

**NEW ISSUE**  
**Book-Entry-Only**

# **PRELIMINARY OFFICIAL STATEMENT**

**\$9,750,000\***

**UNION COUNTY, TENNESSEE**  
**General Obligation School Bonds, Series 2025**  
**(Bank-Qualified)**

OFFERED FOR SALE NOT SOONER THAN

Thursday, August 7, 2025 at 10:15 a.m., E.D.T  
Through the Facilities of *PARITY*<sup>®</sup>

**Cumberland Securities Company, Inc.**  
Municipal Advisor

July 29, 2025

\* Preliminary, subject to change.

This *Preliminary Official Statement* and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the *Official Statement* is delivered in final form. Under no circumstances shall this *Preliminary Official Statement* constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

**PRELIMINARY OFFICIAL STATEMENT DATED JULY 29, 2025**

**NEW ISSUE**  
**BOOK-ENTRY-ONLY**

Rating: S&P – “AA-”  
(See “MISCELLANEOUS-Rating”)

*In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the County, interest on the Bonds (i) will be excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and (ii) is not an item of tax preference for purposes of the federal alternative minimum tax, except as described under the heading “LEGAL MATTERS-Tax Matters” herein.*

**\$9,750,000\***  
**UNION COUNTY, TENNESSEE**  
**General Obligation School Bonds, Series 2025**

Dated: Date of delivery (assume August 22, 2025).

Due: June 1 (as shown below)

The \$9,750,000\* General Obligation School Bonds, Series 2025 (the “Bonds”) of Union County, Tennessee (the “County” or the “Issuer”) are issuable in fully registered form in denominations of \$5,000 and authorized integral multiples thereof. The Bonds will be issued in book-entry-only form and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, as the nominee for DTC, principal and interest with respect to the Bonds shall be payable to Cede & Co., as nominee for DTC, which will, in turn, remit such principal and interest to the DTC participants for subsequent disbursements to the beneficial owners of the Bonds. Individual purchases of the Bonds will be made in book-entry-only form, in denominations of \$5,000 or integral multiples thereof and will bear interest at the annual rates as shown below. Interest on the Bonds is payable semi-annually from the date thereof commencing on December 1, 2025, and thereafter on each June 1 and December 1 by check or draft mailed to the owners thereof as shown on the books and records of Regions Bank, Nashville, Tennessee, the registration and paying agent (the “Registration Agent”). In the event of discontinuation of the book-entry-only system, principal of and interest on the Bonds are payable at the designated trust office of the Registration Agent.

The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of the principal of, premium, if any, and interest on the Bonds, the full faith and credit of the County are hereby irrevocably pledged. To the extent permitted by law, the Bonds are also payable from a pledge of certain wheel taxes imposed by the County pursuant to Section 5-8-102, Tennessee Code Annotated, as amended. See section entitled “SECURITIES OFFERED – Security”.

The Bonds maturing on or after June 1, 2032 are subject to optional redemption prior to maturity on or after June 1, 2031 as described herein.

<u>Due</u> <u>(June 1)</u>	<u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP**</u>	<u>Due</u> <u>(June 1)</u>	<u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP**</u>
2026	\$250,000				2036	\$500,000			
2027	500,000				2037	500,000			
2028	500,000				2038	500,000			
2029	500,000				2039	500,000			
2030	500,000				2040	500,000			
2031	500,000				2041	500,000			
2032	500,000				2042	500,000			
2033	500,000				2043	500,000			
2034	500,000				2044	500,000			
2035	500,000				2045	500,000			

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire *Preliminary Official Statement* to obtain information essential to make an informed investment decision.

The Bonds are offered when, as and if issued, subject to the approval of the legality thereof by Bass, Berry & Sims PLC, Knoxville, Tennessee, Bond Counsel, whose opinion will be delivered with the Bonds. Certain legal matters will be passed upon from the County by K. David Myers, counsel to the County. It is expected that the Bonds will be available for delivery through the facilities of DTC New York, New York, on or about August \_\_, 2025.

**Cumberland Securities Company, Inc.**  
*Municipal Advisor*

August \_\_, 2025

\* Preliminary, subject to change

This *Preliminary Official Statement* speaks only as of its date, and the information contained herein is subject to change.

This *Preliminary Official Statement* may contain forecasts, projections, and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this *Preliminary Official Statement*, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," and analogous expressions are intended to identify forward-looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward-looking statements. These forward-looking statements speak only as of the date of this *Preliminary Official Statement*. The Issuer disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

This *Preliminary Official Statement* and the Appendices hereto contain brief descriptions of, among other matters, the Issuer, the Bonds, the Resolution, as herein after defined, the Disclosure Certificate, as herein after defined, and the security and sources of payment for the Bonds. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions and statutes, the Resolution, the Disclosure Certificate, and other documents are intended as summaries only and are qualified in their entirety by reference to such documents and laws, and references herein to the Bonds are qualified in their entirety to the forms thereof included in the Bond Resolution.

The Bonds have not been registered under the Securities Act of 1933, as amended, and the Resolution has not been qualified under the Trust Indenture Act of 1939, in reliance on exemptions contained in such acts. This *Preliminary Official Statement* does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

No dealer, broker, salesman, or other person has been authorized by the Issuer, the Municipal Advisor or the Underwriter, as herein after defined, to give any information or to make any representations other than those contained in this *Preliminary Official Statement*, and, if given or made, such other information or representations should not be relied upon as having been authorized by the Issuer, the Municipal Advisor or the Underwriter. Except where otherwise indicated, all information contained in this *Preliminary Official Statement* has been provided by the Issuer. The information set forth herein has been obtained by the Issuer from sources which are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Municipal Advisor or the Underwriter. The information contained herein is subject to change without notice, and neither the delivery of this *Preliminary Official Statement* nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the Issuer, or the other matters described herein since the date hereof or the earlier dates set forth herein as of which certain information contained herein is given.

\*\*Copyright, American Bankers Association (the "ABA"). CUSIP data herein are provided by CUSIP Global Services, which is managed on behalf of the ABA by S&P Global Market Intelligence, a division of S&P Global Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds and the Issuer makes no representation with respect to such numbers nor undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

# UNION COUNTY, TENNESSEE

## COUNTY OFFICIALS

Honorable Jason Bailey  
Pamela Ailor  
Gina Gilbert  
Randy Turner  
K. David Myers

*County Mayor*  
*County Clerk*  
*County Trustee*  
*Assessor of Property*  
*County Attorney*

## BOARD OF COUNTY COMMISSIONERS

Lynn Beeler  
Mike Boles  
Angela Conner-Murphy  
Danny Cooke  
Bill Cox  
Greg Dyer  
Linda Effler  
Dawn Flatford

Sidney Jessee, Jr.  
Roy Jones  
Larry Lay  
Ashley Mike  
Kenny Moore  
Gerald Simmons  
Eddie Simpson  
Cheryl Walker

## BOND REGISTRATION AND PAYING AGENT

Regions Bank  
Nashville, Tennessee

## BOND COUNSEL

Bass, Berry & Sims PLC  
Knoxville, Tennessee

## MUNICIPAL ADVISOR

Cumberland Securities Company, Inc.



# TABLE OF CONTENTS

<b>SUMMARY STATEMENT</b> .....	i
<b>SUMMARY NOTICE OF SALE</b> .....	iii
<b>DETAILED NOTICE OF SALE</b> .....	iv
<b>EXHIBIT A</b> .....	xii
<b>EXHIBIT B</b> .....	xiv
<b>BID FORM</b> .....	xvi
<b>SECURITIES OFFERED</b>	
Authority and Purpose .....	1
Description of the Bonds .....	1
Security .....	1
Qualified Tax-Exempt Obligations .....	2
Optional Redemption of the Bonds .....	2
Mandatory Redemption .....	2
Notice of Redemption.....	3
Payment of Bonds.....	4
<b>BASIC DOCUMENTATION</b>	
Registration Agent .....	5
Book-Entry-Only System .....	5
Discontinuance of Book-Entry-Only System.....	7
Disposition of Bond Proceeds .....	8
Discharge and Satisfaction of Bonds.....	8
Remedies of Bondholders.....	9
<b>LEGAL MATTERS</b>	
Litigation.....	11
Tax Matters	
<i>Federal</i> .....	11
<i>State Taxes</i> .....	13
Changes in Federal and State Law .....	13
Closing Certificates.....	13
Approval of Legal Proceedings .....	14
<b>MISCELLANEOUS</b>	
Rating.....	15
Competitive Public Sale .....	15
Municipal Advisor; Related Parties; Other .....	15
Additional Debt.....	16
Debt Limitations .....	16
Debt Record .....	17
Continuing Disclosure .....	17
<i>Five-Year Filing History</i> .....	17
<i>Content of Annual Report</i> .....	17
<i>Reporting of Significant Events</i> .....	18
<i>Termination of Reporting Obligation</i> .....	19
<i>Amendment; Waiver</i> .....	20
<i>Default</i> .....	20
Bondholder Risk .....	20
Additional Information.....	21
<b>CERTIFICATION OF ISSUER</b> .....	22

## APPENDIX A: LEGAL OPINION

## APPENDIX B: SUPPLEMENTAL INFORMATION STATEMENT

### General Information

Location .....	B-1
General.....	B-1
Transportation.....	B-1
Education .....	B-1
Manufacturing and Commerce .....	B-2
Economic Data.....	B-3
Recreation .....	B-3

### Debt Structure

Summary of Bonded Indebtedness .....	B-5
Indebtedness and Debt Ratios.....	B-6
Bonded Debt Service Requirements .....	B-8

### Financial Operations

Basis of Accounting and Presentation .....	B-9
Fund Balances, Net Assets and Retained Earnings .....	B-9
Five-Year Summary of Revenues, Expenditures and Changes in Fund Balance – General Fund .....	B-10
Investment and Cash Management Practices.....	B-11
Real Property Assessment, Tax Levy and Collection Procedures	
<i>State Taxation of Property</i> .....	B-11
<i>County Taxation of Property</i> .....	B-12
<i>Assessment of Property</i> .....	B-12
<i>Periodic Reappraisal and Equalization</i> .....	B-14
<i>Valuation for Property Tax Purposes</i> .....	B-14
<i>Certified Tax Rate</i> .....	B-14
<i>Tax Freeze for the Elderly Homeowners</i> .....	B-15
<i>Tax Collection and Tax Lien</i> .....	B-15
<i>Assessed Valuations</i> .....	B-16
<i>Property Tax Rates and Collections</i> .....	B-16
<i>Ten Largest Taxpayers</i> .....	B-17
Insurance .....	B-17
Pension Plans .....	B-17

## APPENDIX C: GENERAL PURPOSE FINANCIAL STATEMENTS

*(The remainder of this page left blank intentionally.)*

## SUMMARY STATEMENT

The information set forth below is provided for convenient reference and does not purport to be complete and is qualified in its entirety by the information and financial statements appearing elsewhere in this *Preliminary Official Statement*. This Summary Statement shall not be reproduced, distributed or otherwise used except in conjunction with the remainder of this *Preliminary Official Statement*.

The Issuer ..... Union County, Tennessee (the “County” or “Issuer”). See the section entitled “Supplemental Information Statement” for more information.

Securities Offered.....\$9,750,000\* General Obligation School Bonds, Series 2025 (the “Bonds”) of the County, dated the date of delivery (assume August 22, 2025). The Bonds will mature each June 1 beginning June 1, 2026 through June 1, 2045, inclusive. See the section entitled “SECURITIES OFFERED – Authority and Purpose”.

Security.....The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of the principal of, premium, if any, and interest on the Bonds, the full faith and credit of the County are hereby irrevocably pledged. To the extent permitted by law, the Bonds are also payable from a pledge of certain wheel taxes imposed by the County pursuant to Section 5-8-102, Tennessee Code Annotated, as amended.

Purpose .....The Bonds are being issued to finance, in whole or in part, (i) the acquisition of land for, design, site development, constructing, improving, renovating and equipping of County schools (the "Project"); (ii) payment of architectural, engineering, legal, fiscal and administrative costs incident to the Project; (iii) reimbursement to the County for funds previously expended for any of the foregoing; (iv) payment of capitalized interest during construction of the Project and for up to six months thereafter; and (v) payment of the cost incident to the issuance and sale of the Bonds.

Optional Redemption.....The Bonds maturing on or after June 1, 2032 are subject to optional redemption prior to maturity on or after June 1, 2031, at the redemption price of par plus accrued interest. See section entitled “SECURITIES OFFERED - Optional Redemption”.

Tax Matters.....In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the County, interest on the Bonds (i) will be excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and (ii) is not an item of tax preference for purposes of the federal alternative minimum tax, except as described under the heading “LEGAL MATTERS-Tax Matters” herein. Under existing law, the Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except Tennessee franchise and excise taxes. (See "LEGAL MATTERS - Tax Matters" herein.)

Bank Qualification.....The Bonds will be treated as “qualified tax-exempt obligations” within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended. See the section entitled “LEGAL MATTERS - Tax Matters” for additional information.

Rating .....S&P: “AA-”. See the section entitled “MISCELLANEOUS - Rating” for more information.

Underwriter....., \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_.

Municipal Advisor.....Cumberland Securities Company, Inc., See the section entitled “MISCELLANEOUS - Municipal Advisor; Related Parties; Other”, herein.

Bond Counsel .....Bass, Berry & Sims PLC, Knoxville, Tennessee.

\* Preliminary, subject to change.

Book-Entry-Only.....The Bonds will be issued under the Book-Entry-Only System except as otherwise described herein. For additional information, see the section entitled “BASIC DOCUMENTATION - Book-Entry-Only System”.

Registration and Paying Agent ....Regions Bank, Nashville, Tennessee (the “Registration Agent”).

General .....The Bonds are being issued in full compliance with applicable provisions of Title 9, Chapter 21, *Tennessee Code Annotated*, as supplemented and revised. See the section entitled SECURITIES OFFERED herein. The Bonds will be issued with CUSIP numbers and delivered through the facilities of the Depository Trust Company, New York, New York.

Disclosure .....In accordance with Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 as amended, the County will provide the Municipal Securities Rulemaking Board (“MSRB”) through the operation of the Electronic Municipal Market Access system (“EMMA”) and the State Information Depository (“SID”), if any, annual financial statements and other pertinent credit or event information, including Annual Comprehensive Financial Reports, see the section entitled “MISCELLANEOUS-Continuing Disclosure.”

Other Information .....The information in this *Preliminary Official Statement* is deemed “final” within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 as of the date which appears on the cover hereof except for the omissions of certain pricing information allowed to be omitted pursuant to such Rule 15c2-12. For more information concerning the County or this *Preliminary Official Statement* contact Dr. Jason Bailey, County Mayor, 901 Main Street, Ste., 100 Maynardville, TN 37807, (865) 992-3061; or the County's Municipal Advisor, Cumberland Securities Company, Inc., Telephone: (865) 988-2663. Additional information regarding BiDCOMP™/PARITY® may be obtained from PARITY®, 1359 Broadway - 2<sup>nd</sup> Floor, New York, NY 10018, Telephone: 800-850-7422.

**GENERAL FUND BALANCES**  
**Summary of Changes In Fund Balances**  
For the Fiscal Year Ended June 30

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Beginning Fund Balance	\$ 3,814,359	\$ 4,958,770	\$ 5,219,126	\$5,508,092	\$6,180,796
Revenues	8,110,040	8,754,263	8,869,260	9,486,790	11,330,146
Expenditures	7,750,012	7,754,842	7,781,437	9,071,784	10,319,686
Excess of Revenues	360,028	999,421	1,087,823	415,006	1,010,460
Other Sources:	24,131	21,187	(798,857)	257,698	(2,480,583)
<b>Ending Fund Balance</b>	<b><u>\$4,198,518</u></b>	<b><u>\$5,219,126</u></b>	<b><u>\$5,508,092</u></b>	<b><u>\$6,180,796</u></b>	<b><u>\$4,710,673</u></b>

*Source:* Annual Comprehensive Financial Reports of the County.

## SUMMARY NOTICE OF SALE

**\$9,750,000\***

### **UNION COUNTY, TENNESSEE General Obligation School Bonds, Series 2025**

NOTICE IS HEREBY GIVEN that the County Mayor of Union County, Tennessee (the “County” or “Issuer”) will receive electronic or written bids for the purchase of all, but not less than all, of the County's \$9,750,000\* General Obligation School Bonds, Series 2025 (the “Bonds”) at the office of the County’s Municipal Advisor, Cumberland Securities Company, Inc., via facsimile at 865-988-1863, until **10:15 a.m. E.D.T. on Thursday, August 7, 2025**. Prior to accepting bids, the County reserves the right to adjust the principal amount of the Bonds being offered as set forth in the Detailed Notice of Sale, to postpone the sale to a later date, or to cancel the sale based upon market conditions via Bloomberg News Service and/or the **PARITY**<sup>®</sup> System not later than 9:45 a.m., Eastern Daylight Time, on the day of the bid opening. Such notice will specify the revised principal amounts, if any, and any later date selected for the sale, which may be postponed or cancelled in the same manner. If the sale is postponed, a later public sale may be held at the hour and place and on such date as communicated upon at least forty-eight hour’s notice via Bloomberg News Service and/or the **PARITY**<sup>®</sup> System.

Electronic bids must be submitted through **PARITY**<sup>®</sup> via the BiDComp Competitive Bidding Service as described in the Detailed Notice of Sale and no other provider of electronic bidding services will be accepted. For the purposes of the bidding process, both written and electronic, the time maintained by **PARITY**<sup>®</sup> shall constitute the official time with respect to all bids. To the extent any instructions or directions set forth in **PARITY**<sup>®</sup> conflict with the terms of this Detailed Notice of Sale and this Summary Notice of Sale, the Detailed Notice of Sale and this Summary Notice of Sale shall prevail.

The Bonds will be issued in book-entry-only form (except as otherwise described in the “Detailed Notice of Sale”) and dated their date of issuance and delivery (assume August 22, 2025) and will mature on June 1, 2026 through June 1, 2045, inclusive with term bonds optional, and will be subject to redemption prior to maturity on or after June 1, 2031. Bidders must bid not less than one hundred percent (100.00%) of par or no more than one hundred and twenty-five percent (125%) of par for the Bonds. The approving opinion for the Bonds will be furnished at the expense of the County by Bass, Berry & Sims PLC Bond Counsel, Knoxville, Tennessee. **The interest rate bid for each maturity of the Bonds shall not be less than four percent (4.00%) or more than five percent (5.00%) per annum. Additionally, each maturity must have a minimum reoffering price of at least ninety-eight percent (98.0%) of par.** Unless bids are rejected, the Bonds will be awarded by the County Mayor of the County on the sale date to the bidder whose bid results in the lowest true interest rate on the Bonds.

**In the event that the competitive sale requirements of applicable Treasury Regulations are not met, the County will require bidders to comply with the “hold-the-offering-price rule” or the “10% Test” for purposes of determining the issue price of each maturity of the Bonds as described in the Detailed Notice of Sale. Bids will not be subject to cancellation in the event that the competitive sale requirements of applicable Treasury Regulations are not satisfied.**

Additional information, including the *Preliminary Official Statement* in near final form and the Detailed Notice of Sale, may be obtained through [www.prospectushub.com](http://www.prospectushub.com) or from the County’s Municipal Advisor, Cumberland Securities Company, Inc., Telephone: 865-988-2663. Further information regarding **PARITY**<sup>®</sup> may be obtained from i-Deal LLC, 1359 Broadway, 2<sup>nd</sup> Floor, New York, New York 10018, Telephone: 212-849-5000.

/s/ Jason Bailey  
County Mayor

## DETAILED NOTICE OF SALE

**\$9,750,000\***

### **UNION COUNTY, TENNESSEE General Obligation School Bonds, Series 2025**

NOTICE IS HEREBY GIVEN that electronic or written bids will be received by the County Mayor of Union County, Tennessee (the “County” or “Issuer”), all or none, until **10:15 a.m. E.D.T. on Thursday, August 7, 2025** (or at such later time and date announced at least forty-eight hours in advance via Bloomberg News Service or the **PARITY**<sup>®</sup> system) for the purchase of \$9,750,000\* General Obligation School Bonds, Series 2025 (the “Bonds”). Electronic bids must be submitted through **PARITY**<sup>®</sup> as described in this “Detailed Notice of Sale.” In case of written bids, bids will be received at the office of the County’s Municipal Advisor, Cumberland Securities Company, Inc., via facsimile at 865-988-1863. Prior to accepting bids, the County reserves the right to adjust the principal amount of the Bonds being offered as set forth herein, to postpone the sale to a later date, or to cancel the sale based upon market conditions via Bloomberg News Service and/or the **PARITY**<sup>®</sup> System not later than 9:45 a.m., Eastern Daylight Time, on the day of the bid opening. Such notice will specify the revised principal amounts, if any, and any later date selected for the sale, which may be postponed or cancelled in the same manner. If the sale is postponed, a later public sale may be held at the hour and place and on such date as communicated upon at least forty-eight hours notice via Bloomberg News Service and/or the **PARITY**<sup>®</sup> System.

Description of the Bonds. The Bonds will be issued in book-entry-only form without coupons and will be issued or reissued upon transfer, in \$5,000 denominations or multiples thereof, as shall be requested by the purchaser or registered owner thereof, as applicable. Interest on the Bonds will be payable on June 1 and December 1 of each year, commencing December 1, 2025.

The Bonds will mature and be payable on June 1 of each year as outlined below:

<u>Year</u>	<u>Amount*</u>		<u>Year</u>	<u>Amount*</u>
2026	\$250,000		2036	\$500,000
2027	500,000		2037	500,000
2028	500,000		2038	500,000
2029	500,000		2039	500,000
2030	500,000		2040	500,000
2031	500,000		2041	500,000
2032	500,000		2042	500,000
2033	500,000		2043	500,000
2034	500,000		2044	500,000
2035	500,000		2045	500,000

Bank Qualification. The Bonds are “qualified tax-exempt obligations” within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended.

Registration and Depository Participation. The Bonds, when issued, will be registered in the name of Cede & Co., DTC’s partnership nominee. When the Bonds are issued, ownership interests will be available to purchasers only through a book-entry-only system maintained by DTC (the “Book-Entry-Only System”). One or more fully-registered bond certificates (the “Bond Certificates”) will be issued for each maturity, in the entire aggregate principal amount of the Bonds and will be deposited with DTC. The Book-Entry-Only System will evidence beneficial ownership interests of the Bonds in the principal amount of \$5,000 for the Bonds and any integral multiple of \$5,000, with transfers of beneficial ownership interest effected on the records of DTC participants and, if necessary, in turn by DTC, pursuant to rules and

procedures established by DTC and its participants. The successful bidder, as a condition to delivery of the Bonds, shall be required to deposit the bond certificates with DTC, registered in the name of Cede & Co., nominee of DTC. The Bonds will be payable, at maturity, to DTC or its nominee, as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments (as applicable) to beneficial owners of the Bonds by participants of DTC, will be the responsibility of such participants and of the nominees of beneficial owners. The County will not be responsible or liable for such transfer of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. Notwithstanding the foregoing, if the successful bidder certifies that it intends to hold the Bonds for its own account and has no present intent to re-offer the Bonds, the use of the Book-Entry-Only System is not required.

In the event that the Book-Entry-Only System for the Bonds is discontinued and a successor securities depository is not appointed by the County, the Bond Certificates in fully registered form will be delivered to, and registered in the names of the DTC participants or such other persons as such DTC participants may specify (which may be the indirect participants or beneficial owners), in authorized denominations of \$5,000 for the Bonds or integral multiples thereof. The ownership of Bonds so delivered shall be registered in registration books to be kept by the Registration Agent (named herein) and the County and the Registration Agent shall be entitled to treat the registered owners of the Bonds, as their names appear in such registration books as of the appropriate dates, as the owners thereof for all purposes described herein and in the Resolution authorizing the Bonds.

Security Pledged. The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of the principal of, premium, if any, and interest on the Bonds, the full faith and credit of the County are hereby irrevocably pledged. To the extent permitted by law, the Bonds are also payable from a pledge of certain wheel taxes imposed by the County pursuant to Section 5-8-102, Tennessee Code Annotated, as amended.

Municipal Bond Insurance. The County has provided information to prospective bond insurance companies in order to qualify the Bonds under their respective optional bidding programs. If the successful bidder or bidders for the Bonds desires to purchase a municipal bond insurance policy insuring payment of all or a portion of the debt service payable on the Bonds, the successful bidder or bidders does so at its own risk and expense and the obligation of the successful bidder to pay for such series Bonds shall not be conditioned on the issuance of a municipal bond insurance policy. The County will cooperate with the successful bidder(s) in obtaining such insurance, but the County will not enter into any additional agreements with a bond insurer. Without limiting the generality of the foregoing, the successful bidder(s) will be responsible for all costs, expenses and charges associated with the issuance of such insurance, including but not limited to the premium for the insurance policy, and excluding only the fees of the rating agency that will be paid by the County.

Purpose. The Bonds are being issued to finance, in whole or in part, (i) the acquisition of land for, design, site development, constructing, improving, renovating and equipping of County schools (the "Project"); (ii) payment of architectural, engineering, legal, fiscal and administrative costs incident to the Project; (iii) reimbursement to the County for funds previously expended for any of the foregoing; (iv) payment of capitalized interest during construction of the Project and for up to six months thereafter; and (v) payment of the cost incident to the issuance and sale of the Bonds.

Optional Redemption. The Bonds maturing on and after June 1, 2032, will be subject to optional redemption prior to maturity at the option of the County, in whole or in part at any time on and after June 1, 2031, at the redemption price of par plus accrued interest as provided herein.

Term Bond Option; Mandatory Redemption. Bidders shall have the option to designate certain consecutive serial maturities of the Bonds as one or more term bonds ("Term Bonds") bearing a single interest rate. If the successful bidder for the Bonds designates certain consecutive serial maturities of such series of Bonds to be combined as one or more Term Bonds as allowed herein, then each Term Bond shall be subject to

mandatory sinking fund redemption by the County at a redemption price equal to one hundred percent (100%) of the principal amount thereof, together with accrued interest to the date fixed for redemption at the rate stated in the Term Bonds to be redeemed. Each such mandatory sinking fund redemption shall be made on the date on which a consecutive maturity included as part of a Term Bond is payable in accordance with the proposal of the successful bidder for the Bonds and in the amount of the maturing principal installment for the Bonds listed herein for such principal payment date.

**Bidding Instructions.** The County will receive electronic or written bids for the purchase of all, but not less than all, of the Bonds. **Bidders for the Bonds are requested to name the interest rate or rates the Bonds are to bear in multiples of one-eighth of one percent and/or one-hundredth of one percent (.01%) or one (1) basis point, and are required to bid an interest rate of not less than four percent (4.00%) or more than five percent (5.00%) per annum for the Bonds. Bidders must bid not less than one hundred percent (100.00%) of par or no more than one hundred and twenty-five percent (125%) of par. Additionally, each maturity must have a minimum reoffering price of at least ninety-eight percent (98.0%) of par.**

Electronic bids must be submitted through **PARITY**<sup>®</sup> via BiDCOMP Competitive Bidding System and no other provider of electronic bidding services will be accepted. Subscription to the i-Deal LLC Dalcomp Division's BiDCOMP Competitive Bidding System is required in order to submit an electronic bid. The County will not confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe. For the purposes of the bidding process, the time as maintained by **PARITY**<sup>®</sup> shall constitute the official time with respect to all bids whether in electronic or written form. To the extent any instructions or directions set forth in **PARITY**<sup>®</sup> conflict with the terms of the Detailed Notice of Sale, this Notice shall prevail. An electronic bid made through the facilities of **PARITY**<sup>®</sup> shall be deemed an offer to purchase in response to the Detailed Notice of Sale and shall be binding upon the bidder as if made by a signed, written bid delivered to the County. The County shall not be responsible for any malfunction or mistake made by or as a result of the use of the electronic bidding facilities provided and maintained by **PARITY**<sup>®</sup>. The use of **PARITY**<sup>®</sup> facilities are at the sole risk of the prospective bidders.

For further information regarding **PARITY**<sup>®</sup>, potential bidders may contact i-Deal LLC at 1359 Broadway, 2<sup>nd</sup> Floor, New York, NY 10018, Telephone: 212-849-5000.

In the event of a system malfunction in the electronic bidding process only, bidders may submit bids prior to the established date and time by FACSIMILE transmission sent to the County's Municipal Advisor, Cumberland Securities Company, Inc., at 865-988-1863. Any facsimile submission is made at the sole risk of the prospective bidder. The County and the Municipal Advisor shall not be responsible for confirming receipt of any facsimile bid or for any malfunction relating to the transmission and receipt of such bids.

Separate written bids should be submitted by facsimile to the County's Municipal Advisor, at 865-988-1863. Written bids must be submitted on the Bid Forms included with the *Preliminary Official Statement*.

Unless all bids for the Bonds are rejected, the Bonds will be awarded by the Mayor of the County to the bidder whose bid complies with this notice and results in the lowest true interest rate on the Bonds to be calculated as that rate that, when used in computing the present worth of all payments of principal and interest on the Bonds (compounded semi-annually from the date of the Bonds), produces an amount equal to the purchase price of the Bonds. For purposes of calculating the true interest cost, the principal amount of Term Bonds scheduled for mandatory sinking fund redemption as part of the Term Bond shall be treated as a serial maturity in such year. In the event that two or more bidders offer to purchase the Bonds at the same lowest true interest rate, the County Mayor shall determine in his sole discretion which of the bidders shall be awarded the Bonds.

*The County reserves the right to reject all bids and to waive informalities in the bid accepted.*

Adjustment and/or Revision. While it is the County's intention to sell and issue the approximate par amounts of the Bonds as offered herein, there is no guarantee that adjustment and/or revision may not be necessary in order to properly size the Bonds. Accordingly, the County Mayor reserves the right, in his sole discretion, to adjust down the original par amount of the Bonds by up to twenty-five percent (25%). The primary factor to be considered in such adjustment is the amount of premium that is bid. Among other factors the County Mayor may (but shall be under no obligation to) consider in sizing the par amounts and individual maturities of the Bonds is the size of individual maturities or sinking fund installments and/or other preferences of the County. Additionally, the County Mayor reserves the right to change the dated date of the Bonds.

In the event of any such adjustment and/or revision with respect to the Bonds, no rebidding will be permitted, and the portion of such premium or discount (as may have been bid for the Bonds) shall be adjusted in the same proportion as the amount of such revision in par amount of the Bonds bears to the original par amount of such Bonds offered for sale.

The successful bidder for the Bonds will be tentatively notified by not later than 5:00 p.m. (Eastern Daylight Time), on the sale date of the exact revisions and/or adjustments required, if any.

Good Faith Deposit. No good faith check will be required to accompany any bid submitted. The successful bidder shall be required to deliver to the County's Municipal Advisor (via wire transfer) the amount of up to two percent (2%) of the aggregate principal amount of the Bonds offered for sale which will secure the faithful performance of the terms of the bid. A certified check or wire transfer must be received by the County's Municipal Advisor no later than the close of business on the day following the competitive sale. The good faith instructions will be sent to the winning bidder after the sale.

The good faith deposit shall be applied (without interest) to the purchase price of the Bonds. If the successful bidder should fail to accept or pay for the Bonds when tendered for delivery and payment, the good faith deposit will be retained by the County as liquidated damages.

In the event of the failure of the County to deliver the Bonds to the purchaser in accordance with the terms of this Notice within forty-five (45) days after the date of the sale, the good faith deposit will be promptly returned to the purchaser unless the purchaser directs otherwise.

#### Establishment of Issue Price

Undertakings of the Successful Bidder. The successful bidder shall make a bona fide public offering of the Bonds and shall, within 30 minutes after being notified of the award of the Bonds, advise the County in writing (via facsimile transmission or electronic mail) of the initial public offering prices of the Bonds (the "Initial Reoffering Prices"). The successful bidder must, by facsimile transmission or delivery received by the County within 24 hours after award, furnish the following information to the County to complete the *Official Statement* in final form, as described below:

- A. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all the Bonds are sold at the prices or yields at which the successful bidder advised the County that the Bonds were initially offered to the public).
- B. The identity of the other underwriters if the successful bidder is part of a group or syndicate.
- C. Any other material information that the County determines is necessary to complete the *Official Statement* in final form.

After the award of the Bonds, the County will prepare copies of the final *Official Statement* and will include therein such additional information concerning the reoffering of the Bonds as the successful

bidder may reasonably request; provided, however, that the County will not include in the final *Official Statement* a “NRO” (“not reoffered”) designation with respect to any maturity of the Bonds. The successful bidder will be responsible to the County in all aspects for the accuracy and completeness of information provided by such successful bidder with respect to such reoffering.

The County expects the successful bidder to deliver copies of such *Official Statement* in final form (the “Final Official Statement”) to persons to whom such bidder initially sells the Bonds and the Municipal Securities Rulemaking Board (“MSRB”) via the MSRB’s Electronic Municipal Market Access System (“EMMA”). The successful bidder will be required to acknowledge receipt of the Final Official Statement, to certify that it has made delivery of the Final Official Statement to the MSRB, to acknowledge that the County expects the successful bidder to deliver copies of such Final Official Statement to persons to whom such bidder initially sells the Bonds and to certify that the Bonds will only be offered pursuant to the Final Official Statement and only in states where the offer is legal.

#### Establishment of Issue Price

- a. The successful bidder shall assist the County in establishing the issue price of the Bonds as more fully described herein. All actions to be taken by the County under this Detailed Notice of Bond Sale to establish the issue price of the Bonds may be taken on behalf of the County by the Municipal Advisor, and any notice or report to be provided to the County may be provided to the Municipal Advisor.
- b. The County intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “Competitive Sale Requirements”) because:
  1. the County shall disseminate this Detailed Notice of Bond Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
  2. all bidders shall have an equal opportunity to bid;
  3. the County expects to receive bids for the Bonds from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
  4. the County anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Detailed Notice of Bond Sale.

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

- c. In the event that the Competitive Sale Requirements are not satisfied as to the Bonds, the County shall so advise the successful bidder. In such event, the County intends to treat the (i) the first price at which 10% of a maturity of the Bonds (the “10% Test”) is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the “Hold-the-Offering-Price Rule”), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the County promptly after the award of the Bonds if any maturities of the Bonds satisfy the 10% Test as of the date and time of the award of the Bonds. The Hold-the-Offering-Price Rule shall apply to all maturities that do not satisfy the 10% Test as of the sale date. Bids will not be subject to cancellation in the event that the County determines to apply the Hold-the-Offering-Price Rule to any maturity of the Bonds. Bidders should prepare their bids on the assumption that some or all of

the maturities of the Bonds will be subject to the Hold-the-Offering-Price Rule in order to establish the issue price of the Bonds.

- d. By submitting a bid, in the event of application of the Hold-the-Offering-Price Rule, the successful bidder for the Bonds shall be deemed to have (i) confirmed that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the “Initial Offering Price”), or at the corresponding yield or yields, set forth in the bid submitted by the successful bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price to the public during the period starting on the sale date and ending on the earlier of the following:
1. the close of the fifth (5<sup>th</sup>) business day after the sale date; or
  2. the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the Initial Offering Price to the public.

In the event of application of the Hold-the-Offering-Price Rule to any maturity of the Bonds, any successful bidder will advise the County promptly after the close of the fifth (5<sup>th</sup>) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the Initial Offering Price to the public.

- e. By submitting a bid, each bidder confirms that:
- (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable:
- (A) (1) to report the prices at which it sells to the public any unsold Bonds of each maturity allocated to it to which the Hold-the-Offering Price Rule applies until the close of the fifth (5<sup>th</sup>) business day after the sale date and (2) comply with the Hold-the-Offering-Price Rule, if applicable, if and for so long as directed by the successful bidder and as set forth in the related pricing wires,
  - (B) to promptly notify the successful bidder of the Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public, and
  - (C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the successful bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.
- (ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity to which the Hold-the-Offering-Price Rule applies allocated to it until the close of the fifth (5<sup>th</sup>) business day after the sale date and (B) comply with

the Hold-the-Offering-Price Rule, if applicable, if and for so long as directed by the successful bidder or the underwriter and as set forth in the related pricing wires.

- f. The County acknowledges that, in making the representations set forth above, the successful bidder will rely on (i) the agreement of each underwriter to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with requirements for establishing issue price of the Bonds, including but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds.
- g. Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public shall not constitute sales to the public for purposes of this Detailed Notice of Bond Sale. Further, for purposes of this Detailed Notice of Bond Sale:
  1. “public” means any person other than an underwriter or a related party;
  2. “underwriter” means (A) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public);
  3. a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and
  4. “sale date” means the date that the Bonds are awarded by the County to the successful bidder.

Issue Price Certificate. The winning bidder will be required to provide the County, at closing, with an issue price certificate consistent with the foregoing and meeting the requirements of bond counsel. The form of the issue price certificate is attached to this Detailed Notice of Sale as Exhibit A if the Competitive

Sale Requirements are met, and the form of the issue price certificate is attached to this Detailed Notice of Sale as Exhibit B if the Competitive Sale Requirements are not met.

Legal Opinion. The approving opinion of Bass, Berry & Sims PLC, Knoxville, Tennessee, Bond Counsel along with other certificates including, but not limited to, a tax certificate and a continuing disclosure certificate dated as of the date of delivery of the Bonds will be furnished to the purchaser at the expense of the County. As set forth in the *Preliminary Official Statement*, Bond Counsel's opinion with respect to the Bonds will state that interest on the Bonds will be excluded from gross income for federal income tax purposes; is not an item of tax preference for purposes of the federal law alternative minimum tax. As set forth in the *Preliminary Official Statement*, the owners of the Bonds, however, may be subject to certain additional taxes or tax consequences arising with respect to ownership of the Bonds. Reference is hereby made to the *Preliminary Official Statement* and the form of the opinion contained in Appendix A.

Continuing Disclosure. At the time the Bonds are delivered, the County will execute a Continuing Disclosure Certificate in which it will covenant for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the County by not later than twelve months after each of the County's fiscal years, (the "Annual Report"), and to provide notice of the occurrence of certain enumerated events. The Annual Report (and audited financial statements, if filed separately) will be filed with the Municipal Securities Rulemaking Board ("MSRB") and any State Information Depository established in the State of Tennessee (the "SID"). If the County is unable to provide the Annual Report to the MSRB and the SID by the date required, notice of each failure will be sent to the MSRB and the SID on or before such date. The specific nature of the information to be contained in the Annual Report or the notices of events will be summarized in the County's *Official Statement* to be prepared and distributed in connection with the sale of each series of Bonds.

Delivery of Bonds. Delivery of the Bonds is expected within forty-five (45) days. At least five (5) days notice will be given the successful bidder. Delivery will be made in book-entry-only form through the facilities of the Depository Trust Company, New York, New York. Payment for the Bonds must be made in *Federal Funds* or other immediately available funds.

CUSIP Numbers. CUSIP numbers will be assigned to the Bonds at the expense of the County. The County will assume no obligation for assignment of such numbers or the correctness of such numbers and neither failure to record such numbers on Bonds nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and make payment for the Bonds.

Official Statements; Other. The County has deemed the *Preliminary Official Statement* to be final as of its date within the meaning of Rule 15c2-12 of the U.S. Securities and Exchange Commission (the "SEC") except for the omission of certain pricing and other information. The County will furnish the successful bidder at the expense of the County a reasonable number of copies of the *Official Statement* in final form, containing the pricing and other information to be supplied by the successful bidder and to be dated the date of the sale, to be delivered by the successful bidder(s) to the persons to whom such bidder and members of its bidding group initially sell the Bonds. Acceptance of the bid will constitute a contract between the County and the successful bidder for the provision of such copies within seven business days of the sale date.

Further Information. Additional information, including the *Preliminary Official Statement*, the Detailed Notice of Sale and the Official Bid Form, may be obtained from the County's Municipal Advisor, Cumberland Securities Company, Inc., Telephone: 865-988-2663. Further information regarding **PARITY**<sup>®</sup> may be obtained from i-Deal LLC, 1359 Broadway, 2<sup>nd</sup> Floor, New York, New York 10018, Telephone: 212-849-5000.

/s/ Jason Bailey, County Mayor

**EXHIBIT A**

**UNION COUNTY, TENNESSEE  
[§ \_\_\_\_\_ GENERAL OBLIGATION SCHOOL BONDS, SERIES 2025]**

**ISSUE PRICE CERTIFICATE  
(if Competitive Sale Requirements are met)**

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”) of Union County, Tennessee (the “Issuer”).

1. ***Reasonably Expected Initial Offering Price.***

- (a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.
- (b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.
- (c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

2. ***Defined Terms.***

- (a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter.
- (c) *Related party* means an entity that shares with another entity (1) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (2) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (3) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interest of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interest by one entity of the other).
- (d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is August 7, 2025.
- (e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate

in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bass, Berry & Sims PLC in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: \_\_\_\_\_

[NAME OF UNDERWRITER]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT B**

**UNION COUNTY, TENNESSEE  
[§ \_\_\_\_\_ GENERAL OBLIGATION SCHOOL BONDS, SERIES 2025]**

**ISSUE PRICE CERTIFICATE  
(if Competitive Sale Requirements are not met)**

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”) [and the other members of the underwriting syndicate (together, the “Underwriting Group”)], hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”) of Union County, Tennessee (the “Issuer”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.
2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***
  - (a) [SHORT NAME OF UNDERWRITER] offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.
  - (b) As set forth in the [Detailed Notice of Sale and bid award], [SHORT NAME OF UNDERWRITER] agreed in writing on or prior to the Sale Date that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it][they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the Hold-the-Offering-Price Rule. Pursuant to such agreement, no Underwriter (as defined below) offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.
3. ***Defined Terms.***
  - (a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”
  - (b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule B hereto as the “Hold-the-Offering-Price Maturities.”
  - (c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which [SHORT NAME OF UNDERWRITER] sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

- (d) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.
- (e) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter.
- (f) *Related party* means an entity that shares with another entity (1) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (2) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (3) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interest of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interest by one entity of the other).
- (g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is August 7, 2025.
- (h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bass, Berry & Sims PLC connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: \_\_\_\_\_

[NAME OF UNDERWRITER]

By: \_\_\_\_\_

**BID FORM**

The Honorable Dr. Jason Bailey  
 901 Main Street, Ste 100  
 Maynardville, Tennessee 37807

August 7, 2025

Dear Mayor Bailey:

For your legally issued, properly executed \$9,750,000\* General Obligation School Bonds, Series 2025 (the “Bonds”) of Union County, Tennessee (the “County”) in all respects as more fully outlined in your Notices of Sale which by reference are made a part hereof, we will pay you a sum of \_\_\_\_\_.

The Bonds shall be dated the date of delivery (assume August 22, 2025) and shall be callable in accordance with the Detailed Notice of Sale. The Bonds shall mature on June 1 and bear interest at the following rates:

<u>June 1</u> <u>Year</u>	<u>Amount*</u>	<u>Rate</u>	<u>June 1</u> <u>Year</u>	<u>Amount*</u>	<u>Rate</u>
2026	\$250,000	_____ %	2036	\$500,000	_____ %
2027	500,000	_____ %	2037	500,000	_____ %
2028	500,000	_____ %	2038	500,000	_____ %
2029	500,000	_____ %	2039	500,000	_____ %
2030	500,000	_____ %	2040	500,000	_____ %
2031	500,000	_____ %	2041	500,000	_____ %
2032	500,000	_____ %	2042	500,000	_____ %
2033	500,000	_____ %	2043	500,000	_____ %
2034	500,000	_____ %	2044	500,000	_____ %
2035	500,000	_____ %	2045	500,000	_____ %

We have elected the option to designate two or more consecutive serial maturities as term bond maturities as indicated:

- Term Bond 1: Maturities from June 1, 20\_\_\_\_\_ through June 1, 20\_\_\_\_\_ @ \_\_\_\_\_ %.
- Term Bond 2: Maturities from June 1, 20\_\_\_\_\_ through June 1, 20\_\_\_\_\_ @ \_\_\_\_\_ %.
- Term Bond 3: Maturities from June 1, 20\_\_\_\_\_ through June 1, 20\_\_\_\_\_ @ \_\_\_\_\_ %.
- Term Bond 4: Maturities from June 1, 20\_\_\_\_\_ through June 1, 20\_\_\_\_\_ @ \_\_\_\_\_ %.
- Term Bond 5: Maturities from June 1, 20\_\_\_\_\_ through June 1, 20\_\_\_\_\_ @ \_\_\_\_\_ %.
- Term Bond 6: Maturities from June 1, 20\_\_\_\_\_ through June 1, 20\_\_\_\_\_ @ \_\_\_\_\_ %.

It is our understanding that the Bonds will be issued as “qualified tax-exempt obligation” subject to the final approving opinion of Bass, Berry & Sims PLC Bond Counsel, Knoxville, Tennessee, whose opinion together with the executed Bonds, will be furnished by the County without cost to us.

If our bid is accepted, we agree to provide a good faith deposit up to 2% of the aggregate principal amount of the Bonds on which we have bid by the close of business on the date of the competitive public sale as outlined in the *Detailed Notice of Sale*. Should for any reason we fail to comply with the terms of this bid, this good faith deposit shall be forfeited by us as full liquidated damages. Otherwise, this good faith deposit shall be applied to the purchase price of the Bonds on which we have bid.

This bid is a firm offer for the purchase of the Bonds identified in the Notice of Sale, on the terms set forth in this bid form and the Notice of Sale, and is not subject to any conditions, except as permitted by the Notice of Sale. By submitting this bid, we confirm that we have an established industry reputation for underwriting new issuances of municipal bonds. [If the bidder cannot confirm an established industry reputation for underwriting new issuances of municipal bonds, the preceding sentence should be crossed out.]

Accepted for and on behalf of the  
 Union County, Tennessee, this  
 7<sup>th</sup> day of August 2025.

\_\_\_\_\_  
 Jason Bailey, County Mayor

Respectfully submitted,

\_\_\_\_\_  
 Total interest cost from  
 August 22, 2025 to final maturity \$ \_\_\_\_\_  
 Less: Premium /plus discount, if any \$ \_\_\_\_\_  
 Net Interest Cost \$ \_\_\_\_\_  
 True Interest Rate \_\_\_\_\_ %

*The computations of net interest cost and true interest rate are for comparison purposes only and are not to be considered as part of this proposal.*

\* Preliminary, subject to change



**\$9,750,000\***  
**UNION COUNTY, TENNESSEE**  
**General Obligation School Bonds, Series 2025**

**SECURITIES OFFERED**

**AUTHORITY AND PURPOSE**

This *Preliminary Official Statement*, which includes the Summary Statement and appendices, is furnished in connection with the offering by Union County, Tennessee (the “County” or “Issuer”) of its \$9,750,000\* General Obligation School Bonds, Series 2025 (the “Bonds”).

The Bonds are authorized to be issued pursuant to the provisions of Title 9, Chapter 21, *Tennessee Code Annotated*, as supplemented and amended, and other applicable provisions of law and pursuant to the bond resolution (the “Resolution”) duly adopted by the County Commission of the County on July 24, 2023.

The Bonds are being issued to finance, in whole or in part, (i) the acquisition of land for, design, site development, constructing, improving, renovating and equipping of County schools (the "Project"); (ii) payment of architectural, engineering, legal, fiscal and administrative costs incident to the Project; (iii) reimbursement to the County for funds previously expended for any of the foregoing; (iv) payment of capitalized interest during construction of the Project and for up to six months thereafter; and (v) payment of the cost incident to the issuance and sale of the Bonds. See the section entitled “SECURITIES OFFERED - Authority and Purpose” contained herein.

**DESCRIPTION OF THE BONDS**

The Bonds will be initially dated and bear interest from their date of issuance and delivery (assume August 22, 2025). Interest on the Bonds will be payable semi-annually on June 1 and December 1, commencing December 1, 2025. The Bonds are issuable in book-entry-only form in \$5,000 denominations or integral multiples thereof as shall be requested by each respective registered owner.

The Bonds shall be signed by the County Mayor and shall be attested by the County Clerk. No Bond shall be valid until it has been authorized by the manual signature of an authorized officer or employee of the Registration Agent and the date of the authentication noted thereon.

**SECURITY**

The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of the principal of, premium, if any, and interest on the Bonds, the full faith and credit of the County are hereby irrevocably pledged. To the extent permitted by law, the Bonds are also payable from a pledge of certain wheel taxes imposed by the County pursuant to Section 5-8-102, Tennessee Code Annotated, as amended.

The County, through its governing body, shall annually levy and collect a tax on all taxable property within the County, in addition to all other taxes authorized by law, sufficient to pay the principal of and interest on the Bonds when due.

The Bonds are not obligations of the State of Tennessee (the "State") or any political subdivision thereof other than the County.

## **QUALIFIED TAX-EXEMPT OBLIGATIONS**

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

## **OPTIONAL REDEMPTION OF THE BONDS**

The Bonds maturing on or after June 1, 2032 and thereafter are subject to optional redemption prior to maturity on or after June 1, 2031, in whole or in part at any time at a redemption price of par plus accrued interest.

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be designated by the Board of County Commissioners, in its discretion. If less than all the principal amount of the Bonds of a maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry-Only System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Bonds are not being held under a Book-Entry-Only System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

## **MANDATORY REDEMPTION**

The bidders have the option of creating term bonds pursuant to the Detailed Notice of Sale. If term bonds are created, then the following provisions will apply. Subject to any credit described below, the County shall redeem Bonds maturing June 1, 20\_\_, and June 1, 20\_\_ on the redemption dates set forth below, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the

date of redemption. Specific Bonds to be so redeemed shall be selected in the manner described above relating to optional redemption.

The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

<u>Maturity</u>	<u>Redemption Date</u>	<u>Principal Amount of Bonds Redeemed</u>
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\*Final Maturity

At its option, to be exercised on or before the forty-fifth (45) day next preceding any such redemption date, the County may (i) deliver to the Registration Agent for cancellation Bonds of the maturity to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this section) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the County on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation shall be accordingly reduced. The County shall on or before the forty-fifth (45) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) above are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

## **NOTICE OF REDEMPTION**

Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the County not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to affect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the County nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the County pursuant to written instructions from an authorized representative of the County

(other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein) given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein. In the case of a Conditional Redemption, the failure of the County to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

## **PAYMENT OF BONDS**

The Bonds will bear interest from their dated date or from the most recent interest payment date to which interest has been paid or duly provided for, on the dates provided herein, such interest being computed upon the basis of a 360-day year of twelve 30-day months. Interest on each Bond shall be paid by check or draft of the Registration Agent to the person in whose name such Bond is registered at the close of business on the 15<sup>th</sup> day of the month next preceding the interest payment date. The principal of and premium, if any, on the Bonds shall be payable in lawful money of the United States of America at the designated trust office of the Registration Agent.

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## BASIC DOCUMENTATION

### REGISTRATION AGENT

The Bond Registration and Paying Agent, Regions Bank, Nashville, Tennessee, its successor (the “Registration Agent”) or the County will make all interest payments with respect to the Bonds on each interest payment date directly to Cede & Co., as nominee of DTC, the registered owner as shown on the Bond registration records maintained by the Registration Agent, except as described in the following section entitled “Book-Entry-Only System”. However, if the winning bidder certifies to the County that it intends to hold the Bonds for its own account and has no present intent to reoffer the Bonds, then the use of the Book-Entry-Only System is not required.

So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Bondholders, Holders or Registered Owners (as herein after defined) of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds. For additional information, see the following section.

### BOOK-ENTRY-ONLY SYSTEM

The Registration Agent, its successor or the Issuer will make all interest payments with respect to the Bonds on each interest payment date directly to Cede & Co., as nominee of DTC, the registered owner as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the “Regular Record Date”) by check or draft mailed to such owner at its address shown on said Bond registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the Issuer in respect of such Bonds to the extent of the payments so made, except as described above. Payment of principal of the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable.

So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Bondholders, Holders or Registered Owners (as herein after defined) of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners, as herein after defined, of the Bonds.

The Bonds, when issued, will be registered in the name of Cede & Co., DTC’s partnership nominee, except as described above. When the Bonds are issued, ownership interests will be available to purchasers only through a book-entry-only system maintained by DTC (the “Book-Entry-Only System”). One fully registered bond certificate will be issued for each maturity, in the entire aggregate principal amount of the Bonds and will be deposited with DTC.

*DTC and its Participants.* DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-

U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized Book-Entry-Only transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of the Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC rules applicable to its Participants are on file with the U.S. Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

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

*Payments of Principal and Interest.* Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Registration Agent on the payable date in accordance with their respective holdings shown on DTC's records, unless DTC has reason to believe it will not receive payment on such date. Payments by Direct and Indirect Participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with municipal securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the Issuer or the Registration Agent subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal, tender price and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Registration Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the beneficial owners shall be the responsibility of Direct and Indirect Participants.

*Notices.* Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants

to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as practicable after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

NONE OF THE ISSUER, THE UNDERWRITER, THE BOND COUNSEL, THE MUNICIPAL ADVISOR OR THE REGISTRATION AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENT TO, OR THE PROVIDING OF NOTICE FOR, SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES.

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

None of the Issuer, the Bond Counsel, the Registration Agent, the Municipal Advisor or the Underwriter will have any responsibility or obligation, legal or otherwise, to any party other than to the registered owners of any Bond on the registration books of the Registration Agent.

## **DISCONTINUANCE OF BOOK-ENTRY-ONLY SYSTEM**

In the event that (i) DTC determines not to continue to act as securities depository for the Bonds or (ii) to the extent permitted by the rules of DTC, the County determines to discontinue the Book-Entry-Only System, the Book-Entry-Only System shall be discontinued. Upon the occurrence of the event described above, the County will attempt to locate another qualified securities depository, and if no qualified securities depository is available, Bond certificates will be printed and delivered to Beneficial Owners.

*No Assurance Regarding DTC Practices.* The foregoing information in this section concerning DTC and DTC's Book-Entry-Only System has been obtained from sources that the County believes to be reliable, but the County, the Bond Counsel, the Registration Agent, the Municipal Advisor and the Underwriter do not take any responsibility for the accuracy thereof. So long as Cede & Co. is the registered owner of the Bonds as nominee of DTC, references herein to the holders or registered owners of the Bonds will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds. None of the County, the Bond Counsel, the Registration Agent, the Municipal Advisor or the Underwriter will have any responsibility or obligation to the Participants, DTC or the persons for whom they act with respect to (i) the accuracy of any records maintained by DTC or by any Direct or Indirect Participant of DTC, (ii) payments or the providing of notice to Direct Participants, the Indirect Participants or the Beneficial Owners or (iii) any other action taken by DTC or its partnership nominee as owner of the Bonds.

For more information on the duties of the Registration Agent, please refer to the Resolution. Also, please see the section entitled "SECURITIES OFFERED – Redemption."

## **DISPOSITION OF BOND PROCEEDS**

The proceeds of the sale of the Bonds shall be deposited with a financial institution regulated by the Federal Deposit Insurance Corporation or similar federal agency in a special fund to be known as the 2025 Construction Fund (the "Construction Fund") to be kept separate and apart from all other funds of the County. The County shall disburse funds in the Construction Fund to pay costs of issuance of the Bonds, including necessary legal, accounting and fiscal expenses, printing, engraving, advertising and similar expenses, administrative and clerical costs, Registration Agent fees, bond insurance premiums, if any, and other necessary miscellaneous expenses incurred in connection with the issuance and sale of the Bonds. The remaining funds in the Construction Fund shall be disbursed solely to pay the costs of the Project. Money in the Construction Fund shall be secured in the manner prescribed by applicable statutes relative to the securing of public or trust funds, if any, or, in the absence of such a statute, by a pledge of readily marketable securities having at all times a market value of not less than the amount in said Construction Fund. Moneys in the Construction Fund shall be invested at the direction of the County Trustee in such investments as shall be permitted by applicable law. Earnings from such investments in the Construction Fund shall be deposited in the County's debt service fund.

## **DISCHARGE AND SATISFACTION OF BONDS**

If the County shall pay and discharge the indebtedness evidenced by any of the Bonds in any one or more of the following ways:

- (a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Bonds as and when the same become due and payable;
- (b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers (an "Agent"; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption,

sufficient money or defeasance obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice); or

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

and if the County shall also pay or cause to be paid all other sums payable hereunder by the County with respect to such Bonds, or make adequate provision therefor, and by resolution of the Governing Body instruct any such escrow agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Bonds when due, then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the County to the holders of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the County shall pay and discharge the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Defeasance Obligations (defined herein) deposited as aforesaid.

Except as otherwise described below, neither Defeasance Obligations nor moneys deposited with the Registration Agent nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the County as received by the Registration Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the County, as received by the Registration Agent. For the purposes hereof, Defeasance Obligations shall mean direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, or obligations of any agency or instrumentality of the United States, which obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

## **REMEDIES OF BONDHOLDERS**

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

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

such taxes, fees, rents, tolls, or other charges, and to require the County to carry out any other covenants and agreements, or

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

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## LEGAL MATTERS

### LITIGATION

There are no claims against the County, including claims in litigation, which, in the opinion of the County, would materially affect the County's financial position as it relates to its ability to make payments on the Bonds. There are no suits threatened or pending challenging the legality or validity of the Bonds or the right of the County to sell or issue the Bonds. See the subsection entitled "CLOSING CERTIFICATES" for additional information.

### TAX MATTERS

#### Federal

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

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

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

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

- an S corporation,
- a United States branch of a foreign corporation,
- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit or
- a borrower of money to purchase or carry the Bonds.

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

Bond Counsel is not responsible for updating its opinion in the future. It is possible that future events or changes in applicable law could change the tax treatment of the interest on the Bonds or affect the market price of the Bonds. See also subsection "CHANGES IN FEDERAL AND STATE LAW" below.

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

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

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

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

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

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

### **State Taxes**

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

### **CHANGES IN FEDERAL AND STATE TAX LAW**

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

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

### **CLOSING CERTIFICATES**

Upon delivery of the Bonds, the County will execute in a form satisfactory to Bond Counsel, certain closing certificates including the following: (i) a certificate as to the *Official Statement*, in final form, signed by the County Mayor acting in his official capacity to the effect that to the best of

his knowledge and belief, and after reasonable investigation, (a) neither the *Official Statement*, in final form, nor any amendment or supplement thereto, contains any untrue statements of material fact or omits to state any material fact necessary to make statements therein, in light of the circumstances in which they are made, misleading, (b) since the date of the *Official Statement*, in final form, no event has occurred which should have been set forth in such a memo or supplement, (c) there has been no material adverse change in the operation or the affairs of the County since the date of the *Official Statement*, in final form, and having attached thereto a copy of the *Official Statement*, in final form, and (d) there is no litigation of any nature pending or threatened seeking to restrain the issuance, sale, execution and delivery of the Bonds, or contesting the validity of the Bonds or any proceeding taken pursuant to which the Bonds were authorized; (ii) certificates as to the delivery and payment, signed by the County Mayor acting in his official capacity, evidencing delivery of and payment for the Bonds; (iii) a signature identification and incumbency certificate, signed by the County Mayor and County Clerk acting in their official capacities certifying as to the due execution of the Bonds; and, (iv) a Continuing Disclosure Certificate regarding certain covenants of the County concerning the preparation and distribution of certain annual financial information and notification of certain material events, if any.

## **APPROVAL OF LEGAL PROCEEDINGS**

Certain legal matters relating to the authorization and the validity of the Bonds are subject to the approval of Bass, Berry & Sims PLC, Knoxville, Tennessee, Bond Counsel. Bond counsel has not prepared the *Preliminary Official Statement* or the *Official Statement*, in final form, or verified their accuracy, completeness or fairness. Accordingly, bond counsel expresses no opinion of any kind concerning the *Preliminary Official Statement* or *Official Statement*, in final form, except for the information in the section entitled “LEGAL MATTERS - Tax Matters.” The opinion of Bond Counsel will be limited to matters relating to authorization and validity of the Bonds and to the tax-exemption of interest on the Bonds under present federal income tax laws, both as described above. The legal opinion will be delivered with the Bonds and the form of the opinion is included in APPENDIX A. For additional information, see the section entitled MISCELLANEOUS – “Competitive Public Sale”, “Additional Information” and “Continuing Disclosure.”

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## MISCELLANEOUS

### RATING

S&P Global Ratings (“S&P”) has given the Bonds the rating of “AA-”.

There is no assurance that such rating will continue for any given period of time or that the ratings may not be suspended, lowered or withdrawn entirely by S&P, if circumstances so warrant. Due to the ongoing uncertainty regarding the economy of the United States of America, including, without limitation, matters such as the future political uncertainty regarding the United States debt limit, obligations issued by state and local governments, such as the Bonds, could be subject to a rating downgrade. Additionally, if a significant default or other financial crisis should occur in the affairs of the United States or of any of its agencies or political subdivisions, then such event could also adversely affect the market for and ratings, liquidity, and market value of outstanding debt obligations, including the Bonds. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Bonds.

The rating reflects only the views of S&P and any explanation of the significance of such rating should be obtained from S&P.

### COMPETITIVE PUBLIC SALE

The Bonds will be offered for sale at competitive public bidding on August 7, 2025. Details concerning the public sale were provided to potential bidders and others in the *Preliminary Official Statement* that was dated July 29, 2025.

The successful bidder for the Bonds was an account led by \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ (the “Underwriters”) who contracted with the County, subject to the conditions set forth in the Official Notice of Sale and Bid Form to purchase the Bonds at a purchase price of \$ \_\_\_\_\_ (consisting of the par amount of the Bonds, less an underwriter’s discount of \$ \_\_\_\_\_ and an original issue discount of \$ \_\_\_\_\_) or \_\_\_\_% of par plus accrued interest, if any, to the date of delivery.

### MUNICIPAL ADVISOR; RELATED PARTIES; OTHER

*Municipal Advisor.* Cumberland Securities Company, Inc., has served as Municipal Advisor (the “Municipal Advisor”) to the County for purposes of assisting with the development and implementation of a bond structure in connection with the issuance of the Bonds. The Municipal Advisor has not been engaged by the County to compile, create, or interpret any information in the *Preliminary Official Statement* and *Official Statement* relating to the County, including without limitation any of the County’s financial and operating data, whether historical or projected. Any information contained in the *Preliminary Official Statement* and *Official Statement* concerning the County, any of its affiliates or contractors and any outside parties has not been independently verified by the Municipal Advisor, and inclusion of such information is not, and should not be construed as, a representation by the Municipal Advisor as to its accuracy or completeness or otherwise. The Municipal Advisor is not a public accounting firm and has not been

engaged by the County to review or audit any information in the *Preliminary Official Statement* and *Official Statement* in accordance with accounting standards.

*Regions Bank.* Regions Bank (the “Bank”) is a wholly-owned subsidiary of Regions Financial Corporation. The Bank provides, among other services, commercial banking, investments and corporate trust services to private parties and to State and local jurisdictions, including serving as registration, paying agent or filing agent related to debt offerings. The Bank will receive compensation for its role in serving as Registration and Paying Agent for the Bonds. In instances where the Bank serves the County in other normal commercial banking capacities, it will be compensated separately for such services.

*Official Statements.* Certain information relative to the location, economy and finances of the Issuer is found in the *Preliminary Official Statement*, in final form and the *Official Statement*, in final form. Except where otherwise indicated, all information contained in this *Preliminary Official Statement* has been provided by the Issuer. The information set forth herein has been obtained by the Issuer from sources which are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Municipal Advisor or the Underwriter. The information contained herein is subject to change without notice, and neither the delivery of this *Preliminary Official Statement* nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the Issuer, or the other matters described herein since the date hereof or the earlier dates set forth herein as of which certain information contained herein is given.

Cumberland Securities Company, Inc. distributed the *Preliminary Official Statement*, in final form, and the *Official Statement*, in final form on behalf of the County and will be compensated and/or reimbursed for such distribution and other such services.

*Other.* Among other services, Cumberland Securities Company, Inc. and the Bank may also assist local jurisdictions in the investment of idle funds and may serve in various other capacities, including Cumberland Securities Company’s role as serving as the County’s Dissemination Agent. If the County chooses to use one or more of these other services provided by Cumberland Securities Company, Inc. and/or the Bank, then Cumberland Securities Company, Inc. and/or the Bank may be entitled to separate compensation for the performance of such services.

## **ADDITIONAL DEBT**

The County has authorized not to exceed \$26,250,000 of debt for the new middle school. The Bonds are the second tranche of that authorization. The County will be issuing the balance of \$7,500,000 in early 2026 as construction progresses. Additionally, the County has ongoing capital needs that may or may not require the issuance of additional debt. The County may also authorize the issuance of refundings of outstanding debt as savings opportunities arise.

## **DEBT LIMITATIONS**

Pursuant to Title 9, Chapter 21, Part 1 *Tennessee Code Annotated*, as amended, there is no limit on the amount of bonds that may be issued when the County uses the statutory authority

granted therein to issue bonds. (see DEBT STRUCTURE - Indebtedness and Debt Ratios for additional information.)

## **DEBT RECORD**

There is no record of a default on principal and interest payments by the County from information available. Additionally, no agreements or legal proceedings of the County relating to securities have been declared invalid or unenforceable.

## **CONTINUING DISCLOSURE**

The County will at the time the Bonds are delivered execute a Continuing Disclosure Certificate under which it will covenant for the benefit of holders and Beneficial Owners of the Bonds to provide certain financial information relating to the County by not later than twelve months after the end of each fiscal year commencing with the fiscal year ending June 30, 2025 (the "Annual Report"), and to provide timely notice of the occurrence of certain significant events not later than ten business days after the occurrence of the events and notice of failure to provide any required financial information of the County. The County will provide notice in a timely manner to the MSRB of a failure by the County to provide the annual financial information on or before the date specified in the continuing disclosure agreement. The Annual Report and notices described above will be filed by the County with the Municipal Securities Rulemaking Board ("MSRB") at [www.emma.msrb.org](http://www.emma.msrb.org) and with any State Information Depository which may be established in Tennessee (the "SID"). The specific nature of the information to be contained in the Annual Report or the notices of events is summarized below. These covenants have been made in order to assist the Underwriters in complying with Securities Exchange Act Rule 15c2-12(b), as it may be amended from time to time (the "Rule 15c2-12").

*Five-Year Filing History.* The County to the best of its knowledge has complied in all material respects with its existing continuing disclosure agreements in accordance with Rule 15c2-12 for the past five years.

*Content of Annual Report.* The County's Annual Report shall contain or incorporate by reference the General Purpose Financial Statements of the County for the fiscal year, prepared in accordance with generally accepted accounting principles; provided, however, if the County's audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained herein, and the audited financial statements shall be filed when available. The Annual Report shall also include in a similar format the following information included in APPENDIX B entitled "SUPPLEMENTAL INFORMATION STATEMENT."

1. Summary of Bonded Indebtedness as of the end of such fiscal year;
1. The Indebtedness and Debt Ratios as of the end of such fiscal year, together with information about the property tax base;
2. Information about the Bonded Debt Service Requirements as of the end of such fiscal year;

3. The Fund Balances, Net Assets and Retained Earnings for the fiscal year;
4. Five Year Summary of Revenues, Expenditures and Changes in Fund Balances - General Fund for the fiscal year;
5. The estimated Assessed Valuations of property in the County for the tax year ending in such fiscal year and the total estimated actual value of all taxable property for such year;
8. Property Tax Rates and Tax Collections of the County for the tax year ending in such fiscal year as well as the uncollected balance for such fiscal year; and
9. The Ten Largest Taxpayers.

Any or all of the items above may be incorporated by reference from other documents, including *Official Statements* in final form for debt issues of the County or related public entities, which have been submitted to the MSRB or the U.S. Securities and Exchange Commission. If the document incorporated by reference is a final *Official Statement*, in final form, it will be available from the Municipal Securities Rulemaking Board. The County shall clearly identify each such other document so incorporated by reference.

*Reporting of Significant Events.* The County will file notice regarding material events with the MSRB and the SID, if any, as follows:

1. Upon the occurrence of a Listed Event (as defined in (3) below), the County shall in a timely manner, but in no event more than ten (10) business days after the occurrence of such event, file a notice of such occurrence with the MSRB and SID, if any.
2. For Listed Events where notice is only required upon a determination that such event would be material under applicable Federal securities laws, the County shall determine the materiality of such event as soon as possible after learning of its occurrence.
3. The following are the Listed Events:
  - a. Principal and interest payment delinquencies;
  - b. Non-payment related defaults, if material;
  - c. Unscheduled draws on debt service reserves reflecting financial difficulties;
  - d. Unscheduled draws on credit enhancements reflecting financial difficulties;
  - e. Substitution of credit or liquidity providers, or their failure to perform;

- f. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
- g. Modifications to rights of Bondholders, if material;
- h. Bond calls, if material, and tender offers;
- i. Defeasances;
- j. Release, substitution, or sale of property securing repayment of the securities, if material;
- k. Rating changes;
- l. Bankruptcy, insolvency, receivership or similar event of the obligated person;
- m. The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- n. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- o. Incurrence of a financial obligation (which includes a debt obligation, a derivative instrument entered into connection with, or pledged as security or as a source of payment for, an existing or planned debt obligation, or a guarantee of debt obligation or derivative instrument) of the County, if material, or agreement as to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the County, any of which affect security holders, if material; and
- p. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation (as described above) of the County, any of which reflect financial difficulties.

*Termination of Reporting Obligation.* The County's obligations under the Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

*Amendment; Waiver.* Notwithstanding any other provision of the Disclosure Certificate, the County may amend the Disclosure Certificate, and any provision of the Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions concerning the Annual Report and Reporting of Significant Events it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of the Disclosure Certificate, the County shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the County. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

*Default.* In the event of a failure of the County to comply with any provision of the Disclosure Certificate, any Bondholder, or any Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under the Disclosure Certificate. A default under the Disclosure Certificate shall not be deemed an event of default, if any, under the Resolution, and the sole remedy under the Disclosure Certificate in the event of any failure of the County to comply with the Disclosure Certificate shall be an action to compel performance.

## **BONDHOLDER RISK**

*COVID-19.* The County has not experienced any material effect on tax collections or other revenues as a result of the COVID-19 pandemic.

*CLIMATE CHANGE.* Planning for climate change in the State and its impact on the County's operation is an unknown challenge. The State of Tennessee's climate is exceedingly variable and projections of future conditions range significantly. While projections in the State of Tennessee indicate rising average temperatures, precipitation projections are much less clear and often contradictory. Other potential impacts of climate change include changes in the length,

intensity, and frequency of droughts and floods. The financial impact of climate change is not yet known, and therefore, its future impact on the County cannot be quantified reliably at this time.

*CYBER-SECURITY.* Computer networks and data transmission and collection are vital to the efficient operations of the County. Despite security measures, information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored there could be disrupted, accessed, publicly disclosed, lost or stolen. Any such disruption, access, disclosure or other loss of information could result in disruptions in operations and the services provided by the County, legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties and the services provided, and cause a loss of confidence in the County's operations, which could materially affect the County and its operations. The County maintains insurance to mitigate any potential financial losses from cyber-security threats.

## **ADDITIONAL INFORMATION**

Use of the words "shall," "must," or "will" in this *Preliminary Official Statement* in summaries of documents or laws to describe future events or continuing obligations is not intended as a representation that such event will occur or obligation will be fulfilled but only that the document or law contemplates or requires such event to occur or obligation to be fulfilled.

Any statements made in this *Preliminary Official Statement* involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized. Neither this *Preliminary Official Statement* nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Bonds.

The references, excerpts and summaries contained herein of certain provisions of the laws of the State of Tennessee, and any documents referred to herein, do not purport to be complete statements of the provisions of such laws or documents, and reference should be made to the complete provisions thereof for a full and complete statement of all matters of fact relating to the Bonds, the security for the payment of the Bonds, and the rights of the holders thereof.

*The Preliminary Official Statement* and *Official Statement*, in final form, and any advertisement of the Bonds, is not to be construed as a contract or agreement between the County and the purchasers of any of the Bonds. Any statements or information printed in the *Preliminary Official Statement* or the *Official Statement*, in final form, involving matters of opinions or of estimates, whether or not expressly so identified, is intended merely as such and not as representation of fact.

The County has deemed this *Preliminary Official Statement* as "final" as of its date within the meaning of Rule 15c2-12 except for the omission of certain pricing information allowed to be omitted pursuant to Rule 15c2-12.

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**CERTIFICATION OF ISSUER**

On behalf of the County, we hereby certify that to the best of our knowledge and belief, the information contained herein as of this date is true and correct in all material respects, and does not contain an untrue statement of material fact or omit to state a material fact required to be stated where necessary to make the statement made, in light of the circumstance under which they were made, not misleading.

/s/  
County Mayor

ATTEST:

/s/  
County Clerk



**APPENDIX A**

**PROPOSED FORM OF LEGAL OPINION**



**LAW OFFICES OF  
BASS, BERRY & SIMS PLC  
900 SOUTH GAY STREET, SUITE 1700  
KNOXVILLE, TENNESSEE 37902**

Ladies and Gentlemen:

We have acted as bond counsel to Union County, Tennessee (the "Issuer") in connection with the issuance of \$ \_\_\_\_\_ General Obligation School Bonds, Series 2025 (the "Bonds"), dated \_\_\_\_\_, 2025. We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

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

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

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

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

3. The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the Issuer. For the prompt payment of principal of, premium, if any, and interest on the Bonds, the full faith and credit of the Issuer are hereby irrevocably pledged. In addition, the Bonds shall also be payable from a pledge of certain wheel taxes, to the extent permitted by law, pursuant to Section 5-8-102, Tennessee Code Annotated, as amended.

4. Interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes under Section 103 of the Code. Failure to comply with certain of such requirements could cause interest on the Bonds to be so includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. The Issuer has covenanted to comply with all such requirements.

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

6. The Bonds are "qualified tax-exempt obligations" within the meaning of Section 265 of the Code.

The rights of the owners of the Bonds and the enforceability of the Bonds and the resolutions authorizing the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors, and by equity principles, whether considered at law or in equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds. Further, we express no opinion herein regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

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

Yours truly,

**APPENDIX B**

**SUPPLEMENTAL INFORMATION STATEMENT**



## GENERAL INFORMATION

### LOCATION

Union County (the “County”) is located in the State of Tennessee, between the Appalachian Mountains on the east and the Cumberland Mountains on the west. The County is bordered to the north by Campbell and Claiborne Counties, to the east by Grainger County, to the south by Knox County and to the west by Anderson County. The County has three incorporated municipalities - Maynardville, the County seat, Luttrell and Plainview. The County is approximately 25 miles north of Knoxville, Tennessee.

### GENERAL

The County consists of 135,680 acres or 247 square miles. The US 2020 Census puts Union County’s population at 19,802 and Maynardville at 2,570.

The County is part of the Knoxville Metropolitan Statistical Area (the “MSA”) that had a population of 879,773 according to the 2020 US Census. The MSA includes Knox (Knoxville and Farragut), Anderson (Oak Ridge and Clinton), Blount (Maryville and Alcoa), Campbell (LaFollette), Grainger (Rutledge), Loudon (Loudon), Morgan (Wartburg), Roane (Kingston) and Union (Maynardville) Counties.

The County is also part of the Knoxville-Morristown-Sevierville Combined Statistical Area (the “CSA”). According to the 2020 Census, the CSA had a population of 1,156,861. The CSA includes Anderson, Blount, Campbell, Cocke, Grainger, Hamblen, Jefferson, Knox, Loudon, Morgan, Roane, Sevier, and Union Counties. The City of Knoxville is the largest city in the CSA with a population of 190,740 according to the 2020 Census.

### TRANSPORTATION

The County is close to several different types of transportation. The Norfolk/Southern Railroad goes through the County. Interstate 640 is 14 miles away in Knox County. There are no U.S. Highways in the County, but there are 5 state highways: 33, 61, 144, 170 and 370. The nearest port is the Tennessee River in Knoxville, and the nearest airport is the commercial Knoxville-McGhee-Tyson Airport with two 9,000' x 150' runways.

### EDUCATION

The *Union County School System* operates eleven schools and one virtual academy. Total enrollment for 2023 was 5,805 students.

*Source:* Tennessee Department of Education.

*The Tennessee College of Applied Technology at Jacksboro.* The Tennessee College of Applied Technology at Jacksboro (the “TCAT-J”) is part of a statewide system of 26 vocational-technical schools. The TCAT-J meets a Tennessee mandate that no resident is more than 50 miles from a vocational-technical shop. The institution’s primary purpose is to meet the occupational and technical training needs of the citizens including employees of existing and

prospective businesses and industries in the region. The TCAT-J serves the northeast region of the state including Campbell and Union Counties. The TCAT-J began operations in 1967, and the main campus is located in Campbell County. Fall 2022 enrollment was 488 students.

*Source:* Tennessee College of Applied Technology at Jacksboro and TN Higher Education Commission.

*Walters State Community College*, a public two-year higher education institution founded in 1970, is located in Morristown, Tennessee. The college offers programs of study that lead to the Associate of Science, Associate of Arts, and Associate of Applied Science degrees. Fall 2023 enrollment was 5,862 students. There are four principal campuses in Hamblen, Sevier, Greene, and Claiborne counties.

Walters State serves ten predominantly rural East Tennessee counties in the mountains and foothills of the Great Smokies and Clinch Mountains. The primary service area includes the counties of Claiborne, Cocke, Grainger, Greene, Hamblen, Hancock, Hawkins, Jefferson, Sevier, and Union.

*Source:* Walter State Community College and TN Higher Education Commission.

## **MANUFACTURING AND COMMERCE**

The Union County Industrial Park #1 is located in the City of Maynardville. It has about 63 acres with 15 acres available. The Union County Industrial Park #2 is also located in Maynardville and is about 50 acres. The Industrial Park III Luttrell is located in Luttrell and it has over 68 acres.

### **Major Employers in Union County, Tennessee**

<b><u>Employer</u></b>	<b><u>Product/Service</u></b>	<b><u>Employees</u></b>
Union County School System	Education	471
Clayton Homes	Mobile Homes	200
Union County Government	Government	150
Carmeuse Lime & Stone	Limestone & Quicklime	145
Food City	Retail	114
O-N Minerals (Luttrell) Co.	Mining	100
Cooper Container Corp.	Cardboard Containers	100
DeRoyal Industries	Disposable Medical Products	70

*Source:* Department of Economic & Community Development.

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## ECONOMIC DATA

### Per Capita Personal Income

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
National	\$53,309	\$55,547	\$59,153	\$64,430	\$65,470
Tennessee	\$46,452	\$48,889	\$51,928	\$56,970	\$58,292
<b>Union County</b>	<b>\$32,655</b>	<b>\$34,342</b>	<b>\$36,698</b>	<b>\$40,895</b>	<b>\$40,862</b>
Index vs. National	61	62	62	63	62
Index vs. State	70	70	71	72	70
<b>Knoxville MSA</b>	<b>\$45,883</b>	<b>\$48,406</b>	<b>\$51,776</b>	<b>\$57,057</b>	<b>\$58,239</b>
Index vs. National	86	87	88	89	89
Index vs. State	99	99	100	100	100
<b>Knoxville-Sevierville-Harriman-LaFollette CSA</b>	<b>\$43,783</b>	<b>\$46,181</b>	<b>\$49,354</b>	<b>\$54,597</b>	<b>\$55,634</b>
Index vs. National	82	83	83	85	85
Index vs. State	94	94	95	96	95

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

### Social and Economic Characteristics

	<u>National</u>	<u>Tennessee</u>	<u>Union County</u>
Median Value Owner Occupied Housing	\$303,400	\$256,800	\$186,300
% High School Graduates or Higher Persons 25 Years Old and Older	89.40%	89.60%	83.3%
% Persons with Income Below Poverty Level	11.10%	14.00%	15.9%
Median Household Income	\$78,538	\$67,097	\$61,858

Source: U.S. Census Bureau State & County QuickFacts - 2023.

## RECREATION

*Big Ridge State Park.* The heavily forested, 3,687-acre park lies on the southern shore of TVA's Norris Reservoir in Maynardville approximately 25 miles north of Knoxville. Other notable features of the park include the Norton Gristmill built in 1825 and remnants of Sharp's Station Fort construction in the late 1700's. There is a recreation hall, a small lake, swimming

pool, tennis and basketball courts, campgrounds and rental cabins with maintained hiking trails. Over a million and a half of visitors come to the park each year.

*Source:* Tennessee State Parks.

*Chuck Swan Wildlife Management Area.* Chuck Swan encompasses 24,444 acres of Union and Campbell counties in the ridge and valley section of East Tennessee. The area is located between the Clinch River arm and the Powell River arm of Norris Lake. The property is jointly managed by TWRA and the Tennessee Division of Forestry (TDF). The area has a fifty-yard and a one hundred-yard firing range. Camping is permitted in three designated campgrounds on the area located near the checking station.

*Source:* Tennessee Wildlife Resources Agency.

*Norris Dam, Reservoir and State Park.* Tennessee Valley Authority's ("TVA") Norris Dam, the first dam TVA built, is located in Anderson County on the Clinch River. Construction of the Dam began in 1933, just a few months after the creation of TVA, and was completed in 1936. Norris Dam is 265 feet high and stretches 1,860 feet across the Clinch River. The generating capacity of Norris is 131,400 kilowatts of electricity. Norris Dam is a popular tourist and recreation destination, and in summer 2005 TVA opened a new visitor center at the dam. Visitors can learn about the history of Norris, hydropower operations, and TVA's management of the river system.

Norris Reservoir extends 73 miles up the Clinch River and 56 miles up the Powell from Norris Dam. It covers 5 counties: Anderson, Campbell, Union, Claiborne and Grainger Counties. Norris provides 809 miles of shoreline and 33,840 acres of water surface. It is the largest reservoir on a tributary of the Tennessee River. Norris Reservoir is an important component of the system TVA set up to reduce the risks of these disasters. The area around the Clinch River receives more than 45 inches of rain a year. In the past, floodwaters on the Clinch sometimes inundated areas hundreds of miles downstream. The recreational use of Norris Reservoir exceeds that of any other tributary reservoir in the TVA river system. Water sports at Norris include boating, water skiing, swimming, and excellent fishing.

The town of Norris, built to house workers on the dam, was a planned community that became a model for others throughout the nation. It was sold to private owners in 1948. In the 1930s, TVA established demonstration public parks at several locations on Norris Reservoir, including Cove Lake, Big Ridge, and the area around Norris Dam. These parks later became the nucleus of Tennessee's state park system. Norris Dam State Park has 4,000 acres located in Anderson County.

*Source:* Tennessee Valley Authority.

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**UNION COUNTY, TENNESSEE**  
**SUMMARY OF BONDED INDEBTEDNESS**

<b>AMOUNT ISSUED</b>	<b>PURPOSE</b>	<b>DUE DATE</b>	<b>INTEREST RATE(S)</b>	<b>Unaudited (1) As of June 30, 2025 OUTSTANDING</b>
\$ 7,160,000	Loan Agreement, Series 2009 (QSCB)	2027	Fixed	\$ 495,636
2,290,000	General Obligation Bonds, Series 2021	April 2030	Fixed	1,270,000
9,000,000	General Obligation School Bonds, Series 2024	June 2044	Fixed	9,000,000
<b>\$ 18,450,000</b>	<b>EXISTING DEBT</b>			<b>\$ 10,765,636</b>
<b>\$ 9,750,000</b>	General Obligation School Bonds, Series 2025	June 2045	Fixed	\$ 9,750,000
<b>\$ 28,200,000</b>	<b>NET BONDED DEBT</b>			<b>\$ 20,515,636</b>

**NOTES:**

(1) The above figures do not include short-term notes outstanding, if any. For more information, see the notes to the Financial Statements in the General Purpose Financial Statements.

**UNION COUNTY, TENNESSEE**  
Indebtedness and Debt Ratios

**INTRODUCTION**

The information set forth in the following table is based upon information derived in part from the ACFR and the table should be read in conjunction with those statements. The table does not include future funding plans whether disclosed or not in this document.

	For Fiscal Years Ended June 30					Unaudited 2025	After Issuance 2025
	2020	2021	2022	2023	2024		
<b>INDEBTEDNESS</b>							
<b>TAX SUPPORTED</b>							
General Obligation Bonds & Notes	\$ 5,731,459	\$ 4,572,728	\$ 3,870,955	\$ 3,169,182	\$ 2,467,409	\$ 10,765,636	\$ 20,515,636
<b>TOTAL TAX SUPPORTED</b>	<u>\$ 5,731,459</u>	<u>\$ 4,572,728</u>	<u>\$ 3,870,955</u>	<u>\$ 3,169,182</u>	<u>\$ 2,467,409</u>	<u>\$ 10,765,636</u>	<u>\$ 20,515,636</u>
<b>TOTAL DEBT</b>							
	\$ 5,731,459	\$ 4,572,728	\$ 3,870,955	\$ 3,169,182	\$ 2,467,409	\$ 10,765,636	\$ 20,515,636
Less: Revenue Supported Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Debt Service Fund	<u>(2,207,243)</u>	<u>(2,008,829)</u>	<u>(2,366,362)</u>	<u>(2,997,611)</u>	<u>(5,800,205)</u>	<u>(2,997,611)</u>	<u>(5,800,205)</u>
<b>NET DIRECT DEBT</b>	<u>\$ 3,524,216</u>	<u>\$ 2,563,899</u>	<u>\$ 1,504,593</u>	<u>\$ 171,571</u>	<u>\$ (3,332,796)</u>	<u>\$ 7,768,025</u>	<u>\$ 14,715,431</u>
<b>PROPERTY TAX BASE</b>							
Estimated Actual Value	\$1,479,598,296	\$1,499,091,064	\$1,710,961,424	\$1,888,490,972	\$1,917,994,206	\$1,917,994,206	\$1,917,994,206
Appraised Value	1,333,561,944	1,351,130,776	1,368,769,139	1,888,490,972	1,917,994,206	1,917,994,206	1,917,994,206
Assessed Value	<u>350,819,015</u>	<u>355,467,459</u>	<u>360,161,363</u>	<u>491,309,346</u>	<u>498,237,725</u>	<u>498,237,725</u>	<u>498,237,725</u>

DEBT RATIOS	For Fiscal Years Ended June 30					After Issuance	
	2020	2021	2022	2023	2024		2025
TOTAL DEBT to Estimated Actual Value	0.39%	0.31%	0.23%	0.17%	0.13%	0.56%	1.07%
TOTAL DEBT to Appraised Value	0.43%	0.34%	0.28%	0.17%	0.13%	0.56%	1.07%
TOTAL DEBT to Assessed Value	1.63%	1.29%	1.07%	0.65%	0.50%	2.16%	4.12%
NET DIRECT DEBT to Estimated Actual Value	0.24%	0.17%	0.09%	0.01%	-0.17%	0.41%	0.77%
NET DIRECT DEBT to Appraised Value	0.26%	0.19%	0.11%	0.01%	-0.17%	0.41%	0.77%
NET DIRECT DEBT to Assessed Value	1.00%	0.72%	0.42%	0.03%	-0.67%	1.56%	2.95%
<b>PER CAPITA RATIOS</b>							
POPULATION (1)	19,802	20,040	20,452	20,741	20,741	20,741	20,741
PER CAPITA PERSONAL INCOME (2)	\$36,698	\$40,895	\$40,862	\$40,862	\$40,862	\$40,862	\$40,862
Estimated Actual Value to POPULATION	\$74,720	\$74,805	\$83,657	\$91,051	\$92,474	\$92,474	\$92,474
Assessed Value to POPULATION	\$17,716	\$17,738	\$17,610	\$23,688	\$24,022	\$24,022	\$24,022
Total Debt to POPULATION	\$289	\$228	\$189	\$153	\$119	\$519	\$989
Net Direct Debt to POPULATION	\$178	\$128	\$74	\$8	-\$161	\$375	\$709
Total Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME	0.79%	0.56%	0.46%	0.37%	0.29%	1.27%	2.42%
Net Direct Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME	0.48%	0.31%	0.18%	0.02%	-0.39%	0.92%	1.74%
Overlapping Debt Per Capita as a %							

(1) Per Capita computations are based upon POPULATION data according to the U.S. Census.

(2) PER CAPITA PERSONAL INCOME is based upon the most current data available from the U. S. Department of Commerce.

**UNION COUNTY, TENNESSEE**  
**BONDED DEBT SERVICE REQUIREMENTS**

F. Y. Ended	Unaudited Existing Debt As of June 30, 2025		General Obligation School Bonds, Series 2025		% 2025 Principal Repaid		Total Bonded Debt Service Requirements (1)		% All Principal Repaid	
	Principal	Interest	Principal	Interest (2)	Principal	Repaid	Principal	Interest	Principal	Repaid
2026	\$ 849,636	\$ 503,749	\$ 250,000	\$ 334,858	\$ 584,858	2.56%	\$ 1,099,636	\$ 838,607	\$ 1,938,243	5.36%
2027	589,000	387,100	500,000	418,000	918,000		1,089,000	805,100	1,894,100	
2028	604,000	367,175	500,000	396,000	896,000		1,104,000	763,175	1,867,175	
2029	619,000	346,500	500,000	374,000	874,000		1,119,000	720,500	1,839,500	
2030	639,000	325,075	500,000	352,000	852,000	23.08%	1,139,000	677,075	1,816,075	27.06%
2031	405,000	302,650	500,000	330,000	830,000		905,000	632,650	1,537,650	
2032	425,000	282,400	500,000	308,000	808,000		925,000	590,400	1,515,400	
2033	440,000	265,400	500,000	286,000	786,000		940,000	551,400	1,491,400	
2034	460,000	247,800	500,000	264,000	764,000		960,000	511,800	1,471,800	
2035	480,000	229,400	500,000	242,000	742,000	48.72%	980,000	471,400	1,451,400	50.01%
2036	495,000	210,200	500,000	220,000	720,000		995,000	430,200	1,425,200	
2037	515,000	190,400	500,000	198,000	698,000		1,015,000	388,400	1,403,400	
2038	535,000	169,800	500,000	176,000	676,000		1,035,000	345,800	1,380,800	
2039	560,000	148,400	500,000	154,000	654,000		1,060,000	302,400	1,362,400	
2040	580,000	126,000	500,000	132,000	632,000	74.36%	1,080,000	258,000	1,338,000	75.29%
2041	605,000	102,800	500,000	110,000	610,000		1,105,000	212,800	1,317,800	
2042	630,000	78,600	500,000	88,000	588,000		1,130,000	166,600	1,296,600	
2043	655,000	53,400	500,000	66,000	566,000		1,155,000	119,400	1,274,400	
2044	680,000	27,200	500,000	44,000	544,000		1,180,000	71,200	1,251,200	
2045	-	-	500,000	22,000	522,000	100.00%	500,000	22,000	522,000	100.00%
	<u>\$ 10,765,636</u>	<u>\$ 4,364,049</u>	<u>\$ 9,750,000</u>	<u>\$ 4,514,858</u>	<u>\$ 14,264,858</u>		<u>\$ 20,515,636</u>	<u>\$ 8,878,907</u>	<u>\$ 29,394,543</u>	

**NOTES:**

- (1) The above figures do not include short-term notes outstanding, if any. For more information, see the notes to the Financial Statements in the General Purpose Financial Statements.
- (2) Estimated Interest Rates. Estimated Average Coupon of 4.40%.

## FINANCIAL OPERATIONS

### BASIS OF ACCOUNTING AND PRESENTATION

The accounts of the County are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The modified accrual basis of accounting is used to account for all governmental funds of the County. Revenues for such funds are recognized when they become measurable and available as net current assets. Expenditures, other than interest or long-term debt, are recognized when incurred and measurable.

All proprietary funds are accounted for using the accrual basis of accounting, whereby revenues are recognized when they are earned and expenses are recognized when they are incurred except for prepaid expenses, such as insurance, which are fully expended at the time of payment.

### FUND BALANCES AND RETAINED EARNINGS

The following table depicts audited fund balances and retained earnings for the last five fiscal years ending June 30:

	<u>For the Fiscal Year Ended June 30</u>				
<u>Fund Type</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<i>Governmental Funds:</i>					
General	\$4,198,518	\$5,219,126	\$ 5,508,092	\$ 6,180,796	\$ 4,710,673
Ambulance Service	519,799	702,310	629,168	439,228	622,940
Other Governmental	679,386	1,099,008	2,336,454	3,369,856	2,066,691
Highway/Public Works	702,661	735,282	708,116	838,468	1,058,701
General Debt Service	2,207,243	2,008,829	2,366,362	2,997,611	5,800,205
General Capital Projects	-	-	-	2,279,563	4,475,388
<b>TOTAL</b>	<b><u>\$8,307,607</u></b>	<b><u>\$9,764,555</u></b>	<b><u>\$11,548,192</u></b>	<b><u>\$16,105,522</u></b>	<b><u>\$18,734,598</u></b>

*Source:* Annual Comprehensive Financial Report, Union County, Tennessee.

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**UNION COUNTY, TENNESSEE**  
Five Year Summary of Revenues, Expenditures and  
Changes In Fund Balances - General Fund  
For the Fiscal Year Ended June 30

	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenues:</b>					
Local taxes	\$ 4,599,589	\$ 4,958,770	\$ 5,319,589	\$ 5,323,688	\$ 5,811,096
Licenses and Permits	94,278	127,727	139,045	124,078	124,515
Fines, forfeitures and penalties	71,993	97,892	94,047	75,685	69,139
Charges for current services	621,818	646,266	564,612	716,083	617,109
Other local revenues	115,816	78,992	88,207	112,290	119,949
Fees Recv'd from County Officials	789,452	839,466	939,874	929,898	991,663
State of Tennessee	1,703,878	1,556,728	1,557,510	1,930,810	3,180,593
Federal Government	113,216	448,422	166,376	165,769	244,519
Other Governments & Citizens Groups	-	-	-	108,489	171,563
<b>Total Revenues</b>	<b>\$ 8,110,040</b>	<b>\$ 8,754,263</b>	<b>\$ 8,869,260</b>	<b>\$ 9,486,790</b>	<b>\$ 11,330,146</b>
<b>Expenditures:</b>					
General government	\$ 1,043,015	\$ 1,080,061	\$ 1,029,353	\$ 1,463,908	\$ 1,429,445
Finance	1,254,048	1,290,409	1,329,669	1,446,509	1,487,099
Administration of Justice	650,647	636,258	632,052	638,792	693,234
Public Safety	3,541,555	3,502,303	3,713,529	4,211,896	5,052,385
Public Health & Welfare	532,039	440,937	344,853	445,529	843,237
Social, Cultural & Recreational	328,170	317,798	338,660	401,099	368,617
Agricultural & Natural Resources	134,262	136,985	123,446	182,147	180,587
Other Operations	174,096	302,297	217,023	232,372	210,278
Highways	46,669	43,302	52,852	49,532	54,804
Support Services	45,511	4,492	-	-	-
Capital Projects	-	-	-	-	-
Debt Service	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 7,750,012</b>	<b>\$ 7,754,842</b>	<b>\$ 7,781,437</b>	<b>\$ 9,071,784</b>	<b>\$ 10,319,686</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 360,028	\$ 999,421	\$ 1,087,823	\$ 415,006	\$ 1,010,460
<b>Other Sources (Uses):</b>					
Insurance Recovery	\$ 24,131	\$ 21,187	\$ 8,528	\$ 20,990	\$ 15,225
Operating transfers In	-	-	-	236,708	-
Operating Transfers Out	-	-	(807,385)	-	(2,495,808)
<b>Total Other Uses</b>	<b>\$ 24,131</b>	<b>\$ 21,187</b>	<b>\$ (798,857)</b>	<b>\$ 257,698</b>	<b>\$ (2,480,583)</b>
Net Change in Fund Balances	\$ 384,159	\$ 1,020,608	\$ 288,966	\$ 672,704	\$ (1,470,123)
<b>Fund Balance July 1</b>	<b>3,814,359</b>	<b>4,198,518</b>	<b>5,219,126</b>	<b>5,508,092</b>	<b>6,180,796</b>
Prior Period Adjustment	-	-	-	-	-
<b>Fund Balance June 30</b>	<b>\$ 4,198,518</b>	<b>\$ 5,219,126</b>	<b>\$ 5,508,092</b>	<b>\$ 6,180,796</b>	<b>\$ 4,710,673</b>

Source: Annual Comprehensive Financial Reports for Union County, Tennessee

## **INVESTMENT AND CASH MANAGEMENT PRACTICES**

Investment of idle County operating funds is controlled by state statute and local policies and administered by the County Trustee. Generally, such policies limit investment instruments to direct U. S. Government obligations, those issued by U.S. Agencies or Certificates of Deposit. As required by prevailing statutes, all demand deposits or Certificates of Deposit are secured by similar grade collateral pledged at 110% of market value for amounts in excess of that guaranteed through federally sponsored insurance programs. Deposits with savings and loan associations must be collateralized as outlined above, by an irrevocable letter of credit issued by the Federal Home Loan Bank or by providing notes secured by the first mortgages or first deeds for trust upon residential property in the state equal to at least 150 percent of the amount of uninsured deposits. All collateral must be held in a third party escrow account for the benefit of the County. For reporting purposes, all investments are stated at cost which approximates market value. The County Trustee is responsible for all County investments.

## **REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES**

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

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

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

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

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

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

Intangible Personal Property includes personal property, such as money, any evidence of debt owed to a taxpayer, any evidence of ownership in a corporation or other business organization having multiple owners and all other forms of property, the value of which is expressed in terms of what the property represents rather than its own intrinsic value. The Constitution of the State of Tennessee empowers the General Assembly to classify Intangible Personal Property into sub classifications and to establish a ratio of assessment to value in each class or subclass and to provide fair and equitable methods of apportionment of the value to the State of Tennessee for purposes of taxation.

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

### ***County Taxation of Property***

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

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

### ***Assessment of Property***

*County Assessments; County Board of Equalization.* The function of assessment is to assess all property (with certain exceptions) to the person or persons owning or claiming to own

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

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

The county board of equalization is required (among other things) to carefully examine, compare and equalize the county assessments; assure that all taxable properties are included on the assessments lists and that exempt properties are eliminated from the assessment lists; hear and act upon taxpayer complaints; and correct errors and assure conformity to State law and regulations.

*State Assessments of Public Utility Property; State Board of Equalization.* The State Comptroller of the Treasury is authorized and directed under Tennessee law to assess for taxation, for State, county and municipal purposes, all public utility properties of every description, tangible and intangible, within the State. Such assessment is required to be made annually as of the same day as other properties are assessed by law (as described above) and takes into account such factors as are prescribed by Tennessee law.

On or before the first Monday in August of each year, the assessments are required to be completed and the State Comptroller of the Treasury is required to send a notice of assessment to each company assessable under Tennessee law. Within ten days after the first Monday in August of each year, any owner or user of property so assessed may file an exception to such assessment together with supporting evidence to the State Comptroller of the Treasury, who may change or affirm the valuation. On or before the first Monday in September of each year, the State Comptroller of the Treasury is required to file with the State Board of Equalization assessments so made. The State Board of Equalization is required to examine such assessments and is authorized to increase or diminish the valuation placed upon any property valued by the State Comptroller of the Treasury.

The State Board of Equalization has jurisdiction over the valuation, classification and assessment of all properties in the State. The State Board of Equalization is authorized to create an assessment appeals commission to hear and act upon taxpayer complaints. The action of the State Board of Equalization is final and conclusive as to all matters passed upon by the Board, subject to judicial review consisting of a new hearing in chancery court.

*[balance of page left blank]*

### ***Periodic Reappraisal and Equalization***

Tennessee law requires reappraisal in each county by a continuous six-year cycle comprised of an on-site review of each parcel of real property over a five-year period, or, upon approval of the State Board of Equalization, by a continuous four-year cycle comprised of an on-site review of each parcel of real property over a three-year period, followed by revaluation of all such property in the year following completion of the review period. Alternatively, if approved by the assessor and adopted by a majority vote of the county legislative body, the reappraisal program may be completed by a continuous five-year cycle comprised of an on-site review of each parcel of real property over a four-year period followed by revaluation of all such property in the year following completion of the review period.

After a reappraisal program has been completed and approved by the Director of Property Assessments, the value so determined must be used as the basis of assessments and taxation for property that has been reappraised. The State Board of Equalization is responsible to determine whether or not property within each county of the State has been valued and assessed in accordance with the Constitution and laws of the State of Tennessee.

### ***Valuation for Property Tax Purposes***

*County Valuation of Property.* The value of all property is based upon its sound, intrinsic and immediate value for purposes of sale between a willing seller and a willing buyer without consideration of speculative values. In determining the value of all property of every kind, the assessor is to be guided by, and follow the instructions of, the appropriate assessment manuals issued by the division of property assessments and approved by the State board of equalization. Such assessment manuals are required to take into account various factors that are generally recognized by appraisers as bearing on the sound, intrinsic and immediate economic value of property at the time of assessment.

*State Valuation of Public Utility Property.* The State Comptroller of the Treasury determines the value of public utility property based upon the appraisal of the property as a whole without geographical or functional division of the whole (*i.e.*, the unit rule of appraisal) and on other factors provided by Tennessee law. In applying the unit rule of appraisal, the State Comptroller of the Treasury is required to determine the State's share of the unit or system value based upon factors that relate to the portion of the system relating to the State of Tennessee.

### ***Certified Tax Rate***

Upon a general reappraisal of property as determined by the State Board of Equalization, the county assessor of property is required to (1) certify to the governing bodies of the county and each municipality within the county the total assessed value of taxable property within the jurisdiction of each governing body and (2) furnish to each governing body an estimate of the total assessed value of all new construction and improvements not included on the previous assessment roll and the assessed value of deletions from the previous assessment roll. Exclusive of such new construction, improvements and deletions, each governing body is required to determine and certify a tax rate (herein referred to as the "*Certified Tax Rate*") which will provide the same *ad valorem* revenue for that jurisdiction as was levied during the previous year.

The governing body of a county or municipality may adjust the Certified Tax Rate to reflect extraordinary assessment changes or to recapture excessive adjustments.

Tennessee law provides that no tax rate in excess of the Certified Tax Rate may be levied by the governing body of any county or of any municipality until a resolution or ordinance has been adopted by the governing body after publication of a notice of the governing body's intent to exceed the Certified Tax Rate in a newspaper of general circulation and the holding of a public hearing.

The Tennessee Local Government Public Obligations Act of 1986 provides that a tax sufficient to pay when due the principal of and interest on general obligation bonds (such as the Bonds) shall be levied annually and assessed, collected and paid, in like manner with the other taxes of the local government as described above and shall be in addition to all other taxes authorized or limited by law. Bonds issued pursuant to the Local Government Public Obligations Act of 1986 may be issued without regard to any limit on indebtedness provided by law.

### ***Tax Freeze for the Elderly Homeowners***

The Tennessee Constitution was amended by the voters in November 2006 to authorize the Tennessee General Assembly to enact legislation providing property tax relief for homeowners age 65 and older. The General Assembly subsequently adopted the Property Tax Freeze Act permitting (but not requiring) local governments to implement a program for "freezing" the property taxes of eligible taxpayers at an amount equal to the taxes for the year the taxpayer becomes eligible. For example, if a taxpayer's property tax bill is \$500 for the year in which he becomes eligible, his property taxes will remain at \$500 even if property tax rates or appraisals increase so long as he continues to meet the program's ownership and income requirements.

### ***Tax Collection and Tax Lien***

Property taxes are payable the first Monday in October of each year. The county trustee of each county acts as the collector of all county property taxes and of all municipal property taxes when the municipality does not collect its own taxes.

The taxes assessed by the State of Tennessee, a county, a municipality, a taxing district or other local governmental entity, upon any property of whatever kind, and all penalties, interest and costs accruing thereon become and remain a first lien on such property from January 1 of the year for which such taxes are assessed. In addition, property taxes are a personal debt of the property owner as of January and, when delinquent, may be collected by suit as any other personal debt. Tennessee law prescribes the procedures to be followed to foreclose tax liens and to pursue legal proceedings against property owners whose property taxes are delinquent.

*[balance of page left blank]*

*Assessed Valuations.* According to the Tax Aggregate Report for Tennessee, property in the County reflected a ratio of appraised value to true market value of 0.6959. The following table shows pertinent data for tax year 2024<sup>1</sup>.

<u>Class</u>	<u>Estimated Assessed Valuation</u>	<u>Assessment Rate</u>	<u>Appraisal Ratio</u>
Public Utilities	\$ 4,167,922	55%	\$ 9,548,504
Commercial and Industrial	37,480,315	40%	134,846,665
Personal Tangible Property	10,956,169	30%	50,077,061
Residential and Farm	<u>455,209,965</u>	25%	<u>2,616,258,424</u>
<b>Total</b>	<b><u>\$507,814,371</u></b>		<b><u>\$2,810,730,654</u></b>

Source: 2024 Tennessee Tax Aggregate Report.

<sup>1</sup> The tax year coincides with the calendar year, therefore tax year 2024 is actually fiscal year 2024-2025.

The estimated assessed value of property in the County for the fiscal year ending June 30, 2025 (tax year 2024) is \$507,814,371 compared to \$498,237,725 for the fiscal year ending June 30, 2024 (tax year 2023). The estimated actual value of all taxable property for tax year 2024 is \$2,810,730,654 compared to \$1,917,994,206 for tax year 2023.

*Property Tax Rates and Collections.* The following table shows the property tax rates and collections of the County for tax years 2020 through 2024 as well as the aggregate uncollected balances for each fiscal year ending June 30.

<b>PROPERTY TAX RATES AND COLLECTIONS</b>				<b>Fiscal Yr Collections</b>		<b>Aggregate Uncollected Balance</b>	
<b>Tax Year<sup>1</sup></b>	<b>Assessed Valuation</b>	<b>Tax Rates</b>	<b>Taxes Levied</b>	<b>Amount</b>	<b>Pct</b>	<b>as of June 30, 2024</b>	
						<b>Amount</b>	<b>Pct</b>
2020	\$355,467,459	\$2.1399	\$7,967,541	\$7,561,196	94.9%	N/A	N/A
2021	360,161,363	2.1399	7,957,521	7,607,390	95.6%	N/A	N/A
2022	491,309,346	1.5899	7,841,770	7,599,507	96.9%	N/A	N/A
2023	498,237,725	1.8999	9,466,018	9,211,938	97.3%	\$254,080	2.7%
2024	507,814,371	1.8999	9,568,687	<b>IN PROCESS</b>			

<sup>1</sup> The tax year coincides with the calendar year, therefore tax year 2024 is actually fiscal year 2024-2025.

Source: Tennessee Tax Aggregate Report and the County.

[balance of page left blank]

*Ten Largest Taxpayers.* For the fiscal year ending June 30, 2025 (tax year 2024), the ten largest taxpayers in the County are as follows:

	<u>Taxpayer</u>	<u>Business Type</u>	<u>Assessment</u>	<u>Taxes Levied</u>
1.	KUB	Utilities	In Lieu Of	\$532,507
2.	O-N Minerals/Carmeuse	Limestone & Quickstone	\$ 3,048,764	57,923
3.	Cooper Container	Cardboard Containers	2,472,708	46,979
4.	AXGNL 1	Grocery	1,377,200	26,165
5.	Powell Valley Electric	Utilities	1,308,338	24,857
6.	Smithbilt Marinas LLC	Marina	1,267,020	24,072
7.	AT&T Mobility LLC	Telecommunications	1,124,475	21,364
8.	Myers Kenneth David	Property Owner	986,705	30,585
9.	Bull Run Apts LLC	Housing	983,440	18,682
10.	Blue Jean Boys LLC	Marina	<u>849,705</u>	<u>16,143</u>
		<b>TOTALS</b>	<b>\$13,418,355</b>	<b>\$796,660</b>

*Source:* The County.

## **INSURANCE**

The County participates in the Tennessee County Services Association's self-insurance program for workmen's compensation insurance. This program has been established pursuant of Section 12-9-104(f), Tennessee Code Annotated. The County is required to pay into the program according to a formula which will be adjusted each year based upon the loss record of the County.

The County is exposed to various risk of losses related to torts; theft; damage and destruction of assets; errors and omissions; injuries to employees and natural disasters. The County purchases various commercial insurance policies to cover potential claim settlements and judgments. The County reports its risk management activities within the General and Special Revenue Funds. Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount can be reasonable estimated.

## **PENSION PLANS**

Employees of Union County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service, or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no

service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of the Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Union County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

For additional information of the funding status, trend information and actuarial status of the County's retirement programs, please refer to the appropriate Notes to Financial Statements located in the General Purpose Financial Statements of the County located herein.

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**GENERAL PURPOSE FINANCIAL STATEMENTS**

UNION COUNTY, TENNESSEE

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2024

The General Purpose Financial Statements are extracted from the Financial Statements with Report of Certified Public Accountants of Union County for the fiscal year ended June 30, 2024 which is available upon request from the County.





## ANNUAL FINANCIAL REPORT

# Union County, Tennessee

*For the Year Ended June 30, 2024*

**Jason E. Mumpower**  
*Comptroller of the Treasury*



**DIVISION OF  
LOCAL GOVERNMENT AUDIT**

**ANNUAL FINANCIAL REPORT**  
**UNION COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**COMPTROLLER OF THE TREASURY**  
*JASON E. MUMPOWER*

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

*ROBERT J. ANDERSON, CPA, CGFM*  
*Audit Manager*

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

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## UNION COUNTY, TENNESSEE

### TABLE OF CONTENTS

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	Exhibit	Page(s)
Summary of Audit Findings		6
<b>INTRODUCTORY SECTION</b>		7
Union County Officials		8
<b>FINANCIAL SECTION</b>		9
Independent Auditor's Report		10-13
<b>BASIC FINANCIAL STATEMENTS:</b>		14
Government-wide Financial Statements:		
Statement of Net Position	A	15-16
Statement of Activities	B	17-18
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	19-22
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	23
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	24-27
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	28
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	C-5	29-31
Ambulance Service Fund	C-6	32
Other General Government Fund	C-7	33
Highway/Public Works Fund	C-8	34
Fiduciary Funds:		
Statement of Net Position	D-1	35
Statement of Changes in Net Position	D-2	36
Index and Notes to the Financial Statements		37-93
<b>REQUIRED SUPPLEMENTARY INFORMATION:</b>		94
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	E-1	95
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	E-2	96

	Exhibit	Page(s)
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government - General Fund and EMS	E-3	97
Schedule of Contributions 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	E-4	98
Schedule of Contributions Based on Participation in the Teacher Retirement Plan of TCRS – Discretely Presented Union County School Department	E-5	99
Schedule of Contributions Based on Participation in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Union County School Department	E-6	100
Schedule of Proportionate Share of the Net Pension Liability (Asset) in the Teacher Retirement Plan of TCRS – Discretely Presented Union County School Department	E-7	101
Schedule of Proportionate Share of the Net Pension Liability (Asset) in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Union County School Department	E-8	102
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan - Discretely Presented Union County School Department	E-9	103
Schedule of Changes in the Total OPEB Liability and Related Ratios - Tennessee Plan - Medicare - Primary Government	E-10	104
Schedule of Changes in the Total OPEB Liability and Related Ratios - Tennessee Plan - Medicare - Discretely Presented Union County School Department	E-11	105
Notes to the Required Supplementary Information		106
<b>COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:</b>		107
Nonmajor Governmental Funds:		108
Combining Balance Sheet	F-1	109
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	110
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
Drug Control Fund	F-3	111
Major Governmental Funds:		112
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual (Budgetary Basis) and Budget:		
General Debt Service Fund	G-1	113
General Capital Projects Fund	G-2	114
Fiduciary Funds:		115
Combining Statement of Net Position – Custodial Funds	H-1	116
Combining Statement of Changes in Net Position – Custodial Funds	H-2	117

	Exhibit	Page(s)
Component Unit:		
Discretely Presented Union County School Department:		118
Statement of Activities	I-1	119
Balance Sheet – Governmental Funds	I-2	120-121
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	I-3	122
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	I-4	123-124
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	I-5	125
Combining Balance Sheet – Nonmajor Governmental Funds	I-6	126
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	I-7	127
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	I-8	128-129
School Federal Projects Fund	I-9	130
Central Cafeteria Fund	I-10	131
Other Education Special Revenue Fund	I-11	132
Education Capital Projects Fund	I-12	133
Miscellaneous Schedules:		134
Schedule of Changes in Long-term Bonds	J-1	135
Schedule of Long-term Debt Requirements by Year	J-2	136
Schedule of Transfers – Primary Government and Discretely Presented Union County School Department	J-3	137
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Union County School Department	J-4	138
Schedule of Detailed Revenues – All Governmental Fund Types	J-5	139-152
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Union County School Department	J-6	153-156
Schedule of Detailed Expenditures – All Governmental Fund Types	J-7	157-174
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Union County School Department	J-8	175-187
<b>SINGLE AUDIT SECTION</b>		188
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		189-190
Independent Auditor's 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 Uniform Guidance		191-193
Schedule of Expenditures of Federal Awards and State Grants		194-196
Summary Schedule of Prior-year Findings		197
Schedule of Findings and Questioned Costs		198-200
Management's Corrective Action Plan		201-202

## *Summary of Audit Findings*

Annual Financial Report  
Union County, Tennessee  
For the Year Ended June 30, 2024

### *Scope*

We have audited the basic financial statements of Union County as of and for the year ended June 30, 2024.

### *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. 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:

#### **OFFICES OF DIRECTOR OF FINANCE AND DIRECTOR OF SCHOOLS**

- ◆ Amounts withheld from contractor payments were not deposited into an escrow account.



# INTRODUCTORY SECTION

## UNION COUNTY OFFICIALS

June 30, 2024

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### Officials

Jason Bailey, County Mayor  
David Cox, Highway Superintendent  
Gregory Clay, Director of Schools  
Gina Gilbert, Trustee  
Randy Turner, Assessor of Property  
Pam Ailor, County Clerk  
Barbara Williams, Circuit and General Sessions Courts Clerk  
Sandra Edmondson, Clerk and Master  
Ann Russell, Register of Deeds  
Billy Breeding, Sheriff  
Melissa Brown, Finance Director

### Board of County Commissioners

Jason Bailey, County Mayor, Chairman  
Lynn Beeler  
Mike Boles  
Angela Connor-Murphy  
Danny Cooke  
Bill Cox  
Greg Dyer  
Linda Effler  
Dawn Flatford

Sidney Jessee Jr.  
R.L. Jones  
Larry Lay  
Ashley Mike  
Kenny Moore  
Gerald Simmons  
Eddie Simpson  
Cheryl Walker

### Highway Commission

Allen Collins, Chairman  
Harold Brantley  
Wade Brantley  
Darrell Dyer

Paul Hill  
Elmer Munsey  
Johnny Raley

### Board of Education

Marty Gibbs, Chairman  
Jessica Buck  
Danny Wayne Collins  
David Coppock

Brad Griffey  
Rebecca Lock  
Andrew Reed

### Financial Management Committee

Jason Bailey, County Mayor, Chairman  
Gregory Clay, Director of Schools  
David Cox, Highway Superintendent  
David Coppock

Dawn Flatford  
Sidney Jessee Jr.  
Gerald Simmons

### Audit Committee

Sidney Jessee, Jr., Chairman  
Gail Corum  
Jennifer Garren

## FINANCIAL SECTION



JASON E. MUMPOWER  
*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 Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Union County, Tennessee, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Union County, Tennessee, as of June 30, 2024, and the respective changes in financial position thereof and the respective budgetary comparison for the General, Ambulance Service, Other General Government and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Internal School Fund, a special revenue fund of the discretely presented Union County School Department, which represent .9 percent, .96 percent, and 1.87 percent, respectively, of the assets, net position, and revenues of the discretely presented Union County School Department. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Internal School Fund of the Union County School Department, is based solely on the report of the other auditors.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Union County, Tennessee, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Change in Accounting Principle***

As described in Note V.B., Union County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*. GASB 100 clarifies financial and reporting requirements for changes in accounting principles, changes in accounting estimates, error corrections, and changes within the reporting entity.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

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

### ***Required Supplementary Information***

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

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Union County’s basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, budgetary comparison schedules of the General Debt Service and General Capital Projects funds, combining and individual fund financial statements of the Union County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, budgetary comparison schedules of the General Debt Service and General Capital Projects funds, combining and individual fund financial statements of the Union County School Department (a discretely presented

component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

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

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

***Other Reporting Requirements by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2024, 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,

Jason E. Mumpower  
Comptroller of the Treasury  
Nashville, Tennessee

September 10, 2024

JEM/gc



# BASIC FINANCIAL STATEMENTS SECTION

**UNION COUNTY, TENNESSEE**  
**Statement of Net Position**  
**June 30, 2024**

	<b>Primary Government Governmental Activities</b>	<b>Component Unit Union County School Department</b>
<b>ASSETS</b>		
Cash	\$ 3,250	\$ 562,367
Equity in Pooled Cash and Investments	18,615,792	28,153,169
Accounts Receivable	2,025,038	8,931
Allowance for Uncollectibles	(1,251,185)	0
Due from Other Governments	994,308	2,538,826
Property Taxes Receivable	8,048,126	1,922,503
Allowance for Uncollectible Property Taxes	(192,795)	(50,376)
Restricted Assets - Amounts Accumulated for Pension Benefits	0	400,179
Net Pension Asset - Teacher Retirement Plan	0	114,585
Net Pension Asset - Teacher Legacy Pension Plan	0	4,023,001
Capital Assets:		
Assets Not Depreciated:		
Land	561,991	2,114,255
Construction in Progress	193,724	2,541,196
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	1,722,072	15,176,464
Infrastructure	3,375,506	95,654
Other Capital Assets	2,101,633	2,387,367
Total Assets	<u>\$ 36,197,460</u>	<u>\$ 59,988,121</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Pension Changes in Experience	\$ 1,453,565	\$ 1,772,175
Pension Changes in Assumptions	484,182	1,598,395
Pension Changes in Proportion	0	67,360
Pension Changes in Investment Earnings	132,953	829,549
Pension Contributions After Measurement Date	264,537	1,254,436
OPEB Changes in Experience	4,722	456,963
OPEB Changes in Assumptions	11,569	769,232
OPEB Changes in Proportion	0	283,733
OPEB Contributions After Measurement Date	292	113,662
Total Deferred Outflows of Resources	<u>\$ 2,351,820</u>	<u>\$ 7,145,505</u>

(Continued)

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

	<b>Primary Government Governmental Activities</b>	<b>Component Unit Union County School Department</b>
<b>LIABILITIES</b>		
Accounts Payable	\$ 1,040,092	\$ 32,656
Accrued Payroll	158,605	1,066,219
Payroll Deductions Payable	59,809	1,297,332
Contacts Payable	0	117,016
Retainage Payable	0	26,385
Accrued Interest Payable	13,806	0
Due to State of Tennessee	364	741
Cash Bonds	1,000	0
Health Insurance Payments	0	20,000
Noncurrent Liabilities:		
Due Within One Year - Debt	701,773	0
Due Within One Year - Other	186,565	438,450
Due in More Than One Year - Debt	1,765,636	0
Due in More Than One Year - Other	661,695	4,217,726
Total Liabilities	<u>\$ 4,589,345</u>	<u>\$ 7,216,525</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Current Property Taxes	\$ 7,719,734	\$ 1,833,267
Pension Changes in Experience	179,962	394,825
Pension Changes in Proportion	0	172,053
OPEB Changes in Experience	22,047	315,671
OPEB Changes in Assumptions	29,555	408,143
OPEB Changes in Proportion	0	540,265
Deferred Credit on Refunding	22,882	0
Total Deferred Inflows of Resources	<u>\$ 7,974,180</u>	<u>\$ 3,664,224</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$ 7,954,926	\$ 22,171,535
Restricted for:		
General Government	633,703	0
Finance	160,065	0
Administration of Justice	11,355	0
Public Safety	133,987	0
Public Health and Welfare	18,368	0
Social, Cultural, Recreational	8,287	0
Highways	1,245,488	0
Education	0	2,039,779
Debt Service	3,499,889	0
Capital Projects	1,427,614	0
Pensions	0	4,537,765
Unrestricted	<u>10,892,073</u>	<u>27,483,914</u>
Total Net Position	<u>\$ 25,985,755</u>	<u>\$ 56,252,877</u>

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, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Unit
						Union County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 2,993,544	\$ 364,811	\$ 1,371,775	\$ 144,298	\$ (1,112,660)	\$ 0
Finance	1,534,051	1,180,880	0	0	(353,171)	0
Administration of Justice	750,082	286,749	40,615	0	(422,718)	0
Public Safety	5,133,700	488,637	153,943	0	(4,491,120)	0
Public Health and Welfare	3,197,816	1,222,140	153,270	72,749	(1,749,657)	0
Social, Cultural, and Recreational Services	448,707	31,250	0	0	(417,457)	0
Agriculture and Natural Resources	183,702	0	0	0	(183,702)	0
Highways	6,050,664	8,041	2,062,340	3,417,942	(562,341)	0
Interest on Long-term Debt	122,985	0	0	0	(122,985)	0
Total Primary Government	<u>\$ 20,415,251</u>	<u>\$ 3,582,508</u>	<u>\$ 3,781,943</u>	<u>\$ 3,634,989</u>	<u>\$ (9,415,811)</u>	<u>\$ 0</u>
Component Unit:						
Union County School Department	<u>\$ 60,855,963</u>	<u>\$ 431,456</u>	<u>\$ 11,353,056</u>	<u>\$ 1,446,356</u>	<u>\$ 0</u>	<u>\$ (47,625,095)</u>
Total Component Unit	<u>\$ 60,855,963</u>	<u>\$ 431,456</u>	<u>\$ 11,353,056</u>	<u>\$ 1,446,356</u>	<u>\$ 0</u>	<u>\$ (47,625,095)</u>

(Continued)

Exhibit B

**Union County, Tennessee**  
**Statement of Activities (Cont.)**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Unit
						Union County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes				\$ 3,948,106	\$ 2,118,559	
Property Taxes Levied for Ambulance Service				990,931	0	
Property Taxes Levied for Highways				371,057	0	
Property Taxes Levied for Debt Service				1,464,959	0	
Property Taxes Levied for Capital Projects				591,702	0	
Local Option Sales Taxes				909,337	2,046,260	
Wheel Tax				737,637	0	
Business Tax				66,333	0	
Hotel/Motel Tax				151,479	0	
Wholesale Beer Tax				92,804	0	
Mixed Drink Tax				14,533	0	
Mineral Severance Tax				107,148	0	
Litigation Tax - General				31,517	0	
Litigation Tax - Special Purpose				31,278	0	
Litigation Tax - Jail, Workhouse, or Courthouse				13,216	0	
Other Local Taxes				1,615	17,559	
Grants and Contributions Not Restricted to Specific Programs				2,277,419	50,103,498	
Unrestricted Investment Income				1,230,789	14,318	
Miscellaneous				68,715	9,108	
Total General Revenues				<u>\$ 13,100,575</u>	<u>\$ 54,309,302</u>	
Change in Net Position				\$ 3,684,764	\$ 6,684,207	
Net Position, July 1, 2023				<u>22,300,991</u>	<u>49,568,670</u>	
Net Position, June 30, 2024				<u>\$ 25,985,755</u>	<u>\$ 56,252,877</u>	

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, 2024**

	<b>Major Funds</b>					
	General	Ambulance Service	Other General Government Fund	Highway / Public Works	General Debt Service	General Capital Projects
<b>ASSETS</b>						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Equity in Pooled Cash and Investments	4,088,704	544,358	3,004,144	648,484	5,796,766	4,470,789
Accounts Receivable	555,602	1,446,128	0	0	0	0
Allowance for Uncollectibles	0	(1,251,185)	0	0	0	0
Due from Other Governments	374,123	0	0	616,968	0	3,217
Due from Other Funds	26,558	0	0	0	0	0
Property Taxes Receivable	4,487,692	1,013,775	0	378,721	1,546,578	621,360
Allowance for Uncollectible Property Taxes	(105,479)	(25,076)	0	(9,367)	(37,719)	(15,154)
<b>Total Assets</b>	<b>\$ 9,427,200</b>	<b>\$ 1,728,000</b>	<b>\$ 3,004,144</b>	<b>\$ 1,634,806</b>	<b>\$ 7,305,625</b>	<b>\$ 5,080,212</b>
<b>LIABILITIES</b>						
Accounts Payable	\$ 37,380	\$ 310	\$ 1,000,000	\$ 2,402	\$ 0	0
Accrued Payroll	119,153	21,046	0	18,406	0	0
Payroll Deductions Payable	46,060	7,770	0	5,979	0	0
Due to Other Funds	0	0	0	0	0	0
Due to State of Tennessee	364	0	0	0	0	0
Cash Bonds	1,000	0	0	0	0	0
<b>Total Liabilities</b>	<b>\$ 203,957</b>	<b>\$ 29,126</b>	<b>\$ 1,000,000</b>	<b>\$ 26,787</b>	<b>\$ 0</b>	<b>0</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred Current Property Taxes	\$ 4,309,636	\$ 970,435	\$ 0	\$ 362,531	\$ 1,481,798	\$ 595,334
Deferred Delinquent Property Taxes	63,353	15,943	0	5,956	23,622	9,490
Other Deferred/Unavailable Revenue	139,581	89,556	0	180,831	0	0
<b>Total Deferred Inflows of Resources</b>	<b>\$ 4,512,570</b>	<b>\$ 1,075,934</b>	<b>\$ 0</b>	<b>\$ 549,318</b>	<b>\$ 1,505,420</b>	<b>\$ 604,824</b>

(Continued)

**UNION COUNTY, TENNESSEE**

**Balance Sheet**

Governmental Funds (Cont.)

	<b>Major Funds</b>					
	General	Ambulance Service	Other General Government Fund	Highway / Public Works	General Debt Service	General Capital Projects
<b>FUND BALANCES</b>						
Restricted:						
Restricted for General Government	\$ 517,335	\$ 0	\$ 0	\$ 0	\$ 0	0
Restricted for Finance	160,065	0	0	0	0	0
Restricted for Administration of Justice	11,355	0	0	0	0	0
Restricted for Public Safety	122,921	0	0	0	0	0
Restricted for Public Health and Welfare	18,368	0	0	0	0	0
Restricted for Social, Cultural, and Recreational Services	8,287	0	0	0	0	0
Restricted for Other Operations	116,368	0	0	0	0	0
Restricted for Highways/Public Works	0	0	0	1,058,701	0	0
Restricted for Debt Service	0	0	0	0	3,490,073	0
Restricted for Capital Projects	0	0	0	0	0	1,418,124
Committed:						
Committed for Public Health and Welfare	0	622,940	0	0	0	0
Committed for Debt Service	0	0	0	0	2,310,132	0
Committed for Capital Projects	0	0	0	0	0	3,057,264
Committed for Other Purposes	0	0	2,004,144	0	0	0
Assigned:						
Assigned for General Government	928,233	0	0	0	0	0
Assigned for Public Safety	2,811	0	0	0	0	0
Assigned for Social, Cultural, and Recreational Services	3,162	0	0	0	0	0
Unassigned	2,821,768	0	0	0	0	0
<b>Total Fund Balances</b>	<b>\$ 4,710,673</b>	<b>\$ 622,940</b>	<b>\$ 2,004,144</b>	<b>\$ 1,058,701</b>	<b>\$ 5,800,205</b>	<b>\$ 4,475,388</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 9,427,200</b>	<b>\$ 1,728,000</b>	<b>\$ 3,004,144</b>	<b>\$ 1,634,806</b>	<b>\$ 7,305,625</b>	<b>\$ 5,080,212</b>

(Continued)

**UNION COUNTY, TENNESSEE**

**Balance Sheet**

Governmental Funds (Cont.)

	<b>Nonmajor Funds</b>	
	Other Govern- mental Funds	Total Governmental Funds
<b>ASSETS</b>		
Cash	\$ 3,250	\$ 3,250
Equity in Pooled Cash and Investments	62,547	18,615,792
Accounts Receivable	23,308	2,025,038
Allowance for Uncollectibles	0	(1,251,185)
Due from Other Governments	0	994,308
Due from Other Funds	0	26,558
Property Taxes Receivable	0	8,048,126
Allowance for Uncollectible Property Taxes	0	(192,795)
	\$ 89,105	\$ 28,269,092
<b>LIABILITIES</b>		
Accounts Payable	\$ 0	\$ 1,040,092
Accrued Payroll	0	158,605
Payroll Deductions Payable	0	59,809
Due to Other Funds	26,558	26,558
Due to State of Tennessee	0	364
Cash Bonds	0	1,000
Total Liabilities	\$ 26,558	\$ 1,286,428
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Current Property Taxes	\$ 0	\$ 7,719,734
Deferred Delinquent Property Taxes	0	118,364
Other Deferred/Unavailable Revenue	0	409,968
Total Deferred Inflows of Resources	\$ 0	\$ 8,248,066

(Continued)

**UNION COUNTY, TENNESSEE**

**Balance Sheet**

Governmental Funds (Cont.)

<b>FUND BALANCES</b>	<b>Nonmajor Funds</b>	
	<u>Other Govern- mental Funds</u>	<u>Total Governmental Funds</u>
Restricted:		
Restricted for General Government	\$ 0	\$ 517,335
Restricted for Finance	0	160,065
Restricted for Administration of Justice	0	11,355
Restricted for Public Safety	11,066	133,987
Restricted for Public Health and Welfare	0	18,368
Restricted for Social, Cultural, and Recreational Services	0	8,287
Restricted for Other Operations	0	116,368
Restricted for Highways/Public Works	0	1,058,701
Restricted for Debt Service	0	3,490,073
Restricted for Capital Projects	0	1,418,124
Committed:		
Committed for Public Health and Welfare	0	622,940
Committed for Debt Service	0	2,310,132
Committed for Capital Projects	51,481	3,108,745
Committed for Other Purposes	0	2,004,144
Assigned:		
Assigned for General Government	0	928,233
Assigned for Public Safety	0	2,811
Assigned for Social, Cultural, and Recreational Services	0	3,162
Unassigned	0	2,821,768
Total Fund Balances	<u>\$ 62,547</u>	<u>\$ 18,734,598</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 89,105</u>	<u>\$ 28,269,092</u>

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

**UNION COUNTY, TENNESSEE**  
**Reconciliation of the Balance Sheet of Governmental Funds to**  
**the Statement of Net Position**  
**June 30, 2024**

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)		\$ 18,734,598
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 561,991	
Add: construction in progress	193,724	
Add: buildings and improvements net of accumulated depreciation	1,722,072	
Add: infrastructure net of accumulated depreciation	3,375,506	
Add: other capital assets net of accumulated depreciation	<u>2,101,633</u>	7,954,926
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (2,467,409)	
Less: deferred amount on refunding	(22,882)	
Less: compensated absences	(186,565)	
Less: OPEB liability	(54,516)	
Less: net pension liability	(607,179)	
Less: accrued interest on bonds	<u>(13,806)</u>	(3,352,357)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.		
Add: deferred outflows of resources related to OPEB	\$ 16,583	
Less: deferred inflows of resources related to OPEB	(51,602)	
Add: deferred outflows of resources related to pensions	2,335,237	
Less: deferred inflows of resources related to pensions	<u>(179,962)</u>	2,120,256
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>528,332</u>
Net position of governmental activities (Exhibit A)		<u>\$ 25,985,755</u>

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

**UNION COUNTY, TENNESSEE**  
**Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
 Governmental Funds  
**For the Year Ended June 30, 2024**

	<b>Major Funds</b>					
	General	Ambulance Service	Other General Government Fund	Highway / Public Works	General Debt Service	General Capital Projects
<b>Revenues</b>						
Local Taxes	\$ 5,811,096	\$ 983,829	\$ 0	\$ 478,891	\$ 2,182,979	\$ 592,796
Licenses and Permits	124,515	0	0	0	0	0
Fines, Forfeitures, and Penalties	69,139	0	0	0	0	0
Charges for Current Services	617,109	1,183,538	0	0	0	0
Other Local Revenues	119,949	24	0	28,789	1,229,005	0
Fees Received From County Officials	991,663	0	0	0	0	0
State of Tennessee	3,180,593	0	0	5,479,935	0	0
Federal Government	244,519	0	0	0	0	218,204
Other Governments and Citizens Groups	171,563	0	0	0	277,250	0
<b>Total Revenues</b>	<b>\$ 11,330,146</b>	<b>\$ 2,167,391</b>	<b>\$ 0</b>	<b>\$ 5,987,615</b>	<b>\$ 3,689,234</b>	<b>\$ 811,000</b>
<b>Expenditures</b>						
Current:						
General Government	\$ 1,429,445	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	1,487,099	0	0	0	0	0
Administration of Justice	693,234	0	0	0	0	0
Public Safety	5,052,385	0	0	0	0	0
Public Health and Welfare	843,237	1,983,679	0	0	0	0
Social, Cultural, and Recreational Services	368,617	0	0	0	0	0
Agriculture and Natural Resources	180,587	0	0	0	0	0
Other Operations	210,278	0	0	0	0	0
Highways	54,804	0	0	5,777,257	0	0
Debt Service:						
Principal on Debt	0	0	0	0	701,773	0
Interest on Debt	0	0	0	0	130,724	0
Other Debt Service	0	0	0	0	54,143	0

(Continued)

Exhibit C-3

**UNION COUNTY, TENNESSEE**  
**Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
 Governmental Funds (Cont.)

	<b>Major Funds</b>					
	General	Ambulance Service	Other General Government Fund	Highway / Public Works	General Debt Service	General Capital Projects
<b>Expenditures (Cont.)</b>						
Capital Projects	\$ 0	\$ 0	\$ 1,246,805	\$ 0	\$ 0	\$ 1,110,983
Total Expenditures	<u>\$ 10,319,686</u>	<u>\$ 1,983,679</u>	<u>\$ 1,246,805</u>	<u>\$ 5,777,257</u>	<u>\$ 886,640</u>	<u>\$ 1,110,983</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,010,460</u>	<u>\$ 183,712</u>	<u>\$ (1,246,805)</u>	<u>\$ 210,358</u>	<u>\$ 2,802,594</u>	<u>\$ (299,983)</u>
<b>Other Financing Sources (Uses)</b>						
Insurance Recovery	\$ 15,225	\$ 0	\$ 0	\$ 9,875	\$ 0	\$ 0
Transfers In	0	0	0	0	0	2,495,808
Transfers Out	(2,495,808)	0	0	0	0	0
Total Other Financing Sources (Uses)	<u>\$ (2,480,583)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,875</u>	<u>\$ 0</u>	<u>\$ 2,495,808</u>
Net Change in Fund Balances	<u>\$ (1,470,123)</u>	<u>\$ 183,712</u>	<u>\$ (1,246,805)</u>	<u>\$ 220,233</u>	<u>\$ 2,802,594</u>	<u>\$ 2,195,825</u>
Fund Balance, July 1, 2023	<u>6,180,796</u>	<u>439,228</u>	<u>3,250,949</u>	<u>838,468</u>	<u>2,997,611</u>	<u>2,279,563</u>
Fund Balance, June 30, 2024	<u><u>\$ 4,710,673</u></u>	<u><u>\$ 622,940</u></u>	<u><u>\$ 2,004,144</u></u>	<u><u>\$ 1,058,701</u></u>	<u><u>\$ 5,800,205</u></u>	<u><u>\$ 4,475,388</u></u>

(Continued)

**UNION COUNTY, TENNESSEE**  
**Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
 Governmental Funds (Cont.)

	<b>Nonmajor Funds</b>	
	Other Govern- mental Funds	Total Governmental Funds
<b>Revenues</b>		
Local Taxes	\$ 0	\$ 10,049,591
Licenses and Permits	0	124,515
Fines, Forfeitures, and Penalties	3,428	72,567
Charges for Current Services	16,925	1,817,572
Other Local Revenues	583	1,378,350
Fees Received From County Officials	0	991,663
State of Tennessee	0	8,660,528
Federal Government	0	462,723
Other Governments and Citizens Groups	0	448,813
Total Revenues	<u>\$ 20,936</u>	<u>\$ 24,006,322</u>
<b>Expenditures</b>		
Current:		
General Government	\$ 0	\$ 1,429,445
Finance	103	1,487,202
Administration of Justice	16,822	710,056
Public Safety	60,371	5,112,756
Public Health and Welfare	0	2,826,916
Social, Cultural, and Recreational Services	0	368,617
Agriculture and Natural Resources	0	180,587
Other Operations	0	210,278
Highways	0	5,832,061
Debt Service:		
Principal on Debt	0	701,773
Interest on Debt	0	130,724
Other Debt Service	0	54,143

(Continued)

**UNION COUNTY, TENNESSEE**  
**Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
 Governmental Funds (Cont.)

	<b>Nonmajor Funds</b>		<b>Total Governmental Funds</b>
	Other Govern- mental Funds		Total Governmental Funds
<hr/>			
<b>Expenditures (Cont.)</b>			
Capital Projects	\$ 0	\$	2,357,788
Total Expenditures	<u>\$ 77,296</u>	<u>\$</u>	<u>21,402,346</u>
 Excess (Deficiency) of Revenues Over Expenditures	 \$ (56,360)	 \$	 <u>2,603,976</u>
 <b>Other Financing Sources (Uses)</b>			
Insurance Recovery	\$ 0	\$	25,100
Transfers In	0		2,495,808
Transfers Out	0		(2,495,808)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$</u>	<u>25,100</u>
 Net Change in Fund Balances	 \$ (56,360)	 \$	 2,629,076
Fund Balance, July 1, 2023	<u>118,907</u>		<u>16,105,522</u>
 Fund Balance, June 30, 2024	 <u>\$ 62,547</u>	 <u>\$</u>	 <u>18,734,598</u>

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

**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, 2024**

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)	\$	2,629,076
(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	\$	1,328,062
Less: current-year depreciation expense		<u>(708,784)</u>
		619,278
(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, 2024	\$	528,332
Less: deferred delinquent property taxes and other deferred June 30, 2023		<u>(459,739)</u>
		68,593
(3) 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 bonds	\$	701,773
Add: change in deferred amount on refunding		<u>6,942</u>
		708,715
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$	797
Change in compensated absences payable		(18,348)
Change in net OPEB liability		3,797
Change in net pension liability/asset		(1,537,122)
Change in deferred outflows related to OPEB		(3,247)
Change in deferred inflows related to OPEB		1,912
Change in deferred outflows related to pensions		1,050,280
Change in deferred inflows related to pensions		<u>161,033</u>
		<u>(340,898)</u>
Change in net position of governmental activities (Exhibit B)	\$	<u><u>3,684,764</u></u>

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

**UNION COUNTY, TENNESSEE**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Actual (Budgetary Basis) and Budget**  
 General Fund  
**For the Year Ended June 30, 2024**

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 5,811,096	\$ 0	\$ 0	\$ 5,811,096	\$ 5,650,221	\$ 5,650,221	\$ 160,875
Licenses and Permits	124,515	0	0	124,515	130,981	130,981	(6,466)
Fines, Forfeitures, and Penalties	69,139	0	0	69,139	94,828	94,828	(25,689)
Charges for Current Services	617,109	0	0	617,109	833,151	714,075	(96,966)
Other Local Revenues	119,949	0	0	119,949	48,968	90,165	29,784
Fees Received From County Officials	991,663	0	0	991,663	981,009	981,009	10,654
State of Tennessee	3,180,593	0	0	3,180,593	1,913,475	3,143,735	36,858
Federal Government	244,519	0	0	244,519	28,416	209,041	35,478
Other Governments and Citizens Groups	171,563	0	0	171,563	0	210,731	(39,168)
<b>Total Revenues</b>	<b>\$ 11,330,146</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 11,330,146</b>	<b>\$ 9,681,049</b>	<b>\$ 11,224,786</b>	<b>\$ 105,360</b>
<b>Expenditures</b>							
<b>General Government</b>							
County Commission	\$ 111,859	\$ 0	\$ 0	\$ 111,859	\$ 111,844	\$ 111,859	\$ 0
Board of Equalization	780	0	0	780	800	785	5
Beer Board	457	0	0	457	2,400	2,400	1,943
County Mayor/Executive	175,423	0	0	175,423	204,975	200,516	25,093
County Attorney	11,771	0	0	11,771	13,628	18,628	6,857
Election Commission	380,091	0	0	380,091	245,088	418,253	38,162
Register of Deeds	178,455	0	0	178,455	205,425	205,428	26,973
Development	15,821	0	0	15,821	18,459	18,459	2,638
County Buildings	481,574	0	1,665	483,239	447,837	514,927	31,688
Other General Administration	73,214	0	0	73,214	77,641	74,480	1,266
<b>Finance</b>							
Accounting and Budgeting	395,409	0	0	395,409	409,612	415,174	19,765
Property Assessor's Office	234,245	0	0	234,245	245,805	245,790	11,545
County Trustee's Office	271,745	0	0	271,745	280,203	280,232	8,487
County Clerk's Office	405,983	0	0	405,983	453,709	459,688	53,705
Other Finance	179,717	0	0	179,717	170,000	188,601	8,884

(Continued)

**UNION COUNTY, TENNESSEE**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Actual (Budgetary Basis) and Budget**  
 General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Expenditures (Cont.)</b>							
Administration of Justice							
Circuit Court	\$ 323,629	\$ 0	\$ 0	\$ 323,629	\$ 336,006	\$ 345,215	\$ 21,586
General Sessions Court	143,347	0	0	143,347	144,327	144,327	980
Chancery Court	208,845	0	0	208,845	215,583	215,605	6,760
Victim Assistance Programs	17,413	0	0	17,413	17,652	17,652	239
Public Safety							
Sheriff's Department	1,963,960	(1,414)	108	1,962,654	2,013,356	2,044,470	81,816
Special Patrols	792,416	0	0	792,416	580,974	844,100	51,684
Jail	1,569,837	0	2,703	1,572,540	1,462,383	1,587,063	14,523
Juvenile Services	125,535	0	0	125,535	145,352	145,367	19,832
Fire Prevention and Control	80,000	0	0	80,000	80,000	80,000	0
Rescue Squad	25,000	0	0	25,000	25,000	25,000	0
Other Emergency Management	151,000	0	0	151,000	152,416	152,416	1,416
County Coroner/Medical Examiner	53,675	0	0	53,675	50,000	53,675	0
Public Safety Grants Program	290,962	0	0	290,962	0	354,984	64,022
Public Health and Welfare							
Local Health Center	54,644	0	0	54,644	59,357	78,343	23,699
Alcohol and Drug Programs	32,336	0	0	32,336	0	489,324	456,988
Other Local Health Services	119,224	0	0	119,224	215,000	215,000	95,776
Appropriation to State	23,500	0	0	23,500	23,500	23,500	0
Sanitation Management	9,138	0	0	9,138	10,000	10,000	862
Convenience Centers	604,395	0	0	604,395	604,600	604,600	205
Social, Cultural, and Recreational Services							
Senior Citizens Assistance	134,417	0	0	134,417	129,547	145,727	11,310
Libraries	211,581	0	0	211,581	201,082	224,143	12,562
Parks and Fair Boards	22,619	0	3,162	25,781	30,000	30,000	4,219
Agriculture and Natural Resources							
Agricultural Extension Service	117,676	0	0	117,676	122,614	122,480	4,804
Forest Service	500	0	0	500	500	500	0
Soil Conservation	62,411	0	0	62,411	70,099	70,101	7,690

(Continued)

**UNION COUNTY, TENNESSEE**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Actual (Budgetary Basis) and Budget**  
 General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Expenditures (Cont.)</b>							
Other Operations							
Veterans' Services	\$ 15,740	\$ 0	\$ 0	\$ 15,740	\$ 20,772	\$ 21,872	\$ 6,132
Other Charges	131,311	0	0	131,311	134,336	142,336	11,025
Employee Benefits	63,227	0	0	63,227	58,500	63,228	1
Highways							
Litter and Trash Collection	54,804	0	0	54,804	58,079	58,087	3,283
Instruction							
Career and Technical Education Program	0	0	0	0	0	50,000	50,000
Total Expenditures	<u>\$ 10,319,686</u>	<u>\$ (1,414)</u>	<u>\$ 7,638</u>	<u>\$ 10,325,910</u>	<u>\$ 9,848,461</u>	<u>\$ 11,514,335</u>	<u>\$ 1,188,425</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,010,460</u>	<u>\$ 1,414</u>	<u>\$ (7,638)</u>	<u>\$ 1,004,236</u>	<u>\$ (167,412)</u>	<u>\$ (289,549)</u>	<u>\$ 1,293,785</u>
<b>Other Financing Sources (Uses)</b>							
Insurance Recovery	\$ 15,225	\$ 0	\$ 0	\$ 15,225	\$ 0	\$ 15,225	\$ 0
Transfers Out	(2,495,808)	0	0	(2,495,808)	(200,000)	(2,495,808)	0
Total Other Financing Sources	<u>\$ (2,480,583)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (2,480,583)</u>	<u>\$ (200,000)</u>	<u>\$ (2,480,583)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (1,470,123)	\$ 1,414	\$ (7,638)	\$ (1,476,347)	\$ (367,412)	\$ (2,770,132)	\$ 1,293,785
Fund Balance, July 1, 2023	6,180,796	(1,414)	0	6,179,382	4,578,708	4,578,708	1,600,674
Fund Balance, June 30, 2024	<u>\$ 4,710,673</u>	<u>\$ 0</u>	<u>\$ (7,638)</u>	<u>\$ 4,703,035</u>	<u>\$ 4,211,296</u>	<u>\$ 1,808,576</u>	<u>\$ 2,894,459</u>

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

**UNION COUNTY, TENNESSEE**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Actual (Budgetary Basis) and Budget**  
 Ambulance Service Fund  
**For the Year Ended June 30, 2024**

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 983,829	\$ 0	\$ 0	\$ 983,829	\$ 942,571	\$ 947,071	\$ 36,758
Charges for Current Services	1,183,538	0	0	1,183,538	1,130,000	1,138,565	44,973
Other Local Revenues	24	0	0	24	0	0	24
Total Revenues	\$ 2,167,391	\$ 0	\$ 0	\$ 2,167,391	\$ 2,072,571	\$ 2,085,636	\$ 81,755
<b>Expenditures</b>							
Public Health and Welfare							
Ambulance/Emergency Medical Services	\$ 1,983,679	\$ (4,700)	\$ 2,534	\$ 1,981,513	\$ 2,081,714	\$ 2,094,779	\$ 113,266
Total Expenditures	\$ 1,983,679	\$ (4,700)	\$ 2,534	\$ 1,981,513	\$ 2,081,714	\$ 2,094,779	\$ 113,266
Excess (Deficiency) of Revenues Over Expenditures	\$ 183,712	\$ 4,700	\$ (2,534)	\$ 185,878	\$ (9,143)	\$ (9,143)	\$ 195,021
Net Change in Fund Balance	\$ 183,712	\$ 4,700	\$ (2,534)	\$ 185,878	\$ (9,143)	\$ (9,143)	\$ 195,021
Fund Balance, July 1, 2023	439,228	(4,700)	0	434,528	629,168	629,168	(194,640)
Fund Balance, June 30, 2024	\$ 622,940	\$ 0	\$ (2,534)	\$ 620,406	\$ 620,025	\$ 620,025	\$ 381

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 (Budgetary Basis) and Budget**  
 Other General Government Fund  
**For the Year Ended June 30, 2024**

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures</b>							
Capital Projects							
American Rescue Plan Act Grant #1	\$ 1,246,805	\$ (56,768)	\$ 63,603	\$ 1,253,640	\$ 2,814,326	\$ 3,195,414	\$ 1,941,774
Total Expenditures	\$ 1,246,805	\$ (56,768)	\$ 63,603	\$ 1,253,640	\$ 2,814,326	\$ 3,195,414	\$ 1,941,774
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,246,805)	\$ 56,768	\$ (63,603)	\$ (1,253,640)	\$ (2,814,326)	\$ (3,195,414)	\$ 1,941,774
Net Change in Fund Balance	\$ (1,246,805)	\$ 56,768	\$ (63,603)	\$ (1,253,640)	\$ (2,814,326)	\$ (3,195,414)	\$ 1,941,774
Fund Balance, July 1, 2023	3,250,949	(56,768)	0	3,194,181	3,219,004	3,219,004	(24,823)
Fund Balance, June 30, 2024	\$ 2,004,144	\$ 0	\$ (63,603)	\$ 1,940,541	\$ 404,678	\$ 23,590	\$ 1,916,951

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

**UNION COUNTY, TENNESSEE**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Actual (Budgetary Basis) and Budget**  
 Highway/Public Works Fund  
**For the Year Ended June 30, 2024**

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<b>Revenues</b>						
Local Taxes	\$ 478,891	\$ 0	\$ 478,891	\$ 443,635	\$ 443,635	\$ 35,256
Other Local Revenues	28,789	0	28,789	25,876	29,062	(273)
State of Tennessee	5,479,935	0	5,479,935	3,766,818	5,700,792	(220,857)
Total Revenues	\$ 5,987,615	\$ 0	\$ 5,987,615	\$ 4,236,329	\$ 6,173,489	\$ (185,874)
<b>Expenditures</b>						
Highways						
Administration	\$ 322,995	\$ 0	\$ 322,995	\$ 329,318	\$ 329,522	\$ 6,527
Highway and Bridge Maintenance	3,545,569	239,200	3,784,769	1,782,787	4,171,665	386,896
Operation and Maintenance of Equipment	228,365	0	228,365	255,174	280,460	52,095
Ferry Operations	45,707	0	45,707	46,135	46,139	432
Other Charges	99,174	0	99,174	111,201	103,514	4,340
Capital Outlay	1,535,447	0	1,535,447	1,711,714	1,714,064	178,617
Total Expenditures	\$ 5,777,257	\$ 239,200	\$ 6,016,457	\$ 4,236,329	\$ 6,645,364	\$ 628,907
Excess (Deficiency) of Revenues Over Expenditures	\$ 210,358	\$ (239,200)	\$ (28,842)	\$ 0	\$ (471,875)	\$ 443,033
<b>Other Financing Sources (Uses)</b>						
Insurance Recovery	\$ 9,875	\$ 0	\$ 9,875	\$ 0	\$ 9,875	\$ 0
Total Other Financing Sources	\$ 9,875	\$ 0	\$ 9,875	\$ 0	\$ 9,875	\$ 0
Net Change in Fund Balance	\$ 220,233	\$ (239,200)	\$ (18,967)	\$ 0	\$ (462,000)	\$ 443,033
Fund Balance, July 1, 2023	838,468	0	838,468	636,724	636,724	201,744
Fund Balance, June 30, 2024	\$ 1,058,701	\$ (239,200)	\$ 819,501	\$ 636,724	\$ 174,724	\$ 644,777

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

**UNION COUNTY, TENNESSEE**

**Statement of Net Position**

Fiduciary Funds

**June 30, 2024**

	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash	\$ 1,502,498
Due from Other Governments	<u>201,173</u>
Total Assets	<u>\$ 1,703,671</u>
<b>LIABILITIES</b>	
Due to Other Taxing Units	<u>\$ 201,173</u>
Total Liabilities	<u>\$ 201,173</u>
<b>NET POSITION</b>	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 1,502,498</u>
Total Net Position	<u><u>\$ 1,502,498</u></u>

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

**UNION COUNTY, TENNESSEE**  
**Statement of Changes in Net Position**  
 Fiduciary Funds  
**For the Year Ended June 30, 2024**

	<u>Custodial Funds</u>
<b>ADDITIONS</b>	
Sales Tax Collections for Other Governments	\$ 1,138,320
Fines/Fees and Other Collections	4,085,070
Total Additions	<u>\$ 5,223,390</u>
<b>DEDUCTIONS</b>	
Payment of Sales Tax Collections to Other Governments	\$ 1,138,320
Payments to State	2,580,222
Payments to Individuals and Others	1,667,454
Total Deductions	<u>\$ 5,385,996</u>
Net Increase (Decrease) in Fiduciary Net Position	\$ (162,606)
Net Position, July 1, 2023	<u>1,665,104</u>
Net Position, June 30, 2024	<u><u>\$ 1,502,498</u></u>

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

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**UNION COUNTY, TENNESSEE**  
**INDEX OF NOTES TO THE FINANCIAL STATEMENTS**

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Note	Page(s)
<b>I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>	
A. Reporting Entity	38
B. Government-wide and Fund Financial Statements	39
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	40
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	42
2. Receivables and Payables	43
3. Restricted Assets	44
4. Capital Assets	44
5. Deferred Outflows/Inflows of Resources	44
6. Compensated Absences	45
7. Long-term Debt and Long-term Obligations	45
8. Net Position and Fund Balance	46
9. Fund Balance Policy	47
E. Pension Plans	48
F. Other Postemployment Benefit (OPEB) Plans	48
<b>II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS</b>	
A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position	49
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	49
<b>III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY</b>	
A. Budgetary Information	49
B. Amounts Withheld From Contractor Payments Were Not Deposited Into an Escrow Account	50
<b>IV. DETAILED NOTES ON ALL FUNDS</b>	
A. Deposits and Investments	50
B. Capital Assets	54
C. Construction Commitments	56
D. Interfund Receivables, Payables, and Transfers	56
E. Long-term Debt	58
F. Long-term Obligations	60
G. Pledge of Future Revenues	61
H. On-Behalf Payments	62
<b>V. OTHER INFORMATION</b>	
A. Risk Management	62
B. Accounting Change	63
C. Contingent Liabilities	63
D. Virtual Education Program	63
E. Joint Venture	63
F. Retirement Commitments	
1. Tennessee Consolidated Retirement System (TCRS)	64
2. Deferred Compensation	81
G. Other Postemployment Benefits (OPEB)	82
H. Office of Central Accounting, Budgeting, and Purchasing	93
I. Purchasing Law	93

**UNION COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

**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, 2024.

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. 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 balance, 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 funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category includes custodial funds.

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.

**Other General Government Fund** – This special revenue fund accounts for proceeds received from the American Rescue Plan Act.

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

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

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

Additionally, Union County reports the following fund type:

**Custodial Funds** – These funds account for amounts collected in a custodial capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in Union County.

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.

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

**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 fund is used to account for funding for building construction and renovations of the school department.

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. The current year (FY 24) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY 23) are presented in this report. We do not believe using

the prior year balances will affect the independent auditor's opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found at <https://www.comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>.

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

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

**1. Deposits and Investments**

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented 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 policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Investment Pool complied with accounting principles generally accepted in the United States of America.

Investments in the State Treasurer's Intermediate Term Investment Fund are reported at amortized cost using a floating net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding

Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Intermediate Term Investment Fund complied with accounting principles generally accepted in the United States of America. Union County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

All other investments are reported at fair value. Other than 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 1.27 percent of total taxes levied.

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

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

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

Most payables are disaggregated on the face of the financial statements.

**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:

<u>Assets</u>	<u>Years</u>
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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources

(expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These items are pension and OPEB changes in experience, assumptions, and proportion, pension changes in investment earnings, and pension and OPEB contributions after the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension and OPEB changes in experience and proportion, OPEB changes in assumptions, deferred credit on refunding, and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

## **6. Compensated Absences**

It is the county 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, net pension liability, and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

## 8. Net Position and Fund Balance

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

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

The government-wide Statement of Net Position reports \$7,138,756 of restricted net position, of which \$179,506 is restricted by enabling legislation.

As of June 30, 2024, Union County had \$2,467,409 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. Committed for Other Purposes in the Other General Government Fund represents funds received and committed for revenue loss under the American Rescue Plan Act.

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. Assigned fund balance in the General Fund represents amounts assigned for encumbrances (\$7,638) and amounts appropriated for use in the 2024-2025 fiscal year budget (\$926,568). Assigned fund balance in the school department’s General Purpose School Fund represents amounts assigned for encumbrances (\$14,545).

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. In the other governmental funds, funds expended that exceed the amounts that are restricted, committed, and assigned are reported as negative unassigned fund balance.

## **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/Public Works, 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 Fund transferred \$2,295,808 to the General Capital Projects Fund during the year in compliance with this policy. The General Purpose School Fund transferred \$4,150,108 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 Pension 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 Pension Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Pension Plan of TCRS. Investments are reported at fair value.

**Discretely Presented 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

### A. *Budgetary Information*

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund and the school department's Internal School Fund (special revenue funds), which are not budgeted, and the Community Development/Industrial Park Fund which had no expenditures 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.

On June 30, 2024, Union County and the discretely presented Union County School Department reported the following significant encumbrances:

Funds	Amount
Primary Government:	
Major Funds:	
General	\$ 7,638
Ambulance Service	2,534
Other General Government	63,603
Highway/Public Works	239,200
General Capital Projects	259,663
Primary Government:	
Major Funds:	
General Purpose School	14,545
School Federal Projects	557,084
Education Capital Projects	52,300

***B. Amounts Withheld from Contractor Payments Were Not Deposited into an Escrow Account***

The county did not deposit amounts withheld from contractor payments into an escrow account related to a \$580,600 construction contract for a partial roof replacement at Union County High School. Section 66-34-104, *Tennessee Code Annotated*, requires that funds withheld from contractor payments be deposited into an escrow account with a third-party for contracts of \$500,000 or more. Further details can be found in the Schedule of Findings and Questioned Costs in the Single Audit Section of this report.

**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 three methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 90 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

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

In addition, counties may invest in FDIC insured certificates of deposit. The deposit is first made in a bank or savings and loan association, selected by the government entity, with a branch in the state of Tennessee that is authorized to accept county deposits (the depository bank). The depository bank then arranges for the transfer of the moneys into one or more federally insured banks or savings and loan associations, wherever located (secondary depositories), for the account of the county. In turn, the depository bank receives funds from customers of the secondary depositories equal to or greater than the amount initially invested by the county. The balance of county funds with each secondary depository must not exceed FDIC insurance limits so that all funds are fully insured. Under this program, the trustee must provide the depository bank with a listing of all banks and savings and loan associations holding county funds under the same federal employer identification number (FEIN). To prevent deposits from exceeding FDIC coverage, the depository bank is prohibited from using any of those listed banks or savings and loan associations as secondary depositories. The use of this program must be approved by the county investment committee or finance committee as appropriate for the specific county. Further, the investment committee or finance committee must establish policies and procedures for the investments, including the establishment of controls to ensure that full FDIC insurance coverage is obtained. Service providers used by depositories must be approved by the state treasurer upon concurrence by the commissioner of financial institutions and finance and administration. There are currently only two eligible programs that have been approved by the state treasurer: the Certificate of Deposit Account Registry Service (CDARS) and the Insured Cash Sweep (ICS), which operate through IntraFi Network, LLC.

## Investments

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

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

The county had no pooled and nonpooled investments as of June 30, 2024, other than the TCRS Stabilization Reserve Trust discussed below.

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

On June 30, 2024, the Union County School Department had the following investments held by the trust on its behalf. These funds are recognized as restricted assets in the General Purpose School Fund of the school department.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 124,055
Developed Market International Equity	N/A	N/A	56,025
Emerging Market International Equity	N/A	N/A	16,007
U.S. Fixed Income	N/A	N/A	80,036
Real Estate	N/A	N/A	40,018
Short-term Securities	N/A	N/A	4,002
NAV - Private Equity and Strategic Lending	N/A	N/A	80,036
 Total			 \$ 400,179

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

**B. Capital Assets**

Capital assets activity for the year ended June 30, 2024, was as follows:

**Primary Government**

**Governmental Activities:**

	Balance 7-1-23	Increases	Balance 6-30-24
Capital Assets Not Depreciated:			
Land	\$ 501,394	\$ 60,597	\$ 561,991
Construction in Progress	58,015	135,709	193,724
Total Capital Assets Not Depreciated	<u>\$ 559,409</u>	<u>\$ 196,306</u>	<u>\$ 755,715</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 4,424,802	\$ 0	\$ 4,424,802
Infrastructure	5,127,366	0	5,127,366
Other Capital Assets	4,929,464	1,131,756	6,061,220
Total Capital Assets Depreciated	<u>\$ 14,481,632</u>	<u>\$ 1,131,756</u>	<u>\$ 15,613,388</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 2,558,188	\$ 144,542	\$ 2,702,730
Infrastructure	1,623,675	128,185	1,751,860
Other Capital Assets	3,523,530	436,057	3,959,587
Total Accumulated Depreciation	<u>\$ 7,705,393</u>	<u>\$ 708,784</u>	<u>\$ 8,414,177</u>
Total Capital Assets Depreciated, Net	<u>\$ 6,776,239</u>	<u>\$ 422,972</u>	<u>\$ 7,199,211</u>
Governmental Activities Capital Assets, Net	<u>\$ 7,335,648</u>	<u>\$ 619,278</u>	<u>\$ 7,954,926</u>

There were no decreases in capital assets to report for the year ended June 30, 2024.

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

**Governmental Activities:**

General Government	\$ 79,376
Finance	617
Administration of Justice	15,656
Public Safety	202,228
Public Health and Welfare	209,622
Social, Cultural, and Recreational Services	3,594
Highways	<u>197,691</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 708,784</u></u>

**Discretely Presented Union County School Department**

**Governmental Activities:**

	Balance 7-1-23	Increases	Balance 6-30-24
Capital Assets Not Depreciated:			
Land	\$ 2,114,255	\$ 0	\$ 2,114,255
Construction in Progress	225,000	2,316,196	2,541,196
Total Capital Assets Not Depreciated	<u>\$ 2,339,255</u>	<u>\$ 2,316,196</u>	<u>\$ 4,655,451</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 34,068,186	\$ 0	\$ 34,068,186
Infrastructure	186,418	0	186,418
Other Capital Assets	3,777,062	1,058,660	4,835,722
Total Capital Assets Depreciated	<u>\$ 38,031,666</u>	<u>\$ 1,058,660</u>	<u>\$ 39,090,326</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 17,955,022	\$ 936,700	\$ 18,891,722
Infrastructure	83,019	7,745	90,764
Other Capital Assets	2,159,162	289,193	2,448,355
Total Accumulated Depreciation	<u>\$ 20,197,203</u>	<u>\$ 1,233,638</u>	<u>\$ 21,430,841</u>
Total Capital Assets Depreciated, Net	<u>\$ 17,834,463</u>	<u>\$ (174,978)</u>	<u>\$ 17,659,485</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 20,173,718</u></u>	<u><u>\$ 2,141,218</u></u>	<u><u>\$ 22,314,936</u></u>

There were no decreases in capital assets to report for the year ended June 30, 2024.

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

**Governmental Activities:**

Instruction	\$ 198,082
Support Services	1,016,578
Operation of Non-instructional Services	<u>18,978</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 1,233,638</u></u>

**Net Investment in Capital Assets**

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Capital Assets	\$ 22,314,936
Less:	
Capital related contracts payable	(117,016)
Capital related retainage payable	<u>(26,385)</u>
Net Investment in Capital Assets	<u><u>\$ 22,171,535</u></u>

**C. Construction Commitments**

The school department’s School Federal Projects Fund had uncompleted construction contracts of approximately \$557,084 for the architect fees for the construction of Horace Maynard Middle School. Funding for these future expenditures is expected to be received from federal grants.

The school department’s Education Capital Projects Fund had uncompleted construction contracts of approximately \$52,900 for the partial roof replacement of the Union County High School CTE and Auditorium. Funding has been received for these future expenditures.

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

The composition of interfund balances as of June 30, 2024, was as follows:

**Due to/from Other Funds:**

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 26,558

This balance 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, 2024, consisted of the following amounts:

**Primary Government**

Transfers Out	Transfers In
	General Capital Projects Fund
General Fund	<u>\$ 2,495,808</u>
Total	<u>\$ 2,495,808</u>

Transfers to the General Capital Projects Fund from the General Fund represent the contribution of excess fund balance in the General Fund as per the fund balance policy, hotel/motel funds for Farm Grant Match, and the Stage and Heritage Park project.

**Discretely Presented Union County School Department**

Transfers Out	Transfers In	
	General Purpose School Fund	Educational Capital Projects Fund
Other Education Special Revenue Fund	\$ 1,738,995	\$ 0
General Purpose School Fund	0	4,150,108
Total	<u>\$ 1,738,995</u>	<u>\$ 4,150,108</u>

Transfers to the General Purpose School Fund from the Other Education Special Revenue Fund represent a contractually required contribution of eight 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 and General Purpose School funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

*E. Long-term Debt*

**Primary Government**

**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, 2024, will be retired from the General Debt Service Fund.

General obligation bonds outstanding as of June 30, 2024, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-24
Qualified School Construction Bonds	1.515 %	9-1-26	\$ 7,160,000	\$ 942,409
Refunding Bonds Series 2021	1.25	4-1-30	2,290,000	1,525,000

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 bonds outstanding as of June 30, 2024, including interest payments are presented in the following table:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2025	\$ 701,773	\$ 127,537	\$ 829,310
2026	749,636	124,349	873,985
2027	254,000	12,700	266,700
2028	254,000	9,525	263,525
2029	254,000	6,350	260,350
2030	254,000	3,175	257,175
Total	<u>\$ 2,467,409</u>	<u>\$ 283,636</u>	<u>\$ 2,751,045</u>

There is \$5,800,205 available in the General Debt Service Fund to service long-term debt. Bonded debt per capital totaled \$125, based on the 2020 federal census.

During the year, the discretely presented Union County School Department contributed \$277,250 to the primary government's General Debt Service Fund to be applied toward the retirement of school related debt.

#### Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2024, was as follows:

##### Governmental Activities:

	Bonds
Balance, July 1, 2023	\$ 3,169,182
Reductions	<u>(701,773)</u>
Balance, June 30, 2024	<u>\$ 2,467,409</u>
Balance Due Within One Year	<u>\$ 701,773</u>

##### Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2024	\$ 2,467,409
Less: Balance Due Within One Year - Debt	<u>(701,773)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 1,765,636</u>

**F. Long-term Obligations**

**Primary Government**

**Changes in Long-term Obligations**

Long-term obligations activity for the year ended June 30, 2024, was as follows:

**Governmental Activities:**

	Compensated Absences	Other Postemployment Benefits	Net Pension Liability - Agent Plan *
Balance, July 1, 2023	\$ 168,217	\$ 58,313	\$ (929,943)
Additions	180,438	4,473	3,121,116
Reductions	(162,090)	(8,270)	(1,583,994)
Balance, June 30, 2024	<u>\$ 186,565</u>	<u>\$ 54,516</u>	<u>\$ 607,179</u>
Balance Due Within One Year	<u>\$ 186,565</u>	<u>\$ 0</u>	<u>\$ 0</u>

\* The Agent plan had a net pension asset as of July 1, 2023.

**Analysis of Other Noncurrent Liabilities Presented on Exhibit A:**

Total Noncurrent Liabilities - Other, June 30, 2024	\$ 848,260
Less: Balance Due Within One Year - Other	<u>(186,565)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 661,695</u>

Compensated absences, pension liabilities, and other postemployment benefits will be paid from the employing funds, primarily the General, Highway/Public Works, and Ambulance Service 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, 2024, was as follows:

#### Governmental Activities:

	Compensated Absences	Other Postemployment Benefits	Net Pension Liability - Agent Plan *
Balance, July 1, 2023	\$ 133,447	\$ 3,537,044	\$ (438,519)
Additions	102,707	799,751	2,265,281
Reductions	(142,246)	(227,510)	(1,373,779)
Balance, June 30, 2024	<u>\$ 93,908</u>	<u>\$ 4,109,285</u>	<u>\$ 452,983</u>
Balance Due Within One Year	<u>\$ 93,908</u>	<u>\$ 344,542</u>	<u>\$ 0</u>

\* The Agent plan had a net pension asset as of July 1, 2023.

#### Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2024	\$ 4,656,176
Less: Balance Due Within One Year - Other	<u>(438,450)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 4,217,726</u>

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 another prior year bond issue, both of 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, 2024, future requirements for principal, interest, and administrative fees on the bonds total \$1,174,870. This amount is to be paid 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 \$57,580. These earnings reduced the amount of required payments due from the county. Wheel tax collections totaled \$558,131 for the year ended June 30, 2024, and principal, interest, and administrative fees paid on the debt totaled \$504,827 for the year. Since January 2010, cumulative debt service requirements on the bonds have exceeded wheel tax revenues and investment earnings by \$1,526,631.

In addition to the wheel tax detailed above, the Union County Commission, on July 24, 2023, approved a wheel tax increase and authorized to issue \$26,250,000 in General Obligation bonds for the construction of a new middle school. The wheel tax increase is pledged towards retirement of the debt, which has not been issued as of the date of this report. The increased Wheel tax collections totaled \$179,506 for the year ended June 30, 2024.

#### ***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 Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2024, were \$71,107 and \$18,006, 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 Annual Comprehensive Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

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 Change***

GASB Statement No. 100, *Accounting Changes and Error Corrections*, became effective for the fiscal year ending June 30, 2024. This statement clarifies the financial accounting and reporting requirements for changes in accounting principles, changes in accounting estimates, error corrections, and changes within the reporting entity.

***C. Contingent Liabilities***

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

The county is involved in several pending lawsuits. The county attorneys have not provided estimates of the potential claims not covered by insurance. However, management believes that any claims resulting from such litigation would not 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. Enrollment was approximately 2,863 students in kindergarten through ninth grade as of July 1, 2023.

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 extensions to the contract with the latest extending through June 30, 2026. 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 \$21,737,438 consisting of state Basic Education Program funds attributable to students enrolled in the program. The Board of Education retained an annual oversight fee of eight percent from the program's Basic Education Program revenues. The oversight fee retained during the year totaled \$1,738,995. K12's compensation under the agreement is equal to ninety-two percent of the program revenues. Total compensation payable to K12 for the year ended June 30, 2024, was \$19,905,578 which included \$92,865 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 (\$1,738,995) 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, 2024, 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  
411 Blue Top Road, Suite 2  
Tazewell, TN 37879

## ***F. 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 Pension 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 Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 13.16 percent and non-certified employees of the discretely presented Union County School Department comprise 86.84 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 <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service

credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

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

*Employees Covered by Benefit Terms.* At the measurement date of June 30, 2023, the following employees were covered by the benefit terms:

Union County Plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	53
Inactive Employees Entitled to But Not Yet Receiving Benefits	220
Active Employees	127
Total	<u><u>400</u></u>

Union County Schools Plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	96
Inactive Employees Entitled to But Not Yet Receiving Benefits	252
Active Employees	176
Total	<u><u>524</u></u>

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Union County makes employer contributions at a rate higher than the rate set by the Board of Trustees as determined by an actuarial valuation for the Union County Plan. For the year ended June 30, 2024, the employer contribution for the Union County Plan was \$218,878 based on a rate of 3.59 percent of covered payroll. The employer contribution to the Union County Schools Plan was \$369,363 based on a rate of 6.99 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, 2023, 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, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2023, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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

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

*Discount Rate.* The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from 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, 2022	\$ 11,994,563	\$ 12,841,971	\$ (847,408)
Changes for the Year:			
Service Cost	\$ 432,555	\$ 0	\$ 432,555
Interest	824,534	0	824,534
Differences Between Expected and Actual Experience	1,510,252	0	1,510,252
Contributions-Employer	0	233,597	(233,597)
Contributions-Employees	0	291,996	(291,996)
Net Investment Income	0	866,295	(866,295)
Benefit Payments, Including Refunds of Employee Contributions	(423,605)	(423,605)	0
Administrative Expense	0	(10,487)	10,487
Net Changes	\$ 2,343,736	\$ 957,796	\$ 1,385,940
Balance, June 30, 2023	\$ 14,338,299	\$ 13,799,767	\$ 538,532

**Union County Schools Plan:**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2022	\$ 13,842,228	\$ 14,363,282	\$ (521,054)
Changes for the Year:			
Service Cost	\$ 402,705	\$ 0	\$ 402,705
Interest	945,371	0	945,371
Differences Between Expected and Actual Experience	1,243,407	0	1,243,407
Contributions-Employer	0	348,048	(348,048)
Contributions-Employees	0	248,961	(248,961)
Net Investment Income	0	968,876	(968,876)
Benefit Payments, Including Refunds of Employee Contributions	(478,867)	(478,867)	0
Administrative Expense	0	(17,086)	17,086
Net Changes	<u>\$ 2,112,616</u>	<u>\$ 1,069,932</u>	<u>\$ 1,042,684</u>
Balance, June 30, 2023	<u>\$ 15,954,844</u>	<u>\$ 15,433,214</u>	<u>\$ 521,630</u>

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	13.16%	\$ 2,099,657	\$ 2,031,011	\$ 68,647
School Department	86.84%	<u>13,855,187</u>	<u>13,402,203</u>	<u>452,983</u>
Total		<u>\$ 15,954,844</u>	<u>\$ 15,433,214</u>	<u>\$ 521,630</u>

*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 6.75 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Net Pension Liability (Asset)	5.75%	6.75%	7.75%
Union County Plan	\$ 2,850,142	\$ 538,532	\$ (1,319,219)
Union County Schools Plan	2,671,461	521,630	(1,266,028)

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

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2024, the Union County Plan recognized pension expense of \$497,502 and the Union County Schools Plan recognized pension expense of \$543,806.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2024, 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	\$ 1,330,841	\$ 158,557
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	117,434	0
Changes in Assumptions	453,664	0
Contributions Subsequent to the Measurement Date of June 30, 2023 (1)	218,878	N/A
Total	<u>\$ 2,120,817</u>	<u>\$ 158,557</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2023,” will be recognized as a reduction (increase) to net pension liability (asset) in the subsequent fiscal period.

**Union County Schools Plan:**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 932,555	\$ 162,655
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	117,924	0
Changes in Assumptions	231,902	0
Contributions Subsequent to the Measurement Date of June 30, 2023 (1)	369,363	N/A
Total	<u>\$ 1,651,744</u>	<u>\$ 162,655</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2023,” will be recognized as a reduction (increase) to net pension liability (asset) in the following subsequent fiscal period.

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

		Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	13.16%	\$ 214,420	\$ 21,405
School Department	86.84%	<u>1,437,324</u>	<u>141,250</u>
Total		<u>\$ 1,651,744</u>	<u>\$ 162,655</u>

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

Year Ending June 30	Union County Plan	Union County Schools Plan
2025	\$ 402,618	\$ 369,955
2026	413,506	120,319
2027	624,479	628,641
2028	302,775	811
2029	0	0
Thereafter	0	0

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

***Payable to the Pension Plan***

On June 30, 2024, Union County reported a payable of \$156,729 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2024.

**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 Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 13.16 percent and the non-certified employees of the discretely presented school department comprise 86.84 percent of the plan based on contribution data.

**Discretely Presented Union County School Department - 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 <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

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

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2024, to the Teacher Retirement Plan were \$175,967 which is 2.95 percent of covered payroll. In addition, employer contributions of \$55,280 were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension Liabilities (Assets).* On June 30, 2024, the school department reported a liability (asset) of (\$114,585) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2023, 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, 2023, the school department's proportion was .270226 percent. The proportion as of June 30, 2022, was .274232 percent.

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2024, the school department recognized pension expense of \$141,574.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2024, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 3,860	\$ 66,881
Net Difference Between Projected and Actual Earnings on Pension Plan		
Investments	29,133	0
Changes in Assumptions	86,207	0
Changes in Proportion of Net Pension Liability (Asset)	2,868	40,050
LEA's Contributions Subsequent to the Measurement Date of June 30, 2023	175,967	N/A
Total	<u>\$ 298,035</u>	<u>\$ 106,931</u>

The school department's employer contributions of \$175,967, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) to the net pension liability (asset) in the year ending June 30, 2025. 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
2025	\$ (3,977)
2026	(8,217)
2027	36,725
2028	(1,378)
2029	(1,200)
Thereafter	(6,817)

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, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2023, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best- estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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

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

*Discount Rate.* The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the school department's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 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 (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease	Current Discount Rate	1% Increase
	5.75%	6.75%	7.75%

Net Pension Liability (Asset)     \$    527,085     \$    (114,585)     \$    (576,535)

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

***Payable to the Pension Plan***

On June 30, 2024, the Union County School Department reported a payable of \$52,686 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2024.

**Discretely Presented Union County School Department - Certified Employees - 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 <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for

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

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Union County School Department for the year ended June 30, 2024, to the Teacher Legacy Pension Plan were \$754,765, which is 6.81 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension Liability (Assets).* On June 30, 2024, the school department reported a liability (asset) of (\$4,023,001) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2023, 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, 2023, the school department's proportion was .341229 percent. The proportion measured as of June 30, 2022, was .345507 percent.

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2024, the school department recognized pension expense of \$967,015.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2024, 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	\$ 958,484	\$ 186,694
Changes in Assumptions	1,310,804	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	698,011	0
Changes in Proportion of Net Pension Liability (Asset)	64,492	132,003
LEA's Contributions Subsequent to the Measurement Date of June 30, 2023	754,765	N/A
Total	<u>\$ 3,786,556</u>	<u>\$ 318,697</u>

The school department's employer contributions of \$754,765 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) to the net pension liability (asset) in the year ending June 30, 2025. 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
2025	\$ 896,743
2026	(591,362)
2027	2,402,245
2028	5,468
2029	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, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2023, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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

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

*Discount Rate.* The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from 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 6.75 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 (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

School Department's		Current	
Proportionate Share of	1%	Discount	1%
the Net Pension	Decrease	Rate	Increase
Liability (Asset)	5.75%	6.75%	7.75%

Net Pension Liability (Asset)	\$	8,762,377	\$	(4,023,001)	\$	(14,656,831)
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*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan’s fiduciary net position is available in a separately issued TCRS financial report.

***Payable to the Pension Plan***

On June 30, 2024, the Union County School Department reported a payable of \$225,984 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

**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 \$298,230 and teachers contributed \$168,363 to this deferred compensation pension plan.

**G. *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, 2023, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the June 30, 2023, actuarial valuation of each plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2021 TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.65%
Healthcare Cost Trend Rates	LEP: Based on the Getzen Model, with trend starting at 10.31% for pre-65 retirees in the 2023 calendar year, and decreasing annually over a 11-year period to an ultimate trend rate of 4.5% TNM: The premium 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 3.65 percent, based on an average rating of AA/Aa as shown on the Bond Buyer 20-Year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2023, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2023, valuations were the same as those employed in the July 1, 2022. Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation for the primary government's TNM plan are taken from the PUB-2010 Headcount-weighted employee mortality table for general employees non-disabled pre-retirement mortality, with mortality improvement projected generationally with MP-2021 from 2010. Post-retirement rates are headcount-weighted below median healthy annuitant and adjusted with a 6 percent load for males and a 14 percent load for females, projected generationally with MP-2021 from 2010. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load, projected generationally from 2018 with MP-2021.

For the LEP and TNM (school department), pre-retirement mortality rates employed in this valuation are taken from the PUB-2010 Headcount-weighted Employee mortality table for Teacher Employees projected generationally with MP-2021 from 2010. Post-retirement tables are Headcount-weighted Teacher Below Median Healthy Annuitant and adjusted with a 19% load for males and an 18% load for females, projected generationally from 2010 with MP-2021. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load projected generationally from 2018 with MP-2021.

*Changes in Assumptions.* The discount rate changed from 3.54 percent as of the beginning of the measurement period to 3.65 percent as of the measurement date of June 30, 2023. This change in assumption decreased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 2023 plan year was revised from 8.37 percent to 10.31 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.

*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.

*Employees Covered by Benefit Terms.* At the measurement date of June 30, 2023, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	1
Inactive Employees Entitled to But Not	
Yet Receiving Benefits	5
Active Employees Eligible for Benefits	55
	<hr/>
Total	<u><u>61</u></u>

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, 2024, the county paid \$292 to the TNM for OPEB benefits as they came due.

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

	Total OPEB Liability
	<hr/>
Balance July 1, 2022	\$ 58,313
Changes for the Year:	
Service Cost	\$ 2,332
Interest	2,141
Difference between	
Expected and Actual	
Experience	(7,151)
Changes in Assumption	
and Other Inputs	(788)
Benefit Payments	(331)
Net Changes	<hr/> \$ (3,797) <hr/>
Balance June 30, 2023	<hr/> <u><u>\$ 54,516</u></u> <hr/>

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2024, the county recognized negative OPEB expense of (\$2,170). On June 30, 2024, 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	\$ 4,722	\$ 22,047
Changes of Assumptions/Inputs	11,569	29,555
Benefits Paid After the Measurement Date of June 30, 2023	292	0
Total	<u>\$ 16,583</u>	<u>\$ 51,602</u>

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

Year Ending June 30	Amount
2025	\$ (6,643)
2026	(6,643)
2027	(6,643)
2028	(3,533)
2029	(3,355)
Thereafter	(8,494)

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

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

<u>Discount Rate</u>	1% Decrease 2.65%	Current Discount Rate 3.65%	1% Increase 4.65%
Total OPEB Liability	\$ 64,115	\$ 54,516	\$ 46,662

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

*Employees Covered by Benefit Terms.* At the measurement date of June 30, 2023, the following employees were covered by the benefit terms:

	<u>School Department</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	16
Inactive Employees Entitled to But Not Yet Receiving Benefits	1
Active Employees Eligible for Benefits	<u>250</u>
Total	<u><u>267</u></u>

A state insurance committee, created in accordance with TCA 8-27-301, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards

employee costs based on their own developed policies. During the current reporting period, the school department paid \$108,275 to the LEP for OPEB benefits as they came due.

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

	Share of Collective Liability		Total OPEB Liability
	Union County School Department 62.769%	State of TN 37.231%	
Balance July 1, 2022	\$ 3,328,737	\$ 1,851,918	\$ 5,180,655
Changes for the Year:			
Service Cost	\$ 143,578	\$ 85,163	\$ 228,741
Interest	118,311	70,176	188,487
Difference between Expected and Actual Experience	225,063	133,495	358,558
Change in Proportion Changes in Assumption and Other Inputs	(76,891)	76,891	0
Benefit Payments	300,591	178,292	478,883
Benefit Payments	(107,528)	(63,779)	(171,307)
Net Changes	\$ 603,124	\$ 480,238	\$ 1,083,362
Balance June 30, 2023	\$ 3,931,861	\$ 2,332,156	\$ 6,264,017

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 employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$231,672 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 62.769 percent and the State of Tennessee's share was 37.231 percent.

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2024, the school department recognized OPEB expense of \$576,214, including the state's share of the expense. On June 30, 2024, 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	\$ 449,580	\$ 239,154
Changes of Assumptions/Inputs	744,936	343,001
Changes in Proportion	119,278	226,134
Benefits Paid After the Measurement Date of June 30, 2023	<u>108,275</u>	<u>0</u>
Total	<u>\$ 1,422,069</u>	<u>\$ 808,289</u>

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

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

Year Ending June 30	Amount
2025	\$ 82,653
2026	82,653
2027	82,653
2028	84,647
2029	108,737
Thereafter	64,162

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

*Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Discount Rate.* The following presents the school department’s proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate.

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	2.65%	3.65%	4.65%

Proportionate Share of the Collective Total OPEB Liability	\$ 4,206,225	\$ 3,931,861	\$ 3,667,491
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*Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>	1% Decrease	Current Rates	1% Increase
	9.31 to 3.5%	10.31 to 4.5%	11.31 to 5.5%

Proportionate Share of the Collective Total OPEB Liability	\$ 3,547,436	\$ 3,931,861	\$ 4,371,854
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### **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, 2023, 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 \$25 per month for support staff with 15 or more years of service. 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, 2023, the following employees were covered by the benefit terms:

	<u>School Department</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	39
Inactive Employees Entitled to But Not Yet Receiving Benefits	29
Active Employees Eligible for Benefits	<u>290</u>
Total	<u><u>358</u></u>

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, 2024, the school department paid \$5,387 to the TNM for OPEB benefits as they came due.

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

	Share of Collective Liability		
	Union County	State of	Total OPEB
	School Department	TN	
	23.0293%	76.9707%	Liability
Balance July 1, 2022	\$ 208,307	\$ 596,990	\$ 805,297
Changes for the Year:			
Service Cost	\$ 5,532	\$ 18,489	\$ 24,021
Interest	6,676	22,310	28,986
Difference between			
Expected and Actual			
Experience	(13,033)	(43,561)	(56,594)
Change in Proportion	(22,853)	22,853	0
Changes in Assumption			
and Other Inputs	(2,325)	(7,770)	(10,095)
Benefit Payments	(4,880)	(16,312)	(21,192)
Net Changes	\$ (30,883)	\$ (3,991)	\$ (34,874)
Balance June 30, 2023	\$ 177,424	\$ 592,999	\$ 770,423

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 recognized \$3,292 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the TNM for school department retirees.

During the year, the Union County School Department's proportionate share of the collective OPEB liability was 23.0293 percent and the State of Tennessee's share was 76.9707 percent.

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2024, the school department recognized negative OPEB expense of (\$48,507) including the state's share of the OPEB expense. On June 30, 2024, 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	\$ 7,383	\$ 76,517
Changes of Assumptions/Inputs	24,296	65,142
Changes in Proportion	164,455	314,131
Benefits Paid After the Measurement Date of June 30, 2023	5,387	0
Total	<u>\$ 201,521</u>	<u>\$ 455,790</u>

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

Year Ending June 30	School Department
2025	\$ (64,006)
2026	(64,006)
2027	(63,648)
2028	(50,610)
2029	(9,635)
Thereafter	(7,751)

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.

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	2.65%	3.65%	4.65%

Proportionate Share of the Collective Total OPEB Liability	\$ 205,705	\$ 177,424	\$ 154,214
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*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.

***H. 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.

***I. 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 \$50,000 and greater are required to be competitively bid for all departments.

# REQUIRED SUPPLEMENTARY INFORMATION SECTION

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	2019	2020	2021	2022	2023
<b>Total Pension Liability</b>										
Service Cost	\$ 250,764	\$ 279,057	\$ 295,676	\$ 324,380	\$ 331,994	\$ 338,355	\$ 318,734	\$ 346,851	\$ 422,536	\$ 432,555
Interest	423,613	468,264	516,098	546,331	583,438	616,400	638,767	684,896	755,569	824,534
Differences Between Actual and Expected Experience	88,816	72,604	(192,703)	(26,082)	(181,807)	(332,879)	(73,205)	(196,691)	204,397	1,510,252
Changes in Assumptions	0	0	0	187,223	0	0	0	1,134,160	0	0
Benefit Payments, Including Refunds of Employee Contributions	(188,506)	(203,774)	(193,742)	(295,609)	(257,304)	(313,379)	(274,089)	(278,232)	(318,026)	(423,605)
Net Change in Total Pension Liability	\$ 574,687	\$ 616,151	\$ 425,329	\$ 736,243	\$ 476,321	\$ 308,497	\$ 610,207	\$ 1,690,984	\$ 1,064,476	\$ 2,343,736
Total Pension Liability, Beginning	5,491,668	6,066,355	6,682,506	7,107,835	7,844,078	8,320,399	8,628,896	9,239,103	10,930,087	11,994,563
Total Pension Liability, Ending (a)	\$ 6,066,355	\$ 6,682,506	\$ 7,107,835	\$ 7,844,078	\$ 8,320,399	\$ 8,628,896	\$ 9,239,103	\$ 10,930,087	\$ 11,994,563	\$ 14,338,299
<b>Plan Fiduciary Net Position</b>										
Contributions - Employer	\$ 233,174	\$ 234,294	\$ 253,224	\$ 259,907	\$ 223,456	\$ 234,354	\$ 233,265	\$ 250,865	\$ 239,325	\$ 233,597
Contributions - Employee	197,147	186,541	201,613	206,607	212,008	222,347	230,500	247,891	236,487	291,996
Net Investment Income	866,565	193,958	178,356	807,468	671,998	663,972	482,940	2,686,289	(507,928)	866,295
Benefit Payments, Including Refunds of Employee Contributions	(188,506)	(203,774)	(193,742)	(295,609)	(257,304)	(313,379)	(274,089)	(278,232)	(318,026)	(423,605)
Administrative Expense	(4,087)	(5,673)	(9,080)	(10,307)	(11,573)	(11,048)	(11,273)	(11,388)	(11,971)	(10,487)
Net Change in Plan Fiduciary Net Position	\$ 1,104,293	\$ 405,346	\$ 430,371	\$ 968,066	\$ 838,585	\$ 796,246	\$ 661,343	\$ 2,895,425	\$ (362,113)	\$ 957,796
Plan Fiduciary Net Position, Beginning	5,104,409	6,208,702	6,614,048	7,044,419	8,012,485	8,851,070	9,647,316	10,308,659	13,204,084	12,841,971
Plan Fiduciary Net Position, Ending (b)	\$ 6,208,702	\$ 6,614,048	\$ 7,044,419	\$ 8,012,485	\$ 8,851,070	\$ 9,647,316	\$ 10,308,659	\$ 13,204,084	\$ 12,841,971	\$ 13,799,767
Net Pension Liability (Asset), Ending (a - b)	\$ (142,347)	\$ 68,458	\$ 63,416	\$ (168,407)	\$ (530,671)	\$ (1,018,420)	\$ (1,069,556)	\$ (2,273,997)	\$ (847,408)	\$ 538,532
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	102.35%	98.98%	99.11%	102.15%	106.38%	111.80%	111.58%	120.80%	107.06%	96.24%
Covered Payroll	\$ 3,554,585	\$ 3,730,787	\$ 4,035,127	\$ 4,132,076	\$ 4,240,146	\$ 4,446,929	\$ 4,609,980	\$ 4,957,805	\$ 4,729,719	\$ 5,839,898
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(4.00)%	1.83%	1.57%	(4.08)%	(12.52)%	(22.90)%	(23.20)%	(45.87)%	(17.92)%	9.22%

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.

**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	2019	2020	2021	2022	2023
<b>Total Pension Liability</b>										
Service Cost	\$ 268,929	\$ 292,832	\$ 278,644	\$ 306,764	\$ 317,141	\$ 325,615	\$ 331,099	\$ 355,093	\$ 409,186	\$ 402,705
Interest	590,914	623,518	630,190	673,220	693,510	752,212	800,970	862,231	907,764	945,371
Differences Between Actual and Expected Experience	(97,377)	(441,503)	(14,430)	(339,595)	149,637	(6,212)	139,019	(138,580)	(256,022)	1,243,407
Changes in Assumptions	0	0	0	242,447	0	0	0	927,605	0	0
Benefit Payments, Including Refunds of Employee Contributions	(364,917)	(338,367)	(405,049)	(292,521)	(315,122)	(403,042)	(406,098)	(494,107)	(515,750)	(478,867)
Net Change in Total Pension Liability	\$ 397,549	\$ 136,480	\$ 489,355	\$ 590,315	\$ 845,166	\$ 668,573	\$ 864,990	\$ 1,512,242	\$ 545,178	\$ 2,112,616
Total Pension Liability, Beginning	7,792,380	8,189,929	8,326,409	8,815,764	9,406,079	10,251,245	10,919,818	11,784,808	13,297,050	13,842,228
Total Pension Liability, Ending (a)	\$ 8,189,929	\$ 8,326,409	\$ 8,815,764	\$ 9,406,079	\$ 10,251,245	\$ 10,919,818	\$ 11,784,808	\$ 13,297,050	\$ 13,842,228	\$ 15,954,844
<b>Plan Fiduciary Net Position</b>										
Contributions - Employer	\$ 205,763	\$ 202,052	\$ 213,989	\$ 201,825	\$ 225,301	\$ 224,109	\$ 238,591	\$ 244,574	\$ 238,274	\$ 348,048
Contributions - Employee	173,012	167,818	179,217	167,463	187,131	186,138	195,566	200,471	195,309	248,961
Net Investment Income	1,162,398	253,356	224,936	989,643	812,922	792,461	567,291	3,090,001	(573,317)	968,876
Benefit Payments, Including Refunds of Employee Contributions	(364,917)	(338,367)	(405,049)	(292,521)	(315,122)	(403,042)	(406,098)	(494,107)	(515,750)	(478,867)
Administrative Expense	(6,501)	(8,180)	(12,124)	(14,551)	(16,113)	(15,686)	(15,883)	(15,586)	(17,099)	(17,086)
Other	0	0	0	222	0	0	0	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 1,169,755	\$ 276,679	\$ 200,969	\$ 1,052,081	\$ 894,119	\$ 783,980	\$ 579,467	\$ 3,025,353	\$ (672,583)	\$ 1,069,932
Plan Fiduciary Net Position, Beginning	7,053,462	8,223,217	8,499,896	8,700,865	9,752,946	10,647,065	11,431,045	12,010,512	15,035,865	14,363,282
Plan Fiduciary Net Position, Ending (b)	\$ 8,223,217	\$ 8,499,896	\$ 8,700,865	\$ 9,752,946	\$ 10,647,065	\$ 11,431,045	\$ 12,010,512	\$ 15,035,865	\$ 14,363,282	\$ 15,433,214
Net Pension Liability (Asset), Ending (a - b)	\$ (33,288)	\$ (173,487)	\$ 114,899	\$ (346,867)	\$ (395,820)	\$ (511,227)	\$ (225,704)	\$ (1,738,815)	\$ (521,054)	\$ 521,630
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	100.41%	102.08%	98.70%	103.69%	103.86%	104.68%	101.92%	113.08%	103.76%	96.73%
Covered Payroll	\$ 3,464,027	\$ 3,353,650	\$ 3,556,642	\$ 3,567,982	\$ 3,742,554	\$ 3,722,741	\$ 3,911,313	\$ 4,009,399	\$ 3,906,121	\$ 4,979,231
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(0.96)%	(5.17)%	3.23%	(9.72)%	(10.58)%	(13.73)%	(5.77)%	(43.37)%	(13.34)%	10.48%

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-3

**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**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially Determined Contribution	\$ 234,294	\$ 253,224	\$ 259,907	\$ 223,456	\$ 234,354	\$ 233,265	\$ 88,745	\$ 33,108	\$ 209,069	\$ 218,878
Less: Contributions in Relation to the Actuarially Determined Contribution	(234,294)	(253,224)	(259,907)	(223,456)	(234,354)	(233,265)	(250,865)	(239,325)	(233,597)	(218,878)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (162,120)	\$ (206,217)	\$ (24,528)	\$ 0
Covered Payroll	\$ 3,730,787	\$ 4,035,127	\$ 4,132,076	\$ 4,240,146	\$ 4,446,929	\$ 4,609,980	\$ 4,957,805	\$ 4,729,719	\$ 5,839,898	\$ 6,096,895
Contributions as a Percentage of Covered Payroll	6.28%	6.28%	6.29%	5.27%	5.27%	5.06%	5.06%	5.06%	4%	3.59%

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**

Primary Government - Highway Department and

Discretely Presented Union County School Department - Non-Certified Employees

**For the Fiscal Year Ended June 30**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially Determined Contribution	\$ 202,052	\$ 213,989	\$ 201,825	\$ 225,301	\$ 224,109	\$ 238,591	\$ 244,574	\$ 238,274	\$ 348,048	\$ 369,363
Less: Contributions in Relation to the Actuarially Determined Contribution	(202,052)	(213,989)	(201,825)	(225,301)	(224,109)	(238,591)	(244,574)	(238,274)	(348,048)	(369,363)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 3,353,650	\$ 3,556,642	\$ 3,567,982	\$ 3,742,554	\$ 3,722,741	\$ 3,911,313	\$ 4,009,399	\$ 3,906,121	\$ 4,979,231	\$ 5,284,162
Contributions as a Percentage of Covered Payroll	6.02%	6.02%	5.66%	6.02%	6.02%	6.10%	6.10%	6.10%	6.99%	6.99%

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	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 17,171	\$ 28,640	\$ 49,088	\$ 64,686	\$ 38,196	\$ 56,499	\$ 69,030	\$ 94,130	\$ 154,260	\$ 175,967
Less: Contributions in Relation to the Contractually Required Contribution	(17,171)	(28,640)	(49,088)	(64,686)	(38,196)	(56,499)	(69,030)	(94,130)	(154,260)	(175,967)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 429,269	\$ 715,994	\$ 1,227,215	\$ 1,617,140	\$ 1,968,815	\$ 2,783,200	\$ 3,417,332	\$ 4,683,090	\$ 5,374,887	\$ 5,964,986
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%	2.02%	2.01%	2.87%	2.95%

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

- 2019: Pension - 1.94%, SRT - 2.02%
- 2020: Pension - 2.03%, SRT - 1.97%
- 2021: Pension - 2.02%, SRT - 1.98%
- 2022: Pension - 2.01%, SRT - 1.99%
- 2023: Pension - 2.87%, SRT - 1.13%
- 2024: Pension - 2.95%, SRT - 1.05%

**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**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 1,029,802	\$ 1,010,795	\$ 988,059	\$ 981,423	\$ 1,156,485	\$ 1,130,962	\$ 1,120,097	\$ 1,171,152	\$ 962,248	\$ 754,765
Less: Contributions in Relation to the Contractually Required Contribution	(1,029,802)	(1,010,795)	(988,059)	(981,423)	(1,156,485)	(1,130,962)	(1,120,097)	(1,171,152)	(962,248)	(754,765)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 11,391,617	\$ 11,181,371	\$ 10,714,450	\$ 10,808,631	\$ 11,056,259	\$ 10,639,337	\$ 10,910,771	\$ 11,370,413	\$ 11,073,054	\$ 11,083,159
Contributions as a Percentage of Covered Payroll	9.04%	9.04%	9.22%	9.08%	10.46%	10.63%	10.27%	10.30%	8.69%	6.81%

**UNION COUNTY, TENNESSEE**

**Schedule of Proportionate Share of the Net Pension Liability (Asset)  
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	2020	2021	2022	2023
School Department's Proportion of the Net Pension Liability(Asset)	0.206605%	0.162725%	0.186978%	0.185054%	0.186055%	0.220553%	0.236785%	0.274232%	0.270226%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (8,312)	\$ (16,940)	\$ (49,330)	\$ (83,927)	\$ (105,026)	\$ (125,416)	\$ (256,488)	\$ (83,072)	\$ (114,585)
Covered Payroll	\$ 429,269	\$ 715,994	\$ 1,227,215	\$ 1,617,140	\$ 1,968,815	\$ 2,783,200	\$ 3,417,332	\$ 4,683,090	\$ 5,374,887
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.02)%	(5.19)%	(5.33)%	(4.51)%	(7.51)%	(1.77)%	(2.13)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%	121.53%	104.55%	104.97%

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

**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	2019	2020	2021	2022	2023
School Department's Proportion of the Net Pension Liability(Asset)	0.300944%	0.304304%	0.309750%	0.309194%	0.308670%	0.329728%	0.319667%	0.332295%	0.345507%	0.341229%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (48,902)	\$ 124,653	\$ 1,935,767	\$ (101,162)	\$ (1,086,184)	\$ (3,390,200)	\$ (2,437,695)	\$ (14,332,692)	\$ (4,237,313)	\$ (4,023,001)
Covered Payroll	\$ 11,812,016	\$ 11,391,617	\$ 11,181,371	\$ 10,714,450	\$ 10,808,631	\$ 11,056,259	\$ 10,639,337	\$ 10,910,771	\$ 11,370,413	\$ 11,073,054
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)%	(30.66)%	(22.91)%	(131.36)%	(37.27)%	(36.33)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%	104.42%	104.11%

**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	2019	2020	2021	2022	2023
<b>Total OPEB Liability</b>							
Service Cost	\$ 193,860	\$ 179,015	\$ 193,252	\$ 162,989	\$ 229,794	\$ 301,116	\$ 228,741
Interest	109,574	132,613	137,866	120,926	105,049	125,750	188,487
Changes in Benefit Terms	0	(45,606)	0	0	0	0	0
Differences Between Actual and Expected Experience	0	(177,816)	(284,644)	600,822	109,662	(217,762)	358,558
Changes in Assumptions or Other Inputs	(171,951)	119,146	(263,608)	479,293	692,314	(480,226)	478,883
Benefit Payments	(139,269)	(148,940)	(128,604)	(102,894)	(142,396)	(136,989)	(171,307)
Net Change in Total OPEB Liability	\$ (7,786)	\$ 58,412	\$ (345,738)	\$ 1,261,136	\$ 994,423	\$ (408,111)	\$ 1,083,362
Total OPEB Liability, Beginning	3,628,319	3,620,533	3,678,945	3,333,207	4,594,343	5,588,766	5,180,655
<b>Total OPEB Liability, Ending</b>	<b>\$ 3,620,533</b>	<b>\$ 3,678,945</b>	<b>\$ 3,333,207</b>	<b>\$ 4,594,343</b>	<b>\$ 5,588,766</b>	<b>\$ 5,180,655</b>	<b>\$ 6,264,017</b>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 1,261,669	\$ 1,220,714	\$ 1,231,836	\$ 1,500,122	\$ 1,919,680	\$ 1,851,918	\$ 2,332,156
Employer Proportionate Share of the Total OPEB Liability	2,358,864	2,458,231	2,101,371	3,094,221	3,669,086	3,328,737	3,931,861
Covered Employee Payroll	\$ 13,628,205	\$ 15,677,158	\$ 16,378,763	\$ 16,869,465	\$ 18,274,552	\$ 19,848,935	\$ 21,282,556
Net OPEB Liability as a Percentage of Covered Employee Payroll	17.31%	15.68%	12.83%	18.34%	20.08%	16.77%	18.47%

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

Note 2: Changes in assumptions.

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

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%
2020	2.21%
2021	2.16%
2022	3.54%
2023	3.65%

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

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

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**

Primary Government

**For the Fiscal Year Ended June 30**

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Total OPEB Liability</b>						
Service Cost	\$ 4,204	\$ 2,573	\$ 3,110	\$ 4,765	\$ 3,670	\$ 2,332
Interest	2,740	2,237	2,252	2,172	1,596	2,141
Differences Between Actual and Expected Experience	(19,497)	(4,208)	8,426	(8,179)	(2,349)	(7,151)
Changes in Assumptions or Other Inputs	(720)	1,664	19,205	(21,599)	(14,659)	(788)
Benefit Payments	(100)	(425)	(461)	(572)	(343)	(331)
Net Change in Total OPEB Liability	\$ (13,373)	\$ 1,841	\$ 32,532	\$ (23,413)	\$ (12,085)	\$ (3,797)
Total OPEB Liability, Beginning	72,811	59,438	61,279	93,811	70,398	58,313
Total OPEB Liability, Ending	<u>\$ 59,438</u>	<u>\$ 61,279</u>	<u>\$ 93,811</u>	<u>\$ 70,398</u>	<u>\$ 58,313</u>	<u>\$ 54,516</u>
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A
Net OPEB Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	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:

2018	3.62%
2019	3.51%
2020	2.21%
2021	2.16%
2022	3.54%
2023	3.65%

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	2019	2020	2021	2022	2023
<b>Total OPEB Liability</b>							
Service Cost	\$ 53,514	\$ 43,743	\$ 30,184	\$ 33,694	\$ 39,516	\$ 33,909	\$ 24,021
Interest	46,472	53,000	46,031	33,795	23,547	20,505	28,986
Changes in Benefit Terms	0	(265,320)	0	42,398	0	0	0
Differences Between Actual and Expected Experience	0	14,038	(383,968)	(166,844)	(23,620)	37,571	(56,594)
Changes in Assumptions or Other Inputs	(154,335)	(11,758)	23,491	174,303	(130,022)	(191,965)	(10,095)
Benefit Payments	(37,200)	(40,045)	(34,925)	(20,993)	(19,935)	(20,086)	(21,192)
Net Change in Total OPEB Liability	\$ (91,549)	\$ (206,342)	\$ (319,187)	\$ 96,353	\$ (110,514)	\$ (120,066)	\$ (34,874)
Total OPEB Liability, Beginning	1,556,602	1,465,053	1,258,711	939,524	1,035,877	925,363	805,297
Total OPEB Liability, Ending	\$ 1,465,053	\$ 1,258,711	\$ 939,524	\$ 1,035,877	\$ 925,363	\$ 805,297	\$ 770,423
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 712,974	\$ 692,583	\$ 892,274	\$ 821,128	\$ 723,211	\$ 596,990	\$ 592,999
Employer Proportionate Share of the Total OPEB Liability	752,079	566,128	47,250	214,749	202,152	208,307	177,424
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net OPEB Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	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:

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%
2020	2.21%
2021	2.16%
2022	3.54%
2023	3.65%

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

**UNION COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2024**

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

Valuation Date: Actuarially determined contribution rates for fiscal year 2024 were calculated based on the June 30, 2022, 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	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, averaging 4%
Investment Rate of Return	6.75%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.125%

Changes of assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.5 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4 percent; and modified mortality assumptions.

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

# NONMAJOR GOVERNMENTAL FUNDS

## SPECIAL REVENUE FUNDS

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*Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for 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

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

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

**UNION COUNTY, TENNESSEE**  
**Combining Balance Sheet**  
 Nonmajor Governmental Funds  
 June 30, 2024

	<u>Special Revenue Funds</u>			<u>Capital Projects Fund</u>	Total Nonmajor Governmental Funds
	Drug Control	Constitutional Officers - Fees	Total	Community Development/ Industrial Park	
<b>ASSETS</b>					
Cash	\$ 0	\$ 3,250	\$ 3,250	\$ 0	\$ 3,250
Equity in Pooled Cash and Investments	11,066	0	11,066	51,481	62,547
Accounts Receivable	0	23,308	23,308	0	23,308
Total Assets	<u>\$ 11,066</u>	<u>\$ 26,558</u>	<u>\$ 37,624</u>	<u>\$ 51,481</u>	<u>\$ 89,105</u>
<b>LIABILITIES</b>					
Due to Other Funds	\$ 0	\$ 26,558	\$ 26,558	\$ 0	\$ 26,558
Total Liabilities	<u>\$ 0</u>	<u>\$ 26,558</u>	<u>\$ 26,558</u>	<u>\$ 0</u>	<u>\$ 26,558</u>
<b>FUND BALANCES</b>					
Restricted:					
Restricted for Public Safety	\$ 11,066	\$ 0	\$ 11,066	\$ 0	\$ 11,066
Committed:					
Committed for Capital Projects	0	0	0	51,481	51,481
Total Fund Balances	<u>\$ 11,066</u>	<u>\$ 0</u>	<u>\$ 11,066</u>	<u>\$ 51,481</u>	<u>\$ 62,547</u>
Total Liabilities and Fund Balances	<u>\$ 11,066</u>	<u>\$ 26,558</u>	<u>\$ 37,624</u>	<u>\$ 51,481</u>	<u>\$ 89,105</u>

**UNION COUNTY, TENNESSEE**

**Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances**

Nonmajor Governmental Funds

**For the Year Ended June 30, 2024**

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	Drug Control	Constitu- tional Officers - Fees	Total	Community Development/ Industrial Park	
<b>Revenues</b>					
Fines, Forfeitures, and Penalties	\$ 3,428	\$ 0	\$ 3,428	\$ 0	\$ 3,428
Charges for Current Services	0	16,925	16,925	0	16,925
Other Local Revenues	583	0	583	0	583
Total Revenues	<u>\$ 4,011</u>	<u>\$ 16,925</u>	<u>\$ 20,936</u>	<u>\$ 0</u>	<u>\$ 20,936</u>
<b>Expenditures</b>					
Current:					
Finance	\$ 0	\$ 103	\$ 103	\$ 0	\$ 103
Administration of Justice	0	16,822	16,822	0	16,822
Public Safety	60,371	0	60,371	0	60,371
Total Expenditures	<u>\$ 60,371</u>	<u>\$ 16,925</u>	<u>\$ 77,296</u>	<u>\$ 0</u>	<u>\$ 77,296</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (56,360)</u>	<u>\$ 0</u>	<u>\$ (56,360)</u>	<u>\$ 0</u>	<u>\$ (56,360)</u>
Net Change in Fund Balances	\$ (56,360)	\$ 0	\$ (56,360)	\$ 0	\$ (56,360)
Fund Balance, July 1, 2023	67,426	0	67,426	51,481	118,907
Fund Balance, June 30, 2024	<u>\$ 11,066</u>	<u>\$ 0</u>	<u>\$ 11,066</u>	<u>\$ 51,481</u>	<u>\$ 62,547</u>

**UNION COUNTY, TENNESSEE**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance - Actual and Budget**  
 Drug Control Fund  
**For the Year Ended June 30, 2024**

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<b>Revenues</b>				
Fines, Forfeitures, and Penalties	\$ 3,428	\$ 5,598	\$ 5,598	\$ (2,170)
Other Local Revenues	583	0	0	583
Federal Government	0	35,000	35,000	(35,000)
Total Revenues	<u>\$ 4,011</u>	<u>\$ 40,598</u>	<u>\$ 40,598</u>	<u>\$ (36,587)</u>
<b>Expenditures</b>				
Public Safety				
Drug Enforcement	\$ 60,371	\$ 65,290	\$ 90,290	\$ 29,919
Total Expenditures	<u>\$ 60,371</u>	<u>\$ 65,290</u>	<u>\$ 90,290</u>	<u>\$ 29,919</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (56,360)</u>	<u>\$ (24,692)</u>	<u>\$ (49,692)</u>	<u>\$ (6,668)</u>
Net Change in Fund Balance	\$ (56,360)	\$ (24,692)	\$ (49,692)	\$ (6,668)
Fund Balance, July 1, 2023	<u>67,426</u>	<u>66,430</u>	<u>66,430</u>	<u>996</u>
Fund Balance, June 30, 2024	<u><u>\$ 11,066</u></u>	<u><u>\$ 41,738</u></u>	<u><u>\$ 16,738</u></u>	<u><u>\$ (5,672)</u></u>

## MAJOR GOVERNMENTAL FUNDS

### GENERAL DEBT SERVICE FUND

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

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### CAPITAL PROJECTS FUND

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

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

Exhibit G-1

**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, 2024**

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<b>Revenues</b>				
Local Taxes	\$ 2,182,979	\$ 1,828,930	\$ 1,828,930	\$ 354,049
Other Local Revenues	1,229,005	70,000	110,500	1,118,505
Other Governments and Citizens Groups	277,250	277,250	277,250	0
Total Revenues	<u>\$ 3,689,234</u>	<u>\$ 2,176,180</u>	<u>\$ 2,216,680</u>	<u>\$ 1,472,554</u>
<b>Expenditures</b>				
Principal on Debt				
Education	\$ 701,773	\$ 701,775	\$ 701,775	2
Interest on Debt				
Education	130,724	130,724	130,724	0
Other Debt Service				
General Government	46,983	10,000	50,500	3,517
Education	7,160	7,200	7,200	40
Total Expenditures	<u>\$ 886,640</u>	<u>\$ 849,699</u>	<u>\$ 890,199</u>	<u>\$ 3,559</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,802,594</u>	<u>\$ 1,326,481</u>	<u>\$ 1,326,481</u>	<u>\$ 1,476,113</u>
Net Change in Fund Balance	\$ 2,802,594	\$ 1,326,481	\$ 1,326,481	\$ 1,476,113
Fund Balance, July 1, 2023	<u>2,997,611</u>	<u>2,884,483</u>	<u>2,884,483</u>	<u>113,128</u>
Fund Balance, June 30, 2024	<u><u>\$ 5,800,205</u></u>	<u><u>\$ 4,210,964</u></u>	<u><u>\$ 4,210,964</u></u>	<u><u>\$ 1,589,241</u></u>

Exhibit G-2

**UNION COUNTY, TENNESSEE**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance - Actual (Budgetary Basis) and Budget**  
 General Capital Projects Fund  
**For the Year Ended June 30, 2024**

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 592,796	\$ 0	\$ 0	\$ 592,796	\$ 577,010	\$ 577,010	\$ 15,786
Other Local Revenues	0	0	0	0	0	10,000	(10,000)
State of Tennessee	0	0	0	0	88,124	188,124	(188,124)
Federal Government	218,204	0	0	218,204	0	1,407,820	(1,189,616)
Total Revenues	<u>\$ 811,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 811,000</u>	<u>\$ 665,134</u>	<u>\$ 2,182,954</u>	<u>\$ (1,371,954)</u>
<b>Expenditures</b>							
Capital Projects							
General Administration Projects	\$ 223,985	\$ 0	\$ 0	\$ 223,985	\$ 312,636	\$ 307,640	\$ 83,655
Administration of Justice Projects	0	0	0	0	700,000	700,000	700,000
Public Safety Projects	293,015	(132,372)	1,068	161,711	208,124	258,096	96,385
Public Health and Welfare Projects	524,984	(417,892)	258,595	365,687	428,317	810,909	445,222
Social, Cultural, and Recreation Projects	68,999	0	0	68,999	200,000	1,312,000	1,243,001
Total Expenditures	<u>\$ 1,110,983</u>	<u>\$ (550,264)</u>	<u>\$ 259,663</u>	<u>\$ 820,382</u>	<u>\$ 1,849,077</u>	<u>\$ 3,388,645</u>	<u>\$ 2,568,263</u>
Excess (Deficiency) of Revenues							
Over Expenditures	<u>\$ (299,983)</u>	<u>\$ 550,264</u>	<u>\$ (259,663)</u>	<u>\$ (9,382)</u>	<u>\$ (1,183,943)</u>	<u>\$ (1,205,691)</u>	<u>\$ 1,196,309</u>
<b>Other Financing Sources (Uses)</b>							
Transfers In	\$ 2,495,808	\$ 0	\$ 0	\$ 2,495,808	\$ 200,000	\$ 2,495,808	\$ 0
Total Other Financing Sources	<u>\$ 2,495,808</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,495,808</u>	<u>\$ 200,000</u>	<u>\$ 2,495,808</u>	<u>\$ 0</u>
Net Change in Fund Balance							
Fund Balance, July 1, 2023	<u>2,279,563</u>	<u>(550,264)</u>	<u>0</u>	<u>1,729,299</u>	<u>2,357,278</u>	<u>2,357,278</u>	<u>(627,979)</u>
Fund Balance, June 30, 2024	<u>\$ 4,475,388</u>	<u>\$ 0</u>	<u>\$ (259,663)</u>	<u>\$ 4,215,725</u>	<u>\$ 1,373,335</u>	<u>\$ 3,647,395</u>	<u>\$ 568,330</u>

## CUSTODIAL FUNDS

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

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

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

**UNION COUNTY, TENNESSEE**  
**Combining Statement of Net Position**  
 Custodial Funds  
**June 30, 2024**

	<b>Custodial Funds</b>		
	Cities - Sales Tax	Constitu - tional Officers - Custodial	Total
<b>ASSETS</b>			
Cash	\$ 0	\$ 1,502,498	\$ 1,502,498
Due from Other Governments	201,173	0	201,173
<b>Total Assets</b>	<b>\$ 201,173</b>	<b>\$ 1,502,498</b>	<b>\$ 1,703,671</b>
<b>LIABILITIES</b>			
Due to Other Taxing Units	\$ 201,173	\$ 0	\$ 201,173
<b>Total Liabilities</b>	<b>\$ 201,173</b>	<b>\$ 0</b>	<b>\$ 201,173</b>
<b>NET POSITION</b>			
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 1,502,498	\$ 1,502,498
<b>Total Net Position</b>	<b>\$ 0</b>	<b>\$ 1,502,498</b>	<b>\$ 1,502,498</b>

**UNION COUNTY, TENNESSEE**  
**Combining Statement of Changes in Net Position**  
 Custodial Funds  
**For the Year Ended June 30, 2024**

	<u>Custodial Funds</u>		
	Cities - Sales Tax	Constitu - tional Officers - Custodial	Total
<b>Additions</b>			
Sales Tax Collections for Other Governments	\$ 1,138,320	\$ 0	\$ 1,138,320
Fines/Fees and Other Collections	0	4,085,070	4,085,070
Total Additions	<u>\$ 1,138,320</u>	<u>\$ 4,085,070</u>	<u>\$ 5,223,390</u>
<b>Deductions</b>			
Payment of Sales Tax Collections for Other Governments	\$ 1,138,320	\$ 0	\$ 1,138,320
Payments to State	0	2,580,222	2,580,222
Payments to Individuals and Others	0	1,667,454	1,667,454
Total Deductions	<u>\$ 1,138,320</u>	<u>\$ 4,247,676</u>	<u>\$ 5,385,996</u>
Change in Net Position	\$ 0	\$ (162,606)	\$ (162,606)
Net Position July 1, 2023	0	1,665,104	1,665,104
Net Position June 30, 2024	<u>\$ 0</u>	<u>\$ 1,502,498</u>	<u>\$ 1,502,498</u>

# UNION COUNTY SCHOOL DEPARTMENT

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*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, four 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.

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

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

**UNION COUNTY, TENNESSEE**

**Statement of Activities**

Discretely Presented Union County School Department

**For the Year Ended June 30, 2024**

<b>Functions/Programs</b>	Expenses	<b>Program Revenues</b>			<b>Net (Expense)</b>
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	<b>Revenue and Changes in Net Position</b>
					Total Governmental Activities
<b>Governmental Activities:</b>					
Instruction	\$ 40,255,690	\$ 0	\$ 6,769,569	\$ 0	\$ (33,486,121)
Support Services	16,487,294	0	620,672	1,446,356	(14,420,266)
Operation of Non-instructional Services	4,112,979	431,456	3,962,815	0	281,292
<b>Total Governmental Activities</b>	<b>\$ 60,855,963</b>	<b>\$ 431,456</b>	<b>\$ 11,353,056</b>	<b>\$ 1,446,356</b>	<b>\$ (47,625,095)</b>
<b>General Revenues:</b>					
<b>Taxes:</b>					
Property Taxes Levied for General Purposes					\$ 2,118,559
Local Option Sales Taxes					2,046,260
Other Local Taxes					17,559
Grants and Contributions Not Restricted to Specific Programs					50,103,498
Unrestricted Investment Income					14,318
Miscellaneous					9,108
<b>Total General Revenues</b>					<b>\$ 54,309,302</b>
Change in Net Position					\$ 6,684,207
Net Position, July 1, 2023					49,568,670
Net Position, June 30, 2024					<b>\$ 56,252,877</b>

**UNION COUNTY, TENNESSEE**  
**Balance Sheet - Governmental Funds**  
 Discretely Presented Union County School Department  
**June 30, 2024**

	<b>Major Funds</b>			<b>Nonmajor</b>	<b>Total</b>
	<b>General</b>	<b>School</b>	<b>Education</b>	<b>Funds</b>	
				<b>Other</b>	
<b>Purpose</b>	<b>Federal</b>	<b>Capital</b>	<b>Govern-</b>	<b>Governmental</b>	
<b>School</b>	<b>Projects</b>	<b>Projects</b>	<b>mental</b>	<b>Funds</b>	
			<b>Funds</b>	<b>Funds</b>	
<b>ASSETS</b>					
Cash	\$ 20,000	\$ 0	\$ 0	\$ 542,367	\$ 562,367
Equity in Pooled Cash and Investments	9,189,551	927,207	16,641,403	1,395,008	28,153,169
Accounts Receivable	0	7,620	0	1,311	8,931
Due from Other Governments	1,932,100	389,968	0	216,758	2,538,826
Property Taxes Receivable	1,922,503	0	0	0	1,922,503
Allowance for Uncollectible Property Taxes	(50,376)	0	0	0	(50,376)
Restricted Assets	400,179	0	0	0	400,179
Total Assets	\$ 13,413,957	\$ 1,324,795	\$ 16,641,403	\$ 2,155,444	\$ 33,535,599
<b>LIABILITIES</b>					
Accounts Payable	\$ 32,656	\$ 0	\$ 0	\$ 0	\$ 32,656
Accrued Payroll	867,499	137,344	0	61,376	1,066,219
Payroll Deductions Payable	1,064,665	174,648	0	58,019	1,297,332
Contracts Payable	0	0	117,016	0	117,016
Retainage Payable	0	0	26,385	0	26,385
Due to State of Tennessee	431	176	0	134	741
Health Insurance Payments	20,000	0	0	0	20,000
Total Liabilities	\$ 1,985,251	\$ 312,168	\$ 143,401	\$ 119,529	\$ 2,560,349
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Current Property Taxes	\$ 1,833,267	\$ 0	\$ 0	\$ 0	\$ 1,833,267
Deferred Delinquent Property Taxes	33,921	0	0	0	33,921
Other Deferred/Unavailable Revenue	186,666	0	0	0	186,666
Total Deferred Inflows of Resources	\$ 2,053,854	\$ 0	\$ 0	\$ 0	\$ 2,053,854

(Continued)

**UNION COUNTY, TENNESSEE**

**Balance Sheet - Governmental Funds**

Discretely Presented Union County School Department (Cont.)

	<b>Major Funds</b>			<b>Nonmajor</b>	<b>Total</b>
	<b>General</b>	<b>School</b>	<b>Education</b>	<b>Funds</b>	
				<b>Other</b>	
	<b>Purpose</b>	<b>Federal</b>	<b>Capital</b>	<b>Govern-</b>	<b>Governmental</b>
	<b>School</b>	<b>Projects</b>	<b>Projects</b>	<b>mental</b>	<b>Funds</b>
				<b>Funds</b>	<b>Funds</b>
<b>FUND BALANCES</b>					
Restricted:					
Restricted for Education	\$ 3,455	\$ 409	\$ 0	\$ 2,035,915	\$ 2,039,779
Restricted for Hybrid Retirement Stabilization Funds	400,179	0	0	0	400,179
Committed:					
Committed for Education	0	1,012,218	0	0	1,012,218
Committed for Capital Projects	0	0	16,498,002	0	16,498,002
Assigned:					
Assigned for Education	14,545	0	0	0	14,545
Unassigned	8,956,673	0	0	0	8,956,673
Total Fund Balances	<u>\$ 9,374,852</u>	<u>\$ 1,012,627</u>	<u>\$ 16,498,002</u>	<u>\$ 2,035,915</u>	<u>\$ 28,921,396</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 13,413,957</u>	<u>\$ 1,324,795</u>	<u>\$ 16,641,403</u>	<u>\$ 2,155,444</u>	<u>\$ 33,535,599</u>

**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, 2024**

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)		\$ 28,921,396
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 2,114,255	
Add: construction in progress	2,541,196	
Add: buildings and improvements net of accumulated depreciation	15,176,464	
Add: infrastructure net of accumulated depreciation	95,654	
Add: other capital assets net of accumulated depreciation	<u>2,387,367</u>	22,314,936
(2) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		220,587
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: OPEB liability	\$ (4,109,285)	
Less: net pension liability - agent plan	(452,983)	
Less: compensated absences payable	<u>(93,908)</u>	(4,656,176)
(4) Amounts reflected as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 5,521,915	
Less: deferred inflows of resources related to pensions	(566,878)	
Add: deferred outflows of resources related to OPEB	1,623,590	
Less: deferred inflows of resources related to OPEB	<u>(1,264,079)</u>	5,314,548
(5) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - teacher retirement plan	\$ 114,585	
Add: net pension asset - teacher legacy pension plan	<u>4,023,001</u>	<u>4,137,586</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 56,252,877</u></u>

**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, 2024**

	Major Funds				Nonmajor	Total
	General Purpose School	School Federal Projects	Other Education Special Revenue	Education Capital Projects	Other Govern-mental Funds	
<b>Revenues</b>						
Local Taxes	\$ 4,336,022	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,336,022
Licenses and Permits	1,552	0	0	0	0	1,552
Charges for Current Services	54,379	0	0	0	377,077	431,456
Other Local Revenues	68,173	105	0	0	1,278,418	1,346,696
State of Tennessee	28,447,493	0	21,737,438	0	16,242	50,201,173
Federal Government	468,672	7,134,117	0	0	2,104,043	9,706,832
Other Governments and Citizens Groups	569,178	0	0	0	0	569,178
<b>Total Revenues</b>	<b>\$ 33,945,469</b>	<b>\$ 7,134,222</b>	<b>\$ 21,737,438</b>	<b>\$ 0</b>	<b>\$ 3,775,780</b>	<b>\$ 66,592,909</b>
<b>Expenditures</b>						
Current:						
Instruction	\$ 17,050,494	\$ 3,233,956	\$ 19,980,312	\$ 0	\$ 0	\$ 40,264,762
Support Services	12,391,011	2,335,295	18,131	0	0	14,744,437
Operation of Non-Instructional Services	593,022	4,995	0	0	3,477,837	4,075,854
Capital Outlay	7,000	1,559,566	0	687,897	0	2,254,463
Debt Service:						
Other Debt Service	277,250	0	0	0	0	277,250
<b>Total Expenditures</b>	<b>\$ 30,318,777</b>	<b>\$ 7,133,812</b>	<b>\$ 19,998,443</b>	<b>\$ 687,897</b>	<b>\$ 3,477,837</b>	<b>\$ 61,616,766</b>
Excess (Deficiency) of Revenues						
Over Expenditures	\$ 3,626,692	\$ 410	\$ 1,738,995	\$ (687,897)	\$ 297,943	\$ 4,976,143
<b>Other Financing Sources (Uses)</b>						
Insurance Recovery	\$ 9,165	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,165
Transfers In	1,738,995	0	0	4,150,108	0	5,889,103

(Continued)

**UNION COUNTY, TENNESSEE**  
**Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances -**  
**Governmental Funds**

Discretely Presented Union County School Department (Cont.)

	<b>Major Funds</b>				<b>Nonmajor Funds</b>	
	General Purpose School	School Federal Projects	Other Education	Education	Other Govern-mental Funds	Total Governmen-tal Funds
			Special Revenue	Capital Projects		
<b>Other Financing Sources (Uses) (Cont.)</b>						
Transfers Out	\$ (4,150,108)	\$ 0	\$ (1,738,995)	\$ 0	\$ 0	\$ (5,889,103)
Total Other Financing Sources (Uses)	\$ (2,401,948)	\$ 0	\$ (1,738,995)	\$ 4,150,108	\$ 0	\$ 9,165
Net Change in Fund Balances	\$ 1,224,744	\$ 410	\$ 0	\$ 3,462,211	\$ 297,943	\$ 4,985,308
Fund Balance, July 1, 2023	8,150,108	1,012,217	0	13,035,791	1,737,972	23,936,088
Fund Balance, June 30, 2024	\$ 9,374,852	\$ 1,012,627	\$ 0	\$ 16,498,002	\$ 2,035,915	\$ 28,921,396

**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, 2024**

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)		\$ 4,985,308
(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	\$ 2,584,948	
Less: current-year depreciation expense	<u>(1,233,638)</u>	1,351,310
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
Add: assets donated and capitalized		789,908
(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, 2024	\$ 220,587	
Less: deferred delinquent property taxes and other deferred June 30, 2023	<u>(218,250)</u>	2,337
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences	\$ 39,539	
Change in OPEB liability	(572,241)	
Change in net pension liability/asset	(1,074,301)	
Change in deferred outflows related to pensions	93,387	
Change in deferred inflows related to pensions	675,801	
Change in deferred outflows related to OPEB	224,334	
Change in deferred inflows related to OPEB	<u>168,825</u>	<u>(444,656)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 6,684,207</u>

**UNION COUNTY, TENNESSEE**  
**Combining Balance Sheet - Nonmajor Governmental Funds**  
 Discretely Presented Union County School Department  
**June 30, 2024**

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	
<b>ASSETS</b>			
Cash	\$ 0	\$ 542,367	\$ 542,367
Equity in Pooled Cash and Investments	1,395,008	0	1,395,008
Accounts Receivable	1,311	0	1,311
Due from Other Governments	216,758	0	216,758
Total Assets	<u>\$ 1,613,077</u>	<u>\$ 542,367</u>	<u>\$ 2,155,444</u>
<b>LIABILITIES</b>			
Accrued Payroll	\$ 61,376	\$ 0	\$ 61,376
Payroll Deductions Payable	58,019	0	58,019
Due to State of Tennessee	134	0	134
Total Liabilities	<u>\$ 119,529</u>	<u>\$ 0</u>	<u>\$ 119,529</u>
<b>FUND BALANCES</b>			
Restricted:			
Restricted for Education	\$ 1,493,548	\$ 542,367	\$ 2,035,915
Total Fund Balances	<u>\$ 1,493,548</u>	<u>\$ 542,367</u>	<u>\$ 2,035,915</u>
Total Liabilities and Fund Balances	<u>\$ 1,613,077</u>	<u>\$ 542,367</u>	<u>\$ 2,155,444</u>

**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, 2024**

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	
<b>Revenues</b>			
Charges for Current Services	\$ 377,077	\$ 0	\$ 377,077
Other Local Revenues	15,067	1,263,351	1,278,418
State of Tennessee	16,242	0	16,242
Federal Government	2,104,043	0	2,104,043
Total Revenues	<u>\$ 2,512,429</u>	<u>\$ 1,263,351</u>	<u>\$ 3,775,780</u>
<b>Expenditures</b>			
Current:			
Operation of Non-Instructional Services	\$ 2,284,239	\$ 1,193,598	\$ 3,477,837
Total Expenditures	<u>\$ 2,284,239</u>	<u>\$ 1,193,598</u>	<u>\$ 3,477,837</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 228,190</u>	<u>\$ 69,753</u>	<u>\$ 297,943</u>
Net Change in Fund Balances	\$ 228,190	\$ 69,753	\$ 297,943
Fund Balance, July 1, 2023	<u>1,265,358</u>	<u>472,614</u>	<u>1,737,972</u>
Fund Balance, June 30, 2024	<u>\$ 1,493,548</u>	<u>\$ 542,367</u>	<u>\$ 2,035,915</u>

**UNION COUNTY, TENNESSEE**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance - Actual (Budgetary Basis) and Budget**  
 Discretely Presented Union County School Department  
 General Purpose School Fund  
**For the Year Ended June 30, 2024**

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 4,336,022	\$ 0	\$ 0	\$ 4,336,022	\$ 3,776,612	\$ 3,776,612	\$ 559,410
Licenses and Permits	1,552	0	0	1,552	1,188	1,188	364
Charges for Current Services	54,379	0	0	54,379	2,072,406	63,473	(9,094)
Other Local Revenues	68,173	0	0	68,173	0	19,196	48,977
State of Tennessee	28,447,493	0	0	28,447,493	24,786,663	31,528,718	(3,081,225)
Federal Government	468,672	0	0	468,672	90,000	741,872	(273,200)
Other Governments and Citizens Groups	569,178	0	0	569,178	0	569,178	0
<b>Total Revenues</b>	<b>\$ 33,945,469</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 33,945,469</b>	<b>\$ 30,726,869</b>	<b>\$ 36,700,237</b>	<b>\$ (2,754,768)</b>
<b>Expenditures</b>							
<b>Instruction</b>							
Regular Instruction Program	\$ 13,323,770	\$ (21,994)	\$ 40	\$ 13,301,816	\$ 13,322,329	\$ 14,660,319	\$ 1,358,503
Special Education Program	1,966,635	0	0	1,966,635	2,104,613	2,127,094	160,459
Career and Technical Education Program	1,760,089	(12,319)	0	1,747,770	1,266,154	2,504,018	756,248
<b>Support Services</b>							
Attendance	7,400	0	0	7,400	110,932	30,006	22,606
Health Services	632,563	0	0	632,563	614,842	649,148	16,585
Other Student Support	630,106	(2,464)	0	627,642	1,028,021	826,215	198,573
Regular Instruction Program	888,701	0	0	888,701	752,948	1,005,127	116,426
Special Education Program	901,530	0	0	901,530	883,802	940,452	38,922
Career and Technical Education Program	167,971	0	0	167,971	165,567	170,906	2,935
Technology	1,256,948	(8,663)	0	1,248,285	690,603	1,293,745	45,460
Other Programs	89,113	0	0	89,113	0	89,113	0
Board of Education	581,196	0	0	581,196	553,438	617,601	36,405
Director of Schools	154,949	0	0	154,949	165,643	166,992	12,043
Office of the Principal	2,305,036	0	0	2,305,036	2,322,534	2,364,770	59,734
Fiscal Services	317,004	0	0	317,004	317,122	340,469	23,465
Operation of Plant	2,551,021	(2,295)	0	2,548,726	2,562,399	2,712,043	163,317
Maintenance of Plant	789,008	(8,620)	5,660	786,048	515,368	809,281	23,233

(Continued)

**UNION COUNTY, TENNESSEE**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance - Actual (Budgetary Basis) and Budget**  
 Discretely Presented Union County School Department  
 General Purpose School Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Expenditures (Cont.)</b>							
Support Services (Cont.)							
Transportation	\$ 1,118,465	\$ 0	\$ 8,845	\$ 1,127,310	\$ 1,141,003	\$ 1,346,606	\$ 219,296
Operation of Non-Instructional Services							
Food Service	7,561	0	0	7,561	0	7,628	67
Community Services	149,163	0	0	149,163	21,839	153,391	4,228
Early Childhood Education	436,298	0	0	436,298	0	448,967	12,669
Capital Outlay							
Regular Capital Outlay	7,000	0	0	7,000	0	506,262	499,262
Other Debt Service							
Education	277,250	0	0	277,250	277,250	277,250	0
Total Expenditures	\$ 30,318,777	\$ (56,355)	\$ 14,545	\$ 30,276,967	\$ 28,816,407	\$ 34,047,403	\$ 3,770,436
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,626,692	\$ 56,355	\$ (14,545)	\$ 3,668,502	\$ 1,910,462	\$ 2,652,834	\$ 1,015,668
<b>Other Financing Sources (Uses)</b>							
Insurance Recovery	\$ 9,165	\$ 0	\$ 0	\$ 9,165	\$ 0	\$ 9,165	\$ 0
Transfers In	1,738,995	0	0	1,738,995	0	1,738,996	(1)
Transfers Out	(4,150,108)	0	0	(4,150,108)	0	(4,150,108)	0
Total Other Financing Sources	\$ (2,401,948)	\$ 0	\$ 0	\$ (2,401,948)	\$ 0	\$ (2,401,947)	\$ (1)
Net Change in Fund Balance	\$ 1,224,744	\$ 56,355	\$ (14,545)	\$ 1,266,554	\$ 1,910,462	\$ 250,887	\$ 1,015,667
Fund Balance, July 1, 2023	8,150,108	(56,355)	0	8,093,753	8,814,199	8,814,199	(720,446)
Fund Balance, June 30, 2024	\$ 9,374,852	\$ 0	\$ (14,545)	\$ 9,360,307	\$ 10,724,661	\$ 9,065,086	\$ 295,221

**UNION COUNTY, TENNESSEE**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance - Actual (Budgetary Basis) and Budget**  
 Discretely Presented Union County School Department  
 School Federal Projects Fund  
**For the Year Ended June 30, 2024**

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<b>Revenues</b>						
Other Local Revenues	\$ 105	\$ 0	\$ 105	\$ 0	\$ 0	\$ 105
Federal Government	7,134,117	0	7,134,117	3,041,338	10,399,408	(3,265,291)
<b>Total Revenues</b>	<b>\$ 7,134,222</b>	<b>\$ 0</b>	<b>\$ 7,134,222</b>	<b>\$ 3,041,338</b>	<b>\$ 10,399,408</b>	<b>\$ (3,265,186)</b>
<b>Expenditures</b>						
Instruction						
Regular Instruction Program	\$ 2,415,931	\$ 0	\$ 2,415,931	\$ 793,081	\$ 2,890,959	\$ 475,028
Special Education Program	712,719	0	712,719	729,297	844,870	132,151
Career and Technical Education Program	105,306	0	105,306	44,516	106,876	1,570
Support Services						
Health Services	1,917	0	1,917	0	1,917	0
Other Student Support	705,452	0	705,452	325,274	738,317	32,865
Regular Instruction Program	854,442	0	854,442	511,887	1,019,641	165,199
Special Education Program	488,584	0	488,584	484,329	697,277	208,693
Career and Technical Education Program	2,639	0	2,639	4,954	2,639	0
Technology	95,591	0	95,591	0	95,591	0
Fiscal Services	33,400	0	33,400	0	45,995	12,595
Transportation	153,270	0	153,270	148,000	173,000	19,730
Operation of Non-Instructional Services						
Food Service	4,995	0	4,995	0	7,326	2,331
Capital Outlay						
Regular Capital Outlay	1,559,566	557,084	2,116,650	0	3,775,000	1,658,350
<b>Total Expenditures</b>	<b>\$ 7,133,812</b>	<b>\$ 557,084</b>	<b>\$ 7,690,896</b>	<b>\$ 3,041,338</b>	<b>\$ 10,399,408</b>	<b>\$ 2,708,512</b>
Excess (Deficiency) of Revenues						
Over Expenditures	\$ 410	\$ (557,084)	\$ (556,674)	\$ 0	\$ 0	\$ (556,674)
Net Change in Fund Balance						
Fund Balance, July 1, 2023	1,012,217	0	1,012,217	1,012,002	1,012,002	215
<b>Fund Balance, June 30, 2024</b>	<b>\$ 1,012,627</b>	<b>\$ (557,084)</b>	<b>\$ 455,543</b>	<b>\$ 1,012,002</b>	<b>\$ 1,012,002</b>	<b>\$ (556,459)</b>

**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, 2024**

	Actual	Budgeted Amounts		Variance with Final Budget - Positive - (Negative)
		Original	Final	
<b>Revenues</b>				
Charges for Current Services	\$ 377,077	\$ 111,484	\$ 112,063	\$ 265,014
Other Local Revenues	15,067	1,400	1,400	13,667
State of Tennessee	16,242	15,000	15,000	1,242
Federal Government	2,104,043	1,973,280	2,013,568	90,475
Total Revenues	<u>\$ 2,512,429</u>	<u>\$ 2,101,164</u>	<u>\$ 2,142,031</u>	<u>\$ 370,398</u>
<b>Expenditures</b>				
Operation of Non-Instructional Services				
Food Service	\$ 2,284,239	\$ 2,101,164	\$ 2,499,910	\$ 215,671
Total Expenditures	<u>\$ 2,284,239</u>	<u>\$ 2,101,164</u>	<u>\$ 2,499,910</u>	<u>\$ 215,671</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 228,190</u>	<u>\$ 0</u>	<u>\$ (357,879)</u>	<u>\$ 586,069</u>
Net Change in Fund Balance	\$ 228,190	\$ 0	\$ (357,879)	\$ 586,069
Fund Balance, July 1, 2023	<u>1,265,358</u>	<u>1,405,920</u>	<u>1,405,920</u>	<u>(140,562)</u>
Fund Balance, June 30, 2024	<u>\$ 1,493,548</u>	<u>\$ 1,405,920</u>	<u>\$ 1,048,041</u>	<u>\$ 445,507</u>

**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, 2024**

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<b>Revenues</b>				
State of Tennessee	\$ 21,737,438	\$ 25,522,000	\$ 21,832,443	\$ (95,005)
Total Revenues	\$ 21,737,438	\$ 25,522,000	\$ 21,832,443	\$ (95,005)
<b>Expenditures</b>				
Instruction				
Regular Instruction Program	\$ 19,980,312	\$ 23,460,240	\$ 20,073,443	\$ 93,131
Support Services				
Office of the Principal	18,131	20,000	20,000	1,869
Total Expenditures	\$ 19,998,443	\$ 23,480,240	\$ 20,093,443	\$ 95,000
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,738,995	\$ 2,041,760	\$ 1,739,000	\$ (5)
<b>Other Financing Sources (Uses)</b>				
Transfers Out	\$ (1,738,995)	\$ (2,041,760)	\$ (1,739,000)	\$ 5
Total Other Financing Sources	\$ (1,738,995)	\$ (2,041,760)	\$ (1,739,000)	\$ 5
Net Change in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance, July 1, 2023	0	0	0	0
Fund Balance, June 30, 2024	\$ 0	\$ 0	\$ 0	\$ 0

**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, 2024**

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures</b>							
Capital Outlay							
Regular Capital Outlay	\$ 687,897	\$ (5,767)	\$ 52,300	\$ 734,430	\$ 700,000	\$ 900,000	\$ 165,570
Total Expenditures	\$ 687,897	\$ (5,767)	\$ 52,300	\$ 734,430	\$ 700,000	\$ 900,000	\$ 165,570
Excess (Deficiency) of Revenues Over Expenditures	\$ (687,897)	\$ 5,767	\$ (52,300)	\$ (734,430)	\$ (700,000)	\$ (900,000)	\$ 165,570
<b>Other Financing Sources (Uses)</b>							
Transfers In	\$ 4,150,108	\$ 0	\$ 0	\$ 4,150,108	\$ 0	\$ 4,150,108	\$ 0
Total Other Financing Sources	\$ 4,150,108	\$ 0	\$ 0	\$ 4,150,108	\$ 0	\$ 4,150,108	\$ 0
Net Change in Fund Balance	\$ 3,462,211	\$ 5,767	\$ (52,300)	\$ 3,415,678	\$ (700,000)	\$ 3,250,108	\$ 165,570
Fund Balance, July 1, 2023	13,035,791	(5,767)	0	13,030,024	11,119,150	11,119,150	1,910,874
Fund Balance, June 30, 2024	\$ 16,498,002	\$ 0	\$ (52,300)	\$ 16,445,702	\$ 10,419,150	\$ 14,369,258	\$ 2,076,444

## MISCELLANEOUS SCHEDULES

Exhibit J-1

**UNION COUNTY, TENNESSEE**  
**Schedule of Changes in Long-term Bonds**  
**For the Year Ended June 30, 2024**

<b>Description of Indebtedness</b>	<b>Original Amount of Issue</b>	<b>Interest Rate</b>	<b>Date of Issue</b>	<b>Last Maturity Date</b>	<b>Outstanding 7-1-23</b>	<b>Paid and/or Matured During Period</b>	<b>Outstanding 6-30-24</b>
<b>BONDS PAYABLE</b>							
Payable through General Debt Service Fund							
Qualified School Construction Bond	\$ 7,160,000	1.515 %	12-17-09	9-1-26	\$ 1,389,182	\$ 446,773	\$ 942,409
Refunding Bonds Series 2021	2,290,000	1.25	5-20-21	4-1-30	1,780,000	255,000	1,525,000
Total Bonds Payable					<u>\$ 3,169,182</u>	<u>\$ 701,773</u>	<u>\$ 2,467,409</u>

Exhibit J-2

**UNION COUNTY, TENNESSEE**  
**Schedule of Long-term Debt Requirements by Year**

Year Ending June 30	Bonds		
	Principal	Interest	Total
2025	\$ 701,773	\$ 127,537	\$ 829,310
2026	749,636	124,349	873,985
2027	254,000	12,700	266,700
2028	254,000	9,525	263,525
2029	254,000	6,350	260,350
2030	254,000	3,175	257,175
Total	\$ 2,467,409	\$ 283,636	\$ 2,751,045

**UNION COUNTY, TENNESSEE**

**Schedule of Transfers**

Primary Government and Discretely Presented Union County School Department

**For the Year Ended June 30, 2024**

<b>From Fund</b>	<b>To Fund</b>	<b>Purpose</b>	<b>Amount</b>
<b>PRIMARY GOVERNMENT</b>			
General	General Capital Projects	Transfer of excess fund balance per fund balance policy	\$ 2,295,808
"	"	Hotel/Motel funds for Farm Grant Match, and the Stage and Heritage Park project	<u>200,000</u>
Total Transfers Primary Government			<u><u>\$ 2,495,808</u></u>
<b>DISCRETELY PRESENTED UNION COUNTY SCHOOL DEPARTMENT</b>			
Other Education Special Revenue	General Purpose School	Virtual academy revenue (8% per contract)	\$ 1,738,995
General Purpose School	Educational Capital Projects	Transfer of excess fund balance per fund balance policy	<u>4,150,108</u>
Total Transfers Discretely Presented Union County School Department			<u><u>\$ 5,889,103</u></u>

**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, 2024**

<b>Official</b>	<b>Salary</b>	<b>Authorization</b>	<b>Bond</b>	<b>Surety</b>
<b>County Mayor</b>		Section 8-24-102, <i>TCA</i>	\$ (1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 100,157</u>			
<b>Highway Superintendent</b>		Section 8-24-102, <i>TCA</i>	(2) 100,000	State Farm Fire and Casualty Company
Base salary/Total compensation	<u>\$ 95,388</u>			
<b>Director of Schools</b>		State Board of Education and County Board of Education	(1)	Tennessee Risk Management Trust
Base salary	\$ 110,000			
Travel allowance	3,600			
Chief executive officer training supplement	900			
Total compensation	<u>\$ 114,500</u>			
<b>Trustee</b>		Section 8-24-102, <i>TCA</i>	(2) 1,500,000	Auto Owners Mutual Insurance
Base salary/Total compensation	<u>\$ 86,716</u>			
<b>Assessor of Property</b>		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 86,716</u>			
<b>County Clerk</b>		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 86,716</u>			
<b>Circuit and General Sessions Courts Clerk</b>		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 86,716</u>			
<b>Clerk and Master</b>		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary	\$ 86,716			
Special commissioner fees	16,822			
Total compensation	<u>\$ 103,538</u>			
<b>Register of Deeds</b>		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base Salary/Total compensation	<u>\$ 86,716</u>			
<b>Sheriff</b>		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 95,388</u>			
<b>Finance Director</b>		County Commission	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 78,044</u>			
Employee Blanket Bonds:				
Employee Fidelity - County Departments			400,000	Tennessee Risk Management Trust
Employee Fidelity - School Department			400,000	"

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

(2) This official had coverage under an individual official bond as well as coverage under the employee fidelity insurance coverage as of June 30, 2024.

**UNION COUNTY, TENNESSEE**  
**Schedule of Detailed Revenues -**  
**All Governmental Fund Types**  
**For the Year Ended June 30, 2024**

	Special Revenue Funds					Debt Service Fund
	General	Ambulance Service	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<b>Local Taxes</b>						
County Property Taxes						
Current Property Tax	\$ 3,822,067	\$ 961,808	\$ 0	\$ 0	\$ 359,283	\$ 1,425,053
Trustee's Collections - Prior Year	57,980	7,895	0	0	5,896	3,573
Circuit Clerk/Clerk and Master Collections - Prior Years	46,916	9,549	0	0	4,348	11,311
Interest and Penalty	17,005	3,235	0	0	1,672	3,532
Pickup Taxes	5,711	1,342	0	0	544	1,873
Payments in-Lieu-of Taxes - T.V.A.	4,595	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	553,103	0	0	0	0	0
County Local Option Taxes						
Local Option Sales Tax	900,944	0	0	0	0	0
Hotel/Motel Tax	151,479	0	0	0	0	0
Wheel Tax	0	0	0	0	0	737,637
Litigation Tax - General	31,517	0	0	0	0	0
Litigation Tax - Special Purpose	31,278	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	13,216	0	0	0	0	0
Business Tax	66,333	0	0	0	0	0
Mixed Drink Tax	14,533	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	107,148	0
Statutory Local Taxes						
Wholesale Beer Tax	92,804	0	0	0	0	0
Beer Privilege Tax	1,615	0	0	0	0	0
<b>Total Local Taxes</b>	<b>\$ 5,811,096</b>	<b>\$ 983,829</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 478,891</b>	<b>\$ 2,182,979</b>
<b>Licenses and Permits</b>						
Licenses						
Cable TV Franchise	\$ 37,172	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

**UNION COUNTY, TENNESSEE**  
**Schedule of Detailed Revenues -**  
**All Governmental Fund Types (Cont.)**

	Special Revenue Funds					Debt Service Fund
	General	Ambulance Service	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<b>Licenses and Permits (Cont.)</b>						
Permits						
Beer Permits	\$ 238	\$ 0	\$ 0	\$ 0	\$ 0	0
Building Permits	87,105	0	0	0	0	0
Total Licenses and Permits	<u>\$ 124,515</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
<b>Fines, Forfeitures, and Penalties</b>						
Circuit Court						
Fines	\$ 4,551	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	1,957	0	0	0	0	0
Drug Control Fines	0	0	1,813	0	0	0
Data Entry Fee - Circuit Court	564	0	0	0	0	0
Victims Assistance Assessments	1,362	0	0	0	0	0
Criminal Court						
DUI Treatment Fines	346	0	0	0	0	0
Courtroom Security Fee	6	0	0	0	0	0
General Sessions Court						
Fines	15,513	0	0	0	0	0
Officers Costs	12,651	0	0	0	0	0
Game and Fish Fines	468	0	0	0	0	0
Drug Control Fines	0	0	1,615	0	0	0
Data Entry Fee - General Sessions Court	12,318	0	0	0	0	0
Courtroom Security Fee	6	0	0	0	0	0
Victims Assistance Assessments	10,906	0	0	0	0	0
Juvenile Court						
Fines	214	0	0	0	0	0
Officers Costs	2,243	0	0	0	0	0

(Continued)

**UNION COUNTY, TENNESSEE**  
**Schedule of Detailed Revenues -**  
**All Governmental Fund Types (Cont.)**

	Special Revenue Funds					Debt Service Fund
	General	Ambulance Service	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<b>Fines, Forfeitures, and Penalties (Cont.)</b>						
Juvenile Court (Cont.)						
Jail Fees	\$ 485	\$ 0	\$ 0	\$ 0	\$ 0	0
Data Entry Fee - Juvenile Court	320	0	0	0	0	0
Chancery Court						
Officers Costs	1,292	0	0	0	0	0
Data Entry Fee - Chancery Court	1,431	0	0	0	0	0
Judicial District Drug Program						
Courtroom Security Fee	6	0	0	0	0	0
Other Fines, Forfeitures, and Penalties						
Other Fines, Forfeitures, and Penalties	2,500	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 69,139	\$ 0	\$ 3,428	\$ 0	\$ 0	0
<b>Charges for Current Services</b>						
General Service Charges						
Patient Charges	\$ 5,600	\$ 1,092,812	\$ 0	\$ 0	\$ 0	0
Other General Service Charges	125	0	0	0	0	0
Service Charges	0	82,161	0	0	0	0
Fees						
Engineer Review Fees	1,195	0	0	0	0	0
Copy Fees	1,008	0	0	0	0	0
Library Fees	1,400	0	0	0	0	0
Archives and Records Management Fee	31,250	0	0	0	0	0
Greenbelt Late Application Fee	100	0	0	0	0	0
Telephone Commissions	1,215	0	0	0	0	0
Vending Machine Collections	49,468	0	0	0	0	0
Additional Fees - Titling and Registration	16,485	0	0	0	0	0

(Continued)

**UNION COUNTY, TENNESSEE**  
**Schedule of Detailed Revenues -**  
**All Governmental Fund Types (Cont.)**

	Special Revenue Funds					Debt Service Fund
	General	Ambulance Service	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<b>Charges for Current Services (Cont.)</b>						
Fees (Cont.)						
Constitutional Officers' Fees and Commissions	\$ 48	\$ 0	\$ 0	\$ 103	\$ 0	0
Special Commissioner Fees/Special Master Fees	0	0	0	16,822	0	0
Data Processing Fee - Register	7,711	0	0	0	0	0
Data Processing Fee - Sheriff	1,225	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	6,000	0	0	0	0	0
Data Processing Fee - County Clerk	2,379	0	0	0	0	0
Vehicle Registration Reinstatement Fees	1,920	0	0	0	0	0
Education Charges						
Receipts from Individual Schools	21,409	8,565	0	0	0	0
Other Charges for Services	468,571	0	0	0	0	0
<b>Total Charges for Current Services</b>	<b>\$ 617,109</b>	<b>\$ 1,183,538</b>	<b>\$ 0</b>	<b>\$ 16,925</b>	<b>\$ 0</b>	<b>0</b>
<b>Other Local Revenues</b>						
Recurring Items						
Investment Income	\$ 1,784	\$ 0	\$ 0	\$ 0	\$ 0	1,229,005
Lease/Rentals/PPP	38,850	0	0	0	15,805	0
Sale of Materials and Supplies	0	0	0	0	797	0
Commissary Sales	19,994	0	0	0	0	0
Sale of Gasoline	0	0	0	0	8,041	0
Sale of Recycled Materials	17	0	0	0	960	0
Miscellaneous Refunds	20,172	24	0	0	2,636	0
Nonrecurring Items						
Sale of Equipment	966	0	0	0	550	0
Sale of Property	15,200	0	0	0	0	0
Damages Recovered from Individuals	2,293	0	0	0	0	0

(Continued)

**UNION COUNTY, TENNESSEE**  
**Schedule of Detailed Revenues -**  
**All Governmental Fund Types (Cont.)**

	Special Revenue Funds					Debt Service Fund
	General	Ambulance Service	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<b>Other Local Revenues (Cont.)</b>						
Nonrecurring Items (Cont.)						
Contributions and Gifts	\$ 20,673	\$ 0	\$ 583	\$ 0	\$ 0	\$ 0
Total Other Local Revenues	\$ 119,949	\$ 24	\$ 583	\$ 0	\$ 28,789	\$ 1,229,005
<b>Fees Received From County Officials</b>						
Excess Fees						
Clerk and Master	\$ 12	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fees In-Lieu-of Salary						
County Clerk	284,172	0	0	0	0	0
Circuit Court Clerk	39,219	0	0	0	0	0
General Sessions Court Clerk	82,488	0	0	0	0	0
Clerk and Master	77,492	0	0	0	0	0
Juvenile Court Clerk	15,456	0	0	0	0	0
Register	103,426	0	0	0	0	0
Sheriff	7,720	0	0	0	0	0
Trustee	381,678	0	0	0	0	0
Total Fees Received From County Officials	\$ 991,663	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>State of Tennessee</b>						
General Government Grants						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Aging Programs	5,916	0	0	0	0	0
Public Safety Grants						
Law Enforcement Training Programs	21,600	0	0	0	0	0
Health and Welfare Grants						
Public Health Nurses	55,621	0	0	0	0	0

(Continued)

**UNION COUNTY, TENNESSEE**  
**Schedule of Detailed Revenues -**  
**All Governmental Fund Types (Cont.)**

	Special Revenue Funds					Debt Service Fund
	General	Ambulance Service	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<b>State of Tennessee (Cont.)</b>						
Public Works Grants						
State Aid Program	\$ 0	\$ 0	\$ 0	\$ 0	3,417,942	\$ 0
Litter Program	4,073	0	0	0	0	0
Other State Revenues						
Income Tax	830	0	0	0	0	0
Beer Tax	75,707	0	0	0	0	0
Vehicle Certificate of Title Fees	6,658	0	0	0	0	0
Alcoholic Beverage Tax	51,742	0	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	104,046	0	0	0	0	0
State Revenue Sharing - T.V.A.	1,254,999	0	0	0	0	0
State Revenue Sharing - Telecommunications	26,927	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	26,490	0	0	0	0	0
Child Support Collections	31,615	0	0	0	0	0
Contracted Prisoner Boarding	430,459	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	2,040,615	0
Hybrid/Electric Vehicle Registration Fee	0	0	0	0	8,258	0
Petroleum Special Tax	0	0	0	0	13,120	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	292,633	0	0	0	0	0
Other State Revenues	767,113	0	0	0	0	0
Total State of Tennessee	\$ 3,180,593	\$ 0	\$ 0	\$ 0	5,479,935	\$ 0
<b>Federal Government</b>						
Federal Through State						
Appalachian Regional Commission	\$ 0	\$ 0	\$ 0	\$ 0	0	\$ 0
Other Federal through State	244,519	0	0	0	0	0

(Continued)

**UNION COUNTY, TENNESSEE**  
**Schedule of Detailed Revenues -**  
**All Governmental Fund Types (Cont.)**

	Special Revenue Funds					Debt Service Fund
	General	Ambulance Service	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<b>Federal Government (Cont.)</b>						
Direct Federal Revenue						
COVID-19 Grant #6	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Federal Government	\$ 244,519	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Other Governments and Citizens Groups</b>						
Other Governments						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	277,250
Other						
Opioid Settlement Funds - Past Remediation	171,563	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 171,563	\$ 0	\$ 0	\$ 0	\$ 0	\$ 277,250
Total	\$ 11,330,146	\$ 2,167,391	\$ 4,011	\$ 16,925	\$ 5,987,615	\$ 3,689,234

(Continued)

**UNION COUNTY, TENNESSEE**  
**Schedule of Detailed Revenues -**  
**All Governmental Fund Types (Cont.)**

	<b>Capital Projects Fund</b>	
	General Capital Projects	Total
<b>Local Taxes</b>		
County Property Taxes		
Current Property Tax	\$ 572,537	\$ 7,140,748
Trustee's Collections - Prior Year	9,451	84,795
Circuit Clerk/Clerk and Master Collections - Prior Years	7,276	79,400
Interest and Penalty	2,666	28,110
Pickup Taxes	866	10,336
Payments in-Lieu-of Taxes - T.V.A.	0	4,595
Payments in-Lieu-of Taxes - Local Utilities	0	553,103
County Local Option Taxes		
Local Option Sales Tax	0	900,944
Hotel/Motel Tax	0	151,479
Wheel Tax	0	737,637
Litigation Tax - General	0	31,517
Litigation Tax - Special Purpose	0	31,278
Litigation Tax - Jail, Workhouse, or Courthouse	0	13,216
Business Tax	0	66,333
Mixed Drink Tax	0	14,533
Mineral Severance Tax	0	107,148
Statutory Local Taxes		
Wholesale Beer Tax	0	92,804
Beer Privilege Tax	0	1,615
Total Local Taxes	<u>\$ 592,796</u>	<u>\$ 10,049,591</u>
<b>Licenses and Permits</b>		
Licenses		
Cable TV Franchise	\$ 0	\$ 37,172

(Continued)

**UNION COUNTY, TENNESSEE**  
**Schedule of Detailed Revenues -**  
**All Governmental Fund Types (Cont.)**

	<b>Capital Projects Fund</b>	
	General Capital Projects	Total
<b>Licenses and Permits (Cont.)</b>		
Permits		
Beer Permits	\$ 0	\$ 238
Building Permits	0	87,105
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 124,515</u>
<b>Fines, Forfeitures, and Penalties</b>		
Circuit Court		
Fines	\$ 0	\$ 4,551
Officers Costs	0	1,957
Drug Control Fines	0	1,813
Data Entry Fee - Circuit Court	0	564
Victims Assistance Assessments	0	1,362
Criminal Court		
DUI Treatment Fines	0	346
Courtroom Security Fee	0	6
General Sessions Court		
Fines	0	15,513
Officers Costs	0	12,651
Game and Fish Fines	0	468
Drug Control Fines	0	1,615
Data Entry Fee - General Sessions Court	0	12,318
Courtroom Security Fee	0	6
Victims Assistance Assessments	0	10,906
Juvenile Court		
Fines	0	214
Officers Costs	0	2,243

(Continued)

**UNION COUNTY, TENNESSEE**  
**Schedule of Detailed Revenues -**  
**All Governmental Fund Types (Cont.)**

	<b>Capital Projects Fund</b>		
	General Capital Projects		Total
<b>Fines, Forfeitures, and Penalties (Cont.)</b>			
Juvenile Court (Cont.)			
Jail Fees	\$	0	\$ 485
Data Entry Fee - Juvenile Court		0	320
Chancery Court			
Officers Costs		0	1,292
Data Entry Fee - Chancery Court		0	1,431
Judicial District Drug Program			
Courtroom Security Fee		0	6
Other Fines, Forfeitures, and Penalties			
Other Fines, Forfeitures, and Penalties		0	2,500
Total Fines, Forfeitures, and Penalties	<u>\$</u>	<u>0</u>	<u>\$ 72,567</u>
<b>Charges for Current Services</b>			
General Service Charges			
Patient Charges	\$	0	\$ 1,098,412
Other General Service Charges		0	125
Service Charges		0	82,161
Fees			
Engineer Review Fees		0	1,195
Copy Fees		0	1,008
Library Fees		0	1,400
Archives and Records Management Fee		0	31,250
Greenbelt Late Application Fee		0	100
Telephone Commissions		0	1,215
Vending Machine Collections		0	49,468
Additional Fees - Titling and Registration		0	16,485

(Continued)

**UNION COUNTY, TENNESSEE**  
**Schedule of Detailed Revenues -**  
**All Governmental Fund Types (Cont.)**

	<b>Capital Projects Fund</b>		
	General Capital Projects		Total
<b>Charges for Current Services (Cont.)</b>			
Fees (Cont.)			
Constitutional Officers' Fees and Commissions	\$	0	\$ 151
Special Commissioner Fees/Special Master Fees		0	16,822
Data Processing Fee - Register		0	7,711
Data Processing Fee - Sheriff		0	1,225
Sexual Offender Registration Fee - Sheriff		0	6,000
Data Processing Fee - County Clerk		0	2,379
Vehicle Registration Reinstatement Fees		0	1,920
Education Charges			
Receipts from Individual Schools		0	29,974
Other Charges for Services		0	468,571
<b>Total Charges for Current Services</b>	<b>\$</b>	<b>0</b>	<b>\$ 1,817,572</b>
<b>Other Local Revenues</b>			
Recurring Items			
Investment Income	\$	0	\$ 1,230,789
Lease/Rentals/PPP		0	54,655
Sale of Materials and Supplies		0	797
Commissary Sales		0	19,994
Sale of Gasoline		0	8,041
Sale of Recycled Materials		0	977
Miscellaneous Refunds		0	22,832
Nonrecurring Items			
Sale of Equipment		0	1,516
Sale of Property		0	15,200
Damages Recovered from Individuals		0	2,293

(Continued)

**UNION COUNTY, TENNESSEE**  
**Schedule of Detailed Revenues -**  
**All Governmental Fund Types (Cont.)**

	<b>Capital Projects Fund</b>	
	General Capital Projects	Total
<b>Other Local Revenues (Cont.)</b>		
Nonrecurring Items (Cont.)		
Contributions and Gifts	\$ 0	\$ 21,256
<b>Total Other Local Revenues</b>	<b>\$ 0</b>	<b>\$ 1,378,350</b>
<b>Fees Received From County Officials</b>		
Excess Fees		
Clerk and Master	\$ 0	\$ 12
Fees In-Lieu-of Salary		
County Clerk	0	284,172
Circuit Court Clerk	0	39,219
General Sessions Court Clerk	0	82,488
Clerk and Master	0	77,492
Juvenile Court Clerk	0	15,456
Register	0	103,426
Sheriff	0	7,720
Trustee	0	381,678
<b>Total Fees Received From County Officials</b>	<b>\$ 0</b>	<b>\$ 991,663</b>
<b>State of Tennessee</b>		
General Government Grants		
Juvenile Services Program	\$ 0	\$ 9,000
Aging Programs	0	5,916
Public Safety Grants		
Law Enforcement Training Programs	0	21,600
Health and Welfare Grants		
Public Health Nurses	0	55,621

(Continued)

**UNION COUNTY, TENNESSEE**  
**Schedule of Detailed Revenues -**  
**All Governmental Fund Types (Cont.)**

	<b>Capital Projects Fund</b>		
	General Capital Projects		Total
<b>State of Tennessee (Cont.)</b>			
Public Works Grants			
State Aid Program	\$	0	\$ 3,417,942
Litter Program		0	4,073
Other State Revenues			
Income Tax		0	830
Beer Tax		0	75,707
Vehicle Certificate of Title Fees		0	6,658
Alcoholic Beverage Tax		0	51,742
Opioid Settlement Funds - TN Abatement Council		0	104,046
State Revenue Sharing - T.V.A.		0	1,254,999
State Revenue Sharing - Telecommunications		0	26,927
State Shared Sports Gaming Privilege Tax		0	26,490
Child Support Collections		0	31,615
Contracted Prisoner Boarding		0	430,459
Gasoline and Motor Fuel Tax		0	2,040,615
Hybrid/Electric Vehicle Registration Fee		0	8,258
Petroleum Special Tax		0	13,120
Registrar's Salary Supplement		0	15,164
Other State Grants		0	292,633
Other State Revenues		0	767,113
Total State of Tennessee	<b>\$</b>	<b>0</b>	<b>\$ 8,660,528</b>
<b>Federal Government</b>			
Federal Through State			
Appalachian Regional Commission	\$	55,300	\$ 55,300
Other Federal through State		28,092	272,611

(Continued)

**UNION COUNTY, TENNESSEE**  
**Schedule of Detailed Revenues -**  
**All Governmental Fund Types (Cont.)**

	<b>Capital Projects Fund</b>	
	General Capital Projects	Total
<b>Federal Government (Cont.)</b>		
Direct Federal Revenue		
COVID-19 Grant #6	\$ 134,812	\$ 134,812
Total Federal Government	<u>\$ 218,204</u>	<u>\$ 462,723</u>
<b>Other Governments and Citizens Groups</b>		
Other Governments		
Contributions	\$ 0	\$ 277,250
Other		
Opioid Settlement Funds - Past Remediation	0	171,563
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 448,813</u>
Total	<u>\$ 811,000</u>	<u>\$ 24,006,322</u>

**UNION COUNTY, TENNESSEE**  
**Schedule of Detailed Revenues -**  
**All Governmental Fund Types**  
 Discretely Presented Union County School Department  
**For the Year Ended June 30, 2024**

	<u>Special Revenue Funds</u>					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Other		
				Education Special Revenue	Internal School	
<b>Local Taxes</b>						
County Property Taxes						
Current Property Tax	\$ 2,046,438	\$ 0	\$ 0	\$ 0	\$ 0	2,046,438
Trustee's Collections - Prior Year	42,125	0	0	0	0	42,125
Circuit Clerk/Clerk and Master Collections - Prior Years	29,161	0	0	0	0	29,161
Interest and Penalty	10,827	0	0	0	0	10,827
Pickup Taxes	3,215	0	0	0	0	3,215
County Local Option Taxes						
Local Option Sales Tax	2,030,716	0	0	0	0	2,030,716
Mixed Drink Tax	17,559	0	0	0	0	17,559
Statutory Local Taxes						
Bank Excise Tax	155,981	0	0	0	0	155,981
Total Local Taxes	<u>\$ 4,336,022</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>4,336,022</u>
<b>Licenses and Permits</b>						
Licenses						
Marriage Licenses	\$ 1,482	\$ 0	\$ 0	\$ 0	\$ 0	1,482
Permits						
Other Permits	70	0	0	0	0	70
Total Licenses and Permits	<u>\$ 1,552</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>1,552</u>
<b>Charges for Current Services</b>						
Education Charges						
Lunch Payments - Adults	\$ 0	\$ 0	\$ 18,334	\$ 0	\$ 0	18,334
A la Carte Sales	0	0	91,706	0	0	91,706
Contract for Instructional Services with Other LEA's	21,309	0	0	0	0	21,309

(Continued)

**UNION COUNTY, TENNESSEE**

**Schedule of Detailed Revenues -**

**All Governmental Fund Types**

Discretely Presented Union County School Department (Cont.)

	<u>Special Revenue Funds</u>					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Internal School	
<b>Charges for Current Services (Cont.)</b>						
Education Charges (Cont.)						
Receipts from Individual Schools	\$ 32,284	\$ 0	\$ 579	\$ 0	\$ 0	\$ 32,863
Community Service Fees - Children	786	0	0	0	0	786
Other Charges for Services	0	0	266,458	0	0	266,458
<b>Total Charges for Current Services</b>	<b>\$ 54,379</b>	<b>\$ 0</b>	<b>\$ 377,077</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 431,456</b>
<b>Other Local Revenues</b>						
Recurring Items						
Investment Income	\$ 38,673	\$ 0	\$ 14,318	\$ 0	\$ 0	\$ 52,991
Lease/Rentals/PPP	6,028	0	0	0	0	6,028
Sale of Recycled Materials	236	0	0	0	0	236
Miscellaneous Refunds	6,702	105	749	0	0	7,556
Expenditure Credits	390	0	0	0	0	390
Nonrecurring Items						
Damages Recovered from Individuals	150	0	0	0	0	150
Contributions and Gifts	8,542	0	0	0	0	8,542
Other Local Revenues						
Other Local Revenues	7,452	0	0	0	1,263,351	1,270,803
<b>Total Other Local Revenues</b>	<b>\$ 68,173</b>	<b>\$ 105</b>	<b>\$ 15,067</b>	<b>\$ 0</b>	<b>\$ 1,263,351</b>	<b>\$ 1,346,696</b>
<b>State of Tennessee</b>						
General Government Grants						
On-behalf Contributions for OPEB	\$ 89,113	\$ 0	\$ 0	\$ 0	\$ 0	\$ 89,113
State Education Funds						
Tennessee Investment in Student Achievement	26,329,569	0	0	21,737,438	0	48,067,007

(Continued)

**UNION COUNTY, TENNESSEE**

**Schedule of Detailed Revenues -**

**All Governmental Fund Types**

Discretely Presented Union County School Department (Cont.)

	<u>Special Revenue Funds</u>					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Other		
				Education Special Revenue	Internal School	
<b>State of Tennessee (Cont.)</b>						
State Education Funds (Cont.)						
TISA - On-behalf Payments	\$ 43,501	\$ 0	\$ 0	\$ 0	\$ 0	\$ 43,501
Early Childhood Education	472,377	0	0	0	0	472,377
School Food Service	0	0	16,242	0	0	16,242
Other State Education Funds	771,469	0	0	0	0	771,469
Career Ladder Program	38,206	0	0	0	0	38,206
Other Vocational	411,410	0	0	0	0	411,410
Other State Revenues						
Other State Grants	268,044	0	0	0	0	268,044
Other State Revenues	23,804	0	0	0	0	23,804
<b>Total State of Tennessee</b>	<b>\$ 28,447,493</b>	<b>\$ 0</b>	<b>\$ 16,242</b>	<b>\$ 21,737,438</b>	<b>\$ 0</b>	<b>\$ 50,201,173</b>
<b>Federal Government</b>						
Federal Through State						
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,340,809	\$ 0	\$ 0	\$ 1,340,809
USDA - Commodities	0	0	149,288	0	0	149,288
Breakfast	0	0	462,131	0	0	462,131
USDA - Other	0	0	151,815	0	0	151,815
Vocational Education - Basic Grants to States	0	63,087	0	0	0	63,087
Title I Grants to Local Education Agencies	0	1,456,438	0	0	0	1,456,438
Special Education - Grants to States	0	1,310,263	0	0	0	1,310,263
Special Education Preschool Grants	0	39,847	0	0	0	39,847
English Language Acquisition Grants	0	16,756	0	0	0	16,756
Rural Education	0	254,200	0	0	0	254,200
Eisenhower Professional Development State Grants	0	40,884	0	0	0	40,884

(Continued)

**UNION COUNTY, TENNESSEE**

**Schedule of Detailed Revenues -**

**All Governmental Fund Types**

Discretely Presented Union County School Department (Cont.)

	<u>Special Revenue Funds</u>					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Other		
				Education Special Revenue	Internal School	
<b>Federal Government (Cont.)</b>						
Federal Through State (Cont.)						
COVID-19 Grant B	\$ 0	\$ 348,093	\$ 0	\$ 0	\$ 0	\$ 348,093
COVID-19 Grant D	0	103,012	0	0	0	103,012
American Rescue Plan Act Grant #1	0	3,368,369	0	0	0	3,368,369
American Rescue Plan Act Grant #3	0	4,463	0	0	0	4,463
American Rescue Plan Act Grant #4	0	9,982	0	0	0	9,982
Other Federal through State	381,402	118,723	0	0	0	500,125
Direct Federal Revenue						
ROTC Reimbursement	87,270	0	0	0	0	87,270
<b>Total Federal Government</b>	<b>\$ 468,672</b>	<b>\$ 7,134,117</b>	<b>\$ 2,104,043</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 9,706,832</b>
<b>Other Governments and Citizens Groups</b>						
Other Governments						
Contributions	\$ 569,178	\$ 0	\$ 0	\$ 0	\$ 0	\$ 569,178
<b>Total Other Governments and Citizens Groups</b>	<b>\$ 569,178</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 569,178</b>
<b>Total</b>	<b>\$ 33,945,469</b>	<b>\$ 7,134,222</b>	<b>\$ 2,512,429</b>	<b>\$ 21,737,438</b>	<b>\$ 1,263,351</b>	<b>\$ 66,592,909</b>

**UNION COUNTY, TENNESSEE**  
**Schedule of Detailed Expenditures -**  
**All Governmental Fund Types**  
**For the Year Ended June 30, 2024**

**General Fund**

General Government

**County Commission**

Board and Committee Members Fees	\$	96,000	
Social Security		5,952	
Employer Medicare		1,392	
Audit Services		8,515	
Total County Commission	\$		111,859

**Board of Equalization**

Board and Committee Members Fees	\$	780	
Total Board of Equalization			780

**Beer Board**

Board and Committee Members Fees	\$	200	
Social Security		12	
Employer Medicare		3	
Data Processing Services		103	
Legal Notices, Recording, and Court Costs		139	
Total Beer Board			457

**County Mayor/Executive**

County Official/Administrative Officer	\$	100,157	
Secretary(ies)		34,982	
Clerical Personnel		8,055	
Social Security		8,646	
Pensions		5,139	
Life Insurance		43	
Medical Insurance		9,329	
Unemployment Compensation		28	
Employer Medicare		2,022	
Communication		2,145	
Dues and Memberships		1,704	
Legal Notices, Recording, and Court Costs		165	
Maintenance and Repair Services - Equipment		588	
Travel		726	
Office Supplies		806	
Office Equipment		888	
Total County Mayor/Executive			175,423

**County Attorney**

County Official/Administrative Officer	\$	11,241	
Legal Services		530	
Total County Attorney			11,771

**Election Commission**

County Official/Administrative Officer	\$	78,044	
Deputy(ies)		26,759	
Election Commission		5,800	
Election Workers		19,925	

(Continued)

**UNION COUNTY, TENNESSEE**  
**Schedule of Detailed Expenditures -**  
**All Governmental Fund Types (Cont.)**

**General Fund (Cont.)**

General Government (Cont.)

**Election Commission (Cont.)**

Social Security	\$	6,651	
Pensions		3,732	
Life Insurance		34	
Medical Insurance		9,111	
Unemployment Compensation		63	
Employer Medicare		1,555	
Communication		3,709	
Data Processing Services		27,972	
Dues and Memberships		1,004	
Legal Notices, Recording, and Court Costs		1,738	
Maintenance and Repair Services - Equipment		2,651	
Printing, Stationery, and Forms		914	
Travel		7,589	
Other Contracted Services		2,614	
Office Supplies		2,339	
Office Equipment		177,887	
Total Election Commission	\$		380,091

**Register of Deeds**

County Official/Administrative Officer	\$	86,716	
Clerical Personnel		51,041	
Social Security		8,351	
Pensions		4,944	
Life Insurance		50	
Medical Insurance		10,323	
Unemployment Compensation		58	
Employer Medicare		1,953	
Communication		1,172	
Contracts with Private Agencies		1,026	
Data Processing Services		6,692	
Dues and Memberships		788	
Office Supplies		3,873	
Office Equipment		1,468	
Total Register of Deeds			178,455

**Development**

Board and Committee Members Fees	\$	3,550	
Social Security		220	
Employer Medicare		51	
Consultants		12,000	
Total Development			15,821

**County Buildings**

Foremen	\$	49,185	
Custodial Personnel		7,160	
Maintenance Personnel		33,797	
Social Security		5,349	

(Continued)

**UNION COUNTY, TENNESSEE**  
**Schedule of Detailed Expenditures -**  
**All Governmental Fund Types (Cont.)**

**General Fund (Cont.)**

General Government (Cont.)

**County Buildings (Cont.)**

Pensions	\$ 3,234	
Life Insurance	28	
Medical Insurance	9,329	
Unemployment Compensation	62	
Employer Medicare	1,251	
Janitorial Services	24,000	
Maintenance Agreements	1,742	
Maintenance and Repair Services - Buildings	56,534	
Maintenance and Repair Services - Vehicles	1,504	
Pest Control	1,320	
Other Contracted Services	16,440	
Custodial Supplies	7,441	
Electricity	65,589	
Propane Gas	12,134	
Water and Sewer	31,999	
Building and Contents Insurance	153,476	
Total County Buildings	\$ 481,574	

**Other General Administration**

Part-time Personnel	\$ 12,000	
Social Security	744	
Unemployment Compensation	28	
Employer Medicare	174	
Communication	25,410	
Contracts with Private Agencies	700	
Data Processing Services	1,589	
Dues and Memberships	8,921	
Engineering Services	2,500	
Lease/SBITA Payments	1,809	
Postal Charges	13,477	
Other Contracted Services	512	
Gasoline	4,941	
Road Signs	409	
Total Other General Administration	73,214	

Finance

**Accounting and Budgeting**

Supervisor/Director	\$ 78,044
Accountants/Bookkeepers	178,759
Part-time Personnel	19,686
Overtime Pay	7,570
Social Security	16,542
Pensions	9,391
Life Insurance	115
Medical Insurance	29,237
Unemployment Compensation	209
Employer Medicare	3,869

(Continued)

**UNION COUNTY, TENNESSEE**  
**Schedule of Detailed Expenditures -**  
**All Governmental Fund Types (Cont.)**

**General Fund (Cont.)**

Finance (Cont.)

**Accounting and Budgeting (Cont.)**

Communication	\$	4,314	
Data Processing Services		31,204	
Lease/SBITA Payments		624	
Legal Notices, Recording, and Court Costs		980	
Postal Charges		4,256	
Travel		79	
Custodial Supplies		835	
Office Supplies		5,839	
In Service/Staff Development		260	
Office Equipment		3,596	
Total Accounting and Budgeting	\$		395,409

**Property Assessor's Office**

County Official/Administrative Officer	\$	86,716	
Deputy(ies)		22,908	
Clerical Personnel		36,396	
Other Salaries and Wages		30,455	
Social Security		10,338	
Pensions		6,333	
Life Insurance		64	
Medical Insurance		13,643	
Unemployment Compensation		87	
Employer Medicare		2,418	
Communication		1,364	
Contracts with Other Public Agencies		15,990	
Dues and Memberships		1,400	
Legal Notices, Recording, and Court Costs		92	
Travel		1,348	
Other Contracted Services		551	
Office Supplies		2,282	
Office Equipment		1,860	
Total Property Assessor's Office			234,245

**County Trustee's Office**

County Official/Administrative Officer	\$	86,716	
Clerical Personnel		102,021	
Part-time Personnel		570	
Social Security		10,575	
Pensions		6,773	
Life Insurance		77	
Medical Insurance		23,737	
Unemployment Compensation		86	
Employer Medicare		2,473	
Communication		2,044	
Data Processing Services		11,801	
Dues and Memberships		788	
Legal Notices, Recording, and Court Costs		1,900	

(Continued)

**UNION COUNTY, TENNESSEE**  
**Schedule of Detailed Expenditures -**  
**All Governmental Fund Types (Cont.)**

**General Fund (Cont.)**

Finance (Cont.)

**County Trustee's Office (Cont.)**

Maintenance and Repair Services - Office Equipment	\$	620	
Postal Charges		4,500	
Printing, Stationery, and Forms		7,744	
Travel		928	
Office Supplies		4,547	
Office Equipment		3,845	
Total County Trustee's Office	\$		271,745

**County Clerk's Office**

County Official/Administrative Officer	\$	86,716	
Clerical Personnel		190,062	
Educational Incentive - Other County Employees		3,000	
Bonus Payments		12,000	
Social Security		17,328	
Pensions		10,472	
Life Insurance		126	
Medical Insurance		20,249	
Unemployment Compensation		191	
Employer Medicare		4,053	
Communication		4,761	
Data Processing Services		14,584	
Dues and Memberships		2,170	
Janitorial Services		5,700	
Lease/SBITA Payments		2,200	
Maintenance and Repair Services - Buildings		360	
Pest Control		628	
Postal Charges		12,388	
Printing, Stationery, and Forms		5,350	
Travel		2,008	
Maintenance and Repair Services - Records		6,207	
Electricity		4,444	
Office Supplies		393	
Water and Sewer		593	
Total County Clerk's Office			405,983

**Other Finance**

Temporary Personnel	\$	19,396	
Social Security		1,167	
Pensions		696	
Life Insurance		1	
Medical Insurance		106	
Unemployment Compensation		19	
Employer Medicare		273	
Trustee's Commission		126,196	
Tax Relief Program		31,863	
Total Other Finance			179,717

(Continued)

**UNION COUNTY, TENNESSEE**  
**Schedule of Detailed Expenditures -**  
**All Governmental Fund Types (Cont.)**

**General Fund (Cont.)**

Administration of Justice

**Circuit Court**

County Official/Administrative Officer	\$	86,716	
Clerical Personnel		132,080	
Jury and Witness Expense		4,577	
Social Security		12,578	
Pensions		7,810	
Life Insurance		89	
Medical Insurance		28,289	
Unemployment Compensation		127	
Employer Medicare		2,942	
Communication		2,626	
Data Processing Services		25,514	
Dues and Memberships		873	
Maintenance and Repair Services - Equipment		1,800	
Other Contracted Services		371	
Library Books/Media		2,053	
Office Supplies		7,059	
Other Charges		3,769	
Office Equipment		4,356	
Total Circuit Court			\$ 323,629

**General Sessions Court**

Judge(s)	\$	118,651	
Social Security		7,130	
Pensions		4,349	
Life Insurance		19	
Medical Insurance		8,053	
Employer Medicare		1,667	
Dues and Memberships		355	
Travel		1,058	
Library Books/Media		269	
Office Supplies		1,796	
Total General Sessions Court			143,347

**Chancery Court**

County Official/Administrative Officer	\$	86,716	
Clerical Personnel		70,845	
Social Security		9,151	
Pensions		5,654	
Life Insurance		58	
Medical Insurance		15,100	
Unemployment Compensation		56	
Employer Medicare		2,140	
Communication		882	
Data Processing Services		7,884	
Dues and Memberships		863	
Legal Notices, Recording, and Court Costs		12	
Maintenance and Repair Services - Office Equipment		625	

(Continued)

**UNION COUNTY, TENNESSEE**  
**Schedule of Detailed Expenditures -**  
**All Governmental Fund Types (Cont.)**

**General Fund (Cont.)**

Administration of Justice (Cont.)

**Chancery Court (Cont.)**

Other Contracted Services	\$	524	
Electricity		1,146	
Office Supplies		5,949	
Office Equipment		1,240	
Total Chancery Court	\$		208,845

**Victim Assistance Programs**

Contributions	\$	17,413	
Total Victim Assistance Programs			17,413

Public Safety

**Sheriff's Department**

County Official/Administrative Officer	\$	95,388	
Supervisor/Director		54,855	
Deputy(ies)		481,396	
Investigator(s)		232,672	
Sergeant(s)		170,757	
Teachers		1,500	
Salary Supplements		20,800	
Secretary(ies)		35,866	
Part-time Personnel		13,462	
Overtime Pay		87,358	
Bonus Payments		157,612	
Social Security		88,111	
Pensions		48,977	
Life Insurance		448	
Medical Insurance		97,904	
Unemployment Compensation		892	
Employer Medicare		20,040	
Communication		18,853	
Data Processing Services		593	
Dues and Memberships		1,800	
Evaluation and Testing		3,000	
Maintenance and Repair Services - Buildings		446	
Maintenance and Repair Services - Equipment		2,055	
Maintenance and Repair Services - Office Equipment		498	
Maintenance and Repair Services - Vehicles		55,906	
Pest Control		594	
Travel		3,043	
Tuition		11,377	
Custodial Supplies		69	
Electricity		12,632	
Food Supplies		2,173	
Gasoline		116,805	
Law Enforcement Supplies		45,507	
Office Supplies		8,355	
Tires and Tubes		8,339	

(Continued)

**UNION COUNTY, TENNESSEE**  
**Schedule of Detailed Expenditures -**  
**All Governmental Fund Types (Cont.)**

**General Fund (Cont.)**

Public Safety (Cont.)

**Sheriff's Department (Cont.)**

Uniforms	\$	25,116	
Vehicle Parts		32,914	
Water and Sewer		745	
Criminal Investigation of Applicants - TBI		2,100	
Other Charges		2	
Office Equipment		3,000	
Total Sheriff's Department	\$		1,963,960

**Special Patrols**

Deputy(ies)	\$	405,108	
Overtime Pay		39,532	
Social Security		26,540	
Pensions		15,871	
Life Insurance		186	
Medical Insurance		35,948	
Unemployment Compensation		337	
Employer Medicare		6,207	
Uniforms		6,450	
Motor Vehicles		256,237	
Total Special Patrols			792,416

**Jail**

Supervisor/Director	\$	45,046	
Guards		613,832	
Secretary(ies)		37,370	
Part-time Personnel		1,200	
Overtime Pay		113,809	
Social Security		48,829	
Pensions		28,888	
Life Insurance		338	
Medical Insurance		44,501	
Unemployment Compensation		1,140	
Employer Medicare		11,420	
Communication		5,199	
Evaluation and Testing		1,516	
Maintenance and Repair Services - Buildings		25,120	
Maintenance and Repair Services - Office Equipment		322	
Maintenance and Repair Services - Vehicles		1,687	
Pest Control		805	
Other Contracted Services		173,396	
Custodial Supplies		9,512	
Drugs and Medical Supplies		87,006	
Food Preparation Supplies		998	
Food Supplies		219,909	
Office Supplies		4,528	
Uniforms		9,057	
Vehicle Parts		4,575	

(Continued)

**UNION COUNTY, TENNESSEE**  
**Schedule of Detailed Expenditures -**  
**All Governmental Fund Types (Cont.)**

**General Fund (Cont.)**

Public Safety (Cont.)

**Jail (Cont.)**

Other Supplies and Materials	\$	1,607	
Other Charges		69,922	
Office Equipment		8,305	
Total Jail			\$ 1,569,837

**Juvenile Services**

Youth Service Officer(s)	\$	56,142	
Other Salaries and Wages		37,344	
Social Security		4,844	
Pensions		3,344	
Life Insurance		38	
Medical Insurance		15,858	
Unemployment Compensation		56	
Employer Medicare		1,133	
Communication		591	
Contracts with Private Agencies		358	
Travel		466	
Office Supplies		2,886	
Office Equipment		2,475	
Total Juvenile Services			125,535

**Fire Prevention and Control**

Contributions	\$	80,000	
Total Fire Prevention and Control			80,000

**Rescue Squad**

Contributions	\$	25,000	
Total Rescue Squad			25,000

**Other Emergency Management**

Contracts with Private Agencies	\$	151,000	
Total Other Emergency Management			151,000

**County Coroner/Medical Examiner**

Other Contracted Services	\$	53,675	
Total County Coroner/Medical Examiner			53,675

**Public Safety Grants Program**

Part-time Personnel	\$	10,440	
Overtime Pay		39,410	
Law Enforcement Supplies		31,489	
Office Supplies		3,439	
Law Enforcement Equipment		106,184	
Motor Vehicles		100,000	
Total Public Safety Grants Program			290,962

(Continued)

**UNION COUNTY, TENNESSEE**  
**Schedule of Detailed Expenditures -**  
**All Governmental Fund Types (Cont.)**

**General Fund (Cont.)**

Public Health and Welfare

**Local Health Center**

Communication	\$	4,419	
Contracts with Private Agencies		1,405	
Dues and Memberships		425	
Janitorial Services		14,700	
Lease/SBITA Payments		478	
Maintenance and Repair Services - Buildings		2,760	
Pest Control		420	
Postal Charges		1,309	
Electricity		9,227	
Food Supplies		327	
Instructional Supplies and Materials		618	
Office Supplies		1,165	
Water and Sewer		1,242	
Liability Insurance		15,799	
In Service/Staff Development		350	
Total Local Health Center			\$ 54,644

**Alcohol and Drug Programs**

Other Salaries and Wages	\$	6,120	
Social Security		365	
Pensions		220	
Life Insurance		1	
Medical Insurance		248	
Employer Medicare		85	
Travel		462	
Drug Treatment		7,285	
Other Contracted Services		3,996	
Law Enforcement Equipment		12,043	
Office Equipment		1,511	
Total Alcohol and Drug Programs			32,336

**Other Local Health Services**

Medical Personnel	\$	90,511	
Social Security		5,156	
Pensions		3,233	
Life Insurance		40	
Medical Insurance		9,707	
Unemployment Compensation		56	
Employer Medicare		1,206	
Travel		7,930	
Workers' Compensation Insurance		1,385	
Total Other Local Health Services			119,224

**Appropriation to State**

Contracts with Government Agencies	\$	23,500	
Total Appropriation to State			23,500

(Continued)

**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	\$ 9,138	
Total Sanitation Management		\$ 9,138

**Convenience Centers**

Disposal Fees	\$ 598,002	
Tires and Tubes	6,393	
Total Convenience Centers		604,395

Social, Cultural, and Recreational Services

**Senior Citizens Assistance**

Supervisor/Director	\$ 37,360	
Secretary(ies)	29,858	
Social Security	3,973	
Pensions	2,412	
Life Insurance	32	
Medical Insurance	3,936	
Unemployment Compensation	52	
Employer Medicare	929	
Communication	2,738	
Contributions	7,000	
Maintenance and Repair Services - Office Equipment	480	
Maintenance and Repair Services - Vehicles	810	
Pest Control	417	
Rentals	8,462	
Travel	728	
Custodial Supplies	405	
Electricity	18,614	
Food Supplies	5,895	
Gasoline	349	
Instructional Supplies and Materials	1,036	
Office Supplies	657	
Water and Sewer	1,935	
Communication Equipment	6,135	
Office Equipment	204	
Total Senior Citizens Assistance		134,417

**Libraries**

Supervisor/Director	\$ 29,144	
Librarians	23,682	
Part-time Personnel	29,846	
Other Salaries and Wages	65,075	
Social Security	8,499	
Pensions	4,080	
Life Insurance	67	
Medical Insurance	13,918	
Unemployment Compensation	201	
Employer Medicare	1,988	

(Continued)

**UNION COUNTY, TENNESSEE**  
**Schedule of Detailed Expenditures -**  
**All Governmental Fund Types (Cont.)**

**General Fund (Cont.)**

Social, Cultural, and Recreational Services (Cont.)

**Libraries (Cont.)**

Advertising	\$	320	
Communication		2,612	
Pest Control		417	
Internet Connectivity		108	
Travel		443	
Custodial Supplies		1,251	
Library Books/Media		1,814	
Office Supplies		5,382	
Road Signs		219	
Other Charges		16,175	
Furniture and Fixtures		1,331	
Office Equipment		2,159	
Other Construction		2,850	
Total Libraries			\$ 211,581

**Parks and Fair Boards**

Maintenance and Repair Services - Buildings	\$	2,454	
Maintenance and Repair Services - Equipment		137	
Electricity		4,028	
Gasoline		2,021	
General Construction Materials		13,979	
Total Parks and Fair Boards			22,619

Agriculture and Natural Resources

**Agricultural Extension Service**

Contracts with Government Agencies	\$	85,584	
Contracts with Private Agencies		553	
Data Processing Services		2,247	
Dues and Memberships		185	
Janitorial Services		2,375	
Lease/SBITA Payments		17,600	
Pest Control		70	
Travel		1,402	
Custodial Supplies		311	
Electricity		6,063	
Office Supplies		1,286	
Total Agricultural Extension Service			117,676

**Forest Service**

Contributions	\$	500	
Total Forest Service			500

**Soil Conservation**

Secretary(ies)	\$	40,184	
Social Security		2,346	
Pensions		1,441	
Life Insurance		9	

(Continued)

**UNION COUNTY, TENNESSEE**  
**Schedule of Detailed Expenditures -**  
**All Governmental Fund Types (Cont.)**

**General Fund (Cont.)**

Agriculture and Natural Resources (Cont.)

**Soil Conservation (Cont.)**

Medical Insurance	\$	5,393	
Unemployment Compensation		28	
Employer Medicare		549	
Data Processing Services		2,007	
Dues and Memberships		685	
Rentals		6,048	
Travel		299	
Electricity		1,619	
Instructional Supplies and Materials		1,251	
Water and Sewer		552	
Total Soil Conservation	\$		62,411

Other Operations

**Veterans' Services**

Supervisor/Director	\$	11,570	
Social Security		717	
Pensions		157	
Unemployment Compensation		28	
Employer Medicare		168	
Communication		973	
Contracts with Private Agencies		449	
Travel		1,395	
Office Supplies		207	
Software		76	
Total Veterans' Services			15,740

**Other Charges**

Contributions	\$	131,311	
Total Other Charges			131,311

**Employee Benefits**

Workers' Compensation Insurance	\$	63,227	
Total Employee Benefits			63,227

Highways

**Litter and Trash Collection**

Deputy(ies)	\$	34,447	
Part-time Personnel		3,500	
Social Security		2,349	
Pensions		1,362	
Life Insurance		21	
Unemployment Compensation		30	
Employer Medicare		549	
Dues and Memberships		170	
Gasoline		4,017	
Instructional Supplies and Materials		7,859	
Uniforms		500	
Total Litter and Trash Collection			54,804

Total General Fund	\$		10,319,686
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(Continued)

**UNION COUNTY, TENNESSEE**  
**Schedule of Detailed Expenditures -**  
**All Governmental Fund Types (Cont.)**

**Ambulance Service Fund**

Public Health and Welfare

**Ambulance/Emergency Medical Services**

Supervisor/Director	\$ 66,507	
Clerical Personnel	31,927	
Attendants	1,136,141	
Temporary Personnel	7,700	
In-service Training	7,920	
Social Security	91,155	
Pensions	40,398	
Life Insurance	807	
Medical Insurance	85,082	
Communication	11,867	
Contracts with Government Agencies	38,420	
Data Processing Services	5,248	
Dues and Memberships	1,140	
Fiscal Agent Charges	13,630	
Licenses	2,248	
Maintenance and Repair Services - Buildings	2,794	
Maintenance and Repair Services - Equipment	1,200	
Maintenance and Repair Services - Vehicles	49,203	
Disposal Fees	4,363	
Other Contracted Services	64,614	
Custodial Supplies	2,953	
Diesel Fuel	55,386	
Drugs and Medical Supplies	70,798	
Electricity	13,435	
Natural Gas	1,585	
Office Supplies	1,182	
Tires and Tubes	13,203	
Uniforms	7,632	
Water and Sewer	2,820	
Other Supplies and Materials	16,963	
Liability Insurance	9,285	
Trustee's Commission	31,312	
Vehicle and Equipment Insurance	11,028	
Workers' Compensation Insurance	58,849	
Data Processing Equipment	699	
Transportation Equipment	24,185	
Total Ambulance/Emergency Medical Services	24,185	\$ 1,983,679

Total Ambulance Service Fund \$ 1,983,679

**Drug Control Fund**

Public Safety

**Drug Enforcement**

Tuition	\$ 1,095
Veterinary Services	167
Animal Food and Supplies	4,061
Law Enforcement Supplies	44,677

(Continued)

**UNION COUNTY, TENNESSEE**  
**Schedule of Detailed Expenditures -**  
**All Governmental Fund Types (Cont.)**

**Drug Control Fund (Cont.)**

Public Safety (Cont.)

**Drug Enforcement (Cont.)**

Vehicle Parts	\$	10,330	
Trustee's Commission		41	
Total Drug Enforcement			\$ 60,371

Total Drug Control Fund \$ 60,371

**Other General Government Fund**

Capital Projects

**American Rescue Plan Act Grant #1**

Internet Connectivity	\$	1,086,232	
Other Contracted Services		76,538	
Other Supplies and Materials		82,735	
Building Construction		1,300	
Total American Rescue Plan Act Grant #1			\$ 1,246,805

Total Other General Government Fund 1,246,805

**Constitutional Officers - Fees Fund**

Finance

**County Clerk's Office**

Constitutional Officers' Operating Expenses	\$	103	
Total County Clerk's Office			\$ 103

Administration of Justice

**Chancery Court**

Special Commissioner Fees/Special Master Fees	\$	16,822	
Total Chancery Court			16,822

Total Constitutional Officers - Fees Fund 16,925

**Highway/Public Works Fund**

Highways

**Administration**

County Official/Administrative Officer	\$	95,388	
Assistant(s)		46,680	
Secretary(ies)		35,574	
Board and Committee Members Fees		21,000	
Social Security		11,736	
Pensions		12,415	
Life Insurance		154	
Medical Insurance		63,669	
Employer Medicare		2,745	
Advertising		50	
Dues and Memberships		2,724	
Fiscal Agent Charges		25,446	
Legal Notices, Recording, and Court Costs		300	
Maintenance and Repair Services - Buildings		3,703	
Office Supplies		1,411	
Total Administration	\$		322,995

(Continued)

**UNION COUNTY, TENNESSEE**  
**Schedule of Detailed Expenditures -**  
**All Governmental Fund Types (Cont.)**

**Highway/Public Works Fund (Cont.)**

Highways (Cont.)

**Highway and Bridge Maintenance**

Foremen	\$ 39,026	
Equipment Operators - Heavy	135,985	
Equipment Operators - Light	195,214	
Truck Drivers	32,180	
Social Security	23,302	
Pensions	28,107	
Life Insurance	337	
Medical Insurance	160,042	
Employer Medicare	5,450	
Other Contracted Services	42,869	
Asphalt - Cold Mix	1,312	
Asphalt - Hot Mix	2,859,737	
Crushed Stone	7,416	
Other Road Materials	2,444	
Pipe - Metal	6,782	
Road Signs	5,366	
Total Highway and Bridge Maintenance	\$ 3,545,569	

**Operation and Maintenance of Equipment**

Mechanic(s)	\$ 39,026	
Social Security	2,211	
Pensions	2,726	
Life Insurance	29	
Medical Insurance	21,223	
Employer Medicare	517	
Diesel Fuel	38,038	
Equipment Parts - Light	59,226	
Garage Supplies	1,388	
Gasoline	39,018	
Lubricants	6,575	
Tires and Tubes	18,388	
Total Operation and Maintenance of Equipment	228,365	

**Ferry Operations**

Equipment Operators - Heavy	\$ 34,497	
Social Security	2,045	
Pensions	2,411	
Life Insurance	12	
Medical Insurance	6,264	
Employer Medicare	478	
Total Ferry Operations	45,707	

**Other Charges**

Communication	\$ 4,660
Electricity	4,992
Water and Sewer	1,312
Trustee's Commission	44,501

(Continued)

**UNION COUNTY, TENNESSEE**  
**Schedule of Detailed Expenditures -**  
**All Governmental Fund Types (Cont.)**

**Highway/Public Works Fund (Cont.)**

Highways (Cont.)

**Other Charges (Cont.)**

Vehicle and Equipment Insurance	\$ 36,112	
Workers' Compensation Insurance	7,597	
Total Other Charges	<u>          </u>	\$ 99,174

**Capital Outlay**

Bridge Construction	\$ 1,463,798	
Highway Equipment	71,649	
Total Capital Outlay	<u>          </u>	<u>1,535,447</u>

Total Highway/Public Works Fund \$ 5,777,257

**General Debt Service Fund**

Principal on Debt

**Education**

Principal on Bonds	\$ 701,773	
Total Education	<u>          </u>	\$ 701,773

Interest on Debt

**Education**

Interest on Bonds	\$ 130,724	
Total Education	<u>          </u>	130,724

Other Debt Service

**General Government**

Trustee's Commission	\$ 46,983	
Total General Government	<u>          </u>	46,983

**Education**

Other Debt Service	\$ 7,160	
Total Education	<u>          </u>	<u>7,160</u>

Total General Debt Service Fund 886,640

**General Capital Projects Fund**

Capital Projects

**General Administration Projects**

Contracts with Private Agencies	\$ 50,526	
Data Processing Services	1,369	
Engineering Services	475	
Trustee's Commission	14,211	
Building Improvements	76,523	
Land	60,597	
Office Equipment	20,284	
Total General Administration Projects	<u>          </u>	\$ 223,985

**Public Safety Projects**

Custodial Supplies	\$ 5,679	
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(Continued)

**UNION COUNTY, TENNESSEE**  
**Schedule of Detailed Expenditures -**  
**All Governmental Fund Types (Cont.)**

<b>General Capital Projects Fund (Cont.)</b>		
Capital Projects (Cont.)		
<b>Public Safety Projects (Cont.)</b>		
Uniforms	\$	7,453
Furniture and Fixtures		21,716
Law Enforcement Equipment		6,247
Motor Vehicles		159,272
Transportation Equipment		<u>92,648</u>
Total Public Safety Projects	\$	293,015
 <b>Public Health and Welfare Projects</b>		
Consultants	\$	2,000
Engineering Services		79,000
Building Improvements		26,092
Transportation Equipment		<u>417,892</u>
Total Public Health and Welfare Projects		524,984
 <b>Social, Cultural, and Recreation Projects</b>		
Other Contracted Services	\$	62,782
Other Supplies and Materials		302
Building Construction		<u>5,915</u>
Total Social, Cultural, and Recreation Projects		<u>68,999</u>
 Total General Capital Projects Fund		 <u>\$ 1,110,983</u>
 Total Governmental Funds - Primary Government		 <u><u>\$ 21,402,346</u></u>

**UNION COUNTY, TENNESSEE**  
**Schedule of Detailed Expenditures -**  
**All Governmental Fund Types**  
 Discretely Presented Union County School Department  
**For the Year Ended June 30, 2024**

**General Purpose School Fund**

Instruction

**Regular Instruction Program**

Teachers	\$ 9,538,992	
Career Ladder Program	19,500	
Homebound Teachers	3,589	
Educational Assistants	342,072	
Longevity Pay	735	
Bonus Payments	200,565	
Social Security	556,655	
Pensions	698,103	
Employee and Dependent Insurance	29,081	
Life Insurance	3,651	
Medical Insurance	1,115,049	
Unemployment Compensation	4,170	
Employer Medicare	131,162	
Contracts with Private Agencies	3,500	
Maintenance and Repair Services - Equipment	2,999	
Tuition	26,032	
Contracts for Substitute Teachers - Certified	207,582	
Contracts for Substitute Teachers - Non-certified	10,478	
Other Contracted Services	4,000	
Instructional Supplies and Materials	117,570	
Textbooks - Bound	207,905	
Software	17,940	
Other Supplies and Materials	19,711	
TISA - On-behalf Payments	43,501	
Regular Instruction Equipment	19,228	
Total Regular Instruction Program	\$ 13,323,770	

**Special Education Program**

Teachers	\$ 1,000,739	
Career Ladder Program	2,000	
Homebound Teachers	4,686	
Educational Assistants	462,296	
Longevity Pay	3,710	
Social Security	86,664	
Pensions	105,487	
Employee and Dependent Insurance	47,091	
Life Insurance	811	
Medical Insurance	115,672	
Unemployment Compensation	1,024	
Employer Medicare	20,268	
Contracts for Substitute Teachers - Certified	14,428	
Contracts for Substitute Teachers - Non-certified	24,331	
Instructional Supplies and Materials	44,987	
Other Supplies and Materials	16,097	
Special Education Equipment	16,344	
Total Special Education Program	1,966,635	

(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	\$ 1,025,864	
Other Salaries and Wages	86,305	
Social Security	66,466	
Pensions	82,204	
Life Insurance	350	
Medical Insurance	84,619	
Unemployment Compensation	382	
Employer Medicare	15,548	
Communication	1,443	
Lease/SBITA Payments	896	
Maintenance and Repair Services - Buildings	3,750	
Maintenance and Repair Services - Equipment	1,554	
Contracts for Substitute Teachers - Certified	25,851	
Duplicating Supplies	4,294	
Food Supplies	471	
Instructional Supplies and Materials	20,152	
Software	40,000	
Other Supplies and Materials	17,943	
Vocational Instruction Equipment	281,997	
Total Career and Technical Education Program	\$ 1,760,089	

Support Services

**Attendance**

Social Workers	\$ 5,000	
Social Security	310	
Pensions	340	
Employer Medicare	72	
Communication	481	
Travel	730	
Other Supplies and Materials	467	
Total Attendance	7,400	

**Health Services**

Supervisor/Director	\$ 82,541	
Medical Personnel	411,287	
Non-certified Substitute Teachers	12,500	
Social Security	29,812	
Pensions	37,043	
Life Insurance	187	
Medical Insurance	45,696	
Unemployment Compensation	225	
Employer Medicare	6,972	
Communication	1,196	
Travel	2,214	
Drugs and Medical Supplies	2,717	
Other Supplies and Materials	173	
Total Health Services	632,563	

(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.)

**Other Student Support**

Career Ladder Program	\$ 1,000	
Guidance Personnel	297,230	
Secretary(ies)	34,224	
Longevity Pay	735	
Social Security	21,387	
Pensions	25,902	
Employee and Dependent Insurance	6,212	
Life Insurance	142	
Medical Insurance	53,032	
Unemployment Compensation	147	
Employer Medicare	5,002	
Communication	962	
Contracts with Government Agencies	159,529	
Travel	1,809	
Other Supplies and Materials	16,364	
In Service/Staff Development	6,429	
Total Other Student Support		\$ 630,106

**Regular Instruction Program**

Supervisor/Director	\$ 359,284	
Career Ladder Program	5,000	
Librarians	111,832	
Social Security	27,496	
Pensions	32,424	
Life Insurance	126	
Medical Insurance	66,536	
Unemployment Compensation	126	
Employer Medicare	6,431	
Communication	3,121	
Contracts with Private Agencies	48,408	
Dues and Memberships	600	
Travel	17,683	
Contracts for Substitute Teachers - Certified	5,106	
Other Contracted Services	143,227	
Food Supplies	7,416	
Library Books/Media	6,817	
Office Supplies	6,025	
Other Supplies and Materials	16,382	
In Service/Staff Development	15,676	
Regular Instruction Equipment	8,985	
Total Regular Instruction Program		888,701

**Special Education Program**

Secretary(ies)	\$ 246,749
Longevity Pay	4,235
Other Salaries and Wages	217,061

(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.)

**Special Education Program (Cont.)**

Social Security	\$	28,237	
Pensions		33,136	
Employee and Dependent Insurance		24,748	
Life Insurance		203	
Medical Insurance		14,121	
Unemployment Compensation		192	
Employer Medicare		6,604	
Communication		4,036	
Contracts with Private Agencies		231,843	
Postal Charges		2,040	
Travel		958	
Other Contracted Services		2,311	
Other Supplies and Materials		50,949	
In Service/Staff Development		12,119	
Other Equipment		21,988	
Total Special Education Program			\$ 901,530

**Career and Technical Education Program**

Supervisor/Director	\$	90,045	
Career Ladder Program		1,000	
Secretary(ies)		43,037	
Longevity Pay		1,085	
Social Security		8,160	
Pensions		8,889	
Employee and Dependent Insurance		3,557	
Life Insurance		35	
Medical Insurance		6,091	
Unemployment Compensation		42	
Employer Medicare		1,908	
Communication		481	
Travel		3,641	
Total Career and Technical Education Program			167,971

**Technology**

Supervisor/Director	\$	81,645
Computer Programmer(s)		67,009
Other Salaries and Wages		211,822
Social Security		21,655
Pensions		24,260
Employee and Dependent Insurance		4,609
Life Insurance		121
Medical Insurance		20,020
Unemployment Compensation		126
Employer Medicare		5,065
Communication		2,109
Contracts with Other Public Agencies		25,475

(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.)**

Maintenance and Repair Services - Office Equipment	\$	38,303	
Internet Connectivity		612,473	
Travel		2,468	
Office Supplies		708	
Software		85,185	
Other Equipment		53,895	
Total Technology			\$ 1,256,948

**Other Programs**

On-behalf Payments to OPEB	\$	89,113	
Total Other Programs			89,113

**Board of Education**

Secretary to Board	\$	3,600	
Clerical Personnel		38,810	
Board and Committee Members Fees		25,200	
Social Security		4,190	
Pensions		2,956	
Life Insurance		21	
Unemployment Compensation		21	
Employer Medicare		980	
Audit Services		15,900	
Communication		1,147	
Contributions		5,000	
Dues and Memberships		7,510	
Legal Services		44,115	
Duplicating Supplies		1,847	
Other Supplies and Materials		6,428	
Liability Insurance		131,184	
Trustee's Commission		107,207	
Workers' Compensation Insurance		166,840	
In Service/Staff Development		6,292	
Fee Waivers		1,339	
Other Charges		10,609	
Total Board of Education			581,196

**Director of Schools**

County Official/Administrative Officer	\$	113,600	
Career Ladder Program		1,900	
Social Security		6,552	
Pensions		7,797	
Life Insurance		21	
Medical Insurance		15,536	
Unemployment Compensation		21	
Employer Medicare		1,532	
Communication		910	

(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.)

**Director of Schools (Cont.)**

Dues and Memberships	\$	3,090	
Postal Charges		534	
Travel		1,830	
Office Supplies		1,626	
Total Director of Schools			\$ 154,949

**Office of the Principal**

Principals	\$	886,669	
Career Ladder Program		5,000	
Assistant Principals		378,078	
Secretary(ies)		493,332	
Longevity Pay		5,565	
Social Security		104,784	
Pensions		121,337	
Employee and Dependent Insurance		23,846	
Life Insurance		622	
Medical Insurance		130,512	
Unemployment Compensation		648	
Employer Medicare		24,506	
Communication		99,535	
Duplicating Supplies		30,602	
Total Office of the Principal			2,305,036

**Fiscal Services**

Temporary Personnel	\$	25,003	
Other Salaries and Wages		10,000	
Social Security		1,522	
Pensions		1,540	
Unemployment Compensation		36	
Employer Medicare		501	
Fiscal Agent Charges		278,402	
Total Fiscal Services			317,004

**Operation of Plant**

Custodial Personnel	\$	973,888	
Longevity Pay		2,590	
Social Security		58,893	
Pensions		63,032	
Employee and Dependent Insurance		92,178	
Life Insurance		654	
Unemployment Compensation		873	
Employer Medicare		13,773	
Contracts with Government Agencies		175	
Contracts with Private Agencies		96,121	
Maintenance and Repair Services - Buildings		1,988	
Permits		1,100	

(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.)

**Operation of Plant (Cont.)**

Contracts for Substitute Teachers - Non-certified	\$	10,925	
Custodial Supplies		116,647	
Electricity		756,886	
Natural Gas		54,443	
Water and Sewer		112,828	
Building and Contents Insurance		194,027	
Total Operation of Plant			\$ 2,551,021

**Maintenance of Plant**

Maintenance Personnel	\$	149,587	
Longevity Pay		1,365	
Social Security		8,610	
Pensions		10,565	
Life Insurance		45	
Medical Insurance		28,534	
Unemployment Compensation		61	
Employer Medicare		2,014	
Communication		1,697	
Contracts with Private Agencies		77,555	
Maintenance and Repair Services - Buildings		103,903	
Maintenance and Repair Services - Equipment		189,631	
Maintenance and Repair Services - Vehicles		365	
Travel		1,187	
Uniforms		1,375	
Administration Equipment		212,514	
Total Maintenance of Plant			789,008

**Transportation**

Bus Drivers	\$	82,206	
Other Salaries and Wages		153,713	
Social Security		14,411	
Pensions		14,797	
Unemployment Compensation		174	
Employer Medicare		3,370	
Contracts with Private Agencies		15,228	
Contracts with Parents		479	
Contracts with Vehicle Owners		786,134	
Evaluation and Testing		3,966	
Maintenance and Repair Services - Vehicles		14,309	
Diesel Fuel		22,851	
Gasoline		6,496	
Transportation Equipment		331	
Total Transportation			1,118,465

(Continued)

**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

**Food Service**

Food Supplies	\$ 7,561	
Total Food Service		\$ 7,561

**Community Services**

Other Salaries and Wages	\$ 117,207	
Social Security	3,760	
Pensions	4,928	
Employee and Dependent Insurance	6,212	
Life Insurance	35	
Medical Insurance	14,414	
Unemployment Compensation	84	
Employer Medicare	1,557	
Communication	966	
Total Community Services		149,163

**Early Childhood Education**

Supervisor/Director	\$ 7,154	
Teachers	187,517	
Educational Assistants	110,037	
Other Salaries and Wages	3,310	
Social Security	18,388	
Pensions	22,158	
Employee and Dependent Insurance	6,162	
Life Insurance	188	
Medical Insurance	25,805	
Unemployment Compensation	209	
Employer Medicare	4,300	
Retirement - Hybrid Stabilization	1	
Contracts for Substitute Teachers - Certified	1,406	
Contracts for Substitute Teachers - Non-certified	3,813	
Other Contracted Services	6,000	
Food Supplies	3,985	
Instructional Supplies and Materials	14,509	
Other Supplies and Materials	10,948	
Other Equipment	10,408	
Total Early Childhood Education		436,298

Capital Outlay

**Regular Capital Outlay**

Building Construction	\$ 7,000	
Total Regular Capital Outlay		7,000

Other Debt Service

**Education**

Other Debt Service	\$ 277,250	
Total Education		277,250

Total General Purpose School Fund		\$ 30,318,777
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(Continued)

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

**School Federal Projects Fund**

Instruction

**Regular Instruction Program**

Teachers	\$ 949,144	
Educational Assistants	293,926	
Longevity Pay	2,450	
Other Salaries and Wages	46,008	
Social Security	74,561	
Pensions	89,057	
Employee and Dependent Insurance	39,376	
Life Insurance	542	
Medical Insurance	121,509	
Unemployment Compensation	670	
Employer Medicare	17,438	
Contracts for Substitute Teachers - Certified	5,041	
Contracts for Substitute Teachers - Non-certified	9,325	
Instructional Supplies and Materials	247,295	
Textbooks - Bound	69,820	
Software	30,750	
Other Supplies and Materials	30,273	
Other Charges	3,411	
Regular Instruction Equipment	385,335	
Total Regular Instruction Program	\$ 2,415,931	

**Special Education Program**

Teachers	\$ 302,904	
Educational Assistants	249,262	
Speech Pathologist	7,259	
Longevity Pay	945	
Social Security	33,732	
Pensions	39,759	
Employee and Dependent Insurance	28,004	
Life Insurance	359	
Medical Insurance	21,250	
Unemployment Compensation	430	
Employer Medicare	7,889	
Contracts for Substitute Teachers - Certified	3,847	
Contracts for Substitute Teachers - Non-certified	15,309	
Other Supplies and Materials	1,770	
Total Special Education Program	712,719	

**Career and Technical Education Program**

Teachers	\$ 45,393
Other Salaries and Wages	2,000
Social Security	2,442
Pensions	3,716
Life Insurance	21
Medical Insurance	12,089
Unemployment Compensation	21

(Continued)

**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.)

**Career and Technical Education Program (Cont.)**

Employer Medicare	\$	568	
Instructional Supplies and Materials		16,507	
Other Supplies and Materials		16,481	
Vocational Instruction Equipment		6,068	
Total Career and Technical Education Program			\$ 105,306

Support Services

**Health Services**

Drugs and Medical Supplies	\$	1,205	
Other Supplies and Materials		632	
Health Equipment		80	
Total Health Services			1,917

**Other Student Support**

Guidance Personnel	\$	188,338	
Social Workers		95,462	
Part-time Personnel		420	
Other Salaries and Wages		219,413	
Social Security		26,692	
Pensions		33,596	
Life Insurance		189	
Medical Insurance		63,346	
Unemployment Compensation		183	
Employer Medicare		6,243	
Communication		481	
Travel		8,314	
Contracts for Substitute Teachers - Certified		1,294	
In Service/Staff Development		10,904	
Other Charges		17,136	
Other Equipment		33,441	
Total Other Student Support			705,452

**Regular Instruction Program**

Supervisor/Director	\$	182,088	
Clerical Personnel		41,831	
Other Salaries and Wages		289,904	
Social Security		30,372	
Pensions		32,754	
Employee and Dependent Insurance		6,187	
Life Insurance		126	
Medical Insurance		49,709	
Unemployment Compensation		126	
Employer Medicare		7,103	
Communication		2,244	
Travel		3,756	
Other Contracted Services		144,050	

(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.)**

Instructional Supplies and Materials	\$	9,616	
Library Books/Media		995	
Other Supplies and Materials		1,124	
In Service/Staff Development		47,266	
Other Charges		2,527	
Other Equipment		2,664	
Total Regular Instruction Program			\$ 854,442

**Special Education Program**

Supervisor/Director	\$	59,426	
Psychological Personnel		141,000	
Other Salaries and Wages		29,151	
Social Security		13,931	
Pensions		16,710	
Life Insurance		66	
Medical Insurance		14,849	
Unemployment Compensation		68	
Employer Medicare		3,258	
Contracts with Private Agencies		181,360	
Other Equipment		28,765	
Total Special Education Program			488,584

**Career and Technical Education Program**

In Service/Staff Development	\$	2,639	
Total Career and Technical Education Program			2,639

**Technology**

Software	\$	95,591	
Total Technology			95,591

**Fiscal Services**

Other Contracted Services	\$	33,400	
Total Fiscal Services			33,400

**Transportation**

Contracts with Parents	\$	6,048	
Contracts with Vehicle Owners		147,222	
Total Transportation			153,270

Operation of Non-Instructional Services

**Food Service**

Food Supplies	\$	4,995	
Total Food Service			4,995

(Continued)

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

**School Federal Projects Fund (Cont.)**

Capital Outlay

**Regular Capital Outlay**

Architects

\$ 1,559,566

Total Regular Capital Outlay

\$ 1,559,566

Total School Federal Projects Fund

\$ 7,133,812

**Central Cafeteria Fund**

Operation of Non-Instructional Services

**Food Service**

Supervisor/Director

\$ 90,045

Cafeteria Personnel

737,273

Temporary Personnel

504

Social Security

50,223

Pensions

58,064

Life Insurance

608

Medical Insurance

90,773

Unemployment Compensation

740

Employer Medicare

11,746

Communication

3,367

Contracts with Private Agencies

31,141

Dues and Memberships

4,265

Fiscal Agent Charges

20,754

Maintenance and Repair Services - Equipment

27,744

Travel

3,606

Permits

560

Other Contracted Services

13,995

Food Preparation Supplies

102,675

Food Supplies

861,981

Office Supplies

3,270

Uniforms

1,360

USDA - Commodities

149,288

Other Supplies and Materials

446

Refunds

43

In Service/Staff Development

350

Other Charges

194

Food Service Equipment

19,224

Total Food Service

\$ 2,284,239

Total Central Cafeteria Fund

2,284,239

**Other Education Special Revenue Fund**

Instruction

**Regular Instruction Program**

Contracts with Private Agencies

\$ 19,905,578

Instructional Supplies and Materials

74,734

Total Regular Instruction Program

\$ 19,980,312

(Continued)

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

<b>Other Education Special Revenue Fund (Cont.)</b>		
Support Services		
<b>Office of the Principal</b>		
Data Processing Services	\$ 18,131	
Total Office of the Principal	<u>18,131</u>	\$ 18,131
Total Other Education Special Revenue Fund		\$ 19,998,443
<b>Internal School Fund</b>		
Operation of Non-Instructional Services		
<b>Community Services</b>		
Other Charges	\$ 1,193,598	
Total Community Services	<u>1,193,598</u>	\$ 1,193,598
Total Internal School Fund		1,193,598
<b>Education Capital Projects Fund</b>		
Capital Outlay		
<b>Regular Capital Outlay</b>		
Engineering Services	\$ 48,958	
Building Improvements	<u>638,939</u>	
Total Regular Capital Outlay	<u>687,897</u>	\$ 687,897
Total Education Capital Projects Fund		<u>687,897</u>
Total Governmental Funds - Union County School Department		<u><u>\$ 61,616,766</u></u>

## SINGLE AUDIT SECTION



JASON E. MUMPOWER  
*Comptroller*

**Independent Auditor's 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***

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, 2024, 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 September 10, 2024. Our report includes a reference to other auditors who audited the financial statements of the Internal School Fund of the discretely presented Union County School Department, as described in our report on Union County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Report on Internal Control Over Financial Reporting**

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

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. However, material weaknesses or significant deficiencies may exist that were not identified.

## Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item: 2024-001.

## Union County's Response to the Finding

*Government Auditing Standards* requires the auditor to perform limited procedures on Union County's response to the finding identified in our audit and 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 the response.

## Purpose of this Report

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

Very truly yours,

Jason E. Mumpower  
Comptroller of the Treasury  
Nashville, Tennessee

September 10, 2024

JEM/gc



JASON E. MUMPOWER  
*Comptroller*

**Independent Auditor’s 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**

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**

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

We have audited Union County’s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Union County’s major federal programs for the year ended June 30, 2024. 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.

In our opinion, Union County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

## ***Auditor's Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

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

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal

control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

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

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

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Union County, Tennessee, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Union County's basic financial statements. We issued our report thereon dated September 10, 2024, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,

  
Jason E. Mumpower  
Comptroller of the Treasury  
Nashville, Tennessee

September 10, 2024

JEM/gc

**UNION COUNTY, TENNESSEE, AND THE UNION COUNTY SCHOOL DEPARTMENT**  
**Schedule of Expenditures of Federal Awards and State Grants (1) (2) (6) (8)**  
**For the Year-Ended June 30, 2024**

Federal/Pass-Through Agency/State Grantor Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster: (3)			
School Breakfast Program	10.553	N/A	\$ 440,020
National School Lunch Program	10.555	N/A	1,278,355 (4)
National School Lunch Program (Supply Chain Assistance Fund)	10.555	N/A	143,535 (4)
COVID 19 - Pandemic EBT Administrative Costs	10.649	N/A	3,256
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (3)			
National School Lunch Program (Commodities - Cash Assistance)	10.555	N/A	3,327 (4)
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	149,288 (4)
Passed-through East Tennessee Human Resources Agency:			
Child and Adult Care Food Program	10.558	N/A	51,489
Child Nutrition Cluster: (3)			
Summer Food Service Program for Children	10.559	N/A	214,969
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-24-79728	24,434
Total U.S. Department of Agriculture			<u>\$ 2,308,673</u>
U.S. Department of Housing and Urban Development:			
Passed-through Tennessee Housing Development Agency:			
Home Investment Partnerships Program	14.239	HM 21-17	\$ 28,092
Total U.S. Department of Housing and Urban Development			<u>\$ 28,092</u>
U.S. Department of Justice:			
Direct Program:			
Equitable Sharing Program	16.922	N/A	\$ 60,728
Total U.S. Department of Justice			<u>\$ 60,728</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Safety Cluster: (3)			
National Priority Safety Programs	20.616	(5)	\$ 19,131
Total U.S. Department of Transportation			<u>\$ 19,131</u>
U.S. Department of Treasury:			
Passed-through State Department of Education:			
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 143,422
Total U.S. Department of Treasury			<u>\$ 143,422</u>
U.S. Appalachian Regional Commission:			
Direct Program:			
Appalachian Area Development	23.002	N/A	\$ 55,300
Total U.S. Appalachian Regional Commission			<u>\$ 55,300</u>
U.S. Environmental Protection Agency:			
Direct Program:			
EPA 2022 Clean School Bus Rebate Program (Noncash Assistance)	66.U01	N/A	\$ 790,000
Total Environmental Protection Agency			<u>\$ 790,000</u>

(Continued)

**UNION COUNTY, TENNESSEE, AND THE UNION COUNTY SCHOOL DEPARTMENT**

**Schedule of Expenditures of Federal Awards and State Grants (1) (2) (6) (8) (Cont.)**

Federal/Pass-Through Agency/State Grantor Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education:			
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	\$ 1,456,438
Special Education Cluster: (3)			
Special Education - Grants to States	84.027	N/A	1,310,263
Special Education - Preschool Grants	84.173	N/A	44,310
Career and Technical Education - Basic Grants to States	84.048	N/A	63,087
Rural Education	84.358	N/A	253,896
English Language Acquisition State Grants	84.365	N/A	16,756
Supporting Effective Instruction State Grants	84.367	N/A	40,884
Student Support and Academic Enrichment Program	84.424	N/A	75,841
COVID 19 - Education Stabilization Fund Program - Governor's			
Emergency Education Relief Fund	84.425C	N/A	5,966 (4)
COVID 19 - Education Stabilization Fund Program - Elementary and			
Secondary School Emergency Relief Fund (ESSER II)	84.425D	N/A	642,269 (4)
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary			
School Emergency Relief Fund (ESSER ARP)	84.425U	N/A	3,074,192 (4)
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary			
School Emergency Relief Fund - Homeless Children and Youth - (ESSER ARP)	84.425W	N/A	9,982 (4)
Comprehensive Literacy Development	84.371	N/A	97,046
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	N/A	99,350
Total U.S. Department of Education			<u>\$ 7,190,280</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Election Security Grant	90.404	N/A	\$ 144,298
Total U.S. Election Assistance Commission			<u>\$ 144,298</u>
U.S. Department of Health and Human Services:			
Passed-through East Tennessee Human Resource Agency:			
Aging Cluster: (3)			
Special Programs for the Aging - Title III, Part B - Grants for Supportive			
Services and Senior Centers	93.044	N/A	\$ 17,449
Passed-through State Department of Health:			
Medicaid Cluster: (3)			
Medical Assistance Program	93.778	GG-24-79728	16,132
STD Prevention	93.977	GG-24-79728	4,523
Maternal and Child Health Service Block Grant to the States	93.994	GG-24-79728	18,552
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	34349-25123	134,812
Passed-through State Department of Education:			
Cooperative Agreement for Emergency Response - Public Health Crisis Response	93.354	N/A	42,883
Temporary Assistance for Needy Families	93.558	N/A	76,482
Passed-through State Department of Mental Health and Substance Abuse:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	N/A	62,398 (4)
COVID 19- Block Grants for Prevention and Treatment of Substance Abuse	93.959	N/A	34,402 (4)
Opioid STR	93.788	N/A	41,830
Total U.S. Department of Health and Human Services			<u>\$ 449,463</u>
Total Expenditures of Federal Grants			<u>\$ 11,189,387</u>

(Continued)

**UNION COUNTY, TENNESSEE, AND THE UNION COUNTY SCHOOL DEPARTMENT**  
**Schedule of Expenditures of Federal Awards and State Grants (1) (2) (6) (8) (Cont.)**

State Grants	Assistance		Expenditures
	Listing Number	Contract Number	
Juvenile Services Program - State Children's Services Commission	N/A	(7)	\$ 4,500
Litter Program - State Department of Transportation	N/A	(7)	18,138
Health Department Grants - State Department of Health	N/A	GG-24-79728	55,621
Help America Vote Act Election Security Grant - State Security of State	N/A	(7)	28,867
Violent Crime Intervention Fund - State Department of Finance and Administration	N/A	(9)	284,633
Senior Center Grant - Tennessee Commission on Aging and Disability	N/A	(7)	8,000
Early Childhood Education - Pilot - State Department of Education	N/A	(7)	356,450
Public School Security Grant - State Department of Education	N/A	(7)	221,764
Summer Learning Camps - State Department of Education	N/A	(7)	395,431
Summer Camp Transportation Grant - Department of Education	N/A	(7)	39,640
School Resource Officer Grant Program- State Department of Safety	N/A	(7)	675,000
Drivers Education- State Department of Education	N/A	(7)	6,640
Courtroom Security Grant - State Administrative Office of the Courts	N/A	(7)	8,895
Supporting Postsecondary Access in Rural Counties - Tennessee Higher Education Commission	N/A	(7)	102,000
Block Grants for Prevention and Treatment of Substance Abuse - State Department of Mental Health and Substance Abuse	N/A	(7)	<u>25,335</u>
Total State Grants			<u>\$ 2,230,914</u>

ALN = Assistance Listing Number

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) Child Nutrition Cluster total \$2,229,494; Highway Safety Cluster total \$19,131; Special Education Cluster total \$1,354,573; Aging Cluster total \$17,449; and Medicaid Cluster total \$16,132.

(4) ALN Totals: ALN 10.555, \$1,574,505; ALN 84.425, \$3,732,409; ALN 93.959, \$96,800.

(5) Z-23-THS335: \$8,055; Z-24-THS349: \$11,076

(6) No amounts (\$0) were passed through to subrecipients.

(7) Information not available.

(8) CONSOLIDATED ADMINISTRATION

The following amounts were consolidated for administration purposes:

Program Title	ALN	Amount Provided to Consolidated Administration
Title I Grants to Local Educational Agencies	84.010	\$ 166,446
Supporting Effective Instruction State Grants	84.367	9,114
English Language Acquisition State Grants	84.365	63
Student Support and Academic Enrichment Program	84.424	1,141
Rural Education	84.358	<u>2,717</u>
		<u>\$ 179,481</u>

Additional Notes for State Grants:

(9) \$221,905 passed-through Hancock County, Tennessee

**UNION COUNTY, TENNESSEE**  
**Summary Schedule of Prior-year Findings**  
**For the Year Ended June 30, 2024**

*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, 2024.

**Prior-year Financial Statement Findings**

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

**Prior-year Federal Awards Findings**

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

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**UNION COUNTY, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2024**

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**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? **NONE REPORTED**
3. Noncompliance material to the financial statements noted? **NO**

**Federal Awards:**

4. Internal Control Over Major Federal Programs:
  - \* Material weakness identified? **NO**
  - \* Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
  - \* Assistance Listing Numbers: 84.027 and 84.173      Special Education Cluster: Special Education - Grants to States, Special Education - Preschool Grants
  - \* Assistance Listing Number: 84.425                      COVID 19 - Education Stabilization Fund
  - \* Assistance Listing Number: 66.U01                      EPA 2022 Clean School Bus Rebate Program (Noncash Assistance)
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, is presented below. We reviewed the 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 plans, whether related to the financial statements or federal awards, are presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

### OFFICES OF DIRECTOR OF FINANCE AND DIRECTOR OF SCHOOLS

FINDING 2024-001

#### **AMOUNTS WITHHELD FROM CONTRACTOR PAYMENTS WERE NOT DEPOSITED INTO AN ESCROW ACCOUNT**

(Noncompliance under *Government Auditing Standards*)

The office did not deposit amounts withheld from contractor payments into an escrow account related to a \$580,600 construction contract for a partial roof replacement at Union County High School. Section 66-34-104, *Tennessee Code Annotated*, requires that funds withheld from contractor payments be deposited into an escrow account with a third-party for contracts of \$500,000 or more. This deficiency was the result of a lack of management oversight that could result in the loss of interest earnings for the contractors.

#### RECOMMENDATION

Amounts withheld from contractor payments on contracts of \$500,000 or more should be deposited into escrow accounts in compliance with state statute.

#### MANAGEMENT'S RESPONSE

We concur with the finding and have made changes to ensure that this oversight does not happen again in the future.

Since 2020 our small, rural county has seen a large influx of grant funds especially for COVID relief. With these funds the county has been able to undertake larger and more expensive projects than we have dealt with in the past. Unfortunately, we have also seen a huge increase in the cost of goods and services due to supply chain issues. With the increase in cost and the ability to do these larger projects we have seen project cost skyrocket well above our normal purchase point. The particular project reviewed was over \$500,000 and included a retainage account clause. It is my understanding that this clause has not been as prevalent in contracts when the interest rates were low, and the accounts were not earning a sufficient amount to make the extra work worthwhile for the contractor. However, as the interest rates have been on the rise it has become more beneficial and so more commonplace. Having not dealt with projects over \$500,000 before, we were unaware of this requirement and the contractor did not question it either.

### **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, 2024.

**UNION COUNTY, TENNESSEE  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
For the Year Ended June 30, 2024**

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

Finding Number	Title of Finding	Corrective Action Plan Page Number
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**OFFICES OF FINANCE DIRECTOR AND DIRECTOR OF SCHOOLS**

2024-001	Amounts withheld from contractor payments were not deposited into an escrow account.	202
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# Union County Finance Office

300 Main Street  
Maynardville, TN 37807  
(865) 658-3400

## Corrective Action Plan

**FINDING:** AMOUNTS WITHHELD FROM CONTRACTOR PAYMENTS  
WERE NOT DEPOSITED INTO AN ESCROW ACCOUNT

**Response and Corrective Action Plan Prepared by:**  
Melissa Brown, Finance Director

**Person Responsible for Implementing the Corrective Action:**  
Melissa Brown, Finance Director

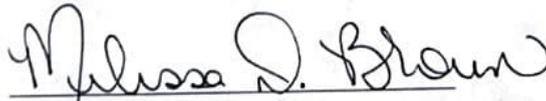
**Anticipated Completion Date of Corrective Action:**  
August 29, 2024

**Repeat Finding:**  
No

**Planned Corrective Action:**

Additional training has been conducted with purchasing personnel and other parties involved with contracts development and approval. All contract wording for projects that total \$500,000 or above, will be reviewed for the inclusion of a retainage account requirement. If included in the contract an interest-bearing escrow account will be opened for the specified amount listed and maintained for the duration of the project. The amount, plus interest, will be paid to the contractor upon completion of the project per TCA code. These contract reviews will be instituted immediately in the Finance Office. The county attorneys have been alerted to monitor for this requirement as well when reviewing contracts for any of the county entities.

Signature:



Signature:

