ANNUAL FINANCIAL REPORT

UNION COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2019

TENNESSEE COMPTROLLER OF THE TREASURY

DIVISION OF LOCAL GOVERNMENT AUDIT

ANNUAL FINANCIAL REPORT

UNION COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2019

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
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This financial report is available at www.comptroller.tn.gov

UNION COUNTY, TENNESSEE
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Summary of Audit Findings

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

Scope

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

Results

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

Our audit resulted in one finding and recommendation, which we have reviewed with Union County management. The detailed finding, recommendation, and management's response are included in the Single Audit section of this report.

Finding

The following is a summary of the audit finding:

OFFICE OF REGISTER OF DEEDS

- Bank statements were not accurately reconciled with the general ledger.

INTRODUCTORY SECTION

Union County Officials
June 30, 2019

Officials

Jason Bailey, County Mayor
David Cox, Highway Superintendent
James Carter, Director of Schools
Gina Buckner, Trustee
Randy Turner, Assessor of Property
Pam Ailor, County Clerk
Barbara Williams, Circuit and General Sessions Courts Clerk
Sandra Edmondson, Clerk and Master
Mary Beth Kitts, Register of Deeds
Billy Breeding, Sheriff
Ann Dyer, Finance Director

Board of County Commissioners

Jason Bailey, Chairman
Jeff Chesney
Gary England
Sidney Jessee, Jr.
Jody Smith
Bill Cox
Earl Cox
Danny Cooke
Joyce Meltabarger
Dawn Flatford
R.L. Jones
Janet Holloway
Jeff Brantley
Debra Keck
Larry Lay
Kenny Hill
Becky Munsey

Highway Commission

Allen Collins, Chairman
Darrell Dyer
Wade Brantley
Johnny Raley
Harold Brantley
Paul Hill
Jimmy DeVault

Board of Education

David Coppock, Chairman
Andrew Reed
Casey Moore
Brad Griffey
Marty Gibbs
Gerald Smith
Danny Collins

(Continued)

Union County Officials (Continued)

Financial Management Committee

Jason Bailey, County Mayor, Chairman
David Cox, Highway Superintendent
James Carter, Director of Schools
Sidney Jessee, Jr
Janet Holloway
Joyce Meltabarger
Dawn Flatford

Audit Committee

Sidney Jessee, Jr., Chairman
Jennifer Garren
Gail Corum

Financial Section

Justin P. Wilson
Comptroller

Jason E. Mumpower
Deputy Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting

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estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

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

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Union 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 Union County School Department (a discretely presented component unit), miscellaneous schedules and the other information such as the introductory section and management's corrective action plan are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of

expenditures of federal awards is also presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

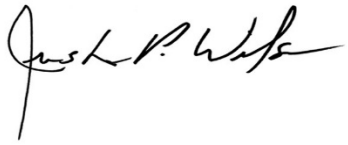
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Union County School Department (a discretely presented component unit), schedule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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2019, on our consideration of Union 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 Union 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 Union County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 27, 2019

JPW/tg

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Basic Financial Statements

Exhibit A

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

	Primary Government Governmental Activities	Component Unit Union County School Department
ASSETS		
Cash	$ 3,515	$ 0
Equity in Pooled Cash and Investments	6,592,762	12,970,448
Accounts Receivable	849,908	1,472
Allowance for Uncollectibles	(191,851)	0
Due from Other Governments	599,218	2,059,916
Property Taxes Receivable	5,155,897	2,723,204
Allowance for Uncollectible Property Taxes	(187,347)	(98,952)
Restricted Assets	0	40,914
Net Pension Asset - Agent Plan	593,963	332,528
Net Pension Asset - Teacher Hybrid Plan	0	83,927
Net Pension Asset - Teacher Legacy Plan	0	1,086,184
Capital Assets:		
Assets Not Depreciated:		
Land	566,080	1,598,528
Construction in Progress	0	305,000
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	1,745,518	15,151,710
Infrastructure	2,820,484	133,442
Other Capital Assets	1,345,253	733,477
Total Assets	$ 19,893,400	$ 37,121,798
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charge on Refunding	$ 1,413	$ 0
Pension Changes in Experience	75,634	324,876
Pension Changes in Assumptions	156,991	767,674
Pension Contributions After Measurement Date	272,886	1,380,256
Pension Changes in Proportion	0	40,547
OPEB Changes in Experience	0	5,620
OPEB Changes in Assumptions	0	72,375
OPEB Changes in Proportion	0	54,629
OPEB Contributions After Measurement Date	425	100,348
Total Deferred Outflows of Resources	$ 507,349	$ 2,746,325
LIABILITIES		
Accounts Payable	$ 68,171	$ 857,516
Accrued Payroll	100,783	718,098
Payroll Deductions Payable	0	422,359
Accrued Interest Payable	21,962	0
Due to State of Tennessee	0	2,311
Other Current Liabilities	0	217,775
Noncurrent Liabilities:		
Due Within One Year - Debt	1,746,714	0
Due Within One Year - Other	370,182	77,019
Due in More Than One Year - Debt	6,065,078	0
Due in More Than One Year - Other	59,438	3,024,359
Total Liabilities	$ 8,432,328	$ 5,319,437

(Continued)

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

	Primary Government	Component Unit
	Governmental Activities	Union County School Department
DEFERRED INFLOWS OF RESOURCES		
Deferred Current Property Taxes	$ 4,828,669	$ 2,550,370
Pension Changes in Experience	327,875	1,718,897
Pension Changes in Investment Earnings	52,426	279,480
Pension Changes in Proportion	0	9,427
OPEB Changes in Assumptions	8,467	153,719
OPEB Changes in Experience	17,331	108,013
OPEB Changes in Proportion	0	88,722
Total Deferred Inflows of Resources	$ 5,234,768	$ 4,908,628
NET POSITION		
Net Investment in Capital Assets	$ 6,195,742	$ 17,922,157
Restricted for:		
Highways	960,912	0
Debt Service	1,450,844	0
Capital Projects	404,843	0
General Government	18,573	0
Finance	126,224	0
Administration of Justice	7,436	0
Public Safety	132,612	0
Public Health and Welfare	27,527	0
Social, Cultural, Recreational	21,913	0
Education	0	1,119,132
Pensions	593,963	1,543,553
Unrestricted	(3,206,936)	9,055,216
Total Net Position	$ 6,733,653	$ 29,640,058

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

Exhibit B

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Component Unit: Union County School Department
Primary Government:						
Governmental Activities:						
General Government	$ 1,362,154	$ 312,806	$ 54,860	$ 0	$ (994,488)	$ 0
Finance	1,151,169	894,841		0	(256,328)	0
Administration of Justice	629,614	291,226	40,628	0	(297,760)	0
Public Safety	3,465,641	288,157	35,744	0	(3,141,740)	0
Public Health and Welfare	1,950,277	961,994	360,485	314,884	(312,914)	0
Social, Cultural, and Recreational Services	327,597	1,423	0	0	(326,174)	0
Agriculture and Natural Resources	126,650	0	0	0	(126,650)	0
Highways	2,719,087	9,697	1,922,303	178,931	(608,156)	0
Interest on Long-term Debt	192,570	0	0	0	(192,570)	0
Total Primary Government	$ 11,924,759	$ 2,760,144	$ 2,414,020	$ 493,815	$ (6,256,780)	$ 0
Component Unit:						
Union County School Department	$ 34,966,219	$ 231,732	$ 4,270,736	$ 0	$ 0	$ (30,463,751)
Total Component Unit	$ 34,966,219	$ 231,732	$ 4,270,736	$ 0	$ 0	$ (30,463,751)

(Continued)

Exhibit B

Union County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Component Unit: Union County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					$ 3,278,093	$ 2,601,944
Property Taxes Levied for Ambulance Service					468,246	0
Property Taxes Levied for Highways					312,396	0
Property Taxes Levied for Debt Service					642,016	0
Property Taxes Levied for Capital Projects					225,499	0
Local Option Sales Taxes					428,966	1,115,900
Wheel Tax					501,225	0
Business Tax					81,900	0
Hotel/Motel Tax					58,287	0
Wholesale Beer Tax					98,634	0
Mixed Drink Tax					7,093	0
Mineral Severance Tax					73,091	0
Litigation Tax - General					28,541	0
Litigation Tax - Special Purpose					29,086	0
Litigation Tax - Jail, Workhouse, or Courthouse					12,191	0
Other Local Taxes					7,753	22,244
Grants and Contributions Not Restricted to Specific Programs					2,241,061	29,977,861
Unrestricted Investment Income					191,718	0
Gain on Sale of Non Capital Assets					17,846	0
Miscellaneous					35,752	14,310
Total General Revenues					$ 8,739,394	$ 33,732,259
Change in Net Position					$ 2,482,614	$ 3,268,508
Net Position, July 1, 2018					4,251,039	26,371,550
Net Position, June 30, 2019					$ 6,733,653	$ 29,640,058

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

Exhibit C-1

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

	Major Funds				Nonmajor Funds	
	General	Ambulance Service	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
ASSETS						
Cash	$ 0	$ 0	$ 0	$ 0	$ 3,515	$ 3,515
Equity in Pooled Cash and Investments	3,322,586	233,786	597,829	1,891,172	547,389	6,592,762
Accounts Receivable	420,414	418,991	10,308	0	195	849,908
Allowance for Uncollectibles	0	(191,851)	0	0	0	(191,851)
Due from Other Governments	236,643	0	353,426	0	9,149	599,218
Due from Other Funds	3,710	0	754	0	0	4,464
Property Taxes Receivable	3,574,028	490,073	326,961	633,228	131,607	5,155,897
Allowance for Uncollectible Property Taxes	(127,426)	(17,808)	(11,880)	(23,651)	(6,582)	(187,347)
Total Assets	$ 7,429,955	$ 933,191	$ 1,277,398	$ 2,500,749	$ 685,273	$ 12,826,566
LIABILITIES						
Accounts Payable	$ 50,607	$ 12,964	$ 0	$ 0	$ 4,600	$ 68,171
Accrued Payroll	56,756	33,751	10,276	0	0	100,783
Due to Other Funds	754	0	0	0	3,710	4,464
Total Liabilities	$ 108,117	$ 46,715	$ 10,276	$ 0	$ 8,310	$ 173,418
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	$ 3,353,481	$ 458,970	$ 306,210	$ 591,386	$ 118,622	$ 4,828,669
Deferred Delinquent Property Taxes	78,235	11,170	7,453	15,283	5,379	117,520
Other Deferred/Unavailable Revenue	75,763	118,273	162,770	0	0	356,806
Total Deferred Inflows of Resources	$ 3,507,479	$ 588,413	$ 476,433	$ 606,669	$ 124,001	$ 5,302,995

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds	
FUND BALANCES	General	Ambulance Service	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
Restricted:						
Restricted for General Government	$ 18,573	$ 0	$ 0	$ 0	$ 0	$ 18,573
Restricted for Finance	126,224	0	0	0	0	126,224
Restricted for Administration of Justice	7,436	0	0	0	0	7,436
Restricted for Public Safety	53,615	0	0	0	78,997	132,612
Restricted for Public Health and Welfare	27,527	0	0	0	0	27,527
Restricted for Social, Cultural, and Recreational Services	21,913	0	0	0	0	21,913
Restricted for Highways/Public Works	0	0	790,689	0	0	790,689
Restricted for Debt Service	0	0	0	1,457,523	0	1,457,523
Restricted for Capital Projects	0	0	0	0	399,464	399,464
Committed:						
Committed for Public Health and Welfare	0	298,063	0	0	0	298,063
Committed for Other Operations	76,064	0	0	0	0	76,064
Committed for Debt Service	0	0	0	436,557	0	436,557
Committed for Capital Projects	0	0	0	0	74,501	74,501
Unassigned	3,483,007	0	0	0	0	3,483,007
Total Fund Balances	$ 3,814,359	$ 298,063	$ 790,689	$ 1,894,080	$ 552,962	$ 7,350,153
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 7,429,955	$ 933,191	$ 1,277,398	$ 2,500,749	$ 685,273	$ 12,826,566

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

Exhibit C-2

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

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		$ 7,350,153
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 566,080	
Add: buildings and improvements net of accumulated depreciation	1,745,518	
Add: other capital assets net of accumulated depreciation	1,345,253	
Add: infrastructure net of accumulated depreciation	2,820,484	6,477,335
(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	$ (156,899)	
Less: bonds payable	(7,321,274)	
Add: deferred charge on refunding	1,413	
Less: unamortized premium on debt	(333,619)	
Less: compensated absences	(370,182)	
Less: other postemploymet benefits liability	(59,438)	
Less: accrued interest on bonds, notes, and other loans	(21,962)	(8,261,961)
(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 OPEB	425	
Less: deferred inflows of resources related to OPEB	(25,798)	
Add: deferred outflows of resources related to pensions	$ 505,511	
Less: deferred inflows of resources related to pensions	(380,301)	99,837
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		593,963
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		474,326
Net position of governmental activities (Exhibit A)		$ 6,733,653

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

Exhibit C-3

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

	Major Funds				Nonmajor Funds	
	General	Ambulance Service	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
Revenues						
Local Taxes	$ 4,411,493	$ 465,734	$ 383,810	$ 1,141,430	$ 224,290	$ 6,626,757
Licenses and Permits	100,339	0	0	0	0	100,339
Fines, Forfeitures, and Penalties	81,485	0	0	0	22,123	103,608
Charges for Current Services	536,465	936,994	0	0	5,310	1,478,769
Other Local Revenues	95,518	2,063	20,070	191,718	9,536	318,905
Fees Received From County Officials	755,052	0	0	0	0	755,052
State of Tennessee	1,531,893	0	2,095,425	0	34,160	3,661,478
Federal Government	104,299	104,416	0	0	334,912	543,627
Other Governments and Citizens Groups	26,000	0	0	777,300	0	803,300
Total Revenues	$ 7,642,544	$ 1,509,207	$ 2,499,305	$ 2,110,448	$ 630,331	$ 14,391,835
Expenditures						
Current:						
General Government	$ 1,065,694	$ 0	$ 0	$ 0	$ 0	$ 1,065,694
Finance	1,180,830	0	0	0	0	1,180,830
Administration of Justice	631,368	0	0	0	5,310	636,678
Public Safety	3,299,466	0	0	0	40,400	3,339,866
Public Health and Welfare	378,288	1,412,089	0	0	0	1,790,377
Social, Cultural, and Recreational Services	356,315	0	0	0	0	356,315
Agriculture and Natural Resources	128,523	0	0	0	0	128,523
Other Operations	183,038	0	0	0	0	183,038
Highways	44,385	0	2,570,719	0	0	2,615,104
Debt Service:						
Principal on Debt	0	0	0	1,704,343	0	1,704,343
Interest on Debt	0	0	0	245,996	0	245,996
Other Debt Service	0	0	0	27,204	0	27,204

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds	
	General	Ambulance Service	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
Expenditures (Cont.)						
Capital Projects	$ 0	$ 0	$ 0	$ 0	$ 605,735	$ 605,735
Total Expenditures	$ 7,267,907	$ 1,412,089	$ 2,570,719	$ 1,977,543	$ 651,445	$ 13,879,703
Excess (Deficiency) of Revenues Over Expenditures	$ 374,637	$ 97,118	$ (71,414)	$ 132,905	$ (21,114)	$ 512,132
Other Financing Sources (Uses)						
Insurance Recovery	$ 2,315	$ 0	$ 101,328	$ 0	$ 0	$ 103,643
Transfers In	0	0	0	104,505	0	104,505
Transfers Out	0	(45,481)	(59,024)	0	0	(104,505)
Total Other Financing Sources (Uses)	$ 2,315	$ (45,481)	$ 42,304	$ 104,505	$ 0	$ 103,643
Net Change in Fund Balances	$ 376,952	$ 51,637	$ (29,110)	$ 237,410	$ (21,114)	$ 615,775
Fund Balance, July 1, 2018	3,437,407	246,426	819,799	1,656,670	574,076	6,734,378
Fund Balance, June 30, 2019	$ 3,814,359	$ 298,063	$ 790,689	$ 1,894,080	$ 552,962	$ 7,350,153

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

Exhibit C-4

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

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:		
Net change in fund balances - total governmental funds (Exhibit C-3)		$ 615,775
(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	$ 752,700	
Less: current-year depreciation expense	(600,920)	151,780
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase or decrease net position.		
Less: Net book value of assets disposed	(75,325)	(75,325)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2019	$ 474,326	
Less: deferred delinquent property taxes and other deferred June 30, 2018	(487,106)	(12,780)
(4) The issuance of long-term debt (e.g., bonds, notes, other loans) 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:		
Add: principal payments on notes	$ 97,570	
Add: principal payments on bonds	1,606,773	
Less: change in deferred amount on refunding	(769)	
Add: change in unamortized premium on debt	46,520	1,750,094
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	$ 7,675	
Change in compensated absences payable	(75,695)	
Change in net OPEB liability/asset	(59,438)	
Change in net pension liability/asset	371,583	
Change in deferred outflows related to OPEB	425	
Change in deferred inflows related to OPEB	(25,798)	
Change in deferred outflows related to pensions	(25,096)	
Change in deferred inflows related to pensions	(140,586)	53,070
Change in net position of governmental activities (Exhibit B)		$ 2,482,614

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

Exhibit C-5

Union County, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
General Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 4,411,493	$ 4,294,839	$ 4,319,839	$ 91,654
Licenses and Permits	100,339	113,043	113,043	(12,704)
Fines, Forfeitures, and Penalties	81,485	95,919	95,919	(14,434)
Charges for Current Services	536,465	543,663	543,663	(7,198)
Other Local Revenues	95,518	45,885	72,515	23,003
Fees Received From County Officials	755,052	773,003	773,003	(17,951)
State of Tennessee	1,531,893	1,446,588	1,528,639	3,254
Federal Government	104,299	13,739	48,283	56,016
Other Governments and Citizens Groups	26,000	0	1,000	25,000
Total Revenues	$ 7,642,544	$ 7,326,679	$ 7,495,904	$ 146,640
Expenditures				
General Government				
County Commission	$ 64,505	$ 66,157	$ 64,808	$ 303
Board of Equalization	780	800	780	0
Beer Board	757	1,503	1,503	746
County Mayor/Executive	173,971	180,195	178,233	4,262
County Attorney	11,185	13,628	14,128	2,943
Election Commission	193,757	213,720	214,470	20,713
Register of Deeds	165,373	183,218	183,718	18,345
Development	6,576	10,035	10,035	3,459
County Buildings	370,151	384,329	378,509	8,358
Other General Administration	78,639	55,280	83,531	4,892
Finance				
Accounting and Budgeting	290,125	305,855	303,554	13,429
Property Assessor's Office	212,193	227,173	227,173	14,980
County Trustee's Office	237,391	251,035	241,385	3,994
County Clerk's Office	340,391	381,621	377,711	37,320
Other Finance	100,730	100,000	102,000	1,270
Administration of Justice				
Circuit Court	281,574	283,571	297,459	15,885
General Sessions Court	154,906	159,783	157,454	2,548
Chancery Court	180,560	183,210	186,710	6,150
Victim Assistance Programs	14,328	20,110	20,110	5,782
Public Safety				
Sheriff's Department	1,418,506	1,395,352	1,442,701	24,195
Special Patrols	309,889	309,663	317,563	7,674
Jail	1,221,464	1,141,806	1,280,800	59,336
Juvenile Services	84,801	98,369	97,319	12,518
Fire Prevention and Control	71,000	71,000	71,000	0
Rescue Squad	22,000	22,000	22,000	0
Other Emergency Management	151,000	152,416	152,416	1,416
County Coroner/Medical Examiner	20,806	42,000	42,000	21,194
Public Health and Welfare				
Local Health Center	50,680	58,500	93,323	42,643
Other Local Health Services	137,621	169,700	171,600	33,979
Appropriation to State	22,788	23,500	22,788	0
Sanitation Management	14,199	12,769	14,200	1

(Continued)

Exhibit C-5

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)				
Public Health and Welfare (Cont.)				
Convenience Centers	$ 153,000	$ 153,000	$ 153,000	$ 0
Social, Cultural, and Recreational Services				
Senior Citizens Assistance	110,272	115,535	115,535	5,263
Libraries	183,233	180,882	208,123	24,890
Parks and Fair Boards	62,810	25,600	69,174	6,364
Agriculture and Natural Resources				
Agricultural Extension Service	68,260	69,657	69,657	1,397
Forest Service	500	500	500	0
Soil Conservation	59,763	60,684	60,684	921
Other Operations				
Veterans' Services	18,613	19,276	19,276	663
Other Charges	100,000	71,000	100,000	0
Employee Benefits	50,469	51,326	51,326	857
Miscellaneous	13,956	0	14,000	44
Highways				
Litter and Trash Collection	44,385	50,278	50,278	5,893
Total Expenditures	$ 7,267,907	$ 7,316,036	$ 7,682,534	$ 414,627
Excess (Deficiency) of Revenues Over Expenditures	$ 374,637	$ 10,643	$ (186,630)	$ 561,267
Other Financing Sources (Uses)				
Insurance Recovery	$ 2,315	$ 0	$ 2,315	$ 0
Total Other Financing Sources	$ 2,315	$ 0	$ 2,315	$ 0
Net Change in Fund Balance	$ 376,952	$ 10,643	$ (184,315)	$ 561,267
Fund Balance, July 1, 2018	3,437,407	2,505,079	2,505,079	932,328
Fund Balance, June 30, 2019	$ 3,814,359	$ 2,515,722	$ 2,320,764	$ 1,493,595

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

Exhibit C-6

Union County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Ambulance Service Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 465,734	$ 475,932	$ 475,932	$ (10,198)
Charges for Current Services	936,994	1,109,500	1,109,500	(172,506)
Other Local Revenues	2,063	0	0	2,063
Federal Government	104,416	0	0	104,416
Total Revenues	$ 1,509,207	$ 1,585,432	$ 1,585,432	$ (76,225)
Expenditures				
Public Health and Welfare				
Ambulance/Emergency Medical Services	$ 1,412,089	$ 1,559,347	$ 1,513,866	$ 101,777
Total Expenditures	$ 1,412,089	$ 1,559,347	$ 1,513,866	$ 101,777
Excess (Deficiency) of Revenues Over Expenditures	$ 97,118	$ 26,085	$ 71,566	$ 25,552
Other Financing Sources (Uses)				
Transfers Out	$ (45,481)	$ 0	$ (45,481)	$ 0
Total Other Financing Sources	$ (45,481)	$ 0	$ (45,481)	$ 0
Net Change in Fund Balance	$ 51,637	$ 26,085	$ 26,085	$ 25,552
Fund Balance, July 1, 2018	246,426	178,777	178,777	67,649
Fund Balance, June 30, 2019	$ 298,063	$ 204,862	$ 204,862	$ 93,201

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

Exhibit C-7

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 383,810	$ 387,097	$ 387,097	$ (3,287)
Charges for Current Services	0	15,000	15,000	(15,000)
Other Local Revenues	20,070	13,900	13,900	6,170
State of Tennessee	2,095,425	2,130,250	2,278,822	(183,397)
Total Revenues	$ 2,499,305	$ 2,546,247	$ 2,694,819	$ (195,514)
Expenditures				
Highways				
Administration	$ 249,346	$ 264,968	$ 255,934	$ 6,588
Highway and Bridge Maintenance	1,814,322	1,655,280	1,911,342	97,020
Operation and Maintenance of Equipment	167,196	206,790	190,296	23,100
Ferry Operations	86,662	89,009	91,739	5,077
Other Charges	93,432	155,200	93,517	85
Capital Outlay	159,761	175,000	411,141	251,380
Total Expenditures	$ 2,570,719	$ 2,546,247	$ 2,953,969	$ 383,250
Excess (Deficiency) of Revenues Over Expenditures	$ (71,414)	$ 0	$ (259,150)	$ 187,736
Other Financing Sources (Uses)				
Insurance Recovery	$ 101,328	$ 0	$ 87,569	$ 13,759
Transfers Out	(59,024)	0	(59,024)	0
Total Other Financing Sources	$ 42,304	$ 0	$ 28,545	$ 13,759
Net Change in Fund Balance	$ (29,110)	$ 0	$ (230,605)	$ 201,495
Fund Balance, July 1, 2018	819,799	485,962	485,962	333,837
Fund Balance, June 30, 2019	$ 790,689	$ 485,962	$ 255,357	$ 535,332

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

Exhibit D

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

	Agency Funds
ASSETS	
Cash	$ 640,679
Due from Other Governments	120,786
Total Assets	$ 761,465
LIABILITIES	
Due to Other Taxing Units	$ 120,786
Due to Litigants, Heirs, and Others	640,679
Total Liabilities	$ 761,465

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

UNION COUNTY, TENNESSEE
Index of Notes to the Financial Statements

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Union 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 Union County:

A. Reporting Entity

Union County is a public municipal corporation governed by an elected 16-member board. As required by GAAP, these financial statements present Union County (the primary government) and its component units. The financial statements of the Union County Emergency Communications District and the Union County Solid Waste Authority, component units requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of this 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 Union County School Department operates the public school system in the county, and the voters of Union 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 Union County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Union County, and the 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 Union County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Union County Solid Waste Authority oversees the area's solid waste disposal operations, including services provided through a private contractor. The county commission appoints a majority of members of the authority's governing body and must approve any debt issued by the authority. The financial statements of the Union County Solid Waste Authority were not material to the component units' opinion unit and therefore have been omitted from this report.

The Union 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 Union County Emergency Communications District and the Union County Solid Waste Authority can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Union County Emergency Communications District
130 Veteran Street
Suite A
Maynardville, TN 37807

Union County Solid Waste Authority
P.O. Box 727
Maynardville, TN 37807

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of Union 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 Union 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.

Union County issues all debt for the discretely presented Union County School Department. No debt issues were contributed by the county to the school department during the year ended June 30, 2019.

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

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

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

Fund financial statements of Union 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. An emphasis is placed on major funds within the governmental category. Union County has no proprietary funds to report.

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. 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. Union County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

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

Union 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.

Ambulance Service Fund – This special revenue fund is used to account for transactions related to the ambulance service provided by the county. Patient charges are the foundational revenues of this fund.

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

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

Additionally, Union County reports the following fund types:

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

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

The discretely presented Union 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.

Other Education Special Revenue Fund – This fund accounts for state revenues, which are committed for use in the virtual education program.

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

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

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

1. Deposits and Investments

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Union 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. Most income from these pooled investments is assigned to

the General Debt Service Fund. Union 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 polices 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 polices 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 Pooled complied with accounting principles generally accepted in the United States of America. All other investments are reported at fair value. Other than 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/due from other funds.

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles are comprised of estimated amounts for write-offs involving Medicare and Medicaid and estimated amounts of other collections based on the history of the source of receipt (i.e., insurance companies and private citizens). The allowance for uncollectible property taxes is equal to 1.91 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 payable are disaggregated on the face of the financial statements. Other Current Liabilities of the discretely presented school department represent the balance in the health insurance premiums clearing account.

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 Union 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 Union County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Union County School Department has not withdrawn any funds from the trust to pay pension cost. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

4. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of $10,000; and infrastructure with an initial cost of 25,000 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:

Assets	Years
Building and Improvements	5 - 50
Other Capital Assets	3 - 50
Infrastructure	10 - 50

5. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) 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 and OPEB changes in experience, pension changes in investment earnings, pension and OPEB other deferrals,

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

6. Compensated Absences

It is the county and school department's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since neither Union County nor the Union County 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 the governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

7. Long-term Debt and Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. Debt premiums and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources 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 fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

As of June 30, 2019, Union County had $7,215,424 in outstanding debt for capital purposes for the discretely presented Union County School Department. The debt is a liability of Union County, but the capital assets acquired are reported in the financial statements of the school department. Therefore, Union 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. The Board of Education makes assignments for the school department.

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

9. Fund Balance Policy

To provide management with appropriate guidelines and direction to assist in making sound decisions related to managing the fund balance of certain governmental funds the county approved the following minimum/maximum fund balance policy:

General Fund – 35 to 45 percent of proposed current-year appropriations.

Highway/Public Works Fund – 7 to 15 percent of proposed current-year appropriations

General Purpose School Fund – 8 to 16 percent of proposed current-year appropriations.

Debt Service Fund – 50 to 150 percent of proposed current-year appropriations.

The policy establishes guidelines for steps to be taken by the budget committee and county commission when fund balance in the above funds is not optimal. If the fund balance is lower than the stated policy, the budget committee should consider increasing revenue or reducing appropriations to adjust the fund balance into an acceptable range. If the low fund balance is in the debt service fund, the county will consider whether the fund anticipates future increases or decreases in annual appropriations before adjustments to revenues are made. If the fund balance in the General, Highway, or General Purpose School funds is greater than the stated optimal fund balance policy, then the funds over the optimal fund balance amount should be used for capital expenses and possibly transferred to the respective capital project fund for capital improvements. The General Purpose School Fund transferred $3,487,056 of fund balance to the Education Capital Projects Fund during the year in compliance with this policy.

E. Pension Plans

Primary Government

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

Discretely Presented Union County School Department

For purposes of measuring the net pension liability/asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan 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 Union County. For this purpose, Union County recognizes benefit payments when due and payable in accordance with benefit terms. Union County's OPEB plan is not administered through a trust.

Discretely Presented Union 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 Union 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 Union 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 Union 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

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund), which is not budgeted; the Community Development/Industrial Park Fund (capital projects fund), for which no expenditures were incurred during the year. 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, 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, if any, is presented on the face of each budgetary schedule.

At June 30, 2019, Union County School Department reported outstanding encumbrances in the following budgeted fund:

Fund	Amount
School Department:	
Major Fund:	
Education Capital Projects	$201,000

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. 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. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

Other than the TCRS stabilization trust discussed below, the county had no pooled and nonpooled investments as of June 30, 2019.

TCRS Stabilization Trust

Legal Provisions. The Union 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 Union County School Department may not impose any restrictions on investments placed by the trust on their behalf.

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

Investments are reported at fair value or amortized cost which, approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the fair value. Securities and securities

transactions are recorded in the financial statements on a trade-date basis. The fair value of assets of the TRGT held at June 30, 2019, represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets held are categorized for fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

• Level 1 - Unadjusted quoted prices for identical assets or liabilities in active markets that can be accessed at the measurement date.

• Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; assets or liabilities that have a bid-ask spread price in an inactive dealer market, brokered market and principal-to-principal market; and Level 1 assets or liabilities that are adjusted.

• Level 3 - Valuations derived from valuation techniques in which significant inputs are unobservable.

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

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

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

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

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

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

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

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

Investment	Weighted Average Maturity (days)	Maturities		Fair Value
Investments at Fair Value:				
U.S. Equity	N/A	N/A	$	12,683
Developed Market International Equity	N/A	N/A		5,728
Emerging Market International Equity	N/A	N/A		1,637
U.S. Fixed Income	N/A	N/A		8,183
Real Estate	N/A	N/A		4,091
Short-term Securities	N/A	N/A		409
Investments at Amortized Cost using the NAV:				
Private Equity and Strategic Lending	N/A	N/A		8,183
Total			$	40,914

Investment by Fair Value Level	Fair Value 6-30-19	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Amortized Cost: NAV
U.S. Equity	$ 12,683	$ 12,683	$ 0	$ 0	$ 0
Developed Market International Equity	5,728	5,728	0	0	0
Emerging Market International Equity	1,637	1,637	0	0	0
U.S. Fixed Income	8,183	0	8,183	0	0
Real Estate	4,091	0	0	4,091	0
Short-term Securities	409	0	409	0	0
Private Equity and Strategic Lending	8,183	0	0	0	8,183
Total	$ 40,914	$ 20,048	$ 8,592	$ 4,091	$ 8,183

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

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

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

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

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

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

B. Capital Assets

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

Primary Government

Governmental Activities:

	Balance 7-1-18	Increases	Decreases	Balance 6-30-19
Capital Assets Not Depreciated:				
Land	$ 566,080	$ 0	$ 0	$ 566,080
Total Capital Assets Not Depreciated	$ 566,080	$ 0	$ 0	$ 566,080
Capital Assets Depreciated:				
Buildings and Improvements	$ 3,774,615	$ 14,416	$ 0	$ 3,789,031
Infrastructure	3,984,118	0	0	3,984,118
Other Capital Assets	3,026,577	738,284	(83,694)	3,681,167
Total Capital Assets Depreciated	$ 10,785,310	$ 752,700	$ (83,694)	$ 11,454,316
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 1,941,257	$ 102,256	$ 0	$ 2,043,513
Infrastructure	1,064,031	99,603	0	1,163,634
Other Capital Assets	1,945,222	399,061	(8,369)	2,335,914
Total Accumulated Depreciation	$ 4,950,510	$ 600,920	$ (8,369)	$ 5,543,061
Total Capital Assets Depreciated, Net	$ 5,834,800	$ 151,780	$ (75,325)	$ 5,911,255
Governmental Activities Capital Assets, Net	$ 6,400,880	$ 151,780	$ (75,325)	$ 6,477,335

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

Governmental Activities:

General Government	$	31,022
Finance		2,488
Public Safety		129,242
Public Health and Welfare		180,341
Social, Cultural, and Recreational Services		3,760
Highways		254,067
Total Depreciation Expense - Governmental Activities	$	600,920

Discretely Presented Union County School Department

Governmental Activities:

	Balance 7-1-18	Increases	Balance 6-30-19
Capital Assets Not Depreciated:			
Land	$ 1,598,528	$ 0	$ 1,598,528
Construction in Progress	0	305,000	305,000
Total Capital Assets Not Depreciated	$ 1,598,528	$ 305,000	$ 1,903,528
Capital Assets Depreciated:			
Buildings and Improvements	$ 28,499,915	$ 1,267,445	$ 29,767,360
Infrastructure	186,418	0	186,418
Other Capital Assets	2,140,125	194,895	2,335,020
Total Capital Assets Depreciated	$ 30,826,458	$ 1,462,340	$ 32,288,798
Less Accumulated Depreciation For:			
Buildings and Improvements	$ 13,930,427	$ 685,223	$ 14,615,650
Infrastructure	44,289	8,687	52,976
Other Capital Assets	1,467,485	134,058	1,601,543
Total Accumulated Depreciation	$ 15,442,201	$ 827,968	$ 16,270,169
Total Capital Assets Depreciated, Net	$ 15,384,257	$ 634,372	$ 16,018,629
Governmental Activities Capital Assets, Net	$ 16,982,785	$ 939,372	$ 17,922,157

There were no decreases in capital assets to report for the year ended June 30, 2019.

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

Governmental Activities:

Instruction	$ 22,215
Support Services	784,226
Operation of Non-instructional Services	21,527
Total Depreciation Expense - Governmental Activities	$ 827,968

C. Construction Commitments

At June 30, 2019, the school department had uncompleted construction contracts of approximately $201,000 for a new track at the high school. Funding has been received for these future expenditures.

D. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	$ 3,710
Highway/Public Works	General	754
Discretely Presented School Department:		
General Purpose School	Other Education Special Revenue	420,148

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

Interfund Transfers:

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

Primary Government

Transfers Out	Transfer In General Debt Service
Ambulance Service	$ 45,481
HighwayPublic Works	59,024
Total	$ 104,505

The transfers to the General Debt Service Fund from the Ambulance Service and Highway/Public Works funds represent current year debt payments for dump trucks and an ambulance.

Discretley Presented Union County School Department

Transfers Out	Transfers In General Purpose School Fund	Educational Capital Projects Fund
Other Education Special Revenue Fund	$ 315,149	$ 0
General Purpose School Fund	0	3,487,056
Total	$ 315,149	$ 3,487,056

Transfers to the General Purpose School Fund from the Other Education Special Revenue Fund represent a contractually required contribution of four percent of virtual academy revenues. Transfers to the Educational Capital Projects Fund from the General Purpose School Fund represent the contribution of excess fund balance in the General Purpose School Fund as per the fund balance policy.

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

E. Long-term Debt

Primary Government

General Obligation Bonds and Notes

General Obligation Bonds - Union County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds outstanding were issued for original terms of up to 17 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2019, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements - Capital outlay notes are issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes 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 four years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes included in long-term debt as of June 30, 2019, will be retired from the General Debt Service Fund.

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

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-19
Qualified School Construction Bonds	1.515 %	9-1-26	$ 7,160,000	$ 3,176,274
Refunding Bond Series 2013	2.25 to 5	4-1-26	7,110,000	1,450,000
General Obligation Bonds	2.5	6-30-30	3,500,000	2,695,000
Direct Borrowing and Direct Placement:				
Capital Outlay Notes	2.30 to 2.95	3-1-21	350,000	156,899

In prior years, Qualified School Construction Bonds were issued through the Tennessee State School Bond Authority and the proceeds loaned to Union County and various other local governments across Tennessee. The county pays interest of 1.515 percent on its share of the bonds and also pays a monthly administrative fee to the Tennessee School Bond Authority. The administrative fee totals $597 per month. The county and the other borrowers of the bond proceeds are required to comply with federal regulations

established for the Qualified School Construction Bond program. Failure to comply with those requirements may result in the loss of the tax credit status on the bonds. This would result in further charges to the borrowers including the requirement to pay the tax-credit rate (5.86 percent) in addition to the 1.515 percent for a total rate of 7.375 percent.

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

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2020	$ 99,941	$ 4,349	$ 104,290
2021	56,958	1,691	58,649
Total	$ 156,899	$ 6,040	$ 162,939

Year Ending June 30	Bonds		
	Principal	Interest	Total
2020	$ 1,646,773	$ 204,261	$ 1,851,034
2021	771,773	178,111	949,884
2022	781,773	169,411	951,184
2023	786,773	162,711	949,484
2024	736,773	155,649	892,422
2025-2029	2,322,409	357,150	2,679,559
2030	275,000	7,561	282,561
Total	$ 7,321,274	$ 1,234,854	$ 8,556,128

There is $1,894,080 available in the General Debt Service Fund to service long-term debt. Bonded debt per capital totaled $383, based on the 2010 federal census. Total debt per capita, including bonds, notes, and unamortized debt premiums totaled $409, based on the 2010 federal census.

Changes in Long-term Debt

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

Governmental Activities:

	Bonds	Notes - Direct Placement
Balance, July 1, 2018	$ 8,928,047	$ 254,469
Additions	0	0
Reductions	(1,606,773)	(97,570)
Balance, June 30, 2019	$ 7,321,274	$ 156,899
Balance Due Within One Year	$ 1,646,773	$ 99,941

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2019	$ 7,478,173
Less: Balance Due Within One Year - Debt	(1,746,714)
Add: Unamortized Premium on Debt	333,619
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	$ 6,065,078

F. Long-term Obligations

Changes in Long-term Obligations

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

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2018	$ 294,487	$ 0
Additions	451,529	79,755
Reductions	(375,834)	(20,317)
Balance, June 30, 2019	$ 370,182	$ 59,438
Balance Due Within One Year	$ 370,182	$ 0

Analysis of Other Noncurrent Liabilities for Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2019	$	429,620
Less: Balance Due Within One Year - Other		(370,182)
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	$	59,438

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

Discretely Presented Union County School Department

Changes in Long-term Obligations

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

Governmental Activities:

		Compensated Absences		Other Postemployment Benefits
Balance, July 1, 2018	$	7,944	$	3,110,943
Additions		147,012		337,665
Reductions		(77,938)		(424,249)
Balance, June 30, 2019	$	77,019	$	3,024,359
Balance Due Within One Year	$	77,019	$	0

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2019	$	3,101,378
Less: Balance Due Within One Year		(77,019)
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	$	3,024,359

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds.

G. Pledge of Future Revenues

Wheel Tax Approved by the County Commission

The county commission approved a wheel tax for vehicle title registrations and renewals effective January 1, 2010. Collections from that tax have been pledged to pay the debt service requirements of the $7,160,000 Qualified School Construction Bonds and $1,138,000 of the Refunding Bond Series 2013, which related to school additions and renovations. The bonds are also guaranteed by the general obligation pledge of the county in the event the wheel tax revenue is insufficient to meet the debt service requirements on the bonds. The county commission's resolution notes that the wheel tax levy and collections will stop once adequate funding is provided to retire the bonds. As of June 30, 2019, future requirements for principal, interest, and administrative fees on the bonds total $4,468,836. Of this amount, $481,931 is to be paid in semiannual installments through June 30, 2023. The remaining $3,986,905 is payable in monthly installments through September 1, 2026. Investment earnings credited to the county's account by the State School Bond Authority during the year amounted to $94,023. These earnings reduced the amount of required payments due from the county. Wheel tax collections totaled $501,225 for the year ended June 30, 2019, and principal and interest paid on the debt totaled $589,242 for the year. Since January 2010, cumulative debt service requirements on the bonds have exceeded wheel tax revenues and investment earnings by $1,258,401.

Component Unit Revenues Pledged for Primary Government Debt

The school department has pledged to reimburse the county from future revenues principal, interest, fees, and other costs associated with the General Obligation Bond issued on June 1, 2015, which was used for energy efficient projects at various schools. Those requirements vary from $281,150 in fiscal year 2019-20 to $282,563 in 2029-30. In addition, the school department has pledged to pay a minimum of $500,000 annually from its future revenues to the primary government's General Debt Service Fund to be applied toward the retirement of other school debt until the year 2020. During the current fiscal year, the total contribution was $777,300.

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Union County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2019, were $44,158 and $19,023, respectively. 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

Union County and Union County School Department participate 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 county and school department pay an annual premium to the TN-RMT for 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.

Employee Health Insurance

The discretely presented Union County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *Tennessee Code Annotated* (*TCA*), all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

The primary government provides health insurance coverage through a commercial insurance provider. The county does not allow retirees to participate in the commercial insurance plan. Settled claims have not exceeded commercial insurance coverage for the past three fiscal years.

B. Accounting Changes

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

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

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

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

C. Contingent Liabilities

The county is involved in several pending lawsuits. Based on letters from attorneys, management does not expect potential claims against the county not covered by insurance resulting from such litigation to materially affect the county's financial statements.

D. Virtual Education Program

In July 2011, pursuant to Title 49, Chapter 16, *Tennessee Code Annotated*, the Union County Board of Education entered into a contract with K12 Virtual Schools, L.L.C. (K12). The contract provided for the creation and operation of a virtual education program called the Tennessee Virtual Academy, which enrolls students from Union County and other districts from across the state. This virtual education program was available for kindergarten through eighth grade students during the year. As of July 2018, enrollment was approximately 1,054 students. As of July 2019, enrollment was approximately 1,275 students.

The initial term of the agreement, which began July 1, 2011, terminated on June 30, 2014. However, the agreement is renewable and the school board has since approved multiple one-year extensions to the contract with the latest extending through June 30, 2020. K12 is responsible for providing educational products, as well as, administrative and technology services according to the agreement. The Board of Education is responsible for setting program policies, budget adoption, and having final responsibility for regulatory compliance and financial reporting.

Revenues of the virtual education program totaled $7,878,713 consisting of state Basic Education Program funds attributable to students enrolled in the program. The Board of Education retained an annual oversight fee of four percent from the program revenues. The oversight fee retained during the year totaled $315,149. K12's compensation under the agreement as amended on August 8, 2013, is equal to ninety-six percent of the program revenues. Total

compensation payable to K12 for the year ended June 30, 2019, was $7,563,564, which included $156,574 used per agreement by the school department for local program expenditures. The program has been accounted for in a major special revenue fund of the school department titled Other Education Special Revenue Fund. The oversight fee ($315,149) was transferred to the General Purpose School Fund and applied toward operations of the school department's traditional education program.

E. Joint Venture

The Eighth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Eighth Judicial District; Scott, Campbell, Fentress, Claiborne, and Union 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 forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by the Board of Directors, including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Union County made no contributions to the DTF for the year ended June 30, 2019, and does not have any equity interest in this joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

Office of District Attorney General
Eighth Judicial District
P.O. Box 10
Huntsville, TN 37756

F. Change in Administration

On August 31, 2018, Micheal Williams left the Office of County Mayor and was succeeded by Jason Bailey.

G. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Most employees of Union County (County General Fund and EMS employees) are provided a defined benefit pension plan (Union County Plan) through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The

primary government employees comprised 100 percent of the plan membership. In addition, certain other county employees (Highway Department) and non-certified employees of the discretely presented Union County School Department are provided a defined benefit pension plan (Union County Schools Plan) through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 15.99 percent and non-certified employees of the discretely presented Union County School Department comprise 84.01 percent of the Union County Schools Plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

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

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

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

Union County Plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	31
Inactive Employees Entitled to But Not Yet Receiving Benefits	144
Active Employees	123
Total	298

Union County Schools Plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	74
Inactive Employees Entitled to But Not Yet Receiving Benefits	177
Active Employees	176
Total	427

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. Union County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2019, the employer contribution for the Union County Plan was $234,354 based on a rate of 5.27 percent of covered payroll and the Union County Schools Plan was $230,748 based on a rate of 6.02 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Union 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)

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

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

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

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

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

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

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity	5.69	%	31	%
Developed Market International Equity	5.29		14	
Emerging Market International Equity	6.36		4	
Private Equity and Strategic Lending	5.79		20	
U.S. Fixed Income	2.01		20	
Real Estate	4.32		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 7.25 percent based on a blending of the factors described above.

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

Union County Plan:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2017	$ 7,844,078	$ 8,012,485	$ (168,407)
Changes for the Year:			
Service Cost	$ 331,994	$ 0	$ 331,994
Interest	583,438	0	583,438
Differences Between Expected and Actual Experience	(181,807)	0	(181,807)
Changes in Assumptions	0	0	0
Contributions-Employer	0	223,456	(223,456)
Contributions-Employees	0	212,008	(212,008)
Net Investment Income	0	671,998	(671,998)
Benefit Payments, Including Refunds of Employee Contributions	(257,304)	(257,304)	0
Administrative Expense	0	(11,573)	11,573
Other Changes	0	0	0
Net Changes	$ 476,321	$ 838,585	$ (362,264)
Balance, June 30, 2018	$ 8,320,399	$ 8,851,070	$ (530,671)

Union County Schools Plan:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2017	$ 9,406,079	$ 9,752,946	$ (346,867)
Changes for the Year:			
Service Cost	$ 317,141	$ 0	$ 317,141
Interest	693,510	0	693,510
Differences Between Expected and Actual Experience	149,637	0	149,637
Changes in Assumptions	0	0	0
Contributions-Employer	0	225,301	(225,301)
Contributions-Employees	0	187,131	(187,131)
Net Investment Income	0	812,922	(812,922)
Benefit Payments, Including Refunds of Employee Contributions	(315,122)	(315,122)	0
Administrative Expense	0	(16,113)	16,113
Other Changes	0	0	0
Net Changes	$ 845,166	$ 894,119	$ (48,953)
Balance, June 30, 2018	$ 10,251,245	$ 10,647,065	$ (395,820)

Union County Schools Plan:

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	15.99%	$ 1,639,174	$ 1,702,466	$ (63,292)
School Department	84.01%	8,612,071	8,944,599	(332,528)
Total		$ 10,251,245	$ 10,647,065	$ (395,820)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Union County calculated using the discount rate of 7.25 percent, as well as what the net pension liability (asset) would be if it were

calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

Union County Plan	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability	$ 660,033	$ (530,671)	$ (1,495,593)

Union County Schools Plan	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability	$ 952,500	$ (395,820)	$ (1,517,823)

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

Pension Expense or Negative Pension Expense. For the year ended June 30, 2019, the Union County Plan recognized pension expense of $71,059 and the Union County Schools Plan recognized (negative) pension expense of ($29,532).

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

Union County Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 56,492	$ 280,252
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	45,127
Changes in Assumptions	133,731	0
Contributions Subsequent to the Measurement Date of June 30, 2018 (1)	234,354	N/A
Total	$ 424,577	$ 325,379

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

Union County Schools Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 119,710	$ 297,828
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	45,639
Changes in Assumptions	145,469	0
Contributions Subsequent to the Measurement Date of June 30, 2018 (1)	230,748	N/A
Total	$ 495,927	$ 343,467

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

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

Union County Schools Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	$ 80,934	$ 54,922
School Department	414,993	288,545
Total	$ 495,927	$ 343,467

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:

Union County Plan:

Year Ending June 30	Amount
2020	$ 37,970
2021	(17,954)
2022	(96,072)
2023	(51,821)
2024	(7,281)
Thereafter	0

Union County Schools Plan:

Year Ending June 30	Amount
2020	$ (13,032)
2021	2,417
2022	(77,028)
2023	9,349
2024	0
Thereafter	0

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

Discretely Presented Union County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, certain employees of Union County and the non-certified employees of the discretely presented Union County School Department are provided a defined benefit pension plan (Union County Schools Plan) through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 15.99 percent and the non-certified employees of the discretely presented school department comprise 84.01 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Union County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated* (*TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

Benefits Provided. *TCA*, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit.

Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2019, to the Teacher Retirement Plan were $38,195, which is 1.94 percent of covered payroll. In addition, employer contributions of $38,848 were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). At June 30, 2019, the school department reported a liability (asset) of ($83,927) for its proportionate share of the

net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2018, the school department's proportion was .185054 percent. The proportion as of June 30, 2017, was .186978 percent.

Pension Expense. For the year ended June 30, 2019, the school department recognized pension expense of $28,579.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 4,753	$ 3,343
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	4,741
Changes in Assumptions	3,959	0
Changes in Proportion of Net Pension Liability (Asset)	1,392	2,479
LEA's Contributions Subsequent to the Measurement Date of June 30, 2018	38,195	N/A
Total	$ 48,299	$ 10,563

The school department's employer contributions of $38,195, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2020	$ (696)
2021	(847)
2022	(1,523)
2023	(284)
2024	348
Thereafter	2,544

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

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

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

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

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

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

investment policy target asset allocation for each major class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity	5.69 %	31 %
Developed Market International Equity	5.29	14
Emerging Market International Equity	6.36	4
Private Equity and Strategic Lending	5.79	20
U.S. Fixed Income	2.01	20
Real Estate	4.32	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 7.25 percent based on a blending of the factors described above.

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

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the school department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the school department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one

percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability	$ 12,975	$ (83,927)	$ (155,321)

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

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

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Union County School Department for the year ended June 30, 2019, to the Teacher Legacy Pension Plan were $1,149,845, which is 10.46 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liability (Assets). At June 30, 2019, the school department reported a liability (asset) of ($1,086,184) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of

June 30, 2018, the school department's proportion was .30867 percent. The proportion measured at June 30, 2017, was .309194 percent.

Pension Expense. For the year ended June 30, 2019, the school department recognized (negative) pension expense of ($303,834).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 219,555	$ 1,465,349
Changes in Assumptions	641,506	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	236,399
Changes in Proportion of Net Pension Liability (Asset)	39,155	6,948
LEA's Contributions Subsequent to the Measurement Date of June 30, 2018	1,149,845	N/A
Total	$ 2,050,061	$ 1,708,696

The school department's employer contributions of $1,149,845 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a decrease in net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2020	$ 231,002
2021	(339,784)
2022	(598,920)
2023	(100,777)
2024	0
Thereafter	0

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

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

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

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

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

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

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity	5.69 %	31 %
Developed Market International Equity	5.29	14
Emerging Market International Equity	6.36	4
Private Equity and Strategic Lending	5.79	20
U.S. Fixed Income	2.01	20
Real Estate	4.32	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 7.25 percent based on a blending of the factors described above.

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability	$ 8,372,992	$ (1,086,184)	$ (8,912,335)

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 $98,410 and teachers contributed $66,871 to this deferred compensation pension plan.

H. Other Postemployment Benefits (OPEB)

Union County and the discretely presented Union County School Department provide OPEB benefits to their 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.

Union County primary government participates in the Tennessee Plan-Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare. The Union County School Department provides healthcare benefits to its employees under the Local Education Plan (LEP) until they reach Medicare eligibility. Both certified and noncertified retirees of the school department may then join the Tennessee Plan - Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare.

The county and school department's total OPEB liability for each plan was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2018, 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, 2108 TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.62%
Healthcare Cost Trend Rates	LEP: Based on the Getzen Model, with trend starting at 6.75% for the 2019 calendar year, and gradually decreasing over a 32-year period to an ultimate trend rate of 3.53% with 0.32% added to approximate the effect of the excise tax TN-M: The premimum subsidies provided to retirees are assumed to remain unchanged for the entire projection; therefore, trend rates are not applicable
Retirees Share of Benefit Related Cost	Discussed under each plan

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

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

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2017, valuations were the same as those employed in the July 1, 2018, Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2 percent load for males and a -3 percent load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load.

Changes in Assumptions. The discount rate changed from 3.56 percent as of the beginning of the measurement period to 3.62 percent as of the measurement date of June 30, 2018. The assumed initial costs and premium amounts were revised to reflect rates adopted for the 2019 plan year. The assumed initial trend rate applicable to the 2019 plan year was revised from 5.4 percent to 6.75 percent.

Closed Tennessee Plan – Medicare (Primary Government)

Plan Description. Employees of Union County who were hired prior to July 1, 2015, are provided with post-65 retiree health insurance benefits through the closed Tennessee Plan -Medicare (TNM) administered by the Tennessee Department of Finance and Administration. All eligible post-65 retirees and disability participants of local governments, who choose coverage, participate in the TNM. The TNM also includes eligible retirees of the state, certain component units of the state, and local education agencies. However, the amounts reflected in this note disclosure pertain only to the Union County Primary Government. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

Liabilities, deferred inflows of resources, and deferred outflows of resources for this plan were omitted from Union County's financial statements for the year ended June 30, 2018. Expenses of $81,504 are reported in the 2018-19 year Statement of Activities to account for those balances as of July 1, 2018.

Benefits Provided. The state offers the TNM to help fill most of the coverage gaps created by Medicare for eligible post-65 retirees and disabled participants of local governments. Insurance coverage is the only postemployment benefit provided to retirees. The TNM does not include pharmacy. In accordance with *TCA* 8-27-209, benefits of the TNM are established and amended by cooperation of insurance committees created by *TCA* 8-27-201, 8-27-301 and 8-27-701. Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65, are Medicare eligible and also receives a benefit from the Tennessee Consolidated Retirement System (TCRS) may participate in this plan. All plan members receive the same plan benefits at the same premium rates. Participating employers determine their own policy related to subsidizing the retiree premiums. Union County provides a direct subsidy of between $25 and $50 for eligible retirees depending on years of service.

<u>Employees Covered by Benefit Terms</u>

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	0
Inactive Employees Entitled to But Not Yet Receiving Benefits	4
Active Employees	83
Total	87

In accordance with *TCA* 8-27-209, the state insurance committees established by *TCA* sections 8-27-201, 8-27-301 and 8-27-701 determine the required payments to the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. For the fiscal year ended June 30, 2019, the county paid $425 to the TNM for OPEB benefits as they came due.

Changes in the Total OPEB Liability:

Balance July 1, 2017	$	72,811
Changes for the Year:		
Service Cost	$	4,204
Interest		2,740
Changes in Benefit Terms		0
Difference between Expected and Actual Experience		(19,497)
Changes in Assumption and Other Inputs		(720)
Benefit Payments		(100)
Net Changes	$	(13,373)
Balance June 30, 2018	$	59,438

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the county recognized OPEB expense of $3,732. At June 30, 2019, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 0	$ 17,331
Changes of Assumptions/Inputs	0	8,467
Benefits Paid After the Measurement Date of June 30, 2018	425	0
Total	$ 425	$ 25,798

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	Amount
2019	$ (3,212)
2020	(3,212)
2021	(3,212)
2022	(3,212)
2023	(3,212)
Thereafter	(9,738)

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:

Discount Rate	1% Decrease 2.62%	Current Discount Rate 3.62%	1% Increase 4.62%
Proportionate Share of the Collective Total OPEB Liability:	$ 71,624	$ 59,438	$ 49,866

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The premium subsidies provided to retirees in the TNM plan are assumed to remain unchanged for the entire projection period, therefore trend rates are not applicable to the plan calculations:

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

Plan Description. Employees of the Union 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 Union 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. During the year, Union County School Department provided a direct subsidy ranging from $83 to $104 per month toward the cost of the insurance plan selected by the retiree. Retirees must have a minimum of 25 years of service to be eligible for this benefit. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees premiums based on years of service. Retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 20 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

<u>Employees Covered by Benefit Terms</u>

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

	School Department
Inactive Employees or Beneficiaries Currently Receiving Benefits	14
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees Eligible for Future Benefits	304
Active Employees Not Eligible for Future Benefits	45
Total	363

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 $84,446 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	Share of Collective Liability		
	Union County School Department 66.8189%	State of TN 33.1811%	Total OPEB Liability
Balance July 1, 2017	$ 2,358,864	$ 1,261,669	$ 3,620,533
Changes for the Year:			
Service Cost	$ 119,616	$ 59,399	$ 179,015
Interest	88,611	44,002	132,613
Changes in Benefit Terms	(30,473)	(15,133)	(45,606)
Difference between Expected and Actual Experience	(118,815)	(59,001)	(177,816)
Change in Proportion	60,336	(60,336)	0
Changes in Assumption and Other Inputs	79,612	39,534	119,146
Benefit Payments	(99,520)	(49,420)	(148,940)
Net Changes	$ 99,366	$ (40,954)	$ 58,412
Balance June 30, 2018	$ 2,458,230	$ 1,220,715	$ 3,678,945

The Union 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 Union County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employers long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized $75,753 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Union County School Department's proportionate share of the collective OPEB liability was 66.8189 percent and the State of Tennessee's share was 33.1811 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the school department recognized OPEB expense of $244,767, including the state's share of the expense. At June 30, 2019, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 0	$ 108,013
Changes of Assumptions/Inputs	72,375	93,619
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributors As Benefits Came Due	54,629	0
Benefits Paid After the Measurement Date of June 30, 2018	84,446	0
Total	$ 211,450	$ 201,633

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	Amount
2020	$ (8,739)
2021	(8,739)
2022	(8,739)
2023	(8,739)
2024	(8,739)
Thereafter	(30,932)

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.

Discount Rate	1% Decrease 2.62%	Current Discount Rate 3.62%	1% Increase 4.62%
Proportionate Share of the Collective Total OPEB Liability	$ 2,644,355	$ 2,458,231	$ 2,279,231

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.

Healthcare Cost Trend Rate	1% Decrease 5.75 to 2.85%	Curent Rates 6.75 to 3.85%	1% Increase 7.75 to 4.85%
Proportionate Share of the Collective Total OPEB Liability	$ 2,167,381	$ 2,458,231	$ 2,799,752

Closed Tennessee Plan – Medicare (Discretely Presented School Department)

Plan Description. Employees of the Union County School Department, who were hired prior to July 1, 2015, are provided with post-65 retiree health insurance benefits through the closed Tennessee Plan - Medicare (TNM) administered by the Tennessee Department of Finance and Administration. All eligible post-65 retired teachers and disability participants of local education agencies, who choose coverage, participate in the TNM. The TNM also includes eligible retirees of the state, certain component units of the state, and certain local governmental entities. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015. The school department's total OPEB liability for the TNM Plan was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

Benefits Provided. The state offers the TNM to help fill most of the coverage gaps created by Medicare for eligible post-65 retired teachers and disabled participants of local education agencies. Insurance coverage is the only postemployment benefit provided to retirees. The TNM does not include pharmacy. In accordance with *TCA* 8-27-209, benefits of the TNM are established and amended by cooperation of insurance committees created by *TCA* Sections 8-27-201, 8-27-301 and 8-27-701. Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65, are Medicare eligible and also receive a benefit from the Tennessee Consolidated Retirement System may participate in this plan. All plan members receive the same plan benefits at the same premium rates. Participating employers determine their own policy related to subsidizing the retiree premiums. The Union County School Department provides a subsidy of $50 per month for retirees with 30 or more years of service, retirees with 20-29 years of service receive $37.50, and eligible retirees with less than 20 years of service receive $25. The state, as a governmental nonemployer contributing entity, contributes to the premiums of eligible retirees of local education agencies based on years of service. The State of Tennessee provides a subsidy of $50 per month for retirees with 30 or more years of service, retirees with 20-29 years of service receive $37.50, and retirees with 15-19 years of service receive $25.

Employees Covered by Benefit Terms

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

	School Department
Inactive Employees or Beneficiaries Currently Receiving Benefits	33
Inactive Employees Entitled to But Not Yet Receiving Benefits	23
Active Employees	381
Total	437

In accordance with *TCA* 8-27-209, the state insurance committees established by *TCA* sections 8-27-201, 8-27-301 and 8-27-701 determine the required payments to the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. For the fiscal year ended June 30, 2019, the school department paid $15,902 to the TNM for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability:

	Share of Collective Liability		
	Union County School Department 44.9768%	State of TN 55.0232%	Total OPEB Liability
Balance July 1, 2017	$ 752,079	$ 712,974	$ 1,465,053
Changes for the Year:			
Service Cost	$ 19,674	$ 24,069	$ 43,743
Interest	23,838	29,162	53,000
Changes in Benefit Terms	(119,332)	(145,988)	(265,320)
Difference between Expected and Actuarial Experience	6,314	7,724	14,038
Change in Proportion	(93,145)	93,145	0
Changes in Assumption and Other Inputs	(5,288)	(6,470)	(11,758)
Benefit Payments	(18,011)	(22,034)	(40,045)
Net Changes	$ (185,951)	$ (20,391)	$ (206,342)
Balance June 30, 2018	$ 566,128	$ 692,583	$ 1,258,711

The Union County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retirees participating in the TNM. The Union 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 is required by GASB Statement No. 75 to recognize revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department employees. The amount of the subsidy is equal to the nonemployer share of collective OPEB expenses. During the year, collective OPEB expenses for Union County School employees was negative. Consequently, on the government-wide Statement of Activities, the school department has recorded the negative collective OPEB expense ($183,915) and recorded negative operating grants and contributions revenues ($90,243) for the nonemployer share of the collective OPEB expense.

During the year, the Union County School Department's proportionate share of the collective OPEB liability was 44.9768 percent and the State of Tennessee's share was 55.0232 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the school department recognized OPEB expense of $183,915 including the state's share of the OPEB expense.

At June 30, 2019, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 5,620	$ 0
Changes of Assumptions/Inputs	0	60,099
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributors As Benefits Came Due	0	88,722
Benefits Paid After the Measurement Date of June 30, 2018	15,902	0
Total	$ 21,522	$ 148,821

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
2020	$ (17,851)
2021	(17,851)
2022	(17,851)
2023	(17,851)
2024	(17,851)
Thereafter	(53,944)

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

Discount Rate	1% Decrease 2.62%	Current Discount Rate 3.62%	1% Increase 4.62%
Proportionate Share of the Collective Total OPEB Liability:	665,352	566,128	486,234

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The premium subsidies provided to retirees in the TNM plan are assumed to remain unchanged for the entire projection period, therefore trend rates are not applicable to the plan calculations:

I. Office of Central Accounting, Budgeting, and Purchasing

Union County operates under the provisions of the County Financial Management System of 1981. This act provides for a central system of accounting, budgeting, and purchasing for all county departments. The act also provides for the creation of a finance department operated under the direction of the finance director.

J. Purchasing Law

The County Financial Management System of 1981 provides for the finance director or a deputy appointed by the director to serve as the county purchasing agent. Purchases of $25,000 and greater are required to be competitively bid for all departments.

Required Supplementary Information

Exhibit E-1

Union 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 - General Fund and EMS
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018
Total Pension Liability					
Service Cost	$ 250,764	$ 279,057	$ 295,676	$ 324,380	$ 331,994
Interest	423,613	468,264	516,098	546,331	583,438
Differences Between Actual and Expected Experience	88,816	72,604	(192,703)	(26,082)	(181,807)
Changes in Assumptions	0	0	0	187,223	0
Benefit Payments, Including Refunds of Employee Contributions	(188,506)	(203,774)	(193,742)	(295,609)	(257,304)
Net Change in Total Pension Liability	$ 574,687	$ 616,151	$ 425,329	$ 736,243	$ 476,321
Total Pension Liability, Beginning	5,491,668	6,066,355	6,682,506	7,107,835	7,844,078
Total Pension Liability, Ending (a)	$ 6,066,355	$ 6,682,506	$ 7,107,835	$ 7,844,078	8,320,399
Plan Fiduciary Net Position					
Contributions - Employer	$ 233,174	$ 234,294	$ 253,224	$ 259,907	223,456
Contributions - Employee	197,147	186,541	201,613	206,607	212,008
Net Investment Income	866,565	193,958	178,356	807,468	671,998
Benefit Payments, Including Refunds of Employee Contributions	(188,506)	(203,774)	(193,742)	(295,609)	(257,304)
Administrative Expense	(4,087)	(5,673)	(9,080)	(10,307)	(11,573)
Net Change in Plan Fiduciary Net Position	$ 1,104,293	$ 405,346	$ 430,371	$ 968,066	$ 838,585
Plan Fiduciary Net Position, Beginning	5,104,409	6,208,702	6,614,048	7,044,419	8,012,485
Plan Fiduciary Net Position, Ending (b)	$ 6,208,702	$ 6,614,048	$ 7,044,419	$ 8,012,485	$ 8,851,070
Net Pension Liability (Asset), Ending (a - b)	$ (142,347)	$ 68,458	$ 63,416	$ (168,407)	$ (530,671)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	102.35%	98.98%	99.11%	102.15%	106.38%
Covered Payroll	$ 3,554,585	$ 3,730,787	$ 4,035,127	$ 4,132,076	$ 4,240,146
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(4.00%)	1.83%	1.57%	(4.08%)	(12.52%)

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

Note: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers General Fund and EMS employees of the primary government.

Exhibit E-2

Union 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 - Highway Department and
Discretely Presented Union County School Department - Non-Certified Employees
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018
Total Pension Liability					
Service Cost	$ 268,929	$ 292,832	$ 278,644	$ 306,764	$ 317,141
Interest	590,914	623,518	630,190	673,220	693,510
Differences Between Actual and Expected Experience	(97,377)	(441,503)	(14,430)	(339,595)	149,637
Changes in Assumptions	0	0	0	242,447	0
Benefit Payments, Including Refunds of Employee Contributions	(364,917)	(338,367)	(405,049)	(292,521)	(315,122)
Net Change in Total Pension Liability	$ 397,549	$ 136,480	$ 489,355	$ 590,315	$ 845,166
Total Pension Liability, Beginning	7,792,380	8,189,929	8,326,409	8,815,764	9,406,079
Total Pension Liability, Ending (a)	$ 8,189,929	$ 8,326,409	$ 8,815,764	$ 9,406,079	$ 10,251,245
Plan Fiduciary Net Position					
Contributions - Employer	$ 205,763	$ 202,052	$ 213,989	$ 201,825	$ 225,301
Contributions - Employee	173,012	167,818	179,217	167,463	187,131
Net Investment Income	1,162,398	253,356	224,936	989,643	812,922
Benefit Payments, Including Refunds of Employee Contributions	(364,917)	(338,367)	(405,049)	(292,521)	(315,122)
Administrative Expense	(6,501)	(8,180)	(12,124)	(14,551)	(16,113)
Other	0	0	0	222	
Net Change in Plan Fiduciary Net Position	$ 1,169,755	$ 276,679	$ 200,969	$ 1,052,081	$ 894,119
Plan Fiduciary Net Position, Beginning	7,053,462	8,223,217	8,499,896	8,700,865	9,752,946
Plan Fiduciary Net Position, Ending (b)	$ 8,223,217	$ 8,499,896	$ 8,700,865	$ 9,752,946	$ 10,647,065
Net Pension Liability (Asset), Ending (a - b)	$ (33,288)	$ (173,487)	$ 114,899	$ (346,867)	$ (395,820)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	100.41%	102.08%	98.70%	103.69%	103.86%
Covered Payroll	$ 3,464,027	$ 3,353,650	$ 3,556,642	$ 3,567,982	$ 3,742,554
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(0.96)%	(5.17)%	3.23%	(9.72)%	(10.58%)

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

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

Union County, Tennessee
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS
Primary Government - General Fund and EMS
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019
Actuarially Determined Contribution	$ 233,174	$ 234,294	$ 253,224	$ 259,907	$ 223,456	$ 234,354
Less Contributions in Relation to the Actuarially Determined Contribution	(233,174)	(234,294)	(253,224)	(259,907)	(223,456)	(234,354)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Payroll	$ 3,554,585	$ 3,730,787	$ 4,035,127	$ 4,132,076	$ 4,240,146	$ 4,450,402
Contributions as a Percentage of Covered Payroll	6.56%	6.28%	6.28%	6.29%	5.27%	5.27%

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

Note: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers General Fund and EMS employees of the primary government.

Exhibit E-4

Union County, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
Discretely Presented Union County School Department - Non-Certified Employees and
Primary Government - Highway Department Employees
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019
Actuarially Determined Contribution	$ 205,763	$ 202,052	$ 213,989	$ 201,825	$ 225,301	$ 230,748
Less Contributions in Relation to the Actuarially Determined Contribution	(205,763)	(202,052)	(213,989)	(201,825)	(225,301)	(230,748)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Payroll	$ 3,464,027	$ 3,353,650	$ 3,556,642	$ 3,567,982	$ 3,742,554	$ 3,786,218
Contributions as a Percentage of Covered Payroll	5.94%	6.02%	6.02%	5.66%	6.02%	6.09%

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

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

Exhibit E-5

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

	2015	2016	2017	2018	2019*
Contractually Required Contribution	$ 17,171	$ 28,640	$ 49,088	$ 64,686	$ 38,195
Less Contributions in Relation to the Contractually Required Contribution	(17,171)	(28,640)	(49,088)	(64,686)	(38,195)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Payroll	$ 429,269	$ 715,994	$ 1,227,215	$ 1,617,140	$ 1,968,815
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%

* - In FY 2019 the School Department placed the actuarially determined contribution rate (1.94%) of covered payroll into the pension plan and placed $38,848 into the Pension Stabilization Reserve Trust.

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

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

	2014	2015	2016	2017	2018	2019
Contractually Required Contribution	$ 1,048,909	$ 1,029,802	$ 1,010,795	$ 988,059	$ 981,423	$ 1,149,845
Less Contributions in Relation to the Contractually Required Contribution	(1,048,909)	(1,029,802)	(1,010,795)	(988,059)	(981,423)	(1,149,845)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Payroll	$ 11,812,035	$ 11,391,617	$ 11,181,371	$ 10,714,450	$ 10,808,631	$ 10,992,782
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.22%	9.08%	10.46%

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

Exhibit E-7

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

	2015	2016	2017	2018
School Department's Proportion of the Net Pension Liability/Asset	0.206605%	0.162725%	0.186978%	0.185054%
School Department's Proportionate Share of the Net Pension Liability (Asset)	$ (8,312)	$ (16,940)	$ (49,330)	$ (83,927)
Covered Payroll	429,269	715,994	1,227,215	1,617,140
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.02)%	(5.19%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%	126.97%

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

Exhibit E-8

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

	2014	2015	2016	2017	2018
School Department's Proportion of the Net Pension Liability/Asset	0.300944%	0.304304%	0.309750%	0.309194%	0.308670%
School Department's Proportionate Share of the Net Pension Liability (Asset)	$ (48,902)	$ 124,653	$ 1,935,767	$ (101,162)	$ (1,086,184)
Covered Payroll	11,812,016	11,391,617	11,181,371	10,714,450	10,808,631
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41)%	1.094254%	17.31%	(0.94)%	(10.05%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%	101.49%

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

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

		2017	2018
Total OPEB Liability			
Service Cost	$	193,860	179,015
Interest		109,574	132,613
Changes in Benefit Terms		0	(45,606)
Differences Between Actual and Expected Experience		0	(177,816)
Changes in Assumptions or Other Inputs		(171,951)	119,146
Benefit Payments		(139,269)	(148,940)
Net Change in Total OPEB Liability	$	(7,786)	58,412
Total OPEB Liability, Beginning		3,628,319	3,620,533
Total OPEB Liability, Ending	$	3,620,533	3,678,945
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	$	1,261,669	1,220,714
Employer Proportionate Share of the Total OPEB Liability		2,358,864	2,458,231
Covered Employee Payroll	$	13,628,205	15,677,158
Net OPEB Liability as a Percentage of Covered Employee Payroll		17.31%	15.68%

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

Note 2: Changes in assumptions.

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

2017 2.92%
2018 3.56%
2019 3.62%

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

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

Union County, Tennessee
Schedule of Changes in the Total OPEB Liability and Related Ratios - Tennessee Plan - Medicare
Union County Primary Government
For the Fiscal Year Ended June 30

		2018
Total OPEB Liability		
Service Cost	$	4,204
Interest		2,740
Changes in Benefit Terms		0
Differences Between Actual and Expected Experience		(19,497)
Changes in Assumptions or Other Inputs		(720)
Benefit Payments		(100)
Net Change in Total OPEB Liability	$	(13,373)
Total OPEB Liability, Beginning		72,811
Total OPEB Liability, Ending	$	59,438

Covered Employee Payroll	N/A
Net OPEB Liability as a Percentage of Covered Employee Payroll	N/A

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

Note 2: Changes in assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:
2019 3.62%

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

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

	2017	2018
Total OPEB Liability		
Service Cost	$ 53,514	$ 43,743
Interest	46,472	53,000
Changes in Benefit Terms	0	(265,320)
Differences Between Actual and Expected Experience	0	14,038
Changes in Assumptions or Other Inputs	(154,335)	(11,758)
Benefit Payments	(37,200)	(40,045)
Net Change in Total OPEB Liability	$ (91,549)	$ (206,342)
Total OPEB Liability, Beginning	1,556,602	1,465,053
Total OPEB Liability, Ending	$ 1,465,053	$ 1,258,711
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	$ 712,974	$ 692,583
Employer Proportionate Share of the Total OPEB Liability	752,079	566,128
Covered Employee Payroll	N/A	N/A
Net OPEB Liability as a Percentage of Covered Employee Payroll	N/A	N/A

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

Note 2: Changes in assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	2.92%
2018	3.56%
2019	3.62%

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

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

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

Methods and assumptions used to determine contribution rates:

Primary Government - General Fund and EMS;
Primary Government - Highway Department and
School Department - Noncertified Employees

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	2.50%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation,
Investment Rate of Return	7.25%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.25%

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

Combining and Individual Fund Financial Statements and Schedules

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

Capital Projects Funds

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

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

Community Development/Industrial Park Fund – The Community Development/ Industrial Park Fund is used to account for capital projects related to industrial development.

Exhibit F-1

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

	Special Revenue Funds			Capital Projects Funds
	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
ASSETS				
Cash	$ 0	$ 3,515	$ 3,515	$ 0
Equity in Pooled Cash and Investments	78,997	0	78,997	393,891
Accounts Receivable	0	195	195	0
Due from Other Governments	0	0	0	9,149
Property Taxes Receivable	0	0	0	131,607
Allowance for Uncollectible Property Taxes	0	0	0	(6,582)
Total Assets	$ 78,997	$ 3,710	$ 82,707	$ 528,065
LIABILITIES				
Accounts Payable	$ 0	$ 0	$ 0	$ 4,600
Due to Other Funds	0	3,710	3,710	0
Total Liabilities	$ 0	$ 3,710	$ 3,710	$ 4,600
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	$ 0	$ 0	$ 0	$ 118,622
Deferred Delinquent Property Taxes	0	0	0	5,379
Total Deferred Inflows of Resources	$ 0	$ 0	$ 0	$ 124,001
FUND BALANCES				
Restricted:				
Restricted for Public Safety	$ 78,997	$ 0	$ 78,997	$ 0

(Continued)

Exhibit F-1

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

	Special Revenue Funds			Capital Projects Funds
	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
FUND BALANCES (Cont.)				
Restricted (Cont.):				
Restricted for Capital Projects	$ 0	$ 0	$ 0	$ 399,464
Committed:				
Committed for Capital Projects	0	0	0	0
Total Fund Balances	$ 78,997	$ 0	$ 78,997	$ 399,464
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 78,997	$ 3,710	$ 82,707	$ 528,065

(Continued)

Exhibit F-1

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

	Capital Projects Funds (Cont.)		
	Community Development/ Industrial Park	Total	Total Nonmajor Governmental Funds
ASSETS			
Cash	$ 0	$ 0	$ 3,515
Equity in Pooled Cash and Investments	74,501	468,392	547,389
Accounts Receivable	0	0	195
Due from Other Governments	0	9,149	9,149
Property Taxes Receivable	0	131,607	131,607
Allowance for Uncollectible Property Taxes	0	(6,582)	(6,582)
Total Assets	$ 74,501	$ 602,566	$ 685,273
LIABILITIES			
Accounts Payable	$ 0	$ 4,600	$ 4,600
Due to Other Funds	0	0	3,710
Total Liabilities	$ 0	$ 4,600	$ 8,310
DEFERRED INFLOWS OF RESOURCES			
Deferred Current Property Taxes	$ 0	$ 118,622	$ 118,622
Deferred Delinquent Property Taxes	0	5,379	5,379
Total Deferred Inflows of Resources	$ 0	$ 124,001	$ 124,001
FUND BALANCES			
Restricted:			
Restricted for Public Safety	$ 0	$ 0	$ 78,997

(Continued)

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

	Capital Projects Funds (Cont.)		
	Community Development/ Industrial Park	Total	Total Nonmajor Governmental Funds
FUND BALANCES (Cont.)			
Restricted (Cont.):			
Restricted for Capital Projects	$ 0	$ 399,464	$ 399,464
Committed:			
Committed for Capital Projects	74,501	74,501	74,501
Total Fund Balances	$ 74,501	$ 473,965	$ 552,962
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 74,501	$ 602,566	$ 685,273

Exhibit F-2

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

	Special Revenue Funds			Capital Projects Funds
	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
Revenues				
Local Taxes	$ 0	$ 0	$ 0	$ 224,290
Fines, Forfeitures, and Penalties	22,123	0	22,123	0
Charges for Current Services	0	5,310	5,310	0
Other Local Revenues	9,536	0	9,536	0
State of Tennessee	0	0	0	34,160
Federal Government	9,849	0	9,849	325,063
Total Revenues	$ 41,508	$ 5,310	$ 46,818	$ 583,513
Expenditures				
Current:				
Administration of Justice	$ 0	$ 5,310	$ 5,310	$ 0
Public Safety	40,400	0	40,400	0
Capital Projects	0	0	0	605,735
Total Expenditures	$ 40,400	$ 5,310	$ 45,710	$ 605,735
Excess (Deficiency) of Revenues Over Expenditures	$ 1,108	$ 0	$ 1,108	$ (22,222)
Net Change in Fund Balances	$ 1,108	$ 0	$ 1,108	$ (22,222)
Fund Balance, July 1, 2018	77,889	0	77,889	421,686
Fund Balance, June 30, 2019	$ 78,997	$ 0	$ 78,997	$ 399,464

(Continued)

Exhibit F-2

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

	Capital Projects Funds (Cont.)		
	Community Development/ Industrial Park	Total	Total Nonmajor Governmental Funds
Revenues			
Local Taxes	$ 0	$ 224,290	$ 224,290
Fines, Forfeitures, and Penalties	0	0	22,123
Charges for Current Services	0	0	5,310
Other Local Revenues	0	0	9,536
State of Tennessee	0	34,160	34,160
Federal Government	0	325,063	334,912
Total Revenues	$ 0	$ 583,513	$ 630,331
Expenditures			
Current:			
Administration of Justice	$ 0	$ 0	$ 5,310
Public Safety	0	0	40,400
Capital Projects	0	605,735	605,735
Total Expenditures	$ 0	$ 605,735	$ 651,445
Excess (Deficiency) of Revenues Over Expenditures	$ 0	$ (22,222)	$ (21,114)
Net Change in Fund Balances	$ 0	$ (22,222)	$ (21,114)
Fund Balance, July 1, 2018	74,501	496,187	574,076
Fund Balance, June 30, 2019	$ 74,501	$ 473,965	$ 552,962

Exhibit F-3

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Fines, Forfeitures, and Penalties	$ 22,123	$ 34,455	$ 45,055	$ (22,932)
Other Local Revenues	9,536	0	700	8,836
Federal Government	9,849	0	5,114	4,735
Total Revenues	$ 41,508	$ 34,455	$ 50,869	$ (9,361)
Expenditures				
Public Safety				
Drug Enforcement	$ 40,400	$ 34,455	$ 60,618	$ 20,218
Total Expenditures	$ 40,400	$ 34,455	$ 60,618	$ 20,218
Excess (Deficiency) of Revenues Over Expenditures	$ 1,108	$ 0	$ (9,749)	$ 10,857
Net Change in Fund Balance	$ 1,108	$ 0	$ (9,749)	$ 10,857
Fund Balance, July 1, 2018	77,889	65,448	65,448	12,441
Fund Balance, June 30, 2019	$ 78,997	$ 65,448	$ 55,699	$ 23,298

Exhibit F-4

Union County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Capital Projects Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 224,290	$ 215,019	$ 215,019	$ 9,271
State of Tennessee	34,160	0	98,585	(64,425)
Federal Government	325,063	0	565,000	(239,937)
Total Revenues	$ 583,513	$ 215,019	$ 878,604	$ (295,091)
Expenditures				
Capital Projects				
General Administration Projects	$ 97,827	$ 15,179	$ 100,679	$ 2,852
Administration of Justice Projects	13,485	13,500	13,500	15
Public Safety Projects	9,090	0	98,585	89,495
Public Health and Welfare Projects	485,333	130,000	862,153	376,820
Total Expenditures	$ 605,735	$ 158,679	$ 1,074,917	$ 469,182
Excess (Deficiency) of Revenues Over Expenditures	$ (22,222)	$ 56,340	$ (196,313)	$ 174,091
Net Change in Fund Balance	$ (22,222)	$ 56,340	$ (196,313)	$ 174,091
Fund Balance, July 1, 2018	421,686	354,126	354,126	67,560
Fund Balance, June 30, 2019	$ 399,464	$ 410,466	$ 157,813	$ 241,651

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

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 1,141,430	$ 1,102,650	$ 1,102,650	$ 38,780
Other Local Revenues	191,718	58,721	58,721	132,997
Other Governments and Citizens Groups	777,300	777,300	777,300	0
Total Revenues	$ 2,110,448	$ 1,938,671	$ 1,938,671	$ 171,777
Expenditures				
Principal on Debt				
General Government	$ 167,285	$ 167,281	$ 167,544	$ 259
Education	1,537,058	1,537,060	1,537,060	2
Interest on Debt				
General Government	11,189	13,194	12,931	1,742
Education	234,807	234,807	234,807	0
Other Debt Service				
General Government	20,044	22,400	22,400	2,356
Education	7,160	7,200	7,200	40
Total Expenditures	$ 1,977,543	$ 1,981,942	$ 1,981,942	$ 4,399
Excess (Deficiency) of Revenues Over Expenditures	$ 132,905	$ (43,271)	$ (43,271)	$ 176,176
Other Financing Sources (Uses)				
Transfers In	$ 104,505	$ 47,234	$ 47,234	$ 57,271
Total Other Financing Sources	$ 104,505	$ 47,234	$ 47,234	$ 57,271
Net Change in Fund Balance	$ 237,410	$ 3,963	$ 3,963	$ 233,447
Fund Balance, July 1, 2018	1,656,670	1,423,576	1,423,576	233,094
Fund Balance, June 30, 2019	$ 1,894,080	$ 1,427,539	$ 1,427,539	$ 466,541

Fiduciary Funds

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

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

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

Exhibit H-1

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

	Agency Funds		
	Cities - Sales Tax	Constitutional Officers - Agency	Total
ASSETS			
Cash	$ 0	$ 640,679	$ 640,679
Due from Other Governments	120,786	0	120,786
Total Assets	$ 120,786	$ 640,679	$ 761,465
LIABILITIES			
Due to Other Taxing Units	$ 120,786	$ 0	$ 120,786
Due to Litigants, Heirs, and Others	0	640,679	640,679
Total Liabilities	$ 120,786	$ 640,679	$ 761,465

Exhibit H-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
Cities - Sales Tax Fund				
Assets				
Equity in Pooled Cash and Investments	$ 0	$ 682,864	$ 682,864	$ 0
Due from Other Governments	116,556	120,786	116,556	120,786
Total Assets	$ 116,556	$ 803,650	$ 799,420	$ 120,786
Liabilities				
Due to Other Taxing Units	$ 116,556	$ 803,650	$ 799,420	$ 120,786
Total Liabilities	$ 116,556	$ 803,650	$ 799,420	$ 120,786
Constitutional Officers - Agency Fund				
Assets				
Cash	$ 808,752	$ 3,571,230	$ 3,739,303	$ 640,679
Total Assets	$ 808,752	$ 3,571,230	$ 3,739,303	$ 640,679
Liabilities				
Due to Litigants, Heirs, and Others	$ 808,752	$ 3,571,230	$ 3,739,303	$ 640,679
Total Liabilities	$ 808,752	$ 3,571,230	$ 3,739,303	$ 640,679
Totals - All Agency Funds				
Assets				
Cash	$ 808,752	$ 3,571,230	$ 3,739,303	$ 640,679
Equity in Pooled Cash and Investments	0	682,864	682,864	0
Due from Other Governments	116,556	120,786	116,556	120,786
Total Assets	$ 925,308	$ 4,374,880	$ 4,538,723	$ 761,465
Liabilities				
Due to Other Taxing Units	$ 116,556	$ 803,650	$ 799,420	$ 120,786
Due to Litigants, Heirs, and Others	808,752	3,571,230	3,739,303	640,679
Total Liabilities	$ 925,308	$ 4,374,880	$ 4,538,723	$ 761,465

Union County School Department

This section presents combining and individual fund financial statements for the Union County School Department, a discretely presented component unit. The school department uses a General Fund, three Special Revenue Funds, and a Capital Projects Fund.

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

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

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

Other Education Special Revenue Fund – The Other Education Special Revenue Fund accounts for revenues and expenditures of the virtual education program.

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

Exhibit I-1

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Total Governmental Activities
Governmental Activities:					
Instruction	$ 21,207,379	$ 0	$ 918,623	$ 0	$ (20,288,756)
Support Services	11,594,204	0	1,052,867	0	(10,541,337)
Operation of Non-instructional Services	2,164,636	231,732	2,299,246	0	366,342
Total Governmental Activities	$ 34,966,219	$ 231,732	$ 4,270,736	$ 0	$ (30,463,751)

General Revenues:	
Taxes:	
Property Taxes Levied for General Purposes	$ 2,601,944
Local Option Sales Taxes	1,115,900
Other Local Taxes	22,244
Grants and Contributions Not Restricted to Specific Programs	29,977,861
Miscellaneous	14,310
Total General Revenues	$ 33,732,259
Change in Net Position	$ 3,268,508
Net Position, July 1, 2018	26,371,550
Net Position, June 30, 2019	$ 29,640,058

Exhibit I-2

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

	Major Funds			Nonmajor Funds	
	General Purpose School	Other Education Special Revenue	Education Capital Projects	Other Govern-mental Funds	Total Governmental Funds
ASSETS					
Equity in Pooled Cash and Investments	$ 6,205,123	$ 308,198	$ 5,069,330	$ 1,387,797	$ 12,970,448
Accounts Receivable	971	0	0	501	1,472
Due from Other Governments	1,008,740	916,853	0	134,323	2,059,916
Due from Other Funds	420,148	0	0	0	420,148
Property Taxes Receivable	2,723,204	0	0	0	2,723,204
Allowance for Uncollectible Property Taxes	(98,952)	0	0	0	(98,952)
Restricted Assets	40,914	0	0	0	40,914
Total Assets	$ 10,300,148	$ 1,225,051	$ 5,069,330	$ 1,522,621	$ 18,117,150
LIABILITIES					
Accounts Payable	$ 41,639	$ 804,903	$ 5,750	$ 5,224	$ 857,516
Accrued Payroll	647,787	0	0	70,311	718,098
Payroll Deductions Payable	390,603	0	0	31,756	422,359
Due to Other Funds	0	420,148	0	0	420,148
Due to State of Tennessee	1,725	0	0	586	2,311
Other Current Liabilities	217,775	0	0	0	217,775
Total Liabilities	$ 1,299,529	$ 1,225,051	$ 5,750	$ 107,877	$ 2,638,207
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	$ 2,550,370	$ 0	$ 0	$ 0	$ 2,550,370
Deferred Delinquent Property Taxes	62,072	0	0	0	62,072
Other Deferred/Unavailable Revenue	103,132	0	0	0	103,132
Total Deferred Inflows of Resources	$ 2,715,574	$ 0	$ 0	$ 0	$ 2,715,574

(Continued)

Exhibit I-2

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

	Major Funds			Nonmajor Funds	
	General Purpose School	Other Education Special Revenue	Education Capital Projects	Other Govern-mental Funds	Total Governmental Funds
FUND BALANCES					
Restricted:					
Restricted for Education	$ 0	$ 0	$ 0	$ 1,119,132	$ 1,119,132
Restricted for Hybrid Retirement Stabilization Funds	40,914	0	0	0	40,914
Committed:					
Committed for Education	0	0	0	295,612	295,612
Committed for Capital Projects	0	0	5,063,580	0	5,063,580
Unassigned	6,244,131	0	0	0	6,244,131
Total Fund Balances	$ 6,285,045	$ 0	$ 5,063,580	$ 1,414,744	$ 12,763,369
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 10,300,148	$ 1,225,051	$ 5,069,330	$ 1,522,621	$ 18,117,150

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

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		$ 12,763,369
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 1,598,528	
Add: CIP	305,000	
Add: buildings and improvements net of accumulated depreciation	15,151,710	
Add: infrastructure net of accumulated depreciation	133,442	
Add: other capital assets net of accumulated depreciation	733,477	17,922,157
(2) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		165,204
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other postemployment benefits liability	$ (3,024,359)	
Less: compensated absences payable	(77,019)	(3,101,378)
(4) Amounts reflected 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	$ 2,513,353	
Less: deferred inflows of resources related to pensions	(2,007,804)	
Add: deferred outflows of resources related to OPEB	232,972	
Less: deferred inflows of resources related to OPEB	(350,454)	388,067
(5) Net pension assets of the Agent Plan and Teacher Retirement Plans are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension assset - agent plan	$ 332,528	
Add: net pension assset - Hybrid Plan	83,927	
Add: net pension assset - Legacy Plan	1,086,184	1,502,639
Net position of governmental activities (Exhibit A)		$ 29,640,058

Exhibit I-4

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

	Major Funds			Nonmajor Funds	
	General Purpose School	Other Education Special Revenue	Education Capital Projects	Other Govern-mental Funds	Total Governmental Funds
Revenues					
Local Taxes	$ 3,723,428	$ 0	$ 0	$ 0	$ 3,723,428
Licenses and Permits	1,394	0	0	0	1,394
Charges for Current Services	115,629	0	0	116,103	231,732
Other Local Revenues	12,629	0	0	12,872	25,501
State of Tennessee	21,529,582	7,878,713	0	16,235	29,424,530
Federal Government	317,744	0	0	4,578,576	4,896,320
Other Governments and Citizens Groups	15,000	0	0	0	15,000
Total Revenues	$ 25,715,406	$ 7,878,713	$ 0	$ 4,723,786	$ 38,317,905
Expenditures					
Current:					
Instruction	$ 13,440,039	$ 7,406,990	$ 0	$ 1,524,998	$ 22,372,027
Support Services	9,002,401	156,574	0	1,259,198	10,418,173
Operation of Non-Instructional Services	531,263	0	0	1,685,318	2,216,581
Capital Outlay	0	0	1,851,354	0	1,851,354
Debt Service:					
Other Debt Service	777,300	0	0	0	777,300
Total Expenditures	$ 23,751,003	$ 7,563,564	$ 1,851,354	$ 4,469,514	$ 37,635,435
Excess (Deficiency) of Revenues Over Expenditures	$ 1,964,403	$ 315,149	$ (1,851,354)	$ 254,272	$ 682,470
Other Financing Sources (Uses)					
Insurance Recovery	$ 15,273	$ 0	$ 0	$ 0	$ 15,273
Transfers In	315,149	0	3,487,056	0	3,802,205

(Continued)

Exhibit I-4

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

	Major Funds			Nonmajor Funds	
	General Purpose School	Other Education Special Revenue	Education Capital Projects	Other Govern-mental Funds	Total Governmental Funds
Other Financing Sources (Uses) (Cont.)					
Transfers Out	$ (3,487,056)	$ (315,149)	$ 0	$ 0	$ (3,802,205)
Total Other Financing Sources (Uses)	$ (3,156,634)	$ (315,149)	$ 3,487,056	$ 0	$ 15,273
Net Change in Fund Balances	$ (1,192,231)	$ 0	$ 1,635,702	$ 254,272	$ 697,743
Fund Balance, July 1, 2018	7,477,276	0	3,427,878	1,160,472	12,065,626
Fund Balance, June 30, 2019	$ 6,285,045	$ 0	$ 5,063,580	$ 1,414,744	$ 12,763,369

Exhibit I-5

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

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

Net change in fund balances - total governmental funds (Exhibit I-4)		$ 697,743
(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	$ 1,767,340	
Less: current-year depreciation expense	(827,968)	939,372
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2019	$ 165,204	
Less: deferred delinquent property taxes and other deferred June 30, 2018	(170,711)	(5,507)
(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 compensated absences	$ (69,075)	
Change in OPEB liability	86,584	
Change in net pension asset/liability	1,059,253	
Change in deferred outflows related to pensions	120,288	
Change in deferred inflows related to pensions	501,428	
Change in deferred outflows related to OPEB	115,994	
Change in deferred inflows related to OPEB	(177,572)	1,636,900
Change in net position of governmental activities (Exhibit B)		$ 3,268,508

Exhibit I-6

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

	Special Revenue Funds		
	School Federal Projects	Central Cafeteria	Total Nonmajor Governmental Funds
ASSETS			
Equity in Pooled Cash and Investments	$ 303,210	$ 1,084,587	$ 1,387,797
Accounts Receivable	501	0	501
Due from Other Governments	116,323	18,000	134,323
Total Assets	$ 420,034	$ 1,102,587	$ 1,522,621
LIABILITIES			
Accounts Payable	$ 5,170	$ 54	$ 5,224
Accrued Payroll	70,311	0	70,311
Payroll Deductions Payable	31,756	0	31,756
Due to State of Tennessee	586	0	586
Total Liabilities	$ 107,823	$ 54	$ 107,877
FUND BALANCES			
Restricted:			
Restricted for Education	$ 16,599	$ 1,102,533	$ 1,119,132
Committed:			
Committed for Education	295,612	0	295,612
Total Fund Balances	$ 312,211	$ 1,102,533	$ 1,414,744
Total Liabilities and Fund Balances	$ 420,034	$ 1,102,587	$ 1,522,621

Exhibit I-7

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

	Special Revenue Funds		
	School Federal Projects	Central Cafeteria	Total Nonmajor Governmental Funds
Revenues			
Charges for Current Services	$ 0	$ 116,103	$ 116,103
Other Local Revenues	0	12,872	12,872
State of Tennessee	0	16,235	16,235
Federal Government	2,788,206	1,790,370	4,578,576
Total Revenues	$ 2,788,206	$ 1,935,580	$ 4,723,786
Expenditures			
Current:			
Instruction	$ 1,524,998	$ 0	$ 1,524,998
Support Services	1,259,198	0	1,259,198
Operation of Non-Instructional Services	2,876	1,682,442	1,685,318
Total Expenditures	$ 2,787,072	$ 1,682,442	$ 4,469,514
Excess (Deficiency) of Revenues Over Expenditures	$ 1,134	$ 253,138	$ 254,272
Net Change in Fund Balances	$ 1,134	$ 253,138	$ 254,272
Fund Balance, July 1, 2018	311,077	849,395	1,160,472
Fund Balance, June 30, 2019	$ 312,211	$ 1,102,533	$ 1,414,744

Exhibit I-8

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 3,723,428	$ 3,561,700	$ 3,561,700	$ 161,728
Licenses and Permits	1,394	1,100	1,100	294
Charges for Current Services	115,629	338,140	61,020	54,609
Other Local Revenues	12,629	5,800	11,115	1,514
State of Tennessee	21,529,582	21,277,599	22,050,165	(520,583)
Federal Government	317,744	21,500	319,509	(1,765)
Other Governments and Citizens Groups	15,000	0	0	15,000
Total Revenues	$ 25,715,406	$ 25,205,839	$ 26,004,609	$ (289,203)
Expenditures				
Instruction				
Regular Instruction Program	$ 10,778,981	$ 11,331,707	$ 11,157,095	$ 378,114
Special Education Program	1,737,998	2,012,678	1,945,814	207,816
Career and Technical Education Program	923,060	1,020,793	1,021,111	98,051
Support Services				
Attendance	82,567	0	89,116	6,549
Health Services	354,153	197,430	412,388	58,235
Other Student Support	664,112	706,914	744,898	80,786
Regular Instruction Program	695,266	436,630	859,100	163,834
Special Education Program	701,800	651,244	718,714	16,914
Career and Technical Education Program	139,841	143,506	143,852	4,011
Technology	391,804	485,431	424,240	32,436
Other Programs	63,181	0	63,181	0
Board of Education	471,982	548,114	514,706	42,724
Director of Schools	150,609	154,748	159,023	8,414
Office of the Principal	1,650,314	1,695,529	1,704,244	53,930
Fiscal Services	208,414	206,488	208,414	0
Operation of Plant	1,904,603	1,922,917	2,000,102	95,499
Maintenance of Plant	403,073	378,005	412,894	9,821
Transportation	1,120,682	1,254,694	1,264,780	144,098
Operation of Non-Instructional Services				
Community Services	80,777	17,195	81,676	899
Early Childhood Education	450,486	0	451,903	1,417
Other Debt Service				
Education	777,300	777,300	777,300	0
Total Expenditures	$ 23,751,003	$ 23,941,323	$ 25,154,551	$ 1,403,548
Excess (Deficiency) of Revenues Over Expenditures	$ 1,964,403	$ 1,264,516	$ 850,058	$ 1,114,345
Other Financing Sources (Uses)				
Insurance Recovery	$ 15,273	$ 0	$ 500	$ 14,773
Transfers In	315,149	0	315,149	0
Transfers Out	(3,487,056)	0	(3,487,056)	0
Total Other Financing Sources	$ (3,156,634)	$ 0	$ (3,171,407)	$ 14,773

(Continued)

Exhibit I-8

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Net Change in Fund Balance	$ (1,192,231)	$ 1,264,516	$ (2,321,349)	$ 1,129,118
Fund Balance, July 1, 2018	7,477,276	6,975,878	6,975,878	501,398
Fund Balance, June 30, 2019	$ 6,285,045	$ 8,240,394	$ 4,654,529	$ 1,630,516

Exhibit I-9

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
State of Tennessee	$ 0	$ 0	$ 9,051	$ (9,051)
Federal Government	2,788,206	2,464,859	3,340,389	(552,183)
Total Revenues	$ 2,788,206	$ 2,464,859	$ 3,349,440	$ (561,234)
Expenditures				
Instruction				
Regular Instruction Program	$ 945,926	$ 600,204	$ 1,089,785	$ 143,859
Special Education Program	529,270	688,360	594,760	65,490
Career and Technical Education Program	49,802	0	56,397	6,595
Support Services				
Other Student Support	260,164	281,004	285,570	25,406
Regular Instruction Program	497,465	485,165	756,483	259,018
Special Education Program	331,673	255,126	392,591	60,918
Career and Technical Education Program	2,474	0	2,474	0
Transportation	167,422	155,000	168,500	1,078
Operation of Non-Instructional Services				
Food Service	2,876	0	2,880	4
Total Expenditures	$ 2,787,072	$ 2,464,859	$ 3,349,440	$ 562,368
Excess (Deficiency) of Revenues Over Expenditures	$ 1,134	$ 0	$ 0	$ 1,134
Net Change in Fund Balance	$ 1,134	$ 0	$ 0	$ 1,134
Fund Balance, July 1, 2018	311,077	342,209	342,209	(31,132)
Fund Balance, June 30, 2019	$ 312,211	$ 342,209	$ 342,209	$ (29,998)

Exhibit I-10

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for Current Services	$ 116,103	$ 119,314	$ 119,314	$ (3,211)
Other Local Revenues	12,872	2,385	2,385	10,487
State of Tennessee	16,235	0	0	16,235
Federal Government	1,790,370	1,561,369	1,582,369	208,001
Total Revenues	$ 1,935,580	$ 1,683,068	$ 1,704,068	$ 231,512
Expenditures				
Operation of Non-Instructional Services				
Food Service	$ 1,682,442	$ 1,824,764	$ 1,887,356	$ 204,914
Total Expenditures	$ 1,682,442	$ 1,824,764	$ 1,887,356	$ 204,914
Excess (Deficiency) of Revenues Over Expenditures	$ 253,138	$ (141,696)	$ (183,288)	$ 436,426
Net Change in Fund Balance	$ 253,138	$ (141,696)	$ (183,288)	$ 436,426
Fund Balance, July 1, 2018	849,395	552,187	552,187	297,208
Fund Balance, June 30, 2019	$ 1,102,533	$ 410,491	$ 368,899	$ 733,634

Exhibit I-11

Union County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Union County School Department
Other Education Special Revenue Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
State of Tennessee	$ 7,878,713	$ 5,908,571	$ 7,969,713	$ (91,000)
Total Revenues	$ 7,878,713	$ 5,908,571	$ 7,969,713	$ (91,000)
Expenditures				
Instruction				
Regular Instruction Program	$ 7,406,990	$ 5,570,931	$ 7,462,824	$ 55,834
Support Services				
Regular Instruction Program	44,740	0	75,000	30,260
Office of the Principal	111,834	101,297	113,101	1,267
Total Expenditures	$ 7,563,564	$ 5,672,228	$ 7,650,925	$ 87,361
Excess (Deficiency) of Revenues Over Expenditures	$ 315,149	$ 236,343	$ 318,788	$ (3,639)
Other Financing Sources (Uses)				
Transfers Out	$ (315,149)	$ (236,343)	$ (318,788)	$ 3,639
Total Other Financing Sources	$ (315,149)	$ (236,343)	$ (318,788)	$ 3,639
Net Change in Fund Balance	$ 0	$ 0	$ 0	$ 0
Fund Balance, July 1, 2018	0	0	0	0
Fund Balance, June 30, 2019	$ 0	$ 0	$ 0	$ 0

Exhibit I-12

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Total Revenues	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Expenditures						
Capital Outlay						
Regular Capital Outlay	$ 1,851,354	$ 201,000	$ 2,052,354	$ 938,000	$ 2,249,178	$ 196,824
Total Expenditures	$ 1,851,354	$ 201,000	$ 2,052,354	$ 938,000	$ 2,249,178	$ 196,824
Excess (Deficiency) of Revenues Over Expenditures	$ (1,851,354)	$ (201,000)	$ (2,052,354)	$ (938,000)	$ (2,249,178)	$ 196,824
Other Financing Sources (Uses)						
Transfers In	$ 3,487,056	$ 0	$ 3,487,056	$ 0	$ 3,487,056	$ 0
Total Other Financing Sources	$ 3,487,056	$ 0	$ 3,487,056	$ 0	$ 3,487,056	$ 0
Net Change in Fund Balance	$ 1,635,702	$ (201,000)	$ 1,434,702	$ (938,000)	$ 1,237,878	$ 196,824
Fund Balance, July 1, 2018	3,427,878	0	3,427,878	2,612,465	2,612,465	815,413
Fund Balance, June 30, 2019	$ 5,063,580	$ (201,000)	$ 4,862,580	$ 1,674,465	$ 3,850,343	$ 1,012,237

Miscellaneous Schedules

Exhibit J-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-18	Paid and/or Matured During Period	Outstanding 6-30-19
NOTES PAYABLE							
Payable through General Debt Service Fund							
Ambulance 2016	$ 130,000	2.3	8-10-16	9-28-19	$ 87,714	$ 43,463	$ 44,251
Dump Trucks	220,000	2.95	3-20-17	3-1-21	166,755	54,107	112,648
Total Notes Payable					$ 254,469	$ 97,570	$ 156,899
BONDS PAYABLE							
Payable though General Debt Service Fund							
Qualified School Construction Bond	7,160,000	1.515	12-17-09	9-1-26	$ 3,623,047	$ 446,773	$ 3,176,274
Refunding Series 2013	7,110,000	2.25 to 5	3-15-13	4-1-26	2,405,000	955,000	1,450,000
General Obligation Bonds Series 2015	3,500,000	2.5	6-1-15	6-30-30	2,900,000	205,000	2,695,000
Total Bonds Payable					$ 8,928,047	$ 1,606,773	$ 7,321,274

Exhibit J-2

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

Year Ending June 30	Notes Principal	Notes Interest	Notes Total
2020	$ 99,941	$ 4,349	$ 104,290
2021	56,958	1,691	58,649
Total	$ 156,899	$ 6,040	$ 162,939

Year Ending June 30	Bonds Principal	Bonds Interest	Bonds Total
2020	$ 1,646,773	$ 204,261	$ 1,851,034
2021	771,773	178,111	949,884
2022	781,773	169,411	951,184
2023	786,773	162,711	949,484
2024	736,773	155,649	892,422
2025	741,773	149,724	891,497
2026	795,636	143,087	938,723
2027	255,000	27,863	282,863
2028	260,000	21,488	281,488
2029	270,000	14,988	284,988
2030	275,000	7,561	282,561
Total	$ 7,321,274	$ 1,234,854	$ 8,556,128

Union County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Union County School Department
For the Year Ended June 30, 2019

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
Highway/Public Works	General Debt Service	Debt service for dump truck payment	$ 59,024
Ambulance Service Fund	General Debt Service	Debt service for ambulance note	45,481
Total Transfers Primary Government			$ 104,505
DISCRETELY PRESENTED UNION COUNTY SCHOOL DEPARTMENT			
Other Education Special Revenue	General Purpose School	Virtual academy revenue (4% per contract)	$ 315,149
General Purpose School	Educational Capital Projects	Transfer of excess fund balance per fund balance policy	3,487,056
Total Transfers Discretely Presented Union County School Department			$ 3,802,205

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor				
Micheal Williams (7-1-18 through 8-31-18)	Section 8-24-102, *TCA*	$ 14,407	$ (4)	
Jason Bailey (9-1-18 through 6-30-19)	Section 8-24-102, *TCA*	68,831	(4)	
Highway Superintendent	Section 8-24-102, *TCA*	79,276	100,000	(5) State Farm Fire and Casualty Company
Director of Schools	State Board of Education and County Board of Education	105,290 (1)	(4)	
Trustee	Section 8-24-102, *TCA*	72,069	1,500,000	(5) Auto Owners Mutual Insurance Company
Assessor of Property	Section 8-24-102, *TCA*	72,069	(4)	
Finance Director	Financial Management Committee	63,677	100,000	(5) State Farm Fire and Casualty Company
County Clerk	Section 8-24-102, *TCA*	72,069	(4)	
Circuit and General Sessions Courts Clerk	Section 8-24-102, *TCA*	72,069	(4)	
Clerk and Master	Section 8-24-102, *TCA* and Chancery Court Judge	72,069 (3)	100,000	(5) State Farm Fire and Casualty Company
Register of Deeds	Section 8-24-102, *TCA*	72,069	(4)	
Sheriff	Section 8-24-102, *TCA*	79,876 (2)	(4)	

Employee Blanket Bond - County and School Employees:		
Public Officials Liability Errors and Omissions	1,000,000	Tennessee Risk Management Trust
Employee Fidelity - County Departments	400,000	"
Employee Fidelity - School Department	400,000	"

(1) Includes a local salary supplement of $1,000 and a CEO supplement of $1,000.
(2) Includes a law enforcement training supplement of $600.
(3) Does not include $5,310 of special commissioner fees.
(4) Officials were covered by a $400,000 officials' blanket bond by Tennessee Risk Management Trust.
(5) These officials had coverage under individual official bonds as well as coverage under the blanket officials bond as of June 30, 2019.

Exhibit J-5

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

		Special Revenue Funds				Debt Service Fund
	General	Ambulance Service	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service
Local Taxes						
County Property Taxes						
Current Property Tax	$ 3,101,644	$ 442,103	$ 0	$ 0	$ 295,007	$ 602,826
Trustee's Collections - Prior Year	79,291	12,353	0	0	8,190	20,897
Circuit Clerk/Clerk and Master Collections - Prior Years	61,957	8,952	0	0	5,971	12,982
Interest and Penalty	15,977	2,326	0	0	1,551	3,500
Payments in-Lieu-of Taxes - T.V.A.	4,595	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	400,272	0	0	0	0	0
County Local Option Taxes						
Local Option Sales Tax	425,352	0	0	0	0	0
Hotel/Motel Tax	58,287	0	0	0	0	0
Wheel Tax	0	0	0	0	0	501,225
Litigation Tax - General	28,541	0	0	0	0	0
Litigation Tax - Special Purpose	29,086	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	12,191	0	0	0	0	0
Business Tax	81,900	0	0	0	0	0
Mixed Drink Tax	7,093	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	73,091	0
Statutory Local Taxes						
Wholesale Beer Tax	98,634	0	0	0	0	0
Beer Privilege Tax	1,615	0	0	0	0	0
Interstate Telecommunications Tax	5,058	0	0	0	0	0
Total Local Taxes	$ 4,411,493	$ 465,734	$ 0	$ 0	$ 383,810	$ 1,141,430
Licenses and Permits						
Licenses						
Cable TV Franchise	$ 37,689	$ 0	$ 0	$ 0	$ 0	$ 0

(Continued)

Exhibit J-5

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

		Special Revenue Funds				Debt Service Fund
	General	Ambulance Service	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service
Licenses and Permits (Cont.)						
Permits						
Beer Permits	$ 475	$ 0	$ 0	$ 0	$ 0	$ 0
Building Permits	62,175	0	0	0	0	0
Total Licenses and Permits	$ 100,339	$ 0	$ 0	$ 0	$ 0	$ 0
Fines, Forfeitures, and Penalties						
Circuit Court						
Fines	$ 7,346	$ 0	$ 0	$ 0	$ 0	$ 0
Officers Costs	4,835	0	0	0	0	0
Drug Control Fines	0	0	5,180	0	0	0
Data Entry Fee - Circuit Court	3,116	0	0	0	0	0
Victims Assistance Assessments	1,623	0	0	0	0	0
Criminal Court						
DUI Treatment Fines	475	0	0	0	0	0
Courtroom Security Fee	116	0	0	0	0	0
General Sessions Court						
Fines	15,917	0	0	0	0	0
Officers Costs	17,598	0	0	0	0	0
Game and Fish Fines	408	0	0	0	0	0
Drug Control Fines	0	0	4,149	0	0	0
Data Entry Fee - General Sessions Court	11,460	0	0	0	0	0
Courtroom Security Fee	20	0	0	0	0	0
Victims Assistance Assessments	12,592	0	0	0	0	0
Juvenile Court						
Fines	467	0	0	0	0	0
Officers Costs	2,474	0	0	0	0	0

(Continued)

Exhibit J-5

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

	General	Special Revenue Funds				Debt Service Fund
		Ambulance Service	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service
Fines, Forfeitures, and Penalties (Cont.)						
Juvenile Court (Cont.)						
Jail Fees	$ 1,035	$ 0	$ 0	$ 0	$ 0	$ 0
Data Entry Fee - Juvenile Court	327	0	0	0	0	0
Chancery Court						
Officers Costs	1,102	0	0	0	0	0
Data Entry Fee - Chancery Court	559	0	0	0	0	0
Judicial District Drug Program						
Courtroom Security Fee	15	0	0	0	0	0
Other Fines, Forfeitures, and Penalties						
Proceeds from Confiscated Property	0	0	12,794	0	0	0
Total Fines, Forfeitures, and Penalties	$ 81,485	$ 0	$ 22,123	$ 0	$ 0	$ 0
Charges for Current Services						
General Service Charges						
Patient Charges	$ 9,050	$ 936,994	$ 0	$ 0	$ 0	$ 0
Other General Service Charges	2	0	0	0	0	0
Fees						
Engineer Review Fees	735	0	0	0	0	0
Copy Fees	818	0	0	0	0	0
Library Fees	1,423	0	0	0	0	0
Archives and Records Management Fee	28,552	0	0	0	0	0
Greenbelt Late Application Fee	150	0	0	0	0	0
Telephone Commissions	36,108	0	0	0	0	0
Vending Machine Collections	22,979	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	5,310	0	0
Data Processing Fee - Register	7,723	0	0	0	0	0

(Continued)

Exhibit J-5

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

	General	Special Revenue Funds				Debt Service Fund
		Ambulance Service	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service
Charges for Current Services (Cont.)						
Fees (Cont.)						
Data Processing Fee - Sheriff	$ 2,602	$ 0	$ 0	$ 0	$ 0	$ 0
Sexual Offender Registration Fee - Sheriff	4,350	0	0	0	0	0
Data Processing Fee - County Clerk	2,100	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	455	0	0	0	0	0
Education Charges						
Other Charges for Services	419,418	0	0	0	0	0
Total Charges for Current Services	$ 536,465	$ 936,994	$ 0	$ 5,310	$ 0	$ 0
Other Local Revenues						
Recurring Items						
Investment Income	$ 0	$ 0	$ 0	$ 0	$ 0	$ 191,718
Lease/Rentals	36,595	0	0	0	8,151	0
Sale of Materials and Supplies	0	0	0	0	1,626	0
Commissary Sales	16,845	0	0	0	0	0
Sale of Gasoline	0	0	0	0	9,697	0
Sale of Recycled Materials	0	0	0	0	596	0
Cobra Insurance Payments	0	795	0	0	0	0
Miscellaneous Refunds	5,371	1,268	0	0	0	0
Nonrecurring Items						
Sale of Equipment	2,842	0	5,645	0	0	0
Sale of Property	7,137	0	0	0	0	0
Contributions and Gifts	26,728	0	3,891	0	0	0
Total Other Local Revenues	$ 95,518	$ 2,063	$ 9,536	$ 0	$ 20,070	$ 191,718

(Continued)

Exhibit J-5

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

		Special Revenue Funds				Debt Service Fund
	General	Ambulance Service	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service
Fees Received From County Officials						
Excess Fees						
Clerk and Master	$ 53	$ 0	$ 0	$ 0	$ 0	$ 0
Fees In-Lieu-of Salary						
County Clerk	204,428	0	0	0	0	0
Circuit Court Clerk	40,140	0	0	0	0	0
General Sessions Court Clerk	77,483	0	0	0	0	0
Clerk and Master	53,549	0	0	0	0	0
Juvenile Court Clerk	16,393	0	0	0	0	0
Register	85,268	0	0	0	0	0
Sheriff	6,743	0	0	0	0	0
Trustee	270,995	0	0	0	0	0
Total Fees Received From County Officials	$ 755,052	$ 0	$ 0	$ 0	$ 0	$ 0
State of Tennessee						
General Government Grants						
Juvenile Services Program	$ 9,000	$ 0	$ 0	$ 0	$ 0	$ 0
Aging Programs	6,974	0	0	0	0	0
Public Safety Grants						
Law Enforcement Training Programs	14,400	0	0	0	0	0
Health and Welfare Grants						
Public Health Nurses	80,369	0	0	0	0	0
Public Works Grants						
State Aid Program	0	0	0	0	178,931	0
Litter Program	37,906	0	0	0	0	0
Other State Revenues						
Income Tax	34,011	0	0	0	0	0

(Continued)

Exhibit J-5

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

		Special Revenue Funds				Debt Service Fund
	General	Ambulance Service	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service
State of Tennessee (Cont.)						
Other State Revenues (Cont.)						
Beer Tax	$ 17,959	$ 0	$ 0	$ 0	$ 0	$ 0
Vehicle Certificate of Title Fees	6,517	0	0	0	0	0
Alcoholic Beverage Tax	42,732	0	0	0	0	0
State Revenue Sharing - T.V.A.	901,234	0	0	0	0	0
State Revenue Sharing - Telecommunications	24,039	0	0	0	0	0
Child Support Collections	27,737	0	0	0	0	0
Contracted Prisoner Boarding	220,740	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	1,902,706	0
Petroleum Special Tax	0	0	0	0	13,788	0
Registrar's Salary Supplement	15,188	0	0	0	0	0
Other State Grants	53,794	0	0	0	0	0
Other State Revenues	39,293	0	0	0	0	0
Total State of Tennessee	$ 1,531,893	$ 0	$ 0	$ 0	$ 2,095,425	$ 0
Federal Government						
Federal Through State						
Appalachian Regional Commission	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Community Development	0	0	0	0	0	0
Homeland Security Grants	13,956	0	0	0	0	0
Other Federal through State	90,343	0	0	0	0	0
Direct Federal Revenue						
Medicare	0	104,416	0	0	0	0
Asset Forfeiture Funds	0	0	9,849	0	0	0
Total Federal Government	$ 104,299	$ 104,416	$ 9,849	$ 0	$ 0	$ 0

(Continued)

Exhibit J-5

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

		Special Revenue Funds				Debt Service Fund
	General	Ambulance Service	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service
Other Governments and Citizens Groups						
Other Governments						
Contributions	$ 0	$ 0	$ 0	$ 0	$ 0	$ 777,300
Other						
Other	26,000	0	0	0	0	0
Total Other Governments and Citizens Groups	$ 26,000	$ 0	$ 0	$ 0	$ 0	$ 777,300
Total	$ 7,642,544	$ 1,509,207	$ 41,508	$ 5,310	$ 2,499,305	$ 2,110,448

(Continued)

Exhibit J-5

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

	Capital Projects Fund	
	General Capital Projects	Total
Local Taxes		
County Property Taxes		
Current Property Tax	$ 213,531	$ 4,655,111
Trustee's Collections - Prior Year	5,328	126,059
Circuit Clerk/Clerk and Master Collections - Prior Years	4,311	94,173
Interest and Penalty	1,120	24,474
Payments in-Lieu-of Taxes - T.V.A.	0	4,595
Payments in-Lieu-of Taxes - Local Utilities	0	400,272
County Local Option Taxes		
Local Option Sales Tax	0	425,352
Hotel/Motel Tax	0	58,287
Wheel Tax	0	501,225
Litigation Tax - General	0	28,541
Litigation Tax - Special Purpose	0	29,086
Litigation Tax - Jail, Workhouse, or Courthouse	0	12,191
Business Tax	0	81,900
Mixed Drink Tax	0	7,093
Mineral Severance Tax	0	73,091
Statutory Local Taxes		
Wholesale Beer Tax	0	98,634
Beer Privilege Tax	0	1,615
Interstate Telecommunications Tax	0	5,058
Total Local Taxes	$ 224,290	$ 6,626,757
Licenses and Permits		
Licenses		
Cable TV Franchise	$ 0	$ 37,689

(Continued)

Exhibit J-5

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

	Capital Projects Fund	
	General Capital Projects	Total
Licenses and Permits (Cont.)		
Permits		
Beer Permits	$ 0	$ 475
Building Permits	0	62,175
Total Licenses and Permits	$ 0	$ 100,339
Fines, Forfeitures, and Penalties		
Circuit Court		
Fines	$ 0	$ 7,346
Officers Costs	0	4,835
Drug Control Fines	0	5,180
Data Entry Fee - Circuit Court	0	3,116
Victims Assistance Assessments	0	1,623
Criminal Court		
DUI Treatment Fines	0	475
Courtroom Security Fee	0	116
General Sessions Court		
Fines	0	15,917
Officers Costs	0	17,598
Game and Fish Fines	0	408
Drug Control Fines	0	4,149
Data Entry Fee - General Sessions Court	0	11,460
Courtroom Security Fee	0	20
Victims Assistance Assessments	0	12,592
Juvenile Court		
Fines	0	467
Officers Costs	0	2,474

(Continued)

Exhibit J-5

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

	Capital Projects Fund	
	General Capital Projects	Total
Fines, Forfeitures, and Penalties (Cont.)		
Juvenile Court (Cont.)		
Jail Fees	$ 0	$ 1,035
Data Entry Fee - Juvenile Court	0	327
Chancery Court		
Officers Costs	0	1,102
Data Entry Fee - Chancery Court	0	559
Judicial District Drug Program		
Courtroom Security Fee	0	15
Other Fines, Forfeitures, and Penalties		
Proceeds from Confiscated Property	0	12,794
Total Fines, Forfeitures, and Penalties	$ 0	$ 103,608
Charges for Current Services		
General Service Charges		
Patient Charges	$ 0	$ 946,044
Other General Service Charges	0	2
Fees		
Engineer Review Fees	0	735
Copy Fees	0	818
Library Fees	0	1,423
Archives and Records Management Fee	0	28,552
Greenbelt Late Application Fee	0	150
Telephone Commissions	0	36,108
Vending Machine Collections	0	22,979
Special Commissioner Fees/Special Master Fees	0	5,310
Data Processing Fee - Register	0	7,723

(Continued)

Exhibit J-5

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

	Capital Projects Fund	
	General Capital Projects	Total
Charges for Current Services (Cont.)		
Fees (Cont.)		
Data Processing Fee - Sheriff	$ 0	$ 2,602
Sexual Offender Registration Fee - Sheriff	0	4,350
Data Processing Fee - County Clerk	0	2,100
Vehicle Insurance Coverage and Reinstatement Fees	0	455
Education Charges		
Other Charges for Services	0	419,418
Total Charges for Current Services	$ 0	$ 1,478,769
Other Local Revenues		
Recurring Items		
Investment Income	$ 0	$ 191,718
Lease/Rentals	0	44,746
Sale of Materials and Supplies	0	1,626
Commissary Sales	0	16,845
Sale of Gasoline	0	9,697
Sale of Recycled Materials	0	596
Cobra Insurance Payments	0	795
Miscellaneous Refunds	0	6,639
Nonrecurring Items		
Sale of Equipment	0	8,487
Sale of Property	0	7,137
Contributions and Gifts	0	30,619
Total Other Local Revenues	$ 0	$ 318,905

(Continued)

Exhibit J-5

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

	Capital Projects Fund	
	General Capital Projects	Total
Fees Received From County Officials		
Excess Fees		
Clerk and Master	$ 0	$ 53
Fees In-Lieu-of Salary		
County Clerk	0	204,428
Circuit Court Clerk	0	40,140
General Sessions Court Clerk	0	77,483
Clerk and Master	0	53,549
Juvenile Court Clerk	0	16,393
Register	0	85,268
Sheriff	0	6,743
Trustee	0	270,995
Total Fees Received From County Officials	$ 0	$ 755,052
State of Tennessee		
General Government Grants		
Juvenile Services Program	$ 0	$ 9,000
Aging Programs	0	6,974
Public Safety Grants		
Law Enforcement Training Programs	0	14,400
Health and Welfare Grants		
Public Health Nurses	0	80,369
Public Works Grants		
State Aid Program	0	178,931
Litter Program	0	37,906
Other State Revenues		
Income Tax	0	34,011

(Continued)

Exhibit J-5

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

	Capital Projects Fund	
	General Capital Projects	Total
State of Tennessee (Cont.)		
Other State Revenues (Cont.)		
Beer Tax	$ 0	$ 17,959
Vehicle Certificate of Title Fees	0	6,517
Alcoholic Beverage Tax	0	42,732
State Revenue Sharing - T.V.A.	0	901,234
State Revenue Sharing - Telecommunications	0	24,039
Child Support Collections	0	27,737
Contracted Prisoner Boarding	0	220,740
Gasoline and Motor Fuel Tax	0	1,902,706
Petroleum Special Tax	0	13,788
Registrar's Salary Supplement	0	15,188
Other State Grants	0	53,794
Other State Revenues	34,160	73,453
Total State of Tennessee	$ 34,160	$ 3,661,478
Federal Government		
Federal Through State		
Appalachian Regional Commission	$ 1,089	$ 1,089
Community Development	314,884	314,884
Homeland Security Grants	0	13,956
Other Federal through State	9,090	99,433
Direct Federal Revenue		
Medicare	0	104,416
Asset Forfeiture Funds	0	9,849
Total Federal Government	$ 325,063	$ 543,627

(Continued)

Exhibit J-5

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

	Capital Projects Fund	
	General Capital Projects	Total
Other Governments and Citizens Groups		
Other Governments		
Contributions	$ 0	$ 777,300
Other		
Other	0	26,000
Total Other Governments and Citizens Groups	$ 0	$ 803,300
Total	$ 583,513	$ 14,391,835

Exhibit J-6

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

		Special Revenue Funds			
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Total
Local Taxes					
County Property Taxes					
Current Property Tax	$ 2,456,114	$ 0	$ 0	$ 0	$ 2,456,114
Trustee's Collections - Prior Year	69,201	0	0	0	69,201
Circuit Clerk/Clerk and Master Collections - Prior Years	49,739	0	0	0	49,739
Interest and Penalty	12,927	0	0	0	12,927
County Local Option Taxes					
Local Option Sales Tax	1,113,203	0	0	0	1,113,203
Mixed Drink Tax	5,916	0	0	0	5,916
Statutory Local Taxes					
Bank Excise Tax	16,328	0	0	0	16,328
Total Local Taxes	$ 3,723,428	$ 0	$ 0	$ 0	$ 3,723,428
Licenses and Permits					
Licenses					
Marriage Licenses	$ 1,188	$ 0	$ 0	$ 0	$ 1,188
Permits					
Other Permits	206	0	0	0	206
Total Licenses and Permits	$ 1,394	$ 0	$ 0	$ 0	$ 1,394
Charges for Current Services					
Education Charges					
Lunch Payments - Adults	$ 0	$ 0	$ 20,281	$ 0	$ 20,281
A la Carte Sales	0	0	95,822	0	95,822
Contract for Instructional Services with Other LEA's	10,630	0	0	0	10,630
Other Charges for Services	104,999	0	0	0	104,999
Total Charges for Current Services	$ 115,629	$ 0	$ 116,103	$ 0	$ 231,732

(Continued)

Exhibit J-6

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

		Special Revenue Funds			
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Total
Other Local Revenues					
Recurring Items					
Investment Income	$ 2,065	$ 0	$ 3,291	$ 0	$ 5,356
Lease/Rentals	1	0	0	0	1
Commodity Rebates	0	0	9,126	0	9,126
Miscellaneous Refunds	1,729	0	455	0	2,184
Expenditure Credits	3,320	0	0	0	3,320
Nonrecurring Items					
Sale of Equipment	2,514	0	0	0	2,514
Other Local Revenues					
Other Local Revenues	3,000	0	0	0	3,000
Total Other Local Revenues	$ 12,629	$ 0	$ 12,872	$ 0	$ 25,501
State of Tennessee					
General Government Grants					
On-behalf Contributions for OPEB	$ 63,181	$ 0	$ 0	$ 0	$ 63,181
State Education Funds					
Basic Education Program	20,183,472	0	0	7,878,713	28,062,185
Early Childhood Education	451,236	0	0	0	451,236
School Food Service	0	0	16,235	0	16,235
Driver Education	12,470	0	0	0	12,470
Other State Education Funds	359,994	0	0	0	359,994
Career Ladder Program	63,196	0	0	0	63,196
Other State Revenues					
State Revenue Sharing - T.V.A.	225,308	0	0	0	225,308
Other State Grants	170,725	0	0	0	170,725
Total State of Tennessee	$ 21,529,582	$ 0	$ 16,235	$ 7,878,713	$ 29,424,530

(Continued)

Exhibit J-6

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

		Special Revenue Funds			
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Total
Federal Government					
Federal Through State					
USDA School Lunch Program	$ 0	$ 0	$ 1,215,766	$ 0	$ 1,215,766
USDA - Commodities	0	0	112,379	0	112,379
Breakfast	0	0	404,180	0	404,180
USDA - Other	0	0	15,172	0	15,172
Vocational Education - Basic Grants to States	0	67,716	0	0	67,716
Title I Grants to Local Education Agencies	0	1,311,465	0	0	1,311,465
Special Education - Grants to States	56,311	1,009,439	0	0	1,065,750
Special Education Preschool Grants	0	20,559	0	0	20,559
English Language Acquisition Grants	0	1,496	0	0	1,496
Rural Education	0	49,920	0	0	49,920
Eisenhower Professional Development State Grants	0	160,154	0	0	160,154
Other Federal through State	261,433	167,457	42,873	0	471,763
Total Federal Government	$ 317,744	$ 2,788,206	$ 1,790,370	$ 0	$ 4,896,320
Other Governments and Citizens Groups					
Other Governments					
Contributions	$ 15,000	$ 0	$ 0	$ 0	$ 15,000
Total Other Governments and Citizens Groups	$ 15,000	$ 0	$ 0	$ 0	$ 15,000
Total	$ 25,715,406	$ 2,788,206	$ 1,935,580	$ 7,878,713	$ 38,317,905

Exhibit J-7

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

General Fund		
General Government		
County Commission		
Board and Committee Members Fees	$ 53,176	
Social Security	3,297	
Employer Medicare	771	
Audit Services	7,261	
Total County Commission		$ 64,505
Board of Equalization		
Board and Committee Members Fees	$ 780	
Total Board of Equalization		780
Beer Board		
Board and Committee Members Fees	$ 650	
Social Security	40	
Employer Medicare	9	
Data Processing Services	58	
Total Beer Board		757
County Mayor/Executive		
County Official/Administrative Officer	$ 83,238	
Secretary(ies)	32,705	
Part-time Personnel	18,982	
Social Security	8,104	
Pensions	10,663	
Medical Insurance	7,169	
Unemployment Compensation	436	
Employer Medicare	1,895	
Communication	3,768	
Dues and Memberships	1,278	
Legal Notices, Recording, and Court Costs	262	
Maintenance and Repair Services - Equipment	1,055	
Printing, Stationery, and Forms	36	
Travel	1,103	
Food Supplies	169	
Office Supplies	1,713	
Data Processing Equipment	565	
Office Equipment	830	
Total County Mayor/Executive		173,971
County Attorney		
County Official/Administrative Officer	$ 11,178	
Postal Charges	7	
Total County Attorney		11,185
Election Commission		
County Official/Administrative Officer	$ 63,677	
Deputy(ies)	22,298	
Election Commission	3,900	

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
General Government (Cont.)		
Election Commission (Cont.)		
Election Workers	$ 36,041	
Social Security	5,371	
Pensions	4,593	
Medical Insurance	9,516	
Unemployment Compensation	140	
Employer Medicare	1,256	
Communication	2,322	
Data Processing Services	26,545	
Dues and Memberships	350	
Legal Notices, Recording, and Court Costs	3,312	
Maintenance and Repair Services - Equipment	1,713	
Postal Charges	120	
Printing, Stationery, and Forms	2,829	
Travel	6,318	
Other Contracted Services	487	
Office Supplies	1,299	
Office Equipment	1,670	
Total Election Commission		$ 193,757
Register of Deeds		
County Official/Administrative Officer	$ 72,069	
Clerical Personnel	56,846	
Social Security	7,743	
Pensions	6,793	
Medical Insurance	7,967	
Unemployment Compensation	140	
Employer Medicare	1,811	
Communication	2,321	
Data Processing Services	6,414	
Dues and Memberships	666	
Maintenance and Repair Services - Office Equipment	512	
Travel	557	
Office Supplies	1,534	
Total Register of Deeds		165,373
Development		
Board and Committee Members Fees	$ 1,650	
Social Security	102	
Employer Medicare	24	
Consultants	4,800	
Total Development		6,576
County Buildings		
Custodial Personnel	$ 1,636	
Maintenance Personnel	68,719	
Social Security	4,157	
Pensions	3,706	

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
General Government (Cont.)		
County Buildings (Cont.)		
Medical Insurance	$ 7,685	
Unemployment Compensation	140	
Employer Medicare	972	
Janitorial Services	20,356	
Maintenance Agreements	7,469	
Maintenance and Repair Services - Buildings	44,836	
Maintenance and Repair Services - Vehicles	959	
Pest Control	420	
Custodial Supplies	6,685	
Electricity	51,874	
Propane Gas	12,219	
Water and Sewer	32,022	
Building and Contents Insurance	106,124	
Furniture and Fixtures	172	
Total County Buildings		$ 370,151
Other General Administration		
Part-time Personnel	$ 12,000	
Social Security	744	
Unemployment Compensation	70	
Employer Medicare	174	
Communication	2,187	
Contracts with Government Agencies	13,000	
Contracts with Private Agencies	2,500	
Data Processing Services	3,250	
Dues and Memberships	3,529	
Legal Notices, Recording, and Court Costs	270	
Maintenance and Repair Services - Vehicles	1,197	
Postal Charges	19,006	
Rentals	33	
Gasoline	3,558	
Building Improvements	13,266	
Other Equipment	3,855	
Total Other General Administration		78,639
Finance		
Accounting and Budgeting		
Supervisor/Director	$ 63,677	
Accountants/Bookkeepers	132,179	
Overtime Pay	1,835	
Social Security	11,198	
Pensions	10,419	
Medical Insurance	29,797	
Unemployment Compensation	378	
Employer Medicare	2,619	
Communication	3,763	
Data Processing Services	21,924	

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Finance (Cont.)		
Accounting and Budgeting (Cont.)		
Dues and Memberships	$ 260	
Legal Notices, Recording, and Court Costs	1,000	
Postal Charges	3,124	
Custodial Supplies	312	
Office Supplies	7,236	
Office Equipment	404	
Total Accounting and Budgeting		$ 290,125
Property Assessor's Office		
County Official/Administrative Officer	$ 72,069	
Deputy(ies)	28,286	
Clerical Personnel	31,681	
Other Salaries and Wages	26,472	
Social Security	9,492	
Pensions	8,352	
Medical Insurance	11,364	
Unemployment Compensation	203	
Employer Medicare	2,220	
Communication	2,321	
Contracts with Other Public Agencies	13,573	
Dues and Memberships	230	
Legal Notices, Recording, and Court Costs	75	
Postal Charges	679	
Printing, Stationery, and Forms	1,542	
Travel	1,592	
Other Contracted Services	412	
Office Supplies	953	
Office Equipment	677	
Total Property Assessor's Office		212,193
County Trustee's Office		
County Official/Administrative Officer	$ 72,069	
Clerical Personnel	90,725	
Social Security	9,316	
Pensions	8,492	
Medical Insurance	16,522	
Unemployment Compensation	270	
Employer Medicare	2,179	
Communication	1,110	
Data Processing Services	8,936	
Dues and Memberships	606	
Legal Notices, Recording, and Court Costs	1,212	
Maintenance and Repair Services - Buildings	462	
Maintenance and Repair Services - Office Equipment	611	
Postal Charges	3,921	
Printing, Stationery, and Forms	6,480	
Travel	421	

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Finance (Cont.)		
County Trustee's Office (Cont.)		
Office Supplies	$ 2,282	
Premiums on Corporate Surety Bonds	7,956	
Office Equipment	3,821	
Total County Trustee's Office		$ 237,391
County Clerk's Office		
County Official/Administrative Officer	$ 72,069	
Clerical Personnel	165,036	
Part-time Personnel	9,393	
Educational Incentive - Other County Employees	2,400	
Social Security	14,943	
Pensions	12,619	
Medical Insurance	15,673	
Unemployment Compensation	498	
Employer Medicare	3,495	
Communication	2,249	
Data Processing Services	13,436	
Dues and Memberships	2,806	
Janitorial Services	2,100	
Maintenance and Repair Services - Buildings	366	
Pest Control	528	
Postal Charges	7,824	
Printing, Stationery, and Forms	4,005	
Travel	3,773	
Maintenance and Repair Services - Records	1,589	
Electricity	4,156	
Office Supplies	926	
Water and Sewer	507	
Total County Clerk's Office		340,391
Other Finance		
Trustee's Commission	$ 100,730	
Total Other Finance		100,730
Administration of Justice		
Circuit Court		
County Official/Administrative Officer	$ 72,069	
Clerical Personnel	110,846	
Jury and Witness Expense	7,640	
Social Security	10,625	
Pensions	9,645	
Medical Insurance	19,983	
Unemployment Compensation	282	
Employer Medicare	2,485	
Communication	2,321	
Data Processing Services	20,244	
Dues and Memberships	621	

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
Circuit Court (Cont.)		
Maintenance and Repair Services - Equipment	$ 1,827	
Travel	49	
Electricity	536	
Library Books/Media	11,950	
Office Supplies	7,379	
Office Equipment	3,072	
Total Circuit Court		$ 281,574
General Sessions Court		
Judge(s)	$ 102,306	
Other Salaries and Wages	25,828	
Social Security	7,704	
Pensions	6,752	
Medical Insurance	7,325	
Unemployment Compensation	108	
Employer Medicare	1,802	
Travel	2,732	
Office Supplies	349	
Total General Sessions Court		154,906
Chancery Court		
County Official/Administrative Officer	$ 72,069	
Clerical Personnel	61,196	
Social Security	7,878	
Pensions	7,022	
Medical Insurance	9,667	
Unemployment Compensation	140	
Employer Medicare	1,842	
Communication	1,917	
Data Processing Services	5,841	
Dues and Memberships	541	
Legal Notices, Recording, and Court Costs	17	
Maintenance and Repair Services - Office Equipment	505	
Travel	46	
Electricity	536	
Office Supplies	6,043	
Office Equipment	5,300	
Total Chancery Court		180,560
Victim Assistance Programs		
Contributions	$ 14,328	
Total Victim Assistance Programs		14,328
Public Safety		
Sheriff's Department		
County Official/Administrative Officer	$ 79,276	
Supervisor/Director	47,492	

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Public Safety (Cont.)		
Sheriff's Department (Cont.)		
Deputy(ies)	$ 571,598	
Investigator(s)	186,591	
Salary Supplements	14,400	
Secretary(ies)	31,420	
Social Security	54,459	
Pensions	48,357	
Medical Insurance	79,899	
Unemployment Compensation	1,756	
Employer Medicare	12,736	
Communication	17,200	
Contributions	2,000	
Data Processing Services	3,202	
Dues and Memberships	1,550	
Evaluation and Testing	1,825	
Maintenance and Repair Services - Buildings	1,548	
Maintenance and Repair Services - Equipment	1,827	
Maintenance and Repair Services - Office Equipment	1,036	
Maintenance and Repair Services - Vehicles	29,373	
Pest Control	594	
Travel	994	
Tuition	11,982	
Custodial Supplies	554	
Electricity	13,007	
Food Supplies	1,907	
Gasoline	103,124	
Law Enforcement Supplies	22,821	
Office Supplies	8,708	
Tires and Tubes	9,782	
Uniforms	12,596	
Vehicle Parts	20,970	
Water and Sewer	697	
Criminal Investigation of Applicants - TBI	900	
Law Enforcement Equipment	21,490	
Office Equipment	835	
Total Sheriff's Department		$ 1,418,506
Special Patrols		
Deputy(ies)	$ 247,219	
Social Security	14,454	
Pensions	12,969	
Medical Insurance	29,118	
Unemployment Compensation	674	
Employer Medicare	3,381	
Uniforms	2,074	
Total Special Patrols		309,889

(Continued)

Exhibit J-7

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

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

Supervisor/Director	$ 38,449		
Guards	558,290		
Secretary(ies)	31,379		
Social Security	38,163		
Pensions	32,749		
Medical Insurance	41,271		
Unemployment Compensation	2,318		
Employer Medicare	8,925		
Communication	5,468		
Evaluation and Testing	1,145		
Maintenance and Repair Services - Buildings	4,461		
Maintenance and Repair Services - Office Equipment	1,371		
Maintenance and Repair Services - Vehicles	2,922		
Pest Control	420		
Travel	867		
Other Contracted Services	116,939		
Custodial Supplies	16,678		
Drugs and Medical Supplies	98,254		
Food Preparation Supplies	895		
Food Supplies	124,842		
Law Enforcement Supplies	1,485		
Office Supplies	3,925		
Prisoners Clothing	2,307		
Uniforms	8,397		
Vehicle Parts	2,564		
Other Supplies and Materials	1,062		
Other Charges	72,220		
Food Service Equipment	766		
Office Equipment	2,932		
Total Jail		$	1,221,464
Juvenile Services			
Youth Service Officer(s)	$ 24,755		
Psychological Personnel	36,792		
Social Security	3,357		
Pensions	3,242		
Medical Insurance	10,391		
Unemployment Compensation	140		
Employer Medicare	785		
Communication	2,012		
Contracts with Private Agencies	1,000		
Travel	190		
Office Supplies	1,815		
Office Equipment	322		
Total Juvenile Services			84,801

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Public Safety (Cont.)		
Fire Prevention and Control		
Contributions	$ 71,000	
Total Fire Prevention and Control		$ 71,000
Rescue Squad		
Contributions	$ 22,000	
Total Rescue Squad		22,000
Other Emergency Management		
Contracts with Private Agencies	$ 151,000	
Total Other Emergency Management		151,000
County Coroner/Medical Examiner		
Other Contracted Services	$ 20,806	
Total County Coroner/Medical Examiner		20,806
Public Health and Welfare		
Local Health Center		
Communication	$ 4,017	
Contracts with Private Agencies	1,168	
Dues and Memberships	375	
Janitorial Services	6,900	
Maintenance and Repair Services - Buildings	1,675	
Pest Control	420	
Postal Charges	1,419	
Electricity	9,905	
Food Supplies	318	
Instructional Supplies and Materials	7,891	
Office Supplies	1,303	
Water and Sewer	1,238	
Liability Insurance	10,925	
Office Equipment	3,126	
Total Local Health Center		50,680
Other Local Health Services		
Medical Personnel	$ 115,767	
Social Security	7,066	
Pensions	5,705	
Medical Insurance	3,441	
Unemployment Compensation	362	
Employer Medicare	1,652	
Travel	3,472	
Workers' Compensation Insurance	156	
Total Other Local Health Services		137,621
Appropriation to State		
Contracts with Government Agencies	$ 22,788	
Total Appropriation to State		22,788

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Sanitation Management		
Contracts with Private Agencies	$ 14,199	
Total Sanitation Management		$ 14,199
Convenience Centers		
Disposal Fees	$ 153,000	
Total Convenience Centers		153,000
Social, Cultural, and Recreational Services		
Senior Citizens Assistance		
Supervisor/Director	$ 50,115	
Part-time Personnel	10,232	
Social Security	3,571	
Pensions	2,640	
Medical Insurance	6,861	
Unemployment Compensation	210	
Employer Medicare	835	
Communication	1,561	
Contributions	7,000	
Maintenance and Repair Services - Office Equipment	480	
Maintenance and Repair Services - Vehicles	776	
Pest Control	417	
Rentals	4,475	
Travel	1,147	
Custodial Supplies	437	
Electricity	16,651	
Gasoline	1,188	
Water and Sewer	1,676	
Total Senior Citizens Assistance		110,272
Libraries		
Librarians	$ 55,969	
Other Salaries and Wages	71,621	
Social Security	7,269	
Pensions	5,141	
Medical Insurance	17,325	
Unemployment Compensation	516	
Employer Medicare	1,700	
Communication	2,777	
Contracts with Public Carriers	1,778	
Pest Control	417	
Travel	1,495	
Custodial Supplies	1,143	
Library Books/Media	2,060	
Office Supplies	6,231	
Other Charges	4,395	
Office Equipment	3,396	
Total Libraries		183,233

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Social, Cultural, and Recreational Services (Cont.)		
Parks and Fair Boards		
Maintenance and Repair Services - Buildings	$ 570	
Maintenance and Repair Services - Equipment	879	
Other Contracted Services	6,124	
Electricity	3,436	
Gasoline	1,281	
General Construction Materials	15,304	
Other Supplies and Materials	5,216	
Health Equipment	30,000	
Total Parks and Fair Boards		$ 62,810
Agriculture and Natural Resources		
Agricultural Extension Service		
Part-time Personnel	$ 5,189	
Social Security	322	
Unemployment Compensation	52	
Employer Medicare	75	
Contracts with Government Agencies	46,755	
Contracts with Private Agencies	910	
Data Processing Services	2,152	
Operating Lease Payments	7,200	
Travel	976	
Custodial Supplies	344	
Electricity	2,707	
Office Supplies	1,098	
Water and Sewer	480	
Total Agricultural Extension Service		68,260
Forest Service		
Contributions	$ 500	
Total Forest Service		500
Soil Conservation		
Secretary(ies)	$ 34,937	
Social Security	2,060	
Pensions	1,841	
Medical Insurance	3,973	
Unemployment Compensation	70	
Employer Medicare	482	
Data Processing Services	1,898	
Dues and Memberships	710	
Rentals	3,000	
Travel	251	
Other Contracted Services	5,000	
Electricity	2,631	
Instructional Supplies and Materials	2,075	
Office Supplies	283	
Water and Sewer	552	
Total Soil Conservation		59,763

(Continued)

Exhibit J-7

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

General Fund (Cont.)			
Other Operations			
Veterans' Services			
Supervisor/Director	$ 14,533		
Social Security	901		
Unemployment Compensation	70		
Employer Medicare	211		
Communication	2,272		
Contracts with Private Agencies	449		
Travel	67		
Office Supplies	110		
Total Veterans' Services		$ 18,613	
Other Charges			
Contributions	$ 100,000		
Total Other Charges		100,000	
Employee Benefits			
Workers' Compensation Insurance	$ 50,469		
Total Employee Benefits		50,469	
Miscellaneous			
State Aid Projects	$ 13,956		
Total Miscellaneous		13,956	
Highways			
Litter and Trash Collection			
Deputy(ies)	$ 26,486		
Part-time Personnel	3,500		
Social Security	1,857		
Pensions	1,580		
Medical Insurance	13		
Unemployment Compensation	77		
Employer Medicare	434		
Dues and Memberships	165		
Maintenance and Repair Services - Vehicles	503		
Travel	46		
Gasoline	4,521		
Instructional Supplies and Materials	4,853		
Uniforms	350		
Total Litter and Trash Collection		44,385	
Total General Fund			$ 7,267,907
Ambulance Service Fund			
Public Health and Welfare			
Ambulance/Emergency Medical Services			
Supervisor/Director	$ 50,350		
Clerical Personnel	28,652		
Attendants	786,994		

(Continued)

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

Ambulance Service Fund (Cont.)			
Public Health and Welfare (Cont.)			
Ambulance/Emergency Medical Services (Cont.)			
In-service Training	$ 1,720		
Social Security	61,914		
Pensions	37,875		
Medical Insurance	73,983		
Unemployment Compensation	3,112		
Communication	13,402		
Contracts with Government Agencies	30,142		
Data Processing Services	8,464		
Dues and Memberships	965		
Fiscal Agent Charges	4,500		
Licenses	2,500		
Maintenance and Repair Services - Buildings	13,485		
Maintenance and Repair Services - Vehicles	53,054		
Postal Charges	661		
Travel	2,619		
Disposal Fees	2,931		
Other Contracted Services	8,400		
Custodial Supplies	1,229		
Diesel Fuel	49,546		
Drugs and Medical Supplies	52,722		
Electricity	13,350		
Natural Gas	2,260		
Office Supplies	974		
Tires and Tubes	3,802		
Uniforms	3,318		
Water and Sewer	2,391		
Other Supplies and Materials	13,181		
Liability Insurance	7,209		
Premiums on Corporate Surety Bonds	320		
Trustee's Commission	19,501		
Vehicle and Equipment Insurance	9,931		
Workers' Compensation Insurance	35,786		
Data Processing Equipment	1,473		
Furniture and Fixtures	1,148		
Motor Vehicles	8,225		
Total Ambulance/Emergency Medical Services		$ 1,412,089	
Total Ambulance Service Fund			$ 1,412,089
Drug Control Fund			
Public Safety			
Drug Enforcement			
Evaluation and Testing	$ 550		
Tuition	250		
Animal Food and Supplies	831		
Law Enforcement Supplies	23,928		
Vehicle Parts	6,645		

(Continued)

Exhibit J-7

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

Drug Control Fund (Cont.)			
Public Safety (Cont.)			
Drug Enforcement (Cont.)			
Trustee's Commission	$ 222		
Refund to Applicant for Criminal Investigation	7,974		
Total Drug Enforcement		$ 40,400	
Total Drug Control Fund			$ 40,400
Constitutional Officers - Fees Fund			
Administration of Justice			
Chancery Court			
Special Commissioner Fees/Special Master Fees	$ 5,310		
Total Chancery Court		$ 5,310	
Total Constitutional Officers - Fees Fund			5,310
Highway/Public Works Fund			
Highways			
Administration			
County Official/Administrative Officer	$ 79,276		
Assistant(s)	40,203		
Secretary(ies)	30,396		
Board and Committee Members Fees	16,800		
Social Security	9,839		
Pensions	9,018		
Medical Insurance	38,647		
Employer Medicare	2,301		
Dues and Memberships	2,624		
Fiscal Agent Charges	18,300		
Travel	150		
Office Supplies	1,792		
Total Administration		$ 249,346	
Highway and Bridge Maintenance			
Foremen	$ 60,598		
Equipment Operators - Heavy	93,330		
Equipment Operators - Light	170,703		
Truck Drivers	34,970		
Laborers	38,620		
Overtime Pay	2,901		
Social Security	23,115		
Pensions	23,919		
Medical Insurance	127,762		
Employer Medicare	5,406		
Other Contracted Services	42,194		
Asphalt - Cold Mix	965		
Asphalt - Hot Mix	1,114,571		
Crushed Stone	60,659		
Other Road Materials	917		

(Continued)

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

Highway/Public Works Fund (Cont.)			
Highways (Cont.)			
Highway and Bridge Maintenance (Cont.)			
Pipe - Metal	$ 11,574		
Road Signs	2,118		
Total Highway and Bridge Maintenance		$ 1,814,322	
Operation and Maintenance of Equipment			
Mechanic(s)	$ 33,581		
Social Security	1,917		
Pensions	2,020		
Medical Insurance	15,136		
Employer Medicare	448		
Other Contracted Services	117		
Diesel Fuel	38,223		
Equipment Parts - Heavy	8,959		
Equipment Parts - Light	16,472		
Garage Supplies	3,044		
Gasoline	38,398		
Lubricants	2,911		
Tires and Tubes	5,970		
Total Operation and Maintenance of Equipment		167,196	
Ferry Operations			
Equipment Operators - Heavy	$ 59,436		
Social Security	3,367		
Pensions	3,575		
Medical Insurance	19,496		
Employer Medicare	788		
Total Ferry Operations		86,662	
Other Charges			
Communication	$ 4,134		
Electricity	5,156		
Water and Sewer	513		
Trustee's Commission	26,293		
Vehicle and Equipment Insurance	24,970		
Workers' Compensation Insurance	32,366		
Total Other Charges		93,432	
Capital Outlay			
Bridge Construction	$ 22,521		
Highway Equipment	137,240		
Total Capital Outlay		159,761	
Total Highway/Public Works Fund			$ 2,570,719

(Continued)

Exhibit J-7

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

General Debt Service Fund			
Principal on Debt			
General Government			
Principal on Bonds	$ 69,715		
Principal on Notes	97,570		
Total General Government		$ 167,285	
Education			
Principal on Bonds	$ 1,537,058		
Total Education		1,537,058	
Interest on Debt			
General Government			
Interest on Bonds	$ 4,255		
Interest on Notes	6,934		
Total General Government		11,189	
Education			
Interest on Bonds	$ 234,807		
Total Education		234,807	
Other Debt Service			
General Government			
Trustee's Commission	$ 18,892		
Other Debt Service	1,152		
Total General Government		20,044	
Education			
Other Debt Service	$ 7,160		
Total Education		7,160	
Total General Debt Service Fund			$ 1,977,543
General Capital Projects Fund			
Capital Projects			
General Administration Projects			
Trustee's Commission	$ 4,665		
Building Improvements	1,950		
Communication Equipment	19,472		
Motor Vehicles	71,740		
Total General Administration Projects		$ 97,827	
Administration of Justice Projects			
Transportation Equipment	$ 13,485		
Total Administration of Justice Projects		13,485	
Public Safety Projects			
Engineering Services	$ 9,090		
Total Public Safety Projects		9,090	

(Continued)

Exhibit J-7

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

General Capital Projects Fund (Cont.)			
Capital Projects (Cont.)			
Public Health and Welfare Projects			
Consultants	$ 13,583		
Other Contracted Services	1,500		
Other Charges	900		
Transportation Equipment	469,350		
Total Public Health and Welfare Projects		$ 485,333	
Total General Capital Projects Fund			$ 605,735
Total Governmental Funds - Primary Government			$ 13,879,703

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

General Purpose School Fund		
Instruction		
Regular Instruction Program		
Teachers	$ 7,597,590	
Career Ladder Program	36,000	
Homebound Teachers	1,935	
Educational Assistants	137,989	
Bonus Payments	140,503	
Social Security	458,854	
Pensions	758,795	
Employee and Dependent Insurance	9,460	
Life Insurance	3,424	
Medical Insurance	924,857	
Unemployment Compensation	8,035	
Employer Medicare	107,313	
Evaluation and Testing	59,890	
Maintenance and Repair Services - Equipment	500	
Tuition	420	
Contracts for Substitute Teachers - Certified	163,857	
Contracts for Substitute Teachers - Non-certified	6,203	
Gasoline	103	
Instructional Supplies and Materials	114,160	
Textbooks - Bound	230,047	
In Service/Staff Development	710	
Transfers to Other Funds	500	
Regular Instruction Equipment	17,836	
Total Regular Instruction Program		$ 10,778,981
Special Education Program		
Teachers	$ 863,872	
Career Ladder Program	4,000	
Homebound Teachers	4,132	
Educational Assistants	294,059	
Speech Pathologist	102,932	
Other Salaries and Wages	37,960	
Social Security	76,651	
Pensions	118,585	
Employee and Dependent Insurance	38,438	
Life Insurance	777	
Medical Insurance	117,625	
Unemployment Compensation	1,718	
Employer Medicare	17,926	
Contracts for Substitute Teachers - Certified	12,834	
Contracts for Substitute Teachers - Non-certified	12,517	
Instructional Supplies and Materials	15,629	
Other Supplies and Materials	11,258	
Special Education Equipment	7,085	
Total Special Education Program		1,737,998

(Continued)

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

General Purpose School Fund (Cont.)		
Instruction (Cont.)		
Career and Technical Education Program		
Teachers	$ 667,915	
Career Ladder Program	235	
Social Security	38,782	
Pensions	63,584	
Life Insurance	295	
Medical Insurance	73,574	
Unemployment Compensation	625	
Employer Medicare	9,070	
Communication	1,320	
Operating Lease Payments	834	
Maintenance and Repair Services - Buildings	5,225	
Maintenance and Repair Services - Equipment	2,777	
Rentals	478	
Contracts for Substitute Teachers - Certified	26,468	
Duplicating Supplies	3,542	
Food Supplies	157	
Instructional Supplies and Materials	11,077	
Vocational Instruction Equipment	17,102	
Total Career and Technical Education Program		$ 923,060
Support Services		
Attendance		
Supervisor/Director	$ 65,064	
Social Security	2,675	
Pensions	5,104	
Life Insurance	16	
Medical Insurance	9,040	
Unemployment Compensation	42	
Employer Medicare	626	
Total Attendance		82,567
Health Services		
Supervisor/Director	$ 58,320	
Medical Personnel	176,167	
Other Salaries and Wages	15,479	
Non-certified Substitute Teachers	5,500	
Social Security	14,566	
Pensions	22,435	
Employee and Dependent Insurance	4,400	
Life Insurance	124	
Medical Insurance	33,388	
Unemployment Compensation	408	
Employer Medicare	3,407	
Communication	2,581	
Travel	6,069	
Contracts for Substitute Teachers - Certified	2,729	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Health Services (Cont.)		
Drugs and Medical Supplies	$ 1,606	
Other Supplies and Materials	6,974	
Total Health Services		$ 354,153
Other Student Support		
Guidance Personnel	$ 282,004	
Social Workers	26,696	
Secretary(ies)	22,120	
Other Salaries and Wages	46,711	
Social Security	22,102	
Pensions	31,382	
Life Insurance	160	
Medical Insurance	41,934	
Unemployment Compensation	453	
Employer Medicare	5,169	
Contracts with Government Agencies	174,734	
Evaluation and Testing	10,647	
Total Other Student Support		664,112
Regular Instruction Program		
Supervisor/Director	$ 247,623	
Career Ladder Program	3,000	
Librarians	95,670	
Social Security	20,303	
Pensions	36,155	
Life Insurance	108	
Medical Insurance	34,696	
Unemployment Compensation	216	
Employer Medicare	4,748	
Communication	1,229	
Contracts with Private Agencies	27,000	
Dues and Memberships	245	
Travel	49,727	
Contracts for Substitute Teachers - Certified	6,859	
Other Contracted Services	63,181	
Food Supplies	2,983	
Library Books/Media	3,269	
Office Supplies	10,852	
Other Supplies and Materials	40,486	
In Service/Staff Development	37,570	
Regular Instruction Equipment	9,346	
Total Regular Instruction Program		695,266
Special Education Program		
Career Ladder Program	$ 1,000	
Secretary(ies)	162,971	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Special Education Program (Cont.)		
Other Salaries and Wages	$ 187,894	
Social Security	20,996	
Pensions	28,023	
Employee and Dependent Insurance	20,538	
Life Insurance	212	
Medical Insurance	15,465	
Unemployment Compensation	419	
Employer Medicare	4,910	
Communication	4,326	
Postal Charges	1,000	
Travel	3,509	
Other Contracted Services	168,751	
Duplicating Supplies	2,551	
Other Supplies and Materials	36,596	
In Service/Staff Development	23,648	
Other Equipment	18,991	
Total Special Education Program		$ 701,800
Career and Technical Education Program		
Supervisor/Director	$ 83,229	
Secretary(ies)	29,651	
Social Security	6,904	
Pensions	10,493	
Employee and Dependent Insurance	5,226	
Life Insurance	43	
Unemployment Compensation	84	
Employer Medicare	1,615	
Communication	590	
Travel	2,006	
Total Career and Technical Education Program		139,841
Technology		
Other Salaries and Wages	$ 163,351	
Social Security	10,085	
Pensions	12,121	
Life Insurance	86	
Unemployment Compensation	126	
Employer Medicare	2,359	
Communication	2,387	
Contracts with Other Public Agencies	16,100	
Maintenance and Repair Services - Equipment	11,071	
Maintenance and Repair Services - Office Equipment	12,248	
Internet Connectivity	38,855	
Travel	4,784	
Gasoline	475	
Office Supplies	1,126	

(Continued)

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Technology (Cont.)		
Vehicle Parts	$ 355	
Software	41,766	
Other Equipment	74,509	
Total Technology		$ 391,804
Other Programs		
On-behalf Payments to OPEB	$ 63,181	
Total Other Programs		63,181
Board of Education		
Secretary to Board	$ 3,600	
Clerical Personnel	36,536	
Board and Committee Members Fees	25,200	
Social Security	4,067	
Pensions	2,594	
Life Insurance	20	
Unemployment Compensation	84	
Employer Medicare	951	
Audit Services	11,500	
Contributions	2,500	
Dues and Memberships	15,905	
Operating Lease Payments	702	
Legal Services	22,184	
Legal Notices, Recording, and Court Costs	83	
Duplicating Supplies	3,132	
Other Supplies and Materials	3,771	
Liability Insurance	100,306	
Trustee's Commission	93,863	
Workers' Compensation Insurance	132,482	
In Service/Staff Development	2,471	
Fee Waivers	10,031	
Total Board of Education		471,982
Director of Schools		
County Official/Administrative Officer	$ 103,290	
Career Ladder Program	1,000	
Salary Supplements	1,000	
Social Security	6,316	
Pensions	11,013	
Life Insurance	22	
Medical Insurance	14,711	
Unemployment Compensation	42	
Employer Medicare	1,477	
Communication	5,321	
Dues and Memberships	2,557	
Postal Charges	1,120	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Director of Schools (Cont.)		
Travel	$ 1,982	
Office Supplies	758	
Total Director of Schools		$ 150,609
Office of the Principal		
Principals	$ 722,979	
Career Ladder Program	4,000	
Assistant Principals	160,619	
Secretary(ies)	322,954	
Social Security	72,328	
Pensions	113,594	
Employee and Dependent Insurance	24,189	
Life Insurance	589	
Medical Insurance	84,706	
Unemployment Compensation	1,127	
Employer Medicare	16,915	
Communication	86,022	
Operating Lease Payments	10,164	
Contracts for Substitute Teachers - Certified	920	
Duplicating Supplies	29,208	
Total Office of the Principal		1,650,314
Fiscal Services		
Fiscal Agent Charges	$ 206,488	
Other Contracted Services	1,926	
Total Fiscal Services		208,414
Operation of Plant		
Custodial Personnel	$ 629,367	
Social Security	37,813	
Pensions	34,965	
Employee and Dependent Insurance	62,378	
Life Insurance	635	
Unemployment Compensation	1,698	
Employer Medicare	8,843	
Contracts with Government Agencies	115	
Contracts with Private Agencies	86,895	
Permits	690	
Custodial Supplies	79,131	
Electricity	697,560	
Natural Gas	53,600	
Water and Sewer	64,703	
Other Supplies and Materials	9,615	
Building and Contents Insurance	136,595	
Total Operation of Plant		1,904,603

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Maintenance of Plant		
Maintenance Personnel	$ 135,665	
Social Security	8,144	
Pensions	8,291	
Life Insurance	65	
Medical Insurance	16,268	
Unemployment Compensation	120	
Employer Medicare	1,905	
Communication	1,754	
Contracts with Private Agencies	38,257	
Maintenance and Repair Services - Buildings	92,411	
Maintenance and Repair Services - Equipment	95,261	
Maintenance and Repair Services - Vehicles	248	
Travel	487	
Gasoline	2,864	
Uniforms	1,333	
Total Maintenance of Plant		$ 403,073
Transportation		
Bus Drivers	$ 45,533	
Other Salaries and Wages	56,519	
Social Security	6,289	
Pensions	2,631	
Unemployment Compensation	410	
Employer Medicare	1,471	
Contracts with Private Agencies	15,228	
Contracts with Vehicle Owners	964,311	
Evaluation and Testing	4,348	
Maintenance and Repair Services - Vehicles	8,553	
Diesel Fuel	15,389	
Total Transportation		1,120,682
Operation of Non-Instructional Services		
Community Services		
Other Salaries and Wages	$ 55,702	
Social Security	2,906	
Pensions	3,353	
Employee and Dependent Insurance	5,232	
Life Insurance	43	
Medical Insurance	12,777	
Unemployment Compensation	84	
Employer Medicare	680	
Total Community Services		80,777
Early Childhood Education		
Supervisor/Director	$ 12,599	
Teachers	181,036	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)			
Operation of Non-Instructional Services (Cont.)			
Early Childhood Education (Cont.)			
Educational Assistants	$ 74,589		
Other Salaries and Wages	500		
Social Security	14,902		
Pensions	22,094		
Employee and Dependent Insurance	1,200		
Life Insurance	185		
Medical Insurance	18,219		
Unemployment Compensation	417		
Employer Medicare	3,485		
Travel	599		
Contracts for Substitute Teachers - Certified	3,116		
Contracts for Substitute Teachers - Non-certified	2,276		
Other Contracted Services	9,620		
Instructional Supplies and Materials	35,055		
Other Supplies and Materials	40,927		
In Service/Staff Development	4,267		
Other Equipment	25,400		
Total Early Childhood Education		$ 450,486	
Other Debt Service			
Education			
Other Debt Service	$ 777,300		
Total Education		777,300	
Total General Purpose School Fund			$ 23,751,003
School Federal Projects Fund			
Instruction			
Regular Instruction Program			
Teachers	$ 193,271		
Educational Assistants	254,232		
Other Salaries and Wages	7,750		
Social Security	26,766		
Pensions	35,133		
Life Insurance	394		
Medical Insurance	39,873		
Unemployment Compensation	846		
Employer Medicare	6,260		
Contracts for Substitute Teachers - Certified	2,689		
Contracts for Substitute Teachers - Non-certified	14,544		
Instructional Supplies and Materials	180,693		
Other Supplies and Materials	4,099		
Other Charges	5,497		
Regular Instruction Equipment	173,879		
Total Regular Instruction Program		$ 945,926	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)		
Instruction (Cont.)		
Special Education Program		
Teachers	$ 221,103	
Educational Assistants	161,816	
Speech Pathologist	29,870	
Social Security	24,557	
Pensions	32,723	
Life Insurance	319	
Medical Insurance	34,379	
Unemployment Compensation	754	
Employer Medicare	5,743	
Contracts for Substitute Teachers - Certified	3,598	
Contracts for Substitute Teachers - Non-certified	12,331	
Other Supplies and Materials	2,077	
Total Special Education Program		$ 529,270
Career and Technical Education Program		
Instructional Supplies and Materials	$ 5,064	
Other Supplies and Materials	5,405	
Vocational Instruction Equipment	39,333	
Total Career and Technical Education Program		49,802
Support Services		
Other Student Support		
Social Workers	$ 8,899	
Other Salaries and Wages	173,860	
Social Security	10,951	
Pensions	18,523	
Life Insurance	81	
Medical Insurance	11,908	
Unemployment Compensation	177	
Employer Medicare	2,561	
Communication	540	
Travel	8,877	
Other Contracted Services	217	
Other Supplies and Materials	3,313	
In Service/Staff Development	6,824	
Other Charges	12,284	
Other Equipment	1,149	
Total Other Student Support		260,164
Regular Instruction Program		
Supervisor/Director	$ 94,160	
Clerical Personnel	31,651	
Other Salaries and Wages	215,683	
Social Security	19,939	
Pensions	32,293	
Life Insurance	95	

(Continued)

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

School Federal Projects Fund (Cont.)			
Support Services (Cont.)			
Regular Instruction Program (Cont.)			
Medical Insurance	$ 35,660		
Unemployment Compensation	210		
Employer Medicare	4,663		
Communication	1,483		
Travel	2,631		
Other Supplies and Materials	3,352		
In Service/Staff Development	31,023		
Other Charges	7,478		
Other Equipment	17,144		
Total Regular Instruction Program		$ 497,465	
Special Education Program			
Supervisor/Director	$ 84,229		
Psychological Personnel	62,517		
Other Salaries and Wages	107,398		
Social Security	15,409		
Pensions	26,583		
Life Insurance	83		
Medical Insurance	16,254		
Unemployment Compensation	168		
Employer Medicare	3,604		
Other Contracted Services	8,877		
Other Supplies and Materials	3,051		
In Service/Staff Development	3,500		
Total Special Education Program		331,673	
Career and Technical Education Program			
In Service/Staff Development	$ 2,474		
Total Career and Technical Education Program		2,474	
Transportation			
Contracts with Parents	$ 405		
Contracts with Vehicle Owners	167,017		
Total Transportation		167,422	
Operation of Non-Instructional Services			
Food Service			
Food Supplies	$ 2,876		
Total Food Service		2,876	
Total School Federal Projects Fund			$ 2,787,072
Central Cafeteria Fund			
Operation of Non-Instructional Services			
Food Service			
Supervisor/Director	$ 63,477		

(Continued)

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

Central Cafeteria Fund (Cont.)			
Operation of Non-Instructional Services (Cont.)			
Food Service (Cont.)			
Cafeteria Personnel	$ 540,087		
Social Security	36,324		
Pensions	39,153		
Life Insurance	542		
Medical Insurance	68,650		
Unemployment Compensation	1,394		
Employer Medicare	8,495		
Communication	3,333		
Contracts with Private Agencies	24,000		
Dues and Memberships	3,647		
Fiscal Agent Charges	15,115		
Maintenance and Repair Services - Equipment	18,657		
Travel	5,486		
Other Contracted Services	24,053		
Food Preparation Supplies	80,735		
Food Supplies	610,543		
Office Supplies	6,985		
USDA - Commodities	112,379		
Other Supplies and Materials	927		
Refunds	14		
Other Charges	1,260		
Food Service Equipment	17,186		
Total Food Service		$ 1,682,442	
Total Central Cafeteria Fund			$ 1,682,442
Other Education Special Revenue Fund			
Instruction			
Regular Instruction Program			
Contracts with Private Agencies	$ 7,348,444		
Instructional Supplies and Materials	58,546		
Total Regular Instruction Program		$ 7,406,990	
Support Services			
Regular Instruction Program			
Other Contracted Services	$ 44,740		
Total Regular Instruction Program		44,740	
Office of the Principal			
Principals	$ 80,000		
Social Security	4,527		
Pensions	8,368		
Life Insurance	22		
Medical Insurance	10,981		
Unemployment Compensation	42		
Employer Medicare	1,059		

(Continued)

Exhibit J-8

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

Other Education Special Revenue Fund (Cont.)			
Support Services (Cont.)			
Office of the Principal (Cont.)			
Communication	$ 589		
Data Processing Services	6,246		
Total Office of the Principal		$ 111,834	
Total Other Education Special Revenue Fund			$ 7,563,564
Education Capital Projects Fund			
Capital Outlay			
Regular Capital Outlay			
Building Improvements	$ 660,334		
Site Development	1,019,260		
Transportation Equipment	171,760		
Total Regular Capital Outlay		$ 1,851,354	
Total Education Capital Projects Fund			1,851,354
Total Governmental Funds - Union County School Department			$ 37,635,435

Exhibit J-9

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

	Cities - Sales Tax Fund
Cash Receipts	
Local Option Sales Tax	$ 682,864
Total Cash Receipts	$ 682,864
Cash Disbursements	
Remittance of Revenues Collected	$ 676,035
Trustee's Commission	6,829
Total Cash Disbursements	$ 682,864
Excess of Cash Receipts Over (Under) Cash Disbursements	$ 0
Cash Balance, July 1, 2018	0
Cash Balance, June 30, 2019	$ 0

SINGLE AUDIT SECTION

Justin P. Wilson
Comptroller

Jason E. Mumpower
Deputy Comptroller

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

Independent Auditor's Report

Union County Mayor and
Board of County Commissioners
Union 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 Union County, Tennessee, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Union County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated December 27, 2019.

Internal Control Over Financial Reporting

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

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

Compliance and Other Matters

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

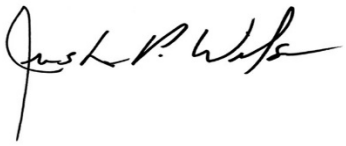
Union County's Response to the Finding

Union County's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Union County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Union County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 27, 2019

JPW/tg

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Justin P. Wilson
Comptroller

Jason E. Mumpower
Deputy Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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examining, on a test basis, evidence about Union County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

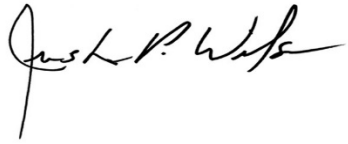
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the

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

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Union County, Tennessee, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Union County's basic financial statements. We issued our report thereon dated December 27, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 27, 2019

JPW/tg

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

Federal/Pass-Through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	$ 404,180
National School Lunch Program	10.555	N/A	1,225,579 (5)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	112,379 (5)
National School Lunch Program (Commodities - Cash Assistance)	10.555	N/A	5,359 (5)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG1855107	20,159
Passed-through East Tennessee Human Resource Agency:			
Child Nutrition Cluster: (4)			
Summer Food Service Program for Children	10.559	N/A	42,873
Total U.S. Department of Agriculture			$ 1,810,529
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	33004-97418	$ 314,884
Total U.S. Department of Housing and Urban Development			$ 314,884
U.S. Department of Transportation:			
Passed-through State Department of Transportation			
Highway Planning and Construction Cluster: (4)			
Highway Planning and Construction	20.205	(3)	$ 9,090
Highway Safety Cluster: (4)			
National Priority Safety Programs	20.616	(3)	17,771
Total U.S. Department of Transportation			$ 26,861
Appalachian Regional Commission:			
Passed through State Department of Economic and Community Development:			
Appalachian Area Development	23.002	(3)	$ 1,089
Total Appalachian Regional Commission			$ 1,089
U.S. Department of Education:			
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	$ 1,286,972
Special Education Cluster: (4)			
Special Education - Grants to States	84.027	N/A	1,065,750
Special Education - Preschool Grants	84.173	N/A	18,926
Career and Technical Education - Basic Grants to States	84.048	N/A	67,716
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	N/A	93,523
Rural Education	84.358	N/A	60,361
Improving Teacher Quality State Grants	84.367	N/A	175,216
Student Support and Academic Enrichment Program	84.424	N/A	77,963
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	N/A	63,572
Passed-through Grainger County Board of Education:			
English Language Acquisition Grants	84.365	N/A	1,496
Total U.S. Department of Education			$ 2,911,495

(Continued)

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

Federal/Pass-Through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Passed-through East Tennessee Human Resource Agency:			
Aging Cluster: (4)			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	(3)	$ 15,320
Passed-through State Department of Health:			
Injury Prevention and Control Research and State and Community Based Programs	93.136	GG1855107	9,976
Family Planning Services	93.217	GG1855107	5,295
National State Based Tobacco Control Programs	93.305	GG1855107	1,605
Medicaid Cluster: (4)			
Medical Assistance Program	93.778	GG1855107	21,751
HIV Prevention Activities - Health Department Based	93.940	GG1855107	244
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	GG1855107	494
Maternal and Child Health Services Block Grant to the States	93.994	GG1855107	2,728
Passed-through State Department of Human Services:			
CCDF Cluster: (4)			
Child Care and Development Block Grant	93.575	N/A	88,984
477 Cluster: (4)			
Community Services Block Grant	93.569	N/A	10,000
Passed Through State Department of Mental Health and Substance Abuse:			
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	N/A	24,637
Block Grants for Prevention and Treatment of Substance Abuse	93.959	N/A	64,701
Total U.S. Department of Health and Human Services			$ 245,735
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Homeland Security Grant Program	97.067	EMW2015SS00023	$ 13,956
Total U.S. Department of Homeland Security			$ 13,956
Total Expenditures of Federal Grants			$ 5,324,549

State Grants		Contract Number	
Juvenile Services Program - State Children's Services Commission	N/A	(3)	$ 9,000
Access to Health Initiative Service - State Department of Health	N/A	(3)	30,000
Clean Energy Grant - State Department of Environment and Conservation	N/A	(3)	34,160
Litter Program - State Department of Transportation	N/A	(3)	37,906
Law Enforcement Training Program	N/A	(3)	14,400
Health Department Program - State Department of Health	N/A	(3)	80,369
Courtroom Security Grant - State Administrative Office of the Courts	N/A	(3)	11,939
Asset Enhancement Grant - State Department of Economic and Community Development	N/A	(3)	11,855
Early Childhood Education - State Department of Education	N/A	(3)	451,236
Coordinated School Health Program	N/A	(3)	89,035
School Transportation School Bus Seat Restraining Grant - State Department of Education	N/A	(3)	8,562
Family Resource Centers - State Department of Education	N/A	(3)	29,612
Safe Schools Act - State Department of Education	N/A	(3)	43,516
Drivers Education	N/A	(3)	12,470
Total State Grants			$ 864,060

CFDA = Catalog of Federal Domestic Assistance
N/A = Not Applicable

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
(2) Union County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
(3) Information not available.
(4) Child Nutrition Cluster $1,790,370; Highway and Planning Construction Cluster $9,090; Highway Safety Cluster $17,771; Special Education Cluster $1,084,676; Aging Cluster $15,320; Medicaid Cluster $21,751; CCDF Cluster $88,984; 477 Cluster total $10,000.
(5) Total for CFDA No. 10.555 is $1,343,317.

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

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

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
OFFICE OF COUNTY MAYOR					
2018	193	2018-001	Duties were not segregated adequately at the Ambulance Service	N/A	Corrected
OFFICE OF REGISTER OF DEEDS					
2018	194	2018-002	Bank statements were not reconciled with the general ledger	N/A	Not Corrected. See Explanation of Corrective Action Plan

Prior-year Federal Awards Findings

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

UNION COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2019

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Union County is unmodified.

2. Internal Control Over Financial Reporting:

   * Material weakness identified? **NO**

   * Significant deficiency identified? **YES**

3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:

   * Material weakness identified? **NO**

   * Significant deficiency identified? **NONE REPORTED**

5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**

7. Identification of Major Federal Programs:

   * CFDA Numbers: 10.553, 10.555 and 10.559 — Nutrition Cluster: School Breakfast Program, National School Lunch Program, and Summer Food Service Program for Children

   * CFDA Number: 84.027 and 84.173 — Special Education Cluster: Special Education - Grants to States and Special Education - Preschool Grants

8. Dollar threshold used to distinguish between Type A and Type B Programs. **$750,000**

9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

A finding and recommendation, as a result of our audit, are presented below. We reviewed this finding and recommendation with management to provide an opportunity for their response. A written response for the finding is paraphrased and presented following the finding and recommendation. Management's corrective action plan, whether related to the financial statements or federal awards, is 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 REGISTER OF DEEDS

FINDING 2019-001 **BANK STATEMENTS WERE NOT ACCURATELY RECONCILED WITH THE GENERAL LEDGER**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Bank statements were not accurately reconciled with the general ledger. The Register attempted to reconcile the bank account; however, unidentified immaterial differences were reflected on the bank account reconciliations each month. These unidentified reconciling differences had accumulated during the current and prior year. These unidentified differences had not been corrected when auditors arrived in September 2019. During the year, the Register requested assistance to reconcile the bank account. Auditors identified the reasons for the reconciling differences through May 2019 and provided the Register with an adjustment to correct the accounting records in June 2019. However, the Register did not post the adjustment. Sound business practices dictate that bank statements should be reconciled with the general ledger monthly, and any differences should be identified and corrected promptly. These deficiencies were the result of the Register failing to accurately reconcile the bank accounts on a current basis, failure to correct the finding noted in the prior year audit report, and the failure to implement the prior year corrective action plan.

RECOMMENDATION

Bank statements should be reconciled with the general ledger monthly, and any differences discovered should be corrected promptly.

MANAGEMENT'S RESPONSE – REGISTER OF DEEDS

I concur with this finding. I will reconcile the bank statements monthly with the general ledger.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

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

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

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

Finding Number	Title of Finding	Corrective Action Plan Page Number
OFFICE OF REGISTER OF DEEDS		
2019-001	Bank statements were not accurately reconciled with the general ledger	204

Mary Beth Kitts

Union County Register of Deeds

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Maynardville, Tennessee 37807

(865)992-8024
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FINDING: BANK STATEMENTS WERE NOT ACCURATELY RECONCILED WITH THE GENERAL LEDGER

Response and Corrective Action Plan Prepared by:
Mary Beth Kitts, Union County Register of Deeds

Person Responsible for Implementing the Corrective Action:
Mary Beth Kitts, Union County Register of Deeds

Anticipated Completion Date of Corrective Action:
Immediately

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
I attempted to correct the finding but there were differences on the bank reconciliation I couldn't identify.

Planned Corrective Action:
I will reconcile bank statements monthly with the General Ledger.

Signature: Mary Beth Kitts
12-16-2019