

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 11, 2024
BONDS TO BE SOLD TUESDAY, MARCH 19, 2024 AT 10:30 A.M. E.T.

New Issues
Book-Entry Only

Rating: S&P Global Ratings "AA-"

In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the County, interest on the Bonds will be excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax except for certain corporations, as more fully described herein. For an explanation of certain tax consequences under federal law which may result from the ownership of the Bonds, see the discussion under the heading "Tax Matters" herein. Under existing law, the Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except Tennessee franchise and excise taxes. (See "Tax Matters" herein).

\$3,000,000*
UNICOI COUNTY, TENNESSEE
GENERAL OBLIGATION SCHOOL BONDS, SERIES 2024
(ULT) (BANK QUALIFIED)

Dated: Date of Issuance

Due: May 1, as shown below

Unicoi County, Tennessee (the "County") will issue its \$3,000,000* General Obligation School Bonds, Series 2024 (the "Bonds") in fully registered form, without coupons, and, when issued, the Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. Individual purchases of beneficial ownership interest in the Bonds will be made in book-entry form only, in denominations of \$5,000 or multiples thereof through DTC Participants. Interest on the Bonds will be payable semiannually on May 1 and November 1 of each year, commencing November 1, 2024*, calculated on the basis of a 360-day year consisting of twelve 30-day months.

Payments of principal of and interest on the Bonds are to be made to purchasers by DTC through the Participants (as such term is herein defined). Purchasers will not receive physical delivery of Bonds purchased by them. See "The Bonds-Book-Entry-Only System." Principal of and interest on the Bonds are payable by the County to the corporate trust office of U.S. Bank Trust Company, National Association, Nashville, Tennessee, as registration and paying agent (the "Registration Agent").

The Bonds shall be subject to redemption at the option of the County at any time on or after May 1, 2032, at a price of par plus accrued interest to the redemption date. The Bonds are payable on May 1 of each year as follows:

Maturity (May 1)	Principal*	Interest Rate	Price or Yield	CUSIP Number	Maturity (May 1)	Principal*	Interest Rate	Price or Yield	CUSIP Number
2025	\$95,000				2035	\$150,000			
2026	115,000				2036	155,000			
2027	120,000				2037	160,000			
2028	125,000				2038	160,000			
2029	125,000				2039	170,000			
2030	130,000				2040	175,000			
2031	135,000				2041	180,000			
2032	135,000				2042	185,000			
2033	140,000				2043	195,000			
2034	145,000				2044	205,000			

The Bonds will be "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the County are irrevocably pledged.

The Bonds are offered when, as and if issued, subject to the approval of the legality by Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel, whose opinion will be delivered with the Bonds. Certain legal matters will be passed upon for the County by Doug Shults, Esq., counsel to the County. Stephens Inc. is serving as Municipal Advisor to the County. The Bonds, in book-entry form, are expected to be available for delivery through Depository Trust Company in New York, New York, on or about April 4, 2024.*

March __, 2024

* Preliminary and Subject to Change

THIS PRELIMINARY OFFICIAL STATEMENT AND THE INFORMATION CONTAINED HEREIN ARE SUBJECT TO CHANGE, COMPLETION OR AMENDMENT WITHOUT NOTICE. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. As of this date, this Preliminary Official Statement has been deemed "final" by the County for purposes of SEC Rule 15c2-12(b)(1) except for the omission of certain information permitted by SEC Rule 15c2-12(b)(1).

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended (collectively, the “Official Statement”) by Unicoi County, Tennessee (the “County”), is an Official Statement with respect to the Bonds described herein that is deemed final by the County as of the date hereof (or of any such supplement or amendment). It is subject to completion with certain information to be established at the time of the sale of the Bonds as permitted by Rule 15c2-12 of the Securities and Exchange Commission.

No dealer, broker, salesman or other person has been authorized by the County or by Stephens Inc. (the “Municipal Advisor”) to give any information or make any representations other than those contained in this Official Statement and, if given or made, such information or representations with respect to the County or the Bonds must not be relied upon as having been authorized by the County or the Municipal Advisor. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities other than the securities offered hereby to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

This Official Statement should be considered in its entirety and no one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports or other documents are referred to herein, reference should be made to such statutes, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

The information and expressions of opinion in this Official Statement are subject to change without notice and neither the delivery of this Official Statement nor any sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date as of which information is given in this Official Statement.

In making an investment decision investors must rely on their own examination of the County and the terms of the offering, including the merits and risks involved. No registration statement relating to the Bonds has been filed with the Securities and Exchange Commission or with any state securities agency. The Bonds have not been approved or disapproved by the Commission or any state securities agency, nor has the Commission or any state securities agency passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

CUSIP data herein is subject to copyright 2014, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services (CGS), which is managed on behalf of The American Bankers Association by S&P Capital IQ. This information is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP numbers have been assigned by an independent company not affiliated with the County or the Underwriter and are included solely for the convenience of the registered owners of the applicable Bonds.

Neither the County nor the Underwriter is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

The material contained herein has been obtained from sources believed to be current and reliable, but the accuracy thereof is not guaranteed. The Official Statement contains statements which are based upon estimates, forecasts, and matters of opinion, whether or not expressly so described, and such statements are intended solely as such and not as representations of fact. All summaries of statutes, Resolution, and reports contained herein are made subject to all the provisions of said documents. The Official Statement is not to be construed as a contract with the purchasers of any of the Bonds.

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**Unicoi County, Tennessee
100 North Main Street, Suite 102
Erwin, Tennessee 37650**

Officials

Garland Eveley
County Mayor

Board of Commissioners

Gina Clark
Brian Delp
Wayne Edwards

Jamie Harris II
Jason Harris
Stephen Hendrix

Tim Lingerfelt
Cody Scott
Loren Thomas

County Officials

County Clerk
Trustee

Patty Treadway
Katie Bennett

Counsel for the County

Doug Shults, Esq.
Erwin, Tennessee

Bond Counsel

Bass, Berry & Sims PLC
Nashville, Tennessee

Registration and Paying Agent

U.S. Bank Trust Company, National Association
Nashville, Tennessee

Municipal Advisor

Stephens Inc.
Nashville, Tennessee

Underwriter

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NOTICE OF SALE

UNICOI COUNTY, TENNESSEE
GENERAL OBLIGATION SCHOOL BONDS, SERIES 2024
(ULT) (BANK QUALIFIED)

Notice is hereby given that the County Mayor of Unicoi County, Tennessee (the "County") will accept a written bid or electronic bid for the purchase of all, but not less than all, of the County's **\$3,000,000* GENERAL OBLIGATION SCHOOL BONDS, SERIES 2024** (the "Bonds") until:

10:30 A.M. E.T. on Tuesday, March 19, 2024

Written bids must be addressed and delivered to the County to the attention of the County Mayor, 100 North Main Avenue, Suite 102, Erwin, Tennessee 37650. Electronic bids must be submitted to PARITY® via the BiDCOMP Competitive Bidding System. No other form of bid or provider of electronic bidding services will be accepted. Such bids are to be publicly opened and read at such time and place on said day. For the purposes of both the written sealed bid process and the electronic bidding process, the time as maintained by BiDCOMP/PARITY® shall constitute the official time with respect to all bids submitted. If any provisions of this Notice of Sale conflict with information provided by BiDCOMP/PARITY® as the approved provider of electronic bidding services, this Notice of Sale shall control. ***The sale of all or any series of the Bonds on Tuesday, March 19, 2024, may be postponed prior to the time bids are to be received and as published on I-dealProspectus.com. If such postponement occurs, a later public sale may be held at the hour and place and on such date as communicated via I-dealProspectus.com upon forty-eight hours notice.***

The Bonds will be dated the date of delivery. The interest rate or rates on the Bonds shall not exceed 5% per annum and shall be payable semi-annually on May 1 and November 1, commencing November 1, 2024. No bid for the Bonds will be considered for less than 99% of par nor more than 125% of par, as described in the Detailed Notice of Sale. In addition, each maturity of Bonds must be reoffered at a price of not less than 98% of the par amount of such maturity. The Bonds will mature on May 1 in the years 2025 through 2044, with term bonds optional, and will be awarded on the sale date by the County Mayor to the bidder whose bid results in the lowest true interest cost on the Bonds. After opening the bids, the County reserves the right to adjust the principal amount of each maturity of the Bonds as described in the Detailed Notice of Sale.

The Bonds shall be subject to redemption at the option of the County at any time on or after May 1, 2032, at a price of par plus accrued interest to the redemption date.

The Bonds will be "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

In the event that the competitive sale requirements of applicable Treasury Regulations are not met, the County will require bidders to comply with the "hold-the-offering-price rule" for purposes of determining the issue price of the Bonds.

The Bonds and approving opinions of Bass, Berry & Sims PLC, Nashville, Tennessee, will be furnished at the expense of the County. Additional information, including the Official Statement and Detailed Notice of Sale, may be obtained from the undersigned at the office of the County Clerk, 100 North Main Avenue, Suite 102, Erwin, Tennessee 37650 or from Stephens Inc. Attention: Ashley McAnulty, One American Center, 3100 West End Avenue, Suite 630, Nashville, Tennessee 37203, Telephone: (615) 279-4334; Fax: (615) 279-4351.

Garland Evelyn
County Mayor

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DETAILED NOTICE OF SALE

UNICOI COUNTY, TENNESSEE

\$3,000,000* GENERAL OBLIGATION SCHOOL BONDS, SERIES 2024 (ULT) (BANK QUALIFIED)

Time and Place of Sale

Notice is hereby given that the County Mayor of Unicoi County, Tennessee (the "County") will accept a written bid or electronic bid for the purchase of all, but not less than all, of the **\$3,000,000* GENERAL OBLIGATION SCHOOL BONDS, SERIES 2024** (the "Bonds") until:

10:30 A.M. E.T. on Tuesday, March 19, 2024

The written bids must be addressed and delivered to the County to the attention of the County Mayor, 100 North Main Avenue, Suite 102, Erwin, Tennessee 37650. Electronic bids must be submitted to PARITY® via the BiDCOMP Competitive Bidding System. No other form of bid or provider of electronic bidding services will be accepted. Such bids are to be publicly opened and read at such time and place on said day. For the purposes of both the written sealed bid process and the electronic bidding process, the time as maintained by BiDCOMP/PARITY® shall constitute the official time with respect to all bids submitted. If any provisions of this Notice of Sale conflict with information provided by BiDCOMP/PARITY® as the approved provider of electronic bidding services, this Notice of Sale shall control. ***The sale of all or any series of the Bonds on Tuesday, March 19, 2024, may be postponed prior to the time bids are to be received and as published on I-dealProspectus.com. If such postponement occurs, a later public sale may be held at the hour and place and on such date as communicated via I-dealProspectus.com upon forty-eight hours notice.*** The Bonds will be awarded on such date by the County Mayor of the County.

Description of Bonds

The Bonds will be issued in fully registered, book-entry form (except as otherwise provided herein), without coupons, be dated the date of delivery, be issued, or reissued upon transfer, in \$5,000 denominations or multiples thereof, as shall be requested by the purchaser or transferor thereof, as appropriate, and will mature and be payable on May 1 of each year as follows:

<u>Year (May 1)*</u>	<u>Bonds*</u>	<u>Year (May 1)*</u>	<u>Bonds*</u>
2025	\$95,000	2035	\$150,000
2026	115,000	2036	155,000
2027	120,000	2037	160,000
2028	125,000	2038	160,000
2029	125,000	2039	170,000
2030	130,000	2040	175,000
2031	135,000	2041	180,000
2032	135,000	2042	185,000
2033	140,000	2043	195,000
2034	145,000	2044	205,000

Purpose and Authority of Bonds

The Bonds are being issued to finance the (i) constructing, renovating and equipping of County school facilities; (ii) payment of legal, fiscal, administrative, architectural and engineering costs incident to any

or all of the foregoing; (iii) acquisition of all property, real and personal, related to the foregoing; (iv) reimbursement to the appropriate fund of the County for prior expenditures for the foregoing costs, if applicable; and (v) payment of costs incident to the issuance and sale of the bonds. The Bonds are being issued under the constitution and statutes of the State of Tennessee, including Sections 49-3-1001, et seq., and pursuant to Resolution duly adopted by the Board of County Commissioners of the County on January 22, 2024.

Registration and Depository Participation

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. One Bond certificate for each maturity will be issued to the Depository Trust Company, New York, New York (“DTC”), and immobilized in its custody. The book-entry system will evidence beneficial ownership interests of the Bonds in the principal amount of \$5,000 and any integral multiple of \$5,000, with transfers of beneficial ownership interest effected on the records of DTC participants and, if necessary, in turn by DTC pursuant to rules and procedures established by DTC and its participants. The successful bidder, as a condition to delivery of the Bonds, shall be required to deposit the Bond certificates with DTC, registered in the name of Cede & Co., nominee of DTC. Interest on the Bonds will be payable semiannually on May 1 and November 1, beginning November 1, 2024, and principal of the Bonds will be payable, at maturity or upon redemption, to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Bonds by Participants of DTC, will be the responsibility of such participants and of the nominees of beneficial owners. The County will not be responsible or liable for such transfer of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In the event that the book-entry only system for the Bonds is discontinued and a successor securities depository is not appointed by the County, Bond Certificates in fully registered form will be delivered to, and registered in the names of, the DTC Participants or such other persons as such DTC participants may specify (which may be the indirect participants or beneficial owners), in authorized denominations of \$5,000 or integral multiples thereof. In addition, if the successful bidder for the Bonds certifies that it has no present intent to reoffer the Bonds, the Bonds may be issued in fully registered form only. The ownership of Bonds so delivered shall be registered in registration books to be kept by U.S. Bank Trust Company, National Association, Nashville, Tennessee as registration and paying agent (the “Registration Agent”), at its principal corporate office, and the County and the Registration Agent shall be entitled to treat the registered owners of the Bonds, as their names appear in such registration books as of the appropriate dates, as the owners thereof for all purposes described herein and in the Resolution authorizing the Bonds.

Optional Redemption

The Bonds shall be subject to redemption at the option of the County at any time on or after May 1, 2032, at a price of par plus accrued interest to the redemption date.

Designation of Term Bonds

The successful bidder for the Bonds shall have the option to designate certain consecutive serial maturities of the Bonds as one or more Term Bonds, each Term Bond bearing a single interest rate. If a successful bidder designates certain consecutive serial maturities to be combined into one or more Term Bonds, each Term Bond shall be subject to mandatory sinking fund redemption by the County at a redemption price equal to 100% of the principal amount thereof, together with accrued interest to the date

fixed for redemption at the rate stated in the Term Bonds to be redeemed. Each such mandatory sinking fund redemption shall be made on the date on which a consecutive maturity included as part of a Term Bond is payable in accordance with the proposal of the successful bidder for the Bonds and in the amount of the maturing principal installment for the Bonds listed above for such principal payment date.

Security and Sources of Payment

The Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the County are pledged.

Under Tennessee law, the County's legislative body is authorized to levy a tax on all taxable property within the County, or a portion thereof, without limitation as to rate or amount, and a referendum is neither required nor permitted to set the rate or amount. For a more complete statement of the general covenants and provisions to which the Bonds are issued, reference is hereby made to the Resolution authorizing the Bonds.

Submission of Bid

All bids submitted, electronic or otherwise, must be submitted as set forth under the heading **"Time and Place of Sale"**, set forth above.

A written bid for the Bonds must be enclosed in a sealed envelope bearing the name and address of the bidder, clearly and legibly marked on the outside "Bid for Bonds," and addressed and delivered to the following address:

Office of the County Mayor
100 North Main Avenue, Suite 102
Erwin, Tennessee 37650

Written bids must be submitted on the applicable Bid Form included with the Preliminary Official Statement or on a reasonable facsimile thereof. Electronic bids for the Bonds must be submitted to PARITY® via the BiDCOMP Competitive Bidding System. An electronic bid made through the facilities of BiDCOMP/PARITY® shall be deemed an offer to purchase in response to the Notice of Sale and shall be binding upon the bidder as if made by a signed sealed written bid made to the County. To the extent any instructions or directions set forth in BiDCOMP/PARITY® conflict with the terms of the Detailed Notice of Sale, the Detailed Notice of Sale shall prevail. The County shall not be responsible for any malfunction or mistake made by or as a result of the use of electronic bidding facilities. The use of such facilities is at the sole risk of the bidders. Subscription to I-Deal's BiDCOMP/PARITY® Competitive Bidding System by a bidder is required in order to submit an electronic bid. The County will not confirm any subscription or be responsible for the failure of any prospective bidder to subscribe. Both written bids and electronic bids must be unconditional and received by the office of the County Mayor and/or BiDCOMP/PARITY®, respectively, before the time stated above. Bidders shall be required to comply with the provisions regarding a Good Faith Deposit as described below in the section entitled "Good Faith Deposit". The County is not liable for any costs incurred in the preparation, delivery, acceptance or rejection of any bid, including, without limitation, the providing of a bid security deposit.

Form of Bids

All bids for the Bonds must be for not less than all of the Bonds. Bidders must bid not less than 99% of par nor greater than 125% of par for the Bonds. Bidders must specify the interest rate or rates the Bonds are to bear in multiples of one-hundredth (1/100th) or one-eighth (1/8th) of one percent (1%), but no rate specified for the Bonds shall be in excess of 5% per annum. There will be no limitation on the number of rates of interest which may be specified for the Bonds, but one rate of interest shall apply to all the Bonds of a maturity. In addition, each maturity of the Bonds must be reoffered at a price of not less than 98% of the par amount of such maturity. Bidders may designate two or more consecutive serial maturities as one or more Term Bond maturities equal in aggregate principal amount to, and with mandatory redemption requirements corresponding to, such designated serial maturities. Bidders must specify the reoffering prices or yields of each maturity.

Revised Maturity Schedule and/or Bid Parameters

The aggregate principal amount of the Bonds (the "Preliminary Aggregate Principal Amount") and the annual principal amounts of the Bonds (the "Preliminary Annual Principal Amounts" and collectively, with reference to the Preliminary Aggregate Principal Amounts, the "Preliminary Amounts") set forth in this Detailed Notice of Sale may be revised before the viewing of bids for the purchase of the Bonds, as may the bid parameters set forth herein. Any such revisions (in case of revised principal amounts, the "Revised Aggregate Principal Amount", the "Revised Annual Principal Amounts" and the "Revised Amounts") WILL BE GIVEN BY NOTIFICATION PUBLISHED ON www.I-dealProspectus.com NOT LATER THAN 5:00 P.M., E.T. ON THE DAY PRECEDING THE RECEIPT OF BIDS. In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts and will remain as stated in this Detailed Notice of Sale, and the bid parameters shall remain as set forth herein. BIDDERS SHALL SUBMIT BIDS BASED ON THE REVISED AMOUNTS AND BID PARAMETERS, IF ANY. Prospective bidders may request notification by facsimile transmission of any revisions in the Preliminary Amounts and bid parameters by so advising and faxing their telecopier number(s) to Stephens Inc., Municipal Advisor to the County, at (615) 279-4351 by 1:00 P.M., E.T., at least one day prior to the date for receipt of the bids.

Changes to Maturity Schedule

The County reserves the right to change the Revised Aggregate Principal Amounts of the Bonds after determination of the winning bidder. The County may increase or decrease the Revised Annual Principal Amount of each maturity of the Bonds without limitation. Such changes, if any, will determine the final annual principal amounts of Bonds (the "Final Annual Principal Amounts") and the final aggregate principal amount of Bonds (the "Final Aggregate Principal Amount"). The Final Aggregate Principal Amount of the Bonds will not exceed \$3,000,000. Any changes beyond those described above will only be made with the consent of the winning bidder.

The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the Final Aggregate Principal Amount of the Bonds. The interest rates specified by the successful bidder for the various maturities at the initial reoffering prices will not change. THE SUCCESSFUL BIDDER MAY NOT WITHDRAW THEIR BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE PRINCIPAL AMOUNTS WITHIN THESE LIMITS. The County anticipates that the Final Annual Principal Amounts of the Bonds and the Final Aggregate Principal Amount of the Bonds will be communicated to the successful bidder prior to the award of the Bonds. THE DOLLAR AMOUNT BID BY THE SUCCESSFUL BIDDER FOR THE PURCHASE OF THE BONDS WILL BE ADJUSTED TO REFLECT ANY CHANGE IN THE ANNUAL PRINCIPAL AMOUNTS BASED UPON THE

ASSUMPTION THAT THE COUPON RATES, REOFFERING PRICES, AND THE UNDERWRITER'S DISCOUNT (EXCLUDING ORIGINAL ISSUE DISCOUNT/PREMIUM) STATED AS A PERCENTAGE OF THE AGGREGATE PRINCIPAL AMOUNT, AS SPECIFIED BY THE SUCCESSFUL BIDDER WILL NOT CHANGE.

Basis of Award

If an award is made, the Bonds will be awarded to the bidder whose bid results in the lowest true interest cost to the County as determined by reference to the Revised Aggregate Principal Amounts, prior to post-sale adjustments, as discussed in the paragraph above. The lowest true interest cost of the Bonds will be calculated as that rate which when used in computing the present worth of all payments of principal and interest on the Bonds (compounded semi-annually from the dated date of the Bonds) produces a value equal to the purchase price of the Bonds. For the purpose of calculating the true interest cost, the principal amount of Term Bonds scheduled for mandatory sinking fund redemption as part of a Term Bond shall be treated as a serial maturity in each year. Each bidder is required to specify its calculation of the true interest cost resulting from its bid, but such information shall not be treated as part of its proposal.

In the event that two or more of the bidders offer to purchase the Bonds at the same lowest true interest cost, the County Mayor shall determine in his sole discretion which of the bidders shall be awarded the Bonds.

The County Mayor reserves the right to waive any irregularity or informality in any bid, and to reject any or all bids, and notice of rejection of any bid will be made promptly. Unless all bids are rejected, award of the Bonds will be made by the County Mayor on the sale date.

Good Faith Deposit

The successful bidder is required to submit, in the manner described below, a good faith deposit (the "Deposit") in the amount of \$60,000 to secure the faithful performance of the terms of the bid to purchase a series of the Bonds. The Deposit will be delivered to the County by wire transfer or certified check for the prescribed amount. The Deposit may be provided in the form of:

1. **Federal Funds Wire Transfer.** A federal funds wire transfer submitted to the County or the County's Municipal Advisor by the successful bidder by 3:00 p.m. E.T. on the day of the sale provided the County awards the bid by 1:00 P.M. E.T. otherwise the wire shall be received not later than 12:00 noon E.T. on the next business day following the award. The County Mayor reserves the right to adjust the time the deposit is to be received if there are problems with electronic transfers of funds or other acceptable reasons.
2. **Certified Check.** A bank certified check, bank cashier's check or a treasurer's check drawn upon an incorporated bank or trust company payable unconditionally to the order of the County. If a check is used, it must accompany a bid and be received by the time and date bids are required. If the successful bidder's Deposit is by check, the check will be deposited on the date of the sale.

Wire transfer instructions are available from Stephens Inc., Attn: Ashley McAnulty, One American Center, 3100 West End Avenue, Suite 630, Nashville, Tennessee 37203, Telephone (615) 279-4334 or (615) 279-4338; Fax: (615) 279-4351. In the event the successful bidder fails to timely submit the Deposit, the award may be terminated by the County Mayor, and the County Mayor in his discretion may award the Bonds to the bidder whose bid results in the next lowest true interest cost to the County as the lowest complying bidder or hold a subsequent sale of the Bonds. The County shall have no liability to any bidder who fails to properly submit a Deposit.

The Deposit of the successful bidder will be deposited by the County and the proceeds thereof credited with no interest allowed thereon against the total purchase price to be paid for the Bonds upon their delivery or retained as and for full liquidated damages if the successful bidder fails to accept delivery of and pay for the Bonds. Checks of unsuccessful bidders will be returned promptly upon the award of the Bonds. If a successful bidder fails to timely make the Deposit for the Bonds, the award may be terminated in the discretion of the County Mayor and the County shall be entitled to an amount equal to the Deposit as liquidated damages for failure of the successful bidder to comply with the terms of the award of the Bonds.

CUSIP

The County's municipal advisor will request that the CUSIP Service Bureau assign CUSIP identification numbers to the Bonds, which numbers will be printed on the Bonds. The winning bidder will be responsible for the costs of assigning CUSIP numbers to the Bonds. Neither the failure to print a CUSIP number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with this Detailed Notice of Sale.

Establishment of Issue Price

General. The winning bidder shall assist the County in establishing the issue price of the Bonds as more fully described herein. All actions to be taken by the County under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the County by the County's Municipal Advisor identified herein and any notice or report to be provided to the County may be provided to the County's Municipal Advisor.

Anticipated Compliance with Competitive Sale Requirements. The County anticipates that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- the County shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- all bidders shall have an equal opportunity to bid;
- the County expects to receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- the County anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

County Intention to Apply the Hold-the-Offering-Price Rule if Competitive Sale Requirements are Not Met. In the event that the competitive sale requirements are not satisfied with respect to the Bonds, the County intends to treat the initial offering prices of the Bonds to the public as the issue price of the Bonds (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity).

Application of the Hold-the-Offering-Price Rule. If the competitive sale requirements are not satisfied, then the successful bidder shall, on behalf of the underwriters participating in the purchase of the Bonds (i) confirm that the underwriters have offered or will offer each maturity of the Bonds to the public on or

before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- the close of the fifth (5th) business day after the sale date; or
- the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the County when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

The County acknowledges that, in making the agreements and representations set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The County further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

Definitions. Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- “public” means any person other than an underwriter or a related party,
- “underwriter” means (A) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the

Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

- a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- “sale date” means the date that the Bonds are awarded by the County to the winning bidder.

Issue Price Certificate. The winning bidder will be required to provide the County, at closing, with an issue price certificate consistent with the foregoing.

Provision of Information for the Official Statement

The successful bidders must furnish the following information to the County to complete the *Official Statement* in final form within 2 hours after receipt and award of the bids for the Bonds:

1. The initial offering prices or yields for the Bonds (expressed as a price or yield per maturity, exclusive of any accrued interest, if applicable);
2. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all the Bonds are sold at the prices or yields as provided above);
3. The identity of the underwriters if the successful bidders are part of a group or syndicate; and
4. Any other material information necessary to complete the Official Statement in final form but not known to the County.

Official Statement

The County will provide or cause to be provided to the successful bidder, either in electronic format or printed copies, the final official statement sufficient in quantity to enable the successful bidder to comply with SEC Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board. Said final official statements will be provided to the successful bidder not later than seven business days after the sale, or, if the County, or its Municipal Advisor, is notified that any confirmation requesting payment from any customer will be sent before the expiration of such period and specifying the date such confirmation will be sent the final official statements will be provided in sufficient time to accompany such confirmation.

Continuing Disclosure

The County will, at the time the Bonds are delivered, execute a Continuing Disclosure Agreement in which it will covenant for the benefit of holders and beneficial owners of the Bonds to (i) provide certain financial information and operating data relating to the County not later than twelve months after each of the County's fiscal years (the "Annual Report"), (ii) provide timely notice of the occurrence of certain enumerated events and (iii) provide timely notice of failure to timely provide any required financial information of the County. The Annual Report (and audited financial statements, if filed separately) and notices described above will be filed by the County with the Municipal Securities Rulemaking Board ("MSRB") at www.emma.msrb.org and with any State Information Depository established in the State of Tennessee (the "SID"). The specific nature of the information to be contained in the Annual Report or the notices of events will be summarized in the County's official statement to be prepared and distributed in connection with the sale of the Bonds.

Legal Opinion and Transcript

The book-entry Bonds and the approving opinion of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel (which will be delivered with the Bonds), together with the Bond transcript, including a certificate as to no litigation from the County dated as of the date of the delivery of the Bonds, will be furnished to the purchaser at the expense of the County. As set forth in the Official Statement and subject to the limitations set forth therein, bond counsel's opinion will include an opinion that interest on the Bonds will be (i) excluded from gross income for federal income tax purposes as it relates to the Bonds; and (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Owners of the Bonds, however, may be subject to certain additional taxes or tax consequences arising with respect to ownership of the Bonds. For a discussion thereof, reference is hereby made to the Official Statement and the forms of opinions contained therein.

Bank Qualification

The Bonds will be "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Delivery and Payment

The Bonds are expected to be ready for delivery within 28 days after the sale thereof, in book-entry form. At least five days' notice will be given to the successful bidder(s). Delivery will be made through the Depository Trust Company, New York, New York at the expense of the purchaser. Payment for the Bonds must be made in federal funds or other immediately available funds.

Further Information

Copies of the Preliminary Official Statement may be obtained from the undersigned at the office of the County's Finance/Budget Director, 100 North Main Avenue, Suite 102, Erwin, Tennessee 37650, or from Stephens Inc., Attn: Ashley McAnulty, One American Center, 3100 West End Avenue, Suite 630, Nashville, Tennessee 37203, Telephone: (615) 279-4334 or (615) 279-4338; Fax: (615) 279-4351.

Garland Evelyn
County Mayor

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In accordance with the terms of the Detailed Notice of Sale, we have or will make a good faith deposit for \$60,000 as set forth in the Detailed Notice of Sale, which is to be applied in accordance with the Detailed Notice of Sale. The good faith deposit may be provided in the form of:

1. **Federal Funds Wire Transfer.** A federal funds wire transfer submitted to the County or the County's Municipal Advisor by the successful bidder by 3:00 p.m. E.T. on the day of the sale provided the County awards the bid by 1:00 P.M. E.T. otherwise the wire shall be received not later than 12:00 noon E.T. on the next business day following the award. The County Mayor reserves the right to adjust the time the deposit is to be received if there are problems with electronic transfers of funds or other acceptable reasons.
2. **Certified Check.** A bank certified check, bank cashier's check or a treasurer's check drawn upon an incorporated bank or trust company payable unconditionally to the order of the County. If a check is used, it must accompany a bid and be received by the time and date bids are required. If the successful bidder's Deposit is by check, the check will be deposited on the date of the sale.

Wire transfer instructions are available from Stephens Inc., Attn: Ashley McNulty, One American Center, 3100 West End Avenue, Suite 630, Nashville, Tennessee 37203, Telephone (615) 279-4334 or (615) 279-4338; Fax: (615) 279-4351. If a successful bidder fails to timely make the Deposit for the Bonds, the award may be terminated in the discretion of the County Mayor and the County shall be entitled to an amount equal to the Deposit as liquidated damages for failure of the successful bidder to comply with the terms of the award of the Bonds. The County Mayor in his discretion may award the Bonds to the bidder whose bid results in the next lowest true interest cost to the County as the lowest complying bidder or hold a subsequent sale of the Bonds. The County shall have no liability to any bidder who fails to properly submit a Deposit.

In the event this bid is accepted and should for any reason we fail to comply with the terms of this bid, said deposit will be forfeited by us as full liquidated damages; otherwise, said deposit will be credited against the purchase price of the Bonds at closing. In the event the County Mayor fails to deliver the Bonds to us as described in the Detailed Notice of Sale, said deposit will be returned to us.

Accepted this _____ day of _____, 2024

Respectfully submitted,

County Mayor

Firm Name

Signature

Title

Telephone Number of Person to Submit Bid

The following is for information purposes only.

Total Interest Cost	
Plus discount or less premium, if any	
Net Interest Cost	
True Interest Rate (TIC)	

(The calculations of Net Interest Costs and True Interest Rate and the Reoffering Prices are for information purposes only and do not constitute a part of this bid.)

Summary Statement

This Summary is expressly qualified by the entire Official Statement, which should be viewed in its entirety by potential investors.

ISSUER	Unicoi County, Tennessee (the "County").
ISSUES	\$3,000,000* General Obligation School Bonds, Series 2024 (the "Bonds").
PURPOSE	The Bonds are being issued to finance the (i) constructing, renovating and equipping of County school facilities; (ii) payment of legal, fiscal, administrative, architectural and engineering costs incident to any or all of the foregoing; (iii) acquisition of all property, real and personal, related to the foregoing; (iv) reimbursement to the appropriate fund of the County for prior expenditures for the foregoing costs, if applicable; and (v) payment of costs incident to the issuance and sale of the bonds.
SECURITY	The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the County are irrevocably pledged.
DATED DATE	Settlement Date.
INTEREST DUE	Each May 1 and November 1, commencing November 1, 2024.*
PRINCIPAL DUE	May 1, 2025* through May 1, 2044*.
SETTLEMENT DATE	_____, 2024* (use for bidding purposes).
OPTIONAL REDEMPTION	The Bonds, shall be subject to redemption at the option of the County at any time on or after May 1, 2033*, at a price of par plus accrued interest to the redemption date.
RATING	"AA-" by S&P Global Ratings ("S&P") based on documents and other information provided by the County. The rating reflects only the view of S&P and neither the County, the Municipal Advisor nor the Underwriter makes any representations as to the appropriateness of such rating.

There is no assurance that such rating will continue for any given period of time or that it will not be lowered or withdrawn. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Bonds. Any explanation of the significance of the ratings may be obtained from S&P. See "Rating" herein

TAX MATTERS	In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the County, interest on the Bonds will be excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, except for certain corporations, as more fully described herein. For an explanation of certain tax consequences under federal law which may result from the ownership of the Bonds, see the discussion under the heading "Tax Matters" herein. Under existing law, the Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except Tennessee franchise and excise taxes. (See "Tax Matters" herein).
BANK QUALIFICATION.....	The Bonds will be "qualified tax-exempt obligations" pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended.
REGISTRATION AND PAYING AGENT	U.S. Bank Trust Company, National Association, Nashville, Tennessee.
MUNICIPAL ADVISOR.....	Stephens Inc.
UNDERWRITER.....	_____.

Official Statement

Unicoi County, Tennessee

\$3,000,000* General Obligation School Bonds, Series 2024 (ULT) (Bank Qualified)

Introduction

The Official Statement, including the cover page and appendices hereto, is furnished in connection with the issuance by Unicoi County, Tennessee (the "County") of \$3,000,000* General Obligation School Bonds, Series 2024 (the "Bonds").

The Bonds are issuable under and in full compliance with the constitution and statutes of the State of Tennessee, including Sections 49-3-1001, et seq., Tennessee Code Annotated, and pursuant to Resolution adopted by the Board of County Commissioners of the County on January 22, 2024 (the "Resolution") authorizing the execution, terms, issuance and sale of the Bonds.

This Official Statement includes descriptions of, among other matters, the Bonds, the Resolution, and the County. Such descriptions and information do not purport to be comprehensive or definitive. All references to the Resolution are qualified in their entirety by reference to the definitive documents, including the forms of the Bonds included in the Resolution. During the period of the offering of the Bonds, copies of the Resolution and any other documents described herein or in the Resolution may be obtained from the County. After delivery of the Bonds, copies of such documents will be available for inspection at the County Mayor 's office. All capitalized terms used in this Official Statement and not otherwise defined herein have the meanings set forth in the Resolution.

The Bonds

Description

The Bonds are being issued to finance the (i) constructing, renovating and equipping of County school facilities; (ii) payment of legal, fiscal, administrative, architectural and engineering costs incident to any or all of the foregoing; (iii) acquisition of all property, real and personal, related to the foregoing; (iv) reimbursement to the appropriate fund of the County for prior expenditures for the foregoing costs, if applicable; and (v) payment of costs incident to the issuance and sale of the bonds.

The Bonds will be issued as fully registered book-entry Bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof. The Bonds will be dated their date of issuance. Interest on the Bonds, at the rates per annum set forth on the cover page and calculated on the basis of a 360-day year, consisting of twelve 30-day months, will be payable semiannually on May 1 and November 1 of each year (herein an "Interest Payment Date"), commencing November 1, 2024*.

The Bonds will mature on the dates and in the amounts set forth on the cover page.

Registration and Payment

The Bonds will be initially registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. U.S. Bank Trust Company, National Association, Nashville, Tennessee (the "Registration Agent") will make all interest payments with respect to the Bonds on each Interest Payment Date directly to the registered owners as shown on the Bond registration records maintained by the Registration Agent as of

the close of business on the fifteenth day of the month next preceding the Interest Payment Date (the "Regular Record Date") by check or draft mailed to such owners at their addresses shown on said registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the County in respect of such Bonds to the extent of the payments so made. Payment of principal of the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable. In the event the Bonds are no longer registered in the name of DTC or its successor or assigns, if requested by the Owner of at least \$1,000,000 in aggregate principal amount of the Bonds, payment of interest on such Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

Any interest on any Bond which is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the County to the persons in whose names the Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: The County shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the County shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest. Thereupon, not less than ten (10) days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which date shall not be more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify the County of such Special Record Date and, in the name and at the expense of the County, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in the Resolution or in the Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the County to punctually pay or duly provide for the payment of principal of and interest on the Bonds when due.

Book-Entry-Only System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate for each maturity of the Bonds will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants'

accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has the following Standard & Poor’s rating: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts, upon DTC’s receipt of funds and corresponding detail information

from Issuer or Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registration Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of County or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the County or Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that County believes to be reliable, but County takes no responsibility for the accuracy thereof.

THE COUNTY AND THE REGISTRATION AGENT HAVE NO RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE BONDS; (III) THE DELIVERY OR TIMELINESS OF DELIVERY BY ANY PARTICIPANT OR ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO BONDHOLDERS; OR (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR CEDE & CO. AS BONDHOLDER.

Optional Redemption*

The Bonds maturing on or before May 1, 2032 shall mature without option of prior redemption, and Bonds maturing May 1, 2033 and thereafter, shall be subject to redemption prior to maturity at the option of the Municipality on May 1, 2032 and thereafter, as a whole or in part, at any time at the redemption price of par plus accrued interest to the redemption date.

Mandatory Redemption*

Subject to any credits as permitted by the terms of the Resolution, the County shall redeem Bonds maturing on May 1, ____, on the redemption dates set forth below opposite the maturity date, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Board of County Commissioners in its discretion. If less than all the Bonds within a single maturity shall be called for redemption, the Bonds within a single maturity shall be selected determined by DTC, or such successor Depository, by lot or such other manner as DTC or such successor Depository, shall determine in the event the Bonds are being held under a Book Entry System. If not held under a Book Entry System and if less than all the Bonds of a maturity shall be called for redemption, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the

Registration Agent shall elect. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

<u>Maturity</u>	<u>Redemption Date</u>	<u>Principal Amount to be Redeemed</u>
-----------------	------------------------	--

*Final Maturity

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the County may (i) deliver to the Registration Agent for cancellation Bonds of the maturity to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its mandatory redemption obligation for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (other than through mandatory redemption) and cancelled by the Registration Agent and not theretofore applied as a credit against any mandatory redemption obligation. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the County on such payment date, and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by mandatory redemption shall be accordingly reduced.

Notice of Redemption

Notice of call for redemption shall be given by the Registration Agent not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds for which proper notice was given. An optional redemption notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to affect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the County nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant will not affect the validity of such redemption. From and after any redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth in the Resolution. In the case of a Conditional Redemption, the failure of the County to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain Outstanding.

Security and Sources of Payment

The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the County are irrevocably pledged.

Under Tennessee law, the County's legislative body is authorized to levy a tax on all taxable property within the County, or a portion thereof, without limitation as to rate or amount, and a referendum is

neither required nor permitted to set the rate or amount. For a more complete statement of the general covenants and provisions pursuant to which the Bonds are issued, reference is hereby made to the respective Resolution.

Remedies of Bondholders

Under Tennessee law, any Bondholder has the right, in addition to all other rights:

(1) By mandamus or other suit, action or proceeding in any court of competent jurisdiction to enforce its rights against the County, including, but not limited to, the right to require the County to assess, levy and collect taxes adequate to carry out any agreement as to, or pledge of, such taxes, fees, rents, tolls, or other charges, and to require the County to carry out any other covenants and agreements, or

(2) By action or suit in equity, to enjoin any acts or things which may be unlawful or a violation of the rights of such Bondholder.

Discharge and Satisfaction of Bonds

The Bonds may be discharged and defeased in any one or more of the following ways:

(a) By depositing sufficient funds as and when required with the Registration Agent, to pay the principal of and interest on such Bonds as and when the same become due and payable;

(b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers ("an Agent"; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice);

(c) By delivering such Bonds to the Registration Agent, for cancellation by it;

and if the County shall also pay or cause to be paid all other sums payable under the Resolution, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Escrow Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Bonds when due, then such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the County to the holders of such Bonds shall be fully discharged and satisfied.

If the County pays and discharges the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners of such Bonds shall thereafter be entitled only to payment out of the money or Defeasance Obligations.

Defeasance Obligations are direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, which obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

Plan of Financing

Sources and Uses of Funds

The following table sets forth the sources and uses of funds in connection with the issuance of the Bonds.

Sources of Funds

Par Amount	\$ _____
Reoffering Premium (Discount)	_____
Total Sources	\$ _____

Uses of Funds

Deposit to Project Fund	_____
Costs of Issuance ⁽¹⁾	_____
Total Uses	\$ _____

(1) Includes all fees and expenses, including underwriter's discount and expenses

Rating

The Bonds have been assigned a rating of "AA-" by S&P Global Ratings ("S&P") based on documents and other information provided by the County. The rating reflects only the view of S&P and neither the County, the Municipal Advisor nor the Underwriter makes any representation as to the appropriateness of such rating.

There is no assurance that such rating will continue for any given period of time or that it will not be lowered or withdrawn entirely. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Bonds. Any explanation of the significance of the rating may be obtained from S&P.

Continuing Disclosure

The County will at the time the Bonds are delivered execute a Continuing Disclosure Certificate under which it will covenant for the benefit of holders and beneficial owners of the Bonds to (i) provide certain financial information and operating data relating to the County by not later than twelve months after the end of each fiscal year commencing with the fiscal year ending June 30, 2024 (the "Annual Report"), (ii) provide notice of the occurrence of certain enumerated events and (iii) provide timely notice of failure to provide any required financial information of the County. The Annual Report (and audited financial statements if filed separately) and notices described above will be filed by the County with the Municipal Securities Rulemaking Board ("MSRB") at www.emma.msrb.org and with any State Information Depository which may be established in Tennessee (the "SID"). The specific nature of the information to be contained in the Annual Report or the notices of events is summarized below. These covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b), as it may be amended from time to time (the "Rule").

In the past five years, the County has not failed to comply in any material respect with any previous undertakings with regard to the Rule.

Future Issues

The County has no additional debt planned or authorized for new capital projects at this time.

Litigation

The County, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. After reviewing the current status of all pending and threatened litigation with its counsel, the County believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against the County or its officials in such capacity are adequately covered by insurance or by sovereign immunity or will not have a material adverse effect upon the County's financial condition.

As of the date of this Official Statement, the County has no knowledge or information concerning any pending or threatened litigation contesting the authority of the County to issue, sell or deliver the Bonds. The County has no knowledge or information of any actions pending or expected that would materially affect the County's ability to pay the debt service requirements of the Bonds.

Approval of Legal Proceedings

Legal matters incident to the authorization and issuance of the Bonds are subject to the unqualified approving opinion of Bass, Berry & Sims PLC, Bond Counsel. A copy of the opinion will be available upon delivery of the Bonds. (See Appendix A). Certain legal matters will be passed upon for the County by Doug Shults, Esq., Counsel to the County.

Tax Matters

Federal

General. Bass, Berry & Sims PLC, Nashville, Tennessee, is Bond Counsel for the Bonds. Their opinion under existing law, relying on certain statements by the Issuer and assuming compliance by the Issuer with certain covenants, is that interest on the Bonds:

- is excluded from a bondholder's federal gross income under the Internal Revenue Code of 1986, as amended (the "Code"), and
- is not a preference item for a bondholder under the federal alternative minimum tax on individuals under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2023.

The Code imposes requirements on the Bonds that the Issuer must continue to meet after the Bonds are issued. These requirements generally involve the way that Bond proceeds must be invested and ultimately used. If the Issuer does not meet these requirements, it is possible that a bondholder may have to include interest on the Bonds in its federal gross income on a retroactive basis to the date of issue. The Issuer has covenanted to do everything necessary to meet these requirements of the Code.

A bondholder who is a particular kind of taxpayer may also have additional tax consequences from owning the Bonds. This is possible if a bondholder is:

- an S corporation,
- a United States branch of a foreign corporation,

- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit
- a borrower of money to purchase or carry the Bonds, or
- an applicable corporation, as defined in Section 59(k) of the Code

If a bondholder is in any of these categories, it should consult its tax advisor.

Bond Counsel is not responsible for updating its opinion in the future. It is possible that future events or changes in applicable law could change the tax treatment of the interest on the Bonds or affect the market price of the Bonds. See also "Changes in Federal and State Tax Law" below in this heading.

Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Bonds, or under State, local or foreign tax law.

Bond Premium. If a bondholder purchases a Bond for a price that is more than the principal amount, generally the excess is "Bond premium" on that Bond. The tax accounting treatment of Bond premium is complex. It is amortized over time and as it is amortized a bondholder's tax basis in that Bond will be reduced. The holder of a Bond that is callable before its stated maturity date may be required to amortize the premium over a shorter period, resulting in a lower yield on such Bonds. A bondholder in certain circumstances may realize a taxable gain upon the sale of a Bond with Bond premium, even though the Bond is sold for an amount less than or equal to the owner's original cost. If a bondholder owns any Bonds with Bond premium, it should consult its tax advisor regarding the tax accounting treatment of Bond premium.

Original Issue Discount. A Bond will have "original issue discount" if the price paid by the original purchaser of such Bond is less than the principal amount of such Bond. Bond Counsel's opinion is that any original issue discount on these Bonds as it accrues is excluded from a bondholder's federal gross income under the Internal Revenue Code. The tax accounting treatment of original issue discount is complex. It accrues on an actuarial basis and as it accrues a bondholder's tax basis in these Bonds will be increased. If a bondholder owns one of these Bonds, it should consult its tax advisor regarding the tax treatment of original issue discount

Information Reporting and Backup Withholding. Information reporting requirements apply to interest on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

Qualified Tax-Exempt Obligations

Under the Code, in the case of certain financial institutions, no deduction from income under the federal tax law will be allowed for that portion of such institution's interest expense which is allocable to tax-exempt interest received on account of tax-exempt obligations acquired after August 7, 1986. The Code, however, provides that certain "qualified tax-exempt obligations", as defined in the Code, will be treated as if acquired on August 7, 1986. Based on an examination of the Code and the factual representations and covenants of the Municipality as to the Bonds, Bond Counsel has determined that the Bonds upon issuance will be "qualified tax-exempt obligations" within the meaning of the Code.

State Taxes

Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Bonds during the period the Bonds are held or beneficially owned by any organization or entity, or other than a sole proprietorship or general partnership doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

Municipal Advisor

Stephens Inc. is serving as Municipal Advisor to the County in connection with the issuance of the Bonds. Stephens Inc., in its capacity as Municipal Advisor, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal or state income tax status of the Bonds. The information set forth herein has been obtained by the County and other sources believed to be reliable. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the County and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

Underwriting

_____, _____, _____, acting for and on behalf of itself and such other securities dealers as it may designate, will purchase the Bonds for an aggregate purchase price of \$_____, which is par, less \$_____ , plus net original issue premium of \$_____, less underwriter's discount.

The Underwriter may offer and sell the Bonds to certain dealers (including dealer banks and dealers depositing the Bonds into investment trusts) and others at prices different from the public offering prices stated on the cover page of this Official Statement. Such initial public offering prices may be changed from time to time by the Underwriter.

Forward Looking Statements

The statements contained in this Official Statement, and in any other information provided that are not purely historic, are forward-looking statements, including statements regarding the expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available on the date hereof, and assumes no obligation to update any such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business and policy decisions, all of which are difficult or impossible to predict accurately and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

Miscellaneous

Any statement made in this Official Statement involving matters of opinion and estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement was duly authorized by the County.

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Certificate of County Mayor

I, Garland Evely, do hereby certify that I am the duly qualified and acting County Mayor of Unicoi County, Tennessee, and as such official, I do hereby further certify with respect to the Official Statement dated _____, 2024 issued in connection with the sale of the County's \$3,000,000* General Obligation School Bonds, Series 2024 and to the best of my knowledge, information, and belief (a) the descriptions and statements contained in said Official Statement were at the time of acceptance of the winning bids and are on the date hereof true and correct in all material respects; and (b) that said Official Statement did not at the time of the acceptance of the winning bids and does not on the date hereof contain an untrue statement of a material fact or omit to state a material fact required to be stated where necessary to make the statements made, in light of the circumstances under which they are made, not misleading.

WITNESS my official signature this ____ day of _____, 2024.

/s/ _____
County Mayor

I, Patty Treadway, do hereby certify that I am the duly qualified and acting County Clerk of Unicoi County, Tennessee, and as such official, I do hereby certify that Graham Stowe is the duly qualified and acting County Mayor of said County and that the signature appended to the foregoing certificate is the true and genuine signature of such official.

WITNESS my official signature and the seal of said Unicoi County, Tennessee as of the date subscribed to the foregoing certificate.

/s/ _____
County Clerk

(SEAL)

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APPENDIX A

Form of Legal Opinion of Bass, Berry & Sims PLC, Attorneys,
Nashville, Tennessee relating to the Bonds.

(Proposed Form of Opinion of Bond Counsel)

Bass, Berry & Sims PLC
150 Third Avenue South, Suite 2800
Nashville, Tennessee 37201

(Dated Closing Date)

We have acted as bond counsel to Unicoi County, Tennessee (the "Issuer") in connection with the issuance of \$3,000,000* General Obligation School Bonds, Series 2024, dated the date hereof (the "Bonds"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify such facts by independent investigation.

Based on our examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds have been duly authorized, executed and issued in accordance with the constitution and laws of the State of Tennessee and constitute valid and binding general obligations of the Issuer.

2. The resolution of the Board of County Commissioners of the Issuer authorizing the Bonds has been duly and lawfully adopted, is in full force and effect and is the valid and binding agreement of the Issuer, enforceable in accordance with its terms.

3. The Bonds constitute general obligations of the Issuer for the payment of which the Issuer has validly and irrevocably pledged its full faith and credit. The principal of and interest on the Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the County.

4. Interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2023. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The Issuer has covenanted to comply with all such requirements. Except as set forth in this Paragraph 4 and Paragraph 6 below, we express no opinion regarding other federal tax consequences arising with respect to the Bonds.

5. Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on all or a portion of the interest on any of the Bonds during the period such Bonds are held or beneficially owned by any

organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership doing business in the State of Tennessee.

6. The Bonds are “qualified tax-exempt obligations” for purposes of Section 265 of the Code.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds and the resolution authorizing the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds.

This opinion is given as of the date hereof, and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Yours truly,

APPENDIX B

Demographic and General Financial Information
Related to the County

GENERAL INFORMATION

Located in the mountainous section of upper East Tennessee, Unicoi County contains approximately 186 square miles. A large portion of the area of Unicoi County is US Government land, comprised of the Cherokee National Forest and the Appalachian Trail. The county is bordered by the Tennessee counties of Washington, Carter and Greene and by the North Carolina counties of Madison, Yancey and Mitchell. The Nolichucky River is the main waterway in the county. The Nolichucky name originates where the North Toe River joins the Cane River below Hunt Dale, North Carolina. The Nolichucky Gorge is a popular center for whitewater rafting.

The County is within the Johnson City, Tennessee Metropolitan Statistical Area. Interstate 26 that goes from Johnson City to Asheville, North Carolina is within the County. Erwin, the county seat, is approximately fifteen miles from Johnson City and approximately five miles from the North Carolina border. Principal crops are corn, hay, wheat, vegetables, tobacco, fruits and poultry.

POPULATION

	<u>County</u>	<u>Tennessee</u>
1980 U.S. Census	16,362	4,600,252
1990 U.S. Census	16,542	4,890,626
2000 U.S. Census	17,656	5,703,719
2010 U.S. Census	18,283	6,355,518
2020 U.S. Census	17,883	6,925,619
2021 U.S. Census Estimate	17,667	6,968,351
2022 U.S. Census Estimate	17,674	7,051,339
Source: U.S. Census Bureau		

PER CAPITA PERSONAL INCOME

	<u>Unicoi County</u>	<u>Tennessee</u>	<u>% of State</u>
2013 Per Capita Personal Income	32,694	39,102	83.6%
2014 Per Capita Personal Income	33,179	40,230	82.5%
2015 Per Capita Personal Income	33,587	41,942	80.1%
2016 Per Capita Personal Income	33,174	42,943	77.3%
2017 Per Capita Personal Income	34,019	44,411	76.6%
2018 Per Capita Personal Income	35,495	46,452	76.4%
2019 Per Capita Personal Income	36,825	48,889	75.3%
2020 Per Capita Personal Income	39,382	51,928	75.8%
2021 Per Capita Personal Income	42,610	56,970	74.8%
2022 Per Capita Personal Income	42,425	58,292	72.8%

Source: U.S. Department of Commerce, Bureau of Economic Analysis, CA1-3 Personal Income Summary

MEDIAN HOUSING VALUES

	Unicoi County	Tennessee	% of State
2013 Median Housing Value	114,000	165,000	69.1%
2014 Median Housing Value	123,500	166,000	74.4%
2015 Median Housing Value	119,250	175,000	68.1%
2016 Median Housing Value	125,000	185,000	67.6%
2017 Median Housing Value	116,500	196,800	59.2%
2018 Median Housing Value	125,000	210,000	59.5%
2019 Median Housing Value	141,000	226,000	62.4%
2020 Median Housing Value	149,000	244,900	60.8%
2021 Median Housing Value	165,000	283,410	58.2%
2022 Median Housing Value	188,000	325,000	57.8%

Source: Tennessee Housing Development Agency – This data reflects only the sales prices of new and existing homes that were sold in the respective years. This data may not be representative of the median value of all homes in the County or State.

EMPLOYMENT DATA

Year	Employment	Unemployment	Total Labor Force	Unemployment Percent		
				Unicoi County	State	U.S.
2013	6,734	790	7,524	10.5%	7.7%	7.4%
2014	6,498	658	7,156	9.2%	6.6%	6.2%
2015	6,529	560	7,089	7.9%	5.6%	5.3%
2016	6,515	498	7,013	7.1%	4.8%	4.9%
2017	6,658	380	7,038	5.4%	3.8%	4.4%
2018	6,674	344	7,018	4.9%	3.5%	3.9%
2019	6,830	352	7,182	4.9%	3.3%	3.7%
2020	6,618	576	7,194	8.0%	7.5%	8.1%
2021	6,730	362	7,092	5.1%	4.5%	5.4%
2022	6,778	305	7,083	4.3%	3.4%	3.6%
Nov-23	6,920	303	7,223	4.2%	3.5%	3.7%

Source: Bureau of Labor Statistics

TOP EMPLOYERS IN UNICOI COUNTY

Employer	Number of Employees	Products/Services
Nuclear Fuel Services, Inc.	735	Nuclear Fuel
Unicoi County Board of Education	400	Education
Specialty Tires of America	231	Tires
Tsubaki Nakashima Co., Ltd	220	Manufacturing
Wal-Mart	200	Retail
Unicoi County Memorial Hospital	135	Healthcare
Unicoi County Government	125	County Government
Erwin Health Care Center	114	Healthcare
Center on Aging & Health	110	Healthcare
Food City	99	Retail

Source: TN Department of Economic & Community Development.

Location and Transportation

The County has direct access to Interstate 26 that connects Johnson City, Tennessee to Asheville, North Carolina. Unicoi County's federal highways system includes Highways 23 and 19W. State routes include Highways 36, 107, 173, 352, and 395.

Air Transport

The Tri-Cities Regional Airport, within approximately 25 miles of the County, serves travelers from Northeast Tennessee, Southwest Virginia, Northwest North Carolina and Southeast Kentucky. The Airport offers three scheduled airlines serving passengers through four connecting hubs and leisure destinations. Delta provides service to Atlanta, GA; US Airways Express serves Charlotte, NC; and Allegiant offers service to Orlando, FL and St. Petersburg/Clearwater, FL.

Water Transport

The nearest port facility is the Port of Knoxville on the Cumberland River, with a ten-foot channel depth. The river links the region to intermediate points on the Ohio and Mississippi Rivers, the Tennessee-Tombigbee Waterway, and the Gulf of Mexico.

Public Education

The County currently has six public schools: four elementary schools, one middle school, and one high school. Average daily membership data is shown below.

<u>School Year</u>	<u>Unicoi County Schools</u>
2012-2013	2,538
2013-2014	2,499
2014-2015	2,412
2015-2016	2,319
2016-2017	2,287
2017-2018	2,293
2018-2019	2,251
2019-2020	2,168
2020-2021	2,090
2021-2022	2,065

Source: State of Tennessee Annual Statistical
Report of the Department of Education.

Accounting and Financial Reporting for Retirement Commitments

See page 72, Note G of the Comprehensive Annual Financial Report of the County for the Fiscal Year Ended June 30, 2023.

Accounting and Financial Reporting for Other Postemployment Benefits

See page 89, Note H of the Comprehensive Annual Financial Report of the County for the Fiscal Year Ended June 30, 2023.

SELECTED FINANCIAL INFORMATION REGARDING THE COUNTY

General

The County accounts for its financial resources on the basis of funds and account groups, each of which is considered a separate accounting entity. The General Fund is the general operating fund of the County. Other funds include Special Revenue Funds, the General Service Fund, Capital Projects Funds, Internal Service Funds and Trust and Agency Funds. For additional information regarding the component units, see Notes to the General Purpose Financial Statements contained in APPENDIX C hereto.

Revenues applicable to the payment of the principal of and interest on the Obligations are accounted for in the Debt Service Fund. Revenues securing the payment of principal of and interest on the Obligations are derived from the collection of ad valorem taxes levied on all taxable property within the boundaries of the County. Such tax collections for the Obligations will be used exclusively to pay the principal of and interest on the Obligations. Included as APPENDIX C to this Official Statement are the General Purpose Financial Statements and notes thereto for the fiscal year ended June 30, 2023. Potential purchasers should read APPENDIX C in its entirety for more complete information concerning the County's financial position.

The County uses the modified accrual basis of accounting for all Governmental Funds, Expendable Trust Funds and Agency Funds. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized when the related fund liability is incurred. Funds where expenditures determine the eligibility for grants recognize revenue at the time of the expenditures. Grant proceeds received prior to meeting the aforementioned revenue recognition policy are recorded as deferred revenues. Principal and interest on general 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.

The primary revenue susceptible to accrual are revenues received from the State of Tennessee. Sales tax collected and held by the State at year end on behalf of the County and its component units are also recognized as revenue.

All Proprietary Funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned and their expenses are recognized when incurred.

For additional information regarding these funds, see Notes to the Comprehensive Annual Financial Report of the County for the Fiscal Year Ended June 30, 2023, in APPENDIX C hereto.

UNICOI COUNTY
GENERAL FINANCIAL INFORMATION
SUMMARY OF OUTSTANDING DEBT

Amount Issued	Issue	Date Issued	Maturity Date	Interest Rate	Principal Outstanding 6/30/2023⁽¹⁾
<u>Bonds</u>					
14,500,000	General Obligation Refunding Bonds, Series 2015	04/15/15	05/01/35	2% - 5%	10,850,000
4,960,000	General Obligation School Bonds, Series 2019	10/17/19	05/01/39	1.40% - 5.00%	4,210,000
3,000,000	Proposed General Obligation School Bonds, Series 2024	TBD	05/01/44	TBD	3,000,000 ⁽²⁾
Total Bonds					\$18,060,000
<u>Notes</u>					
715,000	E911 Office / Jail Roofing	10/02/13	04/01/26	2.94%	195,000
242,000	General Obligation Capital Outlay Note, Series 2017	01/24/17	05/01/25	2.65%	65,050
Total Notes					\$260,050
Total Current Outstanding Debt					\$18,320,050

DEBT STATEMENT
(as of June 30, 2023)

Total Current Outstanding Debt	\$18,320,050
Gross Direct Debt	\$18,320,050
Less: Debt Service Fund Balance (as of June 30, 2023)	(2,861,455)
Net Direct Debt	\$15,458,595
Net Overlapping Debt (as of June 30, 2023)	
Town of Erwin (Estimate)	\$5,218,250
Town of Unicoi	1,277,820
Total Net Overlapping Debt	\$6,496,070
Overall Net Debt	\$21,954,665

DEBT RECORD

There is no record of a default on bond principal and interest from information available.

(1) As of June 30, 2023 and adjusted for Proposed General Obligation School Bonds, Series 2024.

(2) Preliminary, subject to change.

Source: Comprehensive Annual Financial Report for the fiscal years ending June 30, 2023 as prepared by State Comptroller of the Treasury.

POPULATION

	<u>County</u>	<u>Tennessee</u>
1980 U.S. Census	16,362	4,600,252
1990 U.S. Census	16,542	4,890,626
2000 U.S. Census	17,656	5,703,719
2010 U.S. Census	18,283	6,355,518
2020 U.S. Census	17,883	6,925,619
2021 U.S. Census Estimate	17,667	6,968,351
2022 U.S. Census Estimate	17,674	7,051,339

Source: U.S. Census Bureau

PER CAPITA DEBT RATIOS

Outstanding Debt	\$1,036.55
Gross Direct Debt	1,036.55
Net Direct Debt	874.65
Total Net Overlapping Debt	367.55
Overall Net Debt	1,242.20

DEBT RATIOS

	<u>Assessed Value</u>	<u>Estimated Actual Value</u>
Property Values	\$ 408,833,934	\$ 1,464,754,500
Outstanding Debt to	4.48%	1.25%
Gross Direct Debt to	4.48%	1.25%
Net Direct Debt to	3.78%	1.06%
Total Net Overlapping Debt to	1.59%	0.44%
Overall Net Debt to	5.37%	1.50%

DEBT TREND

	<u>06/30/23</u>	<u>06/30/22</u>	<u>06/30/21</u>	<u>06/30/20</u>	<u>06/30/19</u>
Bonded Debt	\$15,060,000	\$16,505,000	\$17,930,000	\$19,690,000	\$16,445,000
Notes Debt	260,050	401,400	550,950	1,004,800	1,452,900
Capitalized Leases	-	-	-	-	-
Total Debt	\$15,320,050	\$16,906,400	\$18,480,950	\$20,694,800	\$17,897,900
Less: Debt Service Fund Bal.	(2,861,455)	(2,627,495)	(2,423,549)	(2,711,638)	(2,818,008)
Total Net Debt	<u>\$12,458,595</u>	<u>\$14,278,905</u>	<u>\$16,057,401</u>	<u>\$17,983,162</u>	<u>\$15,079,892</u>

Sources: Comprehensive Annual Financial Reports for the fiscal years ending June 30, 2019 - 2023 as prepared by Comptroller of the State.

DEBT SERVICE REQUIREMENTS

(as of June 30, 2023)⁽¹⁾

		Principal Requirements				Interest Requirements			
		Plus: Proposed				Plus: Proposed			
Year	Ended	Outstanding	General Obligation	Total	Percent	Outstanding	General Obligation	Total Interest	Total Debt
June 30		Principal	School Bonds,	Principal	Principal	Interest	School Bonds,	Requirements	Service
		(6/30/23)	Series 2024 ⁽²⁾	Requirements	Retired	(6/30/23)	Series 2024 ⁽²⁾		Requirements
1	2024	1,442,100		1,442,100		561,348		561,348	2,003,448
2	2025	1,757,950	95,000	1,852,950		491,336	117,856	609,193	2,462,143
3	2026	2,320,000	115,000	2,435,000		405,552	94,273	499,825	2,934,825
4	2027	2,270,000	120,000	2,390,000		290,891	90,880	381,771	2,771,771
5	2028	2,265,000	125,000	2,390,000	57.37%	197,741	87,520	285,261	2,675,261
6	2029	2,240,000	125,000	2,365,000		132,241	84,145	216,386	2,581,386
7	2030	285,000	130,000	415,000		67,541	80,833	148,374	563,374
8	2031	295,000	135,000	430,000		61,541	77,388	138,929	568,929
9	2032	300,000	135,000	435,000		55,304	73,810	129,114	564,114
10	2033	305,000	140,000	445,000	79.69%	48,966	70,165	119,131	564,131
11	2034	315,000	145,000	460,000		42,163	66,385	108,548	568,548
12	2035	320,000	150,000	470,000		35,075	62,398	97,472	567,472
13	2036	290,000	155,000	445,000		27,881	58,123	86,004	531,004
14	2037	300,000	160,000	460,000		21,356	53,473	74,829	534,829
15	2038	305,000	160,000	465,000	92.25%	14,606	48,433	63,039	528,039
16	2039	310,000	170,000	480,000		7,363	43,153	50,515	530,515
17	2040		175,000	175,000			37,373	37,373	212,373
18	2041		180,000	180,000			30,723	30,723	210,723
19	2042		185,000	185,000			23,703	23,703	208,703
20	2043		195,000	195,000	98.88%		16,303	16,303	211,303
21	2044		205,000	205,000	100.00%		8,405	8,405	213,405
		<u>\$15,320,050</u>	<u>\$3,000,000</u>	<u>\$18,320,050</u>		<u>\$2,460,907</u>	<u>\$1,225,336</u>	<u>\$3,686,243</u>	<u>\$22,006,293</u>

(1) As of 6/30/2023 and adjusted for Proposed General Obligation School Bonds, Series 2024.

(2) Preliminary, subject to change.

Source: Comprehensive Annual Financial Report for the fiscal years ending June 30, 2023 as prepared by State Comptroller of the Treasury.

Real Property Assessment, Tax Levy and Collection Procedures

State Taxation of Property; Classifications of Taxable Property; Assessment Rates

Under the Constitution and laws of the State of Tennessee, all real and personal property is subject to taxation, except to the extent that the General Assembly of the State of Tennessee (the “General Assembly”) exempts certain constitutionally permitted categories of property from taxation. Property exempt from taxation includes federal, state and local government property, property of housing authorities, certain low cost housing for elderly persons, property owned and used exclusively for certain religious, charitable, scientific and educational purposes and certain other property as defined under the Tennessee Code Annotated.

Under the Constitution and laws of the State of Tennessee, property is classified into three separate classes for purposes of taxation: Real Property; Tangible Personal Property; and Intangible Personal Property. Real Property includes lands, structures, improvements, machinery and equipment affixed to realty and related rights and interests. Real Property is required constitutionally to be classified into four subclassifications and assessed at the rates as follows:

- (a) Public Utility Property (which includes all property of every kind used or held for use in the operation of a public utility, such as railroad companies, certain telephone companies, freight and private car companies, street car companies, power companies, express companies and other public utility companies), to be assessed at 55% of its value;
- (b) Industrial and Commercial Property (which includes all property of every kind used or held for use for any commercial, mining, industrial, manufacturing, business or similar purpose), to be assessed at 40% of its value;
- (c) Residential Property (which includes all property which is used or held for use for dwelling purposes and contains no more than one rental unit), to be assessed at 25% of its value; and
- (d) Farm Property (which includes all real property used or held for use in agriculture), to be assessed at 25% of its value.

Tangible Personal Property includes personal property such as goods, chattels and other articles of value, which are capable of manual or physical possession and certain machinery and equipment. Tangible Personal Property is required constitutionally to be classified into three subclassifications and assessed at the rates as follows:

- (a) Public Utility Property, to be assessed at 55% of its value;
- (b) Industrial and Commercial Property, to be assessed at 30% of its value; and
- (c) All other Tangible Personal Property (including that used in agriculture), to be assessed at 5% of its value, subject to an exemption of \$7,500 worth of Tangible Personal Property for personal household goods and furnishings, wearing apparel and other tangible personal property in the hands of a taxpayer.

Intangible Personal Property includes personal property, such as money, any evidence of debt owed to a taxpayer, any evidence of ownership in a corporation or other business organization having multiple owners and all other

forms of property, the value of which is expressed in terms of what the property represents rather than its own intrinsic value. The Constitution of the State of Tennessee empowers the General Assembly to classify Intangible Personal Property into subclassifications and to establish a ratio of assessment to value in each class or subclass and to provide fair and equitable methods of apportionment of the value to the State of Tennessee for purposes of taxation.

The Constitution of the State of Tennessee requires that the ratio of assessment to value of property in each class or subclass be equal and uniform throughout the State of Tennessee and that the General Assembly direct the method to ascertain the value and definition of property in each class or subclass. Each respective taxing authority is constitutionally required to apply the same tax rate to all property within its jurisdiction.

County Taxation of Property

The Constitution of the State of Tennessee empowers the General Assembly to authorize the several counties and incorporated towns in the State of Tennessee to impose taxes for county and municipal purposes in the manner prescribed by law. Under the Tennessee Code Annotated, the General Assembly has authorized the counties in Tennessee to levy an ad valorem tax on all taxable property within their respective jurisdictions, the amount of which is required to be fixed by the county legislative body of each county.

All property is required to be taxed according to its values upon the principles established in regard to State taxation as described above, including equality and uniformity. All counties, which levy and collect taxes to pay off any bonded indebtedness are empowered, through the respective county legislative bodies, to place all funds levied and collected into a special fund of the respective counties and to appropriate and use the money for the purpose of discharging any bonded indebtedness of the respective counties.

Assessment of Property

The function of assessment is to assess all property (with certain exceptions) to the person or persons owning or claiming to own such property on January 1 for the year for which the assessment is made. All assessment of real and personal property are required to be made annually and as of January 1 for the year to which the assessment applies. Not later than May 20 of each year, the assessor of property in each county is required to (a) make an assessment of all property in the county and (b) note upon the assessor's records the current classification and assessed value of all taxable property within the assessor's jurisdiction.

The assessment records are open to public inspection at the assessor's office during normal business hours. The assessor is required to notify each taxpayer of any change in the classification or assessed value of the taxpayer's property and to cause a notice to be published in a newspaper of general circulation stating where and when such records may be inspected and describing certain information concerning the convening of the county board of equalization. The notice to taxpayers and such published notice are required to be provided and published at least 10 days before the local board of equalization begins its annual session.

Valuation for Property Tax Purposes

The value of all property is based upon its sound, intrinsic and immediate value for purposes of sale between a willing seller and a willing buyer without consideration of speculative values. In determining the value of all

property of every kind, the assessor is to be guided by, and follow the instructions of, the appropriate assessment manuals issued by the division of property assessments and approved by the State board of equalization. Such assessment manuals are required to take into account various factors that are generally recognized by appraisers as bearing on the sound, intrinsic and immediate economic value of property at the time of assessment.

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PROPERTY VALUATION AND PROPERTY TAX

	Fiscal Year Tax Year	2022-2023 2022	2021-2022 2021	2020-2021 2020	2019-2020 2019	2018-2019 2018
ESTIMATED ACTUAL VALUES						
Residential & Farm		\$1,100,640,400	\$1,077,747,560	\$1,019,959,918	\$1,013,346,026	\$846,083,800
Commercial & Industrial		187,744,000	229,109,215	216,435,963	225,680,729	170,787,700
Personal Tangible Property		134,866,867	122,129,130	126,017,143	110,633,297	105,511,574
Public Utilities		41,503,233	31,071,178	31,633,475	28,152,321	33,495,473
Total Estimated Actual Values		\$1,464,754,500	\$1,460,057,083	\$1,394,046,499	\$1,377,812,373	\$1,155,878,547
Annual Percentage Change		0.32%	4.74%	1.18%	19.20%	-0.10%
Estimated Per Capita Amount		\$82,876	\$82,643	\$77,954	\$76,913	\$64,693
ASSESSED VALUES						
Residential & Farm (at 25%)		\$275,160,100	\$214,687,300	\$213,248,125	\$211,865,325	\$211,520,950
Commercial & Industrial (at 40%)		75,097,600	73,021,680	72,401,725	75,494,285	68,314,645
Personal Tangible Property (at 30%)		40,460,073	31,678,108	35,076,394	30,874,211	31,653,496
Public Utilities (at 30%-55%)		18,116,161	13,562,569	13,808,012	12,288,488	14,620,774
Total Assessed Values		\$408,833,934	\$332,949,657	\$334,534,256	\$330,522,309	\$326,109,865
Annual Percentage Change		22.79%	-0.47%	1.21%	1.35%	-0.42%
Estimated Per Capita Amount		\$23,132	\$18,846	\$18,707	\$18,451	\$18,252
Appraisal Ratio		100.00%	79.68%	83.63%	83.63%	100.00%
Assessed Values to Actual Values		27.91%	22.80%	24.00%	23.99%	28.21%
Property Tax Rate						
Total Property Tax Rate		\$2.3505	\$2.8538	\$2.8538	\$2.6838	\$2.6838
Taxes Levied		\$9,609,642	\$9,501,717	\$9,546,939	\$8,870,558	\$8,752,137
Collections						
Current Fiscal Year		\$9,081,964	\$9,151,701	\$9,157,104	\$8,396,354	\$8,231,902
Percent Collected Current FY		94.51%	96.32%	95.92%	94.65%	94.06%

Sources: State Board of Equalization, 2018 - 2022 Tax Aggregate Reports of Tennessee, the Comprehensive Annual Financial Reports for the years ending June 30, 2019 - 2023, and the County Trustee's office.

TOP TAXPAYERS

<u>Business</u>	<u>Type of Business</u>	<u>Tax Year 2022 Assessed Value</u>	<u>Percent of Assessed Value</u>
Nuclear Fuel Services, Inc	Nuclear Fuel	\$26,567,161	6.50%
TN Tennessee, LLC	Metal Fabrication	11,375,666	2.78%
CSX Transportation, Inc	Railroad	8,736,405	2.14%
Specialty Tennessee	N/A	3,575,875	0.87%
Appalachian Power Company	Public Utility	3,148,569	0.77%
Speciality Tires	Tire Manufacturing	3,115,400	0.76%
Wal-Mart	Retail	2,511,034	0.61%
Erwin 2nd Street LLC	N/A	2,269,600	0.56%
Center on Aging & Health	Healthcare	1,759,589	0.43%
Erwin Health Care Assoc	Healthcare	1,509,272	0.37%

Source: Unicoi County Office of the Trustee.

FUND BALANCES FISCAL YEAR ENDING JUNE 30

GOVERNMENTAL FUNDS	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
General Government Fund	\$3,050,165	\$3,135,824	\$2,735,843	\$1,732,972	\$1,885,158
Solid Waste/Sanitation Fund	198,744	147,758	80,260	160,121	151,088
Highway/Public Works Funds	4,396,553	4,240,393	3,919,312	3,558,285	3,410,474
Special Revenue Funds	48,409	48,891	53,727	23,696	13,319
Education Funds	5,303,711	5,683,629	4,291,424	4,032,008	2,003,214
Debt Service Funds	2,861,455	2,627,495	2,423,549	2,711,638	2,818,008
Capital Projects	-	-	2,366	2,366	2,366
Total Governmental Funds	\$15,859,037	\$15,883,990	\$13,506,481	\$12,221,086	\$10,283,627

Sources: Comprehensive Annual Financial Reports for the fiscal years ending June 30, 2019 - 2023 as prepared by State Comptroller of the Treasury and County officials.

LOCAL SALES TAX FISCAL YEAR ENDING JUNE 30

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Rate (Percent of retail sales)	2.75%	2.75%	2.75%	2.75%	2.75%
Distribution					
General Debt Service	\$442,244	\$385,045	\$824,474	\$647,258	\$558,222
General Purpose School	2,896,818	2,768,521	2,230,242	1,827,247	1,602,132
Total Amount Collected	\$3,339,062	\$3,153,566	\$3,054,716	\$2,474,505	\$2,160,354
% of Increase	5.88%	3.24%	23.45%	14.54%	7.99%

Note - Beginning in FY 2023, this table excludes sales taxes collected on behalf of, and distributed to, cities within the County.

Sources: Comprehensive Annual Financial Reports for the fiscal years ending June 30, 2019 - 2023 as prepared by State Comptroller of the Treasury and County officials.

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APPENDIX C

Comprehensive Annual Financial Report of the County for the
Fiscal Year Ended June 30, 2023



ANNUAL FINANCIAL REPORT

Unicoi County, Tennessee

For the Year Ended June 30, 2023

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
UNICOI COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2023

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

MARK TREECE, CPA, CGFM
Audit Manager

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

UNICOI COUNTY, TENNESSEE

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Summary of Audit Findings

Annual Financial Report
Unicoi County, Tennessee
For the Year Ended June 30, 2023

Scope

We have audited the basic financial statements of Unicoi County as of and for the year ended June 30, 2023.

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 are summaries 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 \$557.43.

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The Education Capital Projects Fund had a deficit in unassigned fund balances at June 30, 2023.
- ◆ An investigation of the Unicoi County School Department disclosed deficiencies in internal controls and compliance.



INTRODUCTORY SECTION

Unicoi County Officials

June 30, 2023

Officials

Garland Evely, County Mayor
Terry Haynes, Road Superintendent
John English, Director of Schools
Katie Bennett, Trustee
Teresa Kinsler, Assessor of Property
Patty Treadway, 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	Stephen Hendrix
Brian Delp	Tim Lingerfelt
Wayne Edwards	John Mosley
Jamie Harris	Cody Scott
Jason Harris	

Board of Education

Steve Willis, Chairman	Steve Scott
Allan Foster	Cathy Thomas
Glenn Fisher	Tammy Tipton

Audit Committee

John Harris, Chairman	Stephen Hendrix
Fain Bennett	Kenneth Kisiel
Phyllis Bennett	

FINANCIAL SECTION



JASON E. MUMPOWER
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 Audit of the Financial Statements

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying 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, 2023, and the respective changes in financial position and the respective budgetary comparison for the General, Other General Government, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Internal School Fund, a special revenue fund of the discretely presented Unicoi County School Department, which represent 1.21 percent, 1.29 percent, and 3.59 percent, respectively, of the assets, net position, and revenues of the discretely presented Unicoi County School Department. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to amounts included for the Internal School Fund of the Unicoi County School Department, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for

the Audit of the Financial Statements section of our report. We are required to be independent of Unicoi County, Tennessee, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Unicoi County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Unicoi County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United

States of America. In our opinion, the 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), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Requirements by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2023, 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,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

December 14, 2023

JEM/tg

BASIC FINANCIAL STATEMENTS

Exhibit A

Unicoi County, Tennessee
Statement of Net Position
June 30, 2023

	Primary Government Governmental Activities	Component Unit Unicoi County School Department
<u>ASSETS</u>		
Cash	\$ 73,114	\$ 1,195,247
Equity in Pooled Cash and Investments	12,819,948	3,695,084
Accounts Receivable	13,529	12,984
Due from Other Governments	669,198	1,133,969
Due from Primary Government	0	274,776
Property Taxes Receivable	8,625,816	2,529,773
Allowance for Uncollectible Property Taxes	(139,062)	(43,317)
Net Pension Asset - Agent Plan	361,853	252,707
Net Pension Asset - Teacher Retirement Plan	0	45,808
Net Pension Asset - Teacher Legacy Pension Plan	0	3,374,687
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	237,950
Capital Assets:		
Assets Not Depreciated:		
Land	771,680	615,753
Construction in Progress	123,201	1,896,297
Assets Net of Accumulated Depreciation/Amortization:		
Buildings and Improvements	3,020,000	23,229,268
Other Capital Assets	2,111,226	1,163,431
Infrastructure	5,764,046	0
Intangible Right-to-Use Assets	33,318	0
Total Assets	<u>\$ 34,247,867</u>	<u>\$ 39,614,417</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Charge on Refunding	\$ 382,185	\$ 0
Pension Changes in Experience	648,407	1,010,457
Pension Changes in Assumptions	565,846	2,562,910
Pension Changes on Investment Earnings	41,205	100,921
Pension Changes in Proportion	0	18,097
Pension Contributions after Measurement Date	289,389	1,010,347
OPEB Changes in Experience	0	407,066
OPEB Changes in Assumptions	0	518,913
OPEB Changes in Proportion	0	97,887
OPEB Contributions after Measurement Date	1,324	112,230
Total Deferred Outflows of Resources	<u>\$ 1,928,356</u>	<u>\$ 5,838,828</u>

LIABILITIES

Accounts Payable	\$ 76,741	\$ 60,120
Accrued Payroll	165,940	0
Accrued Interest Payable	94,033	0
Payroll Deductions Payable	25,426	0
Contracts Payable	0	424,300

(Continued)

Exhibit A

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

	Primary Government Governmental Activities	Component Unit Unicoi County School Department
<u>LIABILITIES (CONT.)</u>		
Retainage Payable	\$ 0	\$ 35,316
Due to Component Units	274,776	0
Due to State of Tennessee	57	0
Due to Other Governments	2,255,044	0
Other Current Liabilities	9,929	488,368
Noncurrent Liabilities:		
Due Within One Year - Lease	7,162	0
Due Within One Year - Debt	1,442,100	0
Due Within One Year - Other	116,576	20,400
Due in More Than One Year - Lease	26,293	0
Due in More Than One Year - Debt	14,529,742	0
Due in More Than One Year - Other	143,946	3,085,836
Total Liabilities	<u>\$ 19,167,765</u>	<u>\$ 4,114,340</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 8,189,902	\$ 2,386,935
Pension Changes in Experience	162,379	711,451
Pension Changes in Proportion	0	94,967
OPEB Changes in Experience	14,505	307,507
OPEB Changes in Assumptions	35,591	431,144
OPEB Changes in Proportion	0	158,778
Total Deferred Inflows of Resources	<u>\$ 8,402,377</u>	<u>\$ 4,090,782</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 11,171,281	\$ 26,904,749
Restricted for:		
General Government	242,460	0
Finance	23,894	0
Administration of Justice	40,217	0
Public Safety	75,954	0
Public Health and Welfare	69,737	0
Highways/Public Works	3,191,990	0
Capital Outlay	58,825	0
Debt Service	5,092	0
Education	0	1,826,584
Pensions	361,853	3,911,152
Unrestricted	<u>(6,635,222)</u>	<u>4,605,638</u>
Total Net Position	<u>\$ 8,606,081</u>	<u>\$ 37,248,123</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, 2023

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 Government Total	Component Unit
					Governmental Activities	Unicoi County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 1,240,602	\$ 178,164	\$ 148,652	\$ 0	\$ (913,786)	\$ 0
Finance	1,012,223	533,574	24,127	0	(454,522)	0
Administration of Justice	934,834	502,614	35,539	0	(396,681)	0
Public Safety	5,607,151	1,494,680	247,030	368,424	(3,497,017)	0
Public Health and Welfare	1,424,323	0	618,275	0	(806,048)	0
Social, Cultural, and Recreational Services	86,409	10,907	50,050	0	(25,452)	0
Agriculture and Natural Resources	55,566	0	0	0	(55,566)	0
Highways	2,351,137	133,009	2,020,723	0	(197,405)	0
Education	274,776	0	0	0	(274,776)	0
Interest on Long-term Debt	548,480	0	118,332	0	(430,148)	0
Total Primary Government	<u>\$ 13,535,501</u>	<u>\$ 2,852,948</u>	<u>\$ 3,262,728</u>	<u>\$ 368,424</u>	<u>\$ (7,051,401)</u>	<u>\$ 0</u>
Component Unit:						
Unicoi County School Department	<u>\$ 26,926,700</u>	<u>\$ 338,735</u>	<u>\$ 6,246,022</u>	<u>\$ 687,781</u>	<u>\$ 0</u>	<u>\$ (19,654,162)</u>
Total Component Unit	<u>\$ 26,926,700</u>	<u>\$ 338,735</u>	<u>\$ 6,246,022</u>	<u>\$ 687,781</u>	<u>\$ 0</u>	<u>\$ (19,654,162)</u>

(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
					Government Total Governmental Activities	Unit Unicoi County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 5,726,497	\$ 2,407,725
Property Taxes Levied for Debt Service					1,488,572	0
Local Option Sales Taxes					451,127	2,920,980
Hotel/Motel Tax					91,447	0
Litigation Tax - General					63,884	0
Litigation Tax - Special Purpose					67,744	0
Litigation Tax - Jail, Workhouse, or Courthouse					114,042	0
Business Tax					119,690	40,346
Wholesale Beer Tax					21,025	6,884
Other Local Taxes					0	66
Grants and Contributions Not Restricted to Specific Programs					886,279	14,742,402
Unrestricted Investment Income					308,475	22,172
Miscellaneous					28,538	113,296
Total General Revenues					<u>\$ 9,367,320</u>	<u>\$ 20,253,871</u>
Change in Net Position					\$ 2,315,919	\$ 599,709
Net Position, July 1, 2022					<u>6,290,162</u>	<u>36,648,414</u>
Net Position, June 30, 2023					<u><u>\$ 8,606,081</u></u>	<u><u>\$ 37,248,123</u></u>

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

Exhibit C-1

Unicoi County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2023

	Major Funds				Nonmajor Funds	
	General	Other General Government Fund	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>						
Cash	\$ 35,126	\$ 0	\$ 30,025	\$ 0	\$ 7,963	\$ 73,114
Equity in Pooled Cash and Investments	3,873,069	1,656,449	4,212,428	2,828,822	249,180	12,819,948
Accounts Receivable	11,873	0	72	749	835	13,529
Due from Other Governments	250,954	0	342,129	76,115	0	669,198
Due from Other Funds	7,963	0	0	0	89	8,052
Property Taxes Receivable	6,299,487	0	259,753	1,231,973	834,603	8,625,816
Allowance for Uncollectible Property Taxes	(99,222)	0	(4,515)	(23,760)	(11,565)	(139,062)
Total Assets	<u>\$ 10,379,250</u>	<u>\$ 1,656,449</u>	<u>\$ 4,839,892</u>	<u>\$ 4,113,899</u>	<u>\$ 1,081,105</u>	<u>\$ 22,070,595</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 68,409	\$ 0	\$ 0	\$ 6,311	\$ 2,021	\$ 76,741
Accrued Payroll	158,968	0	6,972	0	0	165,940
Payroll Deductions Payable	12,996	0	12,430	0	0	25,426
Due to Other Funds	89	0	0	0	7,963	8,052
Due to Component Units	0	274,776	0	0	0	274,776
Due to State of Tennessee	0	0	57	0	0	57
Due to Other Governments	194,986	2,060,058	0	0	0	2,255,044
Other Current Liabilities	8,257	0	0	0	1,672	9,929
Total Liabilities	<u>\$ 443,705</u>	<u>\$ 2,334,834</u>	<u>\$ 19,459</u>	<u>\$ 6,311</u>	<u>\$ 11,656</u>	<u>\$ 2,815,965</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 5,994,745	\$ 0	\$ 244,717	\$ 1,147,008	\$ 803,432	\$ 8,189,902
Deferred Delinquent Property Taxes	197,738	0	10,123	58,887	18,864	285,612

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds	
	General	Other General Government Fund	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>						
Other Deferred/Unavailable Revenue	\$ 14,512	\$ 0	\$ 169,040	\$ 40,238	\$ 0	\$ 223,790
Total Deferred Inflows of Resources	\$ 6,206,995	\$ 0	\$ 423,880	\$ 1,246,133	\$ 822,296	\$ 8,699,304
<u>FUND BALANCES</u>						
Restricted:						
Restricted for General Government	\$ 242,460	\$ 0	\$ 0	\$ 0	\$ 0	\$ 242,460
Restricted for Finance	23,894	0	0	0	0	23,894
Restricted for Administration of Justice	40,217	0	0	0	0	40,217
Restricted for Public Safety	27,545	0	0	0	48,409	75,954
Restricted for Public Health and Welfare	50,873	0	0	0	0	50,873
Restricted for Highways/Public Works	0	0	3,041,446	0	0	3,041,446
Restricted for Capital Outlay	53,496	0	0	0	0	53,496
Restricted for Other Purposes	5,329	0	0	0	0	5,329
Committed:						
Committed for Public Health and Welfare	0	0	0	0	198,744	198,744
Committed for Highways/Public Works	0	0	1,355,107	0	0	1,355,107
Committed for Debt Service	0	0	0	2,861,455	0	2,861,455
Committed for Other Purposes	0	102,236	0	0	0	102,236
Unassigned	3,284,736	(780,621)	0	0	0	2,504,115
Total Fund Balances	\$ 3,728,550	\$ (678,385)	\$ 4,396,553	\$ 2,861,455	\$ 247,153	\$ 10,555,326
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 10,379,250	\$ 1,656,449	\$ 4,839,892	\$ 4,113,899	\$ 1,081,105	\$ 22,070,595

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, 2023

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)		\$	10,555,326
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	771,680	
Add: construction in progress		123,201	
Add: buildings and improvements net of accumulated depreciation		3,020,000	
Add: other capital assets net of accumulated depreciation		2,111,226	
Add: infrastructure net of accumulated depreciation		5,764,046	
Add: intangible right-to-use assets net of accumulated amortization		<u>33,318</u>	11,823,471
(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	\$	(260,050)	
Less: bonds payable		(15,060,000)	
Less: lease payable		(33,455)	
Add: deferred amount on refunding		382,185	
Less: unamortized premium on debt		(651,792)	
Less: net OPEB liability		(93,985)	
Less: compensated absences payable		(166,537)	
Less: accrued interest on bonds and notes		<u>(94,033)</u>	(15,977,667)
(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	\$	1,544,847	
Less: deferred inflows of resources related to pensions		(162,379)	
Add: deferred outflows of resources related to OPEB		1,324	
Less: deferred inflows of resources related to OPEB		<u>(50,096)</u>	1,333,696
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			361,853
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>509,402</u>
Net position of governmental activities (Exhibit A)		\$	<u>8,606,081</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, 2023

	Major Funds				Nonmajor Funds	
	General	Other General Government Fund	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>						
Local Taxes	\$ 5,401,583	\$ 0	\$ 265,650	\$ 2,101,649	\$ 493,171	\$ 8,262,053
Licenses and Permits	22,604	0	582	4,621	1,455	29,262
Fines, Forfeitures, and Penalties	99,843	0	0	0	16,895	116,738
Charges for Current Services	114,530	0	0	0	12,411	126,941
Other Local Revenues	198,287	101,072	105,706	1,348	1,927	408,340
Fees Received From County Officials	989,724	0	0	0	0	989,724
State of Tennessee	1,407,361	0	1,980,197	0	21,768	3,409,326
Federal Government	1,205	916,786	39,506	0	0	957,497
Other Governments and Citizens Groups	1,017,118	0	90,648	337,709	0	1,445,475
Total Revenues	\$ 9,252,255	\$ 1,017,858	\$ 2,482,289	\$ 2,445,327	\$ 547,627	\$ 15,745,356
<u>Expenditures</u>						
Current:						
General Government	\$ 1,212,571	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,212,571
Finance	1,012,234	1,011	0	0	157	1,013,402
Administration of Justice	926,408	0	0	0	12,411	938,819
Public Safety	5,069,087	0	0	0	19,685	5,088,772
Public Health and Welfare	855,640	0	0	0	590,408	1,446,048
Social, Cultural, and Recreational Services	80,909	0	0	0	0	80,909
Agriculture and Natural Resources	55,566	0	0	0	0	55,566
Other Operations	246,195	776,534	0	0	0	1,022,729
Highways	0	0	2,311,448	0	0	2,311,448
Debt Service:						
Principal on Debt	3,590	0	0	1,586,350	0	1,589,940
Interest on Debt	310	0	0	622,146	0	622,456
Other Debt Service	0	0	0	36,751	0	36,751

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds	
	General	Other General Government Fund	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Expenditures (Cont.)</u>						
Capital Projects - Donated	\$ 8,025	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,025
Total Expenditures	\$ 9,470,535	\$ 777,545	\$ 2,311,448	\$ 2,245,247	\$ 622,661	\$ 15,427,436
 Excess (Deficiency) of Revenues Over Expenditures	 \$ (218,280)	 \$ 240,313	 \$ 170,841	 \$ 200,080	 \$ (75,034)	 \$ 317,920
<u>Other Financing Sources (Uses)</u>						
Leases Issued	\$ 37,045	\$ 0	\$ 0	\$ 0	\$ 0	\$ 37,045
Transfers In	521,768	0	19,199	33,880	125,538	700,385
Transfers Out	(538)	(665,967)	(33,880)	0	0	(700,385)
Total Other Financing Sources (Uses)	\$ 558,275	\$ (665,967)	\$ (14,681)	\$ 33,880	\$ 125,538	\$ 37,045
 Net Change in Fund Balances	 \$ 339,995	 \$ (425,654)	 \$ 156,160	 \$ 233,960	 \$ 50,504	 \$ 354,965
Fund Balance, July 1, 2022	3,388,555	(252,731)	4,240,393	2,627,495	196,649	10,200,361
 Fund Balance, June 30, 2023	 \$ 3,728,550	 \$ (678,385)	 \$ 4,396,553	 \$ 2,861,455	 \$ 247,153	 \$ 10,555,326

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, 2023

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)		\$	354,965
(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	\$	891,399	
Add: right-to-use lease assets acquired in the current period		37,045	
Less: current-year depreciation expense		(854,938)	
Less: current-year amortization		(3,727)	69,779
(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, 2023	\$	509,402	
Less: deferred delinquent property taxes and other deferred June 30, 2022		(403,338)	106,064
(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: lease issued	\$	(37,045)	
Add: principal payments on bonds		1,445,000	
Add: principal payments on notes		141,350	
Add: principal payments on lease		3,590	
Add: change in unamortized bond premium		186,725	
Less: change in deferred amount on refunding debt		(123,393)	1,616,227
(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	\$	10,644	
Change in net OPEB liability		35,714	
Change in compensated absences payable		32,576	
Change in net pension asset/liability		(2,194,519)	
Change in deferred outflows related to pensions		317,542	
Change in deferred inflows related to pensions		2,016,901	
Change in deferred outflows related to OPEB		122	
Change in deferred inflows related to OPEB		(50,096)	168,884
Change in net position of governmental activities (Exhibit B)		\$	<u>2,315,919</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, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 5,401,583	\$ 0	\$ 5,401,583	\$ 5,334,009	\$ 5,334,009	\$ 67,574
Licenses and Permits	22,604	0	22,604	20,000	20,000	2,604
Fines, Forfeitures, and Penalties	99,843	0	99,843	94,750	94,750	5,093
Charges for Current Services	114,530	0	114,530	105,450	105,450	9,080
Other Local Revenues	198,287	0	198,287	40,600	48,106	150,181
Fees Received From County Officials	989,724	0	989,724	851,000	851,000	138,724
State of Tennessee	1,407,361	0	1,407,361	1,206,190	1,227,663	179,698
Federal Government	1,205	0	1,205	23,647	23,647	(22,442)
Other Governments and Citizens Groups	1,017,118	0	1,017,118	894,779	1,044,312	(27,194)
Total Revenues	\$ 9,252,255	\$ 0	\$ 9,252,255	\$ 8,570,425	\$ 8,748,937	\$ 503,318
<u>Expenditures</u>						
<u>General Government</u>						
County Commission	\$ 51,511	\$ 0	\$ 51,511	\$ 53,100	\$ 53,100	\$ 1,589
Board of Equalization	2,441	0	2,441	2,800	2,800	359
County Mayor/Executive	323,508	0	323,508	322,799	329,322	5,814
County Attorney	30,000	0	30,000	30,000	30,000	0
Election Commission	299,464	0	299,464	233,547	306,765	7,301
Register of Deeds	242,279	0	242,279	228,454	246,496	4,217
Planning	13,676	0	13,676	14,107	14,107	431
County Buildings	171,198	0	171,198	138,875	182,192	10,994
Other General Administration	66,269	0	66,269	61,100	66,752	483
Preservation of Records	12,225	0	12,225	10,700	16,700	4,475
<u>Finance</u>						
Property Assessor's Office	270,860	0	270,860	274,373	277,796	6,936
County Trustee's Office	219,840	0	219,840	210,534	223,256	3,416

(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 7/1/2022	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	\$ 411,375	\$ 0	\$ 411,375	\$ 318,599	\$ 425,446	\$ 14,071
Other Finance	110,159	0	110,159	100,000	110,500	341
<u>Administration of Justice</u>						
Circuit Court	556,060	0	556,060	533,463	572,437	16,377
General Sessions Court	147,697	0	147,697	151,583	150,332	2,635
Chancery Court	186,631	0	186,631	187,257	191,543	4,912
Juvenile Court	36,020	0	36,020	45,287	45,287	9,267
<u>Public Safety</u>						
Sheriff's Department	1,885,567	0	1,885,567	1,925,469	1,919,192	33,625
Administration of the Sexual Offender Registry	650	0	650	1,700	1,700	1,050
Jail	1,366,955	0	1,366,955	1,059,847	1,392,895	25,940
Workhouse	700,020	0	700,020	680,576	719,337	19,317
Juvenile Services	9,000	0	9,000	9,000	9,000	0
Fire Prevention and Control	55,000	0	55,000	0	55,000	0
Civil Defense	187,003	0	187,003	86,256	188,515	1,512
Other Emergency Management	7,000	0	7,000	0	7,000	0
County Coroner/Medical Examiner	48,266	0	48,266	47,992	48,739	473
Other Public Safety	809,626	0	809,626	865,472	880,717	71,091
<u>Public Health and Welfare</u>						
Local Health Center	69,903	0	69,903	79,381	79,381	9,478
Rabies and Animal Control	206,567	0	206,567	219,491	219,491	12,924
Ambulance/Emergency Medical Services	268,533	0	268,533	131,000	268,533	0
Alcohol and Drug Programs	50,000	0	50,000	0	50,000	0
Other Local Health Services	167,466	0	167,466	234,927	269,156	101,690
Appropriation to State	36,916	0	36,916	36,916	36,916	0

(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 7/1/2022	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	\$ 50,831	\$ 0	\$ 50,831	\$ 53,771	\$ 53,770	\$ 2,939
Other Public Health and Welfare	5,424	0	5,424	5,015	5,424	0
<u>Social, Cultural, and Recreational Services</u>						
Senior Citizens Assistance	41,600	0	41,600	10,600	41,600	0
Libraries	32,700	0	32,700	31,500	32,700	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	49,766	0	49,766	49,766	49,766	0
Forest Service	800	0	800	0	800	0
Soil Conservation	5,000	0	5,000	0	5,000	0
<u>Other Operations</u>						
Tourism	500	0	500	0	500	0
Industrial Development	65,365	0	65,365	70,000	70,000	4,635
Veterans' Services	14,355	0	14,355	14,747	14,747	392
Contributions to Other Agencies	5,000	0	5,000	0	5,000	0
Employee Benefits	16,691	0	16,691	27,500	34,683	17,992
COVID-19 Grant #1	9,872	0	9,872	0	9,872	0
American Rescue Plan Act Grant #1	128,758	(119,722)	9,036	0	128,758	119,722
Miscellaneous	5,654	0	5,654	5,654	5,654	0
<u>Principal on Debt</u>						
General Government	3,590	0	3,590	0	3,590	0
<u>Interest on Debt</u>						
General Government	310	0	310	0	310	0
<u>Capital Projects - Donated</u>						
Capital Projects Donated to Other Entities	8,025	0	8,025	0	8,025	0
Total Expenditures	\$ 9,470,535	\$ (119,722)	\$ 9,350,813	\$ 8,569,767	\$ 9,867,211	\$ 516,398

(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 7/1/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ (218,280)	\$ 119,722	\$ (98,558)	\$ 658	\$ (1,118,274)	\$ 1,019,716
<u>Other Financing Sources (Uses)</u>						
Leases Issued	\$ 37,045	\$ 0	\$ 37,045	\$ 0	\$ 37,045	\$ 0
Transfers In	521,768	0	521,768	0	462,980	58,788
Transfers Out	(538)	0	(538)	0	(538)	0
Total Other Financing Sources	\$ 558,275	\$ 0	\$ 558,275	\$ 0	\$ 499,487	\$ 58,788
Net Change in Fund Balance	\$ 339,995	\$ 119,722	\$ 459,717	\$ 658	\$ (618,787)	\$ 1,078,504
Fund Balance, July 1, 2022	3,388,555	(119,722)	3,268,833	2,247,612	2,439,892	828,941
Fund Balance, June 30, 2023	\$ 3,728,550	\$ 0	\$ 3,728,550	\$ 2,248,270	\$ 1,821,105	\$ 1,907,445

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 and Budget
Other General Government Fund
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 101,072	\$ 0	\$ 0	\$ 101,072
Federal Government	916,786	0	1,444,472	(527,686)
Total Revenues	<u>\$ 1,017,858</u>	<u>\$ 0</u>	<u>\$ 1,444,472</u>	<u>\$ (426,614)</u>
<u>Expenditures</u>				
<u>Finance</u>				
Other Finance	\$ 1,011	\$ 0	\$ 1,020	\$ 9
<u>Other Operations</u>				
COVID-19 Grant #1	174,295	0	174,295	0
American Rescue Plan Act Grant #1	602,239	0	603,190	951
Total Expenditures	<u>\$ 777,545</u>	<u>\$ 0</u>	<u>\$ 778,505</u>	<u>\$ 960</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 240,313</u>	<u>\$ 0</u>	<u>\$ 665,967</u>	<u>\$ (425,654)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (665,967)	\$ 0	\$ (665,967)	\$ 0
Total Other Financing Sources	<u>\$ (665,967)</u>	<u>\$ 0</u>	<u>\$ (665,967)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (425,654)	\$ 0	\$ 0	\$ (425,654)
Fund Balance, July 1, 2022	<u>(252,731)</u>	<u>0</u>	<u>0</u>	<u>(252,731)</u>
Fund Balance, June 30, 2023	<u><u>\$ (678,385)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (678,385)</u></u>

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

Exhibit C-7

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, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 265,650	\$ 0	\$ 265,650	\$ 260,977	\$ 261,087	\$ 4,563
Licenses and Permits	582	0	582	900	900	(318)
Other Local Revenues	105,706	0	105,706	4,892	43,892	61,814
State of Tennessee	1,980,197	0	1,980,197	2,576,647	2,576,647	(596,450)
Federal Government	39,506	0	39,506	17,000	17,000	22,506
Other Governments and Citizens Groups	90,648	0	90,648	120,000	120,000	(29,352)
Total Revenues	<u>\$ 2,482,289</u>	<u>\$ 0</u>	<u>\$ 2,482,289</u>	<u>\$ 2,980,416</u>	<u>\$ 3,019,526</u>	<u>\$ (537,237)</u>
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 357,264	\$ 0	\$ 357,264	\$ 332,002	\$ 357,543	\$ 279
Highway and Bridge Maintenance	1,131,922	0	1,131,922	1,435,870	1,372,197	240,275
Operation and Maintenance of Equipment	215,207	0	215,207	354,000	306,902	91,695
Other Charges	125,965	0	125,965	134,493	152,457	26,492
Capital Outlay	481,090	(97,899)	383,191	781,813	935,063	551,872
Total Expenditures	<u>\$ 2,311,448</u>	<u>\$ (97,899)</u>	<u>\$ 2,213,549</u>	<u>\$ 3,038,178</u>	<u>\$ 3,124,162</u>	<u>\$ 910,613</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 170,841</u>	<u>\$ 97,899</u>	<u>\$ 268,740</u>	<u>\$ (57,762)</u>	<u>\$ (104,636)</u>	<u>\$ 373,376</u>
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 19,199	\$ 0	\$ 19,199	\$ 0	\$ 0	\$ 19,199
Transfers Out	(33,880)	0	(33,880)	0	(33,880)	0
Total Other Financing Sources	<u>\$ (14,681)</u>	<u>\$ 0</u>	<u>\$ (14,681)</u>	<u>\$ 0</u>	<u>\$ (33,880)</u>	<u>\$ 19,199</u>
Net Change in Fund Balance	\$ 156,160	\$ 97,899	\$ 254,059	\$ (57,762)	\$ (138,516)	\$ 392,575
Fund Balance, July 1, 2022	<u>4,240,393</u>	<u>(97,899)</u>	<u>4,142,494</u>	<u>3,815,909</u>	<u>3,815,909</u>	<u>326,585</u>
Fund Balance, June 30, 2023	<u><u>\$ 4,396,553</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 4,396,553</u></u>	<u><u>\$ 3,758,147</u></u>	<u><u>\$ 3,677,393</u></u>	<u><u>\$ 719,160</u></u>

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

Exhibit D-1

Unicoi County, Tennessee
Statement of Net Position
Fiduciary Funds
June 30, 2023

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 944,193
Accounts Receivable	8,901
Due from Other Governments	440,548
Total Assets	<u>\$ 1,393,642</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	<u>\$ 440,548</u>
Total Liabilities	<u>\$ 440,548</u>
<u>NET POSITION</u>	
Restricted for Individuals, Organizations, and Other Governments	<u>\$ 953,094</u>
Total Net Position	<u><u>\$ 953,094</u></u>

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

Exhibit D-2

Unicoi County, Tennessee
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

Custodial
Funds

ADDITIONS

Sales Tax Collections for Other Governments	\$ 2,447,537
Fines/Fees and Other Collections	<u>3,142,507</u>
Total Additions	<u>\$ 5,590,044</u>

DEDUCTIONS

Payment of Sales Tax Collections to Other Governments	\$ 2,447,537
Payments to State	1,936,424
Payments to Individuals and Others	<u>1,340,824</u>
Total Deductions	<u>\$ 5,724,785</u>

Net Increase (Decrease) in Fiduciary Net Position	\$ (134,741)
Net Position, July 1, 2022	<u>1,087,835</u>

Net Position, June 30, 2023	<u><u>\$ 953,094</u></u>
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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, 2023

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

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

Unicoi County issues all debt for the discretely presented Unicoi County School Department. There were no debt issues contributed by the county to the school department during the year ended June 20, 2023. Other significant transactions between the primary government and the school department during the year include: \$274,776 paid from the county's Other General

Government Fund to the Education Capital Projects Fund for the Unicoi Elementary gymnasium addition project discussed in Note IV.C; \$318,331 paid from the General Purpose School Fund to the county's General Debt Service Fund as discussed in Note IV.H; and \$14,187 paid from the General Purpose School Fund to the county General Fund for School Resource Officers.

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. 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, including lease obligations, 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 funds financial statements are reported using the economic resources 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category includes custodial funds.

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.

Other General Government Fund – This special revenue fund accounts for and reports financial resources and expenditures relating to the American Rescue Plan Act.

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

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

Additionally, Unicoi County reports the following fund type:

Custodial Funds – These funds account for amounts collected in a custodial capacity by the constitutional officers and local sales taxes

received by the state to be forwarded to the various cities in Unicoi County.

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.

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

Central Cafeteria Fund – This special revenue fund is used to account for cafeteria operations in the schools. Charges for services and federal assistance are the foundational revenues of this fund.

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

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. The current year (FY23) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY22) are presented in this report. We do not believe using the prior year balances will affect the independent auditor's opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found at <https://www.comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>.

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 States 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 States 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 IV.A., no investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

Activity between funds for unremitted current collections outstanding at the end of the fiscal year is referred to 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 .90 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. The balance in the Due to Other Governments account on the Statement of Net Position for the primary government totaling \$2,255,044 represents \$2,060,058 of American Rescue Plan Act funds and \$194,986 of Local Assistance and Tribal Consistency Fund funds received in advance. The balance in the Other Current Liabilities account totaling \$9,929 on the Statement of Net Position for the primary government represents the remaining balance in the retirement clearing account and asset seizures that have not been awarded to the county as of June 30, 2023. The balance in the Other Current liabilities account totaling \$488,368 on the Statement of Net Position for the discretely presented Unicoi County School Department represents the remaining balance in the teacher's insurance clearing account.

Retainage payable in the discretely presented Unicoi County School Department's Education Capital Projects Fund represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held as Equity in Pooled Cash and Investments in the Education Capital Projects Fund.

3. Restricted Assets

Restricted assets consist of 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 costs. 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, infrastructure assets (e.g., roads, bridges, and similar items), and intangible right-to-use assets (e.g., lease assets) 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 \$10,000 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. Right-to-use assets are amortized over the shorter of the lease term or useful life.

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

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 assets 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. These

items are for pension changes in experience, assumptions, investment earnings, and proportion; pension and OPEB contributions after the measurement date; OPEB changes in experience, assumptions, and proportion; and the deferred charge on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) 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 and proportion; OPEB changes in experience, assumptions, and proportion; and various receivables for revenues, which do not meet the availability criteria for governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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, Lease Obligations, and Long-term Obligations

In the government-wide financial statements, long-term debt, lease obligations, 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 expense 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.

Lease obligations are recognized in the government-wide financial statements. At the commencement of a lease a liability is initially measured at the present value of payments expected to be made during the lease term. Subsequently, the liability is reduced by the principal portion of the lease payments made.

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable and lease obligations, 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 \$4,070,022 of restricted net position, of which \$452,262 is restricted by enabling legislation.

As of June 30, 2023, Unicoi County had \$14,715,000 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.

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 school department's General Purpose School Fund includes amounts assigned for encumbrances (\$292,579).

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 has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds. In the other governmental funds, funds expended that exceed the amounts that are restricted, committed, and assigned are reported as negative unassigned fund balance.

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 Pension 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 Pension 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 Pension 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) Plans

Primary Government

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 Unicoi County. For this purpose, Unicoi County recognizes benefit payments when due and payable in accordance with benefit terms. Unicoi County's OPEB plan is not administered through a trust.

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 and the school department's Internal School Fund (special revenue funds), which are not budgeted, and the Education Capital Projects fund which adopts a project length budget. 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 difference between the budgetary basis and GAAP basis is presented on the face of each budgetary schedule.

At June 30, 2023, the discretely presented Unicoi County School Department reported the following significant encumbrances:

<u>Funds</u>	<u>Amount</u>
School Department:	
Major Funds:	
General Purpose School	\$ 312,221
School Federal Projects	2,290,550
Central Cafeteria	41,248

B. Fund Deficits/Budgetary Basis Fund Deficit

The Other General Government Fund had a deficit in unassigned fund balance of \$780,621 due to grant expenditure reporting prescribed by the U.S. Treasury for the State and Local Fiscal Recovery Funds Grant (FAL 21.027). The grant expenditures can only be reported in April of each year. Unicoi County made expenditures of grant funds after the reporting period but before the end of the fiscal year which resulted in the deficit.

The School Federal Projects Fund of the Unicoi County School Department reported a budgetary basis fund deficit of \$2,050,378 as of June 30, 2023. This was due to the recognition of encumbrances as budgetary basis expenditures. The future expenditures represented by the encumbrances will be funded by federal grants.

The Education Capital Projects of the discretely presented Unicoi County School Department had a deficit in unassigned fund balance of \$119,263 at June 30, 2023. This deficit unassigned fund balance resulted from expenditures exceeding available funding and original estimates, restricted, committed, and assigned balances. This deficit unassigned fund balance will be liquidated by a transfer from the General Purpose School Fund.

C. Investigation

Discretely Presented Unicoi County School Department

On May 25, 2023, the Comptroller’s Division of Investigations issued an investigative report on the Unicoi County School Department. This report disclosed one deficiency in internal controls and one on compliance. The department did not maintain adequate controls over fuel and the department did not have a written policy and did not adequately account for consumable assets. This report is available at www.comptroller.tn.gov/ia.

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 represent nonpooled amounts held separately by individual funds.

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of three 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 90 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 fair 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.

In addition, counties may invest in FDIC insured certificates of deposit. The deposit is first made in a bank or savings and loan association, selected by the government entity, with a branch in the state of Tennessee that is authorized to accept county deposits (the depository bank). The depository bank then arranges for the transfer of the moneys into one or more federally insured banks or savings and loan associations, wherever located (secondary depositories), for the account of the county. In turn, the depository bank receives funds from customers of the secondary depositories equal to or greater than the amount initially invested by the county. The balance of county funds with each secondary depository must not exceed FDIC insurance limits so that all funds are fully insured. Under this program, the trustee must provide the

depository bank with a listing of all banks and savings and loan associations holding county funds under the same federal employer identification number (FEIN). To prevent deposits from exceeding FDIC coverage, the depository bank is prohibited from using any of those listed banks or savings and loan associations as secondary depositories. The use of this program must be approved by the county investment committee or finance committee as appropriate for the specific county. Further, the investment committee or finance committee must establish policies and procedures for the investments, including the establishment of controls to ensure that full FDIC insurance coverage is obtained. Service providers used by depositories must be approved by the state treasurer upon concurrence by the commissioner of financial institutions and finance and administration. There are currently only two eligible programs that have been approved by the state treasurer: the Certificate of Deposit Account Registry Service (CDARS) and the Insured Cash Sweep (ICS), which operate through IntraFi Network, LLC.

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, 2023, 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	Amortized Cost
Investments at Amortized Cost:		
State Treasurer's Investment Pool	1 to 46 days	\$ 7,043,814

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, 2023, 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 and the State Treasurer’s Intermediate Term Investment Fund can be obtained by reviewing the State of Tennessee Annual Comprehensive Financial Report at <https://www.tn.gov/finance/rd-doa/fa-accfin-ar.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. It is the intent of the plan trustees to allocate these funds in the future to offset pension costs.

On June 30, 2023, the Unicoi County School Department had the following investments held by the trust on its behalf. These funds are recognized as restricted assets in the General Purpose School Fund of the school department.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 73,765
Developed Market International Equity	N/A	N/A	33,313
Emerging Market International Equity	N/A	N/A	9,518
U.S. Fixed Income	N/A	N/A	47,590
Real Estate	N/A	N/A	23,795
Short-term Securities	N/A	N/A	2,379
NAV - Private Equity and Strategic Lending	N/A	N/A	<u>47,590</u>
Total			<u><u>\$ 237,950</u></u>

For further information concerning the legal provisions, investment policies, investment types, and credit risks of 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/ag20045.pdf>.

B. Capital Assets

Capital assets activity for the year ended June 30, 2023, was as follows:

Primary Government**Governmental Activities:**

	Balance 7-1-22	Increases	Decreases	Balance 6-30-23
Capital Assets Not Depreciated:				
Land	\$ 771,680	\$ 0	\$ 0	\$ 771,680
Construction in Progress	125,269	196,455	(198,523)	123,201
Total Capital Assets Not Depreciated	\$ 896,949	\$ 196,455	\$ (198,523)	\$ 894,881
Capital Assets Depreciated:				
Buildings and Improvements	\$ 7,281,640	\$ 161,715	\$ 0	\$ 7,443,355
Other Capital Assets	6,183,007	382,215	(87,969)	6,477,253
Infrastructure	11,100,865	349,537	0	11,450,402
Total Capital Assets Depreciated	\$ 24,565,512	\$ 893,467	\$ (87,969)	\$ 25,371,010
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 4,213,499	\$ 209,856	\$ 0	\$ 4,423,355
Other Capital Assets	4,069,362	384,634	(87,969)	4,366,027
Infrastructure	5,425,908	260,448	0	5,686,356
Total Accumulated Depreciation	\$ 13,708,769	\$ 854,938	\$ (87,969)	\$ 14,475,738
Total Capital Assets Depreciated, Net	\$ 10,856,743	\$ 38,529	\$ 0	\$ 10,895,272
Intangible Right-to-Use Assets:				
Leased Building	\$ 0	\$ 37,045	\$ 0	\$ 37,045
Less:Accumulated Amortization	0	(3,727)	0	(3,727)
Net Intangible Right-to-Use Assets	\$ 0	\$ 33,318	\$ 0	\$ 33,318
Governmental Activities Capital Assets, Net	\$ 11,753,692	\$ 268,302	\$ (198,523)	\$ 11,823,471

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

Governmental Activities:

General Government	\$ 176,574
Finance	8,477
Administration of Justice	7,920
Public Safety	163,660
Public Health and Welfare	14,714
Highways/Public Works	<u>487,320</u>
Total Depreciation and Amortization Expense - Governmental Activities	<u><u>\$ 858,665</u></u>

Net Investment in Capital Assets

Capital Assets (both tangible and intangible)	\$ 11,823,471
Less:	
Outstanding principal of capital debt and other capital borrowings	(638,505)
Unamortized balance of original issue premiums on outstanding capital-related debt	<u>(13,685)</u>
Net Investment in Capital Assets	<u><u>\$ 11,171,281</u></u>

Discretely Presented Unicoi County School Department

Governmental Activities:

	Balance 7-1-22	Increases	Balance 6-30-23
Capital Assets Not Depreciated:			
Land	\$ 615,753	\$ 0	\$ 615,753
Construction in Progress	458,842	1,437,455	1,896,297
Total Capital Assets Not Depreciated	<u>\$ 1,074,595</u>	<u>\$ 1,437,455</u>	<u>\$ 2,512,050</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 44,358,756	\$ 14,925	\$ 44,373,681
Other Capital Assets	5,472,585	268,371	5,740,956
Total Capital Assets Depreciated	<u>\$ 49,831,341</u>	<u>\$ 283,296</u>	<u>\$ 50,114,637</u>
Less Accumulated Depreciated For:			
Buildings and Improvements	\$ 19,894,622	\$ 1,249,791	\$ 21,144,413
Other Capital Assets	4,355,758	221,767	4,577,525
Total Accumulated Depreciation	<u>\$ 24,250,380</u>	<u>\$ 1,471,558</u>	<u>\$ 25,721,938</u>
Total Capital Assets Depreciated, Net	<u>\$ 25,580,961</u>	<u>\$ (1,188,262)</u>	<u>\$ 24,392,699</u>
Governmental Activities Capital Assets, Net	<u>\$ 26,655,556</u>	<u>\$ 249,193</u>	<u>\$ 26,904,749</u>

There were no decreases in capital assets to report during the year ended June 30, 2023.

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

Governmental Activities:

Instruction	\$ 838,609
Support Services	606,172
Operation of Non-instructional Services	<u>26,777</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,471,558</u></u>

C. Construction Commitments

At June 30, 2023, the discretely presented Unicoi County School Department had uncompleted construction contracts of approximately \$29,673 for central office roof, \$2,849,414 for gymnasium addition and \$79,203 for renovation projects at Unicoi Elementary School. Funding for these future expenditures is being provided by a federal grant in the School Federal Projects Fund, and in the Education Capital Projects Fund through remaining proceeds of general obligation bonds issued by Unicoi County and contributed to the school department in prior year.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2023, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 7,963
Nonmajor governmental	General	89
Discretely Presented School Department:		
General Purpose School	School Federal Projects	3,045

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.

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
Component Unit:		
School Department:	Primary Government:	
Education Capital Projects	Other General Government	\$ 274,776

The payable to the Education Capital Projects Fund represents amounts due for school renovation projects.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2023, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In			
	General Fund	Highway/ Public Works Fund	General Debt Service Fund	Nonmajor Governmental Fund
General Fund	\$ 0	\$ 0	\$ 0	538
Other General Government Fund	521,768	19,199	0	125,000
Highway/Public Works Fund	0	0	33,880	0
Total	\$ 521,768	\$ 19,199	\$ 33,880	\$ 125,538

Transfers from the General Fund were for bonus payments paid out of the nonmajor governmental funds. Transfers from the Other General Government Fund to the General Fund, Highway/Public Works Fund, and nonmajor governmental funds represent American Rescue Plan Act funds. Transfers from the Highway/Public Works Fund were for debt retirement.

Discretely Presented Unicoi County School Department

Transfer Out	Transfer In	
	School Federal Projects Fund	Purpose
General Purpose School Fund	\$ 150,000	Cash flow

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. Lease Obligation

On October 28, 2022, the county entered into a lease agreement for the use of a drive thru location for the County Clerk's Office with the lease term beginning on January 1, 2023. The lease is for five years, and the county will

make annual payments of \$7,800. An initial lease liability was recorded in the amount of \$37,045 during the current fiscal year. Unicoi County recognized \$3,590 in lease principal and \$310 in lease interest during the current fiscal year related to this lease. As of June 30, 2023, the lease liability balance was \$33,455.

The present value of the lease was determined using a discount rate of 2.11 percent, the same as the county's incremental borrowing rate. The leased asset and accumulated amortization of the right-to-use asset is outlined in Note IV.B.

The future lease payments on this asset lease include:

Year Ending June 30	Building Lease		
	Principal	Interest	Total
2024	\$ 7,162	\$ 638	\$ 7,800
2025	7,315	485	7,800
2026	7,472	328	7,800
2027	7,631	169	7,800
2028	3,875	24	3,899
Total	<u>\$ 33,455</u>	<u>\$ 1,644</u>	<u>\$ 35,099</u>

Changes in Lease Obligation

Lease obligation activity for the year ended June 30, 2023, was as follows:

Governmental Activities:

	Lease
Balance, July 1, 2022	\$ 0
Additions	37,045
Reductions	<u>(3,590)</u>
Balance, June 30, 2023	<u>\$ 33,455</u>
Balance Due Within One Year	<u>\$ 7,162</u>

Analysis of Noncurrent Liabilities for Lease Presented on Exhibit A:

Total Noncurrent Liabilities - Lease, June 30, 2023	\$ 33,455
Less: Balance Due Within One Year - Lease	<u>(7,162)</u>
Noncurrent Liabilities - Due in More Than One Year - Lease - Exhibit A	<u>\$ 26,293</u>

F. 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 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, 2023, 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, 2023, will be retired from the General Debt Service Fund. The county had no other loans outstanding as of June 30, 2023.

General obligation bonds and capital outlay notes outstanding as of June 30, 2023, for governmental activities are as follows:

Type	Interest Rate		Final Maturity	Original Amount of Issue	Balance 6-30-23
General Obligation Bonds	1.4 to 5%	%	5-1-39	\$ 4,960,000	\$ 4,210,000
General Obligation Bonds - Refunding	2 to 5		5-1-35	14,500,000	10,850,000
Direct Borrowing and Direct Placement:					
Capital Outlay Notes	2.65 to 2.94		4-1-26	957,000	260,050

On February 27, 2023, Unicoi County entered into an interlocal agreement to fund \$406,200 of debt repayment for the Erwin Utilities Authority. The debt, which is to be used to fund waterline extension projects in Unicoi County, is expected to be borrowed by the Erwin Utilities Authority from the State Revolving Loan Fund. As of the date of this report, this debt has not been issued.

The annual requirements to amortize all general obligation bonds and notes as of June 30, 2023, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		
	Principal	Interest	Total
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
2029-2033	3,425,000	365,593	3,790,593
2034-2038	1,530,000	141,082	1,671,082
2039	310,000	7,364	317,364
Total	\$ 15,060,000	\$ 2,446,844	\$ 17,506,844

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2024	\$ 97,100	\$ 7,457	\$ 104,557
2025	97,950	4,695	102,645
2026	65,000	1,911	66,911
Total	\$ 260,050	\$ 14,063	\$ 274,113

There is \$2,861,455 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$840, based on the 2020 federal census. Total debt per capita, including bonds, notes, and unamortized debt premiums, totaled \$891, based on the 2020 federal census.

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2023, was as follows:

Governmental Activities:

	Bonds	Notes - Direct Placement
Balance, July 1, 2022	\$ 16,505,000	\$ 401,400
Reductions	(1,445,000)	(141,350)
Balance, June 30, 2023	\$ 15,060,000	\$ 260,050
Balance Due Within One Year	\$ 1,345,000	\$ 97,100

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2023	\$ 15,320,050
Less: Balance Due Within One Year - Debt	(1,442,100)
Add: Unamortized Premium on Debt	651,792
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	\$ 14,529,742

G. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2023, was as follows:

Governmental Activities:	Other	
	Compensated Absences	Postemployment Benefits
Balance, July 1, 2022	\$ 199,113	\$ 129,699
Additions	168,111	23,741
Reductions	(200,687)	(59,455)
Balance, June 30, 2023	<u>\$ 166,537</u>	<u>\$ 93,985</u>
Balance Due Within One Year	<u>\$ 116,576</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2023	\$ 260,522
Less: Balance Due Within One Year - Other	<u>(116,576)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 143,946</u>

Compensated absences and other postemployment benefits 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 Unicoi County School Department for the year ended June 30, 2023, was as follows:

Governmental Activities:

	Other Postemployment Benefits	Termination Benefits
Balance, July 1, 2022	\$ 3,073,103	\$ 141,200
Additions	398,301	24,600
Reductions	(505,768)	(25,200)
Balance, June 30, 2023	<u>\$ 2,965,636</u>	<u>\$ 140,600</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 20,400</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2023	\$ 3,106,236
Less: Balance Due Within One Year - Other	<u>(20,400)</u>
	0
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 3,085,836</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.

H. Pledges of Receivables and Future Revenues

Local Option Sales Tax Revenues Pledged

By agreement in prior years, Unicoi County, the town of Unicoi, and the discretely presented Unicoi County School Department 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 was limited to \$175,000 per year. This agreement dissolved 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 on October 17, 2019, to finance school construction projects. This agreement became 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. The remaining principal (\$4,210,000) and interest (\$896,044) requirements for the bonds are payable semiannually through May 2039. For the current year, principal and interest paid was \$318,331. The amount of revenues generated by the pledged sales tax levy in the current year was \$1,055,749. The excess of pledged sales tax revenues over debt service requirements in the prior year and current year was \$685,604, and \$737,417, respectively, for a total of \$1,423,021. This amount is presented as Committed for Debt Service in the General Purpose School Fund of the school department.

I. 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 Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2023, were \$65,560. 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, and casualty losses. The county decided it was more economically feasible to join a public entity risk pool instead of purchasing commercial insurance for general liability, property, and casualty coverage. 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, and casualty 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 \$250,000 for property and \$450,000 for liability for each insured event.

Unicoi County participates in the Local Government Workers' Compensation Fund (LGWCF), a public entity risk pool established under provisions of Section 29-20-401, Tennessee Code Annotated, by the Tennessee County

Services Association to provide a program of workers' compensation coverage to employees of local governments. The county pays an annual premium to the LGWCF for its workers' compensation insurance coverage. The LGWCF is to be self-sustaining through member premiums. The LGWCF reinsures through commercial insurance companies for claims exceeding \$500,000.

Unicoi County participates 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 that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, *Tennessee Code Annotated (TCA)*, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Annual Comprehensive 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 LGGIF to be self-sustaining through member premiums.

Discretely Presented Unicoi County School Department

The school department participates in 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 it to be self-sustaining through member premiums.

The 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, TCA, all local education agencies are eligible to participate. The LEGIF is included in the Annual Comprehensive Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, TCA, provides for the LEGIF to be self-sustaining through member premiums.

B. Accounting Changes

GASB Statement No. 91, *Conduit Debt Obligations*, became effective for fiscal year ending June 30, 2023. This statement clarifies what is considered conduit debt and the requirements of when to disclose liabilities and commitments concerning conduit debt.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, became effective for fiscal year ending June 30, 2023. This statement will improve financial reporting by establishing

the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, became effective for fiscal year ending June 30, 2023. This standard establishes a definition for SBITAs and provides uniform guidance for accounting and financial reporting for transactions that meet that definition. This statement also establishes criteria for the recognition of implementation costs and requires a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement.

GASB Statement No. 99, *Omnibus 2022*, became effective during the fiscal year. This statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including Financial Guarantees; Derivative Instruments; Leases, PPPs, and SBITAs; LIBOR rate replacement; and other technical updates and corrections.

C. Contingent Liabilities

The county has received various federal and state grants and other assistance for specific purposes that are subject to review and audit by grantor agencies. Such audits could result in reimbursements to the grantor agencies for expenditures disallowed under the terms of the grants. County management is not aware of any potential disallowances and believes that reimbursements, if any, would not be material.

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 county's financial statements.

D. Change in Administration

On August 31, 2022, Mitzi Bowen left the Office of County Clerk and was succeeded by Patty Treadway.

E. Joint Ventures

Primary Government

The Upper East Tennessee Regional Juvenile Detention Center was formed through cooperative agreements between Unicoi County and the counties of Carter, Greene, Hawkins, Johnson, Sullivan, and Washington for the operation of a program to divert youth from commitment to the Department of Correction facilities. This program is governed by a board of directors designated by the counties. The board of directors has contracted with ElyJenn Health Services, LLC, to undertake the management of this program. Operation costs to the counties are allocated according to percentages based on population. Unicoi County's participation is 3.5 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 \$47,722 to the Animal Welfare Board for the year ended June 30, 2023.

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, Carter, 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, 2023.

Unicoi County Emergency Medical Services (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 64 percent, 22 percent, and 14 percent of the annual operating costs if revenues are insufficient to meet such costs. Unicoi County contributed \$131,000 to the Unicoi County Emergency Medical Services for the year ended June 30, 2023.

Complete financial statements for the Juvenile Detention Center; the Erwin, Unicoi, and Unicoi County Animal Welfare Board, the First Judicial District Drug Task Force, and Unicoi County Emergency Medical Services 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

Unicoi County Emergency Medical Services
630 Oneega Avenue
Erwin, TN 37650

Discretely Presented School Department

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

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

Administrative Office:

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

F. Jointly Governed Organization

The East Tennessee Regional Agribusiness Marketing Authority was established through Title 64 of *Tennessee Code Annotated, (TCA)*, 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 of each county or the county mayor's designee and one nonvoting member representing 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 manager as an ex-officio member, is in charge of the daily operation 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.

In prior years, Unicoi County participated in the joint governance of the Alliance for Business and Training (AB&T) which administered funds received under the Workforce Innovation and Opportunity Act for the Northeast Tennessee Local Workforce Development Area. AB&T's contracts with the Tennessee Department of Labor for the administration of the funds terminated at June 30, 2022, and AB&T was dissolved in January 2023.

G. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Unicoi County and non-certified employees of the discretely presented Unicoi County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 58.88 percent, the non-certified employees of the discretely presented school department comprised 41.12 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 <https://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 nonservice-related disability eligibility. The service-related and nonservice-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 automatic cost of living adjustments (COLAs) 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, 2022, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	190
Inactive Employees Entitled to But Not Yet Receiving Benefits	297
Active Employees	248
Total	<u><u>735</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary to the plan. 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, 2023, the employer contributions for Unicoi County were \$501,149 based on a rate of 6.47 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, 2022, 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, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

The actuarial assumptions, used in the June 30, 2022, actuarial valuation, were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity	4.88	%	31	%
Developed Market				
International Equity	5.37		14	
Emerging Market				
International Equity	6.09		4	
Private Equity and				
Strategic Lending	6.57		20	
U.S. Fixed Income	1.20		20	
Real Estate	4.38		10	
Short-term Securities	0.00		1	
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate 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, 2021	\$ 24,005,003	\$ 28,373,376	\$ (4,368,373)
Changes for the year:			
Service Cost	\$ 705,364	\$ 0	\$ 705,364
Interest	1,631,727	0	1,631,727
Differences Between Expected and Actual Experience	1,315,982	0	1,315,982
Contributions-Employer	0	614,067	(614,067)
Contributions-Employees	0	392,209	(392,209)
Net Investment Income	0	(1,083,730)	1,083,730
Benefit Payments, Including Refunds of Employee Contributions	(1,073,275)	(1,073,275)	0
Administrative Expense	0	(23,286)	23,286
Net Changes	\$ 2,579,798	\$ (1,174,015)	\$ 3,753,813
Balance, June 30, 2022	\$ 26,584,801	\$ 27,199,361	\$ (614,560)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	58.88%	\$ 15,653,131	\$ 16,014,984	\$ (361,853)
School Department	41.12%	10,931,670	11,184,377	(252,707)
Total		\$ 26,584,801	\$ 27,199,361	\$ (614,560)

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 6.75 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 (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Unicoi County	5.75%	6.75%	7.75%

Net Pension Liability (Asset) \$ 2,971,813 \$ (614,560) \$ (3,572,664)

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, 2023, Unicoi County recognized pension expense (negative pension expense) of \$266,780.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, 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	\$ 1,101,235	\$ 275,779
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	69,981	0
Changes in Assumptions	961,015	0
Contributions Subsequent to the Measurement Date of June 30, 2022 (1)	501,149	N/A
Total	\$ 2,633,380	\$ 275,779

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2022,” will be recognized as a reduction (increase) to net pension liability (asset) in the subsequent fiscal period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 1,544,847	\$ 162,379
School Department	<u>1,088,533</u>	<u>113,400</u>
Total	<u>\$ 2,633,380</u>	<u>\$ 275,779</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
2024	\$ 357,814
2025	317,334
2026	318,933
2027	862,373
2028	0
Thereafter	0

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

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 Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 58.88 percent and the non-certified employees of the discretely presented school

department comprise 41.12 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 <https://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 nonservice-related disability eligibility. The service-related and nonservice-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 automatic cost of living adjustments (COLAs) 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 COLAs, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers 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, 2022, to the Teacher Retirement Plan were \$92,324, which is 2.87 percent of covered payroll. In addition, employer contributions of \$36,350, which is 1.13 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, 2023, the school department reported a liability (asset) of (\$45,808) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022, and the total pension liability (asset) 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, 2022, the school department's proportion was .151220 percent. The proportion as of June 30, 2021, was .144751 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2023, the school department recognized pension expense (negative pension expense) of \$65,231.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, the school department reported deferred outflows 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	\$ 2,505	\$ 27,831
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	14,439	0
Changes in Assumptions	53,662	0
Changes in Proportion of Net Pension Liability (Asset)	14,951	12,445
LEA's Contributions Subsequent to the Measurement Date of June 30, 2022	92,324	N/A
Total	<u>\$ 177,881</u>	<u>\$ 40,276</u>

The school department's employer contributions of \$92,324, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) to the net pension liability (asset) in the year ending June 30, 2024. 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
2024	\$ 1,544
2025	1,691
2026	(682)
2027	24,467
2028	3,145
Thereafter	15,116

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

Actuarial Assumptions. The total pension liability as of the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

The actuarial assumptions, used in the June 30, 2022, actuarial valuation, were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate 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) of Unicoi County calculated using the discount rate of 6.75 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
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Net Pension Liability (Asset) \$ 240,467 \$ (45,808) \$ (254,877)

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 <https://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 nonservice-related disability eligibility. The service-related and nonservice-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 automatic cost of living adjustments (COLAs) 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.

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, 2023, to the Teacher Legacy Pension Plan were \$706,263, which is 8.69 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, 2023, the school department reported a liability (asset) of (\$3,374,687) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022, 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 long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2022, the school department's proportion was .275169 percent. The proportion measured at June 30, 2021, was .271071 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2023, the school department recognized pension expense (negative pension expense) of \$983.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, 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	\$ 555,124	\$ 570,220
Changes in Assumptions	2,114,079	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	57,706	0
Changes in Proportion of Net Pension Liability (Asset)	3,146	82,522
LEA's Contributions Subsequent to the Measurement Date of June 30, 2022	706,263	N/A
Total	\$ 3,436,318	\$ 652,742

The school department's employer contributions of \$706,263 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) to the net pension liability (asset) in the year ending June 30, 2024. 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
2024	\$ 304,948
2025	596,566
2026	(605,358)
2027	1,781,157
2028	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 as of the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

The actuarial assumptions, used in the June 30, 2022, actuarial valuation, were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate 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 net pension liability (asset) of Unicoi County calculated using the discount rate of 6.75 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
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Net Pension Liability (Asset) \$ 6,684,092 \$ (3,374,687) \$ (11,752,982)

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. During the year, the school department contributed \$153,091 and teachers contributed \$193,288 to this deferred compensation pension plan.

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

Unicoi County and the discretely presented Unicoi County School Department provide OPEB benefits to retirees through state administered public entity risk pools. For reporting purposes, the plans are considered single employer defined benefit OPEB plans based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). The plans are 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.

General retirees of Unicoi County and retirees of the Unicoi County Highway Department are provided healthcare under separate Local Government Plans (LGPs) until they reach Medicare eligibility. Likewise, the school department provides healthcare benefits to its employees under the Local Education Plan (LEP) until they reach Medicare eligibility. The certified retirees of the 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 county and the school department's total OPEB liability for each plan was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs. The total OPEB liability in the June 30, 2022, actuarial valuation of each plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2021, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.54%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 8.37% for pre-65 retirees in the 2022 calendar year, and decreasing annually over a 7-year period to an ultimate trend rate of 4.5%
Retirees Share of Benefit Related Cost	Discussed under each plan

The discount rate was 3.54 percent, based on an average rating of AA/Aa as shown on the Bond Buyers 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, 2022, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2022, valuations were the same as those employed in the July 1, 2021, Pension Actuarial Valuation of the TCRS. These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the PUB-2010 Headcount-weighted employee mortality table for non-disabled pre-retirement mortality, with mortality improvement projected generationally with MP-2020 from 2010. Post-retirement rates are headcount-weighted below median healthy annuitant and adjusted with a 6 percent load for males and a 14 percent load for females, projected generationally with MP-2020 from 2010. 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 percent load, projected generationally from 2018 with MP-2020.

Changes in Assumptions. The discount rate changed from 2.16 percent as of the beginning of the measurement period to 3.54 percent as of the measurement date of June 30, 2022. 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 2022 plan year was revised from 7.36 percent to 8.37 percent.

Local Government OPEB Plan (Primary Government)

Plan Description. Employees of Unicoi County are provided with pre-65 retiree health insurance benefits through the closed Local Government Plans (LGPs) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired employees and disability participants of local governments, who choose coverage, participate in the LGPs.

Benefits Provided. Unicoi County offers the LGPs to provide health insurance coverage to eligible pre-65 retirees and disabled participants of local governments. With the exception of a small group of grandfathered individuals, retirees are required to discontinue coverage under the LGPs upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-701 establishes and amends the benefit terms of the LGPs. 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 LGPs, receive the same plan benefits as active employees, at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. Unicoi County does not provide a direct subsidy and is only subject to the implicit subsidy.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2022, the following employees were covered by the benefit terms:

	County	Highway Department	Total
Inactive Employees Currently Receiving Benefit Payments	0	0	0
Inactive Employees Entitled To But Not Yet Receiving Benefit Payments	0	0	0
Active Employees Eligible for Benefits	99	15	114
Total	99	15	114

An insurance committee, created in accordance with TCA 8-27-701, establishes the required payments to the LGPs 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. For the fiscal year ended June 30, 2023, the county paid \$1,324 (County - \$1,214, Highway Department - \$110) to the LGPs for OPEB benefits as they came due.

Changes in the Total OPEB Liability – As of the Measurement Date

	County	Highway Department	Total
Balance July 1, 2021	\$ 79,112	\$ 50,587	\$ 129,699
Changes for the Year:			
Service Cost	\$ 15,863	\$ 4,646	\$ 20,509
Interest	2,043	1,189	3,232
Difference between Expected and Actuarial Experience	(12,354)	(4,441)	(16,795)
Changes in Assumption	(23,533)	(17,925)	(41,458)
Benefit Payments	(831)	(371)	(1,202)
Net Changes	\$ (18,812)	\$ (16,902)	\$ (35,714)
Balance June 30, 2022	\$ 60,300	\$ 33,685	\$ 93,985

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, the county recognized OPEB expense of \$15,584 (County - \$13,305, Highway Department - \$2,279). At June 30, 2023, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	County	Highway Department	Total
Deferred Outflows of Resources:			
Benefits Paid after the			
Measurement Date of June 30, 2022	\$ 1,214	\$ 110	\$ 1,324
Total Deferred Outflows			
of Resources	\$ 1,214	\$ 110	\$ 1,324

	County	Highway Department	Total
Deferred Inflows of Resources:			
Difference Between Expected			
and Actual Experience	\$ 10,770	\$ 3,735	\$ 14,505
Changes in Assumptions/Inputs	20,516	15,075	35,591
Total Deferred Inflows			
of Resources	\$ 31,286	\$ 18,810	\$ 50,096

The amount shown above for “Benefits Paid After the Measurement Date” will be recognized as a reduction to OPEB liability in the following fiscal period.

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

Year Ending June 30	General County	Highway Department	Total Amount
2024	\$ (4,601)	\$ (3,556)	\$ (8,157)
2025	(4,601)	(3,556)	(8,157)
2026	(4,601)	(3,556)	(8,157)
2027	(4,601)	(3,556)	(8,157)
2028	(4,601)	(3,556)	(8,157)
Thereafter	(8,281)	(1,030)	(9,311)

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

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the county calculated using the current discount rate as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

<u>Discount Rate</u>			Current Discount Rate		
		1% Decrease 2.54%		1% Increase 4.54%	
County	\$	64,526	\$	60,300	\$ 56,323
Highway Department		36,011		33,685	31,464
Total OPEB Liability	\$	100,537	\$	93,985	\$ 87,787

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the total OPEB liability of the county calculated using the current healthcare cost trend rate, as well as what the OPEB liability would be if it was calculated using a trend rate that is one percentage point lower or one percentage point higher than the current rate:

<u>Healthcare Cost Trend Rate</u>			Current Trend Rate		
		1% Decrease 7.37 to 3.5%		1% Increase 9.37 to 5.5%	
County	\$	53,550	\$	60,300	\$ 68,227
Highway Department		30,284		33,685	37,566
Total OPEB Liability	\$	83,834	\$	93,985	\$ 105,793

Closed Local Education (LEP) OPEB Plan (Discretely Presented School Department)

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.

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. The school department does not provide a direct subsidy except for the \$1,200 annual supplement discussed in Note V.I., Termination Benefits, which retirees may elect to have applied to their insurance coverage. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retiree's 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, 2022, the following employees were covered by the benefit terms:

	<u>Total</u>
Inactive Employees Currently Receiving Benefit Payments	17
Inactive Employees Entitled To But Not Yet Receiving Benefit Payments	0
Active Employees Eligible For Benefits	<u>222</u>
Total	<u><u>239</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 \$112,230 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability – As of the Measurement Date

	Share of Collective Liability		
	Unicoi County	State of	Total OPEB
	School Department 64.1696%	TN 35.8304%	
			Liability
Balance July 1, 2021	\$ 3,073,103	\$ 1,575,293	\$ 4,648,396
Changes for the Year:			
Service Cost	\$ 179,753	\$ 100,369	\$ 280,122
Interest	67,362	37,613	104,975
Difference between Expected and Actual Experience	151,183	84,416	235,599
Changes in Proportion	(90,247)	90,247	0
Changes in Assumption	(327,027)	(182,602)	(509,629)
Benefit Payments	(88,491)	(49,410)	(137,901)
Net Changes	\$ (107,467)	\$ 80,633	\$ (26,834)
Balance June 30, 2022	\$ 2,965,636	\$ 1,655,926	\$ 4,621,562

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 employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$157,032 in revenue for subsidies provided by non-employer 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 64.1696 percent and the State of Tennessee's share was 35.8304 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, the school department recognized OPEB expense of \$420,749, including the state's share of the expense. At June 30, 2023, 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	\$ 407,066	\$ 307,507
Changes of Assumptions	518,913	431,144
Changes in Proportion	97,887	158,778
Benefits Paid After the Measurement Date of June 30, 2022	<u>112,230</u>	<u>0</u>
Total	<u>\$ 1,136,096</u>	<u>\$ 897,429</u>

The amount shown above for “Benefits Paid After the Measurement Date” will be recognized as a reduction to OPEB liability in the subsequent fiscal period.

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

Year Ending June 30	School Department
2024	\$ 16,602
2025	16,602
2026	16,602
2027	16,602
2028	21,841
Thereafter	38,188

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>		Current	
	1%	Discount	1%
	Decrease	Rate	Increase
	2.54%	3.54%	4.54%

Proportionate Share of the Collective Total OPEB Liability	\$ 3,206,028	\$ 2,965,636	\$ 2,739,146
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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>		Current	
	1%	Rate	1%
	Decrease		Increase
	7.37 to 3.5%	8.37 to 4.5%	9.37 to 5.5%

Proportionate Share of the Collective Total OPEB Liability	\$ 2,632,434	\$ 2,965,636	\$ 3,357,922
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I. Termination Benefits

The discretely presented Unicoi County School Department through School Board policy provides termination benefits to all professional employees 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. At the retiree's discretion, that supplement may be received in cash or applied toward payment of health insurance premiums for the retiree under the Local Education Plan discussed in Note V.H., Other Postemployment Benefits. Retirees also receive an additional one-time payment of \$1,500 their first year of retirement. Upon death of the retiree, this benefit ceases. Currently, 19 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 \$140,600. During the year, expenditures of \$25,200 were made for the supplement benefits. No payments were made for the one-time payment during the fiscal year ended June 30, 2023.

J. Purchasing Laws

Office of County Mayor

Purchasing procedures for the Office of County Mayor are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*, which provide for purchases exceeding \$25,000 (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 \$25,000 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 competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$25,000.

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	2020	2021	2022
Total Pension Liability									
Service Cost	\$ 450,749	\$ 498,400	\$ 523,977	\$ 549,365	\$ 570,740	\$ 579,934	\$ 548,002	\$ 582,051	\$ 705,364
Interest	1,265,006	1,307,182	1,341,066	1,383,248	1,405,036	1,425,084	1,514,864	1,557,829	1,631,727
Differences Between Actual and Expected Experience	(278,910)	(414,817)	(286,629)	(489,764)	(632,907)	242,249	(504,966)	(122,988)	1,315,982
Changes in Assumptions	0	0	0	606,551	0	0	0	1,601,693	0
Benefit Payments, Including Refunds of Employee Contributions	(887,503)	(956,791)	(972,329)	(1,110,430)	(1,158,104)	(992,985)	(960,996)	(1,037,653)	(1,073,275)
Net Change in Total Pension Liability	\$ 549,342	\$ 433,974	\$ 606,085	\$ 938,970	\$ 184,765	\$ 1,254,282	\$ 596,904	\$ 2,580,932	\$ 2,579,798
Total Pension Liability, Beginning	16,859,749	17,409,091	17,843,065	18,449,150	19,388,120	19,572,885	20,827,167	21,424,071	24,005,003
Total Pension Liability, Ending (a)	\$ 17,409,091	\$ 17,843,065	\$ 18,449,150	\$ 19,388,120	\$ 19,572,885	\$ 20,827,167	\$ 21,424,071	\$ 24,005,003	\$ 26,584,801
Plan Fiduciary Net Position									
Contributions - Employer	\$ 477,234	\$ 486,697	\$ 517,289	\$ 534,120	\$ 534,791	\$ 540,136	\$ 512,954	\$ 540,612	\$ 614,067
Contributions - Employee	284,754	286,181	303,989	314,359	314,259	317,781	328,568	345,108	392,209
Net Investment Income	2,408,454	516,295	453,553	1,965,211	1,577,152	1,514,157	1,076,460	5,836,091	(1,083,730)
Benefit Payments, Including Refunds of Employee Contributions	(887,503)	(956,791)	(972,329)	(1,110,430)	(1,158,104)	(992,985)	(960,996)	(1,037,653)	(1,073,275)
Administrative Expense	(8,521)	(10,989)	(17,570)	(19,097)	(21,159)	(19,444)	(19,973)	(19,970)	(23,286)
Net Change in Plan Fiduciary Net Position	\$ 2,274,418	\$ 321,393	\$ 284,932	\$ 1,684,163	\$ 1,246,939	\$ 1,359,645	\$ 937,013	\$ 5,664,188	\$ (1,174,015)
Plan Fiduciary Net Position, Beginning	14,600,685	16,875,103	17,196,496	17,481,428	19,165,591	20,412,530	21,772,175	22,709,188	28,373,376
Plan Fiduciary Net Position, Ending (b)	\$ 16,875,103	\$ 17,196,496	\$ 17,481,428	\$ 19,165,591	\$ 20,412,530	\$ 21,772,175	\$ 22,709,188	\$ 28,373,376	\$ 27,199,361
Net Pension Liability (Asset), Ending (a - b)	\$ 533,988	\$ 646,569	\$ 967,722	\$ 222,529	\$ (839,645)	\$ (945,008)	\$ (1,285,117)	\$ (4,368,373)	\$ (614,560)
Plan Fiduciary Net Position as a Percentage of Total Pension Asset/Liability	96.93%	96.38%	94.75%	98.85%	104.29%	104.54%	106.00%	118.20%	102.31%
Covered Payroll	\$ 5,695,012	\$ 5,712,194	\$ 6,071,475	\$ 6,269,021	\$ 6,276,884	\$ 6,339,618	\$ 6,542,779	\$ 6,895,553	\$ 7,832,476
Net Pension Liability (Asset) as a Percentage of Covered Payroll	9.38%	11.32%	15.94%	3.55%	(13.38%)	(14.91%)	(19.64%)	(63.35%)	(7.85%)

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

Note 2: 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	2021	2022	2023
Actuarially Determined Contribution	\$ 477,234	\$ 486,697	\$ 517,289	\$ 534,120	\$ 534,791	\$ 540,136	\$ 512,954	\$ 540,612	\$ 614,067	\$ 501,149
Less: Contributions in Relation to the Actuarially Determined Contribution	(477,234)	(486,697)	(517,289)	(534,120)	(534,791)	(540,136)	(512,954)	(540,612)	(614,067)	(501,149)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 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	\$ 6,542,779	\$ 6,895,553	\$ 7,832,476	\$ 7,745,733
Contributions as a Percentage of Covered Payroll	8.38%	8.52%	8.52%	8.52%	8.52%	8.52%	7.84%	7.84%	7.84%	6.47%

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	2021	2022	2023
Contractually Required Contribution	\$ 21,130	\$ 30,757	\$ 45,127	\$ 48,580	\$ 34,025	\$ 40,233	\$ 42,199	\$ 51,906	\$ 92,324
Less: Contributions in Relation to the Contractually Required Contribution	(21,130)	(30,757)	(45,127)	(48,580)	(34,025)	(40,233)	(42,199)	(51,906)	(92,324)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 528,255	\$ 768,938	\$ 1,128,172	\$ 1,214,508	\$ 1,753,888	\$ 1,981,892	\$ 2,089,074	\$ 2,582,372	\$ 3,216,847
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%	2.02%	2.01%	2.87%

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

Note 2: Beginning in FY 2019, the school department placed the actuarially determined contribution rate of covered payroll into the pension plan and placed the remainder of the four percent contractually required contribution into the Pension Stabilization Reserve Trust (SRT).

2019: Pension - 1.94%, SRT - 2.02%
2020: Pension - 2.03%, SRT - 1.97%
2021: Pension - 2.02%, SRT - 1.98%
2022: Pension - 2.01%, SRT - 1.99%
2023: Pension - 2.87%, SRT - 1.13%

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	2021	2022	2023
Contractually Required Contribution	\$ 844,596	\$ 813,280	\$ 821,505	\$ 811,753	\$ 829,869	\$ 934,022	\$ 927,065	\$ 913,723	\$ 932,731	\$ 706,263
Less: Contributions in Relation to the Contractually Required Contribution	(844,596)	(813,280)	(821,505)	(811,753)	(829,869)	(934,022)	(927,065)	(913,723)	(932,731)	(706,263)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 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	\$ 8,897,068	\$ 9,055,646	\$ 8,127,317
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%	10.30%	8.69%

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	2020	2021	2022
School Department's Proportion of the Net Pension Liability (Asset)	0.248998%	0.174756%	0.171889%	0.138979%	0.165742%	0.157055%	0.144751%	0.151220%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (10,228)	\$ (18,193)	\$ (45,349)	\$ (63,031)	\$ (93,559)	\$ (89,308)	\$ (156,796)	\$ (45,808)
Covered Payroll	\$ 528,255	\$ 768,938	\$ 1,128,172	\$ 1,214,508	\$ 1,753,888	\$ 1,981,892	\$ 2,089,074	\$ 2,582,372
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%)	(4.51%)	(7.51%)	(1.77%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%	121.53%	104.55%

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	2020	2021	2022
School Department's Proportion of the Net Pension Liability (Asset)	0.242324%	0.240322%	0.251744%	0.254023%	0.261005%	0.266301%	0.262035%	0.271071%	0.275169%
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)	\$ (1,998,212)	\$ (11,691,943)	\$ (3,374,687)
Covered Payroll	\$ 9,511,212	\$ 8,996,468	\$ 9,087,444	\$ 8,979,594	\$ 9,139,517	\$ 8,929,460	\$ 8,721,202	\$ 8,897,069	\$ 9,055,646
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%)	(22.91%)	(131.41%)	(37.27%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%	104.42%

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

Unicoi County, Tennessee
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Government Plans
Primary Government
For the Fiscal Year Ended June 30

Unicoi County Plan (General Employees)

	2021	2022
Total OPEB Liability		
Service Cost	\$ 0	\$ 15,863
Interest	0	2,043
Changes of Benefit Terms	79,112	0
Differences Between Actual and Expected Experience	0	(12,354)
Changes in Assumptions or Other Inputs	0	(23,533)
Benefit Payments	0	(831)
Net Change in Total OPEB Liability	\$ 79,112	\$ (18,812)
Total OPEB Liability, Beginning	0	79,112
Total OPEB Liability, Ending	<u>\$ 79,112</u>	<u>\$ 60,300</u>
Covered Employee Payroll	\$ 3,652,106	\$ 3,942,228
Net OPEB Liability as a Percentage of Covered Employee Payroll	2.17%	1.53%

Highway Department Plan

	2021	2022
Total OPEB Liability		
Service Cost	\$ 0	\$ 4,646
Interest	0	1,189
Changes of Benefit Terms	50,587	0
Differences Between Actual and Expected Experience	0	(4,441)
Changes in Assumptions or Other Inputs	0	(17,925)
Benefit Payments	0	(371)
Net Change in Total OPEB Liability	\$ 50,587	\$ (16,902)
Total OPEB Liability, Beginning	0	50,587
Total OPEB Liability, Ending	<u>\$ 50,587</u>	<u>\$ 33,685</u>
Covered Employee Payroll	\$ 725,886	\$ 795,257
Net OPEB Liability as a Percentage of Covered Employee Payroll	6.97%	4.24%

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:

2021 2.16 %

2022 3.54%

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

For the 2022 plan year - from 9.02% to 7.36%

For the 2023 plan - from 7.36% to 8.37%

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

Exhibit E-8

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	2020	2021	2022
Total OPEB Liability						
Service Cost	\$ 220,180	\$ 202,754	\$ 187,711	\$ 172,056	\$ 222,790	\$ 280,122
Interest	107,523	129,624	107,607	115,626	84,292	104,975
Changes in Benefit Terms	0	(129,693)	0	0	0	0
Differences Between Actual and Expected Experience	0	(777,215)	451,551	(81,387)	204,370	235,599
Changes in Assumptions or Other Inputs	(171,366)	90,615	(249,107)	412,180	613,187	(509,629)
Benefit Payments	(177,061)	(183,131)	(157,471)	(163,515)	(134,382)	(137,901)
Net Change in Total OPEB Liability	\$ (20,724)	\$ (667,046)	\$ 340,291	\$ 454,960	\$ 990,257	\$ (26,834)
Total OPEB Liability, Beginning	3,550,658	3,529,934	2,862,888	3,203,179	3,658,139	4,648,396
Total OPEB Liability, Ending	<u>\$ 3,529,934</u>	<u>\$ 2,862,888</u>	<u>\$ 3,203,179</u>	<u>\$ 3,658,139</u>	<u>\$ 4,648,396</u>	<u>\$ 4,621,562</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 1,249,900	\$ 929,978	\$ 1,077,982	\$ 1,164,300	\$ 1,575,293	\$ 1,655,926
Employer Proportionate Share of the Total OPEB Liability	2,280,034	1,932,910	2,125,197	2,493,839	3,073,103	2,965,636
Covered Employee Payroll	\$ 11,477,624	\$ 11,613,974	\$ 12,014,577	\$ 12,135,144	\$ 12,503,274	\$ 13,632,252
Net OPEB Liability as a Percentage of Covered Employee Payroll	19.87%	16.64%	17.69%	20.55%	24.58%	21.75%

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%
2020	2.21%
2021	2.16%
2022	3.54%

(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%
2021 plan year	- from 6.03% to 9.02%
2022 plan year	- from 9.02% to 7.36%
2023 plan year	- from 7.36% to 8.37%

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, 2023

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2023 were calculated based on the July 1, 2021, 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	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation; averaging 4%
Investment Rate of Return	6.75%, 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	2.125%

Changes of assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.5 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3 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 specified 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.

Exhibit F-1

Unicoi County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

ASSETS

Cash
 Equity in Pooled Cash and Investments
 Accounts Receivable
 Due from Other Funds
 Property Taxes Receivable
 Allowance for Uncollectible Property Taxes

Total Assets

LIABILITIES

Accounts Payable
 Due to Other Funds
 Other Current Liabilities
 Total Liabilities

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes
 Deferred Delinquent Property Taxes
 Total Deferred Inflows of Resources

FUND BALANCES

Restricted:
 Restricted for Public Safety
 Committed:
 Committed for Public Health and Welfare
 Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

Special Revenue Funds			Total	
Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Nonmajor Governmental Funds	
\$ 0	\$ 0	\$ 7,963	\$	7,963
199,188	49,992	0		249,180
835	0	0		835
0	89	0		89
834,603	0	0		834,603
(11,565)	0	0		(11,565)
\$ 1,023,061	\$ 50,081	\$ 7,963	\$	1,081,105
\$ 2,021	\$ 0	\$ 0	\$	2,021
0	0	7,963		7,963
0	1,672	0		1,672
\$ 2,021	\$ 1,672	\$ 7,963	\$	11,656
\$ 803,432	\$ 0	\$ 0	\$	803,432
18,864	0	0		18,864
\$ 822,296	\$ 0	\$ 0	\$	822,296
\$ 0	\$ 48,409	\$ 0	\$	48,409
198,744	0	0		198,744
\$ 198,744	\$ 48,409	\$ 0	\$	247,153
\$ 1,023,061	\$ 50,081	\$ 7,963	\$	1,081,105

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, 2023

	Special Revenue Funds			Total
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Nonmajor Governmental Funds
<u>Revenues</u>				
Local Taxes	\$ 493,171	\$ 0	\$ 0	\$ 493,171
Licenses and Permits	1,455	0	0	1,455
Fines, Forfeitures, and Penalties	0	16,895	0	16,895
Charges for Current Services	0	0	12,411	12,411
Other Local Revenues	0	1,927	0	1,927
State of Tennessee	21,768	0	0	21,768
Total Revenues	<u>\$ 516,394</u>	<u>\$ 18,822</u>	<u>\$ 12,411</u>	<u>\$ 547,627</u>
<u>Expenditures</u>				
Current:				
Finance	\$ 0	\$ 157	\$ 0	\$ 157
Administration of Justice	0	0	12,411	12,411
Public Safety	0	19,685	0	19,685
Public Health and Welfare	590,408	0	0	590,408
Total Expenditures	<u>\$ 590,408</u>	<u>\$ 19,842</u>	<u>\$ 12,411</u>	<u>\$ 622,661</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (74,014)</u>	<u>\$ (1,020)</u>	<u>\$ 0</u>	<u>\$ (75,034)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 125,000	\$ 538	\$ 0	\$ 125,538
Total Other Financing Sources (Uses)	<u>\$ 125,000</u>	<u>\$ 538</u>	<u>\$ 0</u>	<u>\$ 125,538</u>
Net Change in Fund Balances	\$ 50,986	\$ (482)	\$ 0	\$ 50,504
Fund Balance, July 1, 2022	147,758	48,891	0	196,649
Fund Balance, June 30, 2023	<u><u>\$ 198,744</u></u>	<u><u>\$ 48,409</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 247,153</u></u>

Exhibit F-3

Unicoi County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 493,171	\$ 485,226	\$ 485,226	\$ 7,945
Licenses and Permits	1,455	2,000	2,000	(545)
State of Tennessee	21,768	18,400	18,400	3,368
Total Revenues	<u>\$ 516,394</u>	<u>\$ 505,626</u>	<u>\$ 505,626</u>	<u>\$ 10,768</u>
<u>Expenditures</u>				
Public Health and Welfare				
Sanitation Management	\$ 590,408	\$ 557,629	\$ 682,629	\$ 92,221
Total Expenditures	<u>\$ 590,408</u>	<u>\$ 557,629</u>	<u>\$ 682,629</u>	<u>\$ 92,221</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (74,014)</u>	<u>\$ (52,003)</u>	<u>\$ (177,003)</u>	<u>\$ 102,989</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 125,000	0	\$ 125,000	0
Total Other Financing Sources	<u>\$ 125,000</u>	<u>0</u>	<u>\$ 125,000</u>	<u>0</u>
Net Change in Fund Balance	\$ 50,986	\$ (52,003)	\$ (52,003)	\$ 102,989
Fund Balance, July 1, 2022	<u>147,758</u>	<u>133,091</u>	<u>133,091</u>	<u>14,667</u>
Fund Balance, June 30, 2023	<u><u>\$ 198,744</u></u>	<u><u>\$ 81,088</u></u>	<u><u>\$ 81,088</u></u>	<u><u>\$ 117,656</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, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 16,895	\$ 29,500	\$ 29,500	\$ (12,605)
Other Local Revenues	1,927	0	0	1,927
Total Revenues	<u>\$ 18,822</u>	<u>\$ 29,500</u>	<u>\$ 29,500</u>	<u>\$ (10,678)</u>
<u>Expenditures</u>				
<u>Finance</u>				
Other Finance	\$ 157	\$ 250	\$ 250	\$ 93
<u>Public Safety</u>				
Sheriff's Department	19,685	42,470	43,008	23,323
Total Expenditures	<u>\$ 19,842</u>	<u>\$ 42,720</u>	<u>\$ 43,258</u>	<u>\$ 23,416</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,020)</u>	<u>\$ (13,220)</u>	<u>\$ (13,758)</u>	<u>\$ 12,738</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 538	\$ 0	\$ 538	\$ 0
Total Other Financing Sources	<u>\$ 538</u>	<u>\$ 0</u>	<u>\$ 538</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (482)	\$ (13,220)	\$ (13,220)	\$ 12,738
Fund Balance, July 1, 2022	<u>48,891</u>	<u>43,806</u>	<u>43,806</u>	<u>5,085</u>
Fund Balance, June 30, 2023	<u><u>\$ 48,409</u></u>	<u><u>\$ 30,586</u></u>	<u><u>\$ 30,586</u></u>	<u><u>\$ 17,823</u></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, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,101,649	\$ 1,977,088	\$ 1,977,088	\$ 124,561
Licenses and Permits	4,621	6,000	6,000	(1,379)
Other Local Revenues	1,348	2,000	2,000	(652)
Other Governments and Citizens Groups	337,709	361,782	327,902	9,807
Total Revenues	<u>\$ 2,445,327</u>	<u>\$ 2,346,870</u>	<u>\$ 2,312,990</u>	<u>\$ 132,337</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,355,000	\$ 1,555,000	\$ 1,355,000	\$ 0
Highways and Streets	31,350	0	31,350	0
Education	200,000	0	200,000	0
<u>Interest on Debt</u>				
General Government	501,285	619,858	501,527	242
Highways and Streets	2,530	33,905	2,555	25
Education	118,331	0	118,331	0
<u>Other Debt Service</u>				
General Government	36,751	41,000	41,000	4,249
Total Expenditures	<u>\$ 2,245,247</u>	<u>\$ 2,249,763</u>	<u>\$ 2,249,763</u>	<u>\$ 4,516</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 200,080</u>	<u>\$ 97,107</u>	<u>\$ 63,227</u>	<u>\$ 136,853</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 33,880	0	\$ 33,880	\$ 0
Total Other Financing Sources	<u>\$ 33,880</u>	<u>0</u>	<u>\$ 33,880</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 233,960	\$ 97,107	\$ 97,107	\$ 136,853
Fund Balance, July 1, 2022	<u>2,627,495</u>	<u>2,486,983</u>	<u>2,486,983</u>	<u>140,512</u>
Fund Balance, June 30, 2023	<u><u>\$ 2,861,455</u></u>	<u><u>\$ 2,584,090</u></u>	<u><u>\$ 2,584,090</u></u>	<u><u>\$ 277,365</u></u>

Custodial Funds

Custodial Funds are used to account for assets held by the county in a custodial capacity or as an agent for individuals, private organizations, other governments. Custodial Funds are reported using the economic resources measurement focus and the accrual basis of accounting. Custodial fund reporting focuses on net position and changes in net position. Custodial funds are distinguished from trust funds by the absence of a trust agreement or equivalent arrangement.

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 - Custodial Fund – The Constitutional Officers - Custodial Fund is used to account for amounts collected in a custodial 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, litigants, heirs, and others.

Exhibit H-1

Unicoi County, Tennessee
Combining Statement of Net Position
Custodial Funds
June 30, 2023

	<u>Custodial Funds</u>		
	Cities -	Constitu -	
	Sales	tional	
	Tax	Officers -	
		Custodial	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 944,193	\$ 944,193
Accounts Receivable	0	8,901	8,901
Due from Other Governments	440,548	0	440,548
Total Assets	<u>\$ 440,548</u>	<u>\$ 953,094</u>	<u>\$ 1,393,642</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 440,548	\$ 0	\$ 440,548
Total Liabilities	<u>\$ 440,548</u>	<u>\$ 0</u>	<u>\$ 440,548</u>
<u>NET POSITION</u>			
Restricted for Individuals, Organizations, and Other Governments	<u>\$ 0</u>	<u>\$ 953,094</u>	<u>\$ 953,094</u>
Total Net Position	<u>\$ 0</u>	<u>\$ 953,094</u>	<u>\$ 953,094</u>

Exhibit H-2

Unicoi County, Tennessee
Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended June 30, 2023

	<u>Custodial Funds</u>		
	Cities - Sales Tax	Constitu - tional Officers - Custodial	Total
<u>Additions</u>			
Sales Tax Collections for Other Governments	\$ 2,447,537	\$ 0	\$ 2,447,537
Fines/Fees and Other Collections	0	3,142,507	3,142,507
Total Additions	<u>\$ 2,447,537</u>	<u>\$ 3,142,507</u>	<u>\$ 5,590,044</u>
<u>Deductions</u>			
Payment of Sales Tax Collections for Other Governments	\$ 2,447,537	\$ 0	\$ 2,447,537
Payments to State	0	1,936,424	1,936,424
Payments to Individuals and Others	0	1,340,824	1,340,824
Total Deductions	<u>\$ 2,447,537</u>	<u>\$ 3,277,248</u>	<u>\$ 5,724,785</u>
Change in Net Position	\$ 0	\$ (134,741)	\$ (134,741)
Net Position July 1, 2022	0	1,087,835	1,087,835
Net Position June 30, 2023	<u>\$ 0</u>	<u>\$ 953,094</u>	<u>\$ 953,094</u>

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, three Special Revenue Funds, and one 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.

Internal School Fund – The Internal School Fund is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities.

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, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for	Operating	Capital	Revenue and
		Services	Grants and	Grants and	Changes in
			Contributions	Contributions	Net Position
					Total
					Governmental
					Activities
Governmental Activities:					
Instruction	\$ 13,414,765	\$ 130,884	\$ 3,350,881	\$ 687,781	\$ (9,245,219)
Support Services	10,205,570	0	681,924	0	(9,523,646)
Operation of Non-instructional Services	2,988,034	207,851	2,213,217	0	(566,966)
Other Debt Service	318,331	0	0	0	(318,331)
Total Governmental Activities	<u>\$ 26,926,700</u>	<u>\$ 338,735</u>	<u>\$ 6,246,022</u>	<u>\$ 687,781</u>	<u>\$ (19,654,162)</u>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 2,407,725
Local Option Sales Taxes					2,920,980
Business Tax					40,346
Wholesale Beer Tax					6,884
Other Local Taxes					66
Grants and Contributions Not Restricted for Specific Programs					14,742,402
Unrestricted Investment Income					22,172
Miscellaneous					113,296
Total General Revenues					<u>\$ 20,253,871</u>
Change in Net Position					\$ 599,709
Net Position, July 1, 2022					<u>36,648,414</u>
Net Position, June 30, 2023					<u>\$ 37,248,123</u>

Exhibit I-2

Unicoi County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Unicoi County School Department
June 30, 2023

	Major Funds				Nonmajor Fund	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Internal School	Governmental Funds
<u>ASSETS</u>						
Cash	\$ 713,000	\$ 0	\$ 3,000	\$ 0	\$ 479,247	\$ 1,195,247
Equity in Pooled Cash and Investments	2,469,584	116,221	1,046,228	63,051	0	3,695,084
Accounts Receivable	717	0	12,267	0	0	12,984
Due from Other Governments	964,198	128,907	38,338	2,526	0	1,133,969
Due from Other Funds	3,045	0	0	0	0	3,045
Due from Primary Government	0	0	0	274,776	0	274,776
Property Taxes Receivable	2,529,773	0	0	0	0	2,529,773
Allowance for Uncollectible Property Taxes	(43,317)	0	0	0	0	(43,317)
Restricted Assets	237,950	0	0	0	0	237,950
Total Assets	<u>\$ 6,874,950</u>	<u>\$ 245,128</u>	<u>\$ 1,099,833</u>	<u>\$ 340,353</u>	<u>\$ 479,247</u>	<u>\$ 9,039,511</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 51,391	\$ 1,911	\$ 6,818	\$ 0	\$ 0	\$ 60,120
Contracts Payable	0	0	0	424,300	0	424,300
Retainage Payable	0	0	0	35,316	0	35,316
Due to Other Funds	0	3,045	0	0	0	3,045
Other Current Liabilities	488,368	0	0	0	0	488,368
Total Liabilities	<u>\$ 539,759</u>	<u>\$ 4,956</u>	<u>\$ 6,818</u>	<u>\$ 459,616</u>	<u>\$ 0</u>	<u>\$ 1,011,149</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 2,386,935	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,386,935
Deferred Delinquent Property Taxes	95,761	0	0	0	0	95,761
Other Deferred/Unavailable Revenue	241,955	0	0	0	0	241,955
Total Deferred Inflows of Resources	<u>\$ 2,724,651</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,724,651</u>

(Continued)

Exhibit I-2

Unicoi County, Tennessee

Balance Sheet - Governmental Funds

Discretely Presented Unicoi County School Department (Cont.)

	Major Funds				Nonmajor Fund	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Internal School	Governmental Funds
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Education	\$ 214,150	\$ 40,172	\$ 1,093,015	\$ 0	\$ 479,247	\$ 1,826,584
Restricted for Hybrid Retirement Stabilization Funds	237,950	0	0	0	0	237,950
Committed:						
Committed for Education	0	200,000	0	0	0	200,000
Committed for Debt Service	1,423,021	0	0	0	0	1,423,021
Assigned:						
Assigned for Education	292,579	0	0	0	0	292,579
Unassigned	1,442,840	0	0	(119,263)	0	1,323,577
Total Fund Balances	<u>\$ 3,610,540</u>	<u>\$ 240,172</u>	<u>\$ 1,093,015</u>	<u>\$ (119,263)</u>	<u>\$ 479,247</u>	<u>\$ 5,303,711</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,874,950</u>	<u>\$ 245,128</u>	<u>\$ 1,099,833</u>	<u>\$ 340,353</u>	<u>\$ 479,247</u>	<u>\$ 9,039,511</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, 2023

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)		\$ 5,303,711
(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	1,896,297	
Add: buildings and improvements net of accumulated depreciation	23,229,268	
Add: other capital assets net of accumulated depreciation	<u>1,163,431</u>	26,904,749
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: OPEB liability	\$ (2,965,636)	
Less: termination benefits liability	<u>(140,600)</u>	(3,106,236)
(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	\$ 4,702,732	
Less: deferred inflows of resources related to pensions	(806,418)	
Add: deferred outflows of resources related to OPEB	1,136,096	
Less: deferred inflows of resources related to OPEB	<u>(897,429)</u>	4,134,981
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan	\$ 252,707	
Add: net pension asset - teacher retirement plan	45,808	
Add: net pension asset - teacher legacy pension plan	<u>3,374,687</u>	3,673,202
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>337,716</u>
Net position of governmental activities (Exhibit A)		<u>\$ 37,248,123</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, 2023

	Major Funds				Nonmajor Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Internal School	Total Governmental Funds
<u>Revenues</u>						
Local Taxes	\$ 5,398,870	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,398,870
Licenses and Permits	9,344	0	0	0	0	9,344
Charges for Current Services	133,888	0	204,847	0	0	338,735
Other Local Revenues	302,987	0	35,048	20,597	988,335	1,346,967
State of Tennessee	15,143,848	0	11,131	0	0	15,154,979
Federal Government	532,139	3,109,204	1,213,751	1,673	0	4,856,767
Other Governments and Citizens Groups	0	0	0	274,776	0	274,776
Total Revenues	\$ 21,521,076	\$ 3,109,204	\$ 1,464,777	\$ 297,046	\$ 988,335	\$ 27,380,438
<u>Expenditures</u>						
Current:						
Instruction	\$ 12,164,002	\$ 1,845,456	\$ 0	\$ 0	\$ 0	\$ 14,009,458
Support Services	8,172,800	794,428	0	0	0	8,967,228
Operation of Non-Instructional Services	703,025	0	1,428,600	0	862,110	2,993,735
Capital Outlay	0	432,047	0	1,045,047	0	1,477,094
Debt Service:						
Other Debt Service	318,331	0	0	0	0	318,331
Total Expenditures	\$ 21,358,158	\$ 3,071,931	\$ 1,428,600	\$ 1,045,047	\$ 862,110	\$ 27,765,846
Excess (Deficiency) of Revenues Over Expenditures	\$ 162,918	\$ 37,273	\$ 36,177	\$ (748,001)	\$ 126,225	\$ (385,408)
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 5,490	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,490
Transfers In	0	150,000	0	0	0	150,000
Transfers Out	(150,000)	0	0	0	0	(150,000)
Total Other Financing Sources (Uses)	\$ (144,510)	\$ 150,000	\$ 0	\$ 0	\$ 0	\$ 5,490
Net Change in Fund Balances	\$ 18,408	\$ 187,273	\$ 36,177	\$ (748,001)	\$ 126,225	\$ (379,918)
Fund Balance, July 1, 2022	3,592,132	52,899	1,056,838	628,738	353,022	5,683,629
Fund Balance, June 30, 2023	\$ 3,610,540	\$ 240,172	\$ 1,093,015	\$ (119,263)	\$ 479,247	\$ 5,303,711

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, 2023

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)		\$ (379,918)
(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	\$ 1,720,751	
Less: current-year depreciation expense	<u>(1,471,558)</u>	249,193
(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, 2023	\$ 337,716	
Less: deferred delinquent property taxes and other deferred June 30, 2022	<u>(283,215)</u>	54,501
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in other OPEB liability	\$ 107,467	
Change in deferred outflows related to OPEB	(4,722)	
Change in deferred inflows related to OPEB	(254,232)	
Change in termination benefits liability	600	
Change in net pension asset/liability	(9,987,535)	
Change in deferred outflows related to pensions	(398,219)	
Change in deferred inflows related to pensions	<u>11,212,574</u>	<u>675,933</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 599,709</u>

Exhibit I-6

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, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 5,398,870	\$ 0	\$ 0	\$ 5,398,870	\$ 5,274,682	\$ 5,274,682	\$ 124,188
Licenses and Permits	9,344	0	0	9,344	19,500	19,500	(10,156)
Charges for Current Services	133,888	0	0	133,888	114,728	74,916	58,972
Other Local Revenues	302,987	0	0	302,987	192,000	382,362	(79,375)
State of Tennessee	15,143,848	0	0	15,143,848	14,367,683	15,583,493	(439,645)
Federal Government	532,139	0	0	532,139	392,000	518,185	13,954
Total Revenues	\$ 21,521,076	\$ 0	\$ 0	\$ 21,521,076	\$ 20,360,593	\$ 21,853,138	\$ (332,062)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 9,151,348	\$ (5,122)	\$ 6,818	\$ 9,153,044	\$ 9,299,625	\$ 9,692,857	\$ 539,813
Alternative Instruction Program	76,099	0	0	76,099	76,102	76,102	3
Special Education Program	1,664,129	0	0	1,664,129	1,706,014	1,704,014	39,885
Career and Technical Education Program	1,272,426	(15,818)	68,417	1,325,025	985,827	1,614,187	289,162
<u>Support Services</u>							
Attendance	120,320	0	0	120,320	123,786	123,786	3,466
Health Services	358,550	(1,023)	2,976	360,503	355,669	364,850	4,347
Other Student Support	573,247	0	0	573,247	499,237	588,339	15,092
Regular Instruction Program	647,224	0	260	647,484	629,775	671,848	24,364
Special Education Program	242,468	0	0	242,468	197,044	244,144	1,676
Career and Technical Education Program	157,171	0	0	157,171	160,068	160,068	2,897
Technology	543,300	(13,425)	182	530,057	521,998	541,069	11,012
Other Programs	65,560	0	0	65,560	0	65,560	0
Board of Education	473,861	(550)	0	473,311	553,647	553,647	80,336
Director of Schools	269,015	0	0	269,015	279,213	284,638	15,623
Office of the Principal	1,238,113	0	0	1,238,113	1,246,967	1,277,026	38,913
Fiscal Services	206,190	0	0	206,190	209,990	209,990	3,800
Operation of Plant	1,804,221	0	0	1,804,221	1,864,054	1,864,054	59,833
Maintenance of Plant	470,354	(11,093)	15,668	474,929	481,666	555,123	80,194

(Continued)

Exhibit I-6

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 7/1/2022	Add: Encumbrances 6/30/2023	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	\$ 948,799	\$ (8,868)	\$ 217,488	\$ 1,157,419	\$ 1,169,139	\$ 1,394,687	\$ 237,268
Central and Other	54,407	0	412	54,819	82,000	82,000	27,181
<u>Operation of Non-Instructional Services</u>							
Community Services	95,416	0	0	95,416	0	126,185	30,769
Early Childhood Education	607,609	0	0	607,609	606,022	650,516	42,907
<u>Capital Outlay</u>							
Regular Capital Outlay	0	0	0	0	0	54,500	54,500
<u>Principal on Debt</u>							
Education	0	0	0	0	200,000	0	0
<u>Interest on Debt</u>							
Education	0	0	0	0	118,332	0	0
<u>Other Debt Service</u>							
Education	318,331	0	0	318,331	0	318,332	1
Total Expenditures	<u>\$ 21,358,158</u>	<u>\$ (55,899)</u>	<u>\$ 312,221</u>	<u>\$ 21,614,480</u>	<u>\$ 21,366,175</u>	<u>\$ 23,217,522</u>	<u>\$ 1,603,042</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 162,918</u>	<u>\$ 55,899</u>	<u>\$ (312,221)</u>	<u>\$ (93,404)</u>	<u>\$ (1,005,582)</u>	<u>\$ (1,364,384)</u>	<u>\$ 1,270,980</u>
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 5,490	0	0	5,490	10,000	10,000	(4,510)
Transfers Out	(150,000)	0	0	(150,000)	0	(150,000)	0
Total Other Financing Sources	<u>\$ (144,510)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (144,510)</u>	<u>\$ 10,000</u>	<u>\$ (140,000)</u>	<u>\$ (4,510)</u>
Net Change in Fund Balance	\$ 18,408	\$ 55,899	\$ (312,221)	\$ (237,914)	\$ (995,582)	\$ (1,504,384)	\$ 1,266,470
Fund Balance, July 1, 2022	<u>3,592,132</u>	<u>(55,899)</u>	<u>0</u>	<u>3,536,233</u>	<u>3,798,840</u>	<u>4,020,061</u>	<u>(483,828)</u>
Fund Balance, June 30, 2023	<u><u>\$ 3,610,540</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (312,221)</u></u>	<u><u>\$ 3,298,319</u></u>	<u><u>\$ 2,803,258</u></u>	<u><u>\$ 2,515,677</u></u>	<u><u>\$ 782,642</u></u>

Exhibit I-7

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, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 3,109,204	\$ 0	\$ 0	\$ 3,109,204	\$ 5,959,538	\$ 6,249,288	\$ (3,140,084)
Total Revenues	\$ 3,109,204	\$ 0	\$ 0	\$ 3,109,204	\$ 5,959,538	\$ 6,249,288	\$ (3,140,084)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 1,106,523	\$ 0	\$ 28,187	\$ 1,134,710	\$ 1,605,857	\$ 1,670,353	\$ 535,643
Special Education Program	701,292	0	0	701,292	708,086	785,891	84,599
Career and Technical Education Program	37,641	0	0	37,641	33,865	37,642	1
<u>Support Services</u>							
Health Services	26,168	0	0	26,168	28,058	28,058	1,890
Other Student Support	198,984	0	0	198,984	295,406	273,374	74,390
Regular Instruction Program	439,157	0	0	439,157	407,863	494,729	55,572
Special Education Program	55,590	0	0	55,590	15,001	73,328	17,738
Career and Technical Education Program	0	0	0	0	2,500	0	0
Office of the Principal	59,838	0	0	59,838	96,248	112,324	52,486
Transportation	14,691	0	0	14,691	16,293	23,233	8,542
<u>Capital Outlay</u>							
Regular Capital Outlay	432,047	(55,869)	2,262,363	2,638,541	2,750,360	2,750,360	111,819
Total Expenditures	\$ 3,071,931	\$ (55,869)	\$ 2,290,550	\$ 5,306,612	\$ 5,959,537	\$ 6,249,292	\$ 942,680
Excess (Deficiency) of Revenues Over Expenditures	\$ 37,273	\$ 55,869	\$ (2,290,550)	\$ (2,197,408)	\$ 1	\$ (4)	\$ (2,197,404)
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 150,000	\$ 0	\$ 0	\$ 150,000	\$ 0	\$ 150,000	\$ 0
Total Other Financing Sources	\$ 150,000	\$ 0	\$ 0	\$ 150,000	\$ 0	\$ 150,000	\$ 0
Net Change in Fund Balance	\$ 187,273	\$ 55,869	\$ (2,290,550)	\$ (2,047,408)	\$ 1	\$ 149,996	\$ (2,197,404)
Fund Balance, July 1, 2022	52,899	(55,869)	0	(2,970)	50,000	50,000	(52,970)
Fund Balance, June 30, 2023	\$ 240,172	\$ 0	\$ (2,290,550)	\$ (2,050,378)	\$ 50,001	\$ 199,996	\$ (2,250,374)

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
Central Cafeteria Fund
For the Year Ended June 30, 2023

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2022	Add: Encumbrances 6/30/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 204,847	\$ 0	\$ 0	\$ 204,847	\$ 166,025	\$ 166,025	\$ 38,822
Other Local Revenues	35,048	0	0	35,048	35,600	35,600	(552)
State of Tennessee	11,131	0	0	11,131	13,390	13,390	(2,259)
Federal Government	1,213,751	0	0	1,213,751	1,292,734	1,412,075	(198,324)
Total Revenues	<u>\$ 1,464,777</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,464,777</u>	<u>\$ 1,507,749</u>	<u>\$ 1,627,090</u>	<u>\$ (162,313)</u>
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Food Service	\$ 1,428,600	\$ (16,057)	\$ 41,248	\$ 1,453,791	\$ 1,507,749	\$ 1,627,090	\$ 173,299
Total Expenditures	<u>\$ 1,428,600</u>	<u>\$ (16,057)</u>	<u>\$ 41,248</u>	<u>\$ 1,453,791</u>	<u>\$ 1,507,749</u>	<u>\$ 1,627,090</u>	<u>\$ 173,299</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 36,177</u>	<u>\$ 16,057</u>	<u>\$ (41,248)</u>	<u>\$ 10,986</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,986</u>
Net Change in Fund Balance	\$ 36,177	\$ 16,057	\$ (41,248)	\$ 10,986	\$ 0	\$ 0	\$ 10,986
Fund Balance, July 1, 2022	<u>1,056,838</u>	<u>(16,057)</u>	<u>0</u>	<u>1,040,781</u>	<u>1,011,425</u>	<u>1,011,425</u>	<u>29,356</u>
Fund Balance, June 30, 2023	<u><u>\$ 1,093,015</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (41,248)</u></u>	<u><u>\$ 1,051,767</u></u>	<u><u>\$ 1,011,425</u></u>	<u><u>\$ 1,011,425</u></u>	<u><u>\$ 40,342</u></u>

MISCELLANEOUS SCHEDULES

Exhibit J-1

Unicoi County, Tennessee
Schedule of Changes in Long-term Notes and Bonds
For the Year Ended June 30, 2023

Description of Indebtedness	Original Amount of Issue	Interest Rate		Date of Issue	Last Maturity Date	Outstanding 7-1-22	Paid and/or Matured During Period	Outstanding 6-30-23
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Capital Outlay - E911 Office/Jail Roofing	\$ 715,000	2.94	%	10-2-13	4-1-26	\$ 255,000	\$ 60,000	\$ 195,000
Capital Outlay - Highway Equipment	242,000	2.65		1-24-17	5-1-25	96,400	31,350	65,050
Capital Outlay - County Projects 2019	200,000	2.96		4-10-19	5-1-23	50,000	50,000	0
Total Notes Payable						<u>\$ 401,400</u>	<u>\$ 141,350</u>	<u>\$ 260,050</u>
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
General Obligation Refunding, Series 2015	14,500,000	2 to 5		4-15-15	5-1-35	\$ 11,855,000	\$ 1,005,000	\$ 10,850,000
General Obligation Refunding, Series 2016	1,850,000	1.6		3-15-16	4-1-23	240,000	240,000	0
General Obligation, Series 2019	4,960,000	1.4 to 5		10-17-19	5-1-39	4,410,000	200,000	4,210,000
Total Bonds Payable						<u>\$ 16,505,000</u>	<u>\$ 1,445,000</u>	<u>\$ 15,060,000</u>

Exhibit J-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2024	\$ 97,100	\$ 7,457	\$ 104,557
2025	97,950	4,695	102,645
2026	65,000	1,911	66,911
Total	<u>\$ 260,050</u>	<u>\$ 14,063</u>	<u>\$ 274,113</u>

Year Ending June 30	Bonds		
	Principal	Interest	Total
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	<u>\$ 15,060,000</u>	<u>\$ 2,446,844</u>	<u>\$ 17,506,844</u>

Exhibit J-3

Unicoi County, Tennessee
Schedule of Changes in Lease Obligations
For the Year Ended June 30, 2023

Description of Indebtedness	Original Amount of Issue	Interest Rate		Date of Issue	Maturity Date	Outstanding 7-1-22	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-23
<u>LEASE PAYABLE</u>									
<u>Payable through General Fund</u>									
County Clerk - Drive Thru Location	\$ 37,045	2.11	%	1-1-23	12-31-27	\$ 0	\$ 37,045	\$ 3,590	\$ 33,455
Total Payable through General Fund						\$ 0	\$ 37,045	\$ 3,590	\$ 33,455
Total Lease Payable						\$ 0	\$ 37,045	\$ 3,590	\$ 33,455

Exhibit J-4

Unicoi County, Tennessee
Schedule of Lease Requirements by Year

Year Ending June 30	Lease		
	Principal	Interest	Total
2024	\$ 7,162	\$ 638	\$ 7,800
2025	7,315	485	7,800
2026	7,472	328	7,800
2027	7,631	169	7,800
2028	3,875	24	3,899
Total	<u>\$ 33,455</u>	<u>\$ 1,644</u>	<u>\$ 35,099</u>

Exhibit J-5

Unicoi County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Unicoi County School Department
For the Year Ended June 30, 2023

From Fund	To Fund	Purpose	Amount
<u>PRIMARY GOVERNMENT</u>			
General	Drug Control	Bonus pay	\$ 538
Other General Government	General	Bonus pay - American Rescue Plan Act Funds	163,029
"	"	Operating expenditures - American Rescue Plan Act Funds	212,084
"	"	Capital expenditures - American Rescue Plan Act Funds	146,655
"	"	Operating expenditures - American Rescue Plan Act Funds	125,000
"	Solid Waste/Sanitation	Bonus pay - American Rescue Plan Act Funds	19,199
Highway/Public Works	Highway/Public Works	Bonus pay - American Rescue Plan Act Funds	33,880
	General Debt Service	Debt retirement	
Total Transfers Primary Government			<u>\$ 700,385</u>
<u>DISCRETELY PRESENTED UNICOI COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	School Federal Projects	Cash flow	\$ 150,000
Total Transfers Discretely Presented Unicoi County School Department			<u>\$ 150,000</u>

Unicoi County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Unicoi County School Department
For the Year Ended June 30, 2023

Official	Authorization	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ (1)	Local Government Property and Casualty Fund
Base salary/Total compensation	\$ 99,926		
Road Superintendent	Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	\$ 90,636		
Director of Schools	State Board of Education and County Board of Education	(1)	Tennessee Risk Management Trust
Base salary	\$ 130,127		
Travel allowance	4,800		
Unused vacation payout	5,422		
Salary equity	671		
Chief executive officer supplement	1,000		
Total compensation	\$ 142,020		
Trustee	Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	\$ 82,396		
Assessor of Property	Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	\$ 82,396		
County Clerk - Mitzi Bowen (7/1/22-8/31/22)	Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	\$ 13,733		
County Clerk - Patty Treadway (9/1/22-6/30/23)	Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	\$ 68,663		
Total County Clerk compensation	\$ 82,396		
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary	\$ 82,396		
Special commissioner fees	6,201		
Total compensation	\$ 88,597		
Clerk and Master	Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary	\$ 82,396		
Special commissioner fees	6,210		
Total compensation	\$ 88,606		
Register of Deeds	Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	\$ 82,396		
Sheriff	Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary	\$ 90,636		
Superintendent of workhouse (5% on base)	4,532		
Law enforcement training supplement	800		
Total compensation	\$ 95,968		

Employee Blanket Bonds:

Employee Fidelity - County Departments	400,000	Local Government Property and Casualty Fund
Employee Fidelity - School Department	400,000	Tennessee Risk Management Trust

(1) Official is under the employee fidelity insurance coverage.

Exhibit J-7

Unicoi County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2023

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other General Government Fund	Constitu - tional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 4,714,158	\$ 449,741	\$ 0	\$ 0	\$ 0	\$ 242,464
Trustee's Collections - Prior Year	125,957	11,358	0	0	0	6,378
Circuit Clerk/Clerk and Master Collections - Prior Years	47,257	4,262	0	0	0	2,139
Interest and Penalty	22,585	2,056	0	0	0	1,147
Pickup Taxes	6,652	634	0	0	0	298
Payments in-Lieu-of Taxes - T.V.A.	256	24	0	0	0	13
Payments in-Lieu-of Taxes - Local Utilities	103,400	9,864	0	0	0	5,293
Payments in-Lieu-of Taxes - Other	12,773	1,218	0	0	0	654
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	0
Hotel/Motel Tax	91,447	0	0	0	0	0
Litigation Tax - General	63,884	0	0	0	0	0
Litigation Tax - Special Purpose	67,744	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	140	0	0	0	0	0
Business Tax	82,935	7,917	0	0	0	4,176
<u>Statutory Local Taxes</u>						
Bank Excise Tax	47,578	4,539	0	0	0	2,435
Wholesale Beer Tax	14,817	1,558	0	0	0	653
Total Local Taxes	\$ 5,401,583	\$ 493,171	\$ 0	\$ 0	\$ 0	\$ 265,650
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	22,414	1,455	0	0	0	582

(Continued)

Exhibit J-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other General Government Fund	Constitu - tional Officers - Fees	Highway / Public Works
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	\$ 190	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Licenses and Permits	\$ 22,604	\$ 1,455	\$ 0	\$ 0	\$ 0	\$ 582
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 3,976	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	1,463	0	0	0	0	0
Drug Control Fines	97	0	3,240	0	0	0
Drug Court Fees	323	0	0	0	0	0
Jail Fees	1,955	0	0	0	0	0
DUI Treatment Fines	399	0	0	0	0	0
Courtroom Security Fee	138	0	0	0	0	0
<u>Criminal Court</u>						
Data Entry Fee - Criminal Court	3,953	0	0	0	0	0
Victims Assistance Assessments	1,276	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	8,674	0	0	0	0	0
Officers Costs	9,641	0	0	0	0	0
Game and Fish Fines	11	0	0	0	0	0
Drug Control Fines	0	0	5,148	0	0	0
Drug Court Fees	3,276	0	0	0	0	0
Jail Fees	23,148	0	0	0	0	0
DUI Treatment Fines	2,946	0	0	0	0	0
Data Entry Fee - General Sessions Court	9,127	0	0	0	0	0
Courtroom Security Fee	1,697	0	0	0	0	0
Victims Assistance Assessments	6,459	0	0	0	0	0

(Continued)

Exhibit J-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other General Government Fund	Constitutional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$ 162	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	2,147	0	0	0	0	0
Jail Fees	1,140	0	0	0	0	0
Data Entry Fee - Juvenile Court	1,876	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	268	0	0	0	0	0
Data Entry Fee - Chancery Court	1,284	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Data Entry Fee - Other Courts	14,407	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	8,507	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 99,843	\$ 0	\$ 16,895	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>						
<u>Fees</u>						
Recreation Fees	\$ 10,907	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Archives and Records Management Fee	43,979	0	0	0	0	0
Telephone Commissions	32,189	0	0	0	0	0
Additional Fees - Titling and Registration	16,483	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	12,411	0
Data Processing Fee - Register	4,922	0	0	0	0	0
Data Processing Fee - Sheriff	641	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	1,950	0	0	0	0	0
Data Processing Fee - County Clerk	2,169	0	0	0	0	0
Vehicle Registration Reinstatement Fees	1,290	0	0	0	0	0
Total Charges for Current Services	\$ 114,530	\$ 0	\$ 0	\$ 0	\$ 12,411	\$ 0

(Continued)

Exhibit J-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other General Government Fund	Constitutional Officers - Fees	Highway / Public Works
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 143,248	\$ 0	\$ 0	\$ 101,072	\$ 0	\$ 62,807
Sale of Materials and Supplies	4,879	0	0	0	0	0
Commissary Sales	10,950	0	0	0	0	0
Sale of Recycled Materials	30	0	0	0	0	1,450
Retirees' Insurance Payments	3,525	0	0	0	0	280
Miscellaneous Refunds	24,475	0	0	0	0	258
<u>Nonrecurring Items</u>						
Sale of Equipment	11,180	0	1,927	0	0	40,911
Total Other Local Revenues	<u>\$ 198,287</u>	<u>\$ 0</u>	<u>\$ 1,927</u>	<u>\$ 101,072</u>	<u>\$ 0</u>	<u>\$ 105,706</u>
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 194,394	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	57,118	0	0	0	0	0
General Sessions Court Clerk	287,598	0	0	0	0	0
Clerk and Master	33,827	0	0	0	0	0
Juvenile Court Clerk	17,836	0	0	0	0	0
Register	72,338	0	0	0	0	0
Sheriff	5,299	0	0	0	0	0
Trustee	321,314	0	0	0	0	0
Total Fees Received From County Officials	<u>\$ 989,724</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other General Government Fund	Constitutional Officers - Fees	Highway / Public Works
<u>State of Tennessee (Cont.)</u>						
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	\$ 10,400	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Health and Welfare Grants</u>						
Health Department Programs	163,503	0	0	0	0	0
<u>Public Works Grants</u>						
Litter Program	16,620	0	0	0	0	0
<u>Other State Revenues</u>						
Beer Tax	19,200	0	0	0	0	0
Vehicle Certificate of Title Fees	6,698	0	0	0	0	0
Alcoholic Beverage Tax	45,430	0	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	91,473	0	0	0	0	0
State Revenue Sharing - T.V.A.	230,268	16,926	0	0	0	9,082
State Revenue Sharing - Telecommunications	34,314	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	13,067	0	0	0	0	0
Contracted Prisoner Boarding	680,458	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,959,236
Petroleum Special Tax	0	0	0	0	0	11,879
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Revenues	71,766	4,842	0	0	0	0
Total State of Tennessee	\$ 1,407,361	\$ 21,768	\$ 0	\$ 0	\$ 0	\$ 1,980,197
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA - Other	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 19,021
American Rescue Plan Act Grant #1	0	0	0	916,786	0	0
Other Federal through State	805	0	0	0	0	0

(Continued)

Exhibit J-7

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Drug Control	Other General Government Fund	Constitu - tional Officers - Fees	Highway / Public Works
<u>Federal Government (Cont.)</u>						
<u>Direct Federal Revenue</u>						
Forest Service	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 20,485
Other Direct Federal Revenue	400	0	0	0	0	0
Total Federal Government	<u>\$ 1,205</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 916,786</u>	<u>\$ 0</u>	<u>\$ 39,506</u>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 213,303	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	747,850	0	0	0	0	90,648
<u>Other</u>						
Other	0	0	0	0	0	0
Opioid Settlement Funds - Past Remediation	55,965	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 1,017,118</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 90,648</u>
Total	<u>\$ 9,252,255</u>	<u>\$ 516,394</u>	<u>\$ 18,822</u>	<u>\$ 1,017,858</u>	<u>\$ 12,411</u>	<u>\$ 2,482,289</u>

(Continued)

Exhibit J-7

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

	Debt Service Fund		
	General Debt Service		Total
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	\$ 1,403,742	\$	6,810,105
Trustee's Collections - Prior Year	40,112		183,805
Circuit Clerk/Clerk and Master Collections - Prior Years	15,046		68,704
Interest and Penalty	7,117		32,905
Pickup Taxes	1,985		9,569
Payments in-Lieu-of Taxes - T.V.A.	76		369
Payments in-Lieu-of Taxes - Local Utilities	30,793		149,350
Payments in-Lieu-of Taxes - Other	3,804		18,449
<u>County Local Option Taxes</u>			
Local Option Sales Tax	442,244		442,244
Hotel/Motel Tax	0		91,447
Litigation Tax - General	0		63,884
Litigation Tax - Special Purpose	0		67,744
Litigation Tax - Jail, Workhouse, or Courthouse	113,902		114,042
Business Tax	24,662		119,690
<u>Statutory Local Taxes</u>			
Bank Excise Tax	14,169		68,721
Wholesale Beer Tax	3,997		21,025
Total Local Taxes	<u>\$ 2,101,649</u>	<u>\$</u>	<u>8,262,053</u>
<u>Licenses and Permits</u>			
<u>Licenses</u>			
Marriage Licenses	\$ 77	\$	77
Cable TV Franchise	4,544		28,995

(Continued)

Exhibit J-7

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

	Debt Service Fund		General Debt Service	Total
<u>Licenses and Permits (Cont.)</u>				
<u>Permits</u>				
Beer Permits		\$	0	\$ 190
Total Licenses and Permits		\$	4,621	\$ 29,262
<u>Fines, Forfeitures, and Penalties</u>				
<u>Circuit Court</u>				
Fines		\$	0	\$ 3,976
Officers Costs			0	1,463
Drug Control Fines			0	3,337
Drug Court Fees			0	323
Jail Fees			0	1,955
DUI Treatment Fines			0	399
Courtroom Security Fee			0	138
<u>Criminal Court</u>				
Data Entry Fee - Criminal Court			0	3,953
Victims Assistance Assessments			0	1,276
<u>General Sessions Court</u>				
Fines			0	8,674
Officers Costs			0	9,641
Game and Fish Fines			0	11
Drug Control Fines			0	5,148
Drug Court Fees			0	3,276
Jail Fees			0	23,148
DUI Treatment Fines			0	2,946
Data Entry Fee - General Sessions Court			0	9,127
Courtroom Security Fee			0	1,697
Victims Assistance Assessments			0	6,459

(Continued)

Exhibit J-7

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

	Debt Service Fund		General Debt Service	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>				
<u>Juvenile Court</u>				
Fines	\$	0	\$	162
Officers Costs		0		2,147
Jail Fees		0		1,140
Data Entry Fee - Juvenile Court		0		1,876
<u>Chancery Court</u>				
Officers Costs		0		268
Data Entry Fee - Chancery Court		0		1,284
<u>Judicial District Drug Program</u>				
Data Entry Fee - Other Courts		0		14,407
<u>Other Fines, Forfeitures, and Penalties</u>				
Proceeds from Confiscated Property		0		8,507
Total Fines, Forfeitures, and Penalties	\$	0	\$	116,738
<u>Charges for Current Services</u>				
<u>Fees</u>				
Recreation Fees	\$	0	\$	10,907
Archives and Records Management Fee		0		43,979
Telephone Commissions		0		32,189
Additional Fees - Titling and Registration		0		16,483
Special Commissioner Fees/Special Master Fees		0		12,411
Data Processing Fee - Register		0		4,922
Data Processing Fee - Sheriff		0		641
Sexual Offender Registration Fee - Sheriff		0		1,950
Data Processing Fee - County Clerk		0		2,169
Vehicle Registration Reinstatement Fees		0		1,290
Total Charges for Current Services	\$	0	\$	126,941

(Continued)

Exhibit J-7

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

	Debt Service Fund		
	General Debt Service		Total
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$	1,348	\$ 308,475
Sale of Materials and Supplies		0	4,879
Commissary Sales		0	10,950
Sale of Recycled Materials		0	1,480
Retirees' Insurance Payments		0	3,805
Miscellaneous Refunds		0	24,733
<u>Nonrecurring Items</u>			
Sale of Equipment		0	54,018
Total Other Local Revenues	<u>\$</u>	<u>1,348</u>	<u>\$ 408,340</u>
<u>Fees Received From County Officials</u>			
<u>Fees In-Lieu-of Salary</u>			
County Clerk	\$	0	\$ 194,394
Circuit Court Clerk		0	57,118
General Sessions Court Clerk		0	287,598
Clerk and Master		0	33,827
Juvenile Court Clerk		0	17,836
Register		0	72,338
Sheriff		0	5,299
Trustee		0	321,314
Total Fees Received From County Officials	<u>\$</u>	<u>0</u>	<u>\$ 989,724</u>
<u>State of Tennessee</u>			
<u>General Government Grants</u>			
Juvenile Services Program	\$	0	\$ 9,000

(Continued)

Exhibit J-7

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

	Debt Service Fund		General Debt Service	Total
<u>State of Tennessee (Cont.)</u>				
<u>Public Safety Grants</u>				
Law Enforcement Training Programs	\$	0	\$	10,400
<u>Health and Welfare Grants</u>				
Health Department Programs		0		163,503
<u>Public Works Grants</u>				
Litter Program		0		16,620
<u>Other State Revenues</u>				
Beer Tax		0		19,200
Vehicle Certificate of Title Fees		0		6,698
Alcoholic Beverage Tax		0		45,430
Opioid Settlement Funds - TN Abatement Council		0		91,473
State Revenue Sharing - T.V.A.		0		256,276
State Revenue Sharing - Telecommunications		0		34,314
State Shared Sports Gaming Privilege Tax		0		13,067
Contracted Prisoner Boarding		0		680,458
Gasoline and Motor Fuel Tax		0		1,959,236
Petroleum Special Tax		0		11,879
Registrar's Salary Supplement		0		15,164
Other State Revenues		0		76,608
Total State of Tennessee	\$	0	\$	3,409,326
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA - Other	\$	0	\$	19,021
American Rescue Plan Act Grant #1		0		916,786
Other Federal through State		0		805

(Continued)

Exhibit J-7

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

	Debt Service Fund		
	General Debt Service		Total
<u>Federal Government (Cont.)</u>			
<u>Direct Federal Revenue</u>			
Forest Service	\$	0	\$ 20,485
Other Direct Federal Revenue		0	400
Total Federal Government	\$	0	\$ 957,497
<u>Other Governments and Citizens Groups</u>			
<u>Other Governments</u>			
Contributions	\$	318,332	\$ 531,635
Contracted Services		0	838,498
<u>Other</u>			
Other		19,377	19,377
Opioid Settlement Funds - Past Remediation		0	55,965
Total Other Governments and Citizens Groups	\$	337,709	\$ 1,445,475
Total	\$	2,445,327	\$ 15,745,356

Exhibit J-8

Unicoi County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Unicoi County School Department
For the Year Ended June 30, 2023

	Special Revenue Funds				Capital Projects Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Education Capital Projects	Total
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 2,271,859	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,271,859
Trustee's Collections - Prior Year	66,304	0	0	0	0	66,304
Circuit Clerk/Clerk and Master Collections - Prior Years	22,989	0	0	0	0	22,989
Interest and Penalty	11,762	0	0	0	0	11,762
Pickup Taxes	2,799	0	0	0	0	2,799
Payments in-Lieu-of Taxes - T.V.A.	124	0	0	0	0	124
Payments in-Lieu-of Taxes - Local Utilities	49,833	0	0	0	0	49,833
Payments in-Lieu-of Taxes - Other	6,155	0	0	0	0	6,155
<u>County Local Option Taxes</u>						
Local Option Sales Tax	2,896,818	0	0	0	0	2,896,818
Business Tax	40,346	0	0	0	0	40,346
Other County Local Option Taxes	66	0	0	0	0	66
<u>Statutory Local Taxes</u>						
Bank Excise Tax	22,931	0	0	0	0	22,931
Wholesale Beer Tax	6,884	0	0	0	0	6,884
Total Local Taxes	\$ 5,398,870	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,398,870
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 1,877	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,877
Cable TV Franchise	7,467	0	0	0	0	7,467
Total Licenses and Permits	\$ 9,344	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,344

(Continued)

Exhibit J-8

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

	Special Revenue Funds				Capital Projects Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Education Capital Projects	Total
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Other	\$ 130,884	\$ 0	\$ 0	\$ 0	\$ 0	\$ 130,884
Lunch Payments - Children	0	0	145,005	0	0	145,005
Lunch Payments - Adults	0	0	8,555	0	0	8,555
Income from Breakfast	0	0	1,700	0	0	1,700
A la Carte Sales	0	0	49,374	0	0	49,374
Other Charges for Services	3,004	0	213	0	0	3,217
Total Charges for Current Services	\$ 133,888	\$ 0	\$ 204,847	\$ 0	\$ 0	\$ 338,735
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 24,152	\$ 0	\$ 12,172	\$ 0	\$ 0	\$ 36,324
E-Rate Funding	22,953	0	0	0	0	22,953
Retirees' Insurance Payments	15,225	0	0	0	0	15,225
Rebates	0	0	12,267	0	0	12,267
Miscellaneous Refunds	72,795	0	10,609	0	0	83,404
<u>Nonrecurring Items</u>						
Damages Recovered from Individuals	2,400	0	0	0	0	2,400
Contributions and Gifts	51,517	0	0	0	0	51,517
<u>Other Local Revenues</u>						
Other Local Revenues	113,945	0	0	988,335	20,597	1,122,877
Total Other Local Revenues	\$ 302,987	\$ 0	\$ 35,048	\$ 988,335	\$ 20,597	\$ 1,346,967

(Continued)

Exhibit J-8

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

	Special Revenue Funds				Capital Projects Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Education Capital Projects	Total
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 65,560	\$ 0	\$ 0	\$ 0	\$ 0	\$ 65,560
<u>State Education Funds</u>						
Basic Education Program	13,577,677	0	0	0	0	13,577,677
Early Childhood Education	491,168	0	0	0	0	491,168
School Food Service	0	0	11,131	0	0	11,131
Other State Education Funds	240,373	0	0	0	0	240,373
Coordinated School Health	100,250	0	0	0	0	100,250
Career Ladder Program	21,395	0	0	0	0	21,395
Other Vocational	291,286	0	0	0	0	291,286
<u>Other State Revenues</u>						
State Revenue Sharing - T.V.A.	85,528	0	0	0	0	85,528
Other State Grants	207,454	0	0	0	0	207,454
Safe Schools	63,157	0	0	0	0	63,157
Total State of Tennessee	\$ 15,143,848	\$ 0	\$ 11,131	\$ 0	\$ 0	\$ 15,154,979
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 653,408	\$ 0	\$ 0	\$ 653,408
USDA - Commodities	0	0	93,120	0	0	93,120
Breakfast	0	0	333,158	0	0	333,158
USDA - Other	0	0	134,065	0	0	134,065
Vocational Education - Basic Grants to States	0	50,365	0	0	0	50,365
Title I Grants to Local Education Agencies	0	623,366	0	0	0	623,366
Special Education - Grants to States	0	706,573	0	0	0	706,573

(Continued)

Exhibit J-8

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

	Special Revenue Funds				Capital Projects Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Education Capital Projects	Total
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Special Education Preschool Grants	\$ 0	\$ 65,435	\$ 0	\$ 0	\$ 0	\$ 65,435
English Language Acquisition Grants	0	7,283	0	0	0	7,283
Safe and Drug-free Schools - State Grants	0	63,458	0	0	0	63,458
Eisenhower Professional Development State Grants	0	65,574	0	0	0	65,574
COVID-19 Grant B	0	448,659	0	0	0	448,659
COVID-19 Grant D	0	133,800	0	0	0	133,800
American Rescue Plan Act Grant #1	0	944,691	0	0	0	944,691
Other Federal through State	95,417	0	0	0	0	95,417
<u>Direct Federal Revenue</u>						
Public Law 874 - Maintenance and Operation	204,937	0	0	0	0	204,937
ROTC Reimbursement	69,278	0	0	0	0	69,278
Other Direct Federal Revenue	162,507	0	0	0	1,673	164,180
Total Federal Government	\$ 532,139	\$ 3,109,204	\$ 1,213,751	\$ 0	\$ 1,673	\$ 4,856,767
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 274,776	\$ 274,776
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 274,776	\$ 274,776
Total	\$ 21,521,076	\$ 3,109,204	\$ 1,464,777	\$ 988,335	\$ 297,046	\$ 27,380,438

Exhibit J-9

Unicoi County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2023

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	32,400	
Social Security		2,009	
Unemployment Compensation		5	
Employer Medicare		470	
Audit Services		7,530	
Dues and Memberships		5,170	
Legal Notices, Recording, and Court Costs		3,054	
Printing, Stationery, and Forms		319	
Other Charges		554	
Total County Commission			\$ 51,511

Board of Equalization

Board and Committee Members Fees	\$	2,100	
Travel		341	
Total Board of Equalization			2,441

County Mayor/Executive

County Official/Administrative Officer	\$	99,926	
Accountants/Bookkeepers		43,001	
Secretary(ies)		32,251	
Clerical Personnel		38,394	
Part-time Personnel		554	
Bonus Payments		3,000	
Social Security		12,763	
Pensions		13,959	
Life Insurance		624	
Medical Insurance		37,752	
Dental Insurance		1,150	
Unemployment Compensation		58	
Employer Medicare		2,985	
Communication		3,683	
Data Processing Services		19,464	
Dues and Memberships		1,650	
Maintenance Agreements		1,012	
Maintenance and Repair Services - Office Equipment		1,147	
Travel		1,650	
Penalties		557	
Office Supplies		4,070	
Premiums on Corporate Surety Bonds		36	
In Service/Staff Development		249	
Other Charges		1,255	
Office Equipment		2,318	
Total County Mayor/Executive			323,508

County Attorney

County Official/Administrative Officer	\$	30,000	
Total County Attorney			30,000

(Continued)

Exhibit J-9

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

General Fund (Cont.)General Government (Cont.)Election Commission

County Official/Administrative Officer	\$	74,156	
Deputy(ies)		34,811	
Mechanic(s)		1,552	
Clerical Personnel		10,324	
Bonus Payments		2,000	
Election Commission		7,020	
Election Workers		17,910	
Social Security		7,656	
Pensions		7,099	
Life Insurance		312	
Medical Insurance		13,928	
Dental Insurance		575	
Unemployment Compensation		51	
Employer Medicare		1,791	
Communication		1,694	
Data Processing Services		18,521	
Janitorial Services		1,000	
Legal Notices, Recording, and Court Costs		8,330	
Maintenance Agreements		1,095	
Maintenance and Repair Services - Buildings		8,296	
Maintenance and Repair Services - Equipment		428	
Printing, Stationery, and Forms		966	
Travel		2,992	
Other Contracted Services		3,181	
Electricity		2,381	
Office Supplies		1,298	
Office Equipment		70,097	
Total Election Commission			\$ 299,464

Register of Deeds

County Official/Administrative Officer	\$	82,396
Deputy(ies)		34,073
Clerical Personnel		30,692
Part-time Personnel		5,309
Bonus Payments		2,500
Social Security		9,311
Pensions		8,483
Life Insurance		416
Medical Insurance		20,574
Dental Insurance		767
Unemployment Compensation		68
Employer Medicare		2,178
Communication		3,007
Data Processing Services		8,639
Dues and Memberships		880
Maintenance Agreements		936
Maintenance and Repair Services - Office Equipment		575

(Continued)

Exhibit J-9

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

General Fund (Cont.)General Government (Cont.)Register of Deeds (Cont.)

Travel	\$	2,204	
Other Contracted Services		191	
Data Processing Supplies		1,474	
Office Supplies		4,608	
In Service/Staff Development		200	
Data Processing Equipment		4,963	
Office Equipment		17,835	
Total Register of Deeds			\$ 242,279

Planning

Board and Committee Members Fees	\$	3,600	
Social Security		223	
Employer Medicare		52	
Contracts with Government Agencies		9,801	
Total Planning			13,676

County Buildings

Part-time Personnel	\$	24,692	
Bonus Payments		1,000	
Social Security		1,593	
Unemployment Compensation		38	
Employer Medicare		373	
Maintenance and Repair Services - Buildings		72,625	
Custodial Supplies		3,073	
Natural Gas		13,911	
Utilities		43,651	
Building and Contents Insurance		10,242	
Total County Buildings			171,198

Other General Administration

Postal Charges	\$	34,725	
Duplicating Supplies		6,920	
Liability Insurance		19,402	
Other Charges		5,222	
Total Other General Administration			66,269

Preservation of Records

Dues and Memberships	\$	225	
Maintenance and Repair Services - Buildings		12,000	
Total Preservation of Records			12,225

FinanceProperty Assessor's Office

County Official/Administrative Officer	\$	82,396	
Assistant(s)		32,072	
Deputy(ies)		29,778	
Clerical Personnel		31,048	

(Continued)

Exhibit J-9

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

General Fund (Cont.)Finance (Cont.)Property Assessor's Office (Cont.)

Bonus Payments	\$	3,000	
Social Security		10,853	
Pensions		11,493	
Life Insurance		598	
Medical Insurance		30,236	
Dental Insurance		1,126	
Unemployment Compensation		70	
Employer Medicare		2,538	
Audit Services		3,710	
Communication		4,072	
Data Processing Services		9,682	
Dues and Memberships		1,250	
Maintenance and Repair Services - Office Equipment		5,661	
Maintenance and Repair Services - Vehicles		148	
Printing, Stationery, and Forms		978	
Travel		537	
Gasoline		309	
Office Supplies		2,425	
Office Equipment		6,880	
Total Property Assessor's Office			\$ 270,860

County Trustee's Office

County Official/Administrative Officer	\$	82,396	
Assistant(s)		33,249	
Deputy(ies)		31,870	
Bonus Payments		2,000	
Social Security		9,045	
Pensions		9,644	
Life Insurance		468	
Medical Insurance		23,094	
Dental Insurance		863	
Unemployment Compensation		42	
Employer Medicare		2,115	
Communication		2,494	
Data Processing Services		13,812	
Dues and Memberships		765	
Legal Notices, Recording, and Court Costs		360	
Maintenance and Repair Services - Office Equipment		1,350	
Travel		1,088	
Data Processing Supplies		1,829	
Office Supplies		1,198	
Office Equipment		2,158	
Total County Trustee's Office			219,840

County Clerk's Office

County Official/Administrative Officer	\$	82,396	
Deputy(ies)		21,894	

(Continued)

Exhibit J-9

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

General Fund (Cont.)Finance (Cont.)County Clerk's Office (Cont.)

Accountants/Bookkeepers	\$	32,462	
Clerical Personnel		50,811	
Part-time Personnel		25,659	
Bonus Payments		5,000	
Social Security		13,058	
Pensions		11,668	
Life Insurance		689	
Medical Insurance		42,106	
Dental Insurance		1,222	
Unemployment Compensation		163	
Employer Medicare		3,054	
Communication		4,102	
Dues and Memberships		745	
Maintenance and Repair Services - Buildings		10,766	
Maintenance and Repair Services - Office Equipment		22,918	
Travel		4,371	
Office Supplies		8,194	
Utilities		2,483	
In Service/Staff Development		20	
Data Processing Equipment		1,314	
Office Equipment		29,235	
Building Purchases		37,045	
Total County Clerk's Office			\$ 411,375

Other Finance

Trustee's Commission	\$	110,159	
Total Other Finance			110,159

Administration of JusticeCircuit Court

County Official/Administrative Officer	\$	82,396	
Assistant(s)		30,346	
Deputy(ies)		194,376	
Accountants/Bookkeepers		20,129	
Part-time Personnel		15,064	
Overtime Pay		13,500	
Bonus Payments		8,500	
Jury and Witness Expense		6,962	
Social Security		22,178	
Pensions		19,709	
Life Insurance		1,352	
Medical Insurance		32,514	
Dental Insurance		2,204	
Unemployment Compensation		200	
Employer Medicare		5,187	
Communication		6,000	
Data Processing Services		646	

(Continued)

Exhibit J-9

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

General Fund (Cont.)Administration of Justice (Cont.)Circuit Court (Cont.)

Dues and Memberships	\$	820	
Evaluation and Testing		613	
Maintenance Agreements		986	
Maintenance and Repair Services - Office Equipment		45,750	
Travel		529	
Remittance of Revenue Collected		9,986	
Data Processing Supplies		150	
Office Supplies		20,982	
Office Equipment		14,981	
Total Circuit Court			\$ 556,060

General Sessions Court

Judge(s)	\$	122,274	
Social Security		7,278	
Pensions		3,956	
Life Insurance		117	
Medical Insurance		9,132	
Dental Insurance		216	
Unemployment Compensation		42	
Employer Medicare		1,702	
Travel		980	
Remittance of Revenue Collected		2,000	
Total General Sessions Court			147,697

Chancery Court

County Official/Administrative Officer	\$	82,396	
Deputy(ies)		30,272	
Part-time Personnel		14,727	
Bonus Payments		1,500	
Social Security		7,801	
Pensions		7,340	
Life Insurance		312	
Medical Insurance		14,484	
Dental Insurance		575	
Unemployment Compensation		42	
Employer Medicare		1,824	
Communication		2,102	
Dues and Memberships		900	
Legal Notices, Recording, and Court Costs		2,407	
Maintenance and Repair Services - Office Equipment		16,734	
Travel		686	
Data Processing Supplies		117	
Office Supplies		2,412	
Total Chancery Court			186,631

Juvenile Court

Salary Supplements	\$	2,659	
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(Continued)

Exhibit J-9

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

General Fund (Cont.)Administration of Justice (Cont.)Juvenile Court (Cont.)

Social Security	\$	165	
Unemployment Compensation		3	
Employer Medicare		38	
Communication		527	
Contracts with Government Agencies		30,330	
Travel		444	
Office Supplies		1,854	
Total Juvenile Court			\$ 36,020

Public SafetySheriff's Department

County Official/Administrative Officer	\$	95,168
Supervisor/Director		60,000
Deputy(ies)		419,859
Investigator(s)		135,669
Captain(s)		49,981
Sergeant(s)		212,495
Salary Supplements		10,400
Secretary(ies)		68,513
Overtime Pay		44,712
Bonus Payments		23,000
Other Salaries and Wages		33,346
In-service Training		20,785
Social Security		70,593
Pensions		65,774
Life Insurance		3,589
Medical Insurance		153,259
Dental Insurance		6,811
Unemployment Compensation		780
Employer Medicare		16,619
Communication		14,930
Dues and Memberships		1,900
Evaluation and Testing		1,935
Maintenance Agreements		1,080
Maintenance and Repair Services - Equipment		1,898
Maintenance and Repair Services - Vehicles		22,752
Towing Services		840
Travel		2,551
Other Contracted Services		2,680
Gasoline		99,506
Law Enforcement Supplies		10,952
Office Supplies		3,241
Tires and Tubes		9,161
Uniforms		16,999
Other Supplies and Materials		2,600
Liability Insurance		120,846
Workers' Compensation Insurance		71,416

(Continued)

Exhibit J-9

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

General Fund (Cont.)Public Safety (Cont.)Sheriff's Department (Cont.)

Other Charges	\$	2,978	
Communication Equipment		3,135	
Law Enforcement Equipment		2,814	
Total Sheriff's Department			\$ 1,885,567

Administration of the Sexual Offender Registry

Fines, Assessments, and Penalties	\$	650	
Total Administration of the Sexual Offender Registry			650

Jail

Supervisor/Director	\$	85,966	
Teachers		16,321	
Guards		415,649	
Bonus Payments		10,500	
Social Security		32,378	
Pensions		24,386	
Life Insurance		1,991	
Medical Insurance		62,614	
Dental Insurance		2,834	
Unemployment Compensation		533	
Employer Medicare		7,572	
Evaluation and Testing		2,000	
Maintenance and Repair Services - Buildings		22,449	
Maintenance and Repair Services - Equipment		6,000	
Maintenance and Repair Services - Vehicles		1,300	
Medical and Dental Services		24,000	
Travel		856	
Other Contracted Services		411,013	
Custodial Supplies		4,340	
Food Supplies		162,993	
Natural Gas		5,484	
Prisoners Clothing		794	
Uniforms		1,000	
Utilities		51,882	
Building and Contents Insurance		11,600	
Other Charges		500	
Total Jail			1,366,955

Workhouse

Supervisor/Director	\$	39,450	
Guards		326,048	
Bonus Payments		12,000	
Social Security		22,949	
Pensions		17,426	
Life Insurance		1,293	
Medical Insurance		53,963	
Dental Insurance		2,274	

(Continued)

Exhibit J-9

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

General Fund (Cont.)Public Safety (Cont.)Workhouse (Cont.)

Unemployment Compensation	\$	364	
Employer Medicare		5,367	
Evaluation and Testing		500	
Maintenance and Repair Services - Buildings		12,505	
Maintenance and Repair Services - Equipment		2,642	
Maintenance and Repair Services - Vehicles		954	
Other Contracted Services		65,101	
Custodial Supplies		3,209	
Food Supplies		73,034	
Natural Gas		7,042	
Prisoners Clothing		516	
Uniforms		989	
Utilities		51,972	
Other Charges		422	
Total Workhouse			\$ 700,020

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	\$	57,628	
Bonus Payments		1,000	
Social Security		3,577	
Pensions		3,767	
Life Insurance		156	
Dental Insurance		288	
Unemployment Compensation		21	
Employer Medicare		837	
Maintenance and Repair Services - Vehicles		5,299	
Travel		2,014	
Gasoline		4,906	
Law Enforcement Supplies		2,993	
Office Supplies		649	
Other Supplies and Materials		991	
Communication Equipment		102,877	
Total Civil Defense			187,003

Other Emergency Management

Contributions	\$	7,000	
Total Other Emergency Management			7,000

(Continued)

Exhibit J-9

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	\$	2,514	
Assistant(s)		2,985	
Social Security		341	
Pensions		163	
Unemployment Compensation		9	
Employer Medicare		80	
Contracts with Other Public Agencies		40,846	
Law Enforcement Supplies		1,328	
Total County Coroner/Medical Examiner			\$ 48,266

Other Public Safety

Supervisor/Director	\$	46,424	
Accountants/Bookkeepers		18,000	
Dispatchers/Radio Operators		358,066	
Part-time Personnel		7,762	
Overtime Pay		50,842	
Bonus Payments		13,500	
Other Salaries and Wages		15,857	
Social Security		31,004	
Pensions		27,804	
Life Insurance		1,852	
Medical Insurance		53,006	
Dental Insurance		3,354	
Unemployment Compensation		321	
Employer Medicare		7,251	
Other Contracted Services		173,623	
Workers' Compensation Insurance		960	
Total Other Public Safety			809,626

Public Health and WelfareLocal Health Center

Communication	\$	3,064	
Contracts with Private Agencies		24,449	
Maintenance and Repair Services - Buildings		7,674	
Maintenance and Repair Services - Equipment		1,521	
Maintenance and Repair Services - Office Equipment		2,283	
Custodial Supplies		827	
Drugs and Medical Supplies		517	
Natural Gas		2,112	
Office Supplies		405	
Utilities		21,616	
Other Supplies and Materials		1,498	
Liability Insurance		3,387	
Other Charges		550	
Total Local Health Center			69,903

(Continued)

Exhibit J-9

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

General Fund (Cont.)Public Health and Welfare (Cont.)Rabies and Animal Control

Supervisor/Director	\$	38,658	
Part-time Personnel		117,713	
Other Salaries and Wages		29,757	
Social Security		11,495	
Pensions		2,970	
Life Insurance		221	
Dental Insurance		407	
Unemployment Compensation		263	
Employer Medicare		2,688	
Workers' Compensation Insurance		2,395	
Total Rabies and Animal Control			\$ 206,567

Ambulance/Emergency Medical Services

Medical Insurance	\$	137,533	
Other Contracted Services		131,000	
Total Ambulance/Emergency Medical Services			268,533

Alcohol and Drug Programs

Contributions	\$	50,000	
Total Alcohol and Drug Programs			50,000

Other Local Health Services

Bonus Payments	\$	3,500	
Other Salaries and Wages		121,080	
Social Security		7,473	
Pensions		7,481	
Life Insurance		468	
Medical Insurance		22,374	
Dental Insurance		863	
Unemployment Compensation		68	
Employer Medicare		1,748	
Travel		1,740	
Workers' Compensation Insurance		671	
Total Other Local Health Services			167,466

Appropriation to State

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

Sanitation Education/Information

Other Salaries and Wages	\$	17,304	
Social Security		1,035	
Pensions		1,106	
Life Insurance		97	
Medical Insurance		4,534	
Dental Insurance		178	
Unemployment Compensation		10	

(Continued)

Exhibit J-9

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

General Fund (Cont.)Public Health and Welfare (Cont.)Sanitation Education/Information (Cont.)

Employer Medicare	\$	242	
Instructional Supplies and Materials		25,914	
Other Supplies and Materials		411	
Total Sanitation Education/Information			\$ 50,831

Other Public Health and Welfare

Advertising	\$	1,480	
Other Supplies and Materials		3,944	
Total Other Public Health and Welfare			5,424

Social, Cultural, and Recreational ServicesSenior Citizens Assistance

Contracts with Other Public Agencies	\$	10,600	
Contributions		31,000	
Total Senior Citizens Assistance			41,600

Libraries

Contributions	\$	32,700	
Total Libraries			32,700

Other Social, Cultural, and Recreational

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

Agriculture and Natural ResourcesAgricultural Extension Service

Communication	\$	4,100	
Contributions		38,261	
Dues and Memberships		405	
Travel		5,000	
Office Supplies		1,000	
Office Equipment		1,000	
Total Agricultural Extension Service			49,766

Forest Service

Contributions	\$	800	
Total Forest Service			800

Soil Conservation

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

Other OperationsTourism

Contributions	\$	500	
Total Tourism			500

(Continued)

Exhibit J-9

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

General Fund (Cont.)Other Operations (Cont.)Industrial Development

Contributions	\$ 65,000	
Other Charges	<u>365</u>	
Total Industrial Development		\$ 65,365

Veterans' Services

Supervisor/Director	\$ 10,890	
Social Security	675	
Unemployment Compensation	31	
Employer Medicare	158	
Communication	445	
Travel	1,350	
Office Supplies	<u>806</u>	
Total Veterans' Services		14,355

Contributions to Other Agencies

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

Employee Benefits

Employee and Dependent Insurance	\$ 1,899	
Workers' Compensation Insurance	<u>14,792</u>	
Total Employee Benefits		16,691

COVID-19 Grant #1

Communication	\$ 9,872	
Total COVID-19 Grant #1		9,872

American Rescue Plan Act Grant #1

Building Construction	\$ 128,758	
Total American Rescue Plan Act Grant #1		128,758

Miscellaneous

Contributions	\$ 5,654	
Total Miscellaneous		5,654

Principal on DebtGeneral Government

Principal on Leases	\$ 3,590	
Total General Government		3,590

Interest on DebtGeneral Government

Interest on Leases	\$ 310	
Total General Government		310

(Continued)

Exhibit J-9

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

General Fund (Cont.)Capital Projects - DonatedCapital Projects Donated to Other Entities

Other Contracted Services	\$ 8,025	
Total Capital Projects Donated to Other Entities		\$ 8,025

Total General Fund \$ 9,470,535

Solid Waste/Sanitation FundPublic Health and WelfareSanitation Management

Communication	\$ 2,112	
Contracts with Private Agencies	476,152	
Lease Payments	55,064	
Rentals	1,665	
Other Contracted Services	31,798	
Electricity	6,329	
Liability Insurance	339	
Trustee's Commission	9,882	
Workers' Compensation Insurance	1,289	
Site Development	5,778	
Total Sanitation Management		\$ 590,408

Total Solid Waste/Sanitation Fund 590,408

Drug Control FundFinanceOther Finance

Trustee's Commission	\$ 157	
Total Other Finance		\$ 157

Public SafetySheriff's Department

Deputy(ies)	\$ 2,483	
Bonus Payments	500	
In-service Training	995	
Social Security	185	
Unemployment Compensation	9	
Employer Medicare	43	
Advertising	750	
Communication	529	
Dues and Memberships	2,300	
Maintenance and Repair Services - Equipment	724	
Towing Services	1,165	
Law Enforcement Supplies	961	
Office Supplies	285	
Tires and Tubes	639	
Other Supplies and Materials	352	
Other Charges	1,036	
Law Enforcement Equipment	2,332	
Motor Vehicles	4,397	
Total Sheriff's Department		19,685

Total Drug Control Fund 19,842

(Continued)

Exhibit J-9

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

Other General Government Special Revenue Fund

Finance

Other Finance

Trustee's Commission	\$ 1,011	
Total Other Finance		\$ 1,011

Other Operations

COVID-19 Grant #1

Contributions	\$ 84,050	
Legal Notices, Recording, and Court Costs	245	
Communication Equipment	90,000	
Total COVID-19 Grant #1		174,295

American Rescue Plan Act Grant #1

Communication	\$ 67,697	
Contributions	274,776	
Maintenance and Repair Services - Buildings	4,344	
Other Supplies and Materials	2,227	
Motor Vehicles	102,181	
Site Development	151,014	
Total American Rescue Plan Act Grant #1		602,239

Total Other General Government Special Revenue Fund \$ 777,545

Constitutional Officers - Fees Fund

Administration of Justice

General Sessions Court

Special Commissioner Fees/Special Master Fees	\$ 6,201	
Total General Sessions Court		\$ 6,201

Chancery Court

Special Commissioner Fees/Special Master Fees	\$ 6,210	
Total Chancery Court		6,210

Total Constitutional Officers - Fees Fund 12,411

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 90,636	
Supervisor/Director	55,475	
Accountants/Bookkeepers	93,325	
Overtime Pay	3,801	
Bonus Payments	6,125	
Other Salaries and Wages	10,764	
Social Security	15,185	
Pensions	13,969	
Life Insurance	611	
Medical Insurance	41,600	
Dental Insurance	935	

(Continued)

Exhibit J-9

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Administration (Cont.)

Unemployment Compensation	\$	318	
Employer Medicare		3,551	
Communication		4,764	
Evaluation and Testing		1,809	
Postal Charges		292	
Travel		5,986	
Office Supplies		1,015	
Other Charges		5,315	
Data Processing Equipment		338	
Office Equipment		1,450	
Total Administration			\$ 357,264

Highway and Bridge Maintenance

Laborers	\$	509,729	
Overtime Pay		14,593	
Bonus Payments		24,000	
Social Security		33,316	
Pensions		32,235	
Life Insurance		2,028	
Medical Insurance		91,782	
Dental Insurance		3,849	
Unemployment Compensation		909	
Employer Medicare		7,792	
Asphalt		301,777	
Crushed Stone		31,917	
Other Road Materials		5,974	
Pipe		28,010	
Salt		38,651	
Small Tools		974	
Other Supplies and Materials		3,473	
Other Charges		913	
Total Highway and Bridge Maintenance			1,131,922

Operation and Maintenance of Equipment

Rentals	\$	6,070	
Diesel Fuel		68,811	
Electricity		5,760	
Equipment and Machinery Parts		49,334	
Garage Supplies		2,426	
Gasoline		20,182	
Lubricants		8,640	
Natural Gas		6,309	
Propane Gas		1,535	
Tires and Tubes		31,546	
Uniforms		13,952	
Other Charges		642	
Total Operation and Maintenance of Equipment			215,207

(Continued)

Exhibit J-9

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Other Charges

Dues and Memberships	\$	2,649	
Maintenance Agreements		15,842	
Maintenance and Repair Services - Buildings		11,625	
Other Contracted Services		8,400	
Trustee's Commission		25,600	
Vehicle and Equipment Insurance		33,364	
Workers' Compensation Insurance		28,485	
Total Other Charges			\$ 125,965

Capital Outlay

Engineering Services	\$	2,903	
Bridge Construction		51,880	
Building Construction		144,076	
Highway Equipment		282,231	
Total Capital Outlay			481,090

Total Highway/Public Works Fund \$ 2,311,448

General Debt Service FundPrincipal on DebtGeneral Government

Principal on Bonds	\$	1,245,000	
Principal on Notes		110,000	
Total General Government			\$ 1,355,000

Highways and Streets

Principal on Notes	\$	31,350	
Total Highways and Streets			31,350

Education

Principal on Bonds	\$	200,000	
Total Education			200,000

Interest on DebtGeneral Government

Interest on Bonds	\$	492,397	
Interest on Notes		8,888	
Total General Government			501,285

Highways and Streets

Interest on Notes	\$	2,530	
Total Highways and Streets			2,530

Education

Interest on Bonds	\$	118,331	
Total Education			118,331

(Continued)

Exhibit J-9

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

General Debt Service Fund (Cont.)

Other Debt Service

General Government

Trustee's Commission

\$ 35,751

Other Debt Service

1,000

Total General Government

\$ 36,751

Total General Debt Service Fund

\$ 2,245,247

Total Governmental Funds - Primary Government

\$ 15,427,436

Exhibit J-10

Unicoi County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Unicoi County School Department
For the Year Ended June 30, 2023

General Purpose School Fund

Instruction

Regular Instruction Program

Supervisor/Director	\$	7,000	
Teachers		6,272,385	
Career Ladder Program		10,308	
Homebound Teachers		3,965	
Educational Assistants		228,806	
Other Salaries and Wages		246,714	
Certified Substitute Teachers		27,098	
Non-certified Substitute Teachers		104,742	
Social Security		423,544	
Pensions		558,132	
Life Insurance		6,145	
Medical Insurance		924,653	
Dental Insurance		10,703	
Employer Medicare		99,519	
Other Contracted Services		1,876	
Instructional Supplies and Materials		108,515	
Textbooks - Bound		12,232	
Other Supplies and Materials		24,563	
Fee Waivers		18,900	
Other Charges		28,595	
Regular Instruction Equipment		32,953	
Total Regular Instruction Program			\$ 9,151,348

Alternative Instruction Program

Teachers	\$	65,377	
Social Security		4,053	
Pensions		5,681	
Life Insurance		40	
Employer Medicare		948	
Total Alternative Instruction Program			76,099

Special Education Program

Teachers	\$	937,873	
Educational Assistants		118,057	
Speech Pathologist		183,018	
Certified Substitute Teachers		2,002	
Non-certified Substitute Teachers		7,819	
Social Security		71,979	
Pensions		106,785	
Life Insurance		1,207	
Medical Insurance		206,830	
Dental Insurance		2,700	
Employer Medicare		16,834	
Instructional Supplies and Materials		3,290	
Other Supplies and Materials		5,735	
Total Special Education Program			1,664,129

(Continued)

Exhibit J-10

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	\$	638,414	
Career Ladder Program		2,000	
Educational Assistants		26,351	
Certified Substitute Teachers		180	
Non-certified Substitute Teachers		11,497	
Social Security		38,171	
Pensions		58,205	
Life Insurance		555	
Medical Insurance		121,414	
Dental Insurance		1,224	
Employer Medicare		8,927	
Maintenance and Repair Services - Equipment		4,026	
Instructional Supplies and Materials		121,467	
Other Supplies and Materials		5,875	
Vocational Instruction Equipment		234,120	
Total Career and Technical Education Program			\$ 1,272,426

Support Services

Attendance

Supervisor/Director	\$	89,625	
Career Ladder Program		958	
Social Security		5,336	
Pensions		7,872	
Life Insurance		38	
Medical Insurance		15,243	
Employer Medicare		1,248	
Total Attendance			120,320

Health Services

Supervisor/Director	\$	67,785	
Medical Personnel		178,703	
Other Salaries and Wages		13,038	
Social Security		15,362	
Pensions		19,937	
Life Insurance		325	
Medical Insurance		42,168	
Dental Insurance		480	
Employer Medicare		3,593	
Travel		5,066	
Drugs and Medical Supplies		5,029	
Other Supplies and Materials		5,192	
Other Charges		1,872	
Total Health Services			358,550

Other Student Support

Guidance Personnel	\$	353,598	
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(Continued)

Exhibit J-10

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 (Cont.)

Psychological Personnel	\$	68	
Other Salaries and Wages		17,785	
Social Security		21,644	
Pensions		31,761	
Life Insurance		328	
Medical Insurance		45,310	
Dental Insurance		672	
Employer Medicare		5,062	
Contracts with Government Agencies		63,537	
Evaluation and Testing		8,925	
Other Supplies and Materials		21,697	
Other Charges		2,860	
Total Other Student Support			\$ 573,247

Regular Instruction Program

Supervisor/Director	\$	202,989	
Career Ladder Program		3,959	
Librarians		268,953	
Social Security		28,227	
Pensions		41,332	
Life Insurance		284	
Medical Insurance		50,930	
Dental Insurance		720	
Employer Medicare		6,603	
Travel		9,131	
Other Supplies and Materials		928	
In Service/Staff Development		33,168	
Total Regular Instruction Program			647,224

Special Education Program

Supervisor/Director	\$	84,145	
Career Ladder Program		958	
Secretary(ies)		45,182	
Social Security		7,801	
Pensions		10,319	
Life Insurance		81	
Medical Insurance		13,540	
Dental Insurance		240	
Employer Medicare		1,824	
Contracts with Other Public Agencies		23,644	
Travel		2,687	
In Service/Staff Development		6,300	
Other Charges		45,747	
Total Special Education Program			242,468

(Continued)

Exhibit J-10

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	\$	78,122	
Secretary(ies)		32,844	
Social Security		6,212	
Pensions		8,878	
Life Insurance		81	
Medical Insurance		27,060	
Dental Insurance		120	
Employer Medicare		1,453	
Maintenance and Repair Services - Equipment		659	
Travel		1,125	
Other Supplies and Materials		617	
Total Career and Technical Education Program			\$ 157,171

Technology

Supervisor/Director	\$	69,952	
Computer Programmer(s)		158,665	
Data Processing Personnel		42,476	
Other Salaries and Wages		4,000	
Social Security		16,313	
Pensions		17,891	
Life Insurance		243	
Medical Insurance		43,150	
Dental Insurance		600	
Employer Medicare		3,815	
Internet Connectivity		55,340	
Travel		1,863	
Data Processing Supplies		30,705	
Other Supplies and Materials		31,995	
Other Charges		33,394	
Other Equipment		32,898	
Total Technology			543,300

Other Programs

On-behalf Payments to OPEB	\$	65,560	
Total Other Programs			65,560

Board of Education

Secretary to Board	\$	35,005	
Other Salaries and Wages		41,927	
Board and Committee Members Fees		5,511	
Social Security		3,707	
Pensions		2,265	
Life Insurance		40	
Unemployment Compensation		10,874	
Employer Medicare		867	
Audit Services		12,051	

(Continued)

Exhibit J-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Dues and Memberships	\$	9,687	
Legal Services		18,000	
Travel		16,741	
Maintenance and Repair Services - Records		5,027	
Other Supplies and Materials		3,210	
Liability Insurance		45,000	
Trustee's Commission		114,342	
Workers' Compensation Insurance		139,128	
Refund to Applicant for Criminal Investigation		2,282	
Other Charges		8,197	
Total Board of Education			\$ 473,861

Director of Schools

County Official/Administrative Officer	\$	130,127	
Assistant(s)		38,623	
Career Ladder Program		1,000	
Secretary(ies)		27,314	
Other Salaries and Wages		5,422	
Social Security		12,352	
Pensions		16,111	
Life Insurance		122	
Medical Insurance		18,600	
Dental Insurance		120	
Employer Medicare		2,889	
Other Fringe Benefits		6,474	
Dues and Memberships		1,739	
Travel		6,591	
Administration Equipment		1,531	
Total Director of Schools			269,015

Office of the Principal

Principals	\$	455,699	
Accountants/Bookkeepers		55,794	
Assistant Principals		258,793	
Secretary(ies)		164,459	
Social Security		53,928	
Pensions		75,842	
Life Insurance		717	
Medical Insurance		158,840	
Dental Insurance		1,429	
Employer Medicare		12,612	
Total Office of the Principal			1,238,113

Fiscal Services

Accountants/Bookkeepers	\$	138,285	
Social Security		8,244	

(Continued)

Exhibit J-10

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.)

Pensions	\$	8,947	
Life Insurance		122	
Medical Insurance		20,310	
Dental Insurance		240	
Employer Medicare		1,928	
Data Processing Services		6,176	
Other Contracted Services		16,237	
Data Processing Supplies		981	
Other Charges		4,720	
Total Fiscal Services			\$ 206,190

Operation of Plant

Supervisor/Director	\$	41,760	
Custodial Personnel		584,794	
Social Security		37,015	
Pensions		33,588	
Life Insurance		940	
Medical Insurance		141,178	
Dental Insurance		1,056	
Employer Medicare		8,657	
Janitorial Services		24,514	
Disposal Fees		38,607	
Other Contracted Services		1,559	
Custodial Supplies		49,548	
Electricity		586,720	
Natural Gas		82,188	
Water and Sewer		34,597	
Boiler Insurance		7,500	
Building and Contents Insurance		130,000	
Total Operation of Plant			1,804,221

Maintenance of Plant

Supervisor/Director	\$	59,654	
Maintenance Personnel		130,195	
Social Security		11,068	
Pensions		12,283	
Life Insurance		200	
Medical Insurance		30,973	
Dental Insurance		352	
Employer Medicare		2,588	
Maintenance and Repair Services - Buildings		70,669	
Maintenance and Repair Services - Equipment		29,739	
Maintenance and Repair Services - Vehicles		4,120	
Pest Control		10,065	
Other Contracted Services		82,577	
Equipment and Machinery Parts		1,217	

(Continued)

Exhibit J-10

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.)

Other Supplies and Materials	\$	14,935	
Other Charges		9,719	
Total Maintenance of Plant			\$ 470,354

Transportation

Supervisor/Director	\$	52,304	
Mechanic(s)		45,169	
Bus Drivers		368,187	
Other Salaries and Wages		2,120	
Social Security		28,716	
Pensions		23,836	
Life Insurance		81	
Medical Insurance		19,215	
Dental Insurance		204	
Employer Medicare		6,716	
Laundry Service		3,479	
Medical and Dental Services		1,804	
Diesel Fuel		150,625	
Gasoline		15,976	
Lubricants		3,677	
Tires and Tubes		7,893	
Vehicle Parts		70,178	
Other Supplies and Materials		6,963	
Vehicle and Equipment Insurance		40,000	
Other Charges		9,305	
Administration Equipment		29,474	
Transportation Equipment		62,877	
Total Transportation			948,799

Central and Other

Communication	\$	33,582	
Postal Charges		2,663	
Other Contracted Services		6,409	
Office Supplies		6,859	
Other Supplies and Materials		3,381	
Other Charges		1,513	
Total Central and Other			54,407

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	14,502
Teachers		5,375
Clerical Personnel		2,175
Educational Assistants		46,959
Other Salaries and Wages		5,600
Social Security		4,007

(Continued)

Exhibit J-10

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.)

Pensions	\$	4,121	
Employer Medicare		937	
Other Contracted Services		4,400	
Instructional Supplies and Materials		4,836	
Other Supplies and Materials		1,126	
Other Equipment		1,378	
Total Community Services			\$ 95,416

Early Childhood Education

Supervisor/Director	\$	57,898	
Teachers		241,098	
Educational Assistants		144,788	
Social Security		25,383	
Pensions		32,707	
Life Insurance		575	
Medical Insurance		86,783	
Dental Insurance		816	
Employer Medicare		5,936	
Instructional Supplies and Materials		7,076	
Other Supplies and Materials		962	
In Service/Staff Development		1,776	
Other Charges		1,811	
Total Early Childhood Education			607,609

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	318,331	
Total Education			318,331

Total General Purpose School Fund \$ 21,358,158

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	47,316	
Educational Assistants		100,586	
Other Salaries and Wages		426,137	
Social Security		17,621	
Pensions		18,926	
Life Insurance		470	
Medical Insurance		21,576	
Dental Insurance		672	
Employer Medicare		4,121	
Instructional Supplies and Materials		334,549	
Regular Instruction Equipment		134,549	
Total Regular Instruction Program			\$ 1,106,523

(Continued)

Exhibit J-10

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	\$	47,633	
Educational Assistants		433,268	
Social Security		27,515	
Pensions		29,593	
Life Insurance		1,187	
Medical Insurance		148,482	
Dental Insurance		2,105	
Employer Medicare		6,435	
Instructional Supplies and Materials		952	
Other Supplies and Materials		3,302	
Special Education Equipment		820	
Total Special Education Program			\$ 701,292

Career and Technical Education Program

Instructional Supplies and Materials	\$	10,859	
Other Supplies and Materials		4,408	
Vocational Instruction Equipment		22,374	
Total Career and Technical Education Program			37,641

Support Services

Health Services

Medical Personnel	\$	19,422	
Social Security		1,177	
Pensions		1,192	
Life Insurance		40	
Medical Insurance		4,062	
Employer Medicare		275	
Total Health Services			26,168

Other Student Support

Social Workers	\$	130,098	
Other Salaries and Wages		10,500	
Social Security		7,998	
Pensions		10,970	
Life Insurance		122	
Medical Insurance		19,280	
Dental Insurance		360	
Employer Medicare		1,870	
Postal Charges		1,510	
Travel		8,724	
Other Supplies and Materials		3,477	
In Service/Staff Development		4,000	
Other Charges		75	
Total Other Student Support			198,984

(Continued)

Exhibit J-10

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program

Supervisor/Director	\$	42,072	
Secretary(ies)		19,608	
Other Salaries and Wages		81,654	
Social Security		8,154	
Pensions		9,954	
Life Insurance		81	
Medical Insurance		6,770	
Dental Insurance		240	
Employer Medicare		1,907	
Travel		62	
Other Contracted Services		184,050	
Instructional Supplies and Materials		10,000	
Library Books/Media		13,229	
Other Supplies and Materials		3,325	
In Service/Staff Development		58,051	
Total Regular Instruction Program			\$ 439,157

Special Education Program

Contracts with Other Public Agencies	\$	44,411	
Other Supplies and Materials		1,485	
In Service/Staff Development		4,198	
Other Equipment		5,496	
Total Special Education Program			55,590

Office of the Principal

Assistant Principals	\$	47,918	
Social Security		2,916	
Pensions		4,164	
Life Insurance		24	
Medical Insurance		4,062	
Dental Insurance		72	
Employer Medicare		682	
Total Office of the Principal			59,838

Transportation

Bus Drivers	\$	1,020	
Other Salaries and Wages		11,850	
Social Security		784	
Pensions		854	
Employer Medicare		183	
Total Transportation			14,691

Capital Outlay

Regular Capital Outlay

Architects	\$	30,424	
Building Improvements		401,623	
Total Regular Capital Outlay			432,047

Total School Federal Projects Fund \$ 3,071,931

(Continued)

Exhibit J-10

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

Central Cafeteria FundOperation of Non-Instructional ServicesFood Service

Supervisor/Director	\$	83,707	
Clerical Personnel		35,881	
Cafeteria Personnel		416,937	
Other Salaries and Wages		42,882	
Social Security		33,091	
Pensions		21,209	
Life Insurance		324	
Medical Insurance		34,058	
Dental Insurance		288	
Employer Medicare		7,739	
Licenses		960	
Maintenance Agreements		7,858	
Maintenance and Repair Services - Equipment		4,526	
Travel		900	
Other Contracted Services		73,142	
Food Preparation Supplies		43,534	
Food Supplies		489,574	
Office Supplies		1,426	
Small Tools		42	
Uniforms		1,893	
USDA - Commodities		93,120	
Other Supplies and Materials		5,109	
Trustee's Commission		120	
In Service/Staff Development		18,738	
Other Charges		465	
Food Service Equipment		11,077	
Total Food Service			\$ 1,428,600

Total Central Cafeteria Fund \$ 1,428,600

Internal School FundOperation of Non-Instructional ServicesCommunity Services

Other Charges	\$	862,110	
Total Community Services			\$ 862,110

Total Internal School Fund 862,110

Education Capital Projects FundCapital OutlayRegular Capital Outlay

Architects	\$	16,131	
Building Improvements		1,028,916	
Total Regular Capital Outlay			\$ 1,045,047

Total Education Capital Projects Fund 1,045,047

Total Governmental Funds - Unicoi County School Department \$ 27,765,846

SINGLE AUDIT SECTION



JASON E. MUMPOWER
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, 2023, 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 December 14, 2023. Our report includes a reference to other auditors who audited the financial statements of the Internal School Fund of the discretely presented Unicoi County School Department, as described in our report on Unicoi County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be significant deficiencies: 2023-002 and 2023-003.

Report on 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: 2023-001 and 2023-003.

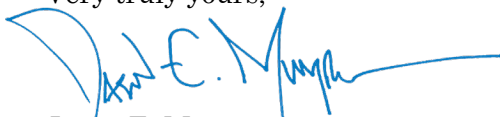
Unicoi County's Responses to the Findings

Government Auditing Standards requires the auditor to perform limited procedures on Unicoi County's responses to the findings identified in our audit and 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 the responses.

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,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

December 14, 2023

JEM/tg



JASON E. MUMPOWER
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

Opinion on Each Major Federal Program

We have audited Unicoi County's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Unicoi County's major federal programs for the year ended June 30, 2023. 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.

In our opinion, Unicoi County complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

provide a legal determination of Unicoi County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

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

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

Report on Internal Control Over Compliance

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

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

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

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, 2023, and the related notes to the financial statements, which collectively comprise Unicoi County's basic financial statements. We issued our report thereon dated December 14, 2023, 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,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

December 14, 2023

JEM/tg

Unicoi County, Tennessee, and the Unicoi County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (8)
For the Year-Ended June 30, 2023

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Award:			
Forest Service Schools and Roads Cluster: (5)			
Schools and Roads - Grants to States	10.665	N/A	\$ 81,939
Passed-through State Department of Education:			
Child Nutrition Cluster: (5)			
School Breakfast Program	10.553	N/A	405,711
National School Lunch Program	10.555	N/A	813,563 (6)
National School Lunch Program (Supply Chain Assistance Fund)	10.555	N/A	116,206 (6)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	93,120 (6)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-23-75482-00	27,570 (7)
Passed-through Natural Resources Conservation Service:			
Emergency Watershed Protection Program	10.923	NR204741XXXXC019	19,021
Total U.S. Department of Agriculture			<u>\$ 1,557,130</u>
U.S. Department of Interior:			
Direct Award:			
Payments in Lieu of Taxes	15.226	N/A	\$ 102,725
Total U.S. Department of Interior			<u>\$ 102,725</u>
U.S. Department of Justice:			
Direct Award:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 916,786
Total U.S. Department of Justice			<u>\$ 916,786</u>
U.S. Department of Education:			
Passed-through State Department of Human Services:			
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	(4)	\$ 105,204
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	623,366
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	N/A	704,874 (6)
COVID 19 - Special Education - Grants to State (ARP)	84.027	84.027X	94 (6)
Special Education - Preschool Grants	84.173	N/A	65,441
Impact Aid	84.041	N/A	204,937
Career and Technical Education - Basic Grants to States	84.048	N/A	50,365
Twenty-First Century Community Learning Centers	84.287	N/A	95,417
Supporting Effective Instruction - State Grants	84.367	N/A	65,574
Comprehensive Literacy Development	84.371C	N/A	82,800
Student Support and Academic Enrichment Program	84.424	N/A	63,458
COVID 19 - Education Stabilization Fund Program - Governors Emergency			
Education Relief Fund (Early Literacy Network)	84.425D	N/A	40,000 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary			
School Emergency Relief Fund (Best for All Districts)	84.425D	N/A	171,813 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary			
School Emergency Relief Fund (Tennessee ALL Corps)	84.425D	N/A	78,108 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary			
School Emergency Relief Fund (Math Implementation)	84.425D	N/A	71,250 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary			
School Emergency Relief Fund (ESSER I)	84.425D	N/A	11,000 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary			
School Emergency Relief Fund (ESSER II)	84.425D	N/A	169,922 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary			
School Emergency Relief Fund - Innovative School Models (ESSER ARP)	84.425U	N/A	291,286 (6)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary			
School Emergency Relief Fund (ESSER ARP)	84.425U	N/A	866,582 (6)
Passed-through Greeneville City School Department:			
English Language Acquisition State Grants	84.365	(4)	7,283
Total U.S. Department of Education			<u>\$ 3,768,774</u>

(Continued)

Unicoi County, Tennessee, and the Unicoi School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (8) (Cont.)

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Family Planning Services	93.217	GG-23-75482-00	\$ 643 (7)
Medicaid Cluster: (5)			
Medical Assistance Program	93.778	GG-23-75482-00	27,231 (7)
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	GG-23-75482-00	9,571 (7)
Passed-through State Department of Education:			
Temporary Assistance for Needy Families	93.558	(4)	77,442
Total U.S. Department of Health and Human Services			<u>\$ 114,887</u>
Total Expenditures of Federal Grants			<u>\$ 6,460,302</u>

State Grants		Contract Number	
Juvenile Service Program - State Commission on Children and Youth	N/A	(4)	\$ 9,000
Local Health Center - State Department of Health	N/A	GG-23-75482-00	98,488 (7)
Litter Program - State Department of Transportation	N/A	(4)	16,620
Help America Vote Act - Secretary of State	N/A	(4)	69,000
School Resource Officer - State Department of Education	N/A	(4)	14,187
Safe Schools Act - State Department of Education	N/A	(4)	48,970
Summer Learning Camps - State Department of Education	N/A	(4)	162,931
Supporting Postsecondary Access in Rural Communities - State Department of Education	N/A	(4)	102,000
Coordinated School Health Program - State Department of Education	N/A	(4)	100,250
Early Childhood Development - State Department of Education	N/A	(4)	<u>491,168</u>
Total State Grants			<u>\$ 1,112,614</u>

FAL = Federal Assistance Listing
N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
(2) Unicoi County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
(3) No amounts (\$0) were passed-through to subrecipients.
(4) Information not available.
(5) Forest Service Schools and Roads Cluster total \$81,939; Child Nutrition Cluster total \$1,428,600;
Special Education Cluster total \$770,409; and Medicaid Cluster total \$27,231.
(6) Total for FAL No. 10.555, \$1,022,889; Total FAL No. 84.027 \$704,968; Total FAL No. 84.425 \$1,699,961.
(7) Total for federal GG-23-75482-00 is \$65,015. Total state and federal is \$163,503.
(8) CONSOLIDATED ADMINISTRATION

The following amounts were consolidated for administration purposes:

Program Title	FAL Number	Amount Provided to Consolidated Administration
Title I Grants to Local Educational Agencies	84.010	\$ 73,991
Supporting Effective Instruction - State Grants	84.367	5,775
Student Support and Academic Enrichment Program	84.424	918
Total amounts consolidated for administration purposes		<u>\$ 80,684</u>

Unicoi County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2023

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, 2023.

Prior-year Financial Statement Findings

There were no prior-year financial statement findings to report.

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, 2023

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:
 - * Assistance Listing Number: 21.027 COVID 19 - Coronavirus State and Local Fiscal Recovery Funds
 - * Assistance Listing Numbers: 84.027 and 84.173 Special Education Cluster:
Special Education - Grants to States,
Special Education - Preschool Grants
 - * Assistance Listing Number: 84.425 COVID 19 - Education Stabilization Fund
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 2023-001

A PAYROLL TAX DEPOSIT TO THE INTERNAL REVENUE SERVICE WAS NOT PROPERLY REMITTED RESULTING IN THE ASSESSMENT OF INTEREST AND PENALTIES TOTALING \$557.43

(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 February 2023, 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 \$557.43, which the county paid on April 17, 2023. 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

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

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2023-002

THE EDUCATION CAPITAL PROJECTS FUND HAD A DEFICIT IN UNASSIGNED FUND BALANCES AT JUNE 30, 2023

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

The Education Capital Projects Fund had a deficit in unassigned fund balance at June 30, 2023, of \$119,263. The deficit occurred because capital projects completed during the fiscal year exceeded available funding and original estimates. Due to delays in invoicing, liabilities of \$459,616 relating to various contracts were not recognized per record. These have been included in the current year expenditures and liability balances per audit. Sound business practices dictate that expenditures should be held within available funds. The deficit will be liquidated in the subsequent fiscal year by a transfer from the General Purpose School Fund.

RECOMMENDATION

Expenditures should be held within available funds. Officials should ensure that adequate funding is provided to prevent the recurrence of a fund deficit.

MANAGEMENT'S RESPONSE

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

FINDING 2023-003

AN INVESTIGATION OF THE UNICOI COUNTY SCHOOL DEPARTMENT DISCLOSED DEFICIENCIES IN INTERNAL CONTROLS AND COMPLIANCE

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

On May 25, 2023, the Comptroller's Division of Investigations issued an investigative report on the Unicoi County School Department. This report disclosed one deficiency in internal controls and one on compliance. The department did not maintain adequate controls over fuel and the department did not have a written policy and did not adequately account for consumable assets. This report is available at www.comptroller.tn.gov/ia.

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, 2023.

Unicoi County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2023

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

2023-001	A payroll tax deposit to the Internal Revenue Service was not properly remitted resulting in the assessment of interest and penalties totaling \$557.43.	199
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OFFICE OF DIRECTOR OF SCHOOLS

2023-002	The Education Capital Projects Fund had a deficit in unassigned fund balance at June 30, 2023.	201
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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:
October 2023

Repeat Finding:
No

Planned Corrective Action:

County Employee's are paid every other Friday, upon completion of payroll the check will be written for taxes. Payment of taxes will be completed electronically on the same date with funds clearing on the Monday following the payroll date.

Office Holders are paid on the 15th and 30th, upon completion of payroll the Check will be written for taxes. Payment of taxes will be completed electronically on the same date with funds clearing on two days after payday.

To avoid the continuing human error that we have experienced, we created an additional check by having a sign off sheet that taxes have been paid. This sign off requires two employees to verify payment instead of one. All employee's will sign off on this procedure.


County Mayor



John English, Director of Schools

100 Nolichucky Ave

Erwin, TN 37650

Phone: (423)743-1600

Fax: (423)743-1615

CORRECTIVE ACTION PLAN

FINDING THE EDUCATION CAPITAL PROJECTS FUND HAD A DEFICIT IN UNASSIGNED FUND BALANCES AT JUNE 30, 2023

This response and Corrective Action Plan is prepared by John English, Director of Schools.

The person responsible for Implementing the Corrective Action is Diana Cousins, Financial Officer.

This is not a repeat finding.

Per this audit finding, due to delays in invoicing and the untimely receipt of said invoices, we could not include the deficit as current year expenses on our financial statements ending June 30, 2023. As soon as we were made aware of this issue and, as of September 25, 2023, immediate corrective action was taken by transferring funds from the General Purpose School Fund into the Capital Projects Fund. This process was approved by the Unicoi County Board of Education and the Unicoi County Commission at their regular September sessions. The deficit has been resolved.

We recognize that sound business practices dictate that expenditures should be held within the available funds and we will ensure that adequate funding is provided and approved to prevent any such recurrence of a fund deficit in the future.

Thank you,

A handwritten signature in blue ink, appearing to read "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.

APPENDIX D

Form of Continuing Disclosure Agreement

UNICOI COUNTY, TENNESSEE

\$3,000,000* GENERAL OBLIGATION SCHOOL BONDS, SERIES 2024

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Disclosure Agreement”) is executed and delivered this ____ day of _____, 2024 by Unicoi County, Tennessee (the “Issuer”) in connection with the issuance of its \$3,000,000* General Obligation School Bonds, Series 2024 (the “Bonds”). The Issuer hereby covenants and agrees as follows:

SECTION 1. Purpose of and Authority for the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer for the benefit of the Registered Owners and the Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Rule 15c2-12(b)(5) (the “Rule”) of the Securities and Exchange Commission (the “SEC”). This Disclosure Agreement is being executed and delivered by the Issuer under the authority of the Resolution.

SECTION 2. Definitions. In addition to the terms otherwise defined herein, the following capitalized terms shall have the following meanings:

“Beneficial Owner” shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Fiscal Year” shall mean any period of twelve consecutive months adopted by the Issuer as its fiscal year for financial reporting purposes, and shall initially mean the period beginning on July 1 of each calendar year and ending June 30 of the following calendar year.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Official Statement” shall mean the Official Statement of the Issuer, dated _____, 2024, relating to the Bonds.

“Participating Underwriters” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Registered Owner” means any person who is identified as a holder of Bonds on the registration records maintained by or on behalf of the Issuer with respect to the Bonds.

“Resolution” shall mean the bond Resolution adopted by the Board of Commissioners of the Issuer on January 22, 2024.

“State” shall mean the State of Tennessee.

“State Repository” shall mean any public or private repository or entity designated by the State as a state repository for the purpose of the Rule.

SECTION 3. Continuing Disclosure. The Issuer hereby agrees to provide or cause to be provided the information set forth below:

(a) *Annual Financial Information*. For Fiscal Years ending on or after June 30, 2024, the Issuer shall provide annual financial information and operating data within 12 months after the end of the Fiscal Year. The annual financial information and operating data shall include:

(i) The Issuer's audited financial statements, prepared in accordance with generally accepted accounting principles, or, if the Issuer's audited financial statements are not available, then the Issuer's unaudited financial statements; and

(ii) To the extent not included in the audited financial statements, operating data of the type included under the following headings of the Official Statement, which data may be presented in a manner other than as set in the Official Statement:

1. "Summary of Outstanding Debt";
2. "Debt Statement";
3. "Debt Record";
4. "Per Capita Debt Ratios";
5. "Debt Ratios";
6. "Debt Trend";
7. "Debt Service Requirements";
8. "Property Valuation and Property Tax";
9. "Top Property Taxpayers";
10. "Fund Balances"; and
11. "Local Sales Tax"

(b) *Audited Financial Statements*. For Fiscal Years ending on or after June 30, 2024, the Issuer shall provide audited financial statements, prepared in accordance with generally accepted accounting principles, if and when available, if such audited financial statements are not included with the annual financial information described in subsection (a) above.

(c) *Event Notices*. The Issuer will provide notice of the following events relating to the Bonds in a timely manner, not in excess of ten business days after the occurrence of the event:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of Bondholders, if material;

- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances (including disclosure as to whether the Bonds have been defeased to their maturity or to a preceding call date);
- (x) Release, substitution, or sale of property securing repayment of the securities, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the obligated person;
- (xiii) The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) Incurrence of a financial obligation* of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

* As used in subsections (xv) and (xvi), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(d) *Notice of Failure to File Annual Financial Information.* The Issuer will provide timely notice of its failure to provide the annual financial information described in subsection (a) above within the time frame prescribed by subsection (a).

(e) *Notice of Amendment of Disclosure Agreement.* The Issuer will provide timely notice of an amendment to this Disclosure Agreement pursuant to the terms of Section 5(a) below.

SECTION 4. Methods of Providing Information.

(a) All disclosures required by Section 3 shall be transmitted to the MSRB using the MSRB's Electronic Municipal Market Access System ("EMMA") or by such other method as may be subsequently determined by the MSRB.

(b) Information shall be provided to the MSRB in an electronic format as prescribed by the MSRB, either directly, or indirectly through an indenture trustee or a designated dissemination agent.

(c) All transmissions to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(d) Any required disclosure may be incorporated by reference to other documents filed with the MSRB in the manner required by subsection (a) above. The Issuer shall clearly identify each such other document so incorporated by reference.

(e) All disclosures transmitted to the MSRB hereunder shall be simultaneously transmitted to any State Repository.

SECTION 5. Amendment.

This Disclosure Agreement may be amended or modified so long as: (i) any such amendments are not violative of any rule or regulation of the SEC or MSRB, or other federal or state regulatory body; (ii) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person, or type of business conducted; (iii) this Disclosure Agreement, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iv) the amendment does not materially impair the interests of Beneficial Owners or Registered Owners, as determined either by parties unaffiliated with the Issuer (such as bond counsel), or by approving vote of the Beneficial Owners and Registered Owners pursuant to the terms of the Resolution at the time of the amendment.

(b) In the event of any amendment or modification to the financial information or operating data required to be filed pursuant to Section 3(a) above, the Issuer shall describe such amendment in the next filing pursuant to Section 3(a), and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, the next filing pursuant to Section 3(a) or 3(b), as applicable, shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any disclosure required hereunder, in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future disclosure.

SECTION 8. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Registered Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 9. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, any Registered Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed a default under the Resolution, and the sole remedy under this Disclosure Agreement in the event of any failure of any party to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 10. Governing Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State.

SECTION 11. Severability. In case any one or more of the provisions of this Disclosure Agreement shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Agreement, but this Disclosure Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

UNICOI COUNTY, TENNESSEE

By: _____
County Mayor

