

ANNUAL FINANCIAL REPORT
SEVIER COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2019



DIVISION OF LOCAL GOVERNMENT AUDIT



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

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

MARK TREECE, CPA, CGFM
Audit Manager

AMY SOSVILLE, CPA
Senior Auditor

AMY MOORE, CGFM
ANGIE COLLINS, CPA, CFE, CGFM
DOUG SANDIDGE, CISA, CFE
State Auditors

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

SEVIER COUNTY, TENNESSEE TABLE OF CONTENTS

	Exhibit	Page(s)
Summary of Audit Findings		6
<u>INTRODUCTORY SECTION</u>		7
Sevier County Officials		8
<u>FINANCIAL SECTION</u>		9
Independent Auditor's Report		10-12
BASIC FINANCIAL STATEMENTS:		13
Government-wide Financial Statements:		
Statement of Net Position	A	14-16
Statement of Activities	B	17-18
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	19-20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	21
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	22-23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	24-25
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	C-5	26-29
Highway/Public Works Fund	C-6	30
Proprietary Funds:		
Statement of Net Position	D-1	31-32
Statement of Revenues, Expenses, and Changes in Net Position	D-2	33-34
Statement of Cash Flows	D-3	35
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	E	36
Index and Notes to the Financial Statements		37-115
REQUIRED SUPPLEMENTARY INFORMATION:		116
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	F-1	117
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	F-2	118
Schedule of Contributions Based on Participation in the Teacher Pension Plan of TCRS – Discretely Presented Sevier County School Department	F-3	119

	Exhibit	Page(s)
Schedule of Contributions Based on Participation in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Sevier County School Department	F-4	120
Schedule of Proportionate Share of the Net Pension Liability (Asset) in the Teacher Pension Plan of TCRS – Discretely Presented Sevier County School Department	F-5	121
Schedule of Proportionate Share of the Net Pension Liability (Asset) in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Sevier County School Department	F-6	122
Schedule of Changes in the Total OPEB Liability and Related Ratios - Sevier County Plan	F-7	123
Schedule of Changes in the Total OPEB Liability and Related Ratios - Tennessee Plan - Medicare	F-8	124
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan - Discretely Presented Sevier County School Department	F-9	125
Schedule of Changes in the Total OPEB Liability and Related Ratios - Tennessee Plan - Medicare - Discretely Presented Sevier County School Department	F-10	126
Notes to the Required Supplementary Information		127
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		128
Nonmajor Governmental Funds:		129
Combining Balance Sheet	G-1	130-133
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	134-137
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
Courthouse and Jail Maintenance Fund	G-3	138
Law Library Fund	G-4	139
Solid Waste/Sanitation Fund	G-5	140
Special Purpose Fund	G-6	141
Drug Control Fund	G-7	142
Other Special Revenue Fund	G-8	143
Major Governmental Fund:		144
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	H	145
Proprietary Funds:		146
Combining Statement of Net Position - Internal Service Funds	I-1	147
Combining Statement of Revenues, Expenses, and Changes in Net Position - Internal Service Funds	I-2	148
Combining Statement of Cash Flows - Internal Service Funds	I-3	149
Fiduciary Funds:		150
Combining Statement of Fiduciary Assets and Liabilities	J-1	151
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	J-2	152-153
Component Unit:		
Discretely Presented Sevier County School Department:		154
Statement of Activities	K-1	155
Balance Sheet – Governmental Funds	K-2	156

	Exhibit	Page(s)
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	K-3	157
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	K-4	158
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	K-5	159
Combining Balance Sheet – Nonmajor Governmental Funds	K-6	160
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	K-7	161
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	K-8	162-163
School Federal Projects Fund	K-9	164
Central Cafeteria Fund	K-10	165
Miscellaneous Schedules:		166
Schedule of Changes in Long-term Other Loans and Bonds	L-1	167
Schedule of Long-term Debt Requirements by Year	L-2	168-169
Schedule of Transfers	L-3	170
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Sevier County School Department	L-4	171
Schedule of Detailed Revenues – All Governmental Fund Types	L-5	172-192
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Sevier County School Department	L-6	193-196
Schedule of Detailed Expenditures – All Governmental Fund Types	L-7	197-225
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Sevier County School Department	L-8	226-238
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balance – City Agency Fund	L-9	239
<u>STATUTORY SECTION</u>	<u>Table</u>	240
Operating Information - Public Utility Fund:		
Schedule of Utility Rates	1	241
Schedule of Unaccounted for Water	2	242-243
<u>SINGLE AUDIT SECTION</u>		244
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>		245-246
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		247-249
Schedule of Expenditures of Federal Awards and State Grants		250-252
Summary Schedule of Prior-year Findings		253
Schedule of Findings and Questioned Costs		254-257
Management's Corrective Action Plan		258-259
Best Practice		260

Summary of Audit Findings

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

Scope

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

Results

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

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

Findings

The following is a summary of the audit finding:

OFFICE OF COUNTY MAYOR

- ◆ The Internal Revenue Service assessed the county interest and penalty totaling \$43,734.34.
-

INTRODUCTORY SECTION

Sevier County Officials

June 30, 2019

Officials

Larry Waters, County Mayor
Jonas Smelcer, Road Superintendent
Jack Parton, Director of Schools
Greg Patterson, Trustee
Thomas King, Assessor of Property
Karen Cotter, County Clerk
Rita Ellison, Circuit Court Clerk
Connie Holt, General Sessions and Juvenile Courts Clerk
Carolyn McMahan, Clerk and Master
Cyndi Pickel, Register of Deeds
Ronald Seals, Sheriff

Board of County Commissioners

Larry Waters, County Mayor, Chairman
Ronnie Allen
Fred Atchley
Mike Chambers
Ben Clabo
Gary Cole
Mary Davis
Bryan Delius
Aaron Foster
Chuck Godfrey
Greg Haggard
Dale Hill
Mike Hillard
Todd Humble

Warren Hurst
Phil King
Michael Maddron
David Norton
Ray Ogle
Frank Parton
Harold Pitner
Carroll Rauhuff
Tommy Watts
Keith Whaley
Ronnie Whaley
Kent Woods

Board of Education

Charles Temple, Chairman
John McClure
Mike Oakley

Mark Strange
Kevin Townsend

Audit Committee

Kent Woods, Chairman
Ronnie Whaley
Fred Atchley
Gary Cole

Warren Hurst
Ben Clabo
David Norton

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

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

Supplementary and Other Information

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

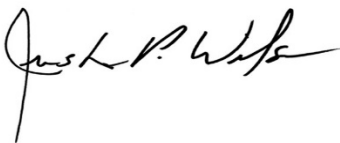
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Sevier County School Department (a discretely presented component unit), schedule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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2019, on our consideration of Sevier 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 Sevier 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 Sevier County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 7, 2019

JPW/tg

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government			Component Unit
	Governmental	Business-type	Total	Sevier
	Activities	Activities		County School Department
<u>ASSETS</u>				
Cash	\$ 1,793,268	\$ 200	\$ 1,793,468	\$ 5,831
Equity in Pooled Cash and Investments	75,761,598	2,039,155	77,800,753	51,359,324
Accounts Receivable	2,609,039	190,695	2,799,734	1,154,010
Allowance for Uncollectibles	(536,067)	(12,634)	(548,701)	0
Due from Other Governments	3,348,743	0	3,348,743	11,763,682
Due from Primary Government	0	0	0	175,134
Property Taxes Receivable	35,328,578	0	35,328,578	36,486,891
Allowance for Uncollectible Property Taxes	(628,203)	0	(628,203)	(648,800)
Net Pension Asset - Agent Plan	9,567,789	76,386	9,644,175	8,225,335
Net Pension Asset - Teacher Legacy Plan	0	0	0	6,041,791
Net Pension Asset - Teacher Retirement Plan	0	0	0	485,172
Restricted Assets:				
Amounts Accumulated for Pension Benefits	0	0	0	229,906
Capital Assets :				
Assets Not Depreciated:				
Land	6,413,189	0	6,413,189	19,527,122
Construction in Progress	1,389,198	1,600,720	2,989,918	5,869,519
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	35,330,233	0	35,330,233	98,427,314
Other Capital Assets	5,455,432	235,589	5,691,021	6,355,111
Infrastructure	55,072,231	16,667,551	71,739,782	4,218,745
Total Assets	<u>\$ 230,905,028</u>	<u>\$ 20,797,662</u>	<u>\$ 251,702,690</u>	<u>\$ 249,676,087</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred Amount on Refunding	\$ 623,996	\$ 0	\$ 623,996	\$ 0
Pension Changes in Assumptions	1,037,023	8,279	1,045,302	4,482,719
Pension Changes in Experience	0	0	0	1,248,731
Pension Changes in Proportion	0	0	0	785,954
Pension Contributions After Measurement Date	1,504,541	12,460	1,517,001	7,700,569
OPEB Change in Experience	0	0	0	6,388,703
OPEB Change in Assumptions	0	0	0	1,224,113
OPEB Changes in Proportion	0	0	0	2,676,484
OPEB Contributions After Measurement Date	49,773	340	50,113	1,472,435
Total Deferred Outflows of Resources	<u>\$ 3,215,333</u>	<u>\$ 21,079</u>	<u>\$ 3,236,412</u>	<u>\$ 25,979,708</u>

(Continued)

Exhibit A

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

	Primary Government			Component
	Governmental	Business-type	Total	Unit
	Activities	Activities		Sevier County School Department
<u>LIABILITIES</u>				
Accounts Payable	\$ 661,654	\$ 14,419	\$ 676,073	\$ 31,018
Accrued Payroll	904,692	8,220	912,912	0
Accrued Interest Payable	123,831	0	123,831	0
Payroll Deductions Payable	291,999	2,725	294,724	0
Contracts Payable	651,899	0	651,899	0
Due to Component Units	174,662	472	175,134	0
Derivative - Interest Rate Swap	1,861,145	0	1,861,145	0
Other Current Liabilities	863,920	0	863,920	5,916,168
Customer Deposits Payable	0	91,500	91,500	0
Noncurrent Liabilities:				
Due Within One Year - Debt	8,350,023	0	8,350,023	0
Due in More Than One Year - Debt	111,755,520	0	111,755,520	0
Due in More Than One Year - Other	4,275,316	27,470	4,302,786	35,229,917
Total Liabilities	<u>\$ 129,914,661</u>	<u>\$ 144,806</u>	<u>\$ 130,059,467</u>	<u>\$ 41,177,103</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 33,801,863	\$ 0	\$ 33,801,863	\$ 34,910,122
Pension Changes in Experience	3,023,288	24,137	3,047,425	10,769,272
Pension Changes in Investment Earnings	386,001	3,082	389,083	1,674,194
Pension Changes in Proportion	0	0	0	16,101
OPEB Changes in Experience	1,219,617	9,110	1,228,727	203,199
OPEB Changes in Assumptions	166,091	1,270	167,361	1,055,843
OPEB Changes in Proportion	0	0	0	3,121,585
Accumulated Increase in Fair Value of Hedging Derivatives	5,377	0	5,377	0
Total Deferred Inflows of Resources	<u>\$ 38,602,237</u>	<u>\$ 37,599</u>	<u>\$ 38,639,836</u>	<u>\$ 51,750,316</u>

(Continued)

Exhibit A

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

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Unit Sevier County School Department
<u>NET POSITION</u>				
Net Investment in Capital Assets	\$ 73,049,702	\$ 18,503,860	\$ 91,553,562	\$ 134,397,811
Restricted for:				
General Government	1,617,909	0	1,617,909	0
Administration of Justice	283,261	0	283,261	0
Public Safety	54,319	0	54,319	0
Highways	7,703,307	0	7,703,307	0
Education	0	0	0	1,713,597
Debt Service	32,481,436	0	32,481,436	0
Capital Outlay	904,461	0	904,461	13,883,261
Pensions	9,567,789	76,386	9,644,175	14,982,204
Unrestricted	(60,058,721)	2,056,090	(58,002,631)	17,751,503
Total Net Position	\$ 65,603,463	\$ 20,636,336	\$ 86,239,799	\$ 182,728,376

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

Exhibit B

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

Functions/Programs	Net (Expense) Revenue and Changes in Net Position							Component Unit Sevier County School Department
	Expenses	Program Revenues			Primary Government			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary Government:								
Governmental Activities:								
General Government	\$ 14,764,440	\$ 2,244,173	\$ 193,559	\$ 0	\$ (12,326,708)	\$ 0	\$ (12,326,708)	\$ 0
Finance	3,130,750	4,760,686	0	0	1,629,936	0	1,629,936	0
Administration of Justice	3,700,612	1,865,112	309,092	0	(1,526,408)	0	(1,526,408)	0
Public Safety	19,753,803	1,844,216	939,295	0	(16,970,292)	0	(16,970,292)	0
Public Health and Welfare	10,177,030	4,003,308	1,099,864	1,659,477	(3,414,381)	0	(3,414,381)	0
Social, Cultural, and Recreational Services	2,581,550	24,068	123,703	0	(2,433,779)	0	(2,433,779)	0
Agriculture and Natural Resources	418,366	0	0	0	(418,366)	0	(418,366)	0
Highways	10,960,384	60,672	3,371,167	337,138	(7,191,407)	0	(7,191,407)	0
Education	11,768,676	1,340,739	0	0	(10,427,937)	0	(10,427,937)	0
Interest on Long-term Debt	3,657,813	0	0	0	(3,657,813)	0	(3,657,813)	0
Total Primary Government	\$ 80,913,424	\$ 16,142,974	\$ 6,036,680	\$ 1,996,615	\$ (56,737,155)	\$ 0	\$ (56,737,155)	\$ 0
Business-type Activities:								
Public Utility Fund	\$ 1,688,076	\$ 2,044,829	\$ 0	\$ 0	\$ 0	\$ 356,753	\$ 356,753	\$ 0
Total Business-type Activities	\$ 1,688,076	\$ 2,044,829	\$ 0	\$ 0	\$ 0	\$ 356,753	\$ 356,753	\$ 0
Total Primary Government	\$ 82,601,500	\$ 18,187,803	\$ 6,036,680	\$ 1,996,615	\$ (56,737,155)	\$ 356,753	\$ (56,380,402)	\$ 0
Component Units:								
Sevier County School Department	\$ 150,776,263	\$ 1,684,755	\$ 9,509,300	\$ 10,881,299	\$ 0	\$ 0	\$ 0	\$ (128,700,909)
Total Component Units	\$ 150,776,263	\$ 1,684,755	\$ 9,509,300	\$ 10,881,299	\$ 0	\$ 0	\$ 0	\$ (128,700,909)

(Continued)

Exhibit B

Sevier County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Sevier County School Department
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					\$ 20,352,926	\$ 0	\$ 20,352,926	\$ 35,596,254
Property Taxes Levied for Special Purposes					1,129,963	0	1,129,963	0
Property Taxes Levied for Highways					6,968,675	0	6,968,675	0
Property Taxes Levied for Debt Service					6,026,509	0	6,026,509	0
Local Option Sales Taxes					6,346,174	0	6,346,174	62,702,028
Other Local Taxes					374,604	0	374,604	153,684
Hotel/Motel Tax					3,780,193	0	3,780,193	3,780,194
Business Tax					2,982,563	0	2,982,563	0
Litigation Tax - Jail, Workhouse, or Courthouse					648,737	0	648,737	0
Mixed Drink Tax					0	0	0	693,665
Wholesale Beer Tax					501,519	0	501,519	0
Grants and Contributions Not Restricted to Specific Programs					9,375,868	0	9,375,868	50,732,326
Unrestricted Investment Income					2,770,807	0	2,770,807	24,012
Gain on Investments					0	0	0	11,606
Miscellaneous					95,180	0	95,180	47,136
Gain on Disposal of Property					133,788	0	133,788	390,000
Total General Revenues					\$ 61,487,506	\$ 0	\$ 61,487,506	\$ 154,130,905
Change in Fair Value of Investment Derivatives - Interest Rate Swap					\$ (40,541)	\$ 0	\$ (40,541)	\$ 0
Transfers					(1,482,725)	1,482,725	0	0
Change in Net Position					\$ 3,227,085	\$ 1,839,478	\$ 5,066,563	\$ 25,429,996
Net Position, July 1, 2018					62,376,378	18,796,858	81,173,236	157,298,380
Net Position, June 30, 2019					\$ 65,603,463	\$ 20,636,336	\$ 86,239,799	\$ 182,728,376

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

Exhibit C-1

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

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	General Debt Service	General Capital Projects	Funds Other Govern- mental Funds	
<u>ASSETS</u>						
Cash	\$ 32,564	\$ 0	\$ 0	\$ 0	\$ 2,598	\$ 35,162
Equity in Pooled Cash and Investments	30,477,619	7,593,949	32,141,148	3,379,944	2,168,938	75,761,598
Accounts Receivable	2,285,127	41,255	277,443	0	5,214	2,609,039
Allowance for Uncollectibles	(536,067)	0	0	0	0	(536,067)
Due from Other Governments	1,678,498	568,704	0	450,636	650,905	3,348,743
Due from Other Funds	117,359	34,177	29,559	0	7,912	189,007
Property Taxes Receivable	20,849,652	7,142,937	6,177,675	0	1,158,314	35,328,578
Allowance for Uncollectible Property Taxes	(370,743)	(127,014)	(109,849)	0	(20,597)	(628,203)
Total Assets	\$ 54,534,009	\$ 15,254,008	\$ 38,515,976	\$ 3,830,580	\$ 3,973,284	\$ 116,107,857
<u>LIABILITIES</u>						
Accounts Payable	\$ 156,795	\$ 445,423	\$ 0	\$ 0	\$ 27,701	\$ 629,919
Accrued Payroll	767,491	98,468	0	0	38,733	904,692
Payroll Deductions Payable	278,240	0	0	0	13,759	291,999
Contracts Payable	619,149	0	0	32,750	0	651,899
Due to Other Funds	2,370	3,279	0	0	186,637	192,286
Due to Component Units	80	0	0	0	174,582	174,662
Other Current Liabilities	100	0	0	0	0	100
Total Liabilities	\$ 1,824,225	\$ 547,170	\$ 0	\$ 32,750	\$ 441,412	\$ 2,845,557
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 19,948,640	\$ 6,834,257	\$ 5,910,709	\$ 0	\$ 1,108,257	\$ 33,801,863
Deferred Delinquent Property Taxes	394,095	135,014	116,769	0	21,895	667,773

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>						
Other Deferred/Unavailable Revenue	\$ 1,387,003	\$ 267,287	\$ 0	\$ 250,287	\$ 300,000	\$ 2,204,577
Total Deferred Inflows of Resources	\$ 21,729,738	\$ 7,236,558	\$ 6,027,478	\$ 250,287	\$ 1,430,152	\$ 36,674,213
<u>FUND BALANCES</u>						
Restricted:						
Restricted for General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 73,743	\$ 73,743
Restricted for Administration of Justice	0	0	0	0	283,261	283,261
Restricted for Public Safety	0	0	0	0	54,319	54,319
Restricted for Public Health and Welfare	0	0	0	1,582,079	0	1,582,079
Restricted for Social, Cultural, and Recreational Services	0	0	0	997,000	0	997,000
Restricted for Other Operations	1,544,166	0	0	0	0	1,544,166
Restricted for Highways/Public Works	0	7,301,006	0	0	0	7,301,006
Restricted for Capital Outlay	0	0	0	820,395	882,566	1,702,961
Restricted for Debt Service	0	0	32,488,498	0	0	32,488,498
Committed:						
Committed for Administration of Justice	0	0	0	0	99,479	99,479
Committed for Public Health and Welfare	0	0	0	0	680,902	680,902
Committed for Highways/Public Works	0	169,274	0	0	0	169,274
Committed for Capital Outlay	0	0	0	0	27,450	27,450
Committed for Capital Projects	0	0	0	148,069	0	148,069
Assigned:						
Assigned for General Government	80,238	0	0	0	0	80,238
Unassigned	29,355,642	0	0	0	0	29,355,642
Total Fund Balances	\$ 30,980,046	\$ 7,470,280	\$ 32,488,498	\$ 3,547,543	\$ 2,101,720	\$ 76,588,087
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 54,534,009	\$ 15,254,008	\$ 38,515,976	\$ 3,830,580	\$ 3,973,284	\$ 116,107,857

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

Exhibit C-2

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

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 76,588,087
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 6,413,189	
Add: construction in progress	1,389,198	
Add: infrastructure net of accumulated depreciation	55,072,231	
Add: buildings and improvements net of accumulated depreciation	35,330,233	
Add: other capital assets net of accumulated depreciation	<u>5,455,432</u>	103,660,283
(2) Internal service funds are used by management to charge the cost of workers' compensation, employee health, dental, and vision benefits to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		865,830
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other loans payable	\$ (54,541,695)	
Less: bonds payable	(63,739,203)	
Add: deferred amount on refunding	623,996	
Less: unamortized premium on debt	(1,824,645)	
Less: OPEB Liability	(4,275,316)	
Less: accrued interest on bonds, notes, and other loans	(123,831)	
Less: fair value of investment-type derivative - interest rate swap	(1,861,145)	
Less: deferred amount for fair value of investment-type derivative	<u>(5,377)</u>	(125,747,216)
(4) 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 related to pensions	\$ 2,541,564	
Less: deferred inflows related to pensions	(3,409,289)	
Add: deferred outflows related to OPEB	49,773	
Less: deferred inflows related to OPEB	<u>(1,385,708)</u>	(2,203,660)
(5) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		9,567,789
(6) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>2,872,350</u>
Net position of governmental activities (Exhibit A)		<u>\$ 65,603,463</u>

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

Exhibit C-3

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

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>						
Local Taxes	\$ 31,980,628	\$ 7,107,611	\$ 6,146,677	\$ 0	\$ 4,480,834	\$ 49,715,750
Licenses and Permits	983,358	0	0	0	0	983,358
Fines, Forfeitures, and Penalties	359,555	0	0	0	112,416	471,971
Charges for Current Services	4,136,750	0	0	0	45,617	4,182,367
Other Local Revenues	99,774	52,635	2,749,541	0	87,330	2,989,280
Fees Received From County Officials	7,255,410	0	0	0	0	7,255,410
State of Tennessee	3,921,310	3,599,992	0	0	125,782	7,647,084
Federal Government	1,641,434	0	0	1,294,741	100,902	3,037,077
Other Governments and Citizens Groups	779,089	54,994	6,680,695	0	24,752	7,539,530
Total Revenues	\$ 51,157,308	\$ 10,815,232	\$ 15,576,913	\$ 1,294,741	\$ 4,977,633	\$ 83,821,827
<u>Expenditures</u>						
Current:						
General Government	\$ 6,363,900	\$ 0	\$ 0	\$ 0	\$ 142,620	\$ 6,506,520
Finance	3,146,787	0	0	0	58,571	3,205,358
Administration of Justice	3,531,034	0	0	0	330,204	3,861,238
Public Safety	18,135,550	0	0	0	400,945	18,536,495
Public Health and Welfare	6,610,214	0	0	0	3,099,057	9,709,271
Social, Cultural, and Recreational Services	1,931,562	0	0	0	65,587	1,997,149
Agriculture and Natural Resources	419,217	0	0	0	0	419,217
Other Operations	4,870,668	0	0	0	96,786	4,967,454
Highways	333,733	10,793,535	0	0	0	11,127,268
Debt Service:						
Principal on Debt	0	0	8,175,023	0	0	8,175,023
Interest on Debt	0	0	3,631,884	0	0	3,631,884
Other Debt Service	0	0	625,102	145,636	0	770,738

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>						
Capital Projects	\$ 3,661,166	\$ 0	\$ 0	\$ 11,850,970	\$ 383,500	\$ 15,895,636
Total Expenditures	\$ 49,003,831	\$ 10,793,535	\$ 12,432,009	\$ 11,996,606	\$ 4,577,270	\$ 88,803,251
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,153,477	\$ 21,697	\$ 3,144,904	\$ (10,701,865)	\$ 400,363	\$ (4,981,424)
<u>Other Financing Sources (Uses)</u>						
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 9,925,000	\$ 0	\$ 9,925,000
Premiums on Debt Sold	0	0	0	441,617	0	441,617
Proceeds from Sale of Capital Assets	197,968	0	0	0	0	197,968
Insurance Recovery	5,502	0	0	0	182,933	188,435
Transfers In	0	0	0	0	50,000	50,000
Transfers Out	(50,000)	0	0	0	0	(50,000)
Total Other Financing Sources (Uses)	\$ 153,470	\$ 0	\$ 0	\$ 10,366,617	\$ 232,933	\$ 10,753,020
Net Change in Fund Balances	\$ 2,306,947	\$ 21,697	\$ 3,144,904	\$ (335,248)	\$ 633,296	\$ 5,771,596
Fund Balance, July 1, 2018	28,673,099	7,448,583	29,343,594	3,882,791	1,468,424	70,816,491
Fund Balance, June 30, 2019	\$ 30,980,046	\$ 7,470,280	\$ 32,488,498	\$ 3,547,543	\$ 2,101,720	\$ 76,588,087

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

Exhibit C-4

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

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

Net change in fund balances - total governmental funds (Exhibit C-3) \$ 5,771,596

(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	\$ 8,463,783	
Less: current-year depreciation expense	<u>(8,420,135)</u>	43,648

(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.

Less: assets donated to Business-type activities	\$ (1,482,725)	
Less: book value of assets disposed	<u>(64,180)</u>	(1,546,905)

(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Add: deferred delinquent property taxes and other deferred June 30, 2019	\$ 2,872,350	
Less: deferred delinquent property taxes and other deferred June 30, 2018	<u>(2,526,195)</u>	346,155

(4) The issuance of long-term debt (e.g., bonds, notes, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:

Add: principal payments on other loans	\$ 2,839,996	
Add: principal payments on bonds	5,335,027	
Less: bond proceeds	(9,925,000)	
Less: change in premium on debt issuances	(281,173)	
Less: change in deferred amount on refunding debt	<u>(186,722)</u>	(2,217,872)

(Continued)

Exhibit C-4

Sevier County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities (Cont.)

(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued interest payable	\$	349	
Change in OPEB liability		1,062,274	
Change in net pension asset		3,273,213	
Change in deferred outflows related to pensions		(284,685)	
Change in deferred inflows related to pensions		(853,284)	
Change in deferred outflows related to OPEB		(72,455)	
Change in deferred inflows related to OPEB		<u>(1,220,647)</u>	\$ 1,904,765
(6) Internal service funds are used by management to charge the cost of workers' compensation, employee health, dental, and vision benefits to individual funds. The net revenue (expense) of certain activities of the internal service funds is reported with governmental activities in the statement of activities.			(1,033,761)
(7) For interest rate swap agreements that are classified as investment derivatives, the change in fair market value is reflected in changes in net position for governmental activities.			
Change in fair value of all derivatives	\$	(47,681)	
Change in deferred inflows related to derivatives		<u>7,140</u>	<u>(40,541)</u>
Change in net position of governmental activities (Exhibit B)			<u>\$ 3,227,085</u>

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

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 31,980,628	\$ 0	\$ 31,980,628	\$ 28,426,362	\$ 29,544,612	\$ 2,436,016
Licenses and Permits	983,358	0	983,358	790,000	790,000	193,358
Fines, Forfeitures, and Penalties	359,555	0	359,555	361,243	361,243	(1,688)
Charges for Current Services	4,136,750	0	4,136,750	4,001,500	4,041,500	95,250
Other Local Revenues	99,774	0	99,774	90,615	97,131	2,643
Fees Received From County Officials	7,255,410	0	7,255,410	6,535,000	6,535,000	720,410
State of Tennessee	3,921,310	0	3,921,310	3,860,100	3,637,718	283,592
Federal Government	1,641,434	0	1,641,434	1,012,267	1,626,772	14,662
Other Governments and Citizens Groups	779,089	0	779,089	644,160	685,387	93,702
Total Revenues	\$ 51,157,308	\$ 0	\$ 51,157,308	\$ 45,721,247	\$ 47,319,363	\$ 3,837,945
<u>Expenditures</u>						
<u>General Government</u>						
County Commission	\$ 493,682	\$ 0	\$ 493,682	\$ 592,780	\$ 592,780	\$ 99,098
Beer Board	4,039	0	4,039	11,250	11,250	7,211
Other Boards and Committees	831,234	0	831,234	816,389	843,341	12,107
County Mayor/Executive	904,884	0	904,884	922,337	928,337	23,453
Election Commission	669,830	0	669,830	656,279	728,279	58,449
Register of Deeds	616,486	0	616,486	624,021	624,021	7,535
Planning	324,617	0	324,617	333,200	338,700	14,083
Building	195,004	0	195,004	203,241	203,241	8,237
Geographical Information Systems	137,945	0	137,945	139,101	139,101	1,156
County Buildings	1,167,146	0	1,167,146	1,251,906	1,251,906	84,760
Other Facilities	312,595	0	312,595	322,000	332,000	19,405
Other General Administration	511,077	(380)	510,697	507,027	532,027	21,330
Preservation of Records	195,361	0	195,361	219,470	219,470	24,109

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Finance</u>						
Property Assessor's Office	\$ 1,124,434	\$ 0	\$ 1,124,434	\$ 1,248,268	\$ 1,248,268	\$ 123,834
County Trustee's Office	643,675	0	643,675	662,353	662,353	18,678
County Clerk's Office	1,137,360	0	1,137,360	1,224,442	1,224,442	87,082
Data Processing	241,318	0	241,318	242,098	251,698	10,380
<u>Administration of Justice</u>						
Circuit Court	1,062,937	0	1,062,937	1,035,140	1,084,140	21,203
General Sessions Court	809,697	0	809,697	817,769	824,769	15,072
General Sessions Judge	561,326	0	561,326	605,013	605,013	43,687
Drug Court	0	0	0	85,000	35,000	35,000
Chancery Court	454,733	0	454,733	450,002	457,002	2,269
Juvenile Court	142,172	0	142,172	143,457	148,457	6,285
District Attorney General	132,759	0	132,759	137,303	137,303	4,544
Judicial Commissioners	305,067	0	305,067	312,597	324,597	19,530
Victim Assistance Programs	62,343	0	62,343	60,735	63,735	1,392
<u>Public Safety</u>						
Sheriff's Department	7,140,470	0	7,140,470	7,087,211	7,267,101	126,631
Drug Enforcement	304,886	0	304,886	292,219	306,869	1,983
Jail	7,197,047	0	7,197,047	6,609,201	7,429,201	232,154
Juvenile Services	396,036	0	396,036	387,633	415,633	19,597
Fire Prevention and Control	1,000,498	0	1,000,498	1,035,659	1,035,659	35,161
Civil Defense	4,000	0	4,000	4,000	4,000	0
Rescue Squad	52,750	0	52,750	52,750	52,750	0
Other Emergency Management	895,271	0	895,271	195,905	930,905	35,634
County Coroner/Medical Examiner	347,811	0	347,811	242,898	392,898	45,087
Other Public Safety	796,781	0	796,781	816,308	822,808	26,027

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Public Health and Welfare</u>						
Local Health Center	\$ 30,740	\$ 0	\$ 30,740	\$ 75,605	\$ 75,605	\$ 44,865
Rabies and Animal Control	160,000	0	160,000	160,500	160,500	500
Ambulance/Emergency Medical Services	4,882,885	0	4,882,885	4,939,391	4,979,391	96,506
Maternal and Child Health Services	805,330	0	805,330	1,015,731	1,015,731	210,401
Alcohol and Drug Programs	104,768	0	104,768	67,142	115,632	10,864
Other Local Health Services	203,347	0	203,347	204,000	204,000	653
Appropriation to State	85,670	0	85,670	86,261	86,261	591
Other Local Welfare Services	14,564	0	14,564	29,500	29,500	14,936
Other Public Health and Welfare	322,910	0	322,910	335,001	335,001	12,091
<u>Social, Cultural, and Recreational Services</u>						
Senior Citizens Assistance	437,438	0	437,438	461,907	461,907	24,469
Libraries	1,386,762	0	1,386,762	1,393,438	1,455,644	68,882
Parks and Fair Boards	107,362	0	107,362	110,177	110,177	2,815
<u>Agriculture and Natural Resources</u>						
Agricultural Extension Service	236,149	0	236,149	270,717	270,717	34,568
Forest Service	1,000	0	1,000	1,000	1,000	0
Soil Conservation	38,759	0	38,759	39,982	39,982	1,223
Storm Water Management	143,309	0	143,309	182,823	182,823	39,514
<u>Other Operations</u>						
Tourism	1,512,864	0	1,512,864	1,700,000	1,700,000	187,136
Veterans' Services	133,425	0	133,425	135,183	135,183	1,758
Contributions to Other Agencies	338,991	0	338,991	312,941	362,941	23,950
Employee Benefits	577,388	0	577,388	621,957	621,957	44,569
Miscellaneous	2,308,000	0	2,308,000	2,279,634	2,301,634	(6,366)

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Highways</u>						
Litter and Trash Collection	\$ 302,008	\$ 0	\$ 302,008	\$ 308,645	\$ 318,645	\$ 16,637
Other Charges	31,725	0	31,725	28,250	32,250	525
<u>Capital Projects</u>						
Administration of Justice Projects	307,884	0	307,884	0	308,000	116
Public Health and Welfare Projects	231,300	0	231,300	0	231,685	385
Other General Government Projects	3,121,982	0	3,121,982	1,604,500	3,173,649	51,667
Total Expenditures	\$ 49,003,831	\$ (380)	\$ 49,003,451	\$ 46,711,247	\$ 51,178,869	\$ 2,175,418
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,153,477	\$ 380	\$ 2,153,857	\$ (990,000)	\$ (3,859,506)	\$ 6,013,363
<u>Other Financing Sources (Uses)</u>						
Proceeds from Sale of Capital Assets	\$ 197,968	\$ 0	\$ 197,968	\$ 0	\$ 0	\$ 197,968
Insurance Recovery	5,502	0	5,502	0	0	5,502
Transfers Out	(50,000)	0	(50,000)	0	(50,000)	0
Total Other Financing Sources	\$ 153,470	\$ 0	\$ 153,470	\$ 0	\$ (50,000)	\$ 203,470
Net Change in Fund Balance	\$ 2,306,947	\$ 380	\$ 2,307,327	\$ (990,000)	\$ (3,909,506)	\$ 6,216,833
Fund Balance, July 1, 2018	28,673,099	(380)	28,672,719	26,744,543	26,744,543	1,928,176
Fund Balance, June 30, 2019	\$ 30,980,046	\$ 0	\$ 30,980,046	\$ 25,754,543	\$ 22,835,037	\$ 8,145,009

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

Exhibit C-6

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 7,107,611	\$ 0	\$ 7,107,611	\$ 7,004,000	\$ 7,004,000	\$ 103,611
Other Local Revenues	52,635	0	52,635	69,500	69,500	(16,865)
State of Tennessee	3,599,992	0	3,599,992	3,039,814	3,039,814	560,178
Other Governments and Citizens Groups	54,994	0	54,994	100,000	100,000	(45,006)
Total Revenues	\$ 10,815,232	\$ 0	\$ 10,815,232	\$ 10,213,314	\$ 10,213,314	\$ 601,918
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 287,223	\$ 0	\$ 287,223	\$ 305,941	\$ 307,941	\$ 20,718
Highway and Bridge Maintenance	7,551,747	0	7,551,747	6,416,301	8,733,526	1,181,779
Operation and Maintenance of Equipment	1,277,969	0	1,277,969	1,346,216	1,402,716	124,747
Quarry Operations	149,459	0	149,459	254,587	254,637	105,178
Other Charges	265,335	0	265,335	395,000	395,000	129,665
Employee Benefits	184,830	0	184,830	108,580	210,305	25,475
Capital Outlay	1,076,972	224,082	1,301,054	1,386,689	1,909,189	608,135
Total Expenditures	\$ 10,793,535	\$ 224,082	\$ 11,017,617	\$ 10,213,314	\$ 13,213,314	\$ 2,195,697
Excess (Deficiency) of Revenues Over Expenditures	\$ 21,697	\$ (224,082)	\$ (202,385)	\$ 0	\$ (3,000,000)	\$ 2,797,615
Net Change in Fund Balance	\$ 21,697	\$ (224,082)	\$ (202,385)	\$ 0	\$ (3,000,000)	\$ 2,797,615
Fund Balance, July 1, 2018	7,448,583	0	7,448,583	5,046,944	5,046,944	2,401,639
Fund Balance, June 30, 2019	\$ 7,470,280	\$ (224,082)	\$ 7,246,198	\$ 5,046,944	\$ 2,046,944	\$ 5,199,254

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

Sevier County, Tennessee
Statement of Net Position
Proprietary Funds
June 30, 2019

	<u>Business-type Activities - Enterprise Fund</u>	<u>Governmental Activities</u>
	<u>Public Utility Fund</u>	<u>Internal Service Funds</u>
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 200	\$ 1,758,106
Equity in Pooled Cash and Investments	2,039,155	0
Accounts Receivable	190,695	0
Allowance for Uncollectibles	(12,634)	0
Due from Other Funds	0	3,279
Total Current Assets	<u>\$ 2,217,416</u>	<u>\$ 1,761,385</u>
Noncurrent Assets:		
Net Pension Asset	\$ 76,386	\$ 0
Capital Assets:		
Assets Not Depreciated:		
Construction in Progress	1,600,720	0
Assets Net of Accumulated Depreciation:		
Infrastructure	16,667,551	0
Other Capital Assets	235,589	0
Total Noncurrent Assets	<u>\$ 18,580,246</u>	<u>\$ 0</u>
Total Assets	<u>\$ 20,797,662</u>	<u>\$ 1,761,385</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred Outflows of Resources:		
Pension Changes in Assumptions	\$ 8,279	\$ 0
Pension Contributions After Measurement Date	12,460	0
OPEB Contributions After Measurement Date	340	0
Total Deferred Outflows of Resources	<u>\$ 21,079</u>	<u>\$ 0</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 20,818,741</u>	<u>\$ 1,761,385</u>
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts Payable	\$ 14,419	\$ 31,735
Accrued Payroll	8,220	0
Payroll Deductions Payable	2,725	0
Due to Component Units	472	0
Other Current Liabilities	0	863,820
Customer Deposits Payable	91,500	0
Total Current Liabilities	<u>\$ 117,336</u>	<u>\$ 895,555</u>

(Continued)

Exhibit D-1

Sevier County, Tennessee
Statement of Net Position
Proprietary Funds (Cont.)

	<u>Business-type Activities - Enterprise Fund</u>	<u>Governmental Activities</u>
	<u>Public Utility Fund</u>	<u>Internal Service Funds</u>
<u>LIABILITIES (Cont.)</u>		
Noncurrent Liabilities:		
OPEB Liability	\$ 27,470	\$ 0
Total Noncurrent Liabilities	<u>\$ 27,470</u>	<u>\$ 0</u>
Total Liabilities	<u>\$ 144,806</u>	<u>\$ 895,555</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Inflows of Resources:		
Pension Changes in Experience	\$ 24,137	\$ 0
Pension Changes in Investment Earnings	3,082	0
OPEB Changes in Experience	9,110	0
OPEB Changes in Assumptions	1,270	0
Total Deferred Inflows of Resources	<u>\$ 37,599</u>	<u>\$ 0</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 18,503,860	\$ 0
Restricted for Other Purposes	76,386	0
Unrestricted	<u>2,056,090</u>	<u>865,830</u>
Total Net Position	<u>\$ 20,636,336</u>	<u>\$ 865,830</u>

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

Sevier County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2019

	Business-type Activities Enterprise Fund Public Utility Fund	Governmental Activities Internal Service Funds
<u>Operating Revenues</u>		
Self-Insurance Premiums	\$ 0	\$ 8,352,861
Patient Charges	0	232,752
Water Sales	1,882,779	0
Water Tap Sales	144,750	0
Service Charges	17,300	0
Total Operating Revenues	<u>\$ 2,044,829</u>	<u>\$ 8,585,613</u>
<u>Operating Expenses</u>		
Handling Charges and Administrative Costs	\$ 0	\$ 795,973
Employee and Dependent Insurance	0	151,598
Disability and Life Insurance	0	132,848
Bank Charges	0	621
Excess Risk Insurance	0	681,693
Medical Claims	0	5,717,929
Other Self-Insured Claims	0	2,155,314
Supervisor/Director	66,669	0
Secretary(ies)	30,593	0
Longevity	4,500	0
Other Salaries and Wages	100,042	0
Social Security	11,995	0
Employee and Dependent Insurance	30,540	0
Employer Medicare	2,805	0
OPEB	9,211	0
Communication	3,292	0
Consultants	7,917	0
Contracts with Other Public Agencies	751,022	0
Dues and Memberships	1,263	0
Legal Service	238	0
Maintenance and Repair Services - Equipment	95,540	0
Maintenance and Repair Services - Vehicles	525	0
Postal Charges	7,098	0
Travel	3,286	0
Other Contracted Services	8,291	0
Electricity	32,385	0
Gasoline	6,481	0
Office Supplies	8,948	0
Pipe	59,493	0
Uniforms	1,277	0
Water and Sewer	211	0
Other Supplies and Materials	62,146	4,664
Liability Insurance	459	0
Refunds	1,350	0
Trustee's Commission	20,212	0
Vehicle and Equipment Insurance	486	0
Depreciation	359,801	0
Total Operating Expenses	<u>\$ 1,688,076</u>	<u>\$ 9,640,640</u>
Operating Income (Loss)	<u>\$ 356,753</u>	<u>\$ (1,055,027)</u>

(Continued)

Sevier County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds (Cont.)

	Business-type Activities Enterprise Fund Public Utility Fund	Governmental Activities Internal Service Funds
<u>Nonoperating Revenues (Expenses)</u>		
Investment Income	\$ 0	\$ 21,266
Total Nonoperating Revenues (Expenses)	<u>\$ 0</u>	<u>\$ 21,266</u>
Income (Loss) Before Contributions	\$ 356,753	\$ (1,033,761)
Capital Contributions - Primary Government	<u>1,482,725</u>	<u>0</u>
Change in Net Position	\$ 1,839,478	\$ (1,033,761)
Net Position, July 1, 2018	<u>18,796,858</u>	<u>1,899,591</u>
Net Position, June 30, 2019	<u>\$ 20,636,336</u>	<u>\$ 865,830</u>

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

Exhibit D-3

Sevier County, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

	Business-type Activities <u>Enterprise Fund</u> Public Utility Fund	Governmental Activities <u>Internal Service Funds</u>
<u>Cash Flows from Operating Activities</u>		
Receipts for Self-Insurance Premiums	\$ 0	\$ 8,355,697
Receipts for Patient Charges	0	232,752
Receipts from Customers and Users	2,048,037	0
Receipts for Stop-Loss Recovery	0	510,344
Payments to Insurers	0	(966,760)
Payments for Claims	0	(8,214,403)
Payments for Administrative Costs	0	(799,910)
Payments to Vendors	(1,061,893)	0
Payments to Employees	(263,100)	0
Net Cash Provided By (Used In) Operating Activities	<u>\$ 723,044</u>	<u>\$ (882,280)</u>
<u>Cash Flows from Investing Activities</u>		
Interest on Investments	<u>\$ 0</u>	<u>\$ 21,266</u>
Net Cash Provided By (Used In) Investing Activities	<u>\$ 0</u>	<u>\$ 21,266</u>
Increase (Decrease) in Cash	\$ 723,044	\$ (861,014)
Cash, July 1, 2018	<u>1,316,311</u>	<u>2,619,120</u>
Cash, June 30, 2019	<u><u>\$ 2,039,355</u></u>	<u><u>\$ 1,758,106</u></u>
<u>Reconciliation of Net Operating Income (Loss)</u>		
<u>to Net Cash Provided By (Used In) Operating Activities</u>		
Operating Income (Loss)	\$ 356,753	\$ (1,055,027)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:		
Depreciation	359,801	0
Changes in Net Pension Asset/Liability	(26,263)	0
Changes in Deferred Outflows for Pensions	1,822	0
Changes in Deferred Inflows for Pensions	6,865	0
Change in OPEB Liability	(1,212)	0
Changes in Deferred Outflows Related to OPEB	445	0
Changes in Deferred Inflows Related to OPEB	9,978	0
Changes in Current Assets and Liabilities:		
(Increase) Decrease in Current Receivables	(31,859)	2,836
Increase (Decrease) in Allowance for Uncollectibles	2,967	0
Increase (Decrease) in Accounts Payable	9,956	169,911
Increase (Decrease) in Accrued Payroll	8	0
Increase (Decrease) in Payroll Deductions	1,612	0
Increase (Decrease) in Due to Other Funds/Component Units	71	0
Increase (Decrease) in Customer Deposits Payable	<u>32,100</u>	<u>0</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 723,044</u></u>	<u><u>\$ (882,280)</u></u>
<u>Reconciliation of Cash With the Statement of Net Position</u>		
Cash Per Net Position	\$ 200	\$ 1,758,106
Equity in Pooled Cash and Investments Per Net Position	<u>2,039,155</u>	<u>0</u>
Cash, June 30, 2019	<u><u>\$ 2,039,355</u></u>	<u><u>\$ 1,758,106</u></u>
<u>Schedule of Noncash Capital and Related Financing Activities</u>		
Contribution of Capital Assets from Government	\$ 1,482,725	\$ 0

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

Exhibit E

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 3,487,430
Equity in Pooled Cash and Investments	75,653
Accounts Receivable	4,809
Due from Other Governments	<u>8,607,417</u>
Total Assets	<u>\$ 12,175,309</u>
<u>LIABILITIES</u>	
Accrued Payroll	\$ 3,168
Payroll Deductions Payable	242
Due to Other Taxing Units	8,607,417
Due to Litigants, Heirs, and Others	3,518,906
Due to Joint Ventures	<u>45,576</u>
Total Liabilities	<u>\$ 12,175,309</u>

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

SEVIER COUNTY, TENNESSEE
Index of Notes to the Financial Statements

Note	Page(s)
I. Summary of Significant Accounting Policies	
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	43
2. Receivables and Payables	44
3. Restricted Assets	45
4. Capital Assets	45
5. Deferred Outflows/Inflows of Resources	46
6. Compensated Absences	46
7. Long-term Debt and Long-term Obligations	47
8. Net Position and Fund Balance	47
E. Pension Plans	49
F. Other Postemployment Benefits (OPEB) Plans	50
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	50
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	51
III. Stewardship, Compliance, and Accountability	
A. Budgetary Information	51
B. Expenditures Exceeded Appropriations	52
IV. Detailed Notes on All Funds	
A. Deposits and Investments	52
B. Derivative Instruments	57
C. Capital Assets	66
D. Construction Commitments	70
E. Interfund Receivables, Payables, and Transfers	70
F. Operating Leases	71
G. Long-term Debt	72
H. Long-term Obligations	75
I. Pledges of Receivables and Future Revenues	77
J. On-Behalf Payments	77
V. Other Information	
A. Risk Management	77
B. Accounting Changes	79
C. Contingent Liabilities	80
D. Joint Ventures	80
E. Retirement Commitments	82
F. Other Postemployment Benefits (OPEB)	99
G. Purchasing Laws	115

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Sevier 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 Sevier County:

A. Reporting Entity

Sevier County is a public municipal corporation governed by an elected 25-member board. As required by GAAP, these financial statements present Sevier County (the primary government) and its component units. Although required by GAAP, the financial statements of the Sevier County Emergency Communications District, the Sevier County Public Building Authority, and the Sevier County Fair Association, component units requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of their 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 Sevier County School Department operates the public school system in the county, and the voters of Sevier 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 Sevier County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Sevier County, and the Sevier 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 Sevier County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Sevier County Public Building Authority serves primarily as a financing mechanism to provide capital loans to local governments throughout the state. The authority also holds title to certain development properties within Sevier County. The authority is a public nonprofit organization whose board is appointed by the county commission. The county is entitled to net earnings of the authority after provisions have been made for obligations and any reserves, which are determined by the board. The financial statements of the Sevier County Public Building Authority were not material to the component units' opinion unit and therefore have been omitted from the report.

The Sevier County Fair Association oversees the planning and operation of the annual Sevier County Fair, as well as, other events at the fairgrounds, and the Sevier County Commission appoints its governing body. The fair association is funded primarily through revenues collected for the use of the fairgrounds. Sevier County also makes annual contributions to the fair association. The financial statements of the Sevier County Fair Association were not material to the component units' opinion unit and therefore have been omitted from this report.

The Sevier 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 Sevier County Emergency Communications District, the Sevier County Public Building Authority, and the Sevier County Fair Association can be obtained from their respective administrative offices at the following addresses:

Administrative Offices:

Sevier County Emergency Communications District
245 Bruce Street
Sevierville, TN 37862

Sevier County Public Building Authority
248 Bruce Street
Sevierville, TN 37862

Sevier County Fair Association
P.O. Box 6514
Sevierville, TN 37864

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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Sevier 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.

Sevier County issues all debt for the discretely presented Sevier County School Department. Net debt proceeds totaling \$10,220,981 were contributed by the county to the school department during the year ended June 30, 2019.

Separate financial statements are provided for governmental funds, proprietary funds (internal service and enterprise), and fiduciary funds. The internal service funds are reported with the governmental activities in the government-wide financial statements, and the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and the major enterprise fund 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 proprietary funds and fiduciary funds financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of Sevier County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis

is placed on major funds within the governmental and proprietary categories. Sevier County reports four proprietary funds, an enterprise fund and three internal service funds.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. The internal service funds and the fiduciary funds in total are reported in single columns by fund type.

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

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

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

Sevier County reports the following major governmental funds:

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

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

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

General Capital Projects Fund – This fund accounts for and reports the 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.

Sevier County reports the following major proprietary fund:

Public Utility Fund – This fund is used to account for the operations of the county’s Water Department.

Additionally, Sevier County reports the following fund types:

Internal Service Funds – These funds, the Employee Insurance - Health, Employee Insurance - Dental and Vision, and Workers’ Compensation funds, are used to account for the county’s self-insured health, dental and vision, and workers’ compensation programs. Premiums charged to the various county funds and employee payroll deductions are placed in these funds for the payment of claims of county employees.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Sevier County, state grants and other restricted revenues held for the benefit of the Judicial District Drug Task Force, and restricted revenues held for the benefit of the Office of District Attorney General. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

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

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has four proprietary funds, an enterprise fund and three internal service funds used to account for the employees' health insurance, dental and vision insurance, and workers' compensation programs. Operating revenues and expenses generally result from providing services in connection with the funds' principal ongoing operations. The principal operating revenues of the enterprise fund are water and tap sales. The principal operating revenues of the county's internal service funds are charges for services. Operating expenses for the internal service funds include administrative expenses and employee benefits. Operating expenses for the enterprise fund include salaries, benefits, depreciation, and other expenses of the water department.

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

1. Deposits and Investments

For purposes of the Statement of Cash Flows, cash includes cash on hand, demand deposits, and cash on deposit with the county trustee.

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Sevier 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. Sevier County and the school department have adopted a policy of reporting U.S. Treasury

obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. Other than the pension stabilization trust discussed in Note IV.A., no investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

Activity between funds for unremitted current collections outstanding at the end of the fiscal year is referred to as due to/from other funds.

All ambulance service, water department, and property taxes receivables are shown with an allowance for uncollectibles. Ambulance and water department receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 0.92 percent of total taxes levied.

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

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

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

Most payables are disaggregated on the face of the financial statements. The balance in the account Other Current Liabilities totaling \$863,920 in the governmental activities Statement of Net Position for the primary government represents the remaining balance in the retirement clearing account of \$100 and self-insurance claims of \$863,820. The amount of other current liabilities reflected in the discretely presented school department's General Purpose Fund represents the remaining balance in the retirement and teachers' insurance clearing accounts.

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 Sevier 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 Sevier County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Sevier 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 and business-type columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

Property, plant, equipment, and infrastructure of the primary government and the discretely presented school department are

depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	20 - 60
Other Capital Assets	5 - 10
Infrastructure	20 - 60

5. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These items are for a deferred charge on refunding, pension and OPEB changes in assumptions, pension and OPEB changes in experience, employer contributions made for pensions and OPEB after the measurement date, and pension and OPEB changes in proportion. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension and OPEB changes in experience, pension changes in investment earnings, pension and OPEB changes in proportion, OPEB changes in assumptions, the accumulated increase in fair value of hedging derivatives, and various receivables for revenues, which do not meet the availability criteria for governmental funds.

6. Compensated Absences

Vacation leave benefits for Sevier County employees granted through the primary government and the discretely presented Sevier County School Department do not vest or accumulate and must be used within

the year or lost. Therefore, no accrual or recording is required. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

7. Long-term Debt and Long-term Obligations

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

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

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 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 and the proprietary funds in the fund 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, Governmental Activities, reports \$52,612,482 of restricted net position, of which \$1,901,170 is restricted by enabling legislation.

As of June 30, 2019, Sevier County had \$84,308,326 in outstanding debt for capital purposes for the discretely presented Sevier County School Department and other entities. The debt is a liability of Sevier County, but the capital assets acquired are reported in the financial statements of the school department and the other entities. Therefore, Sevier 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 except in the General Debt Service Fund. The General Debt Service Fund uses the least restrictive fund balance first. Also, it is the county's policy that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

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

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

Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

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

Assigned Fund Balance – includes amounts that are constrained by the county’s intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission makes assignments for the general government. The Board of Education makes assignments for the school department. Assigned fund balance in the primary government’s General Fund consists of amounts assigned for fund balance appropriated for use in the 2019-2020 budget (\$80,238). Assigned fund balance in the school departments General Purpose School Fund consists primarily of amounts for encumbrances (\$917,580) and fund balance appropriated for use in the 2019-2020 year budget (\$9,208,085).

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

E. Pension Plans

Primary Government

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

Discretely Presented Sevier County School Department

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher

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

F. Other Postemployment Benefit (OPEB) Plans

Primary Government

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

Discretely Presented Sevier 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 Sevier 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 Sevier County School Department

Exhibit K-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 Sevier County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

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

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
Primary Government:		
Highway/Public Works		\$ 224,082
Discretely Presented School Department:		
General Purpose School		15,937,531

B. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the county commission in the Miscellaneous major appropriations category (the legal level of control) of the General Fund by \$6,366, and in the Other Debt Service – General Government category (the legal level of control) of the General Debt Service Fund by \$11,988. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by greater than anticipated revenues and available fund balance.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase. Other than the TCRS Stabilization Trust discussed below, the county had no pooled and nonpooled investments as of June 30, 2019.

TCRS Stabilization Trust

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

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

Investments are reported at fair value or amortized, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the fair Securities and securities transactions are recorded in the financial statements on a trade-date basis. The fair value of assets of the TRGT held at June 30, 2019, represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets held are categorized for fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

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

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

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

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

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

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

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

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

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

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 71,271
Developed Market International Equity	N/A	N/A	32,187
Emerging Market International Equity	N/A	N/A	9,196
U.S. Fixed Income	N/A	N/A	45,981
Real Estate	N/A	N/A	22,991
Short-term Securities	N/A	N/A	2,299
Investments at Amortized Cost using the NAV:			
Private Equity and Strategic Lending	N/A	N/A	45,981
Total			<u>\$ 229,906</u>

Investment by Fair Value Level	Fair Value 6-30-19	Fair Value Measurements Using			Amortized Cost NAV
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
U.S. Equity	\$ 71,271	\$ 71,271	0	0	0
Developed Market International Equity	32,187	32,187	0	0	0
Emerging Market International Equity	9,196	9,196	0	0	0
U.S. Fixed Income	45,981	0	45,981	0	0
Real Estate	22,991	0	0	22,991	0
Short-term Securities	2,299	0	2,299	0	0
Private Equity and Strategic Lending	45,981	0	0	0	45,981
Total	<u>\$ 229,906</u>	<u>\$ 112,654</u>	<u>\$ 48,280</u>	<u>\$ 22,991</u>	<u>\$ 45,981</u>

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

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Sevier County School Department does not have the ability to limit trust investment maturities as a

means of managing its exposure to fair value losses arising from increasing interest rates.

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

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

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

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

B. Derivative Instruments

At June 30, 2019, Sevier County had the following derivative instruments outstanding:

Instrument	Type	Objective	Original Notional Amount	Effective Date	Maturity Date	Terms
\$3M Swap	Pay fixed interest rate swap	Variable to synthetic fixed rate	\$ 3,000,000	10-1-09	6-1-25	Pay 4.44% receive 63.4% of LIBOR
\$4M Swap	Pay fixed interest rate swap	Variable to synthetic fixed rate	4,000,000	10-1-09	6-1-20	Pay 4.24% receive 70% of LIBOR
\$13M Swap	Pay fixed interest rate swap	Variable to synthetic fixed rate	13,000,000	10-1-09	6-1-25	Pay 3.97% receive 67% of LIBOR
\$14.435M Swap	Pay fixed interest rate swap	Variable to synthetic fixed rate	14,435,000	10-1-09	6-1-25	Pay 4.38% receive 63.4% of LIBOR

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2019, classified by type, and the changes in fair value using a pay-fixed interest rate swap, receive a percentage of LIBOR pricing model (Level 2 inputs of the GAAP fair value hierarchy) of such derivative instruments for the year then ended, as reported in the 2019 financial statements, are as follows:

Type	<u>Changes in Fair Value</u>		<u>Fair Value at June 30, 2019</u>		6-30-19
	Classification	Amount	Classification	Amount	Notional Amount
Governmental Activities					
Pay-fixed interest rate swaps:					
\$3M Hybrid Swap:					
					\$ 3,000,000
Cash Flow Hedge Portion	Deferred Inflow	\$ 1,564	Debt	\$ 3,423	
Non-hedge Portion	Investment Earnings	(20,205)	Debt	(380,097)	
Total \$3M Hybrid Swap		<u>\$ (18,641)</u>		<u>\$ (376,674)</u>	
\$4M Hybrid Swap:					
					\$ 320,000
Cash Flow Hedge Portion	Deferred Inflow	\$ (8,704)	Debt	\$ 1,954	
Non-hedge Portion	Investment Earnings	20,585	Debt	(10,327)	
Total \$4M Hybrid Swap		<u>\$ 11,881</u>		<u>\$ (8,373)</u>	
\$13M Swap:					
Investment Derivative	Investment Earnings	<u>\$ (114,739)</u>	Debt	<u>\$ (1,217,061)</u>	\$ 13,000,000
\$14.435M Swap:					
Investment Derivative	Investment Earnings	<u>\$ 73,818</u>	Debt	<u>\$ (259,037)</u>	\$ 3,750,000
Total		<u>\$ (47,681)</u>		<u>\$ (1,861,145)</u>	

In a prior year, Sevier County amended its variable rate debt instruments associated with the \$4M and \$3M swap agreements. As a result, the county recognized a termination of the original hedging relationships and recognized new hedging relationships between the swap agreements and the amended debt instruments. Investment earnings or losses have been recognized for the portion of the swaps' values that are not attributable to the current hedge relationship. Changes in the portion of the swaps' fair values that are attributable to the current hedging relationship are deferred since they meet the effectiveness criteria of Governmental Accounting Standards Board Statement No. 53.

Derivative Swap Agreement Detail

\$3M Swap

The Public Building Authority of Sevier County, Tennessee, at the request of the county, has entered into an interest rate swap agreement under its Series IV-H-3 Loan Agreement.

Objective of the interest rate swap. To protect against the potential of rising interest rates and to balance its mixture of variable and fixed rate debt, the county requested the authority, on its behalf, to enter into an interest rate

swap in connection with its \$3 million Series IV-H-3 variable-rate bonds. The intention of the swap was to effectively change the county’s variable interest rate on the bonds to a synthetic fixed rate. The Series IV-H-3 bonds have since been refunded with a portion of the proceeds of the Series VII-A-4 bonds, and the interest rate swap is now associated with the Series VII-A-4 bonds.

Terms. Under the swap, the authority pays the counterparty a fixed payment of 4.44 percent and receives a variable payment computed as 63.4 percent of the five-year London Interbank Offered Rate (LIBOR). The swap had an original notional amount of \$3 million, and the original associated variable-rate bonds had a \$3 million principal amount. At no time will the notional amount on the interest rate swap agreement exceed the outstanding principal of the Series VII-A-4 Bonds. The bonds’ variable-rates have historically approximated the Securities Industry and Financial Markets Association Index™ (SIFMA). The swap agreement matures on June 1, 2025. As of June 30, 2019, rates were as follows:

	<u>Terms</u>	<u>Rate</u>
Interest rate swap:		
Fixed payment to counterparty	Fixed	4.440 %
Variable payment from counterparty	% of LIBOR	<u>-1.119</u>
Net interest rate swap payments		3.321 %
Variable-rate bond coupon payments		<u>2.234</u>
Synthetic interest rate on bonds		<u><u>5.555 %</u></u>

Fair value. As of June 30, 2019, the swap had a negative fair value of \$376,674. The negative fair value of the swap may be countered by reductions in total interest payments required under the variable-rate bond, creating lower synthetic rates. Because the rates on the government’s variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value model calculates future cash flows by projecting forward rates, and then discounts those cash flows at their present value.

Credit risk. As of June 30, 2019, the county was not exposed to credit risk because the swap had a negative fair value. However, if interest rates change and the fair value of the swap becomes positive, the county would be exposed to credit risk in the amount of the derivative’s fair value. The swap counterparty, Raymond James Financial Products (“RJFP” formerly Morgan Keegan Financial Products) was rated “Baa1/BBB+” by Moody’s and Standard and Poor’s, respectively, as of June 30, 2019, with its Credit Support Provider, Deutsche Bank, rated A3/BBB+/BBB+ by Moody’s, Standard and Poor’s, and Fitch, respectively.

Basis risk. As noted above, the swap exposes the county to basis risk if the bond rate increases to above 63.4 percent of LIBOR, thus increasing the synthetic rate on the bonds. If a change occurs that results in the bond rate being below 63.4 percent of LIBOR, then the synthetic rate on the bonds will decrease.

Termination risk. The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The Schedule to the Master Agreement includes an “additional termination provision.” The authority or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the authority would be liable to the counterparty for a payment equal to the swap’s fair value. Likewise, if the swap has a positive fair value at termination, the counterparty would be liable to the authority for a payment equal to the swap’s fair value.

Swap payments and associated debt. As of June 30, 2019, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Year Ending June 30	Variable Rate Bonds		Net Interest Rate Swap	
	Principal	Interest	Payment	Total
2020	\$ 0	\$ 67,033	\$ 99,630	\$ 166,663
2021	530,000	67,033	99,630	696,663
2022	565,000	55,190	82,028	702,218
2023	600,000	42,566	63,265	705,831
2024	635,000	29,159	43,339	707,498
2025	670,000	14,971	22,251	707,222
Total	\$ 3,000,000	\$ 275,952	\$ 410,143	\$ 3,686,095

\$4M Swap

The Public Building Authority of Sevier County, Tennessee, at the request of the county, has entered into an interest rate swap agreement under its Series IV-E-4 Loan Agreement.

Objective of the interest rate swap. To protect against the potential of rising interest rates and to balance its mixture of variable and fixed rate debt, the county requested the authority, on its behalf, to enter into an interest rate swap in connection with its \$4 million Series IV-E-4 variable-rate bonds. The intention of the swap was to effectively change the county’s variable interest

rate on the bonds to a synthetic fixed rate. The Series IV-E-4 bonds have since been refunded with a portion of the proceeds of the Series VII-A-4 bonds, and the interest rate swap is now associated with the Series VII-A-4 bonds.

Terms. Under the swap, the authority pays the counterparty a fixed payment of 4.24 percent and receives a variable payment computed as 70 percent of the three-month London Interbank Offered Rate (LIBOR). The swap had an original notional amount of \$4 million, and the original associated variable-rate bonds had a \$4 million principal amount. At no time will the notional amount on the interest rate swap agreement exceed the outstanding principal of the Series VII-A-4 Bonds. The bonds' variable-rates have historically approximated the Securities Industry and Financial Markets Association Index™ (SIFMA). The swap agreement matures on June 1, 2020. As of June 30, 2019, rates were as follows:

	<u>Terms</u>	<u>Rate</u>
Interest rate swap:		
Fixed payment to counterparty	Fixed	4.240 %
Variable payment from counterparty	% of LIBOR	<u>-1.624</u>
Net interest rate swap payments		2.616 %
Variable-rate bond coupon payments		<u>2.234</u>
Synthetic interest rate on bonds		<u><u>4.850 %</u></u>

Fair value. As of June 30, 2019, the swap had a negative fair value of \$8,373. The negative fair value of the swap may be countered by reductions in total interest payments required under the variable-rate bond, creating lower synthetic rates. Because the rates on the government's variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value model calculates future cash flows by projecting forward rates, and then discounts those cash flows at their present value.

Credit risk. As of June 30, 2019, the county was not exposed to credit risk because the swap had a negative fair value. However, if interest rates change and the fair value of the swap becomes positive, the county would be exposed to credit risk in the amount of the derivative's fair value. The swap counterparty, Raymond James Financial Products ("RJFP" formerly Morgan Keegan Financial Products) was rated "Baa1/BBB+" by Moody's and Standard and Poor's, respectively, as of June 30, 2019, with its Credit Support Provider, Deutsche Bank, rated A3/BBB+/BBB+ by Moody's, Standard and Poor's, and Fitch, respectively.

Basis risk. As noted above, the swap exposes the county to basis risk if the bond rate increases to above 70 percent of LIBOR, thus increasing the synthetic rate on the bonds. If a change occurs that results in the bond rate

being below 70 percent of LIBOR, then the synthetic rate on the bonds will decrease.

Termination risk. The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The Schedule to the Master Agreement includes an “additional termination provision.” The authority or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the authority would be liable to the counterparty for a payment equal to the swap’s fair value. Likewise, if the swap has a positive fair value at termination, the counterparty would be liable to the authority for a payment equal to the swap’s fair value.

Swap payments and associated debt. As of June 30, 2019, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Year Ending June 30	Variable Rate Bonds		Net Interest Rate Swap		Total
	Principal	Interest	Payment		
2020	\$ 320,000	\$ 7,150	\$ 8,372	\$	\$ 335,522
Total	\$ 320,000	\$ 7,150	\$ 8,372	\$	\$ 335,522

\$13M Swap

The Public Building Authority of Sevier County, Tennessee, at the request of the county, has entered into an interest rate swap agreement under its Series V-A-1 Loan Agreement.

Objective of the interest rate swap. To protect against the potential of rising interest rates and to balance its mixture of variable and fixed rate debt, the county requested the authority, on its behalf, to enter into an interest rate swap in connection with its \$27.5 million Series V-A-1 variable-rate bonds. The intention of the swap was to effectively change the county’s variable interest rate on the bonds to a synthetic fixed rate. The Series V-A-1 bonds have since been refunded with a portion of the proceeds of the Series VII-B-1 bonds, and the interest rate swap is now associated with the Series VII-B-1 bonds.

Terms. Under the swap, the authority pays the counterparty a fixed payment of 3.97 percent and receives a variable payment computed as 67 percent of the five-year London Interbank Offered Rate (LIBOR). The swap had an original notional amount of \$13 million, and the original associated variable-rate bonds had a \$13 million principal amount. At no time will the notional amount on

the interest rate swap agreement exceed the outstanding principal of the Series VII-B-1 Bonds. The bonds' variable-rates have historically approximated the Securities Industry and Financial Markets Association Index™ (SIFMA). The swap agreement matures on June 1, 2025. As of June 30, 2019, rates were as follows:

	<u>Terms</u>	<u>Rate</u>
Interest rate swap:		
Fixed payment to counterparty	Fixed	3.970 %
Variable payment from counterparty	% of LIBOR	<u>-1.183</u>
Net interest rate swap payments		2.787 %
Variable-rate bond coupon payments		<u>1.950</u>
Synthetic interest rate on bonds		<u><u>4.737 %</u></u>

Fair value. As of June 30, 2019, the swap had a negative fair value of \$1,217,061. The negative fair value of the swap may be countered by reductions in total interest payments required under the variable-rate bond, creating lower synthetic rates. Because the rates on the government's variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value model calculates future cash flows by projecting forward rates, and then discounts those cash flows at their present value.

Credit risk. As of June 30, 2019, the county was not exposed to credit risk because the swap had a negative fair value. However, if interest rates change and the fair value of the swap becomes positive, the county would be exposed to credit risk in the amount of the derivative's fair value. The swap counterparty, Raymond James Financial Products ("RJFP" formerly Morgan Keegan Financial Products) was rated "Baa1/BBB+" by Moody's and Standard and Poor's, respectively, as of June 30, 2019, with its Credit Support Provider, Deutsche Bank, rated A3/BBB+/BBB+ by Moody's, Standard and Poor's, and Fitch, respectively.

Basis risk. As noted above, the swap exposes the county to basis risk if the bond rate increases to above 67 percent of LIBOR, thus increasing the synthetic rate on the bonds. If a change occurs that results in the bond rate being below 67 percent of LIBOR, then the synthetic rate on the bonds will decrease.

Termination risk. The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The Schedule to the Master Agreement includes an "additional termination provision." The authority or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable-rate

bond would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the authority would be liable to the counterparty for a payment equal to the swap's fair value. Likewise, if the swap has a positive fair value at termination, the counterparty would be liable to the authority for a payment equal to the swap's fair value.

Swap payments and associated debt. As of June 30, 2019, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Year Ending June 30	Variable Rate Bonds		Net Interest Rate Swap		Total
	Principal	Interest	Payment		
2020	\$ 1,850,000	\$ 253,500	\$ 362,369	\$	2,465,869
2021	1,950,000	217,425	310,801		2,478,226
2022	2,100,000	179,400	256,445		2,535,845
2023	2,250,000	138,450	197,909		2,586,359
2024	2,350,000	94,575	135,191		2,579,766
2025	2,500,000	48,750	69,686		2,618,436
Total	\$ 13,000,000	\$ 932,100	\$ 1,332,401	\$	15,264,501

\$14.435M Swap

The Public Building Authority of Sevier County, Tennessee, at the request of the county, has entered into an interest rate swap agreement under its Series IV-A-2 Loan Agreement.

Objective of the interest rate swap. To protect against the potential of rising interest rates and to balance its mixture of variable and fixed rate debt, the county requested the authority, on its behalf, to enter into an interest rate swap in connection with its \$14.435 million Series IV-A-2 variable-rate bonds. The intention of the swap was to effectively change the county's variable interest rate on the bonds to a synthetic fixed rate. The Series IV-A-2 bonds have since been refunded with a portion of the proceeds of the Series VII-B-1 bonds, and the interest rate swap is now associated with the Series VII-B-1 bonds.

Terms. Under the swap, the authority pays the counterparty a fixed payment of 4.38 percent and receives a variable payment computed as 63.4 percent of the five-year London Interbank Offered Rate (LIBOR). The swap had an original notional amount of \$14.435 million, and the original associated variable-rate bonds had a \$14.435 million principal amount. At no time will the notional amount on interest rate swap agreement exceed the outstanding principal of the Series VII-B-1 Bonds. The bonds' variable-rates have historically approximated the Securities Industry and Financial Markets

Association Index™ (SIFMA). The swap agreement matures on June 1, 2025. As of June 30, 2019, rates were as follows:

	<u>Terms</u>	<u>Rate</u>
Interest rate swap:		
Fixed payment to counterparty	Fixed	4.380 %
Variable payment from counterparty	% of LIBOR	<u>-1.119</u>
Net interest rate swap payments		3.261 %
Variable-rate bond coupon payments		<u>1.950</u>
Synthetic interest rate on bonds		<u><u>5.211 %</u></u>

Fair value. As of June 30, 2019, the swap had a negative fair value of \$259,037. The negative fair value of the swap may be countered by reductions in total interest payments required under the variable-rate bond, creating lower synthetic rates. Because the rates on the government’s variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value model calculates future cash flows by projecting forward rates, and then discounts those cash flows at their present value.

Credit risk. As of June 30, 2019, the county was not exposed to credit risk because the swap had a negative fair value. However, if interest rates change and the fair value of the swap becomes positive, the county would be exposed to credit risk in the amount of the derivative’s fair value. The swap counterparty, Raymond James Financial Products (“RJFP” formerly Morgan Keegan Financial Products) was rated “Baa1/BBB+” Moody’s and Standard and Poor’s, respectively, as of June 30, 2019, with its Credit Support Provider, Deutsche Bank, rated A3/BBB+/BBB+ by Moody’s, Standard and Poor’s, and Fitch, respectively.

Basis risk. As noted above, the swap exposes the county to basis risk if the bond rate increases to above 63.4 percent of LIBOR, thus increasing the synthetic rate on the bonds. If a change occurs that results in the bond rate being below 63.4 percent of LIBOR, then the synthetic rate on the bonds will decrease.

Termination risk. The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The Schedule to the Master Agreement includes an “additional termination provision.” The authority or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the authority would be liable to the counterparty for a payment equal to the swap’s fair value. Likewise, if

the swap has a positive fair value at termination, the counterparty would be liable to the authority for a payment equal to the swap's fair value.

Swap payments and associated debt. As of June 30, 2019, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Year Ending June 30	Variable Rate Bonds		Net Interest	Total
	Principal	Interest	Rate Swap Payment	
2020	\$ 2,170,000	\$ 73,125	\$ 122,287	\$ 2,365,412
2021	285,000	30,810	51,524	367,334
2022	300,000	25,253	42,230	367,483
2023	315,000	19,403	32,447	366,850
2024	330,000	13,260	22,175	365,435
2025	350,000	6,825	11,413	368,238
Total	\$ 3,750,000	\$ 168,676	\$ 282,076	\$ 4,200,752

C. Capital Assets

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

Primary Government

Governmental Activities:

	Balance 7-1-18	Increases	Decreases	Transfers Out	Balance 6-30-19
Capital Assets Not Depreciated:					
Land	\$ 6,339,092	\$ 138,277	\$ (64,180)	\$ 0	\$ 6,413,189
Construction in Progress	1,389,198	1,482,725	0	(1,482,725)	1,389,198
Total Capital Assets Not Depreciated	<u>\$ 7,728,290</u>	<u>\$ 1,621,002</u>	<u>\$ (64,180)</u>	<u>\$ (1,482,725)</u>	<u>\$ 7,802,387</u>
Capital Assets Depreciated:					
Buildings and Improvements	\$ 67,515,268	\$ 553,107	\$ 0	\$ 0	\$ 68,068,375
Roads and Bridges	186,685,870	4,514,585	0	0	191,200,455
Other Capital Assets	18,009,786	1,775,089	(603,732)	0	19,181,143
Total Capital Assets Depreciated	<u>\$ 272,210,924</u>	<u>\$ 6,842,781</u>	<u>\$ (603,732)</u>	<u>\$ 0</u>	<u>\$ 278,449,973</u>
Less Accumulated Depreciation For:					
Buildings and Improvements	\$ 30,653,045	\$ 2,085,097	\$ 0	\$ 0	\$ 32,738,142
Roads and Bridges	131,148,190	4,980,034	0	0	136,128,224
Other Capital Assets	12,974,439	1,355,004	(603,732)	0	13,725,711
Total Accumulated Depreciation	<u>\$ 174,775,674</u>	<u>\$ 8,420,135</u>	<u>\$ (603,732)</u>	<u>\$ 0</u>	<u>\$ 182,592,077</u>
Total Capital Assets Depreciated, Net	<u>\$ 97,435,250</u>	<u>\$ (1,577,354)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 95,857,896</u>
Governmental Activities Capital Assets, Net	<u>\$ 105,163,540</u>	<u>\$ 43,648</u>	<u>\$ (64,180)</u>	<u>\$ (1,482,725)</u>	<u>\$ 103,660,283</u>

Transfers Out represent capital assets transferred to business-type activities (enterprise fund) from governmental activities during the year.

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

Governmental Activities:

General Government	\$ 904,689
Finance	29,982
Administration of Justice	7,767
Public Safety	769,747
Public Health and Welfare	895,469
Social, Cultural, and Recreational Services	606,713
Agriculture and Natural Resources	9,466
Highways/Public Works	<u>5,196,302</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 8,420,135</u></u>

Business-Type Activities:

	Balance 7-1-18	Transfers In	Increase	Decreases	Balance 6-30-19
Capital Assets Not Depreciated:					
Construction in Progress	\$ 139,163	\$ 1,482,725	\$ 0	\$ (21,168)	\$ 1,600,720
Total Capital Assets Not Depreciated	<u>\$ 139,163</u>	<u>\$ 1,482,725</u>	<u>\$ 0</u>	<u>\$ (21,168)</u>	<u>\$ 1,600,720</u>
Capital Assets Depreciated:					
Infrastructure	\$ 20,530,379	\$ 0	\$ 21,168	\$ 0	\$ 20,551,547
Other Capital Assets	381,443	0	0	0	381,443
Total Capital Assets Depreciated	<u>\$ 20,911,822</u>	<u>\$ 0</u>	<u>\$ 21,168</u>	<u>\$ 0</u>	<u>\$ 20,932,990</u>
Less Accumulated Depreciation For:					
Infrastructure	\$ 3,541,766	\$ 0	\$ 342,230	\$ 0	\$ 3,883,996
Other Capital Assets	128,283	0	17,571	0	145,854
Total Accumulated Depreciation	<u>\$ 3,670,049</u>	<u>\$ 0</u>	<u>\$ 359,801</u>	<u>\$ 0</u>	<u>\$ 4,029,850</u>
Total Capital Assets Depreciated, Net	<u>\$ 17,241,773</u>	<u>\$ 0</u>	<u>\$ (338,633)</u>	<u>\$ 0</u>	<u>\$ 16,903,140</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 17,380,936</u></u>	<u><u>\$ 1,482,725</u></u>	<u><u>\$ (338,633)</u></u>	<u><u>\$ (21,168)</u></u>	<u><u>\$ 18,503,860</u></u>

Transfers In represent capital assets transferred from governmental activities to business-type activities during the year.

Depreciation expense totaling \$359,801 was charged to the Public Utility Fund.

Discretely Presented Sevier County School Department

Governmental Activities:

	Balance			Balance
	7-1-18	Increases	Decreases	6-30-19
	<hr/>			
Capital Assets Not				
Depreciated:				
Land	\$ 17,699,789	\$ 2,157,333	\$ (330,000)	\$ 19,527,122
Construction in Progress	16,109,085	7,082,411	(17,321,977)	5,869,519
Total Capital Assets	<hr/>			
Not Depreciated	\$ 33,808,874	\$ 9,239,744	\$ (17,651,977)	\$ 25,396,641
	<hr/>			
Capital Assets				
Depreciated:				
Buildings and				
Improvements	\$ 151,540,496	\$ 17,217,186	\$ (189,114)	\$ 168,568,568
Infrastructure	11,254,165	104,791	0	11,358,956
Other Capital Assets	22,281,935	842,534	(290,120)	22,834,349
Total Capital Assets	<hr/>			
Depreciated	\$ 185,076,596	\$ 18,164,511	\$ (479,234)	\$ 202,761,873
	<hr/>			
Less Accumulated				
Depreciation For:				
Buildings and				
Improvements	\$ 66,756,361	\$ 3,482,113	\$ (97,220)	\$ 70,141,254
Infrastructure	6,666,414	473,797	0	7,140,211
Other Capital Assets	15,238,398	1,473,511	(232,671)	16,479,238
Total Accumulated	<hr/>			
Depreciation	\$ 88,661,173	\$ 5,429,421	\$ (329,891)	\$ 93,760,703
	<hr/>			
Total Capital Assets				
Depreciated, Net	\$ 96,415,423	\$ 12,735,090	\$ (149,343)	\$ 109,001,170
	<hr/>			
Governmental Activities				
Capital Assets, Net	\$ 130,224,297	\$ 21,974,834	\$ (17,801,320)	\$ 134,397,811
	<hr/>			

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

Governmental Activities:

Instruction	\$ 3,100,244
Support Services	2,233,346
Operation of Non-instructional Services	<u>95,831</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 5,429,421</u></u>

D. Construction Commitments

At June 30, 2019, the General Capital Projects Fund had uncompleted construction contracts of approximately \$115,543 for waterline projects and \$137,748 for library projects. Funding has been provided for these future expenditures.

At June 30, 2019, the Sevier County School Department had uncompleted construction contracts of approximately \$15,257,060 for various projects, including \$10,283,031 for the construction of a new intermediate school and \$3,866,902 for a new junior high school. Funding has been received for these future expenditures.

E. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 117,359
Highway/Public Works	"	34,177
General Debt Service	"	29,559
Nonmajor governmental	"	5,542
Nonmajor governmental	General	2,370
Internal Service	Highway/Public Works	3,279

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	\$ 1,000,000

The \$1,000,000 balance represents an interfund loan for cash flow purposes from the General Purpose School Fund to the School Federal Projects Fund (a nonmajor governmental fund). This loan was converted to a permanent transfer of funds subsequent to June 30, 2019.

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
Component Unit:		
School Department:	Primary Government:	
General Purpose School	General	\$ 80
"	Nonmajor governmental	174,582
"	Public Utility	472

Interfund Transfers:

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

Primary Government

Transfer Out	Transfer In Nonmajor Governmental Funds	Purpose
General Fund	\$ 50,000	Operations of Drug Court
Total	<u>\$ 50,000</u>	

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

F. Operating Leases

In fiscal year 2016-2017, Sevier County and the City of Sevierville entered into an agreement with East Tennessee State University (ETSU). The county and city own land and a building on Red Bank Road that, under this agreement, ETSU has leased in order to house a college campus in the county. This lease is for a duration of five years with the option to renew for an additional five years. Neither the city nor the county will receive lease payments for use of the building. The Public Building Authority (PBA) of Sevier County issued debt in order to renovate the property for ETSU. The lease payments from ETSU will go directly to the PBA to pay off the debt used to finance the renovations. Once this debt has been paid off, the remaining lease payments

will continue to be paid to the PBA for maintenance and additional renovations in the future.

G. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

General Obligation Bonds - Sevier 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 and loans. 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 21 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2019, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements - Sevier County issues other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes, and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Other loans outstanding were issued for original terms of up to 24 years. There were no capital outlay notes outstanding at June 30, 2019. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All other loans included in long-term debt as of June 30, 2019, will be retired from the General Debt Service Fund

General obligation bonds and other loans outstanding as of June 30, 2019, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-19
General Obligation Bonds	.4 to 5.0 %	6-1-39	\$ 49,680,000	\$ 44,015,000
General Obligation Bonds - Refunding	.4 to 5.0	6-1-25	20,215,000	12,385,000
Qualified School Construction Bonds	4.84	8-1-27	14,504,000	7,339,203
Direct Borrowing and Direct Placement:				
Other Loans - Variable Rate	Variable	6-1-32	21,450,000	21,350,000
Other Loans - Variable Rate - Refunding	Variable	6-1-32	49,395,000	32,900,000
Energy Efficient Schools Initiative Loan	0	5-1-22	1,000,000	291,695

Sevier County has entered into loan agreements with the Sevier County Public Building Authority (PBA). The loan agreements provide for the PBA to make funds available for loan to Sevier County on an as-needed basis to finance various capital projects for the county and the discretely presented school department. In addition to interest, the county pays various other fees (trustee, letter of credit, debt remarketing, administrative, etc.) in connection with these loans. The following table summarizes the loan agreements outstanding at June 30, 2019, including interest rates and other loan fees:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-19	Interest Type	Interest Rate as of 6-30-19	Other Fees on Variable Rate Debt
Series VII-A-4 (Refunding)(1)	\$ 6,900,000	\$ 3,320,000	Variable	2.234%	0.28%
Series VII-B-1 (Refunding)(2)	42,495,000	29,580,000	Variable	1.95	0.84
Series VII-B-1	21,450,000	<u>21,350,000</u>	Variable	1.95	0.84
Total		<u>\$ 54,250,000</u>			

(1) This issue refunded other issues for which outstanding interest rate swap agreements exist (Series IV-E-4 and Series IV-H-3).

(2) This issue refunded other issues for which outstanding interest rate swap agreements exist (Series IV-A-2 and Series V-A-1).

The annual requirements to amortize all general obligation bonds and other loans outstanding as of June 30, 2019, including interest payments and other loan fees, are presented in the following tables.

Estimated interest payments and estimated other fees are included for the loan agreements. The Series VII-A-4 and VII-B-1 carry variable interest rates with the rates changing weekly or monthly. Interest payments included in the table for the variable rate issues are computed based on the rates in effect at

June 30, 2019. Net interest rate swap payments, discussed in Note IV.B., are in addition to interest and other fee amounts reflected in the following tables.

Year Ending June 30	Bonds		
	Principal	Interest	Total
2020	\$ 3,530,027	\$ 2,375,598	\$ 5,905,625
2021	4,565,027	2,285,223	6,850,250
2022	5,505,027	2,175,048	7,680,075
2023	5,545,027	2,038,347	7,583,374
2024	5,155,027	1,897,785	7,052,812
2025-2029	17,604,068	6,500,882	24,104,950
2030-2034	12,900,000	2,426,975	15,326,975
2035-2039	8,935,000	717,440	9,652,440
Total	\$ 63,739,203	\$ 20,417,298	\$ 84,156,501

Year Ending June 30	Other Loans - Direct Placement			
	Principal	Interest	Other Fees	Total
2020	\$ 4,819,996	\$ 1,067,304	\$ 437,249	\$ 6,324,549
2021	3,844,996	974,355	399,380	5,218,731
2022	4,036,703	899,822	370,867	5,307,392
2023	4,245,000	821,290	340,869	5,407,159
2024	5,160,000	736,809	308,546	6,205,355
2025-2029	19,470,000	2,368,715	1,015,827	22,854,542
2030-2032	12,965,000	514,410	221,592	13,701,002
Total	\$ 54,541,695	\$ 7,382,705	\$ 3,094,330	\$ 65,018,730

There is \$32,488,498 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$709, based on the 2010 federal census. Total debt per capita, including bonds, other loans, and unamortized debt premiums totaled \$1,336, based on the 2010 federal census.

During the year, based on budgetary appropriations, the school department remitted \$6,680,695 to the primary government's General Debt Service Fund to be applied to the retirement of debt issued for the benefit of the school department.

Changes in Long-term Debt

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

Governmental Activities:

	Bonds	Other Loans - Direct Placement
Balance, July 1, 2018	\$ 59,149,230	\$ 57,381,691
Additions	9,925,000	0
Reductions	<u>(5,335,027)</u>	<u>(2,839,996)</u>
Balance, June 30, 2019	<u>\$ 63,739,203</u>	<u>\$ 54,541,695</u>
Balance Due Within One Year	<u>\$ 3,530,027</u>	<u>\$ 4,819,996</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2019	\$ 118,280,898
Less: Balance Due Within One Year - Debt	(8,350,023)
Add: Unamortized Premium on Debt	<u>1,824,645</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 111,755,520</u>

H. Long-term Obligations

Changes in Long-term Obligations

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

Governmental Activities:

	Other Postemployment Benefits
Balance, July 1, 2018	\$ 5,337,590
Additions	323,433
Reductions	<u>(1,385,707)</u>
Balance, June 30, 2019	<u>\$ 4,275,316</u>
Balance Due Within One Year	<u>\$ 0</u>

Other postemployment benefits will be paid from the employing funds, primarily the General and Highway/Public Works funds

Sevier County Water Department (enterprise fund)

Changes in Long-term Obligations

Long-term obligations activity for the Public Utility Fund (enterprise fund) for the year ended June 30, 2019, was as follows:

Business-Type Activities:

	<u>Other Postemployment Benefits</u>
Balance, July 1, 2018	\$ 28,682
Additions	9,169
Reductions	<u>(10,381)</u>
Balance, June 30, 2019	<u>\$ 27,470</u>
Balance Due Within One Year	<u>\$ 0</u>

Other postemployment benefits will be paid from Public Utility Fund.

Discretely Presented Sevier County School Department

Changes in Long-term Obligations

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

Governmental Activities:

	<u>Other Postemployment Benefits</u>
Balance, July 1, 2018	\$ 28,286,003
Additions	10,303,925
Reductions	<u>(3,360,011)</u>
Balance, June 30, 2019	<u>\$ 35,229,917</u>
Balance Due Within One Year	<u>\$ 0</u>

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

I. Pledges of Receivables and Future Revenues

Local Option Sales Tax Revenues Pledged

In 2009, the citizens of Sevier County voted to increase the local option sales tax rate by .25 percent to pay for capital needs of the school department. The county pledged the additional sales tax collections generated from this increase to finance the payment of school capital outlay obligations and for the payment of bonds related to school construction and renovations to existing facilities. The bonds are also guaranteed by the county in the event the additional sales tax revenues are insufficient to meet the debt service requirements on the bonds. For the current year, sales tax revenues generated by the increase were \$11,075,244.

J. On-Behalf Payments

Discretely Presented Sevier County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Sevier County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2019, were \$397,253 and \$93,793, 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

The county has chosen to establish three self-insurance funds for risks associated with the employees' health, dental, and vision plans for the primary government, and risks associated with workers' compensation claims for both the primary government and the school department. The self-insurance funds are accounted for as internal service funds where assets are set aside for claim settlements. The county retains the risk of loss to a limit of \$150,000 for each employee in any plan year for health coverage. The county also retains the risk of loss to a limit of \$500,000 per occurrence and approximately \$1,644,742 for all claims in any plan year for workers' compensation coverage. The county has obtained stop/loss commercial insurance policies to cover claims beyond these limits. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

All full-time employees of the primary government are eligible to participate in the health, dental, and vision programs. A premium charge is allocated to each fund that accounts for employees who are covered by the employee health insurance plan and/or the workers' compensation plan. This charge is based

on actuarial estimates of the amounts needed to pay prior- and current-year claims and to establish a reserve for catastrophic losses. That reserve was \$211,834 for health coverage, \$108,587 for dental and vision coverage and \$545,409 for workers' compensation coverage at June 30, 2019. Liabilities of these funds are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The self-insurance funds establish claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. Claims liabilities include specific, incremental claim adjustment expenditures/expenses, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

Employee Insurance - Health Fund

	Beginning of Fiscal Year Liability	Current Year Claims and Estimates	Payments- Net of Stop Loss Recovery	Balance at Fiscal Year End
2017-2018	\$ 575,106	\$ 6,144,821	\$ (6,101,989)	617,938
2018-2019	617,938	6,819,898	(6,751,609)	686,227

Employee Insurance - Dental and Vision Fund

	Beginning of Fiscal Year Liability	Current Year Claims and Estimates	Payments	Balance at Fiscal Year End
2017-2018	\$ 14,000	\$ 54,876	\$ (52,593)	16,283
2018-2019	16,283	62,143	(61,895)	16,531

Employee Insurance - Workers' Compensation Fund

	Beginning of Fiscal Year Liability	Current Year Claims and Estimates	Payments- Net of Stop Loss Recovery	Balance at Fiscal Year End
2017-2018	\$ 65,472	\$ 346,098	\$ (351,155)	60,415
2018-2019	60,415	991,202	(890,555)	161,062

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

The county and the discretely presented school department continue to carry commercial insurance for all other risks of loss, including general liability, property, and casualty. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

B. Accounting Changes

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

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

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

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

C. Contingent Liabilities

Sevier County is contingently liable for the Tennessee Department of Environment and Conservation's financial assurance requirements regarding landfill closure/postclosure care costs (\$1,746,926 at June 30, 2019). The county would be obligated for this amount in the event of default on closure/postclosure care costs by Sevier Solid Waste, Inc., a joint venture discussed in Note V.D.

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

D. Joint Ventures

Sevier Solid Waste, Inc., is a nonprofit organization created under the laws of the State of Tennessee to develop and implement a comprehensive program for collecting, transporting, disposing, and recycling solid waste generated within Sevier County and the cities of Gatlinburg, Pigeon Forge, and Sevierville. The corporation was formed in 1988 pursuant to a mutual interlocal cooperation agreement between each of the governmental entities. It is governed by a board of directors, which consists of one representative from each governmental unit. Sevier County has control over budgeting and financing the joint venture only to the extent of representation by the one board member appointed and is responsible for funding a pro-rata share of any deficits from operations. The corporation receives financial support from each of these four government entities that created it. These contributors pay a pro-rata share based on their percentage of total waste brought to the disposal facility during the previous year.

Sevier Water Board, Inc., is a nonprofit organization created under the laws of the State of Tennessee that was designed to carry out future planning and implementing of certain water-related functions within Sevier County and the cities of Gatlinburg, Pigeon Forge, Sevierville, and Pittman Center. The corporation was formed in 1995 pursuant to a mutual interlocal cooperation agreement between each of the governmental entities. It is governed by a board of directors, which consists of one representative from each governmental unit. Sevier County has control over budgeting and financing the joint venture only to the extent of representation by the one board member appointed and is responsible for funding a pro-rata share of any deficits from operations.

Sevier County and the City of Sevierville jointly constructed a baseball stadium, which they leased to a minor league baseball club. The Stadium Advisory Committee was created by an interlocal agreement between Sevier County and the City of Sevierville to oversee operations of the stadium facility and to report to the Sevier County Commission and the City of Sevierville Board of Mayor and Aldermen. The committee includes seven members

nominated jointly by the county and city mayors who are appointed to four-year terms by both legislative bodies. Operations of the joint venture are split 70 percent (City of Sevierville) and 30 percent (Sevier County). The City of Sevierville maintains financial transactions relating to the joint venture, and complete financial statements may be obtained from the City of Sevierville.

Sevier County and the City of Gatlinburg jointly constructed a youth sports complex, Rocky Top Sports World. The Youth Sports Complex Advisory Board/Authority was created by an interlocal agreement between Sevier County and the City of Gatlinburg to oversee operations of the sports facility and to report to the Sevier County Commission and the City of Gatlinburg Commission. The board includes seven members, which include from the county: the county mayor, the director of schools, and one member nominated by the county commission; and from the city: the city manager and three members nominated by the city commission. Sevier County contributed \$2,000,000 during the 2012-13 year and \$1,000,000 during the 2015-16 year, 2016-2017 year, 2017-2018 year and 2018-2019, the final year of their committed payments towards the city's cost of construction. Operations of the joint venture are split 70 percent (City of Gatlinburg) and 30 percent (Sevier County). The City of Gatlinburg maintains financial transactions relating to the joint venture, and complete financial statements may be obtained from the City of Gatlinburg.

The Fourth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Fourth Judicial District; Sevier, Cocke, Grainger, and Jefferson counties; and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Sevier County made no contributions to the DTF for the year ended June 30, 2019, and does not have any equity interest in this joint venture.

The Sevier County Economic Development Council is a joint venture operated by Sevier County, the cities of Sevierville, Pigeon Forge, Gatlinburg, and various local private enterprises. The board is comprised of 12 members, two of whom represent Sevier County. The purpose is to coordinate the governmental and private sector activities in attracting businesses and industries to the Sevier County area. Sevier County contributed \$172,600 to the operations of the Economic Development Council for the 2018-19 year.

Complete financial statements for Sevier Solid Waste, Inc., Sevier Water Board, Inc., Fourth Judicial District Drug Task Force, and Sevier County Economic Development Council can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Sevier Solid Waste, Inc.
1855 Ridge Road
Pigeon Forge, TN 37864

Sevier Water Board, Inc.
227 Cedar Street
Sevierville, TN 37862

District Attorney General
Fourth Judicial District
125 Court Avenue, Suite 301-E
Sevierville, TN 37862

Sevier County Economic Development Council
321 Court Avenue
Sevierville, TN 37864

E. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Sevier County and non-certified employees of the discretely presented Sevier County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 53.97 percent, the non-certified employees of the discretely presented school department comprise 46.03 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

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

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

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

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

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	514
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	760
Active Employees	1,357
 Total	 <u><u>2,631</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. Sevier County elected to make employer contributions at a rate higher than the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2019, the employer contribution for Sevier County was \$2,754,286 based on a rate of 6.5 percent of covered payroll. The minimum rate established by the Board of Trustees was 2.37 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Sevier 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)

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

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

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

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

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

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

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

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

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2017	\$ 130,417,379	\$ 142,294,389	\$ (11,877,010)
Changes for the Year:			
Service Cost	\$ 3,699,127	\$ 0	\$ 3,699,127
Interest	9,578,282	0	9,578,282
Differences Between Expected and Actual Experience	(2,619,893)	0	(2,619,893)
Changes in Assumptions	0	0	0
Contributions-Employer	0	2,874,211	(2,874,211)
Contributions-Employees	0	2,059,378	(2,059,378)
Net Investment Income	0	11,844,514	(11,844,514)
Benefit Payments, Including Refunds of Employee Contributions	(4,004,543)	(4,004,543)	0
Administrative Expense	0	(128,087)	128,087
Other Changes	0	0	0
Net Changes	\$ 6,652,973	\$ 12,645,473	\$ (5,992,500)
Balance, June 30, 2018	\$ 137,070,352	\$ 154,939,862	\$ (17,869,510)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	53.97%	\$ 73,976,869	\$ 83,621,044	\$ (9,644,175)
School Department	46.03%	63,093,483	71,318,818	(8,225,335)
Total		\$ 137,070,352	\$ 154,939,862	\$ (17,869,510)

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

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

Net Pension Liability \$ 219,813 \$ (17,869,510) \$ (32,924,578)

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

Pension Expense or Negative Pension Expense. For the year ended June 30, 2019, Sevier County recognized (negative) pension expense of (\$1,089,477).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 5,646,517
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	720,925
Changes in Assumptions	1,936,821	0
Contributions Subsequent to the Measurement Date of June 30, 2018 (1)	<u>2,754,286</u>	<u>N/A</u>
Total	<u>\$ 4,691,107</u>	<u>\$ 6,367,442</u>

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 2,562,303	\$ 3,436,508
School Department	2,128,804	2,930,934
Total	<u>\$ 4,691,107</u>	<u>\$ 6,367,442</u>

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

Year Ending June 30	Amount
2020	\$ (303,906)
2021	(1,335,900)
2022	(1,716,668)
2023	(637,502)
2024	(436,649)
Thereafter	0

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

Payable to the Pension Plan

At June 30, 2019, Sevier County reported a payable of \$233,583 for the outstanding amount of contributions due to the pension plan at year end.

Discretely Presented Sevier County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Sevier County and non-certified employees of the discretely presented Sevier County School Department are provided a defined benefit pension plan through the Public Employee Retirement

Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 53.97 percent and the non-certified employees of the discretely presented school department comprise 46.03 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

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

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the

consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2019, to the Teacher Retirement Plan were \$216,773, which is 1.94 percent of covered payroll. In addition, employer contributions of \$218,300 were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). At June 30, 2019, the school department reported a liability (asset) of (\$485,172) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2018, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2018, the school department's proportion was 1.069774 percent. The proportion as of June 30, 2017, was 1.086498 percent.

Pension Expense. For the year ended June 30, 2019, the school department recognized pension expense of \$164,523.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 27,479	\$ 19,325
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	27,406
Changes in Assumptions	22,889	0
Changes in Proportion of Net Pension Liability (Asset)	4,048	16,101
LEA's Contributions Subsequent to the Measurement Date of June 30, 2018 (1)	216,773	N/A
Total	<u>\$ 271,189</u>	<u>\$ 62,832</u>

The school department's employer contributions of \$216,733, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2020	\$ (4,716)
2021	(5,586)
2022	(9,492)
2023	(2,331)
2024	1,320
Thereafter	12,389

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

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

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

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

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

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability	\$ 75,008	\$ (485,172)	\$ (897,893)

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

Teacher Legacy Pension Plan

General Information About the Pension Plan

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

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

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Sevier County School Department for the year ended June 30, 2019, to the Teacher Legacy Pension Plan were \$6,246,511, which is 10.46 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liability (Assets). At June 30, 2019, the school department reported a liability (asset) of (\$6,041,791) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2018, the school department's proportion was 1.716947 percent. The proportion measured at June 30, 2017, was 1.699648 percent.

Pension Expense. For the year ended June 30, 2019, the school department recognized (negative) pension expense of (\$1,460,310).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Difference Between Expected and Actual Experience	\$ 1,221,252	\$ 8,150,855
Changes in Assumptions	3,568,311	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	1,314,946
Changes in Proportion of Net Pension Liability (Asset)	781,906	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2018	<u>6,246,511</u>	<u>N/A</u>
Total	<u>\$ 11,817,980</u>	<u>\$ 9,465,801</u>

The school department's employer contributions of \$6,246,511 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	<u>Amount</u>
2020	\$ 1,514,663
2021	(1,660,277)
2022	(3,201,942)
2023	(546,776)
2024	0
Thereafter	0

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

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

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

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

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

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

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

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

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

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

Net Pension Liability \$ 46,573,933 \$ (6,041,791) \$ (49,573,973)

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

2. Deferred Compensation

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state’s 401 (K) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher’s salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year the school department contributed \$558,698 and teachers contributed \$279,349 to this deferred compensation pension plan.

F. Other Postemployment Benefits (OPEB)

Sevier County and the discretely presented Sevier County School Department provide OPEB benefits to its retirees under various OPEB plans, These include OPEB provided through a self-insured plan for the primary government and through state administered public entity risks pools for both the primary government and the discretely presented school department. For reporting purposes the plans are all 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.

OPEB Provided through Self-Insured Health Plan (Primary Government)

Plan Description. Sevier County participates in a self-insured postemployment benefits plan administered by Humana for its retirees and their covered dependents. Eligible employees must be age 55 with 15 years of service or any age with 30 years of service until attainment of age 65 when they become

eligible for Medicare. The retiree’s spouse is eligible for coverage until age 65, as long as the retiree is eligible for coverage or has reached age 65.

Benefits Provided. The plan provides healthcare benefits to eligible retirees and their dependents. The benefit terms provide for retirees to pay between \$203 and \$405 per month for their health insurance coverage depending on the coverage they choose. The county pays the remainder of the cost for covered medical services.

Employees Covered by Benefit Terms

At the valuation date of July 1, 2018, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	16
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	653
 Total	 <u>669</u>

Total OPEB Liability

The plan’s total OPEB liability of \$3,625,000 was measured as of July 1, 2018, and was determined by an actuarial valuation as of July 1, 2018.

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

Salary Increases	2.50%
Discount Rate	3.62%
Healthcare Cost Trend Rates	6.00% for FY19, decreasing 0.50% per year to an ultimate rate of 5.00%
Retirees share of Benefit-related Cost	From \$203 to \$405 depending on coverage selected

The discount rate was based on the Fidelity Municipal GO AA 20-year yield curve rate as of June 30, 2018.

Mortality rates were based on RP-2014 Mortality Table fully generational, with base year 2006, projected using two-dimensional mortality improvement scale MP-2018.

The actuarial assumptions used in the valuation were based on plan data and costs presented by the county with concurrence by the actuary.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2017	\$ 3,701,000
Changes for the Year:	
Service Cost	\$ 192,000
Interest	138,000
Changes in Benefit Terms	0
Difference between Expected and Actual Experience	(340,000)
Changes in Assumption and Other Inputs	(23,000)
Benefit Payments	(43,000)
Net Changes	<u>\$ (76,000)</u>
Balance June 30, 2018	<u>\$ 3,625,000</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the county recognized OPEB expense of \$308,000. At June 30, 2019, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 0	\$ 264,000
Changes of Assumptions/Inputs	0	18,000
Net Difference Between Projected and Actual Investments	0	0
Benefit Payment Subsequent to the Measurement Date	<u>45,000</u>	<u>0</u>
Total	<u>\$ 45,000</u>	<u>\$ 282,000</u>

Amounts reported as deferred outflows of resources for benefit payments after the measurement date related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Amount
2020	\$ (81,000)
2021	(81,000)
2022	(81,000)
2023	(39,000)
2024	0
Thereafter	0

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:

	1% Decrease	Current Discount Rate	1% Increase
	2.62%	3.62%	4.62%
Total OPEB Liability	\$ 3,956,000	\$ 3,625,000	\$ 3,325,000

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

	1% Decrease	Current Trend Rate	1% Increase
	5%	6.00%	7.00%
Total OPEB Liability	\$ 3,264,000	\$ 3,625,000	\$ 4,050,000

OPEB Provided through State Administered Public Entity Risk Pools

Post-65 retirees of Sevier County may join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare. The school department provides healthcare benefits to its employees under the Local Education Plan (LEP) until they reach Medicare eligibility. Employees of the school department may then join the Tennessee Plan - Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare.

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

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

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2018 TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.62%
Healthcare Cost Trend Rates	LEP - Based on the Getzen Model, with trend starting at 6.75% for the 2019 calendar year, and grad- ually decreasing over a 32-year period to an ul- timate trend of rate of 3.53% with .32% added to approximate the effect if the excise tax TNMs- 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 3.62 percent, based on the daily rate of Fidelity’s 20-Year Municipal GO AA index closest to but not later than the measurement date.

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

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2018, valuations were the same as those employed in the July 1, 2018, Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experiences. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy

Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2 percent load for males and a -3 percent load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load.

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

Closed Tennessee Plan – Medicare (Primary Government)

Plan Description. Employees of Sevier 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 Sevier 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. Sevier 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, 2018, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	4
Inactive Employees Entitled to But Not Yet Receiving Benefits	34
Active Employees	515
Total	<u><u>553</u></u>

In accordance with TCA 8-27-209, the state insurance committees established by TCA 8-27-201, 8-27-301 and 8-27-701 determine the required payments to the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. For the fiscal year ended June 30, 2019, the county paid \$5,113 for OPEB benefits as they came due.

Changes in the Total OPEB Liability

Balance July 1, 2017	<u>\$ 1,665,272</u>
Changes for the Year:	
Service Cost	\$ 73,984
Interest	61,775
Changes in Benefit Terms	0
Difference between Expected and Actual Experience	(1,108,716)
Changes in Assumptions and Other Inputs	(6,516)
Benefit Payments	<u>(8,013)</u>
Net Changes	<u>\$ (987,486)</u>
Balance June 30, 2018	<u><u>\$ 677,786</u></u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the county recognized negative OPEB expense of \$30,849. At June 30, 2019, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 964,727
Changes of Assumptions/Inputs	0	149,361
Net Difference Between Projected and Benefits paid after the measurement date of June 30, 2018	<u>5,113</u>	<u>0</u>
Total	<u>\$ 5,113</u>	<u>\$ 1,114,088</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
2020	\$ (166,607)
2021	(166,607)
2022	(166,607)
2023	(166,607)
2024	(166,607)
Thereafter	(281,053)

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:

	1% Decrease 2.62%	Current Discount Rate 3.62%	1% Increase 4.62%
Total OPEB Liability	\$ 796,679	\$ 677,786	\$ 580,338

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 Sevier 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 Sevier 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. Retirees must retire from the Sevier County School System and have a minimum of ten years of service with the system in order to qualify for health insurance benefits. The school department provides a direct subsidy ranging from \$388 to \$533 per month toward the cost of insurance for retirees based on years of service and insurance coverage selected. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees premiums based on years of service. Retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 20 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

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

	<u>School Department</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	146
Inactive Employees Entitled to But Not Yet Receiving Benefits	1
Active Employees	1,522
Total	<u>1,669</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 \$1,469,177 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	<u>Sevier County School Department</u>	<u>State of TN</u>	<u>Total OPEB Liability</u>
	79.0252%	20.9748%	
Balance July 1, 2017	\$ 26,212,068	\$ 6,957,184	\$ 33,169,252
Changes for the Year:			
Service Cost	\$ 1,439,288	\$ 382,014	\$ 1,821,302
Interest	959,725	254,729	1,214,454
Changes in Benefit Terms	(1,297,859)	(344,477)	(1,642,336)
Difference between Expected and Actual Experience	7,131,575	1,892,857	9,024,432
Changes in Assumption and Other Inputs	1,366,452	362,682	1,729,134
Benefit Payments	(1,385,611)	(367,768)	(1,753,379)
Net Changes	<u>\$ 8,213,569</u>	<u>\$ 2,180,038</u>	<u>\$ 10,393,607</u>
Balance June 30, 2018	<u>\$ 34,425,636</u>	<u>\$ 9,137,223</u>	<u>\$ 43,562,859</u>

The Sevier 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 Sevier County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employers long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$183,109 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Sevier County School Department's proportionate share of the collective OPEB liability was 79.0252 percent and the State of Tennessee's share was 20.9748 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the school department recognized OPEB expense of \$2,356,770, which includes expenses funded by nonemployer contributing entities. At June 30, 2019, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>Resources</u>	<u>Resources</u>
Difference Between Expected and Actual Experience	\$ 6,388,703	\$ 0
Changes of Assumptions/Inputs	1,224,113	917,023
Changes in Proportions	2,676,484	0
Benefits Paid After the Measurement Date of June 30, 2018	<u>1,469,177</u>	<u>0</u>
Total	<u>\$ 11,758,477</u>	<u>\$ 917,023</u>

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

<u>Year Ending</u> <u>June 30</u>	<u>School</u> <u>Department</u>
2019	\$ 1,072,508
2020	1,072,508
2021	1,072,508
2022	1,072,508
2023	1,072,508
Thereafter	4,009,737

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

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

Discount Rate

	1%	Current	1%
	Decrease	Discount	Increase
	2.62%	Rate	4.62%
		3.62%	

Proportionate Share of the Collective Total OPEB Liability	\$ 36,779,797	\$ 34,425,636	\$ 32,171,809
--	---------------	---------------	---------------

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

Healthcare Cost Trend Rate

	1% Decrease	Curent Rates	1% Increase
	5.75 to 2.85%	6.75 to 3.85%	7.75 to 4.85%

Proportionate Share of the
Collective Total OPEB
Liability

\$ 30,683,452 \$ 34,425,636 \$ 38,827,188

Closed Tennessee Plan – Medicare (Discretely Presented School Department)

Plan Description. Employees of the Sevier 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 retirees and disability participants of local education agencies, who choose coverage, participate in the TNM. The TNM also includes eligible retirees of the state, certain component units of the state, and certain local governmental entities. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015. The school department’s total OPEB liability for the TNM Plan was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

Benefits Provided. The state offers the TNM to help fill most of the coverage gaps created by Medicare for eligible post-65 retired teachers, noncertified employees, 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 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 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 Sevier County School Department provided a direct subsidy to retired noncertified employees of \$50 for eligible retirees with 30 or more years of service, \$37.50 for eligible retirees with 20-29 years of service, and \$25 for eligible retirees with from 10 to 20 years of service. The school department does not provide a direct subsidy to retired certified employees (teachers). The state, as a governmental nonemployer contributing entity contributes to the premiums of certain eligible retirees (teachers) of local education agencies based on years of service. The State of Tennessee provided a direct subsidy of \$50 for eligible retirees (teachers) with 30 or more years of service, \$37.50 for eligible retirees with 20-

29 years of service, and \$25 for eligible retirees with less than 20 years of service.

Employees Covered by Benefit Terms

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

	<u>School Department</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	198
Inactive Employees Entitled to But Not Yet Receiving Benefits	147
Active Employees	1,699
Total	<u><u>2,044</u></u>

In accordance with *TCA 8-27-209*, the state insurance committees established by *TCA 8-27-201*, *8-27-301* and *8-27-701* determine the required payments to the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. For the fiscal year ended June 30, 2019, the school department paid \$3,258 to the TNM for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	<u>Sevier County</u>	<u>State of</u>	<u>Total OPEB</u>
	<u>School Department</u>	<u>TN</u>	
	18.7800%	81.2200%	<u>Liability</u>
Balance July 1, 2017	\$ 1,658,647	\$ 7,173,341	\$ 8,831,988
Changes for the Year:			
Service Cost	\$ 50,795	\$ 219,681	\$ 270,476
Interest	60,203	260,365	320,568
Changes in			
Benefit Terms	(690,030)	(2,984,252)	(3,674,282)
Difference between			
Expected and Actual			
Experience	(231,421)	(1,000,852)	(1,232,273)
Changes in Assumption			
and Other Inputs	(7,203)	(31,150)	(38,353)
Benefit Payments	(36,711)	(158,766)	(195,477)
Net Changes	<u>\$ (854,366)</u>	<u>\$ (3,694,975)</u>	<u>\$ (4,549,341)</u>
Balance June 30, 2018	<u>\$ 804,281</u>	<u>\$ 3,478,366</u>	<u>\$ 4,282,647</u>

The Sevier County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired teachers participating in the TNM. The Sevier County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department is required by GASB State No. 75 to recognize revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department employees. The amount of the subsidy is equal to the nonemployer share of collective OPEB expenses. During the year, collective OPEB expenses for Sevier County School Department employees was negative. Consequently, on the government-wide Statement of Activities, the school department has recorded the negative collective OPEB expense (\$3,338,980) and recorded negative operating grants and contributions revenues (\$2,278,403) for the nonemployer share of the collective OPEB expense.

During the year, the Sevier County School Department's proportionate share of the collective OPEB liability for the TNM plan was 18.78 percent and the State of Tennessee's share was 81.22 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the school department recognized (negative) OPEB expense of (\$3,338,980), which includes expenses funded by nonemployer contributing entities.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 203,199
Changes of Assumptions/Inputs	0	138,820
Changes in Proportion	0	3,121,585
Benefits Paid After the Measurement Date of June 30, 2018	<u>3,258</u>	<u>0</u>
Total	<u>\$ 3,258</u>	<u>\$ 3,463,604</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
2020	\$ (481,581)
2021	(481,581)
2022	(481,581)
2023	(481,581)
2024	(481,581)
Thereafter	(1,055,699)

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.

	1% Decrease	Current Discount Rate	1% Increase
	2.62%	3.62%	4.62%

Proportionate Share of the Collective Total OPEB Liability	\$ 936,964	\$ 804,281	\$ 695,958
--	------------	------------	------------

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:

G. Purchasing Laws

Office of County Mayor

The County Purchasing Law of 1983, Sections 5-14-201 through 5-14-207, *Tennessee Code Annotated (TCA)*, govern purchasing procedures for the Office of County Mayor. These statutes require all purchases exceeding \$10,000 (excluding emergency purchases) to be made on the basis of publicly advertised competitive bids.

Office of Road Superintendent

Chapter 133, Private Acts of 1969, and provisions of the Uniform Road Law, Section 54-7-113, *TCA*, govern purchasing procedures for the highway department. These statutes require all purchases exceeding \$10,000 to be made on the basis of publicly advertised competitive bids.

Office of Director of Schools

Purchasing procedures for the discretely presented Sevier County School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$25,000.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

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

	2014	2015	2016	2017	2018
Total Pension Liability					
Service Cost	\$ 3,022,637	\$ 3,246,116	\$ 3,328,622	\$ 3,511,649	\$ 3,699,127
Interest	7,814,520	8,172,691	8,613,091	9,195,486	9,578,282
Changes in Benefit Terms	0	0	0	0	0
Differences Between Actual and Expected Experience	(3,084,680)	(2,192,897)	(620,095)	(2,311,389)	(2,619,893)
Changes in Assumptions	0	0	0	2,905,233	0
Benefit Payments, Including Refunds of Employee Contributions	(3,049,729)	(3,350,941)	(3,521,901)	(3,956,855)	(4,004,543)
Net Change in Total Pension Liability	\$ 4,702,748	\$ 5,874,969	\$ 7,799,717	\$ 9,344,124	\$ 6,652,973
Total Pension Liability, Beginning	102,695,821	107,398,569	113,273,538	121,073,255	130,417,379
Total Pension Liability, Ending (a)	\$ 107,398,569	\$ 113,273,538	\$ 121,073,255	\$ 130,417,379	\$ 137,070,352
Plan Fiduciary Net Position					
Contributions - Employer	\$ 3,540,475	\$ 3,595,625	\$ 3,785,512	\$ 3,226,703	\$ 2,874,211
Contributions - Employee	1,927,724	1,891,110	1,998,862	2,020,513	2,059,378
Net Investment Income	16,292,190	3,588,942	3,242,578	14,425,127	11,844,514
Benefit Payments, Including Refunds of Employee Contributions	(3,049,729)	(3,350,941)	(3,521,901)	(3,956,855)	(4,004,543)
Administrative Expense	(50,907)	(67,022)	(101,968)	(112,967)	(128,087)
Other	0	0	13,303	0	0
Net Change in Plan Fiduciary Net Position	\$ 18,659,753	\$ 5,657,714	\$ 5,416,386	\$ 15,602,521	\$ 12,645,473
Plan Fiduciary Net Position, Beginning	96,958,015	115,617,768	121,275,482	126,691,868	142,294,389
Plan Fiduciary Net Position, Ending (b)	\$ 115,617,768	\$ 121,275,482	\$ 126,691,868	\$ 142,294,389	\$ 154,939,862
Net Pension Liability (Asset), Ending (a - b)	\$ (8,219,199)	\$ (8,001,944)	\$ (5,618,613)	\$ (11,877,010)	\$ (17,869,510)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	107.65%	107.06%	104.64%	109.11%	113.04%
Covered Payroll	\$ 37,874,771	\$ 37,806,451	\$ 39,805,584	\$ 40,333,745	\$ 41,221,415
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(21.70%)	(21.17%)	(14.12%)	(29.45%)	(43.35%)

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

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

Exhibit F-2

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

	2014	2015	2016	2017	2018	2019
Actuarially Determined Contribution	\$ 3,540,475	\$ 3,595,625	\$ 3,785,512	\$ 1,597,216	\$ 1,636,490	\$ 1,004,148
Less Contributions in Relation to the Actuarially Determined Contribution	(3,540,475)	(3,595,625)	(3,785,512)	(3,226,703)	(2,874,211)	(2,754,286)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (1,629,487)	\$ (1,237,721)	\$ (1,750,138)
Covered Payroll	\$ 37,874,771	\$ 37,806,451	\$ 39,805,584	\$ 40,333,745	\$ 41,221,415	\$ 42,369,106
Contributions as a Percentage of Covered Payroll	9.35%	9.51%	9.51%	8.00%	6.97%	6.50%

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

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

Exhibit F-3

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

	2015	2016	2017	2018	2019*
Contractually Required Contribution	\$ 58,633	\$ 175,920	\$ 285,244	\$ 373,941	\$ 216,773
Less Contributions in Relation to the Contractually Required Contribution	(58,633)	(175,920)	(285,244)	(373,941)	(216,773)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 1,465,835	\$ 4,398,007	\$ 7,131,093	\$ 9,348,537	\$ 11,173,961
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%

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

* In FY 2019, the School Department placed the actuarially determined contribution rate (1.94%) of covered payroll into the pension plan and placed \$218,300 into the Pension Stabilization Trust.

Exhibit F-4

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

	2014	2015	2016	2017	2018	2019
Contractually Required Contribution	\$ 5,337,621	\$ 5,388,753	\$ 5,463,193	\$ 5,431,387	\$ 5,459,068	\$ 6,246,511
Less Contributions in Relation to the Contractually Required Contribution	(5,337,621)	(5,388,753)	(5,463,193)	(5,431,387)	(5,459,068)	(6,246,511)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 60,108,346	\$ 59,610,096	\$ 60,433,578	\$ 60,081,772	\$ 59,992,931	\$ 59,718,083
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.10%	10.46%

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

Exhibit F-5

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

	2015	2016	2017	2018
School Department's Proportion of the Net Pension Liability (Asset)	0.705496%	0.999536%	1.086498%	1.069774%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (28,382)	\$ (104,055)	\$ (286,655)	\$ (485,172)
Covered Payroll	\$ 1,465,835	\$ 4,398,007	\$ 7,131,093	\$ 9,348,537
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94%)	(2.37%)	(4.02%)	(5.19%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%	126.97%

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

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

	2014	2015	2016	2017	2018
School Department's Proportion of the Net Pension Liability (Asset)	1.531426%	1.592362%	1.674153%	1.699648%	1.716947%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (248,850)	\$ 652,286	\$ 10,462,528	\$ (556,097)	\$ (6,041,791)
Covered Payroll	\$ 60,108,346	\$ 59,610,096	\$ 60,433,578	\$ 60,081,772	\$ 59,992,931
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41%)	1.09%	17.31%	(0.93%)	(10.07%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%	101.49%

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

Exhibit F-7

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

	2017	2018
Total OPEB Liability		
Service Cost	\$ 187,000	\$ 192,000
Interest	129,000	138,000
Changes in Benefit Terms	0	0
Differences Between Actual and Expected Experience	0	(340,000)
Changes in Assumptions or Other Inputs	0	(23,000)
Benefit Payments	(114,000)	(43,000)
Net Change in Total OPEB Liability	\$ 202,000	\$ (76,000)
Total OPEB Liability, Beginning	3,499,000	3,701,000
Total OPEB Liability, Ending	\$ 3,701,000	\$ 3,625,000
Covered Employee Payroll	\$ 20,552,000	\$ 22,983,000
Net OPEB Liability as a Percentage of Covered Employee Payroll	18.01%	15.77%

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

Note 2: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Exhibit F-8

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

	<u>2017</u>	<u>2018</u>
Total OPEB Liability		
Service Cost	\$ 86,278	\$ 73,984
Interest	52,607	61,775
Changes in Benefit Terms	0	0
Differences Between Actual and Expected Experience	0	(1,108,716)
Changes in Assumptions or Other Inputs	(187,235)	(6,516)
Benefit Payments	(3,450)	(8,013)
Net Change in Total OPEB Liability	<u>\$ (51,800)</u>	<u>\$ (987,486)</u>
Total OPEB Liability, Beginning	<u>1,717,072</u>	<u>1,665,272</u>
Total OPEB Liability, Ending	<u><u>\$ 1,665,272</u></u>	<u><u>\$ 677,786</u></u>
Covered Employee Payroll	\$ N/A	\$ N/A
Net OPEB Liability as a Percentage of Covered Employee Payroll	N/A	N/A

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

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

2017	2.92%
2018	3.56%
2019	3.62%

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

Exhibit F-9

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

	2017	2018
Total OPEB Liability		
Service Cost	\$ 1,953,954	\$ 1,821,302
Interest	1,004,666	1,214,454
Changes in Benefit Terms	0	(1,642,336)
Differences Between Actual and Expected Experience	0	9,024,432
Changes in Assumptions or Other Inputs	(1,474,044)	1,729,134
Benefit Payments	(1,535,456)	(1,753,379)
Net Change in Total OPEB Liability	\$ (50,880)	\$ 10,393,607
Total OPEB Liability, Beginning	33,220,132	33,169,252
Total OPEB Liability, Ending	<u>\$ 33,169,252</u>	<u>\$ 43,562,859</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 9,859,129	\$ 9,137,223
Employer Proportionate Share of the Total OPEB Liability	23,310,123	34,425,636
Covered Employee Payroll	\$ 86,232,636	\$ 89,927,065
Net OPEB Liability as a Percentage of Covered Employee Payroll	27.03%	38.28%

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

Note 2. Changes in assumptions.

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

2017 2.92%
2018 3.56%
2019 3.62%

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

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

Exhibit F-10

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

	2017	2018
Total OPEB Liability		
Service Cost	\$ 329,389	\$ 270,476
Interest	278,853	320,568
Changes in Benefit Terms	0	(3,674,282)
Differences Between Actual and Expected Experience	0	(1,232,273)
Changes in Assumptions or Other Inputs	(907,091)	(38,353)
Benefit Payments	(179,100)	(195,477)
Net Change in Total OPEB Liability	\$ (477,949)	\$ (4,549,341)
Total OPEB Liability, Beginning	9,309,937	8,831,988
Total OPEB Liability, Ending	\$ 8,831,988	\$ 4,282,647
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 3,856,108	\$ 3,478,383
Employer Proportionate Share of the Total OPEB Liability	4,975,880	804,264
Covered Employee Payroll	\$ N/A	\$ N/A
Net OPEB Liability as a Percentage of Covered Employee Payroll	N/A	N/A

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

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

2017	2.92%
2018	3.56%
2019	3.62%

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

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

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

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

Methods and assumptions used to determine contribution rates:

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

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

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Courthouse and Jail Maintenance Fund – The Courthouse and Jail Maintenance Fund is used to account for a special tax levied by private act on litigation.

Law Library Fund – The Law Library Fund is used to account for a special tax levied by private act on litigation.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for transactions involving solid waste collection.

Special Purpose Fund – The Special Purpose Fund is used for the accumulation of resources for expenditures of nonrecurring departmental expenditures.

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

Other Special Revenue Fund – The Other Special Revenue Fund is used to account for revenues received for the operation of the county's Drug Court.

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

Exhibit G-1

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

	Special Revenue Funds				
	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Special Purpose	Drug Control
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	338,980	18,024	450,596	908,837	51,949
Accounts Receivable	0	0	0	5,214	0
Due from Other Governments	0	0	600,000	0	0
Due from Other Funds	0	0	0	5,542	2,370
Property Taxes Receivable	0	0	0	1,158,314	0
Allowance for Uncollectible Property Taxes	0	0	0	(20,597)	0
Total Assets	<u>\$ 338,980</u>	<u>\$ 18,024</u>	<u>\$ 1,050,596</u>	<u>\$ 2,057,310</u>	<u>\$ 54,319</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 0	\$ 7,117	\$ 17,142	\$ 0
Accrued Payroll	0	0	35,425	0	0
Payroll Deductions Payable	0	0	12,152	0	0
Due to Other Funds	0	0	15,000	0	0
Due to Component Units	0	0	0	0	0
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 69,694</u>	<u>\$ 17,142</u>	<u>\$ 0</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 1,108,257	\$ 0
Deferred Delinquent Property Taxes	0	0	0	21,895	0
Other Deferred/Unavailable Revenue	0	0	300,000	0	0
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 300,000</u>	<u>\$ 1,130,152</u>	<u>\$ 0</u>

(Continued)

Exhibit G-1

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

	<u>Special Revenue Funds</u>				
	<u>Courthouse and Jail Maintenance</u>	<u>Law Library</u>	<u>Solid Waste / Sanitation</u>	<u>Special Purpose</u>	<u>Drug Control</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 73,743	\$ 0	\$ 0	\$ 0	\$ 0
Restricted for Administration of Justice	265,237	18,024	0	0	0
Restricted for Public Safety	0	0	0	0	54,319
Restricted for Capital Outlay	0	0	0	882,566	0
Committed:					
Committed for Administration of Justice	0	0	0	0	0
Committed for Public Health and Welfare	0	0	680,902	0	0
Committed for Capital Outlay	0	0	0	27,450	0
Total Fund Balances	<u>\$ 338,980</u>	<u>\$ 18,024</u>	<u>\$ 680,902</u>	<u>\$ 910,016</u>	<u>\$ 54,319</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 338,980</u>	<u>\$ 18,024</u>	<u>\$ 1,050,596</u>	<u>\$ 2,057,310</u>	<u>\$ 54,319</u>

(Continued)

Exhibit G-1

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

	<u>Special Revenue Funds</u> (Cont.)		
	<u>Other Special Revenue</u>	<u>Constitu - tional Officers - Fees</u>	<u>Total Nonmajor Governmental Funds</u>
<u>ASSETS</u>			
Cash	\$ 0	\$ 2,598	\$ 2,598
Equity in Pooled Cash and Investments	400,552	0	2,168,938
Accounts Receivable	0	0	5,214
Due from Other Governments	50,905	0	650,905
Due from Other Funds	0	0	7,912
Property Taxes Receivable	0	0	1,158,314
Allowance for Uncollectible Property Taxes	0	0	(20,597)
Total Assets	<u>\$ 451,457</u>	<u>\$ 2,598</u>	<u>\$ 3,973,284</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 3,442	\$ 0	\$ 27,701
Accrued Payroll	3,308	0	38,733
Payroll Deductions Payable	1,607	0	13,759
Due to Other Funds	169,039	2,598	186,637
Due to Component Units	174,582	0	174,582
Total Liabilities	<u>\$ 351,978</u>	<u>\$ 2,598</u>	<u>\$ 441,412</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 1,108,257
Deferred Delinquent Property Taxes	0	0	21,895
Other Deferred/Unavailable Revenue	0	0	300,000
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,430,152</u>

(Continued)

Exhibit G-1

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

FUND BALANCES

Restricted:

 Restricted for General Government
 Restricted for Administration of Justice
 Restricted for Public Safety
 Restricted for Capital Outlay

Committed:

 Committed for Administration of Justice
 Committed for Public Health and Welfare
 Committed for Capital Outlay

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

Special Revenue Funds (Cont.)			Total
Other Special Revenue	Constitu - tional Officers - Fees		Nonmajor Governmental Funds
\$ 0	\$ 0	\$	73,743
0	0		283,261
0	0		54,319
0	0		882,566
99,479	0		99,479
0	0		680,902
0	0		27,450
<u>\$ 99,479</u>	<u>\$ 0</u>	<u>\$</u>	<u>2,101,720</u>
<u>\$ 451,457</u>	<u>\$ 2,598</u>	<u>\$</u>	<u>3,973,284</u>

Exhibit G-2

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

	Special Revenue Funds				
	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Special Purpose	Drug Control
<u>Revenues</u>					
Local Taxes	\$ 656,429	\$ 10,262	\$ 2,661,650	\$ 1,152,493	\$ 0
Fines, Forfeitures, and Penalties	0	0	0	0	51,877
Charges for Current Services	0	0	22,750	0	0
Other Local Revenues	0	0	85,991	1,339	0
State of Tennessee	0	0	67,032	0	0
Federal Government	0	0	0	0	0
Other Governments and Citizens Groups	0	0	0	24,752	0
Total Revenues	\$ 656,429	\$ 10,262	\$ 2,837,423	\$ 1,178,584	\$ 51,877
<u>Expenditures</u>					
Current:					
General Government	\$ 14,338	\$ 0	\$ 0	\$ 128,282	\$ 0
Finance	0	0	0	57,648	0
Administration of Justice	0	13,481	0	0	0
Public Safety	0	0	0	342,253	58,477
Public Health and Welfare	0	0	2,680,001	419,056	0
Social, Cultural, and Recreational Services	0	0	0	65,587	0
Other Operations	0	0	0	96,786	0
Capital Projects	383,500	0	0	0	0
Total Expenditures	\$ 397,838	\$ 13,481	\$ 2,680,001	\$ 1,109,612	\$ 58,477
Excess (Deficiency) of Revenues Over Expenditures	\$ 258,591	\$ (3,219)	\$ 157,422	\$ 68,972	\$ (6,600)

(Continued)

Exhibit G-2

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

	Special Revenue Funds				
	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Special Purpose	Drug Control
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 182,933	\$ 0
Transfers In	0	0	0	0	0
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 182,933</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 258,591	\$ (3,219)	\$ 157,422	\$ 251,905	\$ (6,600)
Fund Balance, July 1, 2018	<u>80,389</u>	<u>21,243</u>	<u>523,480</u>	<u>658,111</u>	<u>60,919</u>
Fund Balance, June 30, 2019	<u><u>\$ 338,980</u></u>	<u><u>\$ 18,024</u></u>	<u><u>\$ 680,902</u></u>	<u><u>\$ 910,016</u></u>	<u><u>\$ 54,319</u></u>

(Continued)

Exhibit G-2

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

	Special Revenue Funds (Cont.)		Total Nonmajor Governmental Funds
	Other Special Revenue	Constitu - tional Officers - Fees	
<u>Revenues</u>			
Local Taxes	\$ 0	\$ 0	\$ 4,480,834
Fines, Forfeitures, and Penalties	60,539	0	112,416
Charges for Current Services	0	22,867	45,617
Other Local Revenues	0	0	87,330
State of Tennessee	58,750	0	125,782
Federal Government	100,902	0	100,902
Other Governments and Citizens Groups	0	0	24,752
Total Revenues	<u>\$ 220,191</u>	<u>\$ 22,867</u>	<u>\$ 4,977,633</u>
<u>Expenditures</u>			
Current:			
General Government	\$ 0	\$ 0	\$ 142,620
Finance	0	923	58,571
Administration of Justice	294,994	21,729	330,204
Public Safety	0	215	400,945
Public Health and Welfare	0	0	3,099,057
Social, Cultural, and Recreational Services	0	0	65,587
Other Operations	0	0	96,786
Capital Projects	0	0	383,500
Total Expenditures	<u>\$ 294,994</u>	<u>\$ 22,867</u>	<u>\$ 4,577,270</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (74,803)</u>	<u>\$ 0</u>	<u>\$ 400,363</u>

(Continued)

Exhibit G-2

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

	Special Revenue Funds (Cont.)		Total Nonmajor Governmental Funds
	Other Special Revenue	Constitu - tional Officers - Fees	
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 0	\$ 0	\$ 182,933
Transfers In	50,000	0	50,000
Total Other Financing Sources (Uses)	<u>\$ 50,000</u>	<u>\$ 0</u>	<u>\$ 232,933</u>
Net Change in Fund Balances	\$ (24,803)	\$ 0	\$ 633,296
Fund Balance, July 1, 2018	<u>124,282</u>	<u>0</u>	<u>1,468,424</u>
Fund Balance, June 30, 2019	<u>\$ 99,479</u>	<u>\$ 0</u>	<u>\$ 2,101,720</u>

Exhibit G-3

Sevier County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Courthouse and Jail Maintenance Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 656,429	\$ 10,000	\$ 400,500	\$ 255,929
Total Revenues	\$ 656,429	\$ 10,000	\$ 400,500	\$ 255,929
<u>Expenditures</u>				
<u>General Government</u>				
County Buildings	\$ 14,338	\$ 10,000	\$ 17,000	\$ 2,662
<u>Capital Projects</u>				
Administration of Justice Projects	383,500	0	383,500	0
Total Expenditures	\$ 397,838	\$ 10,000	\$ 400,500	\$ 2,662
Excess (Deficiency) of Revenues Over Expenditures	\$ 258,591	\$ 0	\$ 0	\$ 258,591
Net Change in Fund Balance	\$ 258,591	\$ 0	\$ 0	\$ 258,591
Fund Balance, July 1, 2018	80,389	82,627	82,627	(2,238)
Fund Balance, June 30, 2019	\$ 338,980	\$ 82,627	\$ 82,627	\$ 256,353

Exhibit G-4

Sevier County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Law Library Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 10,262	\$ 10,000	\$ 10,000	\$ 262
Total Revenues	\$ 10,262	\$ 10,000	\$ 10,000	\$ 262
<u>Expenditures</u>				
<u>Administration of Justice</u>				
Other Administration of Justice	\$ 13,481	\$ 10,000	\$ 16,000	\$ 2,519
Total Expenditures	\$ 13,481	\$ 10,000	\$ 16,000	\$ 2,519
Excess (Deficiency) of Revenues Over Expenditures	\$ (3,219)	\$ 0	\$ (6,000)	\$ 2,781
Net Change in Fund Balance	\$ (3,219)	\$ 0	\$ (6,000)	\$ 2,781
Fund Balance, July 1, 2018	21,243	23,955	23,955	(2,712)
Fund Balance, June 30, 2019	\$ 18,024	\$ 23,955	\$ 17,955	\$ 69

Exhibit G-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,661,650	\$ 2,385,000	\$ 2,661,650	\$ 0
Charges for Current Services	22,750	25,000	25,000	(2,250)
Other Local Revenues	85,991	76,757	76,757	9,234
State of Tennessee	67,032	60,000	60,000	7,032
Total Revenues	<u>\$ 2,837,423</u>	<u>\$ 2,546,757</u>	<u>\$ 2,823,407</u>	<u>\$ 14,016</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Management	\$ 2,680,001	\$ 2,546,757	\$ 2,823,407	\$ 143,406
Total Expenditures	<u>\$ 2,680,001</u>	<u>\$ 2,546,757</u>	<u>\$ 2,823,407</u>	<u>\$ 143,406</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 157,422</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 157,422</u>
Net Change in Fund Balance	\$ 157,422	\$ 0	\$ 0	\$ 157,422
Fund Balance, July 1, 2018	<u>523,480</u>	<u>473,284</u>	<u>473,284</u>	<u>50,196</u>
Fund Balance, June 30, 2019	<u>\$ 680,902</u>	<u>\$ 473,284</u>	<u>\$ 473,284</u>	<u>\$ 207,618</u>

Exhibit G-6

Sevier County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Special Purpose Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,152,493	\$ 1,082,400	\$ 1,082,400	\$ 70,093
Other Local Revenues	1,339	0	0	1,339
Other Governments and Citizens Groups	24,752	0	0	24,752
Total Revenues	\$ 1,178,584	\$ 1,082,400	\$ 1,082,400	\$ 96,184
<u>Expenditures</u>				
<u>General Government</u>				
Geographical Information Systems	\$ 50,000	\$ 50,000	\$ 50,000	\$ 0
County Buildings	69,241	30,000	69,300	59
Other General Administration	9,041	10,000	10,000	959
<u>Finance</u>				
Data Processing	57,648	65,000	65,000	7,352
<u>Public Safety</u>				
Sheriff's Department	302,500	281,400	302,500	0
Jail	39,753	40,000	40,000	247
<u>Public Health and Welfare</u>				
Ambulance/Emergency Medical Services	328,997	331,000	331,000	2,003
Sanitation Management	90,059	90,000	90,100	41
<u>Social, Cultural, and Recreational Services</u>				
Senior Citizens Assistance	4,730	5,000	5,000	270
Libraries	60,857	20,000	61,000	143
<u>Other Operations</u>				
Other Charges	22,452	25,000	25,000	2,548
Miscellaneous	74,334	100,000	75,000	666
Total Expenditures	\$ 1,109,612	\$ 1,047,400	\$ 1,123,900	\$ 14,288
Excess (Deficiency) of Revenues Over Expenditures	\$ 68,972	\$ 35,000	\$ (41,500)	\$ 110,472
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 182,933	\$ 0	\$ 21,100	\$ 161,833
Total Other Financing Sources	\$ 182,933	\$ 0	\$ 21,100	\$ 161,833
Net Change in Fund Balance	\$ 251,905	\$ 35,000	\$ (20,400)	\$ 272,305
Fund Balance, July 1, 2018	658,111	455,870	455,870	202,241
Fund Balance, June 30, 2019	\$ 910,016	\$ 490,870	\$ 435,470	\$ 474,546

Exhibit G-7

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 51,877	\$ 51,000	\$ 51,000	\$ 877
Total Revenues	\$ 51,877	\$ 51,000	\$ 51,000	\$ 877
<u>Expenditures</u>				
<u>Public Safety</u>				
Sheriff's Department	\$ 58,477	\$ 51,000	\$ 59,000	\$ 523
Total Expenditures	\$ 58,477	\$ 51,000	\$ 59,000	\$ 523
Excess (Deficiency) of Revenues Over Expenditures	\$ (6,600)	\$ 0	\$ (8,000)	\$ 1,400
Net Change in Fund Balance	\$ (6,600)	\$ 0	\$ (8,000)	\$ 1,400
Fund Balance, July 1, 2018	60,919	67,034	67,034	(6,115)
Fund Balance, June 30, 2019	\$ 54,319	\$ 67,034	\$ 59,034	\$ (4,715)

Exhibit G-8

Sevier County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other Special Revenue Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 60,539	\$ 67,740	\$ 67,740	\$ (7,201)
State of Tennessee	58,750	70,000	70,000	(11,250)
Federal Government	100,902	100,000	100,000	902
Other Governments and Citizens Groups	0	50,000	0	0
Total Revenues	<u>\$ 220,191</u>	<u>\$ 287,740</u>	<u>\$ 237,740</u>	<u>\$ (17,549)</u>
<u>Expenditures</u>				
<u>Administration of Justice</u>				
Drug Court	\$ 294,994	\$ 304,043	\$ 323,043	\$ 28,049
Total Expenditures	<u>\$ 294,994</u>	<u>\$ 304,043</u>	<u>\$ 323,043</u>	<u>\$ 28,049</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (74,803)</u>	<u>\$ (16,303)</u>	<u>\$ (85,303)</u>	<u>\$ 10,500</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 50,000	\$ 0	\$ 50,000	\$ 0
Total Other Financing Sources	<u>\$ 50,000</u>	<u>\$ 0</u>	<u>\$ 50,000</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (24,803)	\$ (16,303)	\$ (35,303)	\$ 10,500
Fund Balance, July 1, 2018	<u>124,282</u>	<u>136,907</u>	<u>136,907</u>	<u>(12,625)</u>
Fund Balance, June 30, 2019	<u>\$ 99,479</u>	<u>\$ 120,604</u>	<u>\$ 101,604</u>	<u>\$ (2,125)</u>

Major Governmental Fund

General Debt Service Fund

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

Exhibit H

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 6,146,677	\$ 5,846,273	\$ 5,877,273	\$ 269,404
Other Local Revenues	2,749,541	820,000	820,000	1,929,541
Other Governments and Citizens Groups	6,680,695	6,473,974	6,742,974	(62,279)
Total Revenues	<u>\$ 15,576,913</u>	<u>\$ 13,140,247</u>	<u>\$ 13,440,247</u>	<u>\$ 2,136,666</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 3,760,000	\$ 7,170,000	\$ 3,760,000	\$ 0
Education	4,415,023	1,005,023	4,415,023	0
<u>Interest on Debt</u>				
General Government	1,611,528	3,961,051	2,481,243	869,715
Education	2,020,356	703,154	2,020,356	0
<u>Other Debt Service</u>				
General Government	613,499	138,905	601,511	(11,988)
Education	11,603	11,603	11,603	0
Total Expenditures	<u>\$ 12,432,009</u>	<u>\$ 12,989,736</u>	<u>\$ 13,289,736</u>	<u>\$ 857,727</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 3,144,904</u>	<u>\$ 150,511</u>	<u>\$ 150,511</u>	<u>\$ 2,994,393</u>
Net Change in Fund Balance	\$ 3,144,904	\$ 150,511	\$ 150,511	\$ 2,994,393
Fund Balance, July 1, 2018	<u>29,343,594</u>	<u>27,484,576</u>	<u>27,484,576</u>	<u>1,859,018</u>
Fund Balance, June 30, 2019	<u>\$ 32,488,498</u>	<u>\$ 27,635,087</u>	<u>\$ 27,635,087</u>	<u>\$ 4,853,411</u>

Proprietary Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the county, or to other governments, on a cost-reimbursement basis.

Employee Insurance - Health Fund – The Employee Insurance - Health Fund is used to account for the county's self-insured health insurance program. Premiums charged to the various county funds and employee payroll deductions are placed in this fund for the payment of medical claims of county employees.

Employee Insurance - Dental and Vision Fund – The Employee Insurance - Dental and Vision Fund is used to account for the county's self-insured dental and vision insurance program. Premiums charged to the various county funds and employee payroll deductions are placed in this fund for the payment of dental and vision claims of county employees.

Workers' Compensation Fund – The Workers' Compensation Fund is used to account for the county's self-insured workers' compensation program. Premiums charged to the various county funds are placed in this fund for the payment of claims.

Exhibit I-1

Sevier County, Tennessee
 Combining Statement of Net Position
 Internal Service Funds
 June 30, 2019

	Internal Service Funds			
	Employee Insurance - Health	Employee Insurance - Dental and Vision	Workers' Compensation	Total
<u>ASSETS</u>				
Current Assets:				
Cash	\$ 929,796	\$ 125,118	\$ 703,192	\$ 1,758,106
Due from Other Funds	0	0	3,279	3,279
Total Assets	<u>\$ 929,796</u>	<u>\$ 125,118</u>	<u>706,471</u>	<u>1,761,385</u>
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts Payable	\$ 31,735	\$ 0	\$ 0	\$ 31,735
Other Current Liabilites	686,227	16,531	161,062	863,820
Total Liabilities	<u>\$ 717,962</u>	<u>\$ 16,531</u>	<u>161,062</u>	<u>895,555</u>
<u>NET POSITION</u>				
Unrestricted	<u>\$ 211,834</u>	<u>\$ 108,587</u>	<u>\$ 545,409</u>	<u>\$ 865,830</u>
Total Net Position	<u>\$ 211,834</u>	<u>\$ 108,587</u>	<u>\$ 545,409</u>	<u>\$ 865,830</u>

Exhibit I-2

Sevier County, Tennessee
Combining Statement of Revenues, Expenses, and
Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2019

	Internal Service Funds			
	Employee Insurance - Health	Employee Insurance - Dental and Vision	Workers' Compensation	Total
<u>Operating Revenues</u>				
Self-insurance Premiums	\$ 7,409,157	\$ 204,078	\$ 739,626	\$ 8,352,861
Patient Charges	232,752	0	0	232,752
Total Operating Revenues	\$ 7,641,909	\$ 204,078	\$ 739,626	\$ 8,585,613
<u>Operating Expenses</u>				
Handling Charges and Administrative Costs	\$ 791,724	\$ 4,249	\$ 0	\$ 795,973
Employee and Dependent Insurance	0	151,598	0	151,598
Disability and Life Insurance	132,848	0	0	132,848
Bank Charges	621	0	0	621
Other Supplies and Materials	4,664	0	0	4,664
Excess Risk Insurance	681,693	0	0	681,693
Medical Claims	4,664,584	62,143	991,202	5,717,929
Other Self-insured Claims	2,155,314	0	0	2,155,314
Total Operating Expenses	\$ 8,431,448	\$ 217,990	\$ 991,202	\$ 9,640,640
Operating Income (Loss)	\$ (789,539)	\$ (13,912)	\$ (251,576)	\$ (1,055,027)
<u>Nonoperating Revenues (Expenses)</u>				
Investment Income	\$ 3,084	\$ 233	\$ 17,949	\$ 21,266
Total Nonoperating Revenues (Expenses)	\$ 3,084	\$ 233	\$ 17,949	\$ 21,266
Change in Net Position	\$ (786,455)	\$ (13,679)	\$ (233,627)	\$ (1,033,761)
Net Position, July 1, 2018	998,289	122,266	779,036	1,899,591
Net Position, June 30, 2019	\$ 211,834	\$ 108,587	\$ 545,409	\$ 865,830

Exhibit I-3

Sevier County, Tennessee
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2019

	Internal Service Funds			
	Employee Insurance - Health	Employee Insurance - Dental and Vision	Workers' Compen- sation	Total
<u>Cash Flows from Operating Activities</u>				
Receipts for Self-insurance Premiums	\$ 7,409,157	\$ 204,078	\$ 742,462	\$ 8,355,697
Receipts for Patient Charges	232,752	0	0	232,752
Receipts for Stop-loss Recovery	363,380	0	146,964	510,344
Payments to Insurers	(815,162)	(151,598)	0	(966,760)
Payments for Claims	(7,114,989)	(61,895)	(1,037,519)	(8,214,403)
Payments for Administrative Costs	(795,661)	(4,249)	0	(799,910)
Net Cash Provided By (Used In) Operating Activities	\$ (720,523)	\$ (13,664)	\$ (148,093)	\$ (882,280)
<u>Cash Flows from Investing Activities</u>				
Interest on Investments	\$ 3,084	\$ 233	\$ 17,949	\$ 21,266
Net Cash Provided By (Used In) Investing Activities	\$ 3,084	\$ 233	\$ 17,949	\$ 21,266
Increase (Decrease) in Cash	\$ (717,439)	\$ (13,431)	\$ (130,144)	\$ (861,014)
Cash, July 1, 2018	1,647,235	138,549	833,336	2,619,120
Cash, June 30, 2019	\$ 929,796	\$ 125,118	\$ 703,192	\$ 1,758,106
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities</u>				
Operating Income (Loss)	\$ (789,539)	\$ (13,912)	\$ (251,576)	\$ (1,055,027)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:				
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	0	0	2,836	2,836
Increase (Decrease) in Accounts Payable	69,016	248	100,647	169,911
Net Cash Provided By (Used In) Operating Activities	\$ (720,523)	\$ (13,664)	\$ (148,093)	\$ (882,280)

Fiduciary Funds

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

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

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

Judicial District Drug Fund – The Judicial District Drug Fund is used to account for grants and other restricted revenues for the benefit of the multi-jurisdictional drug task force, which was created by contract (mutual aid agreement) between the participating city and county governments.

District Attorney General Fund – The District Attorney General Fund is used to account for restricted revenue held for the benefit of the Office of District Attorney General.

Exhibit J-1

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

	Agency Funds					Total
	Cities - Sales Tax	Constitu - tional Officers - Agency	Judicial District Drug	District Attorney General		
<u>ASSETS</u>						
Cash	\$ 0	\$ 3,487,330	\$ 100	\$ 0	\$ 3,487,430	
Equity in Pooled Cash and Investments	0	0	47,821	27,832	75,653	
Accounts Receivable	0	4,809	0	0	4,809	
Due from Other Governments	8,607,417	0	0	0	8,607,417	
Total Assets	<u>\$ 8,607,417</u>	<u>\$ 3,492,139</u>	<u>\$ 47,921</u>	<u>\$ 27,832</u>	<u>\$ 12,175,309</u>	
<u>LIABILITIES</u>						
Accrued Payroll	\$ 0	\$ 0	\$ 2,178	\$ 990	\$ 3,168	
Payroll Deductions Payable	0	0	167	75	242	
Due to Other Taxing Units	8,607,417	0	0	0	8,607,417	
Due to Litigants, Heirs, and Others	0	3,492,139	0	26,767	3,518,906	
Due to Joint Ventures	0	0	45,576	0	45,576	
Total Liabilities	<u>\$ 8,607,417</u>	<u>\$ 3,492,139</u>	<u>\$ 47,921</u>	<u>\$ 27,832</u>	<u>\$ 12,175,309</u>	

Exhibit J-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 52,995,032	\$ 52,995,032	\$ 0
Due from Other Governments	7,979,003	8,607,417	7,979,003	8,607,417
Total Assets	\$ 7,979,003	\$ 61,602,449	\$ 60,974,035	\$ 8,607,417
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 7,979,003	\$ 61,602,449	\$ 60,974,035	\$ 8,607,417
Total Liabilities	\$ 7,979,003	\$ 61,602,449	\$ 60,974,035	\$ 8,607,417
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 5,478,964	\$ 25,205,399	\$ 27,197,033	\$ 3,487,330
Accounts Receivable	5,756	4,809	5,756	4,809
Total Assets	\$ 5,484,720	\$ 25,210,208	\$ 27,202,789	\$ 3,492,139
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 5,484,720	\$ 25,210,208	\$ 27,202,789	\$ 3,492,139
Total Liabilities	\$ 5,484,720	\$ 25,210,208	\$ 27,202,789	\$ 3,492,139
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Cash	\$ 100	\$ 0	\$ 0	\$ 100
Equity in Pooled Cash and Investments	99,163	128,487	179,829	47,821
Total Assets	\$ 99,263	\$ 128,487	\$ 179,829	\$ 47,921
<u>Liabilities</u>				
Accounts Payable	\$ 556	\$ 0	\$ 556	\$ 0
Accrued Payroll	3,897	2,178	3,897	2,178
Payroll Deductions Payable	600	167	600	167
Due to Joint Ventures	94,210	126,142	174,776	45,576
Total Liabilities	\$ 99,263	\$ 128,487	\$ 174,776	\$ 47,921

(Continued)

Exhibit J-2

Sevier County, Tennessee
Combining Statement of Changes in Assets
and Liabilities - All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 36,888	\$ 27,956	\$ 37,012	\$ 27,832
Total Assets	\$ 36,888	\$ 27,956	\$ 37,012	\$ 27,832
<u>Liabilities</u>				
Accrued Payroll	\$ 990	\$ 990	\$ 990	\$ 990
Payroll Deductions Payable	75	75	75	75
Due to Litigant, Heirs, and Others	35,823	26,891	35,947	26,767
Total Liabilities	\$ 36,888	\$ 27,956	\$ 37,012	\$ 27,832
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 5,479,064	\$ 25,205,399	\$ 27,197,033	\$ 3,487,430
Equity in Pooled Cash and Investments	136,051	53,151,475	53,211,873	75,653
Accounts Receivable	5,756	4,809	5,756	4,809
Due from Other Governments	7,979,003	8,607,417	7,979,003	8,607,417
Total Assets	\$ 13,599,874	\$ 86,969,100	\$ 88,393,665	\$ 12,175,309
<u>Liabilities</u>				
Accounts Payable	\$ 556	\$ 0	\$ 556	\$ 0
Accrued Payroll	4,887	3,168	4,887	3,168
Payroll Deductions Payable	675	242	675	242
Due to Other Taxing Units	7,979,003	61,602,449	60,974,035	8,607,417
Due to Litigants, Heirs, and Others	5,520,543	25,237,099	27,238,736	3,518,906
Due to Joint Ventures	94,210	126,142	174,776	45,576
Total Liabilities	\$ 13,599,874	\$ 86,969,100	\$ 88,393,665	\$ 12,175,309

Sevier County School Department

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

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

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

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

Exhibit K-1

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

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:					
Instruction	\$ 94,112,755	\$ 194,879	\$ 2,871,715	\$ 10,881,299	\$ (80,164,862)
Support Services	47,829,946	44,552	179,317	0	(47,606,077)
Operation of Non-instructional Services	8,833,562	1,445,324	6,458,268	0	(929,970)
Total Governmental Activities	\$ 150,776,263	\$ 1,684,755	\$ 9,509,300	\$ 10,881,299	\$ (128,700,909)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 35,596,254
Local Option Sales Taxes					62,702,028
Other Local Taxes					153,684
Hotel/Motel Tax					3,780,194
Mixed Drink Tax					693,665
Grants and Contributions Not Restricted to Specific Programs					50,732,326
Unrestricted Investment Income					24,012
Gain on Investments					11,606
Miscellaneous					47,136
Gain on Disposal of Property					390,000
Total General Revenues					\$ 154,130,905
Change in Net Position					\$ 25,429,996
Net Position, July 1, 2018					157,298,380
Net Position, June 30, 2019					\$ 182,728,376

Exhibit K-2

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

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 5,831	\$ 5,831
Equity in Pooled Cash and Investments	48,840,035	2,519,289	51,359,324
Accounts Receivable	1,154,010	0	1,154,010
Due from Other Governments	11,676,532	87,150	11,763,682
Due from Other Funds	1,000,000	0	1,000,000
Due from Primary Government	175,134	0	175,134
Property Taxes Receivable	36,486,891	0	36,486,891
Allowance for Uncollectible Property Taxes	(648,800)	0	(648,800)
Restricted Assets	229,906	0	229,906
Total Assets	<u>\$ 98,913,708</u>	<u>\$ 2,612,270</u>	<u>\$ 101,525,978</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 31,018	\$ 0	\$ 31,018
Due to Other Funds	0	1,000,000	1,000,000
Other Current Liabilities	5,916,168	0	5,916,168
Total Liabilities	<u>\$ 5,947,186</u>	<u>\$ 1,000,000</u>	<u>\$ 6,947,186</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 34,910,122	\$ 0	\$ 34,910,122
Deferred Delinquent Property Taxes	689,663	0	689,663
Other Deferred/Unavailable Revenue	6,383,680	0	6,383,680
Total Deferred Inflows of Resources	<u>\$ 41,983,465</u>	<u>\$ 0</u>	<u>\$ 41,983,465</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 101,327	\$ 1,612,270	\$ 1,713,597
Restricted for Capital Projects	13,883,261	0	13,883,261
Restricted for Hybrid Retirement Stabilization Funds	229,906	0	229,906
Committed:			
Committed for Education	1,158	0	1,158
Assigned:			
Assigned for Education	10,377,761	0	10,377,761
Unassigned	26,389,644	0	26,389,644
Total Fund Balances	<u>\$ 50,983,057</u>	<u>\$ 1,612,270</u>	<u>\$ 52,595,327</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 98,913,708</u>	<u>\$ 2,612,270</u>	<u>\$ 101,525,978</u>

Exhibit K-3

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

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

Total fund balances - balance sheet - governmental funds (Exhibit K-2)		\$	52,595,327
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	19,527,122	
Add: construction in progress		5,869,519	
Add: buildings and improvements net of accumulated depreciation		98,427,314	
Add: infrastructure net of accumulated depreciation		4,218,745	
Add: other capital assets net of accumulated depreciation		<u>6,355,111</u>	134,397,811
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: Net OPEB liability			(35,229,917)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:			
Add: deferred outflows of resources related to pensions	\$	14,217,973	
Less: deferred inflows of resources related to pensions		(12,459,567)	
Add: deferred outflows of resources related to OPEB		11,761,735	
Less: deferred inflows of resources related to OPEB		<u>(4,380,627)</u>	9,139,514
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension assets - agent plan	\$	8,225,335	
Add: net pension assets of the teacher legacy plan		6,041,791	
Add: net pension assets of the teacher retirement plan		<u>485,172</u>	14,752,298
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>7,073,343</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>182,728,376</u></u>

Exhibit K-4

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

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 103,038,036	\$ 0	\$ 103,038,036
Licenses and Permits	107,900	0	107,900
Charges for Current Services	209,681	1,445,324	1,655,005
Other Local Revenues	160,977	27,704	188,681
State of Tennessee	47,032,222	145,645	47,177,867
Federal Government	115,759	13,566,619	13,682,378
Other Governments and Citizens Groups	10,881,299	0	10,881,299
Total Revenues	<u>\$ 161,545,874</u>	<u>\$ 15,185,292</u>	<u>\$ 176,731,166</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 83,943,923	\$ 7,308,604	\$ 91,252,527
Support Services	48,543,125	832,661	49,375,786
Operation of Non-Instructional Services	2,228,762	6,710,624	8,939,386
Capital Outlay	10,114,679	0	10,114,679
Debt Service:			
Other Debt Service	6,680,695	0	6,680,695
Total Expenditures	<u>\$ 151,511,184</u>	<u>\$ 14,851,889</u>	<u>\$ 166,363,073</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 10,034,690</u>	<u>\$ 333,403</u>	<u>\$ 10,368,093</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 452,651	\$ 0	\$ 452,651
Total Other Financing Sources (Uses)	<u>\$ 452,651</u>	<u>\$ 0</u>	<u>\$ 452,651</u>
Net Change in Fund Balances	\$ 10,487,341	\$ 333,403	\$ 10,820,744
Fund Balance, July 1, 2018	<u>40,495,716</u>	<u>1,278,867</u>	<u>41,774,583</u>
Fund Balance, June 30, 2019	<u>\$ 50,983,057</u>	<u>\$ 1,612,270</u>	<u>\$ 52,595,327</u>

Exhibit K-5

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

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

Net change in fund balances - total governmental funds (Exhibit K-4)		\$ 10,820,744
(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	\$ 9,027,976	
Less: current-year depreciation expense	<u>(5,429,421)</u>	3,598,555
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Add: assets donated and capitalized	1,054,302	
Less: net book value of disposed assets	<u>(479,343)</u>	574,959
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2019	\$ 7,073,343	
Less: deferred delinquent property taxes and other deferred June 30, 2018	<u>(6,456,212)</u>	617,131
(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 OPEB liability	\$ (6,943,914)	
Change in net pension asset/liability	8,377,235	
Change in deferred outflows related to pensions	(240,208)	
Change in deferred inflows related to pensions	1,322,229	
Change in deferred outflows related to OPEB	10,303,925	
Change in deferred inflows related to OPEB	<u>(3,000,660)</u>	9,818,607
Change in net position of governmental activities (Exhibit B)		<u>\$ 25,429,996</u>

Exhibit K-6

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

	<u>Special Revenue Funds</u>		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 5,831	\$ 5,831
Equity in Pooled Cash and Investments	1,003,164	1,516,125	2,519,289
Due from Other Governments	87,150	0	87,150
Total Assets	<u>\$ 1,090,314</u>	<u>\$ 1,521,956</u>	<u>\$ 2,612,270</u>
<u>LIABILITIES</u>			
Due to Other Funds	\$ 1,000,000	\$ 0	\$ 1,000,000
Total Liabilities	<u>\$ 1,000,000</u>	<u>\$ 0</u>	<u>\$ 1,000,000</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 90,314	\$ 1,521,956	\$ 1,612,270
Total Fund Balances	<u>\$ 90,314</u>	<u>\$ 1,521,956</u>	<u>\$ 1,612,270</u>
Total Liabilities and Fund Balances	<u>\$ 1,090,314</u>	<u>\$ 1,521,956</u>	<u>\$ 2,612,270</u>

Exhibit K-7

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

	Special Revenue Funds		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 1,445,324	\$ 1,445,324
Other Local Revenues	0	27,704	27,704
State of Tennessee	73,745	71,900	145,645
Federal Government	8,071,030	5,495,589	13,566,619
Total Revenues	\$ 8,144,775	\$ 7,040,517	\$ 15,185,292
<u>Expenditures</u>			
Current:			
Instruction	\$ 7,308,604	\$ 0	\$ 7,308,604
Support Services	832,661	0	832,661
Operation of Non-Instructional Services	3,510	6,707,114	6,710,624
Total Expenditures	\$ 8,144,775	\$ 6,707,114	\$ 14,851,889
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 333,403	\$ 333,403
Net Change in Fund Balances	\$ 0	\$ 333,403	\$ 333,403
Fund Balance, July 1, 2018	90,314	1,188,553	1,278,867
Fund Balance, June 30, 2019	\$ 90,314	\$ 1,521,956	\$ 1,612,270

Exhibit K-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 103,038,036	\$ 0	\$ 0	\$ 103,038,036	\$ 100,221,609	\$ 100,454,445	\$ 2,583,591
Licenses and Permits	107,900	0	0	107,900	115,000	115,000	(7,100)
Charges for Current Services	209,681	0	0	209,681	213,538	202,038	7,643
Other Local Revenues	160,977	0	0	160,977	16,500	127,302	33,675
State of Tennessee	47,032,222	0	0	47,032,222	46,670,138	47,140,458	(108,236)
Federal Government	115,759	0	0	115,759	37,400	116,161	(402)
Other Governments and Citizens Groups	10,881,299	0	0	10,881,299	655,692	10,881,300	(1)
Total Revenues	\$ 161,545,874	\$ 0	\$ 0	\$ 161,545,874	\$ 147,929,877	\$ 159,036,704	\$ 2,509,170
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 69,007,676	\$ (353,557)	\$ 655,727	\$ 69,309,846	\$ 70,948,803	\$ 71,571,498	\$ 2,261,652
Alternative Instruction Program	1,101,738	0	0	1,101,738	1,135,844	1,210,249	108,511
Special Education Program	10,825,957	0	0	10,825,957	11,232,640	11,261,483	435,526
Career and Technical Education Program	3,005,406	0	0	3,005,406	3,193,140	3,193,140	187,734
Student Body Education Program	3,146	0	0	3,146	20,000	17,970	14,824
<u>Support Services</u>							
Attendance	534,055	0	0	534,055	555,059	590,866	56,811
Health Services	1,770,492	(3,766)	0	1,766,726	1,971,156	1,965,894	199,168
Other Student Support	3,555,038	0	50,000	3,605,038	3,892,057	3,889,127	284,089
Regular Instruction Program	4,009,899	(6,079)	958	4,004,778	4,409,664	4,436,146	431,368
Alternative Instruction Program	34,398	0	0	34,398	35,398	35,398	1,000
Special Education Program	639,213	0	0	639,213	707,145	679,563	40,350
Career and Technical Education Program	95,427	0	0	95,427	195,970	195,970	100,543
Technology	2,546,598	(429)	5,692	2,551,861	4,646,874	2,895,265	343,404
Other Programs	491,046	0	0	491,046	0	491,046	0
Board of Education	5,697,081	0	0	5,697,081	5,938,621	6,478,747	781,666
Director of Schools	240,672	0	0	240,672	264,136	264,136	23,464
Office of the Principal	10,239,605	0	0	10,239,605	10,401,820	10,392,813	153,208

(Continued)

Exhibit K-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Fiscal Services	\$ 1,275,715	\$ (12,302)	\$ 746	\$ 1,264,159	\$ 1,603,844	\$ 1,603,844	\$ 339,685
Operation of Plant	9,028,817	(85,154)	55,066	8,998,729	9,591,025	9,528,096	529,367
Maintenance of Plant	3,372,315	0	292	3,372,607	3,616,416	3,732,945	360,338
Transportation	5,012,754	(43,223)	707	4,970,238	5,665,749	5,653,666	683,428
<u>Operation of Non-Instructional Services</u>							
Food Service	1,204,153	0	0	1,204,153	1,702,641	1,702,641	498,488
Community Services	278,383	(115)	0	278,268	62,319	282,620	4,352
Early Childhood Education	746,226	(1,332)	0	744,894	783,551	783,551	38,657
<u>Capital Outlay</u>							
Regular Capital Outlay	10,114,679	(2,387,499)	15,168,343	22,895,523	7,299,785	32,825,415	9,929,892
<u>Principal on Debt</u>							
Education	0	0	0	0	4,620,023	0	0
<u>Interest on Debt</u>							
Education	0	0	0	0	2,435,883	0	0
<u>Other Debt Service</u>							
Education	6,680,695	0	0	6,680,695	0	6,972,521	291,826
Total Expenditures	\$ 151,511,184	\$ (2,893,456)	\$ 15,937,531	\$ 164,555,259	\$ 156,929,563	\$ 182,654,610	\$ 18,099,351
Excess (Deficiency) of Revenues Over Expenditures							
	\$ 10,034,690	\$ 2,893,456	\$ (15,937,531)	\$ (3,009,385)	\$ (8,999,686)	\$ (23,617,906)	\$ 20,608,521
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 452,651	\$ 0	\$ 0	\$ 452,651	\$ 0	\$ 85,299	\$ 367,352
Total Other Financing Sources	\$ 452,651	\$ 0	\$ 0	\$ 452,651	\$ 0	\$ 85,299	\$ 367,352
Net Change in Fund Balance							
Fund Balance, July 1, 2018	\$ 40,495,716	(2,893,456)	0	37,602,260	38,363,112	38,363,112	(760,852)
Fund Balance, June 30, 2019	\$ 50,983,057	\$ 0	\$ (15,937,531)	\$ 35,045,526	\$ 29,363,426	\$ 14,830,505	\$ 20,215,021

Exhibit K-9

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
State of Tennessee	\$ 73,745	\$ 0	\$ 73,745	\$ 0
Federal Government	8,071,030	7,048,721	8,989,935	(918,905)
Total Revenues	\$ 8,144,775	\$ 7,048,721	\$ 9,063,680	\$ (918,905)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 3,910,966	\$ 3,323,771	\$ 4,313,341	\$ 402,375
Special Education Program	3,212,859	3,079,431	3,354,166	141,307
Career and Technical Education Program	184,779	139,500	184,779	0
<u>Support Services</u>				
Health Services	7,464	0	31,939	24,475
Other Student Support	230,441	250,617	429,361	198,920
Regular Instruction Program	414,427	244,820	540,199	125,772
Special Education Program	174,876	4,582	181,229	6,353
Career and Technical Education Program	3,045	6,000	3,045	0
Board of Education	70	0	70	0
Transportation	2,338	0	14,919	12,581
<u>Operation of Non-Instructional Services</u>				
Food Service	3,510	0	10,632	7,122
Total Expenditures	\$ 8,144,775	\$ 7,048,721	\$ 9,063,680	\$ 918,905
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance, July 1, 2018	90,314	90,314	90,314	0
Fund Balance, June 30, 2019	\$ 90,314	\$ 90,314	\$ 90,314	\$ 0

Exhibit K-10

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 1,445,324	\$ 1,351,400	\$ 1,392,400	\$ 52,924
Other Local Revenues	27,704	9,000	20,650	7,054
State of Tennessee	71,900	60,426	71,899	1
Federal Government	5,495,589	5,589,152	5,351,307	144,282
Total Revenues	<u>\$ 7,040,517</u>	<u>\$ 7,009,978</u>	<u>\$ 6,836,256</u>	<u>\$ 204,261</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 6,707,114	\$ 7,137,042	\$ 6,836,256	\$ 129,142
Total Expenditures	<u>\$ 6,707,114</u>	<u>\$ 7,137,042</u>	<u>\$ 6,836,256</u>	<u>\$ 129,142</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 333,403	\$ (127,064)	\$ 0	\$ 333,403
Net Change in Fund Balance	\$ 333,403	\$ (127,064)	\$ 0	\$ 333,403
Fund Balance, July 1, 2018	1,188,553	1,188,553	1,188,553	0
Fund Balance, June 30, 2019	<u>\$ 1,521,956</u>	<u>\$ 1,061,489</u>	<u>\$ 1,188,553</u>	<u>\$ 333,403</u>

MISCELLANEOUS SCHEDULES

Exhibit L-1

Sevier County, Tennessee
Schedule of Changes in Long-term Other Loans and Bonds
For the Year Ended June 30, 2019

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-18	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-19
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Qualified School Construction Bonds, Series 2010	\$ 14,504,000	4.84%	10-7-10	8-1-27	\$ 8,244,230	\$ 0	\$ 905,027	\$ 7,339,203
General Obligation Bonds, Series 2011	5,500,000	2.9	12-12-11	6-1-32	5,275,000	0	75,000	5,200,000
General Obligation Bonds, Series 2012	3,540,000	.4 to 2.4	11-5-12	4-1-32	3,025,000	0	100,000	2,925,000
General Obligation Refunding Bonds, Series 2012	6,410,000	.4 to 2	11-5-12	4-1-23	2,225,000	0	1,225,000	1,000,000
General Obligation Bonds, Series 2013	6,800,000	2.53	10-15-13	6-1-32	3,025,000	0	975,000	2,050,000
General Obligation Refunding Bonds, Series 2015	9,670,000	2 to 4	9-15-15	6-1-25	9,305,000	0	1,025,000	8,280,000
General Obligation Bonds, Series 2016	9,750,000	2 to 2.5	8-19-16	6-1-37	9,750,000	0	0	9,750,000
General Obligation Bonds, Series 2017	4,480,000	2.25 to 4	5-25-17	6-30-37	4,480,000	0	0	4,480,000
General Obligation Refunding Bonds, Series 2018A	4,135,000	5.0	6-29-18	6-30-24	4,135,000	0	1,030,000	3,105,000
General Obligation Bonds, Series 2018B	9,685,000	3 to 4	6-29-18	6-30-38	9,685,000	0	0	9,685,000
General Obligation Bonds, Series 2019	9,925,000	3 to 5	2-28-19	6-1-39	0	9,925,000	0	9,925,000
Total Payable through General Debt Service Fund					\$ 59,149,230	\$ 9,925,000	\$ 5,335,027	\$ 63,739,203
Total Bonds Payable					\$ 59,149,230	9,925,000	5,335,027	\$ 63,739,203
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Public Building Authority, Series VII-A-4 (Refunding)	6,900,000	(1) Variable	08-28-08	6-1-25	\$ 3,625,000	\$ 0	\$ 305,000	\$ 3,320,000
Public Building Authority, Series VII-B-1 (Refunding Portion)	42,495,000	(1) Variable	11-20-08	6-1-32	32,015,000	0	2,435,000	29,580,000
Public Building Authority, Series VII-B-1	21,450,000	Variable	11-20-08	6-1-32	21,350,000	0	0	21,350,000
Energy Efficient Schools Initiative Loan, Series 2011	1,000,000	0	6-1-12	5-1-22	391,691	0	99,996	291,695
Total Payable through General Debt Service Fund					\$ 57,381,691	0	2,839,996	\$ 54,541,695
Total Other Loans Payable					\$ 57,381,691	0	2,839,996	\$ 54,541,695

(1) The loan agreements refunded by these issues were swapped from variable to a synthetic fixed rate by execution of swap agreements. Those swap agreements have been retained.

Exhibit L-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2020	\$ 3,530,027	\$ 2,375,598	\$ 5,905,625
2021	4,565,027	2,285,223	6,850,250
2022	5,505,027	2,175,048	7,680,075
2023	5,545,027	2,038,347	7,583,374
2024	5,155,027	1,897,785	7,052,812
2025	5,040,027	1,763,673	6,803,700
2026	3,490,027	1,646,566	5,136,593
2027	3,629,014	1,568,791	5,197,805
2028	2,690,000	800,064	3,490,064
2029	2,755,000	721,788	3,476,788
2030	2,825,000	646,113	3,471,113
2031	2,905,000	566,000	3,471,000
2032	2,955,000	481,737	3,436,737
2033	2,080,000	396,513	2,476,513
2034	2,135,000	336,612	2,471,612
2035	2,205,000	274,000	2,479,000
2036	2,270,000	209,300	2,479,300
2037	2,335,000	141,590	2,476,590
2038	1,415,000	69,830	1,484,830
2039	710,000	22,720	732,720
Total	<u>\$ 63,739,203</u>	<u>\$ 20,417,298</u>	<u>\$ 84,156,501</u>

(Continued)

Exhibit L-2

Sevier County, Tennessee
Schedule of Long-term Debt Requirements by Year (Cont.)

Year Ending June 30	Other Loans - Direct Placement			
	Principal	Interest	Other Fees	Total
2020	\$ 4,819,996	\$ 1,067,304	\$ 437,249	\$ 6,324,549
2021	3,844,996	974,355	399,380	5,218,731
2022	4,036,703	899,822	370,867	5,307,392
2023	4,245,000	821,290	340,869	5,407,159
2024	5,160,000	736,809	308,546	6,205,355
2025	5,030,000	634,385	268,731	5,933,116
2026	3,315,000	534,398	230,202	4,079,600
2027	3,515,000	469,755	202,356	4,187,111
2028	3,705,000	401,212	172,830	4,279,042
2029	3,905,000	328,965	141,708	4,375,673
2030	4,105,000	252,818	108,906	4,466,724
2031	4,305,000	172,770	74,424	4,552,194
2032	4,555,000	88,822	38,262	4,682,084
Total	<u>\$ 54,541,695</u>	<u>\$ 7,382,705</u>	<u>\$ 3,094,330</u>	<u>\$ 65,018,730</u>

Exhibit L-3

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

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	Other Special Revenue	Operations of Drug Court	<u>\$ 50,000</u>
Total Transfers			<u><u>\$ 50,000</u></u>

Exhibit L-4

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 148,121 (1, 2)	400,000	Local Government Insurance Pool
Road Superintendent	Section 8-24-102, <i>TCA</i>	117,103 (2)	400,000	"
Director of Schools	State Board of Education and Sevier County Board of Education	159,514 (3, 4)	100,000	Cincinnati Insurance Company
Trustee	Section 8-24-102, <i>TCA</i>	102,884 (2, 5)	5,998,241	Cincinnati Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	102,884 (2, 5)	50,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	102,884 (2, 5)	400,000	Local Government Insurance Pool
Circuit Court Clerk	Section 8-24-102, <i>TCA</i>	102,884 (2, 5)	400,000	"
General Sessions and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i>	102,884 (2, 5)	400,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> , and Chancery Court Judge	101,884 (5, 6)	400,000	"
Register of Deeds:	Section 8-24-102, <i>TCA</i>	102,884 (2, 5)	400,000	"
Sheriff	Section 8-24-102, <i>TCA</i>	114,948 (7)	400,000	"
Employee Blanket Bonds - All County Employees:				
Public Employee Dishonesty			400,000	Local Government Insurance Pool

- (1) Includes longevity pay of \$2,250.
- (2) Includes salary supplement for County Officials Certificate Training Program (COCTP) certification of \$1,000.
- (3) Includes a chief executive officer training supplement of \$1,000.
- (4) Includes longevity pay of \$2,000.
- (5) Includes supplemental pay of \$1,210.
- (6) Does not include special commissioner fees of \$21,729.
- (7) Includes a law enforcement training supplement of \$600, salary supplement of \$2,250, and a workhouse supplement of \$1,357.

Exhibit L-5

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

	Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Special Purpose
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 19,594,676	\$ 0	\$ 0	\$ 0	\$ 1,087,802
Trustee's Collections - Prior Year	343,509	0	0	0	19,086
Circuit Clerk/Clerk and Master Collections - Prior Years	234,333	0	0	0	13,049
Interest and Penalty	91,872	0	0	0	5,106
Payments in-Lieu-of Taxes - T.V.A.	2,602	0	0	0	145
Payments in-Lieu-of Taxes - Local Utilities	301,166	0	0	0	16,731
Payments in-Lieu-of Taxes - Other	102,514	0	0	0	5,695
<u>County Local Option Taxes</u>					
Local Option Sales Tax	3,586,578	0	0	2,661,650	0
Hotel/Motel Tax	3,780,193	0	0	0	0
Litigation Tax - General	356,395	0	0	0	0
Litigation Tax - Special Purpose	0	0	10,262	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	648,737	0	0	0
Business Tax	2,982,563	0	0	0	0
Other County Local Option Taxes	255	7,692	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	87,819	0	0	0	4,879
Wholesale Beer Tax	501,519	0	0	0	0
<u>City/School District Property Taxes</u>					
Payments in-Lieu-of Taxes	14,634	0	0	0	0
Total Local Taxes	\$ 31,980,628	\$ 656,429	\$ 10,262	\$ 2,661,650	\$ 1,152,493
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 500,933	\$ 0	\$ 0	\$ 0	0

(Continued)

Exhibit L-5

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

	Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Special Purpose
<u>Licenses and Permits (Cont.)</u>					
<u>Permits</u>					
Beer Permits	\$ 2,832	\$ 0	\$ 0	\$ 0	\$ 0
Building Permits	92,250	0	0	0	0
Other Permits	387,343	0	0	0	0
Total Licenses and Permits	<u>\$ 983,358</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 12,986	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	25,285	0	0	0	0
Drug Control Fines	15,020	0	0	0	0
Drug Court Fees	0	0	0	0	0
Jail Fees	18,802	0	0	0	0
DUI Treatment Fines	9,384	0	0	0	0
Data Entry Fee - Circuit Court	9,634	0	0	0	0
Courtroom Security Fee	422	0	0	0	0
Victims Assistance Assessments	16,293	0	0	0	0
<u>General Sessions Court</u>					
Fines	26,924	0	0	0	0
Fines for Littering	285	0	0	0	0
Officers Costs	28,024	0	0	0	0
Game and Fish Fines	1,740	0	0	0	0
Drug Control Fines	12,225	0	0	0	0
Drug Court Fees	0	0	0	0	0
Jail Fees	56,211	0	0	0	0
DUI Treatment Fines	14,745	0	0	0	0

(Continued)

Exhibit L-5

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

	Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Special Purpose
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>General Sessions Court (Cont.)</u>					
Data Entry Fee - General Sessions Court	\$ 30,902	\$ 0	\$ 0	\$ 0	\$ 0
Courtroom Security Fee	15,075	0	0	0	0
Victims Assistance Assessments	40,034	0	0	0	0
<u>Juvenile Court</u>					
Fines	1,287	0	0	0	0
Officers Costs	1,212	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	2,519	0	0	0	0
Data Entry Fee - Chancery Court	9,854	0	0	0	0
Courtroom Security Fee	4	0	0	0	0
<u>Other Courts - In-county</u>					
Fines	9,250	0	0	0	0
Drug Court Fees	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	1,438	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 359,555	\$ 0	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Patient Charges	\$ 3,648,927	\$ 0	\$ 0	\$ 0	\$ 0
Work Release Charges for Board	17,381	0	0	0	0
Health Department Collections	217,875	0	0	0	0
Other General Service Charges	4,621	0	0	22,750	0
<u>Fees</u>					
Copy Fees	19,772	0	0	0	0

(Continued)

Exhibit L-5

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

	Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Special Purpose
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Library Fees	\$ 24,068	\$ 0	\$ 0	\$ 0	\$ 0
Greenbelt Late Application Fee	50	0	0	0	0
Telephone Commissions	15,531	0	0	0	0
Vending Machine Collections	373	0	0	0	0
Tourism Fees	79,951	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0
Data Processing Fee - Register	86,912	0	0	0	0
Data Processing Fee - Sheriff	2,844	0	0	0	0
Sexual Offender Registration Fee - Sheriff	8,950	0	0	0	0
<u>Education Charges</u>					
TBI Criminal Background Fee	9,495	0	0	0	0
Total Charges for Current Services	\$ 4,136,750	\$ 0	\$ 0	\$ 22,750	\$ 0
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	1	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0
Sale of Maps	13,455	0	0	0	0
Sale of Recycled Materials	8,455	0	0	85,991	0
E-Rate Funding	24,675	0	0	0	0
Miscellaneous Refunds	4,879	0	0	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	11,511	0	0	0	1,339

(Continued)

Exhibit L-5

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

	Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Special Purpose
<u>Other Local Revenues (Cont.)</u>					
<u>Nonrecurring Items (Cont.)</u>					
Damages Recovered from Individuals	\$ 40	\$ 0	\$ 0	\$ 0	\$ 0
Contributions and Gifts	6,304	0	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	30,454	0	0	0	0
Total Other Local Revenues	\$ 99,774	\$ 0	\$ 0	\$ 85,991	\$ 1,339
<u>Fees Received From County Officials</u>					
<u>Excess Fees</u>					
County Clerk	\$ 340,539	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fees In-Lieu-of Salary</u>					
County Clerk	1,080,871	0	0	0	0
Circuit Court Clerk	585,128	0	0	0	0
General Sessions Court Clerk	571,018	0	0	0	0
Clerk and Master	195,677	0	0	0	0
Juvenile Court Clerk	18,451	0	0	0	0
Register	1,052,269	0	0	0	0
Sheriff	72,231	0	0	0	0
Trustee	3,339,226	0	0	0	0
Total Fees Received From County Officials	\$ 7,255,410	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0
Aging Programs	17,418	0	0	0	0
Solid Waste Grants	0	0	0	67,032	0
Other General Government Grants	5,033	0	0	0	0

(Continued)

Exhibit L-5

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

	Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Special Purpose
<u>State of Tennessee (Cont.)</u>					
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	\$ 56,400	\$ 0	\$ 0	\$ 0	\$ 0
Other Public Safety Grants	40,502	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	20,000	0	0	0	0
Other Health and Welfare Grants	420,982	0	0	0	0
<u>Public Works Grants</u>					
State Aid Program	0	0	0	0	0
Litter Program	70,304	0	0	0	0
<u>Other State Revenues</u>					
Income Tax	194,736	0	0	0	0
Beer Tax	17,959	0	0	0	0
Vehicle Certificate of Title Fees	75,612	0	0	0	0
Alcoholic Beverage Tax	172,134	0	0	0	0
State Revenue Sharing - T.V.A.	635,041	0	0	0	0
State Revenue Sharing - Telecommunications	121,401	0	0	0	0
Contracted Prisoner Boarding	1,823,939	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0
Other State Grants	197,821	0	0	0	0
Other State Revenues	27,864	0	0	0	0
Total State of Tennessee	<u>\$ 3,921,310</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 67,032</u>	<u>\$ 0</u>

(Continued)

Exhibit L-5

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

	Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Special Purpose
<u>Federal Government</u>					
<u>Federal Through State</u>					
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	31,940	0	0	0	0
Medicaid	158,945	0	0	0	0
Law Enforcement Grants	63,337	0	0	0	0
Other Federal through State	684,401	0	0	0	0
<u>Direct Federal Revenue</u>					
Public Safety Partnership and Community Policing - COPS	27,630	0	0	0	0
Tax Credit Bond Rebate	660,318	0	0	0	0
Other Direct Federal Revenue	14,863	0	0	0	0
Total Federal Government	\$ 1,641,434	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 65,191	\$ 0	\$ 0	\$ 0	\$ 0
Paving and Maintenance	0	0	0	0	0
Contributions	701,660	0	0	0	24,752
Contracted Services	1,294	0	0	0	0
<u>Other</u>					
Other	10,944	0	0	0	0
Total Other Governments and Citizens Groups	\$ 779,089	\$ 0	\$ 0	\$ 0	\$ 24,752
Total	\$ 51,157,308	\$ 656,429	\$ 10,262	\$ 2,837,423	\$ 1,178,584

(Continued)

Exhibit L-5

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

	Special Revenue Funds				Debt Service Fund
	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 0	\$ 0	\$ 0	\$ 6,662,372	\$ 5,801,665
Trustee's Collections - Prior Year	0	0	0	163,448	101,785
Circuit Clerk/Clerk and Master Collections - Prior Years	0	0	0	81,026	69,597
Interest and Penalty	0	0	0	31,491	27,228
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	891	771
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	103,177	89,235
Payments in-Lieu-of Taxes - Other	0	0	0	35,120	30,375
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	0	0
Hotel/Motel Tax	0	0	0	0	0
Litigation Tax - General	0	0	0	0	0
Litigation Tax - Special Purpose	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0
Business Tax	0	0	0	0	0
Other County Local Option Taxes	0	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	0	0	30,086	26,021
Wholesale Beer Tax	0	0	0	0	0
<u>City/School District Property Taxes</u>					
Payments in-Lieu-of Taxes	0	0	0	0	0
Total Local Taxes	\$ 0	\$ 0	\$ 0	\$ 7,107,611	\$ 6,146,677
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit L-5

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

	Special Revenue Funds				Debt Service Fund
	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Licenses and Permits (Cont.)</u>					
<u>Permits</u>					
Beer Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Building Permits	0	0	0	0	0
Other Permits	0	0	0	0	0
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	0	0	0	0	0
Drug Control Fines	12,664	0	0	0	0
Drug Court Fees	0	5,205	0	0	0
Jail Fees	0	0	0	0	0
DUI Treatment Fines	0	0	0	0	0
Data Entry Fee - Circuit Court	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0
Victims Assistance Assessments	0	0	0	0	0
<u>General Sessions Court</u>					
Fines	0	0	0	0	0
Fines for Littering	0	0	0	0	0
Officers Costs	0	0	0	0	0
Game and Fish Fines	0	0	0	0	0
Drug Control Fines	0	0	0	0	0
Drug Court Fees	0	9,899	0	0	0
Jail Fees	0	0	0	0	0
DUI Treatment Fines	0	0	0	0	0

(Continued)

Exhibit L-5

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

	Special Revenue Funds				Debt Service Fund
	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>General Sessions Court (Cont.)</u>					
Data Entry Fee - General Sessions Court	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Courtroom Security Fee	0	0	0	0	0
Victims Assistance Assessments	0	0	0	0	0
<u>Juvenile Court</u>					
Fines	0	0	0	0	0
Officers Costs	0	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	0	0	0	0	0
Data Entry Fee - Chancery Court	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0
<u>Other Courts - In-county</u>					
Fines	0	0	0	0	0
Drug Court Fees	0	45,435	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	39,213	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 51,877	\$ 60,539	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Patient Charges	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Work Release Charges for Board	0	0	0	0	0
Health Department Collections	0	0	0	0	0
Other General Service Charges	0	0	0	0	0
<u>Fees</u>					
Copy Fees	0	0	0	0	0

(Continued)

Exhibit L-5

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

	Special Revenue Funds				Debt Service Fund
	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Library Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Greenbelt Late Application Fee	0	0	0	0	0
Telephone Commissions	0	0	0	0	0
Vending Machine Collections	0	0	0	0	0
Tourism Fees	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	1,138	0	0
Special Commissioner Fees/Special Master Fees	0	0	21,729	0	0
Data Processing Fee - Register	0	0	0	0	0
Data Processing Fee - Sheriff	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0
<u>Education Charges</u>					
TBI Criminal Background Fee	0	0	0	0	0
Total Charges for Current Services	\$ 0	\$ 0	\$ 22,867	\$ 0	\$ 0
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,749,541
Lease/Rentals	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	5,678	0
Sale of Maps	0	0	0	0	0
Sale of Recycled Materials	0	0	0	0	0
E-Rate Funding	0	0	0	0	0
Miscellaneous Refunds	0	0	0	880	0
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0	31,739	0

(Continued)

Exhibit L-5

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

	Special Revenue Funds				Debt Service Fund
	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Other Local Revenues (Cont.)</u>					
<u>Nonrecurring Items (Cont.)</u>					
Damages Recovered from Individuals	\$ 0	\$ 0	\$ 0	\$ 14,338	\$ 0
Contributions and Gifts	0	0	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	0	0
Total Other Local Revenues	\$ 0	\$ 0	\$ 0	\$ 52,635	\$ 2,749,541
<u>Fees Received From County Officials</u>					
<u>Excess Fees</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fees In-Lieu-of Salary</u>					
County Clerk	0	0	0	0	0
Circuit Court Clerk	0	0	0	0	0
General Sessions Court Clerk	0	0	0	0	0
Clerk and Master	0	0	0	0	0
Juvenile Court Clerk	0	0	0	0	0
Register	0	0	0	0	0
Sheriff	0	0	0	0	0
Trustee	0	0	0	0	0
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Aging Programs	0	0	0	0	0
Solid Waste Grants	0	0	0	0	0
Other General Government Grants	0	0	0	0	0

(Continued)

Exhibit L-5

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

	Special Revenue Funds				Debt Service Fund
	Drug Control	Other Special Revenue	Constitutional Officers Fees	Highway / Public Works	General Debt Service
<u>State of Tennessee (Cont.)</u>					
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Public Safety Grants	0	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	0	0	0
Other Health and Welfare Grants	0	0	0	0	0
<u>Public Works Grants</u>					
State Aid Program	0	0	0	337,138	0
Litter Program	0	0	0	0	0
<u>Other State Revenues</u>					
Income Tax	0	0	0	0	0
Beer Tax	0	0	0	0	0
Vehicle Certificate of Title Fees	0	0	0	0	0
Alcoholic Beverage Tax	0	0	0	0	0
State Revenue Sharing - T.V.A.	0	0	0	0	0
State Revenue Sharing - Telecommunications	0	0	0	0	0
Contracted Prisoner Boarding	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	3,197,995	0
Petroleum Special Tax	0	0	0	64,859	0
Registrar's Salary Supplement	0	0	0	0	0
Other State Grants	0	58,750	0	0	0
Other State Revenues	0	0	0	0	0
Total State of Tennessee	\$ 0	\$ 58,750	\$ 0	\$ 3,599,992	\$ 0

(Continued)

Exhibit L-5

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

	Special Revenue Funds				Debt Service Fund
	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Federal Government</u>					
<u>Federal Through State</u>					
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	0	0	0	0	0
Medicaid	0	0	0	0	0
Law Enforcement Grants	0	0	0	0	0
Other Federal through State	0	0	0	0	0
<u>Direct Federal Revenue</u>					
Public Safety Partnership and Community Policing - COPS	0	0	0	0	0
Tax Credit Bond Rebate	0	0	0	0	0
Other Direct Federal Revenue	0	100,902	0	0	0
Total Federal Government	\$ 0	\$ 100,902	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Paving and Maintenance	0	0	0	54,994	0
Contributions	0	0	0	0	6,680,695
Contracted Services	0	0	0	0	0
<u>Other</u>					
Other	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 54,994	\$ 6,680,695
Total	\$ 51,877	\$ 220,191	\$ 22,867	\$ 10,815,232	\$ 15,576,913

(Continued)

Exhibit L-5

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

	<u>Capital Projects Fund</u>	
	General Capital Projects	Total
<u>Local Taxes</u>		
<u>County Property Taxes</u>		
Current Property Tax	\$ 0	\$ 33,146,515
Trustee's Collections - Prior Year	0	627,828
Circuit Clerk/Clerk and Master Collections - Prior Years	0	398,005
Interest and Penalty	0	155,697
Payments in-Lieu-of Taxes - T.V.A.	0	4,409
Payments in-Lieu-of Taxes - Local Utilities	0	510,309
Payments in-Lieu-of Taxes - Other	0	173,704
<u>County Local Option Taxes</u>		
Local Option Sales Tax	0	6,248,228
Hotel/Motel Tax	0	3,780,193
Litigation Tax - General	0	356,395
Litigation Tax - Special Purpose	0	10,262
Litigation Tax - Jail, Workhouse, or Courthouse	0	648,737
Business Tax	0	2,982,563
Other County Local Option Taxes	0	7,947
<u>Statutory Local Taxes</u>		
Bank Excise Tax	0	148,805
Wholesale Beer Tax	0	501,519
<u>City/School District Property Taxes</u>		
Payments in-Lieu-of Taxes	0	14,634
Total Local Taxes	<u>\$ 0</u>	<u>\$ 49,715,750</u>
<u>Licenses and Permits</u>		
<u>Licenses</u>		
Cable TV Franchise	\$ 0	\$ 500,933

(Continued)

Exhibit L-5

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

	<u>Capital Projects Fund</u>	
	General Capital Projects	Total
<u>Licenses and Permits (Cont.)</u>		
<u>Permits</u>		
Beer Permits	\$ 0	\$ 2,832
Building Permits	0	92,250
Other Permits	0	387,343
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 983,358</u>
<u>Fines, Forfeitures, and Penalties</u>		
<u>Circuit Court</u>		
Fines	\$ 0	\$ 12,986
Officers Costs	0	25,285
Drug Control Fines	0	27,684
Drug Court Fees	0	5,205
Jail Fees	0	18,802
DUI Treatment Fines	0	9,384
Data Entry Fee - Circuit Court	0	9,634
Courtroom Security Fee	0	422
Victims Assistance Assessments	0	16,293
<u>General Sessions Court</u>		
Fines	0	26,924
Fines for Littering	0	285
Officers Costs	0	28,024
Game and Fish Fines	0	1,740
Drug Control Fines	0	12,225
Drug Court Fees	0	9,899
Jail Fees	0	56,211
DUI Treatment Fines	0	14,745

(Continued)

Exhibit L-5

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

	<u>Capital Projects Fund</u>		
	General Capital Projects		Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>			
<u>General Sessions Court (Cont.)</u>			
Data Entry Fee - General Sessions Court	\$ 0	\$	30,902
Courtroom Security Fee	0		15,075
Victims Assistance Assessments	0		40,034
<u>Juvenile Court</u>			
Fines	0		1,287
Officers Costs	0		1,212
<u>Chancery Court</u>			
Officers Costs	0		2,519
Data Entry Fee - Chancery Court	0		9,854
Courtroom Security Fee	0		4
<u>Other Courts - In-county</u>			
Fines	0		9,250
Drug Court Fees	0		45,435
<u>Other Fines, Forfeitures, and Penalties</u>			
Proceeds from Confiscated Property	0		40,651
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$</u>	<u>471,971</u>
<u>Charges for Current Services</u>			
<u>General Service Charges</u>			
Patient Charges	\$ 0	\$	3,648,927
Work Release Charges for Board	0		17,381
Health Department Collections	0		217,875
Other General Service Charges	0		27,371
<u>Fees</u>			
Copy Fees	0		19,772

(Continued)

Exhibit L-5

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

	<u>Capital Projects Fund</u>	
	General Capital Projects	Total
<u>Charges for Current Services (Cont.)</u>		
<u>Fees (Cont.)</u>		
Library Fees	\$ 0	\$ 24,068
Greenbelt Late Application Fee	0	50
Telephone Commissions	0	15,531
Vending Machine Collections	0	373
Tourism Fees	0	79,951
Constitutional Officers' Fees and Commissions	0	1,138
Special Commissioner Fees/Special Master Fees	0	21,729
Data Processing Fee - Register	0	86,912
Data Processing Fee - Sheriff	0	2,844
Sexual Offender Registration Fee - Sheriff	0	8,950
<u>Education Charges</u>		
TBI Criminal Background Fee	0	9,495
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 4,182,367</u>
<u>Other Local Revenues</u>		
<u>Recurring Items</u>		
Investment Income	\$ 0	\$ 2,749,541
Lease/Rentals	0	1
Sale of Materials and Supplies	0	5,678
Sale of Maps	0	13,455
Sale of Recycled Materials	0	94,446
E-Rate Funding	0	24,675
Miscellaneous Refunds	0	5,759
<u>Nonrecurring Items</u>		
Sale of Equipment	0	44,589

(Continued)

Exhibit L-5

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

	<u>Capital Projects Fund</u>	
	General Capital Projects	Total
<u>Other Local Revenues (Cont.)</u>		
<u>Nonrecurring Items (Cont.)</u>		
Damages Recovered from Individuals	\$ 0	\$ 14,378
Contributions and Gifts	0	6,304
<u>Other Local Revenues</u>		
Other Local Revenues	0	30,454
Total Other Local Revenues	<u>\$ 0</u>	<u>\$ 2,989,280</u>
<u>Fees Received From County Officials</u>		
<u>Excess Fees</u>		
County Clerk	\$ 0	\$ 340,539
<u>Fees In-Lieu-of Salary</u>		
County Clerk	0	1,080,871
Circuit Court Clerk	0	585,128
General Sessions Court Clerk	0	571,018
Clerk and Master	0	195,677
Juvenile Court Clerk	0	18,451
Register	0	1,052,269
Sheriff	0	72,231
Trustee	0	3,339,226
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 7,255,410</u>
<u>State of Tennessee</u>		
<u>General Government Grants</u>		
Juvenile Services Program	\$ 0	\$ 9,000
Aging Programs	0	17,418
Solid Waste Grants	0	67,032
Other General Government Grants	0	5,033

(Continued)

Exhibit L-5

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

	<u>Capital Projects Fund</u>	
	General Capital Projects	Total
<u>State of Tennessee (Cont.)</u>		
<u>Public Safety Grants</u>		
Law Enforcement Training Programs	\$ 0	\$ 56,400
Other Public Safety Grants	0	40,502
<u>Health and Welfare Grants</u>		
Health Department Programs	0	20,000
Other Health and Welfare Grants	0	420,982
<u>Public Works Grants</u>		
State Aid Program	0	337,138
Litter Program	0	70,304
<u>Other State Revenues</u>		
Income Tax	0	194,736
Beer Tax	0	17,959
Vehicle Certificate of Title Fees	0	75,612
Alcoholic Beverage Tax	0	172,134
State Revenue Sharing - T.V.A.	0	635,041
State Revenue Sharing - Telecommunications	0	121,401
Contracted Prisoner Boarding	0	1,823,939
Gasoline and Motor Fuel Tax	0	3,197,995
Petroleum Special Tax	0	64,859
Registrar's Salary Supplement	0	15,164
Other State Grants	0	256,571
Other State Revenues	0	27,864
Total State of Tennessee	<u>\$ 0</u>	<u>\$ 7,647,084</u>

(Continued)

Exhibit L-5

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

	<u>Capital Projects Fund</u>	
	General Capital Projects	Total
<u>Federal Government</u>		
<u>Federal Through State</u>		
Community Development	\$ 1,294,741	\$ 1,294,741
Homeland Security Grants	0	31,940
Medicaid	0	158,945
Law Enforcement Grants	0	63,337
Other Federal through State	0	684,401
<u>Direct Federal Revenue</u>		
Public Safety Partnership and Community Policing - COPS	0	27,630
Tax Credit Bond Rebate	0	660,318
Other Direct Federal Revenue	0	115,765
Total Federal Government	<u>\$ 1,294,741</u>	<u>\$ 3,037,077</u>
<u>Other Governments and Citizens Groups</u>		
<u>Other Governments</u>		
Prisoner Board	\$ 0	\$ 65,191
Paving and Maintenance	0	54,994
Contributions	0	7,407,107
Contracted Services	0	1,294
<u>Other</u>		
Other	0	10,944
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 7,539,530</u>
Total	<u>\$ 1,294,741</u>	<u>\$ 83,821,827</u>

Exhibit L-6

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 34,265,988	\$ 0	\$ 0	\$ 34,265,988
Trustee's Collections - Prior Year	601,206	0	0	601,206
Circuit Clerk/Clerk and Master Collections - Prior Years	413,276	0	0	413,276
Interest and Penalty	160,824	0	0	160,824
Payments in-Lieu-of Taxes - T.V.A.	4,554	0	0	4,554
Payments in-Lieu-of Taxes - Local Utilities	527,042	0	0	527,042
Payments in-Lieu-of Taxes - Other	197,746	0	0	197,746
<u>County Local Option Taxes</u>				
Local Option Sales Tax	62,239,857	0	0	62,239,857
Hotel/Motel Tax	3,780,194	0	0	3,780,194
Mixed Drink Tax	693,665	0	0	693,665
<u>Statutory Local Taxes</u>				
Bank Excise Tax	153,684	0	0	153,684
Total Local Taxes	<u>\$ 103,038,036</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 103,038,036</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 107,900	\$ 0	\$ 0	\$ 107,900
Total Licenses and Permits	<u>\$ 107,900</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 107,900</u>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Lunch Payments - Children	\$ 0	\$ 0	\$ 1,023,562	\$ 1,023,562
Lunch Payments - Adults	0	0	124,529	124,529

(Continued)

Exhibit L-6

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Charges for Current Services (Cont.)</u>				
<u>Education Charges (Cont.)</u>				
Income from Breakfast	\$ 0	\$ 0	\$ 220,877	\$ 220,877
A la Carte Sales	0	0	76,356	76,356
Receipts from Individual Schools	209,681	0	0	209,681
Total Charges for Current Services	<u>\$ 209,681</u>	<u>\$ 0</u>	<u>\$ 1,445,324</u>	<u>\$ 1,655,005</u>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 11,606	\$ 0	\$ 24,012	\$ 35,618
Lease/Rentals	29,175	0	0	29,175
Sale of Materials and Supplies	575	0	0	575
Miscellaneous Refunds	25,854	0	3,692	29,546
<u>Nonrecurring Items</u>				
Damages Recovered from Individuals	17,590	0	0	17,590
Contributions and Gifts	64,977	0	0	64,977
<u>Other Local Revenues</u>				
Other Local Revenues	11,200	0	0	11,200
Total Other Local Revenues	<u>\$ 160,977</u>	<u>\$ 0</u>	<u>\$ 27,704</u>	<u>\$ 188,681</u>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 491,046	\$ 0	\$ 0	\$ 491,046
<u>State Education Funds</u>				
Basic Education Program	44,471,863	0	0	44,471,863
School Food Service	0	0	61,900	61,900

(Continued)

Exhibit L-6

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

	<u>Special Revenue Funds</u>			Total
	General Purpose School	School Federal Projects	Central Cafeteria	
<u>State of Tennessee (Cont.)</u>				
<u>State Education Funds (Cont.)</u>				
Energy Efficient School Initiative	\$ 6,700	\$ 0	\$ 0	\$ 6,700
Driver Education	61,583	0	0	61,583
Other State Education Funds	890,779	0	0	890,779
Career Ladder Program	422,290	0	0	422,290
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	687,961	0	0	687,961
Other State Grants	0	73,745	10,000	83,745
Total State of Tennessee	<u>\$ 47,032,222</u>	<u>\$ 73,745</u>	<u>\$ 71,900</u>	<u>\$ 47,177,867</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 3,595,271	\$ 3,595,271
USDA - Commodities	0	0	482,673	482,673
Breakfast	0	0	1,380,659	1,380,659
USDA - Other	0	0	36,986	36,986
Vocational Education - Basic Grants to States	0	235,950	0	235,950
Title I Grants to Local Education Agencies	0	3,604,781	0	3,604,781
Special Education - Grants to States	38,259	3,295,812	0	3,334,071
Special Education Preschool Grants	0	91,925	0	91,925
English Language Acquisition Grants	0	92,002	0	92,002
Eisenhower Professional Development State Grants	0	500,841	0	500,841
Other Federal through State	77,500	249,719	0	327,219
Total Federal Government	<u>\$ 115,759</u>	<u>\$ 8,071,030</u>	<u>\$ 5,495,589</u>	<u>\$ 13,682,378</u>

(Continued)

Exhibit L-6

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

	<u>Special Revenue Funds</u>			Total
	General Purpose School	School Federal Projects	Central Cafeteria	
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 10,881,299	\$ 0	\$ 0	\$ 10,881,299
Total Other Governments and Citizens Groups	\$ 10,881,299	\$ 0	\$ 0	\$ 10,881,299
 Total	 \$ 161,545,874	 \$ 8,144,775	 \$ 7,040,517	 \$ 176,731,166

Exhibit L-7

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

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	146,980	
Social Security		6,891	
Pensions		6,299	
Employee and Dependent Insurance		228,255	
Employer Medicare		1,611	
Advertising		2,175	
Audit Services		43,908	
Dues and Memberships		12,602	
Legal Services		1,752	
Travel		25,097	
Other Contracted Services		3,830	
Office Supplies		14,282	
Total County Commission			\$ 493,682

Beer Board

Board and Committee Members Fees	\$	1,600	
Social Security		74	
Pensions		42	
Employee and Dependent Insurance		672	
Employer Medicare		17	
Advertising		234	
Legal Services		1,300	
Other Supplies and Materials		100	
Total Beer Board			4,039

Other Boards and Committees

County Official/Administrative Officer	\$	50,473	
Assistant(s)		73,268	
Dispatchers/Radio Operators		445,410	
Longevity Pay		7,000	
Other Salaries and Wages		28,184	
Social Security		35,418	
Pensions		33,660	
Employee and Dependent Insurance		113,050	
Employer Medicare		8,283	
Advertising		415	
Communication		3,422	
Data Processing Services		1,616	
Dues and Memberships		494	
Maintenance and Repair Services - Office Equipment		935	
Gasoline		968	
Office Supplies		5,252	
Other Supplies and Materials		10,193	
In Service/Staff Development		13,193	
Total Other Boards and Committees			831,234

(Continued)

Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive

County Official/Administrative Officer	\$	144,871	
Assistant(s)		80,417	
Accountants/Bookkeepers		214,962	
Secretary(ies)		29,363	
Clerical Personnel		46,703	
Longevity Pay		10,250	
Other Salaries and Wages		129,317	
Social Security		36,654	
Pensions		40,253	
Employee and Dependent Insurance		118,800	
Employer Medicare		8,791	
Advertising		1,626	
Communication		2,270	
Dues and Memberships		3,328	
Maintenance and Repair Services - Office Equipment		3,645	
Postal Charges		4,575	
Travel		9,681	
Gasoline		2,987	
Library Books/Media		343	
Office Supplies		16,048	
Total County Mayor/Executive			\$ 904,884

Election Commission

County Official/Administrative Officer	\$	80,364	
Deputy(ies)		157,583	
Clerical Personnel		29,073	
Longevity Pay		5,250	
Other Salaries and Wages		22,710	
Election Commission		35,108	
Election Workers		69,981	
Social Security		22,591	
Pensions		18,638	
Employee and Dependent Insurance		37,440	
Employer Medicare		5,283	
Advertising		11,617	
Communication		10,449	
Dues and Memberships		5,275	
Maintenance and Repair Services - Office Equipment		936	
Postal Charges		9,474	
Travel		8,878	
Other Contracted Services		96,914	
Electricity		6,536	
Natural Gas		1,776	
Office Supplies		23,406	
Water and Sewer		974	
Liability Insurance		9,574	
Total Election Commission			669,830

(Continued)

Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds

County Official/Administrative Officer	\$	100,674	
Deputy(ies)		51,983	
Accountants/Bookkeepers		35,191	
Clerical Personnel		222,727	
Longevity Pay		12,960	
Social Security		24,159	
Pensions		27,205	
Employee and Dependent Insurance		89,760	
Employer Medicare		5,650	
Communication		1,093	
Dues and Memberships		1,301	
Maintenance and Repair Services - Office Equipment		3,838	
Postal Charges		1,093	
Travel		4,787	
Other Contracted Services		11,325	
Office Supplies		19,236	
Other Supplies and Materials		3,504	
Total Register of Deeds			\$ 616,486

Planning

County Official/Administrative Officer	\$	62,044	
Assistant(s)		32,203	
Supervisor/Director		40,182	
Longevity Pay		4,000	
Other Salaries and Wages		53,694	
Board and Committee Members Fees		15,300	
Social Security		11,002	
Pensions		12,721	
Employee and Dependent Insurance		60,695	
Employer Medicare		2,573	
Advertising		1,496	
Communication		1,672	
Dues and Memberships		386	
Legal Services		5,950	
Postal Charges		422	
Travel		50	
Electricity		3,860	
Office Supplies		16,051	
Water and Sewer		316	
Total Planning			324,617

Building

County Official/Administrative Officer	\$	52,586
Assistant(s)		37,190
Secretary(ies)		32,404
Longevity Pay		1,500
Social Security		6,980

(Continued)

Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

Building (Cont.)

Pensions	\$	8,016	
Employee and Dependent Insurance		30,900	
Employer Medicare		1,632	
Communication		1,958	
Dues and Memberships		700	
Postal Charges		630	
Travel		51	
Other Contracted Services		667	
Electricity		2,445	
Gasoline		5,304	
Office Supplies		7,982	
Water and Sewer		200	
Other Supplies and Materials		3,201	
Refunds		658	
Total Building			\$ 195,004

Geographical Information Systems

Supervisor/Director	\$	46,838	
Longevity Pay		2,000	
Other Salaries and Wages		32,135	
Social Security		4,346	
Pensions		5,248	
Employee and Dependent Insurance		24,240	
Employer Medicare		1,016	
Communication		614	
Dues and Memberships		125	
Maintenance and Repair Services - Office Equipment		5,419	
Postal Charges		110	
Travel		6,400	
Electricity		2,445	
Office Supplies		6,809	
Water and Sewer		200	
Total Geographical Information Systems			137,945

County Buildings

County Official/Administrative Officer	\$	54,572	
Supervisor/Director		41,390	
Custodial Personnel		348,557	
Longevity Pay		11,500	
Social Security		26,090	
Pensions		29,262	
Employee and Dependent Insurance		111,372	
Employer Medicare		6,102	
Communication		76,691	
Maintenance and Repair Services - Buildings		171,326	
Pest Control		4,218	
Travel		2,806	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Electricity	\$	182,685	
Gasoline		5,609	
Natural Gas		46,889	
Office Supplies		461	
Uniforms		4,313	
Water and Sewer		13,841	
Other Supplies and Materials		29,462	
Total County Buildings			\$ 1,167,146

Other Facilities

Communication	\$	2,890	
Maintenance and Repair Services - Buildings		20,917	
Other Contracted Services		11,390	
Electricity		194,806	
Natural Gas		75,046	
Water and Sewer		6,340	
Other Supplies and Materials		1,206	
Total Other Facilities			312,595

Other General Administration

Mechanic(s)	\$	207,548	
Longevity Pay		7,250	
Social Security		12,047	
Pensions		13,112	
Employee and Dependent Insurance		61,080	
Employer Medicare		2,817	
Communication		3,895	
Maintenance and Repair Services - Vehicles		119,546	
Electricity		6,967	
Gasoline		2,486	
Lubricants		14,827	
Natural Gas		2,801	
Tires and Tubes		51,438	
Water and Sewer		220	
Other Supplies and Materials		5,043	
Total Other General Administration			511,077

Preservation of Records

County Official/Administrative Officer	\$	47,902	
Assistant(s)		64,762	
Longevity Pay		1,750	
Social Security		6,163	
Pensions		6,935	
Employee and Dependent Insurance		35,280	
Employer Medicare		1,441	
Communication		606	
Maintenance and Repair Services - Office Equipment		1,676	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

Preservation of Records (Cont.)

Postal Charges	\$	25	
Travel		653	
Other Contracted Services		11,911	
Electricity		4,268	
Office Supplies		3,413	
Other Supplies and Materials		8,576	
Total Preservation of Records			\$ 195,361

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	100,674	
Deputy(ies)		128,380	
Clerical Personnel		186,162	
Longevity Pay		15,710	
Other Salaries and Wages		246,802	
Board and Committee Members Fees		4,400	
Social Security		39,728	
Pensions		42,069	
Employee and Dependent Insurance		131,642	
Employer Medicare		9,291	
Advertising		288	
Audit Services		64,095	
Communication		5,822	
Dues and Memberships		3,715	
Maintenance and Repair Services - Office Equipment		9,266	
Maintenance and Repair Services - Vehicles		250	
Postal Charges		13,518	
Travel		2,517	
Other Contracted Services		64,099	
Electricity		2,316	
Gasoline		8,762	
Office Supplies		12,117	
Water and Sewer		190	
Motor Vehicles		32,621	
Total Property Assessor's Office			1,124,434

County Trustee's Office

County Official/Administrative Officer	\$	100,674
Deputy(ies)		40,520
Accountants/Bookkeepers		46,223
Clerical Personnel		215,689
Longevity Pay		8,960
Social Security		23,573
Pensions		24,564
Employee and Dependent Insurance		72,480
Employer Medicare		5,513
Advertising		144

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Audit Services	\$	4,900	
Communication		3,169	
Dues and Memberships		1,467	
Maintenance and Repair Services - Office Equipment		2,416	
Postal Charges		47,735	
Travel		5,400	
Other Contracted Services		21,612	
Office Supplies		18,636	
Total County Trustee's Office			\$ 643,675

County Clerk's Office

County Official/Administrative Officer	\$	100,674	
Deputy(ies)		47,604	
Accountants/Bookkeepers		41,076	
Clerical Personnel		543,828	
Longevity Pay		22,210	
Social Security		41,457	
Pensions		48,424	
Employee and Dependent Insurance		194,025	
Employer Medicare		9,696	
Advertising		84	
Communication		9,079	
Dues and Memberships		1,077	
Legal Services		300	
Postal Charges		28,664	
Travel		2,807	
Other Contracted Services		5,806	
Data Processing Supplies		17,860	
Office Supplies		22,689	
Total County Clerk's Office			1,137,360

Data Processing

County Official/Administrative Officer	\$	60,025	
Assistant(s)		84,816	
Longevity Pay		2,750	
Social Security		8,249	
Pensions		9,566	
Employee and Dependent Insurance		35,040	
Employer Medicare		1,929	
Communication		4,195	
Postal Charges		43	
Travel		528	
Data Processing Supplies		32,916	
Gasoline		662	
In Service/Staff Development		599	
Total Data Processing			241,318

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	100,674	
Deputy(ies)		39,365	
Accountants/Bookkeepers		35,716	
Clerical Personnel		485,079	
Longevity Pay		12,460	
Other Salaries and Wages		1,737	
Jury and Witness Expense		46,488	
Social Security		38,606	
Pensions		43,328	
Employee and Dependent Insurance		149,760	
Employer Medicare		9,029	
Communication		2,717	
Contracts with Other Public Agencies		716	
Dues and Memberships		1,372	
Maintenance and Repair Services - Office Equipment		6,658	
Postal Charges		8,784	
Travel		3,531	
Other Contracted Services		16,274	
Office Supplies		27,957	
Data Processing Equipment		32,686	
Total Circuit Court			\$ 1,062,937

General Sessions Court

County Official/Administrative Officer	\$	100,674	
Deputy(ies)		53,023	
Accountants/Bookkeepers		35,697	
Clerical Personnel		287,380	
Longevity Pay		13,960	
Other Salaries and Wages		79,011	
Social Security		32,934	
Pensions		35,475	
Employee and Dependent Insurance		102,025	
Employer Medicare		7,702	
Communication		2,971	
Contracts with Other Public Agencies		9,275	
Dues and Memberships		997	
Maintenance and Repair Services - Office Equipment		6,747	
Postal Charges		3,495	
Travel		2,250	
Other Contracted Services		18,717	
Office Supplies		17,364	
Total General Sessions Court			809,697

General Sessions Judge

Judge(s)	\$	341,318
Secretary(ies)		37,498
Longevity Pay		2,500

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Judge (Cont.)

Other Salaries and Wages	\$	44,900	
Social Security		19,814	
Pensions		26,148	
Employee and Dependent Insurance		48,900	
Employer Medicare		5,775	
Communication		3,524	
Dues and Memberships		6,164	
Travel		5,844	
Other Contracted Services		6,125	
Library Books/Media		2,521	
Office Supplies		10,295	
Total General Sessions Judge			\$ 561,326

Chancery Court

County Official/Administrative Officer	\$	100,674	
Deputy(ies)		35,919	
Clerical Personnel		138,793	
Longevity Pay		8,710	
Other Salaries and Wages		41,252	
Social Security		19,465	
Pensions		20,840	
Employee and Dependent Insurance		46,500	
Employer Medicare		4,552	
Communication		2,095	
Dues and Memberships		822	
Legal Services		3,998	
Maintenance and Repair Services - Office Equipment		11,809	
Postal Charges		1,186	
Library Books/Media		11,691	
Office Supplies		6,427	
Total Chancery Court			454,733

Juvenile Court

Deputy(ies)	\$	37,017	
Clerical Personnel		61,673	
Longevity Pay		1,500	
Social Security		5,783	
Pensions		6,492	
Employee and Dependent Insurance		16,790	
Employer Medicare		1,352	
Postal Charges		2,323	
Travel		200	
Other Contracted Services		3,251	
Office Supplies		5,791	
Total Juvenile Court			142,172

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

District Attorney General

Assistant(s)	\$	62,224	
Supervisor/Director		37,017	
Social Security		5,807	
Pensions		6,431	
Employee and Dependent Insurance		17,460	
Employer Medicare		1,358	
Dues and Memberships		759	
Travel		1,483	
Office Supplies		220	
Total District Attorney General			\$ 132,759

Judicial Commissioners

County Official/Administrative Officer	\$	161,102	
Supervisor/Director		50,520	
Longevity Pay		2,250	
Social Security		12,463	
Pensions		9,466	
Employee and Dependent Insurance		53,290	
Employer Medicare		2,915	
Communication		616	
Travel		627	
Office Supplies		11,118	
In Service/Staff Development		700	
Total Judicial Commissioners			305,067

Victim Assistance Programs

Clerical Personnel	\$	39,797	
Longevity Pay		250	
Social Security		2,136	
Pensions		2,595	
Employee and Dependent Insurance		14,815	
Employer Medicare		500	
Communication		1,341	
Postal Charges		220	
Printing, Stationery, and Forms		16	
Travel		225	
Office Supplies		448	
Total Victim Assistance Programs			62,343

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	112,098	
Assistant(s)		64,977	
Deputy(ies)		2,431,492	
Investigator(s)		739,522	
Lieutenant(s)		62,318	
Sergeant(s)		313,897	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Accountants/Bookkeepers	\$	29,081	
Dispatchers/Radio Operators		348,144	
Guards		331,239	
Secretary(ies)		149,404	
Longevity Pay		67,750	
Other Salaries and Wages		80,988	
In-service Training		55,200	
Social Security		280,429	
Pensions		279,765	
Employee and Dependent Insurance		826,455	
Unemployment Compensation		2,987	
Employer Medicare		65,584	
Other Fringe Benefits		3,500	
Communication		39,750	
Contracts with Other Public Agencies		10,710	
Contributions		22,603	
Data Processing Services		34,387	
Dues and Memberships		3,450	
Legal Services		3,141	
Licenses		444	
Maintenance and Repair Services - Equipment		29,004	
Travel		14,714	
Electricity		25,987	
Gasoline		294,771	
Law Enforcement Supplies		92,801	
Natural Gas		4,492	
Water and Sewer		6,431	
Other Supplies and Materials		155,761	
In Service/Staff Development		42,433	
Other Charges		11,093	
Motor Vehicles		10,500	
Other Capital Outlay		93,168	
Total Sheriff's Department			\$ 7,140,470

Drug Enforcement

Lieutenant(s)	\$	261	
Longevity Pay		4,000	
Other Salaries and Wages		208,924	
Social Security		12,336	
Pensions		13,946	
Employee and Dependent Insurance		41,828	
Employer Medicare		2,885	
Other Fringe Benefits		2,000	
Other Supplies and Materials		18,706	
Total Drug Enforcement			304,886

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail

Assistant(s)	\$	75,016	
Supervisor/Director		38,150	
Guards		2,583,314	
Cafeteria Personnel		149,019	
Longevity Pay		27,500	
Other Salaries and Wages		20,447	
In-service Training		14,400	
Social Security		169,782	
Pensions		153,621	
Employee and Dependent Insurance		562,316	
Unemployment Compensation		7,378	
Employer Medicare		39,707	
Other Fringe Benefits		1,000	
Advertising		270	
Communication		5,150	
Contracts with Other Public Agencies		15,253	
Contracts with Private Agencies		24,624	
Data Processing Services		6,200	
Legal Services		21,934	
Maintenance and Repair Services - Buildings		53,203	
Maintenance and Repair Services - Equipment		46,741	
Maintenance and Repair Services - Office Equipment		18,169	
Medical and Dental Services		2,031,555	
Postal Charges		4,970	
Rentals		3,383	
Transportation - Other than Students		21,657	
Travel		5,464	
Electricity		156,752	
Food Supplies		486,782	
Law Enforcement Supplies		34,935	
Natural Gas		70,230	
Office Supplies		32,518	
Water and Sewer		117,177	
Other Supplies and Materials		195,236	
In Service/Staff Development		3,194	
Total Jail			\$ 7,197,047

Juvenile Services

Supervisor/Director	\$	60,818
Youth Service Officer(s)		165,397
Secretary(ies)		32,760
Longevity Pay		6,000
Social Security		14,873
Pensions		17,174
Employee and Dependent Insurance		61,560
Employer Medicare		3,478
Communication		1,489

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services (Cont.)

Contributions	\$	16,824	
Dues and Memberships		775	
Postal Charges		682	
Travel		1,132	
Other Contracted Services		5,181	
Office Supplies		7,893	
Total Juvenile Services			\$ 396,036

Fire Prevention and Control

Contributions	\$	950,250	
Office Supplies		248	
Other Capital Outlay		50,000	
Total Fire Prevention and Control			1,000,498

Civil Defense

Contributions	\$	4,000	
Total Civil Defense			4,000

Rescue Squad

Contributions	\$	52,750	
Total Rescue Squad			52,750

Other Emergency Management

County Official/Administrative Officer	\$	57,579	
Assistant(s)		43,262	
Longevity Pay		250	
Other Salaries and Wages		13,594	
Social Security		6,736	
Pensions		6,552	
Employee and Dependent Insurance		17,445	
Employer Medicare		1,575	
Advertising		250	
Communication		7,646	
Dues and Memberships		1,952	
Travel		1,918	
Electricity		615	
Gasoline		4,582	
Office Supplies		3,518	
Other Supplies and Materials		7,031	
In Service/Staff Development		1,470	
Other Capital Outlay		719,296	
Total Other Emergency Management			895,271

County Coroner/Medical Examiner

Other Salaries and Wages	\$	29,988	
Social Security		1,819	
Pensions		529	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Safety (Cont.)

County Coroner/Medical Examiner (Cont.)

Employee and Dependent Insurance	\$	3,090	
Employer Medicare		425	
Communication		1,515	
Postal Charges		142	
Travel		354	
Other Contracted Services		299,460	
Gasoline		309	
Office Supplies		594	
Other Supplies and Materials		9,586	
Total County Coroner/Medical Examiner			\$ 347,811

Other Public Safety

County Official/Administrative Officer	\$	55,373	
Assistant(s)		46,883	
Sergeant(s)		120,476	
Medical Personnel		12,532	
Guards		244,168	
Secretary(ies)		31,970	
Longevity Pay		5,500	
In-service Training		5,177	
Social Security		30,762	
Pensions		32,199	
Employee and Dependent Insurance		90,010	
Unemployment Compensation		4,400	
Employer Medicare		7,194	
Other Fringe Benefits		3,236	
Advertising		431	
Communication		5,830	
Contracts with Private Agencies		11,375	
Data Processing Services		9,852	
Dues and Memberships		355	
Maintenance and Repair Services - Buildings		12,304	
Maintenance and Repair Services - Equipment		4,760	
Maintenance and Repair Services - Office Equipment		4,319	
Medical and Dental Services		18,211	
Postal Charges		96	
Rentals		1,424	
Travel		506	
Other Contracted Services		2,500	
Electricity		15,193	
Gasoline		1,858	
Natural Gas		2,745	
Office Supplies		4,531	
Water and Sewer		2,695	
Other Supplies and Materials		3,492	
In Service/Staff Development		4,424	
Total Other Public Safety			796,781

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Health and Welfare

Local Health Center

Advertising	\$	548	
Communication		10,461	
Maintenance and Repair Services - Buildings		7,932	
Pest Control		572	
Postal Charges		338	
Transportation - Other than Students		764	
Office Supplies		3,416	
Other Supplies and Materials		6,035	
Other Charges		674	
Total Local Health Center			\$ 30,740

Rabies and Animal Control

Contributions	\$	160,000	
Total Rabies and Animal Control			160,000

Ambulance/Emergency Medical Services

County Official/Administrative Officer	\$	68,464	
Assistant(s)		51,342	
Medical Personnel		2,248,864	
Clerical Personnel		105,664	
Longevity Pay		41,000	
Other Salaries and Wages		578,997	
Social Security		181,095	
Pensions		164,702	
Employee and Dependent Insurance		484,080	
Unemployment Compensation		328	
Employer Medicare		42,353	
Advertising		68	
Communication		49,791	
Contracts with Private Agencies		202,185	
Contributions		100,000	
Legal Services		23,617	
Licenses		4,335	
Maintenance and Repair Services - Buildings		6,833	
Maintenance and Repair Services - Equipment		2,728	
Maintenance and Repair Services - Office Equipment		2,814	
Maintenance and Repair Services - Vehicles		3,526	
Postal Charges		55	
Travel		1,321	
Tuition		4,085	
Other Contracted Services		121,707	
Custodial Supplies		6,574	
Drugs and Medical Supplies		134,937	
Gasoline		110,475	
Office Supplies		5,828	
Uniforms		27,313	
Utilities		47,547	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Other Supplies and Materials	\$	37,145	
Liability Insurance		5,000	
Refunds		18,112	
Total Ambulance/Emergency Medical Services			\$ 4,882,885

Maternal and Child Health Services

Medical Personnel	\$	82,286	
Clerical Personnel		481,557	
Longevity Pay		7,250	
Social Security		32,313	
Pensions		33,783	
Employee and Dependent Insurance		153,620	
Employer Medicare		7,557	
Transportation - Other than Students		6,162	
Travel		486	
Other Supplies and Materials		158	
Other Charges		158	
Total Maternal and Child Health Services			805,330

Alcohol and Drug Programs

Supervisor/Director	\$	40,014	
Social Security		2,224	
Pensions		1,585	
Employee and Dependent Insurance		10,000	
Employer Medicare		520	
Advertising		14,200	
Communication		488	
Printing, Stationery, and Forms		8,668	
Travel		3,168	
Other Contracted Services		19,388	
Office Supplies		4,513	
Total Alcohol and Drug Programs			104,768

Other Local Health Services

Contributions	\$	161,458	
Other Charges		41,889	
Total Other Local Health Services			203,347

Appropriation to State

Contributions	\$	84,658	
Other Supplies and Materials		1,012	
Total Appropriation to State			85,670

Other Local Welfare Services

Contributions	\$	8,114	
Pauper Burials		6,450	
Total Other Local Welfare Services			14,564

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Public Health and Welfare

Supervisor/Director	\$	53,120	
Secretary(ies)		25,279	
Longevity Pay		3,500	
Other Salaries and Wages		133,392	
Social Security		12,733	
Pensions		13,953	
Employee and Dependent Insurance		36,720	
Employer Medicare		2,978	
Communication		2,502	
Dues and Memberships		200	
Maintenance and Repair Services - Office Equipment		317	
Travel		20,314	
Other Contracted Services		4,742	
Electricity		3,860	
Office Supplies		6,109	
Water and Sewer		316	
Refunds		2,875	
Total Other Public Health and Welfare			\$ 322,910

Social, Cultural, and Recreational Services

Senior Citizens Assistance

County Official/Administrative Officer	\$	44,299	
Supervisor/Director		37,326	
Dispatchers/Radio Operators		21,527	
Secretary(ies)		75,710	
Cafeteria Personnel		22,192	
Maintenance Personnel		25,279	
Longevity Pay		2,500	
Social Security		13,032	
Pensions		12,638	
Employee and Dependent Insurance		58,848	
Employer Medicare		3,048	
Advertising		10,684	
Communication		3,209	
Maintenance and Repair Services - Buildings		10,925	
Other Contracted Services		6,832	
Electricity		54,415	
Natural Gas		6,759	
Office Supplies		2,155	
Water and Sewer		7,067	
Other Supplies and Materials		17,349	
Other Charges		1,644	
Total Senior Citizens Assistance			437,438

Libraries

County Official/Administrative Officer	\$	64,712
Assistant(s)		309,305

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Supervisor/Director	\$	228,963	
Accountants/Bookkeepers		31,990	
Custodial Personnel		24,328	
Longevity Pay		10,500	
Other Salaries and Wages		93,426	
Social Security		44,736	
Pensions		39,011	
Employee and Dependent Insurance		149,708	
Employer Medicare		10,462	
Advertising		360	
Communication		15,861	
Dues and Memberships		3,380	
Janitorial Services		9,140	
Legal Services		888	
Maintenance and Repair Services - Buildings		60,993	
Maintenance and Repair Services - Equipment		22,662	
Postal Charges		1,004	
Printing, Stationery, and Forms		1,156	
Travel		11,330	
Tuition		614	
Maintenance and Repair Services - Records		100	
Other Contracted Services		49,280	
Data Processing Supplies		840	
Duplicating Supplies		2,502	
Electricity		62,310	
Equipment and Machinery Parts		18,436	
Instructional Supplies and Materials		17,482	
Library Books/Media		50,630	
Office Supplies		31,788	
Periodicals		1,349	
Utilities		3,241	
Water and Sewer		12,520	
Other Supplies and Materials		1,665	
Refunds		90	
Total Libraries			\$ 1,386,762

Parks and Fair Boards

Maintenance Personnel	\$	13,806	
Social Security		856	
Employer Medicare		200	
Contributions		92,500	
Total Parks and Fair Boards			107,362

Agriculture and Natural Resources

Agricultural Extension Service

Assistant(s)	\$	62,879	
Longevity Pay		2,250	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agricultural Extension Service (Cont.)

Other Salaries and Wages	\$	104,497	
Social Security		25,068	
Pensions		4,221	
Employee and Dependent Insurance		12,000	
Employer Medicare		878	
Communication		6,411	
Contributions		2,500	
Postal Charges		1,500	
Travel		2,058	
Electricity		3,482	
Water and Sewer		1,357	
Other Supplies and Materials		7,048	
Total Agricultural Extension Service			\$ 236,149

Forest Service

Contributions	\$	1,000	
Total Forest Service			1,000

Soil Conservation

Clerical Personnel	\$	29,870	
Social Security		1,812	
Pensions		1,208	
Employee and Dependent Insurance		5,445	
Employer Medicare		424	
Total Soil Conservation			38,759

Storm Water Management

County Official/Administrative Officer	\$	53,374	
Secretary(ies)		2,139	
Longevity Pay		1,500	
Other Salaries and Wages		41,785	
Social Security		5,970	
Pensions		6,264	
Employee and Dependent Insurance		12,600	
Employer Medicare		1,396	
Advertising		50	
Communication		1,300	
Contracts with Government Agencies		667	
Legal Services		838	
Travel		7,619	
Electricity		3,088	
Office Supplies		4,466	
Water and Sewer		253	
Total Storm Water Management			143,309

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Other Operations

Tourism

County Official/Administrative Officer	\$	47,304	
Longevity Pay		750	
Social Security		2,908	
Pensions		3,114	
Employee and Dependent Insurance		6,180	
Employer Medicare		680	
Advertising		145,507	
Contracts with Private Agencies		1,001,460	
Contributions		297,600	
Dues and Memberships		1,860	
Postal Charges		159	
Travel		3,680	
Other Contracted Services		761	
Office Supplies		407	
Other Supplies and Materials		494	
Total Tourism			\$ 1,512,864

Veterans' Services

Supervisor/Director	\$	37,940	
Secretary(ies)		40,315	
Longevity Pay		2,000	
Social Security		4,526	
Pensions		5,202	
Employee and Dependent Insurance		18,420	
Employer Medicare		1,059	
Communication		6,305	
Contributions		10,000	
Dues and Memberships		50	
Postal Charges		156	
Travel		2,211	
Other Contracted Services		1,575	
Gasoline		697	
Office Supplies		1,177	
Other Supplies and Materials		1,792	
Total Veterans' Services			133,425

Contributions to Other Agencies

Contracts with Other Public Agencies	\$	40,000	
Contributions		298,991	
Total Contributions to Other Agencies			338,991

Employee Benefits

Pensions	\$	1,950	
Employee and Dependent Insurance		283,142	
Unemployment Compensation		2,319	
Communication		4,223	
Maintenance and Repair Services - Office Equipment		1,308	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Other Operations (Cont.)

Employee Benefits (Cont.)

Office Supplies	\$	8,949	
Workers' Compensation Insurance		231,763	
Other Charges		43,734	
Total Employee Benefits			\$ 577,388

Miscellaneous

Advertising	\$	3,049	
Contributions		48,000	
Legal Services		1,239	
Maintenance and Repair Services - Office Equipment		4,560	
Other Contracted Services		17,967	
Other Supplies and Materials		27,990	
Building and Contents Insurance		123,894	
Excess Risk Insurance		11,392	
Liability Insurance		501,160	
Premiums on Corporate Surety Bonds		15,231	
Trustee's Commission		775,977	
Vehicle and Equipment Insurance		116,317	
Other Charges		906	
Other Debt Service		660,318	
Total Miscellaneous			2,308,000

Highways

Litter and Trash Collection

Deputy(ies)	\$	196,621	
Longevity Pay		5,250	
In-service Training		2,400	
Social Security		12,255	
Pensions		13,084	
Employee and Dependent Insurance		39,262	
Employer Medicare		2,866	
Communication		1,941	
Other Contracted Services		20,760	
Electricity		2,109	
Water and Sewer		383	
Other Supplies and Materials		5,077	
Total Litter and Trash Collection			302,008

Other Charges

Contracts with Private Agencies	\$	3,291	
Other Contracted Services		28,434	
Total Other Charges			31,725

Capital Projects

Administration of Justice Projects

Land	\$	307,884	
Total Administration of Justice Projects			307,884

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Capital Projects (Cont.)

Public Health and Welfare Projects

Other Contracted Services	\$ 231,300	
Total Public Health and Welfare Projects		\$ 231,300

Other General Government Projects

Contracts with Private Agencies	\$ 15,795	
Other Charges	4,500	
Other Capital Outlay	3,101,687	
Total Other General Government Projects		3,121,982

Total General Fund		\$ 49,003,831
--------------------	--	---------------

Courthouse and Jail Maintenance Fund

General Government

County Buildings

Maintenance and Repair Services - Buildings	\$ 8,500	
Trustee's Commission	5,838	
Total County Buildings		\$ 14,338

Capital Projects

Administration of Justice Projects

Land	\$ 383,500	
Total Administration of Justice Projects		383,500

Total Courthouse and Jail Maintenance Fund		397,838
--	--	---------

Law Library Fund

Administration of Justice

Other Administration of Justice

Library Books/Media	\$ 13,379	
Trustee's Commission	102	
Total Other Administration of Justice		\$ 13,481

Total Law Library Fund		13,481
------------------------	--	--------

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$ 52,235
Laborers	862,972
Longevity Pay	19,250
Social Security	54,848
Pensions	55,431
Employee and Dependent Insurance	199,652
Employer Medicare	12,827
Communication	6,269
Contracts with Government Agencies	971,274
Contributions	67,308

(Continued)

Exhibit L-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Management (Cont.)

Maintenance and Repair Services - Buildings	\$	4,479	
Maintenance and Repair Services - Equipment		10,398	
Maintenance and Repair Services - Vehicles		89,822	
Rentals		19,500	
Other Contracted Services		7,832	
Electricity		31,678	
Gasoline		93,124	
Lubricants		9,895	
Natural Gas		23,699	
Tires and Tubes		48,680	
Uniforms		10,278	
Water and Sewer		2,225	
Other Supplies and Materials		25,465	
Trustee's Commission		860	
Total Sanitation Management		<u>860</u>	<u>\$ 2,680,001</u>

Total Solid Waste/Sanitation Fund \$ 2,680,001

Special Purpose Fund

General Government

Geographical Information Systems

Other Equipment	\$	<u>50,000</u>	
Total Geographical Information Systems			\$ 50,000

County Buildings

Maintenance and Repair Services - Buildings	\$	<u>69,241</u>	
Total County Buildings			69,241

Other General Administration

Maintenance Equipment	\$	<u>9,041</u>	
Total Other General Administration			9,041

Finance

Data Processing

Data Processing Equipment	\$	30,604	
Other Capital Outlay		<u>27,044</u>	
Total Data Processing			57,648

Public Safety

Sheriff's Department

Motor Vehicles	\$	246,100	
Other Equipment		<u>56,400</u>	
Total Sheriff's Department			302,500

Jail

Other Capital Outlay	\$	<u>39,753</u>	
Total Jail			39,753

(Continued)

Exhibit L-7

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

Special Purpose Fund (Cont.)

Public Health and Welfare

Ambulance/Emergency Medical Services

Motor Vehicles	\$ 282,313	
Other Equipment	46,684	
Total Ambulance/Emergency Medical Services	<u> </u>	\$ 328,997

Sanitation Management

Motor Vehicles	\$ 60,000	
Solid Waste Equipment	30,059	
Total Sanitation Management	<u> </u>	90,059

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Other Construction	\$ 4,730	
Total Senior Citizens Assistance	<u> </u>	4,730

Libraries

Administration Equipment	\$ 60,857	
Total Libraries	<u> </u>	60,857

Other Operations

Other Charges

Trustee's Commission	\$ 22,452	
Total Other Charges	<u> </u>	22,452

Miscellaneous

Motor Vehicles	\$ 74,334	
Total Miscellaneous	<u> </u>	<u>74,334</u>

Total Special Purpose Fund \$ 1,109,612

Drug Control Fund

Public Safety

Sheriff's Department

Confidential Drug Enforcement Payments	\$ 27,544	
Trustee's Commission	582	
Motor Vehicles	30,351	
Total Sheriff's Department	<u> </u>	<u>\$ 58,477</u>

Total Drug Control Fund 58,477

Other Special Revenue Fund

Administration of Justice

Drug Court

Supervisor/Director	\$ 50,001	
Social Workers	36,001	
Other Salaries and Wages	70,284	
Social Security	4,883	
Pensions	5,574	

(Continued)

Exhibit L-7

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

Other Special Revenue Fund (Cont.)

Administration of Justice (Cont.)

Drug Court (Cont.)

Employee and Dependent Insurance	\$	18,420	
Employer Medicare		1,142	
Advertising		2,663	
Communication		5,346	
Dues and Memberships		440	
Licenses		1,010	
Maintenance and Repair Services - Office Equipment		1,973	
Medical and Dental Services		7,116	
Pest Control		733	
Postal Charges		98	
Rentals		34,000	
Travel		14,427	
Drug Treatment		2,000	
Electricity		6,083	
Gasoline		3,246	
Office Supplies		10,808	
Propane Gas		3,063	
Utilities		2,002	
Liability Insurance		9,599	
Trustee's Commission		647	
Vehicle and Equipment Insurance		3,435	
Total Drug Court			\$ 294,994

Total Other Special Revenue Fund \$ 294,994

Constitutional Officers - Fees Fund

Finance

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	923	
Total County Clerk's Office			\$ 923

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	21,729	
Total Chancery Court			21,729

Public Safety

Sheriff's Department

Constitutional Officers' Operating Expenses	\$	215	
Total Sheriff's Department			215

Total Constitutional Officers - Fees Fund 22,867

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	117,103	
--	----	---------	--

(Continued)

Exhibit L-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Accountants/Bookkeepers	\$	60,935	
Secretary(ies)		21,312	
Social Security		11,340	
Pensions		12,676	
Employee and Dependent Insurance		21,060	
Employer Medicare		2,652	
Data Processing Services		9,852	
Dues and Memberships		5,597	
Engineering Services		1,750	
Legal Services		250	
Legal Notices, Recording, and Court Costs		3,346	
Maintenance and Repair Services - Office Equipment		365	
Postal Charges		1,044	
Printing, Stationery, and Forms		1,799	
Travel		6,820	
Office Supplies		3,102	
Other Charges		6,220	
Total Administration			\$ 287,223

Highway and Bridge Maintenance

Foremen	\$	450,652	
Equipment Operators		407,608	
Equipment Operators - Light		226,526	
Truck Drivers		410,713	
Laborers		261,827	
Social Security		100,887	
Pensions		106,687	
Employee and Dependent Insurance		371,280	
Employer Medicare		23,594	
Rentals		410	
Other Contracted Services		778,368	
Asphalt		4,213,498	
Concrete		38,952	
Crushed Stone		29,033	
Fertilizer, Lime, and Seed		4,901	
General Construction Materials		572	
Other Road Materials		159	
Pipe - Metal		90,026	
Road Signs		26,917	
Small Tools		3,374	
Wood Products		1,167	
Other Supplies and Materials		4,017	
Other Charges		579	
Total Highway and Bridge Maintenance			7,551,747

Operation and Maintenance of Equipment

Foremen	\$	149,375	
---------	----	---------	--

(Continued)

Exhibit L-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Mechanic(s)	\$	172,739	
Laborers		67,714	
Social Security		22,542	
Pensions		25,068	
Employee and Dependent Insurance		78,020	
Employer Medicare		5,272	
Maintenance and Repair Services - Equipment		22,950	
Diesel Fuel		142,019	
Electricity		11,902	
Equipment and Machinery Parts		312,793	
Garage Supplies		77,525	
Gasoline		91,870	
Lubricants		31,407	
Natural Gas		2,696	
Office Supplies		961	
Propane Gas		1,660	
Small Tools		12,336	
Tires and Tubes		39,579	
Water and Sewer		5,479	
Other Supplies and Materials		1,520	
Other Charges		2,542	
Total Operation and Maintenance of Equipment			\$ 1,277,969

Quarry Operations

Foremen	\$	36,223	
Equipment Operators		29,750	
Laborers		24,866	
Social Security		5,074	
Pensions		5,888	
Employee and Dependent Insurance		22,815	
Employer Medicare		1,187	
Explosive and Drilling Services		275	
Permits		4,355	
Electricity		11,435	
Equipment and Machinery Parts		6,751	
Other Charges		840	
Total Quarry Operations			149,459

Other Charges

Communication	\$	20,036	
Liability Insurance		20,449	
Trustee's Commission		173,829	
Vehicle and Equipment Insurance		51,021	
Total Other Charges			265,335

Employee Benefits

Employee and Dependent Insurance	\$	45,305	
----------------------------------	----	--------	--

(Continued)

Exhibit L-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Employee Benefits (Cont.)

Medical and Dental Services	\$ 4,886	
Workers' Compensation Insurance	134,639	
Total Employee Benefits		\$ 184,830

Capital Outlay

Highway Equipment	\$ 635,182	
Motor Vehicles	97,000	
State Aid Projects	342,424	
Other Equipment	2,366	
Total Capital Outlay		<u>1,076,972</u>

Total Highway/Public Works Fund \$ 10,793,535

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 1,250,000	
Principal on Other Loans	2,510,000	
Total General Government		\$ 3,760,000

Education

Principal on Bonds	\$ 4,085,027	
Principal on Other Loans	329,996	
Total Education		4,415,023

Interest on Debt

General Government

Interest on Bonds	\$ 543,066	
Interest on Other Loans	1,068,462	
Total General Government		1,611,528

Education

Interest on Bonds	\$ 1,655,520	
Interest on Other Loans	364,836	
Total Education		2,020,356

Other Debt Service

General Government

Fiscal Agent Charges	\$ 470,362	
Trustee's Commission	143,137	
Total General Government		613,499

Education

Fiscal Agent Charges	\$ 11,603	
Total Education		<u>11,603</u>

Total General Debt Service Fund 12,432,009

(Continued)

Exhibit L-7

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

General Capital Projects Fund

Other Debt Service

Education

Underwriter's Discount	\$ 48,431	
Other Debt Issuance Charges	<u>97,205</u>	
Total Education		\$ 145,636

Capital Projects

General Administration Projects

Other Construction	\$ 30,665	
Total General Administration Projects		30,665

Social, Cultural, and Recreation Projects

Architects	\$ 3,000	
Total Social, Cultural, and Recreation Projects		3,000

Public Utility Projects

Consultants	\$ 27	
Other Contracted Services	<u>1,596,297</u>	
Total Public Utility Projects		1,596,324

Education Capital Projects

Contributions	\$ 10,220,981	
Total Education Capital Projects		<u>10,220,981</u>

Total General Capital Projects Fund \$ 11,996,606

Total Governmental Funds - Primary Government \$ 88,803,251

Exhibit L-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 45,242,706	
Career Ladder Program	195,525	
Career Ladder Extended Contracts	34,000	
Homebound Teachers	87,278	
Educational Assistants	1,481,912	
Other Salaries and Wages	171,730	
Certified Substitute Teachers	99,920	
Non-certified Substitute Teachers	752,400	
Social Security	2,789,748	
Pensions	4,551,700	
Life Insurance	21,192	
Medical Insurance	6,966,659	
Dental Insurance	105,741	
Employer Medicare	660,049	
Retirement - Hybrid Stabilization	43	
Other Fringe Benefits	154,300	
Tuition	114,153	
Other Contracted Services	410,060	
General Construction Materials	209	
Instructional Supplies and Materials	1,475,404	
Textbooks - Bound	1,345,766	
Software	358,619	
Fee Waivers	42,474	
Other Charges	273,852	
Regular Instruction Equipment	1,672,236	
Total Regular Instruction Program		\$ 69,007,676

Alternative Instruction Program

Teachers	\$ 699,805	
Career Ladder Program	3,000	
Clerical Personnel	25,740	
Educational Assistants	79,443	
Certified Substitute Teachers	1,040	
Non-certified Substitute Teachers	1,200	
Social Security	45,095	
Pensions	71,259	
Life Insurance	388	
Medical Insurance	131,708	
Dental Insurance	1,942	
Employer Medicare	11,255	
Other Fringe Benefits	2,827	
Tuition	10,812	
Instructional Supplies and Materials	11,244	
Software	4,980	
Total Alternative Instruction Program		1,101,738

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program

Teachers	\$ 5,686,871	
Career Ladder Program	22,100	
Educational Assistants	372,856	
Speech Pathologist	468,263	
Other Salaries and Wages	81,494	
Certified Substitute Teachers	7,800	
Non-certified Substitute Teachers	194,640	
Social Security	547,713	
Pensions	771,098	
Life Insurance	6,521	
Medical Insurance	1,564,602	
Dental Insurance	31,461	
Employer Medicare	131,465	
Other Fringe Benefits	47,507	
Contracts with Private Agencies	721,802	
Maintenance and Repair Services - Equipment	375	
Tuition	17,853	
Other Contracted Services	6,974	
Instructional Supplies and Materials	124,332	
Other Supplies and Materials	2,744	
Special Education Equipment	17,486	
Total Special Education Program		\$ 10,825,957

Career and Technical Education Program

Teachers	\$ 2,170,744	
Career Ladder Program	8,000	
Certified Substitute Teachers	2,520	
Non-certified Substitute Teachers	42,120	
Social Security	132,414	
Pensions	214,225	
Life Insurance	970	
Medical Insurance	304,181	
Dental Insurance	4,658	
Employer Medicare	31,046	
Other Fringe Benefits	7,067	
Maintenance and Repair Services - Equipment	5,041	
Other Contracted Services	991	
Instructional Supplies and Materials	76,314	
Other Supplies and Materials	1,775	
Fee Waivers	3,000	
Other Charges	340	
Total Career and Technical Education Program		3,005,406

Student Body Education Program

Other Charges	\$ 3,146	
Total Student Body Education Program		3,146

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services

Attendance

Supervisor/Director	\$	116,998	
Career Ladder Program		3,985	
Social Workers		150,153	
Clerical Personnel		60,660	
Other Salaries and Wages		77,687	
Social Security		21,759	
Pensions		34,757	
Life Insurance		126	
Medical Insurance		58,802	
Dental Insurance		714	
Employer Medicare		5,667	
Other Fringe Benefits		921	
Travel		1,003	
Other Supplies and Materials		178	
Attendance Equipment		645	
Total Attendance			\$ 534,055

Health Services

Supervisor/Director	\$	74,961	
Medical Personnel		1,275,221	
Other Salaries and Wages		34,080	
Social Security		80,685	
Pensions		106,140	
Life Insurance		182	
Medical Insurance		71,137	
Dental Insurance		1,106	
Employer Medicare		19,553	
Other Fringe Benefits		1,323	
Maintenance and Repair Services - Equipment		22,905	
Travel		7,191	
Other Contracted Services		23,488	
Drugs and Medical Supplies		9,326	
Other Supplies and Materials		22,791	
In Service/Staff Development		7,643	
Health Equipment		12,760	
Total Health Services			1,770,492

Other Student Support

Career Ladder Program	\$	8,500	
Guidance Personnel		1,982,679	
Psychological Personnel		410,933	
Clerical Personnel		71,045	
Social Security		138,972	
Pensions		225,238	
Life Insurance		953	
Medical Insurance		304,622	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Dental Insurance	\$	5,312	
Employer Medicare		34,346	
Other Fringe Benefits		6,940	
Evaluation and Testing		57,740	
Travel		2,352	
Other Supplies and Materials		3,681	
Other Equipment		301,725	
Total Other Student Support			\$ 3,555,038

Regular Instruction Program

Supervisor/Director	\$	717,315	
Career Ladder Program		16,235	
Librarians		1,258,621	
Materials Supervisor		97,006	
Education Media Personnel		387,330	
Clerical Personnel		208,314	
Other Salaries and Wages		111,480	
Social Security		158,331	
Pensions		242,557	
Life Insurance		1,267	
Medical Insurance		381,012	
Dental Insurance		6,804	
Employer Medicare		39,068	
Other Fringe Benefits		9,229	
Consultants		1,206	
Travel		61,617	
Other Contracted Services		15,503	
Library Books/Media		157,761	
Periodicals		1,743	
Other Supplies and Materials		36,112	
In Service/Staff Development		99,991	
Other Charges		1,281	
Other Equipment		116	
Total Regular Instruction Program			4,009,899

Alternative Instruction Program

Supervisor/Director	\$	33,906	
Employer Medicare		492	
Total Alternative Instruction Program			34,398

Special Education Program

Supervisor/Director	\$	236,364	
Career Ladder Program		7,000	
Clerical Personnel		85,128	
Other Salaries and Wages		147,598	
Social Security		23,263	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Pensions	\$	38,488	
Life Insurance		115	
Medical Insurance		30,815	
Dental Insurance		630	
Employer Medicare		6,786	
Other Fringe Benefits		838	
Travel		23,679	
Other Contracted Services		17,036	
Other Supplies and Materials		10,970	
In Service/Staff Development		10,503	
Total Special Education Program			\$ 639,213

Career and Technical Education Program

Supervisor/Director	\$	33,906	
Career Ladder Program		1,000	
Secretary(ies)		41,685	
Social Security		2,508	
Pensions		2,710	
Life Insurance		23	
Medical Insurance		6,872	
Dental Insurance		140	
Employer Medicare		1,093	
Other Fringe Benefits		168	
Travel		1,157	
Other Supplies and Materials		2,021	
In Service/Staff Development		2,144	
Total Career and Technical Education Program			95,427

Technology

Supervisor/Director	\$	190,746	
Career Ladder Program		6,000	
Instructional Computer Personnel		857,418	
Other Salaries and Wages		275,445	
Social Security		78,827	
Pensions		128,170	
Life Insurance		455	
Medical Insurance		164,314	
Dental Insurance		2,576	
Employer Medicare		18,435	
Other Fringe Benefits		3,316	
Maintenance and Repair Services - Equipment		144,167	
Internet Connectivity		293,396	
Travel		6,223	
Other Contracted Services		131,332	
Cabling		3,611	
Software		122,712	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Technology (Cont.)

Other Supplies and Materials	\$ 11,761	
In Service/Staff Development	8,486	
Other Equipment	99,208	
Total Technology		\$ 2,546,598

Other Programs

On-behalf Payments to OPEB	\$ 491,046	
Total Other Programs		491,046

Board of Education

Secretary to Board	\$ 1,200	
Other Salaries and Wages	1,529,830	
Board and Committee Members Fees	25,200	
Social Security	72,002	
Pensions	102,001	
Life Insurance	566	
Medical Insurance	820,416	
Dental Insurance	1,558	
Unemployment Compensation	6,807	
Employer Medicare	22,455	
Other Fringe Benefits	3,350	
Audit Services	39,500	
Dues and Memberships	20,999	
Legal Services	116,657	
Travel	48,247	
Liability Insurance	352,179	
Trustee's Commission	1,665,043	
Workers' Compensation Insurance	722,377	
In Service/Staff Development	7,291	
Other Charges	139,403	
Total Board of Education		5,697,081

Director of Schools

County Official/Administrative Officer	\$ 156,514	
Career Ladder Program	1,000	
Social Security	8,114	
Pensions	16,476	
Life Insurance	23	
Medical Insurance	9,450	
Dental Insurance	758	
Employer Medicare	2,267	
Other Fringe Benefits	168	
Communication	26,292	
Dues and Memberships	50	
Postal Charges	15,000	
Other Contracted Services	87	
In Service/Staff Development	4,473	
Total Director of Schools		240,672

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal

Principals	\$	2,694,916	
Career Ladder Program		42,000	
Assistant Principals		2,638,766	
Clerical Personnel		2,378,097	
Other Salaries and Wages		25,000	
Social Security		454,548	
Pensions		712,796	
Life Insurance		3,172	
Medical Insurance		1,081,841	
Dental Insurance		17,500	
Employer Medicare		107,238	
Other Fringe Benefits		23,098	
Communication		59,873	
Other Contracted Services		460	
Other Charges		300	
Total Office of the Principal			\$ 10,239,605

Fiscal Services

Supervisor/Director	\$	112,998	
Accountants/Bookkeepers		521,043	
Purchasing Personnel		33,906	
Secretary(ies)		106,095	
Other Salaries and Wages		55,516	
Social Security		47,245	
Pensions		56,223	
Life Insurance		304	
Medical Insurance		105,670	
Dental Insurance		1,988	
Employer Medicare		11,656	
Other Fringe Benefits		2,211	
Data Processing Services		164,303	
Travel		175	
Other Contracted Services		14,319	
Office Supplies		11,037	
In Service/Staff Development		15,666	
Other Charges		963	
Administration Equipment		14,397	
Total Fiscal Services			1,275,715

Operation of Plant

Guards	\$	88,790	
Custodial Personnel		2,490,627	
Other Salaries and Wages		33,906	
Social Security		152,107	
Pensions		161,667	
Life Insurance		2,160	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Medical Insurance	\$	579,428	
Dental Insurance		7,714	
Employer Medicare		36,175	
Other Fringe Benefits		15,728	
Janitorial Services		689,375	
Other Contracted Services		105,347	
Custodial Supplies		368,216	
Electricity		3,029,093	
Natural Gas		342,021	
Water and Sewer		350,556	
Other Supplies and Materials		170	
Building and Contents Insurance		536,950	
Plant Operation Equipment		38,787	
Total Operation of Plant			\$ 9,028,817

Maintenance of Plant

Supervisor/Director	\$	144,896	
Secretary(ies)		75,420	
Maintenance Personnel		1,664,023	
Social Security		110,762	
Pensions		118,707	
Life Insurance		975	
Medical Insurance		296,692	
Dental Insurance		2,590	
Employer Medicare		26,437	
Other Fringe Benefits		7,102	
Communication		17,819	
Laundry Service		19,006	
Maintenance and Repair Services - Buildings		44,511	
Maintenance and Repair Services - Equipment		64,391	
Maintenance and Repair Services - Vehicles		20,792	
Other Contracted Services		146,087	
Equipment and Machinery Parts		50,377	
Other Supplies and Materials		469,976	
In Service/Staff Development		1,552	
Maintenance Equipment		90,200	
Total Maintenance of Plant			3,372,315

Transportation

Supervisor/Director	\$	73,361
Mechanic(s)		447,910
Bus Drivers		2,218,234
Clerical Personnel		45,000
Social Security		156,343
Pensions		180,055
Life Insurance		1,964

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Medical Insurance	\$	497,508	
Dental Insurance		7,224	
Employer Medicare		37,973	
Other Fringe Benefits		14,304	
Communication		10,628	
Laundry Service		10,592	
Other Contracted Services		129,904	
Diesel Fuel		334,213	
Garage Supplies		35,942	
Gasoline		165,038	
Lubricants		40,882	
Natural Gas		1,816	
Tires and Tubes		91,601	
Vehicle Parts		307,896	
Vehicle and Equipment Insurance		149,875	
Other Charges		11,268	
Transportation Equipment		43,223	
Total Transportation			\$ 5,012,754

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	53,138	
Clerical Personnel		209,236	
Social Security		15,863	
Pensions		19,020	
Life Insurance		115	
Medical Insurance		884,554	
Dental Insurance		700	
Employer Medicare		3,714	
Other Fringe Benefits		838	
Food Supplies		16,975	
Total Food Service			1,204,153

Community Services

Other Salaries and Wages	\$	213,272	
Social Security		12,652	
Pensions		20,130	
Life Insurance		23	
Medical Insurance		6,434	
Dental Insurance		140	
Employer Medicare		2,959	
Other Fringe Benefits		168	
Travel		250	
Other Contracted Services		192	
Instructional Supplies and Materials		9,651	
In Service/Staff Development		300	
Other Charges		12,212	
Total Community Services			278,383

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education

Teachers	\$	406,602	
Educational Assistants		117,430	
Social Security		30,890	
Pensions		47,080	
Life Insurance		345	
Medical Insurance		109,186	
Dental Insurance		1,762	
Employer Medicare		7,224	
Other Fringe Benefits		2,510	
Instructional Supplies and Materials		20,300	
In Service/Staff Development		2,897	
Total Early Childhood Education			\$ 746,226

Capital Outlay

Regular Capital Outlay

Architects	\$	1,173,827	
Engineering Services		166,232	
Other Charges		366,528	
Building Improvements		8,172,119	
Land		235,973	
Total Regular Capital Outlay			10,114,679

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	6,680,695	
Total Education			6,680,695

Total General Purpose School Fund \$ 151,511,184

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	2,375,748	
Educational Assistants		182,233	
Other Salaries and Wages		86,963	
Non-certified Substitute Teachers		4,160	
Social Security		152,298	
Pensions		245,587	
Life Insurance		1,300	
Medical Insurance		414,119	
Dental Insurance		5,866	
Unemployment Compensation		6,500	
Employer Medicare		36,297	
Other Fringe Benefits		9,464	
Instructional Supplies and Materials		249,683	
Other Charges		2,112	
Regular Instruction Equipment		138,636	
Total Regular Instruction Program			\$ 3,910,966

(Continued)

Exhibit L-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program

Educational Assistants	\$ 2,721,865	
Speech Pathologist	3,955	
Social Security	245	
Pensions	359	
Medical Insurance	486,378	
Employer Medicare	57	
Total Special Education Program		\$ 3,212,859

Career and Technical Education Program

Instructional Supplies and Materials	\$ 13,442	
Vocational Instruction Equipment	171,337	
Total Career and Technical Education Program		184,779

Support Services

Health Services

Medical Personnel	\$ 6,580	
Social Security	408	
Pensions	381	
Employer Medicare	95	
Total Health Services		7,464

Other Student Support

Other Salaries and Wages	\$ 90,313	
Social Security	5,327	
Pensions	7,860	
Life Insurance	46	
Medical Insurance	20,059	
Dental Insurance	84	
Employer Medicare	1,246	
Other Fringe Benefits	335	
Travel	32,194	
Other Supplies and Materials	50,344	
In Service/Staff Development	17,780	
Other Equipment	4,853	
Total Other Student Support		230,441

Regular Instruction Program

Supervisor/Director	\$ 103,598
Secretary(ies)	46,380
Clerical Personnel	420
Other Salaries and Wages	22,770
Non-certified Substitute Teachers	37,200
Social Security	12,192
Pensions	16,050
Life Insurance	46
Medical Insurance	27,182

(Continued)

Exhibit L-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Dental Insurance	\$	280	
Employer Medicare		2,853	
Other Fringe Benefits		335	
Consultants		32,700	
Travel		5,738	
Other Supplies and Materials		3,717	
In Service/Staff Development		97,129	
Other Equipment		5,837	
Total Regular Instruction Program			\$ 414,427

Special Education Program

Other Supplies and Materials	\$	10,495	
In Service/Staff Development		164,381	
Total Special Education Program			174,876

Career and Technical Education Program

Travel	\$	889	
In Service/Staff Development		1,320	
Other Equipment		836	
Total Career and Technical Education Program			3,045

Board of Education

Criminal Investigation of Applicants - TBI	\$	70	
Total Board of Education			70

Transportation

Bus Drivers	\$	1,850	
Social Security		115	
Pensions		107	
Employer Medicare		27	
Diesel Fuel		239	
Total Transportation			2,338

Operation of Non-Instructional Services

Food Service

Food Supplies	\$	3,510	
Total Food Service			3,510

Total School Federal Projects Fund \$ 8,144,775

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	2,792,094	
Social Security		155,500	
Pensions		168,246	

(Continued)

Exhibit L-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Life Insurance	\$	3,238	
Medical Insurance		42,000	
Dental Insurance		12,628	
Employer Medicare		37,482	
Other Fringe Benefits		23,584	
Communication		13,594	
Maintenance and Repair Services - Equipment		41,237	
Transportation - Other than Students		36,602	
Travel		1,934	
Other Contracted Services		91,084	
Food Preparation Supplies		222,536	
Food Supplies		2,515,370	
USDA - Commodities		482,673	
Other Supplies and Materials		20,041	
In Service/Staff Development		3,346	
Food Service Equipment		43,925	
Total Food Service			<u>\$ 6,707,114</u>

Total Central Cafeteria Fund

\$ 6,707,114

Total Governmental Funds - Sevier County School Department

\$ 166,363,073

Exhibit L-9

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

	<u>Cities - Sales Tax Fund</u>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 52,875,059
Other Statutory Local Taxes	<u>119,973</u>
Total Cash Receipts	<u>\$ 52,995,032</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 52,465,082
Trustee's Commission	<u>529,950</u>
Total Cash Disbursements	<u>\$ 52,995,032</u>
Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ 0
Cash Balance, July 1, 2018	<u>0</u>
Cash Balance, June 30, 2019	<u><u>\$ 0</u></u>

STATUTORY SECTION

This part of Sevier County's annual financial report presents detailed information required by state statute for the Sevier County Public Utility Fund. This information is presented solely for the purposes of statutory compliance and additional analysis and is not a required part of the financial statements. This information is unaudited. It has not been subjected to any auditing procedures.

	Table(s)	Page(s)
Demographic and Economic Information:		
These schedules offer water rates and water loss reports required by state statute to help the reader understand how well the utility is performing.	1-2	242-243

Source: Sevier County Public Utility Management.

Table 1

Sevier County, Tennessee
Schedule of Utility Rates
Public Utility Fund
June 30, 2019

<u>Utility Rates in Effect</u>	<u>Residential</u>	
<u>Residential Rates</u>		
First 1,500 gallons	\$ 27.50	minimum charge
Over 1,500 gallons	12.50	per 1,000 gallons
<u>Commercial Rates</u>		
Base Rate	\$ 37.50	minimum charge
Each 1,000 gallons of usage	14.50	per 1,000 gallons
Number of Customers	1,996	

Table 2a

Sevier County, Tennessee
Schedule of Unaccounted for Water
Public Utility Fund
For the Year Ended June 30, 2019

AWWA Free Water Audit Software:
Reporting Worksheet

WAS v5.0
 American Water Works Association
 Copyright © 2014. All Rights Reserved.

? Click to access definition
+ Click to add a comment

Water Audit Report for: Sevier County Water
Reporting Year: 2019 / 7/2018 - 6/2019

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: MILLION GALLONS (US) PER YEAR

To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and all grades below it.

WATER SUPPLIED

	----- Enter grading in column 'E' and 'J' ----->				
Volume from own sources:	+ ? n/a	0.000	MG/Yr		
Water imported:	+ ? 10	171.670	MG/Yr		
Water exported:	+ ? n/a	0.000	MG/Yr		
WATER SUPPLIED:		171.670	MG/Yr		

Master Meter and Supply Error Adjustments

	Pcnt:	Value:					
	+ ?	+ ?					MG/Yr
	+ ?	+ ?					MG/Yr
	+ ?	+ ?					MG/Yr

Enter negative % or value for under-registration
Enter positive % or value for over-registration

AUTHORIZED CONSUMPTION

	+ ? 9	90.359	MG/Yr		
Billed metered:	+ ? n/a	0.000	MG/Yr		
Billed unmetered:	+ ? 8	3.500	MG/Yr		
Unbilled metered:	+ ? 8	2.146	MG/Yr		
Unbilled unmetered:	+ ? 8	2.146	MG/Yr		
AUTHORIZED CONSUMPTION:		96.005	MG/Yr		

Default option selected for Unbilled unmetered - a grading of 5 is applied but not displayed

Click here: ? for help using option buttons below

	Pcnt:	Value:					
	1.25%	+ ?					MG/Yr

Use buttons to select percentage of water supplied OR value

WATER LOSSES (Water Supplied - Authorized Consumption)

	+ ?	75.665	MG/Yr		
Apparent Losses					
Unauthorized consumption:	+ ?	0.429	MG/Yr		
Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed					
Customer metering inaccuracies:	+ ? 10	0.377	MG/Yr		
Systematic data handling errors:	+ ?	0.226	MG/Yr		
Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed					
Apparent Losses:	+ ?	1.032	MG/Yr		
Real Losses (Current Annual Real Losses or CARL)					
Real Losses = Water Losses - Apparent Losses:	+ ?	74.633	MG/Yr		
WATER LOSSES:		75.665	MG/Yr		

	Pcnt:	Value:					
	0.25%	+ ?					MG/Yr
	0.40%	+ ?					MG/Yr
	0.25%	+ ?					MG/Yr

NON-REVENUE WATER

	+ ?	81.311	MG/Yr		
= Water Losses + Unbilled Metered + Unbilled Unmetered					

SYSTEM DATA

	+ ? 8	103.0	miles		
Length of mains:	+ ? 8	1,996			
Number of active AND inactive service connections:	+ ?	19	conn./mile main		
Service connection density:	+ ?				
Are customer meters typically located at the curbstops or property line? Yes (length of service line, beyond the property boundary, that is the responsibility of the utility)					
Average length of customer service line: ? Average length of customer service line has been set to zero and a data grading score of 10 has been applied					
Average operating pressure:	+ ? 8	85.0	psi		

COST DATA

	+ ? 10	\$1,696,652	\$/Year		
Total annual cost of operating water system:	+ ? 10	\$12.50	\$/1000 gallons (US)		
Customer retail unit cost (applied to Apparent Losses):	+ ? 10	\$4,563.44	\$/Million gallons	<input type="checkbox"/>	Use Customer Retail Unit Cost to value real losses
Variable production cost (applied to Real Losses):	+ ? 10				

WATER AUDIT DATA VALIDITY SCORE: ***** YOUR SCORE IS: 91 out of 100 *****

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

1: Unauthorized consumption

2: Systematic data handling errors

3: Unbilled metered

242

Table 2b

Sevier County, Tennessee
 Schedule of Unaccounted for Water
 Public Utility Fund
 For the Year Ended June 30, 2019

AWWA Free Water Audit Software: System Attributes and Performance Indicators		WAS v5.0 American Water Works Association Copyright © 2014, All Rights Reserved.
Water Audit Report for: Sevier County Water		
Reporting Year: 2019 7/2018 - 6/2019		
*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 91 out of 100 ***		
System Attributes:		
	Apparent Losses:	1.032 MG/Yr
	+ Real Losses:	74.633 MG/Yr
	= Water Losses:	75.665 MG/Yr
<input type="checkbox"/>	Unavoidable Annual Real Losses (UARL):	26.58 MG/Yr
	Annual cost of Apparent Losses:	\$12,900
	Annual cost of Real Losses:	\$340,584
		Valued at Variable Production Cost Return to Reporting Worksheet to change this assumption
Performance Indicators:		
Financial:	Non-revenue water as percent by volume of Water Supplied:	47.4%
	Non-revenue water as percent by cost of operating system:	22.4% Real Losses valued at Variable Production Cost
Operational Efficiency:	Apparent Losses per service connection per day:	1.42 gallons/connection/day
	Real Losses per service connection per day:	N/A gallons/connection/day
	Real Losses per length of main per day*:	1,985.19 gallons/mile/day
	Real Losses per service connection per day per psi pressure:	N/A gallons/connection/day/psi
	From Above, Real Losses = Current Annual Real Losses (CARL):	74.63 million gallons/year
<input type="checkbox"/>	Infrastructure Leakage Index (ILI) [CARL/UARL]:	2.81

* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline

SINGLE AUDIT SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

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

Independent Auditor's Report

Sevier County Mayor and
Board of County Commissioners
Sevier 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sevier County, Tennessee, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Sevier County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated November 7, 2019.

Internal Control Over Financial Reporting

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sevier County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item 2019-001.

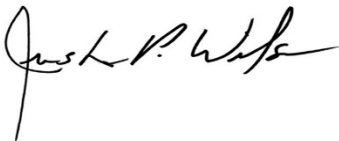
Sevier County's Response to the Finding

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

Purpose of this Report

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

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 7, 2019

JPW/tg



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

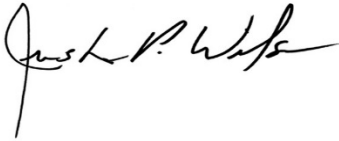
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sevier County, Tennessee, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Sevier County's basic financial statements. We issued our report thereon dated November 7, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 7, 2019

JPW/tg

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

Federal/Pass-Through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	\$ 1,380,659
National School Lunch Program	10.555	N/A	3,632,257 (5)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	482,673 (5)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-19-59381	124,426
Total U.S. Department of Agriculture			<u>\$ 5,620,015</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	(3)	\$ 945,028
Passed-through State Housing Development Agency:			
Home Investment Partnerships Program	14.239	(3)	114,449
Total U.S. Department of Housing and Urban Development			<u>\$ 1,059,477</u>
U.S. Department of the Interior:			
Direct Program:			
Payments in Lieu of Taxes	15.226	N/A	\$ 343,621
Total U.S. Department of the Interior			<u>\$ 343,621</u>
U.S. Department of Justice:			
Direct Programs:			
Drug Court Discretionary Grant Program	16.585	N/A	\$ 100,902
Public Safety Partnership and Community Policing Grants	16.710	N/A	27,630
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	7,765 (5)
Passed-through State Department of Finance and Administration:			
Crime Victim Assistance	16.575	(6)	80,549
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	63,337 (5)
Total U.S. Department of Justice			<u>\$ 280,183</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Safety Cluster: (4)			
State and Community Highway Safety	20.600	(7)	\$ 24,551
Total U.S. Department of Transportation			<u>\$ 24,551</u>
Appalachian Regional Commission:			
Passed-through State Department of Economic and Community Development:			
Appalachian Area Development	23.002	(3)	\$ 600,000
Total Appalachian Regional Commission			<u>\$ 600,000</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	\$ 3,604,781
Special Education Cluster: (4)			
Special Education - Grants to States	84.027	N/A	3,334,071
Special Education - Preschool Grants	84.173	N/A	91,925
Career and Technical Education - Basic Grants to States	84.048	N/A	235,950
Twenty-first Century Community Learning Centers	84.287	N/A	77,500
English Language Acquisition Grants	84.365	N/A	92,002
Improving Teacher Quality State Grants	84.367	N/A	500,841
Student Support and Academic Enrichment Program	84.424	N/A	179,775
Total U.S. Department of Education			<u>\$ 8,116,845</u>

(Continued)

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

Federal/Pass-Through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Passed-through East Tennessee Human Resource Agency, Inc.:			
Aging Cluster: (4)			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	(3)	\$ 51,981
Passed-through State Department of Health:			
Injury Prevention and Control Research and State and Community Based Programs	93.136	GG-19-59381	1,084
Family Planning - Services	93.217	GG-19-59381	44,927
National State Based Tobacco Control Programs	93.305	GG-19-59381	1,296
Medicaid Cluster: (4)			
Medical Assistance Program	93.778	GG-19-59381	42,499
Opioid STR	93.788	(3)	15,000 (5)
Maternal and Child Health Services Block Grant to the States	93.994	GG-19-59381	57,590
Passed-through State Department of Education:			
CCDF Cluster: (4)			
Child Care and Development Block Grant	93.575	(3)	69,944
Passed-through State Department of Mental Health and Substance Abuse:			
Opioid STR	93.788	(3)	28,378 (5)
Block Grants for Prevention and Treatment of Substance Abuse	93.959	(3)	57,171
Total U.S. Department of Health and Human Services			<u>\$ 369,870</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(3)	\$ 40,500
Homeland Security Grant Program	97.067	(8)	31,940
Total U.S. Department of Homeland Security			<u>\$ 72,440</u>
Total Expenditures of Federal Grants			<u>\$ 16,487,002</u>
State Grants			
Juvenile Justice - State Commission on Children and Youth	N/A	(3)	\$ 9,000
Aging Program - State Office on Aging	N/A	(3)	17,418
Litter Program - State Department of Transportation	N/A	(3)	70,304
Health Department Program - State Department of Health	N/A	(3)	420,982
Drug Court Discretionary Grant Program - State Department of Mental Health	N/A	(3)	58,750
Law Enforcement Training - State Department of Safety	N/A	(3)	56,400
Court Security Grant Program - State Administrative Office of the Courts	N/A	(3)	40,502
Library STEM Grant - Tennessee Secretary of State	N/A	(3)	485
Library Technology Training Grant - Tennessee Secretary of State	N/A	(3)	4,548
Rebuild and Recover Disaster Grant - Tennessee Housing Development Agency	N/A	(3)	197,821
Healthy Environment Grant - Tennessee Secretary of State	N/A	(3)	20,000
Breakfast After Bell - State Department of Education	N/A	(3)	7,712
Family Resource Center - State Department of Education	N/A	(3)	29,912
Coordinated School Health - State Department of Education	N/A	(3)	100,000
Driver's Education - State Department of Education	N/A	(3)	61,583
Lottery for Education - State Department of Education	N/A	(3)	137,399
Read to Be Ready Summer Literacy - State Department of Education	N/A	(3)	73,745
School Safety - State Department of Education	N/A	(3)	216,170
Safe Schools Act - State Department of Education	N/A	(3)	86,470
Total State Grants			<u>\$ 1,609,201</u>

(Continued)

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

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Sevier County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) Information not available.
- (4) Child Nutrition Cluster total \$5,495,589; Special Education Cluster total \$3,425,996; Highway Safety Cluster total \$24,551; Aging Cluster total \$51,981; Medicaid Cluster total \$42,499; CCDF Cluster total \$69,944.
- (5) Total for CFDA No 10.555 is \$4,114,930; Total for CFDA No. 16.738 is \$71,102; Total for CFDA No. 93.788 is \$43,378.
- (6) 26761 VOCA: \$41,259; 30146 VOCA: \$39,290.
- (7) Z-18-THS278: \$7,564; Z-19-THS250: \$16,987.
- (8) EMW-2016-SS-00032: \$15,960; EMW-2017-SS-00093: \$15,980.

(9) SUBRECIPIENTS

Program Title	Federal CFDA Number	Amount Provided to Subrecipient	Subrecipient
Edward Byrne Memorial Justice Assistance Grant Program	16.738	\$22,603	Boys & Girls Club of the Smoky Mountains

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

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

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.

SEVIER COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2019

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Sevier County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NO**
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:

<ul style="list-style-type: none"> * CFDA Number: 14.228 CFDA Number: 23.002 CFDA Numbers: 84.027 and 84.173 	Community Development Block Grants/State's Program Appalachian Area Development Special Education Cluster: Special Education - Grants to States, and Special Education - Preschool Grants
---	---
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDING RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF COUNTY MAYOR

FINDING 2019-001

THE INTERNAL REVENUE SERVICE ASSESSED THE COUNTY INTEREST AND PENALTY TOTALING \$43,734.34

(Noncompliance Under *Government Auditing Standards*)

Sevier County maintains a bank clearing account to deposit employee payroll taxes due to the Internal Revenue Service (IRS). The county is required to notify the IRS of the deposit via the electronic federal tax payment system (EFTPS). Upon being notified of the deposit via the EFTPS the IRS withdraws the funds from the county's account. The IRS was not properly notified of a payroll tax deposit made on January 29, 2018. Since the IRS was not notified of the deposit, the funds were not withdrawn by the IRS until April 6, 2018. This delay in payment, resulted in the assessment of interest and penalty by the IRS totaling \$43,734.34. The assessments were paid to the IRS on August 30, 2018. This deficiency resulted from a lack of management oversight.

RECOMMENDATION

Federal payroll tax deposits should be reported to the IRS via the EFTPS on a timely basis to avoid interest and penalty assessments.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

Sevier County operates a bank clearing account at Sevier County Bank. The purpose of this account is to deposit employee payroll taxes due to the Internal Revenue Service. After each processed payroll, the deducted taxes are deposited into the clearing account. Once deposited, the payroll clerk utilizes the electronic federal tax payment system (EFTPS) to remit the funds to the IRS. On January 29 a deposit was made for the January 30 payroll. After the deposit was completed, on January 30, the payroll clerk then logged into EFTPS and completed the payment process to the IRS by the normal procedure. It was later discovered the payment had not been received by the IRS. There is sufficient documentation showing the payroll clerk entered all of the correct information into the EFTPS to ensure a successful payment. There was an error within the IRS system that prevented the payment from being properly processed. Once Sevier County was aware of the error, a payment was immediately re-submitted to the IRS, but not before a significant amount of penalties and interest had

been assessed. At this time Sevier County entered into the appeals process with the IRS. There has been negotiation between the County and IRS that has not yet been resolved.

Sevier County agrees that the IRS did not receive funds owed to them in a timely manner and thus the interest and penalties were assessed. However, due to the fact the error in timely payment falls on the IRS's EFTPS, we do not feel we are responsible for the interest and penalties. Sevier County management made a determination to pay the interest and penalties so as to avoid further accrued interest, but Sevier County seeks to recoup those funds through a successful appeal to the IRS. This case remains open with the IRS and an official determination has not been rendered. We concur with the recommendation that federal payroll tax deposits should be reported to the IRS on a timely basis to avoid interest and penalty, which is a practice Sevier County has always performed without fault. Sevier County has implemented additional monitoring practices since the system error occurred to avoid any future deficiencies. Given the error occurred within the IRS EFTPS and not our payroll processes, and there is still an open appeals case for the penalties and interest assessed, Sevier County does not agree with the need for a finding at this time. In addition, if the IRS dismisses the penalty and interest, Sevier County would expect this audit to be reissued with the above referenced finding excluded.

AUDITOR'S COMMENT

Management should certainly continue efforts to recover the funds on behalf of Sevier County; however, it is our responsibility to bring to the attention of management and those charged with governance noncompliance resulting from internal control deficiencies that we detect. Although the internal controls that resulted in the payment of the penalty and interest can be corrected going forward, their existence cannot be rectified for the period under audit. It should also be noted that had the account been reconciled timely, this error would have been discovered quickly and could have been rectified timely.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and recommendations, as a result of our audit of federal awards of Sevier County, Tennessee, for the year ended June 30, 2019.

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

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

Finding Number	Title of Finding	Corrective Action Plan Page Number
-------------------	------------------	---------------------------------------

OFFICE OF COUNTY MAYOR

2019-001	The Internal Revenue Service Assessed the County Interest and Penalty Totaling \$43,734.34	259
----------	--	-----

Telephone 865.453.6136
Fax 865.453.6830
E-mail: lwaters@seviercountyttn.org



125 Court Avenue
Suite 201E
Sevierville, TN 37862

Larry Waters *County Mayor*

Corrective Action Plan

FINDING: THE INTERNAL REVENUE SERVICE ASSESSED THE COUNTY INTEREST AND PENALTY TOTALING \$43,734.34

Response and Corrective Action Plan Prepared by:
Brooke Huffaker, Finance Director

Person Responsible for Implementing the Corrective Action:
Brooke Huffaker with staff members from the Finance and Payroll Department

Anticipated Completion Date of Corrective Action:
Already completed

Repeat Finding:
No

Reason Corrective Action was Not Taken in the Prior Year:
N/A

Planned Corrective Action:
The Finance and Payroll departments adjusted their procedures to ensure better monitoring of the account.

Signature: Larry Waters

BEST PRACTICE

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

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

SEVIER COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING

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