
Pensions		43,855	
Life Insurance		363	
Medical Insurance		49,955	
Dental Insurance		240	
Employer Medicare		5,775	
Evaluation and Testing		6,802	
Food Supplies		46	
Other Supplies and Materials		17,125	
Other Charges		100	
Total Other Student Support			\$ 645,795

Regular Instruction Program

Supervisor/Director	\$	151,029	
Career Ladder Program		3,000	
Librarians		300,675	
Social Security		27,502	
Pensions		48,336	
Life Insurance		324	
Medical Insurance		33,850	
Dental Insurance		600	
Employer Medicare		6,432	
Travel		15,150	
Other Contracted Services		564	
Other Supplies and Materials		1,209	
In Service/Staff Development		25,987	
Other Equipment		1,000	
Total Regular Instruction Program			615,658

Special Education Program

Supervisor/Director	\$	79,160	
Career Ladder Program		1,000	
Secretary(ies)		39,800	
Social Security		7,104	
Pensions		11,643	
Life Insurance		81	
Medical Insurance		15,228	
Dental Insurance		240	
Employer Medicare		1,661	
Travel		5,305	
Other Contracted Services		10,117	
In Service/Staff Development		6,930	
Total Special Education Program			178,269

(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	\$	72,922	
Secretary(ies)		30,130	
Social Security		5,620	
Pensions		9,977	
Life Insurance		81	
Medical Insurance		26,750	
Dental Insurance		120	
Employer Medicare		1,314	
Maintenance and Repair Services - Equipment		493	
Travel		1,511	
Total Career and Technical Education Program			\$ 148,918

Technology

Supervisor/Director	\$	65,529	
Computer Programmer(s)		135,430	
Data Processing Personnel		29,712	
Other Salaries and Wages		4,000	
Social Security		13,967	
Pensions		19,873	
Life Insurance		231	
Medical Insurance		38,575	
Dental Insurance		384	
Employer Medicare		3,267	
Internet Connectivity		39,171	
Travel		171	
Data Processing Supplies		22,006	
Other Supplies and Materials		23,876	
Total Technology			396,192

Other Programs

On-behalf Payments to OPEB	\$	52,975	
Total Other Programs			52,975

Board of Education

Secretary to Board	\$	30,365	
Other Salaries and Wages		96,286	
Board and Committee Members Fees		5,580	
Social Security		5,772	
Pensions		2,381	
Life Insurance		40	
Medical Insurance		7,290	
Dental Insurance		120	
Unemployment Compensation		1,144	
Employer Medicare		1,350	
Audit Services		9,017	
Dues and Memberships		9,417	

(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.)

Legal Services	\$	18,000	
Travel		10,213	
Maintenance and Repair Services - Records		6,585	
Other Contracted Services		2,500	
Other Supplies and Materials		575	
Liability Insurance		43,017	
Trustee's Commission		104,640	
Workers' Compensation Insurance		138,020	
Criminal Investigation of Applicants - TBI		35	
Other Charges		4,450	
Total Board of Education			\$ 496,797

Director of Schools

County Official/Administrative Officer	\$	115,500	
Assistant(s)		39,484	
Career Ladder Extended Contracts		1,000	
Secretary(ies)		28,399	
Social Security		11,222	
Pensions		18,152	
Life Insurance		126	
Medical Insurance		20,885	
Dental Insurance		96	
Employer Medicare		2,624	
Other Fringe Benefits		5,819	
Dues and Memberships		2,199	
Travel		7,117	
Office Supplies		217	
Administration Equipment		815	
Total Director of Schools			253,655

Office of the Principal

Principals	\$	413,973	
Career Ladder Program		1,000	
Accountants/Bookkeepers		49,450	
Assistant Principals		244,084	
Secretary(ies)		145,130	
Social Security		50,109	
Pensions		84,369	
Life Insurance		723	
Medical Insurance		139,397	
Dental Insurance		1,231	
Employer Medicare		11,719	
Total Office of the Principal			1,141,185

Fiscal Services

Accountants/Bookkeepers	\$	91,752	
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(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.)

Fiscal Services (Cont.)

Social Security	\$	5,559	
Pensions		7,193	
Life Insurance		81	
Medical Insurance		13,308	
Dental Insurance		120	
Employer Medicare		1,300	
Travel		127	
Other Contracted Services		11,517	
Data Processing Supplies		1,563	
Office Supplies		1,682	
Other Charges		1,777	
Administration Equipment		1,777	
Total Fiscal Services			\$ 137,756

Operation of Plant

Supervisor/Director	\$	38,336	
Custodial Personnel		527,637	
Social Security		32,860	
Pensions		37,787	
Life Insurance		906	
Medical Insurance		126,450	
Dental Insurance		720	
Employer Medicare		7,685	
Disposal Fees		31,781	
Other Contracted Services		16,090	
Custodial Supplies		53,826	
Electricity		550,684	
Natural Gas		63,545	
Water and Sewer		44,989	
Boiler Insurance		6,715	
Building and Contents Insurance		122,337	
Total Operation of Plant			1,662,348

Maintenance of Plant

Supervisor/Director	\$	51,510	
Maintenance Personnel		125,513	
Social Security		10,117	
Pensions		13,505	
Life Insurance		200	
Medical Insurance		36,720	
Dental Insurance		217	
Employer Medicare		2,366	
Maintenance and Repair Services - Buildings		86,662	
Maintenance and Repair Services - Equipment		33,414	
Maintenance and Repair Services - Vehicles		3,980	
Other Contracted Services		42,537	

(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.)

Equipment and Machinery Parts	\$	45,385	
General Construction Materials		3,769	
Other Supplies and Materials		19,124	
Other Charges		1,277	
Administration Equipment		7,088	
Maintenance Equipment		28,876	
Total Maintenance of Plant			\$ 512,260

Transportation

Supervisor/Director	\$	46,896	
Mechanic(s)		40,967	
Bus Drivers		263,726	
Social Security		22,181	
Pensions		22,973	
Life Insurance		84	
Medical Insurance		18,201	
Dental Insurance		242	
Employer Medicare		5,192	
Medical and Dental Services		2,210	
Other Contracted Services		5,409	
Diesel Fuel		85,862	
Garage Supplies		2,379	
Gasoline		12,187	
Lubricants		1,334	
Tires and Tubes		10,904	
Vehicle Parts		60,383	
Other Supplies and Materials		8,389	
Vehicle and Equipment Insurance		37,771	
Other Charges		4,990	
Transportation Equipment		82,757	
Total Transportation			735,037

Central and Other

Communication	\$	49,659	
Postal Charges		3,252	
Other Contracted Services		8,693	
Office Supplies		3,034	
Other Supplies and Materials		1,680	
Other Charges		147	
Total Central and Other			66,465

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	4,117	
Teachers		6,484	
Clerical Personnel		3,532	

(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	\$	17,383	
Other Salaries and Wages		12,782	
Social Security		1,973	
Pensions		2,896	
Employer Medicare		461	
Travel		348	
Instructional Supplies and Materials		4,546	
Other Supplies and Materials		454	
In Service/Staff Development		1,662	
Total Community Services			\$ 56,638

Early Childhood Education

Supervisor/Director	\$	56,243	
Teachers		229,373	
Educational Assistants		136,783	
Other Salaries and Wages		3,307	
Social Security		24,893	
Pensions		40,896	
Life Insurance		606	
Medical Insurance		83,107	
Dental Insurance		1,112	
Employer Medicare		5,822	
Travel		252	
Instructional Supplies and Materials		6,240	
In Service/Staff Development		1,073	
Other Charges		2,831	
Total Early Childhood Education			<u>592,538</u>

Total General Purpose School Fund \$ 19,746,181

School Federal Projects Fund

Instruction

Regular Instruction Program

Educational Assistants	\$	39,389	
Other Salaries and Wages		286,526	
Social Security		2,393	
Pensions		2,304	
Life Insurance		81	
Medical Insurance		12,060	
Dental Insurance		120	
Employer Medicare		560	
Other Fringe Benefits		252	
Instructional Supplies and Materials		96,037	
Software		23,967	
Regular Instruction Equipment		46,649	
Total Regular Instruction Program			\$ 510,338

(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.)

Special Education Program

Teachers	\$	84,465	
Educational Assistants		396,741	
Social Security		27,033	
Pensions		35,233	
Life Insurance		1,200	
Medical Insurance		156,170	
Dental Insurance		1,681	
Employer Medicare		6,316	
Other Fringe Benefits		672	
Instructional Supplies and Materials		3,150	
Other Supplies and Materials		1,860	
Special Education Equipment		2,704	
Total Special Education Program			\$ 717,225

Career and Technical Education Program

Instructional Supplies and Materials	\$	1,200	
Other Supplies and Materials		3,733	
Vocational Instruction Equipment		61,508	
Total Career and Technical Education Program			66,441

Support Services

Other Student Support

Other Salaries and Wages	\$	7,500	
Social Security		452	
Pensions		748	
Employer Medicare		106	
Travel		1,447	
Other Supplies and Materials		299	
In Service/Staff Development		2,277	
Total Other Student Support			12,829

Regular Instruction Program

Supervisor/Director	\$	78,855	
Secretary(ies)		39,799	
Other Salaries and Wages		56,934	
Social Security		9,955	
Pensions		16,760	
Life Insurance		142	
Medical Insurance		12,600	
Dental Insurance		360	
Employer Medicare		2,328	
Other Fringe Benefits		1,180	
Consultants		14,064	
Library Books/Media		4,462	
Other Supplies and Materials		45	
In Service/Staff Development		40,976	
Total Regular Instruction Program			278,460

(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.)

Special Education Program

Contracts with Other Public Agencies	\$	2,620	
Other Supplies and Materials		2,716	
In Service/Staff Development		4,423	
Total Special Education Program			\$ 9,759

Career and Technical Education Program

In Service/Staff Development	\$	639	
Total Career and Technical Education Program			639

Transportation

Other Salaries and Wages	\$	7,175	
Social Security		430	
Pensions		320	
Life Insurance		8	
Medical Insurance		400	
Dental Insurance		23	
Employer Medicare		101	
Total Transportation			8,457

Total School Federal Projects Fund \$ 1,604,148

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	63,642	
Clerical Personnel		31,114	
Cafeteria Personnel		356,454	
Other Salaries and Wages		12,400	
Social Security		28,084	
Pensions		21,261	
Life Insurance		364	
Medical Insurance		42,910	
Dental Insurance		360	
Employer Medicare		6,509	
Licenses		480	
Maintenance Agreements		6,849	
Maintenance and Repair Services - Equipment		7,629	
Travel		221	
Other Contracted Services		67,548	
Food Preparation Supplies		39,132	
Food Supplies		507,512	
Office Supplies		1,708	
Uniforms		1,674	
USDA - Commodities		70,454	
Other Supplies and Materials		19,625	
Trustee's Commission		105	

(Continued)

Exhibit J-8

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

<u>Central Cafeteria Fund (Cont.)</u>		
<u>Operation of Non-Instructional Services (Cont.)</u>		
<u>Food Service (Cont.)</u>		
In Service/Staff Development	\$	9,999
Other Charges		33,047
Food Service Equipment		21,290
Total Food Service		<u>1,350,371</u>
Total Central Cafeteria Fund		\$ 1,350,371
<u>Education Capital Projects Fund</u>		
<u>Capital Outlay</u>		
<u>Regular Capital Outlay</u>		
Architects	\$	198,661
Engineering Services		3,685
Building Construction		3,341,123
Total Regular Capital Outlay		<u>3,543,469</u>
Total Education Capital Projects Fund		<u>3,543,469</u>
Total Governmental Funds - Unicoi County School Department		<u>\$ 26,244,169</u>

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, 2020

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 1,963,705
Total Cash Receipts	<u>\$ 1,963,705</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 1,944,068
Trustee's Commissions	19,637
Total Cash Disbursements	<u>\$ 1,963,705</u>
 Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ 0
Cash Balance, July 1, 2019	<u>0</u>
 Cash Balance, June 30, 2020	<u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



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, 2020, 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 30, 2020.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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: 2020-002(C)(D)(E)(F), and 2020-003.

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items 2020-001 and 2020-002(A)(B).

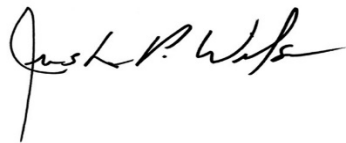
Unicoi County's Responses to the Findings

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 30, 2020

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, 2020. 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, 2020.

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.

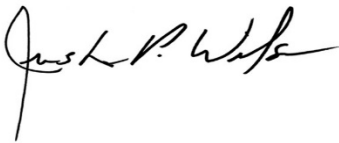
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the

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, 2020, and the related notes to the financial statements, which collectively comprise Unicoi County's basic financial statements. We issued our report thereon dated October 30, 2020, 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 30, 2020

JPW/tg

Unicoi County, Tennessee, and the Unicoi County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3)
For the Year-Ended June 30, 2020

Federal/Pass-Through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Programs:			
Forest Service Schools and Roads Cluster: (5)			
Schools and Roads - Grants to States	10.665	N/A	\$ 71,616
Passed-through State Department of Education:			
Child Nutrition Cluster: (5)			
School Breakfast Program	10.553	N/A	328,962 (7)
COVID 19 - School Breakfast Program	10.553	N/A	47,854 (7)
National School Lunch Program	10.555	N/A	622,665 (7)
COVID 19 - National School Lunch Program	10.555	N/A	240,348 (7)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	70,454 (7)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-20-63206-00	33,411 (8)
Total U.S. Department of Agriculture			<u>\$ 1,415,310</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Housing Development Agency:			
Home Investment Partnerships Program	14.239	HM-1516-30	\$ 365,559
Total U.S. Department of Housing and Urban Development			<u>\$ 365,559</u>
U.S. Department of the Interior:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	N/A	\$ 100,931
Total U.S. Department of the Interior			<u>\$ 100,931</u>
U.S. Department of Justice Assistance:			
Direct Program:			
Bulletproof Vest Partnership Program	16.607	N/A	\$ 7,150
Total U.S. Department of Justice Assistance			<u>\$ 7,150</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Safety Cluster: (5)			
State and Community Highway Safety	20.600	(4)	\$ 275
Total U.S. Department of Transportation			<u>\$ 275</u>
Appalachian Regional Commission:			
Passed-through Governor's Books from Birth Foundation:			
Appalachian Regional Development	23.001	(4)	\$ 4,550
Total Appalachian Regional Commission			<u>\$ 4,550</u>
U.S. Department of Education:			
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	(6)	\$ 81,890
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	664,669
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	N/A	716,812
Special Education - Preschool Grants	84.173	N/A	59,892
Impact Aid	84.041	N/A	218,677
Career and Technical Education-Basic Grants to States	84.048	N/A	70,804
Twenty-first Century Community Learning Centers	84.287	(4)	51,336
Improving Teacher Quality State Grants	84.367	N/A	89,088
Student Support and Academic Enrichment Program	84.424	N/A	34,792
Passed-through Greeneville City School Department:			
English Language Acquisition Grants	84.365	(4)	9,356
Total U.S. Department of Education			<u>\$ 1,997,316</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
COVID 19 - 2018 HAVA Election Security Grants	90.404	(4)	\$ 1,716
Total U.S. Election Assistance Commission			<u>\$ 1,716</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Family Planning Services	93.217	GG-20-63206-00	\$ 2,879 (8)
Medicaid Cluster: (5)			
Medical Assistance Program	93.778	GG-20-63206-00	15,314 (8)
Maternal and Child Health Services Block Grant to the States	93.994	GG-20-63206-00	3,871 (8)
Total U.S. Department of Health and Human Services			<u>\$ 22,064</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
COVID 19 - Disaster Relief Fund - PPE	97.036	(4)	\$ 19,970
Emergency Management Performance Grants	97.042	(4)	23,500
Total U.S. Department of Homeland Security			<u>\$ 43,470</u>
Total Expenditures of Federal Grants			<u>\$ 3,958,341</u>
State Grants			
		Contract Number	
Juvenile Service Program - State Commission on Children and Youth	N/A	(4)	\$ 9,000
Rural Local Health Services - State Department of Health	N/A	GG-20-63206-00	124,352 (8)
Bridge Program - State Department of Transportation	N/A	(4)	120,981
State Aid Program - State Department of Transportation	N/A	(4)	121,013
Litter Program - State Department of Transportation	N/A	(4)	44,840
Litter Pickup Interstate Program - State Department of Transportation	N/A	CMA1828/1914	5,200
Coordinated School Health- State Department of Education	N/A	(4)	100,000
Safe Schools - State Department of Education	N/A	(4)	53,680
Early Childhood Education Project - State Department of Education	N/A	(4)	488,268
Safe Resource Officer - State Department of Education	N/A	(4)	35,000
Supporting Postsecondary Access in Rural Counties - State Department of Education	N/A	(4)	36,000
COVID 19 - PPE - State Department of Military	N/A	(4)	<u>6,657</u>
Total State Grants			<u>\$ 1,144,991</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 to not use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) No amounts (\$0) were passed-through to subrecipients.
- (4) Information not available.
- (5) Forest Service Schools and Roads Cluster total \$71,616;
Child Nutrition Cluster total \$1,310,283; Highway Safety Cluster total \$275;
Special Education Cluster total \$776,704; Medicaid Cluster total \$15,314.
- (6) Z-19-52719-00 - \$20,586; Z-20-52720-00 - \$61,304.
- (7) CFDA Totals: CFDA No. 10.553, \$376,816; CFDA No. 10.555, \$933,467.
- (8) Multi-service contract.

Unicoi County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2020

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, 2020.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
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OFFICE OF COUNTY MAYOR

2019	187	2019-001	Duties were not segregated adequately.	N/A	Corrected
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OFFICE OF ROAD SUPERINTENDENT

2019	188	2019-002	The office had purchasing deficiencies.	N/A	Part C. Corrected Part A., B., D., E., and F. Not Corrected - See Explanation on Corrective Action Plan
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Prior-year Federal Awards Findings

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

UNICOI COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2020

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 Number: 84.010 Title I Grants to Local Education Agencies
 - * CFDA Number: 84.041 Impact Aid
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 2020-001

A PAYROLL TAX DEPOSIT TO THE INTERNAL REVENUE SERVICE WAS NOT PROPERLY REMITTED RESULTING IN THE ASSESSMENT OF INTEREST AND PENALTIES TOTALING \$1,074

(Noncompliance Under *Government Auditing Standards*)

Unicoi County maintains a payroll clearing account with the bank to deposit employee payroll taxes due to the Internal Revenue Service (IRS), and the IRS automatically withdraws payment from the account. In June 2019, the county failed to deposit the IRS payment timely, and funds were not available when the IRS attempted withdrawal. As a result, the IRS assessed the county a penalty totaling \$1,074, which the county paid on August 7, 2019. This deficiency resulted from a lack of management oversight.

RECOMMENDATION

Federal payroll taxes should be deposited to the payroll clearing bank account and reported to the IRS in a timely manner to avoid interest and penalty assessments.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

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

OFFICE OF ROAD SUPERINTENDENT

FINDING 2020-002

THE OFFICE HAD PURCHASING DEFICIENCIES

(A. and B. – Noncompliance Under *Government Auditing Standards*; C. through F. – 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 39 disbursements totaling \$178,559 from a population of 635 vendor warrants totaling \$2,480,212.

Our examination revealed deficiencies in purchasing procedures related to bidding, the issuance of purchase orders, invoices being paid without proper documentation that the goods or services had been received, accounts that did not reflect the true nature of the expenditures, and sales taxes and late charges being paid. Based on our sample of 39 disbursement we noted the following specific deficiencies:

- A. We noted that bids were not obtained for the purchase of an asphalt paver. The department paid an initial payment of \$9,000, 6 monthly payments of \$1,500, and a final payment of \$170,976 in July 2020 for a total purchase price of \$188,976. We also noted instances where a contract was renegotiated instead of being rebid. We also noted instances where bids were solicited and received; however, no one bidder was awarded the bid for a specific item(s). Instead purchases were made from several different vendors who provide the same supplies and materials in-lieu of purchasing from a single vendor.
- B. During the year, the office paid for an emergency purchase of a vehicle totaling \$24,000. The office's emergency purchase policy allows for emergency purchases over \$10,000 without bids. However, the purchase and related documentation were not presented to the county commission, as required by the office's emergency purchase policy.
- C. We noted four instances where purchase orders were issued after purchases were made and eight instances where purchase orders were not issued at all. 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.
- D. We noted 20 instances where invoices were paid without documentation that goods had been received and/or services had been rendered. We also noted five instances where payments were made from billing statements without the supporting invoices.

These practices weaken controls over the purchasing process and increases the risks of paying for something that was never received.

- E. Six instances were noted where purchases were coded to accounts that did not reflect the true nature of the expenditures. Two of the six instances were credits from billing statements that were applied to different accounts than the original purchase. 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 five purchases even though the county has tax exempt status. Additionally, we noted late charges were assessed on two credit card billing statements and were paid once. The payment of sales tax and service charges increases the costs of goods and services and results in the unnecessary expenditure of county funds.

RECOMMENDATION

The office should properly award bid contracts to single bidders based on several criteria, including price, quality, availability, warranty, maintenance costs, experience, etc. Any emergency purchase should be made following the office's emergency purchase policy. 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 receipt of goods and services should be documented in accordance with the current policy. Expenditures, net of any applicable credits, should be coded to accounts that most appropriately reflect the true nature of the transactions. Expenditures should be supported with adequate original documentation prior to any payment. Sales tax should not be paid on department purchases and invoices should be processed in a timely fashion to avoid late charges.

MANAGEMENT'S RESPONSE – ROAD SUPERINTENDENT

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

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2020-003

THE OFFICE HAD PURCHASING DEFICIENCIES

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

Purchasing procedures for the 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. As a part of our audit procedures for determining whether the purchasing process was operating as

designed, we selected a sample of 30 disbursements totaling \$225,533 from a population of 2,812 vendor warrants totaling \$25,608,953. Our examination revealed the following deficiencies in purchasing procedures, which are the result of a lack of management oversight and the failure to follow established policies and procedures over purchasing.

- A. In 14 of 30 applicable instances, invoices were paid without documentation that goods had been received and/or services had been rendered. Invoices were not signed as documentation of receipt and/or approval. This practice weakens controls over the purchasing process and increases the risks of paying for goods and/or services that were not received or were not for school department purposes.
- B. The office paid invoices without canceling or marking them paid in four of 30 applicable instances.

RECOMMENDATION

To strengthen internal controls over purchasing procedures and to document purchasing commitments, documentation that goods have been received and/or services have been rendered should be maintained including signature indicating approval and/or receipt before invoices are paid, and all invoices should be cancelled when paid.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We concur with the audit finding. As stated in our corrective action plan, we are re-evaluating our policies and procedures in order to strengthen controls over purchasing procedures. This will be an ongoing process in order to provide the best method to prevent a re-occurrence.

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, 2020.

Unicoi County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2020

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

Finding Number	Title of Finding	Corrective Action Plan Page Number
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OFFICE OF COUNTY MAYOR

2020-001	A Payroll Tax Deposit to the Internal Revenue Service was not Properly Remitted Resulting in the Assessment of Interest and Penalties Totaling \$1,074	192
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OFFICE OF ROAD SUPERINTENDENT

2020-002	The Office had Purchasing Deficiencies	193
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OFFICE OF DIRECTOR OF SCHOOLS

2020-003	The Office had Purchasing Deficiencies	194
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Unicoi County

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

Garland "Bubba" Evely
County Mayor

Corrective Action Plan

FINDING: A Payroll Tax Deposit to the Internal Revenue Service was not properly remitted resulting in the assessment of interest and penalties.

Response and Corrective Action Plan Prepared by:

Garland Evely, County Mayor

Person Responsible for implementing the Corrective Action:

Garland Evely, County Mayor

Anticipated Completion Date of Corrective Action:

September 21, 2020

Repeat Finding:

No

Planned Corrective Action:

We have set up reminders on the computer in the outlook calendar and marked on our desk calendars. All staff will keep up with dates to pay taxes. We are also researching with Local Government our technology provider to see if the dates can be Red Flagged to make sure payment is made on time. The changes are effective immediately.

A handwritten signature in blue ink that reads "Garland Evely". The signature is written over a horizontal line.

County Mayor



Corrective Action Plan

FINDING: **The Office had Purchasing Deficiencies**

Response and Corrective Action Plan Prepared by:
Name, Title: Terry Haynes, Unicoi County Road Superintendent

Person Responsible for Implementing the Corrective Action:
Name, Title: Terry Haynes, Unicoi County Road Superintendent

Anticipated Completion Date of Corrective Action:
Date: October 1, 2020

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
We have been working on correcting findings

Planned Corrective Action:

- A. The purchasing policy for bid procedures will be reviewed and followed. Bid documentation will be filed and future purchases from state contracts will be documented.
- B. The purchasing policy will be followed and emergency purchases will be reviewed before the County Commission in accordance with policy.
- C. We will require that all applicable purchases have a purchase order before any goods or services are ordered.
- D. We are aware of finding and are in the process of correcting. Supporting invoices and documentation that goods and/or services are received will be filed before payments are made.
- E. A budget amendment has been made to utilize appropriate accounts in the future.
- F. Purchases will be reviewed, and no taxes or late fees will be paid in the future.

Signature: 



John English, Director of Schools
100 Nolichucky Ave
Erwin, TN 37650
Phone: (423)743-1600
Fax: (423)743-1615

September 21, 2020

In response to our School Department Audit for 2019-2020. We submit a Corrective Action Plan for the following:

Finding : The Office had Purchasing Deficiencies

- Response and Corrective Action Plan Prepared by: John English, Director of Schools
- Person Responsible for Implementing the Corrective Action: John English, Director of Schools
- Anticipated Completion Date of Corrective Action: Will be an ongoing process as we seek to provide the best method to prevent a reoccurrence.

Repeat Finding: No

Planned Corrective Action: We will be re-evaluating our policies and procedures in order to strengthen controls over purchasing procedures and to segregate duties to the extent possible using all available resources.

Very truly yours,

A handwritten signature in blue ink that reads "John English".

John English, Director of Schools

JE/dc

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.