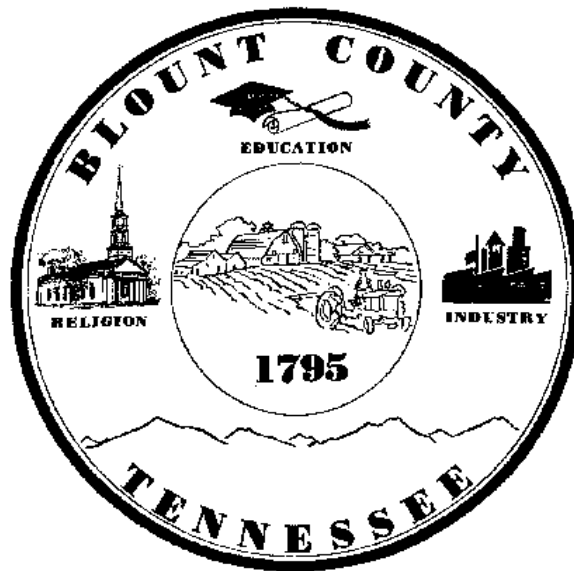


ANNUAL FINANCIAL REPORT
BLOUNT COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2018



DIVISION OF LOCAL GOVERNMENT AUDIT

ANNUAL FINANCIAL REPORT
BLOUNT COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2018

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

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AMY MOORE, CGFM
JAKE ROGERS
CODY EIDSON
DOUG SANDIDGE, CISA, CFE
State Auditors

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

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Summary of Audit Findings

Annual Financial Report
Blount County, Tennessee
For the Year Ended June 30, 2018

Scope

We have audited the basic financial statements of Blount County as of and for the year ended June 30, 2018.

Results

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

Our audit resulted in no findings.

INTRODUCTORY SECTION

Blount County Officials

June 30, 2018

Officials

Ed Mitchell, County Mayor
Jeff Headrick, Highway Superintendent
Rob Britt, Director of Schools
Scott Graves, Trustee
Tim Helton, Assessor of Property
Gaye Hasty, County Clerk
Thomas Hatcher, Circuit and General Sessions Courts Clerk
Stephen Ogle, Clerk and Master
Phyllis Crisp, Register of Deeds
James Berrong, Sheriff
Randy Vineyard, Director of Accounts and Budgets
Katie Branham, Purchasing Agent

Board of County Commissioners

Ron French, Chairman	Mike Akard
Andy Allen	Scott King
Richard Carver	Kenneth Melton
Archie Archer	Mike Caylor
Mike Lewis	Brad Bowers
Shawn Carter	Grady Caskey
Gary Farmer	Brian Robbins
Thomas Cole	Dodd Crowe
Jamie Daly	Dave Bennett
Karen Miller	Tona Monroe
Tom Stinnett	

Board of Education

Debbie Sudhoff, Chairman	Charles Finley
Jim Compton	Scott Helton
Bill Padgett	Robbie Kirkland
Fred Goins	

Audit Committee

Susanne Davis, Chairman	Lee Gowan, Jr.
Andy Allen	Amy Paganelli
Ron French	

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Blount County, Tennessee, as of and for the year ended June 30, 2018, 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 did not audit the financial statements of Blount Memorial Hospital, Inc. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Blount Memorial Hospital, Inc., is based solely on the report of the other auditors. We were unable to determine Blount Memorial Hospital, Inc.'s respective percentage of the assets, net position, and revenues of the aggregate discretely presented component units because the Blount County Public Building Authority and the Blount County Emergency Communications District, component units requiring discrete presentation, were not included in the county's financial statements. 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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Blount County, Tennessee, as of June 30, 2018, 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.

Change in Accounting Principle

As described in Note V.B., Blount County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Emphasis of Matter

We draw attention to Note I.D.8. to the financial statements, which describes restatements reducing the beginning net position of the Governmental Activities of the primary government by \$4,067,786, and the beginning net position of the discretely presented Blount County School Department by \$13,016,559, on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 14 through 22 and the schedule of changes in the county and school net pension liability and related ratios, schedule of county and school contributions, schedule of school's proportionate share of the net pension liability, and schedule of changes in the county and school total other postemployment benefits liability and related ratios on pages 122 through 131 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 Blount 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 Blount County School Department (a discretely presented component unit), miscellaneous schedules and the other information such as the introductory section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Blount 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

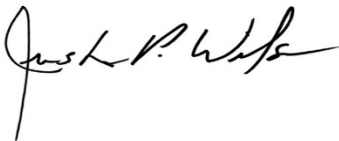
nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Blount County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2018, on our consideration of Blount 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 Blount 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 Blount County’s internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 28, 2018

JPW/tg



Blount County, Tennessee Management's Discussion and Analysis (MD&A) For the Year Ended June 30, 2018

Introduction

This discussion and analysis of Blount County's financial performance provides an overall view of the financial activities for fiscal year ended June 30, 2018. It includes an overall view of the Primary Government, which includes General County, Debt Service, and Non-major funds. In addition, this discussion and analysis includes an overall view of the Discretely Presented Component Unit (DPCU) Blount County School Department. A DPCU is an organization/entity for which the nature and significance of their relationship with the Primary Government are such that exclusion of their data would cause misleading or incomplete reporting.

Discussion of the Basic Financial Statements

The statement of net position, formerly called the balance sheet, is basically "assets" minus "liabilities", or "what you have" minus "what you owe". In total, the net position of the Primary Government increased by \$14.3 million, while net position of the DPCU School Department decreased by \$182 thousand. (See Tables 2A and 2B below)

General Fund expenditures were \$8.2 million less than revenues received, and "transfers out", net of "transfers in", was \$5.3 million, which together increased the fund balance (assets in excess of liabilities available for appropriation) by \$2.9 million. It should be noted that the property tax rate remained the same for this budget year, \$2.47. DPCU School Department expenditures were \$94 thousand less than revenue received, which increased the fund balance by this same amount for the year ended June 30, 2018.

Total assets of governmental activities in the Primary Government were \$207.7 million as taxes receivable ended at \$49.2 million, cash ended at \$53.3 million, and capital assets, net of accumulated depreciation, ended at \$97.3 million. Total assets in the DPCU School Department were \$160.9 million as taxes receivable ended at 24.3 million, cash ended at \$14.2 million, and capital assets, net of accumulated depreciation, ended at \$116.7 million.

Revenues for the Primary Government totaled \$97.5 million. General revenues of the Primary Government accounted for \$60.7 million or 62 percent of total revenues. Program specific revenues in the form of charges for services, sales, grants, and contributions accounted for \$36.8 million or 38 percent of total revenues.

Revenues of the DPCU School Department totaled \$103.4 million, with general revenues of making up 88 percent of the total. Program specific revenues in the form of charges for services, sales, grants, and contributions accounted for \$12.3 million or 12 percent of total revenues.

The Primary Government had \$83.2 million in expenses, with \$36.8 million of those expenses being offset by revenues in the form of charges for services, grants, and contributions, resulting in expenses of \$46.4 million to be covered by other forms of revenue, mainly property taxes. Total expenses were less than general revenues by \$14.3 million.

The DPCU School Department had \$103.6 million in expenses with \$12.3 million of these expenses offset by program specific revenues. Revenues (primarily property taxes and sales taxes of \$23.5 and \$15.4 million, respectively, in addition to the BEP contribution of \$47 million) were adequate to provide current funding for these programs.

Government-Wide Financial Analysis

Tables 1A and 1B provide a summary of the Primary Government's and the DPCU School Department's Net Position for 2018 and a comparison to the prior year. Again, like a balance sheet, it shows Assets and Liabilities, and the difference between the two. An additional portion of the Primary Government's Net Position, \$5.7 million, represents resources that are subject to external restrictions on how they may be used. This is why they are referred to as "Restricted". In the DPCU School Department, \$2.9 million of Net Position is subject to external restriction.

Table 1A
Blount County Primary Government Net Position

	Blount County Primary Government Governmental Activities	
	2018	2017
Assets:		
Current and Other Assets	\$ 110,380,096	\$ 100,474,868
Capital Assets	97,282,255	102,549,676
Total Assets	\$ 207,662,351	\$ 203,024,544
Total Deferred Outflows of Resources	\$ 8,331,883	\$ 9,811,877
Liabilities:		
Long-term Liabilities Outstanding	\$ 201,699,579	\$ 209,076,896
Other Liabilities	5,542,121	5,512,234
Total Liabilities	\$ 207,241,700	\$ 214,589,130
Total Deferred Inflows of Resources	\$ 49,264,728	\$ 48,952,034
Net Position:		
Net Investment in Capital Assets	\$ 70,061,330	\$ 74,049,105
Restricted	5,650,141	3,795,485
Unrestricted	(116,223,665)	(128,549,333)
Total Net Position	\$ (40,512,194)	\$ (50,704,743)

Table 1B
Blount County DPCU School Department Net Position

	DPCU School Department Governmental Activities	
	2018	2017
Assets:		
Current and Other Assets	\$ 44,174,871	\$ 43,008,662
Capital Assets	116,699,180	119,721,971
Total Assets	\$ 160,874,051	\$ 162,730,633
Total Deferred Outflows of Resources	\$ 9,646,322	\$ 14,814,170
Liabilities:		
Long-term Liabilities Outstanding	\$ 13,053,837	\$ 7,378,344
Other Liabilities	\$ 9,257,677	\$ 8,023,672
Total Liabilities	\$ 22,311,514	\$ 15,402,016
Total Deferred Inflows of Resources	\$ 31,975,095	\$ 32,710,172
Net Position:		
Net Investment in Capital Assets	\$ 116,699,180	\$ 119,721,971
Restricted	2,920,633	1,905,358
Unrestricted	(3,386,049)	7,805,286
Total Net Position	\$ 116,233,764	\$ 129,432,615

Tables 2A and 2B show changes in Net Position for fiscal year 2018 for the Primary Government and the DPCU School Department, respectively, as well as a comparison to the prior year. The change is represented by the Increase (Decrease) in Net Position.

Table 2A
Blount County Changes in Net Position

	Blount County Primary Government	
	Governmental Activities	
	2018	2017
Revenues:		
Program Revenues:		
Charges for Services	\$ 29,885,202	\$ 29,348,016
Operating Grants and Contributions	6,879,827	5,647,351
Capital Grants and Contributions	103	1,299,717
General Revenues:		
Property Taxes	47,687,213	47,253,424
Sales Taxes	4,913,910	3,425,874
Hotel/Motel Taxes	762,906	763,241
Business Taxes	1,080,931	1,060,212
Other Taxes	1,346,454	1,193,534
Grants and Contributions Not Restricted to Specific Programs	3,932,573	4,341,944
Unrestricted Investment Income	913,663	334,749
Investment Income (Loss) - Derivatives	0	1,718,985
Miscellaneous	50,201	30,459
Total Revenues	\$ 97,452,983	\$ 96,417,509
Expenses:		
General Government	\$ 9,013,783	\$ 7,728,626
Finance	7,388,033	7,088,465
Administration of Justice	6,315,040	5,706,608
Public Safety	22,652,624	20,751,047
Public Health and Welfare	2,211,791	2,071,620
Social, Cultural, and Recreational	3,299,080	3,195,066
Agriculture and Natural Resources	293,090	306,728
Highway	11,196,830	9,108,599
Education	14,188,986	13,312,858
Interest on General Long-term Debt	6,633,391	7,417,702
Total Expenses	\$ 83,192,648	\$ 76,687,319
Change in Net Position	\$ 14,260,335	\$ 19,730,190
Restatement	(4,067,786)	0
Net Position, July 1, 2017	(50,704,743)	(70,434,933)
Net Position, June 30, 2018	\$ (40,512,194)	\$ (50,704,743)

Table 2B
Blount County School Department - Change in Net Position

	Blount County School Department	
	2018	2017
Revenues:		
Program Revenues:		
Charges for Services	\$ 3,049,064	\$ 3,192,387
Operating Grants and Contributions	9,110,031	9,444,629
Capital Grants and Contributions	144,250	0
General Revenues:		
Property Taxes	23,505,008	23,506,526
Sales Taxes	15,411,162	14,927,321
Business Taxes	532,892	527,991
Other Taxes	211,877	139,721
Grants and Contributions Not Restricted to Specific Programs	51,226,535	50,480,852
Unrestricted Investment Income	216,045	100,256
Miscellaneous	23,103	15,790
Total Revenues	\$ 103,429,967	\$ 102,335,473
Expenses:		
Instruction	\$ 56,816,861	\$ 57,587,422
Support Services	39,596,748	36,019,971
Operation of Non-instructional Services	7,198,650	7,572,234
Total Expenses	\$ 103,612,259	\$ 101,179,627
Change in Net Position	\$ (182,292)	\$ 1,155,846
Net Position, July 1, 2017	129,432,615	128,276,769
Restatement	\$ (13,016,559)	0
Net Position, June 30, 2018	\$ 116,233,764	\$ 129,432,615

Analysis of Overall Financial Position and Results of Operations

Significant factors affecting this year's operations include: increase in sales tax collections. Also, similar to last year, the county also benefited from coming in below budget on expenditures and surpassing expectations in revenue.

Public Safety expenditures of \$22.7 million accounted for approximately 27 percent of the \$83.2 million total expenses for governmental activities, while Highways and Education (related to internal service funds activities) expenses accounted for 13.5 percent and 17 percent, respectively. Of the \$83.2 million in governmental expenses, \$29.9 million was covered by direct charges to users of the services. Other grants and contributions covered another \$6.9 million of expenses.

Financial Analysis of the Government's Funds

In 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 purpose for which amounts in these funds can be spent. These classifications consist of the following: nonspendable, restricted, committed, assigned, or unassigned.

- **Nonspendable Fund Balance** – The nonspendable balance in the endowment fund remained at \$485,403.
- **Restricted Fund Balance** – The restricted fund balance for the General Fund remained steady at approximately \$1.5 million, split between General Government, Finance, Administration of Justice, Public Safety, and Public Health and Welfare. The restricted fund balance for the General Debt Service Fund remained zero. The restricted fund balance for the DPCU School Departments nonmajor governmental funds was \$1.8 million.
- **Committed Fund Balance** – The committed fund balance for the General Fund increased to \$279.5 thousand. The committed fund balance for the General Debt Service Fund increased to \$12.2 million, Committed for Debt Service. The committed fund balance for the DPCU School Departments nonmajor governmental funds was \$709 thousand.
- **Assigned Fund Balance** – The assigned fund balance for the General Fund decreased to \$2.9 million, split between General Government, Finance, Administration of Justice, Public Safety, Public Health and Welfare, Highways/Public Works, Agriculture and Natural Resources and Capital Outlay. The assigned fund balance for the General Purpose School Fund decreased to \$1.7 million.
- **Unassigned Fund Balance** – The unassigned fund balance for the General Fund increased by \$4 million to \$20.7 million. The unassigned fund balance for the General Purpose School Fund increased by \$2.6 million to \$7.9 million.

Budgetary Highlights

During the 2018 budget year, the county accomplished the following: 1) Step-increase implementation of classification/compensation plan and 2) Further implementation of IT Modernization Program.

Capital Assets and Debt Administration

Capital Assets

Blount County's investment in capital assets, net of accumulated depreciation, as of June 30, 2018, totaled \$97.3 million. This investment in capital assets includes land, construction in progress, buildings and improvements, roads, streets, and bridges, and other capital assets.

Asset	Historical Value	Accumulated Depreciation	Net Value 6-30-18
Land	\$ 7,518,566	\$ 0	\$ 7,518,566
Construction in Progress	463,251	0	463,251
Buildings and Improvements	53,450,478	(22,041,127)	31,409,351
Roads, Streets, and Bridges	137,748,771	(88,428,115)	49,320,656
Other Capital Assets	21,016,575	(12,446,144)	8,570,431
Total	\$ 220,197,641	\$ (122,915,386)	\$ 97,282,255

Blount County School Department's investment in capital assets, net of accumulated depreciation, as of June 30, 2018, totaled \$116.7 million. This investment in capital assets includes land, buildings and improvements, and other capital assets.

Asset	Historical Value	Accumulated Depreciation	Net Value 6-30-18
Land	\$ 9,951,059	\$ 0	\$ 9,951,059
Buildings and Improvements	173,112,586	(68,110,110)	\$ 105,002,476
Other Capital Assets	6,294,237	(4,548,592)	\$ 1,745,645
Total	\$ 189,357,882	\$ (72,658,702)	\$ 116,699,180

Long-term Debt

No additional debt was issued to finance any capital needs during the year. In November 2016, there was a refinancing of debt, eliminating variable debt and swap agreements and converting to fixed rate debt.

Economic Factors and Next Year's Budgets and Rates

In June 2018, the Blount County Commission adopted a budget for the fiscal year ending June 30, 2019. The property tax rate for tax year 2019 was adopted at a rate of \$2.47, the same as the 2018 tax year.

The distribution of the 2019 property tax rate is shown below:

Fund	2019	2018
General County	\$0.88	\$0.88
Educ. Capital Project	\$0.04	\$0.04
Debt Service	\$0.48	\$0.48
Gen. Purpose School	\$1.07	\$1.07
Total	<u>\$2.47</u>	<u>\$2.47</u>

Request for Information

This report is designed to provide a general overview of the county's finances for all those with an interest in the government's finances. If you have any questions concerning the information provided in this report, please address them to the Finance Director, Blount County Government, 341 Court Street, Maryville, TN 37804.

BASIC FINANCIAL STATEMENTS

Exhibit A

Blount County, Tennessee
Statement of Net Position
June 30, 2018

	Primary	Component Units	
	Government	Blount	Blount
	Total	County	Memorial
	Governmental	School	Hospital
	Activities	Department	Hospital
<u>ASSETS</u>			
Cash	\$ 161,569	\$ 0	\$ 1,579,949
Equity in Pooled Cash and Investments	53,164,890	14,179,118	0
Inventories	0	0	3,785,537
Accounts Receivable	445,392	116,745	27,461,164
Due from Other Governments	3,050,984	4,873,488	0
Due from Component Units	2,787,310	0	0
Property Taxes Receivable	49,187,290	24,284,698	0
Allowance for Uncollectible Property Taxes	(768,590)	(384,730)	0
Net Pension Asset - Agent Plan - (Excluding Library)	1,467,530	581,520	0
Net Pension Asset - Agent Plan - Library	286,379	0	0
Net Pension Asset - Teacher Retirement Plan	0	143,588	0
Net Pension Asset - Teacher Legacy Pension Plan	0	380,444	0
Prepaid Items	0	0	3,357,867
Restricted Assets:			
Restricted for Foundation	0	0	1,994,771
Other Restricted Assets	0	0	99,196,613
Notes Receivable	597,342	0	0
Capital Assets:			
Assets Not Depreciated:			
Land	7,518,566	9,951,059	12,553,960
Construction in Progress	463,251	0	234,625
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	31,409,351	105,002,476	77,510,593
Other Capital Assets	8,570,431	1,745,645	32,026,138
Infrastructure	49,320,656	0	0
Total Assets	<u>\$ 207,662,351</u>	<u>\$ 160,874,051</u>	<u>\$ 259,701,217</u>

(Continued)

Exhibit A

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

	Primary	Component Units	
	Government	Blount	Blount
	Total	County	Blount
	Governmental	School	Memorial
	Activities	Department	Hospital
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Accumulated Decrease in Fair Value of Hedging Derivatives	\$ 0	\$ 0	\$ 8,141,278
Deferred Charge on Refunding	3,613,762	0	0
Pension Changes in Experience	1,379,164	737,149	0
Pension Changes in Investment Earnings	1,702	57,750	0
Pension Changes in Assumptions	1,475,479	3,801,797	0
Pension Other Deferrals	0	584,705	0
Pension Contributions After Measurement Date	1,861,776	4,464,921	0
Total Deferred Outflows of Resources	<u>\$ 8,331,883</u>	<u>\$ 9,646,322</u>	<u>\$ 8,141,278</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 1,090,662	\$ 570,788	\$ 3,980,060
Accrued Payroll	1,412,762	4,467,577	10,342,861
Accrued Interest Payable	78,786	0	131,559
Payroll Deductions Payable	468,425	629,321	0
Contracts Payable	0	93,068	0
Due to Primary Government	0	2,787,310	0
Due to State of Tennessee	3,425	0	0
Due to Cities	28,972	0	0
Due to Litigant, Heirs, and Others	18,089	0	0
Other Current Liabilities	2,441,000	709,613	5,323,657
Derivative - Interest Rate Swap	0	0	8,141,278
Noncurrent Liabilities:			
Due Within One Year	10,972,218	0	6,500,707
Due in More Than One Year	190,727,361	13,053,837	70,981,956
Total Liabilities	<u>\$ 207,241,700</u>	<u>\$ 22,311,514</u>	<u>\$ 105,402,078</u>

(Continued)

Exhibit A

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

	Primary	Component Units	
	Government	Blount	Blount
	Total	County	Blount
	Governmental	School	Memorial
	Activities	Department	Hospital
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 47,599,542	\$ 23,484,040	\$ 0
Pension Changes in Experience	623,627	8,088,236	0
Pension Changes in Investment Earnings	25,494	17,828	0
Pension Other Deferrals	0	154,341	0
OPEB Changes in Assumptions	150,242	230,650	0
Unearned Revenue	865,823	0	0
Total Deferred Inflows of Resources	<u>\$ 49,264,728</u>	<u>\$ 31,975,095</u>	<u>\$ 0</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 70,061,330	\$ 116,699,180	\$ 36,746,795
Restricted for:			
General Government	720,532	0	0
Finance	186,335	0	0
Administration of Justice	480,559	0	0
Public Safety	863,443	0	0
Public Health and Welfare	34,151	0	0
Social, Cultural, and Recreation	812,650	0	0
Debt Service	96,592	0	0
Capital Projects	198,570	541,146	0
Education	0	1,273,935	0
Pensions	1,753,909	1,105,552	0
Permanent Endowment:			
Expendable	17,997	0	0
Nonexpendable	485,403	0	1,198,731
Unrestricted	<u>(116,223,665)</u>	<u>(3,386,049)</u>	<u>124,494,891</u>
Total Net Position (Deficit)	<u>\$ (40,512,194)</u>	<u>\$ 116,233,764</u>	<u>\$ 162,440,417</u>

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

Exhibit B

Blount County, Tennessee
Statement of Activities
For the Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units	
					Total Governmental Activities	Blount County School Department	Blount Memorial Hospital
<u>Primary Government</u>							
Governmental Activities:							
General Government	\$ 9,013,783	\$ 2,029,893	\$ 28,664	\$ 0	\$ (6,955,226)	\$ 0	\$ 0
Finance	7,388,033	4,167,144	0	0	(3,220,889)	0	0
Administration of Justice	6,315,040	4,938,815	226,256	0	(1,149,969)	0	0
Public Safety	22,652,624	4,305,307	458,229	103	(17,888,985)	0	0
Public Health and Welfare	2,211,791	261,992	1,187,198	0	(762,601)	0	0
Social, Cultural, and Recreational Services	3,299,080	373,222	1,147,729	0	(1,778,129)	0	0
Agriculture and Natural Resources	293,090	0	0	0	(293,090)	0	0
Highways	11,196,830	192,105	3,831,751	0	(7,172,974)	0	0
Education	14,188,986	13,616,724	0	0	(572,262)	0	0
Interest on Long-term Debt	6,633,391	0	0	0	(6,633,391)	0	0
Total Primary Government	<u>\$ 83,192,648</u>	<u>\$ 29,885,202</u>	<u>\$ 6,879,827</u>	<u>\$ 103</u>	<u>\$ (46,427,516)</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Component Units</u>							
Blount County School Department	\$ 103,612,259	\$ 3,049,064	\$ 9,110,031	\$ 144,250	\$ 0	\$ (91,308,914)	\$ 0
Blount Memorial Hospital	276,180,215	260,670,048	10,417,934	0	0	0	(5,092,233)
Total Component Units	<u>\$ 379,792,474</u>	<u>\$ 263,719,112</u>	<u>\$ 19,527,965</u>	<u>\$ 144,250</u>	<u>\$ 0</u>	<u>\$ (91,308,914)</u>	<u>\$ (5,092,233)</u>

(Continued)

Exhibit B

Blount County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Units	
					Government	Blount	
					Total	County	Blount
Governmental Activities	School Department	Memorial Hospital					
General Revenues:							
Property Taxes Levied for General Purposes				\$ 30,885,343	\$ 22,104,933	\$ 0	0
Property Taxes Levied for Debt Service				16,801,870	0	0	0
Property Taxes Levied for Capital Projects				0	1,400,075	0	0
Local Option Sales Taxes				4,913,910	15,411,162	0	0
Hotel/Motel Taxes				762,906	0	0	0
Litigation - General Taxes				763,124	0	0	0
Business Taxes				1,080,931	532,892	0	0
Wholesale Beer Taxes				230,338	0	0	0
Other Taxes				352,992	211,877	0	0
Grants and Contributions Not Restricted to Specific Programs				3,932,573	51,226,535	555,891	555,891
Unrestricted Investment Income				913,663	216,045	4,063,865	4,063,865
Miscellaneous				50,201	23,103	0	0
Total General Revenues				<u>\$ 60,687,851</u>	<u>\$ 91,126,622</u>	<u>\$ 4,619,756</u>	
Change in Net Position				\$ 14,260,335	\$ (182,292)	\$ (472,477)	
Net Position (Deficit), July 1, 2017				(50,704,743)	129,432,615	162,912,894	
Restatement - See Note I. D. 8.				(4,067,786)	(13,016,559)	0	
Net Position (Deficit), June 30, 2018				<u>\$ (40,512,194)</u>	<u>\$ 116,233,764</u>	<u>\$ 162,440,417</u>	

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

Exhibit C-1

Blount County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2018

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 100	\$ 0	\$ 0	\$ 16,282	\$ 16,382
Equity in Pooled Cash and Investments	25,776,934	3,283,560	11,591,802	4,390,179	45,042,475
Accounts Receivable	195,188	50,415	150,492	37,099	433,194
Due from Other Governments	1,164,806	1,569,540	316,638	0	3,050,984
Due from Other Funds	8,934	0	0	0	8,934
Property Taxes Receivable	31,827,070	0	17,360,220	0	49,187,290
Allowance for Uncollectible Property Taxes	(497,323)	0	(271,267)	0	(768,590)
Notes Receivable - Long-term	0	0	597,342	0	597,342
Total Assets	\$ 58,475,709	\$ 4,903,515	\$ 29,745,227	\$ 4,443,560	\$ 97,568,011
<u>LIABILITIES</u>					
Accounts Payable	\$ 376,760	\$ 20,260	\$ 0	\$ 58,808	\$ 455,828
Accrued Payroll	1,209,604	127,860	0	75,298	1,412,762
Payroll Deductions Payable	418,439	38,980	0	11,006	468,425
Due to Other Funds	0	0	0	8,934	8,934
Due to State of Tennessee	2,397	41	0	987	3,425
Due to Other Taxing Units	22,174	6,798	0	0	28,972
Due to Litigants, Heirs, and Others	14,305	0	0	3,784	18,089
Total Liabilities	\$ 2,043,679	\$ 193,939	\$ 0	\$ 158,817	\$ 2,396,435
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 30,799,704	\$ 0	\$ 16,799,838	\$ 0	\$ 47,599,542
Deferred Delinquent Property Taxes	187,606	0	102,289	0	289,895

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>					
Other Deferred/Unavailable Revenue	\$ 167,560	\$ 0	\$ 597,342	\$ 0	\$ 764,902
Total Deferred Inflows of Resources	\$ 31,154,870	\$ 0	\$ 17,499,469	\$ 0	\$ 48,654,339
<u>FUND BALANCES</u>					
Nonspendable:					
Endowments	\$ 0	\$ 0	\$ 0	\$ 485,403	\$ 485,403
Restricted:					
Restricted for General Government	517,687	0	0	202,845	720,532
Restricted for Finance	186,335	0	0	0	186,335
Restricted for Administration of Justice	428,550	0	0	52,009	480,559
Restricted for Public Safety	282,546	0	0	580,897	863,443
Restricted for Public Health and Welfare	34,151	0	0	17,997	52,148
Restricted for Social, Cultural, and Recreational Services	0	0	0	812,650	812,650
Restricted for Capital Projects	0	0	0	198,570	198,570
Committed:					
Committed for Administration of Justice	79,804	0	0	0	79,804
Committed for Public Safety	0	0	0	933,067	933,067
Committed for Public Health and Welfare	199,655	0	0	0	199,655
Committed for Highways/Public Works	0	4,709,576	0	0	4,709,576
Committed for Capital Outlay	0	0	0	1,001,305	1,001,305
Committed for Debt Service	0	0	12,245,758	0	12,245,758
Assigned:					
Assigned for General Government	1,909,124	0	0	0	1,909,124
Assigned for Finance	52,194	0	0	0	52,194
Assigned for Administration of Justice	85,547	0	0	0	85,547

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>FUND BALANCES (Cont.)</u>					
Assigned (Cont.):					
Assigned for Public Safety	\$ 571,077	\$ 0	\$ 0	\$ 0	\$ 571,077
Assigned for Public Health and Welfare	82,951	0	0	0	82,951
Assigned for Agriculture and Natural Resources	1,479	0	0	0	1,479
Assigned for Other Operations	175	0	0	0	175
Assigned for Highways/Public Works	384	0	0	0	384
Assigned for Capital Outlay	186,079	0	0	0	186,079
Unassigned	20,659,422	0	0	0	20,659,422
Total Fund Balances	<u>\$ 25,277,160</u>	<u>\$ 4,709,576</u>	<u>\$ 12,245,758</u>	<u>\$ 4,284,743</u>	<u>\$ 46,517,237</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 58,475,709</u>	<u>\$ 4,903,515</u>	<u>\$ 29,745,227</u>	<u>\$ 4,443,560</u>	<u>\$ 97,568,011</u>

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

Exhibit C-2

Blount County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
June 30, 2018

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)		\$	46,517,237
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	7,518,566	
Add: construction in progress		463,251	
Add: infrastructure net of accumulated depreciation		49,320,656	
Add: buildings and improvements net of accumulated depreciation		31,409,351	
Add: other capital assets net of accumulated depreciation		<u>8,570,431</u>	97,282,255
(2) An internal service fund is used by management to charge the cost of general liability, property, casualty, workers' compensation, and employee health benefits to an individual fund. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.			5,203,964
(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	\$	(922,640)	
Less: capital leases payable		(1,654,788)	
Less: bonds payable		(165,743,742)	
Add: deferred amount on refunding		3,613,762	
Less: compensated absences payable		(3,182,693)	
Less: other postemployment benefits liability		(7,506,765)	
Less: accrued interest on bonds, notes, and capital leases		(78,786)	
Add: receivable for capital lease and loan to be retired by the School Department		1,898,912	
Add: receivable for accrued interest to be retired by the School Department		22,577	
Less: unamortized premium on debt		<u>(22,688,951)</u>	(196,243,114)
(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 expense and OPEB Expense in future years:			
Add: deferred outflows of resources related to pensions	\$	4,718,121	
Less: deferred inflows of resources related to pensions		(649,121)	
Less: deferred inflows of resources related to OPEB		<u>(150,242)</u>	3,918,758
(5) Net pension assets of the agent plans are not current financial resources and therefore are not reported in the governmental funds:			
Add: agent plan-excluding library		1,467,530	
Add: agent plan-library		<u>286,379</u>	1,753,909
(6) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,054,797</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>(40,512,194)</u></u>

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

Exhibit C-3

Blount County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 35,165,673	\$ 4,363,767	\$ 18,396,250	\$ 217,271	\$ 58,142,961
Licenses and Permits	1,064,870	418,873	0	0	1,483,743
Fines, Forfeitures, and Penalties	1,278,774	0	0	13,342	1,292,116
Charges for Current Services	916,257	0	0	221,906	1,138,163
Other Local Revenues	662,446	232,281	562,846	158,135	1,615,708
Fees Received From County Officials	7,903,283	0	0	0	7,903,283
State of Tennessee	3,320,534	3,650,678	4,621	12,000	6,987,833
Federal Government	3,647,130	0	0	103	3,647,233
Other Governments and Citizens Groups	501,229	12,932	584,293	1,147,771	2,246,225
Total Revenues	\$ 54,460,196	\$ 8,678,531	\$ 19,548,010	\$ 1,770,528	\$ 84,457,265
<u>Expenditures</u>					
Current:					
General Government	\$ 5,059,748	\$ 0	\$ 0	\$ 369,830	\$ 5,429,578
Finance	7,405,874	0	0	0	7,405,874
Administration of Justice	6,004,565	0	0	3,630	6,008,195
Public Safety	22,557,546	0	0	29,947	22,587,493
Public Health and Welfare	2,039,781	0	0	0	2,039,781
Social, Cultural, and Recreational Services	693,977	0	0	2,179,345	2,873,322
Agriculture and Natural Resources	297,962	0	0	0	297,962
Other Operations	1,372,803	0	0	8,219	1,381,022
Highways	80,401	7,619,392	0	0	7,699,793
Debt Service:					
Principal on Debt	0	0	8,912,007	0	8,912,007
Interest on Debt	0	0	8,125,777	0	8,125,777
Other Debt Service	0	0	1,660,772	0	1,660,772

(Continued)

Exhibit C-3

Blount 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	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 790,925	\$ 0	\$ 0	\$ 2,906,418	\$ 3,697,343
Total Expenditures	\$ 46,303,582	\$ 7,619,392	\$ 18,698,556	\$ 5,497,389	\$ 78,118,919
Excess (Deficiency) of Revenues Over Expenditures	\$ 8,156,614	\$ 1,059,139	\$ 849,454	\$ (3,726,861)	\$ 6,338,346
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 8,396	\$ 2,084	\$ 0	\$ 0	\$ 10,480
Transfers In	228,276	0	836,064	4,735,430	5,799,770
Transfers Out	(5,511,494)	(60,000)	0	0	(5,571,494)
Total Other Financing Sources (Uses)	\$ (5,274,822)	\$ (57,916)	\$ 836,064	\$ 4,735,430	\$ 238,756
Net Change in Fund Balances	\$ 2,881,792	\$ 1,001,223	\$ 1,685,518	\$ 1,008,569	\$ 6,577,102
Fund Balance, July 1, 2017	22,395,368	3,708,353	10,560,240	3,276,174	39,940,135
Fund Balance, June 30, 2018	\$ 25,277,160	\$ 4,709,576	\$ 12,245,758	\$ 4,284,743	\$ 46,517,237

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

Blount 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, 2018

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)		\$ 6,577,102
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 2,622,448	
Less: current-year depreciation expense	<u>(7,225,030)</u>	(4,602,582)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value of capital assets disposed		(664,839)
(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, 2018	\$ 1,054,797	
Less: deferred delinquent property taxes and other deferred June 30, 2017	<u>(1,771,919)</u>	(717,122)
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Add: principal payments on bonds	\$ 7,251,929	
Add: principal payments on other loans	1,065,501	
Add: principal payments on capital leases	594,577	
Less: lease principal payments contributed by the School Department	(277,778)	
Add: change in premium on debt issuances	2,592,817	
Less: change in deferred amount on refunding debt	(463,802)	
Add: change in loan due from School Department	<u>1,272,000</u>	12,035,244

(Continued)

Blount 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	\$	29,921
Change in receivable for accrued interest being retired by the School Department		(10,000)
Change in OPEB liability (net of restatement)		(15,478)
Change in deferred inflows related to OPEB		(150,242)
Change in compensated absences payable		(83,894)
Change in net pension asset - agent plan		1,507,181
Change in net pension asset - agent library plan		111,920
Change in deferred outflows related to pensions		(1,016,192)
Change in deferred inflows related to pensions		<u>407,977</u>
	\$	781,193
(6) An internal service fund is used by management to charge the cost of general liability, property, casualty, workers' compensation, and employee health benefits to an individual fund. The net revenue (expense) of certain activities of the internal service fund is reported with governmental activities in the statement of activities.		<u>851,339</u>
Change in net position of governmental activities (Exhibit B)	\$	<u><u>14,260,335</u></u>

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

Exhibit C-5

Blount County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 35,165,673	\$ 0	\$ 0	\$ 35,165,673	\$ 33,597,309	\$ 33,597,309	\$ 1,568,364
Licenses and Permits	1,064,870	0	0	1,064,870	1,043,700	1,043,700	21,170
Fines, Forfeitures, and Penalties	1,278,774	0	0	1,278,774	1,140,320	1,322,320	(43,546)
Charges for Current Services	916,257	0	0	916,257	880,491	885,491	30,766
Other Local Revenues	662,446	0	0	662,446	305,637	446,809	215,637
Fees Received From County Officials	7,903,283	0	0	7,903,283	7,626,639	7,626,639	276,644
State of Tennessee	3,320,534	0	0	3,320,534	2,517,932	2,289,717	1,030,817
Federal Government	3,647,130	0	0	3,647,130	2,922,462	3,525,159	121,971
Other Governments and Citizens Groups	501,229	0	0	501,229	317,084	324,220	177,009
Total Revenues	\$ 54,460,196	\$ 0	\$ 0	\$ 54,460,196	\$ 50,351,574	\$ 51,061,364	\$ 3,398,832
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 120,551	\$ (807)	\$ 772	\$ 120,516	\$ 122,750	\$ 122,750	\$ 2,234
Board of Equalization	804	0	0	804	2,799	2,799	1,995
Beer Board	778	0	222	1,000	1,000	1,000	0
Other Boards and Committees	216,973	0	13,624	230,597	0	244,723	14,126
County Mayor/Executive	238,286	(2,041)	358	236,603	240,432	240,432	3,829
Personnel Office	237,500	(448)	98,226	335,278	250,001	350,000	14,722
Election Commission	462,699	(31,768)	9,439	440,370	650,642	650,642	210,272
Register of Deeds	567,519	(6,459)	1,459	562,519	618,181	618,181	55,662
Development	746,713	(10,244)	16,320	752,789	885,966	885,966	133,177
County Buildings	1,462,485	(100,613)	57,366	1,419,238	1,488,260	1,488,262	69,024
Other General Administration	763,421	0	35,198	798,619	618,246	805,671	7,052
Preservation of Records	96,344	(2,465)	2,873	96,752	106,736	113,136	16,384
Risk Management	145,675	(2,716)	533	143,492	153,212	153,212	9,720
<u>Finance</u>							
Accounting and Budgeting	658,294	(628)	8,333	665,999	722,115	722,115	56,116
Purchasing	280,577	(4,661)	2,403	278,319	290,539	290,539	12,220
Central Services	2,895,060	(9,906)	75	2,885,229	2,848,121	3,030,121	144,892

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
Property Assessor's Office	\$ 756,157	\$ (1,749)	\$ 980	\$ 755,388	\$ 864,247	\$ 864,247	\$ 108,859
Reappraisal Program	370,187	(3,180)	681	367,688	386,311	386,311	18,623
County Trustee's Office	475,520	(2,212)	1,545	474,853	498,314	498,314	23,461
County Clerk's Office	1,111,428	(1,248)	4,089	1,114,269	1,183,087	1,183,087	68,818
Data Processing	858,651	(16,800)	41,010	882,861	1,029,324	1,029,324	146,463
<u>Administration of Justice</u>							
Circuit Court Judge	22,416	(1,918)	16,717	37,215	108,960	108,960	71,745
Circuit Court Clerk	2,231,288	(8,156)	15,371	2,238,503	2,375,268	2,375,268	136,765
Criminal Court	457,765	(3,226)	5,327	459,866	469,684	469,684	9,818
General Sessions Judge	985,949	(1,561)	3,187	987,575	1,041,825	1,041,825	54,250
Drug Court	37,828	0	250	38,078	0	80,076	41,998
Chancery Court	460,673	(19,586)	21,600	462,687	483,324	483,324	20,637
Juvenile Court	478,199	(2,532)	5,994	481,661	510,805	522,976	41,315
Office of Public Defender	47,901	0	0	47,901	48,985	48,985	1,084
Judicial Commissioners	176,293	(790)	2,806	178,309	212,809	212,809	34,500
Other Administration of Justice	504,991	0	0	504,991	623,172	623,172	118,181
Probation Services	553,265	(5,033)	14,295	562,527	605,638	605,638	43,111
Victim Assistance Programs	47,997	0	0	47,997	45,752	45,752	(2,245)
<u>Public Safety</u>							
Sheriff's Department	11,928,673	(248,718)	364,153	12,044,108	12,342,407	12,638,007	593,899
Administration of the Sexual Offender Registry	6,550	(3,850)	4,100	6,800	26,000	31,000	24,200
Jail	8,585,673	(326,514)	302,126	8,561,285	8,852,792	8,852,792	291,507
Workhouse	13,476	0	0	13,476	13,928	13,928	452
Juvenile Services	1,488,656	(12,559)	18,730	1,494,827	1,699,798	1,699,798	204,971
Fire Prevention and Control	23,250	0	0	23,250	23,250	23,250	0
Civil Defense	180,499	(4,919)	1,881	177,461	220,919	220,919	43,458
Other Emergency Management	330,769	0	0	330,769	330,769	330,769	0
<u>Public Health and Welfare</u>							
Local Health Center	1,198,482	(26,449)	8,477	1,180,510	1,493,264	1,493,264	312,754

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Health and Welfare (Cont.)</u>							
Rabies and Animal Control	\$ 621,236	\$ (6,150)	\$ 13,224	\$ 628,310	\$ 640,750	\$ 662,759	\$ 34,449
Other Local Welfare Services	95,429	0	0	95,429	98,668	98,668	3,239
Recycling Center	124,634	0	67,054	191,688	0	208,051	16,363
<u>Social, Cultural, and Recreational Services</u>							
Parks and Fair Boards	693,977	0	0	693,977	693,977	693,977	0
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	168,276	0	29	168,305	170,360	170,360	2,055
Soil Conservation	129,686	0	1,450	131,136	132,685	132,685	1,549
<u>Other Operations</u>							
Industrial Development	1,062,200	0	0	1,062,200	1,062,200	1,062,200	0
Veterans' Services	180,715	(586)	175	180,304	188,366	188,366	8,062
Contributions to Other Agencies	129,888	0	0	129,888	129,888	129,888	0
<u>Highways</u>							
Litter and Trash Collection	80,401	(2,375)	384	78,410	80,626	80,626	2,216
<u>Capital Projects</u>							
General Administration Projects	45,571	(46,018)	4,000	3,553	37,000	37,000	33,447
Public Safety Projects	745,354	(35,653)	182,079	891,780	838,768	902,225	10,445
Total Expenditures	\$ 46,303,582	\$ (954,538)	\$ 1,348,915	\$ 46,697,959	\$ 48,562,920	\$ 49,969,833	\$ 3,271,874
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 8,156,614	\$ 954,538	\$ (1,348,915)	\$ 7,762,237	\$ 1,788,654	\$ 1,091,531	\$ 6,670,706
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 8,396	\$ 0	\$ 0	\$ 8,396	\$ 0	\$ 0	\$ 8,396
Transfers In	228,276	0	0	228,276	228,276	228,276	0
Transfers Out	(5,511,494)	0	0	(5,511,494)	(5,381,930)	(5,512,430)	936
Total Other Financing Sources	\$ (5,274,822)	\$ 0	\$ 0	\$ (5,274,822)	\$ (5,153,654)	\$ (5,284,154)	\$ 9,332

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ 2,881,792	\$ 954,538	\$ (1,348,915)	\$ 2,487,415	\$ (3,365,000)	\$ (4,192,623)	\$ 6,680,038
Fund Balance, July 1, 2017	22,395,368	(954,538)	0	21,440,830	22,395,368	22,395,368	(954,538)
Fund Balance, June 30, 2018	\$ 25,277,160	\$ 0	\$ (1,348,915)	\$ 23,928,245	\$ 19,030,368	\$ 18,202,745	\$ 5,725,500

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

Exhibit C-6

Blount 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, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 4,363,767	\$ 0	\$ 0	\$ 4,363,767	\$ 3,043,000	\$ 3,043,000	\$ 1,320,767
Licenses and Permits	418,873	0	0	418,873	360,000	360,000	58,873
Other Local Revenues	232,281	0	0	232,281	48,000	59,893	172,388
State of Tennessee	3,650,678	0	0	3,650,678	3,755,000	4,496,898	(846,220)
Other Governments and Citizens Groups	12,932	0	0	12,932	10,000	10,000	2,932
Total Revenues	\$ 8,678,531	\$ 0	\$ 0	\$ 8,678,531	\$ 7,216,000	\$ 7,969,791	\$ 708,740
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 813,029	\$ (4,470)	\$ 5,331	\$ 813,890	\$ 876,070	\$ 876,069	\$ 62,179
Highway and Bridge Maintenance	4,670,938	(37,856)	552,810	5,185,892	5,288,294	6,042,085	856,193
Operation and Maintenance of Equipment	688,559	(15,658)	5,798	678,699	697,411	697,411	18,712
Capital Outlay	1,446,866	(348,782)	246,198	1,344,282	354,225	1,349,466	5,184
Total Expenditures	\$ 7,619,392	\$ (406,766)	\$ 810,137	\$ 8,022,763	\$ 7,216,000	\$ 8,965,031	\$ 942,268
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,059,139	\$ 406,766	\$ (810,137)	\$ 655,768	\$ 0	\$ (995,240)	\$ 1,651,008
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 2,084	\$ 0	\$ 0	\$ 2,084	\$ 0	\$ 0	\$ 2,084
Transfers Out	(60,000)	0	0	(60,000)	0	(60,000)	0
Total Other Financing Sources	\$ (57,916)	\$ 0	\$ 0	\$ (57,916)	\$ 0	\$ (60,000)	\$ 2,084
Net Change in Fund Balance	\$ 1,001,223	\$ 406,766	\$ (810,137)	\$ 597,852	\$ 0	\$ (1,055,240)	\$ 1,653,092
Fund Balance, July 1, 2017	3,708,353	(406,766)	0	3,301,587	3,708,353	3,708,353	(406,766)
Fund Balance, June 30, 2018	\$ 4,709,576	\$ 0	\$ (810,137)	\$ 3,899,439	\$ 3,708,353	\$ 2,653,113	\$ 1,246,326

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

Exhibit D-1

Blount County, Tennessee
Statement of Net Position
Proprietary Fund
June 30, 2018

	Governmental Activities - Internal Service Fund
	<u>Self Insurance Fund</u>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 145,187
Equity in Pooled Cash and Investments	8,122,415
Accounts Receivable	12,196
Due from Component Units	<u>865,823</u>
Total Assets	<u>\$ 9,145,621</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 634,834
Other Current Liabilities	<u>2,441,000</u>
Total Liabilities	<u>\$ 3,075,834</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Unearned Revenue	<u>\$ 865,823</u>
Total Deferred Inflows of Resources	<u>\$ 865,823</u>
<u>NET POSITION</u>	
Net Position - Unrestricted	<u>\$ 5,203,964</u>
Total Net Position	<u><u>\$ 5,203,964</u></u>

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

Exhibit D-2

Blount County, Tennessee
Statement of Revenues, Expenses, and Changes
in Net Position
Proprietary Fund
For the Year Ended June 30, 2018

	Governmental Activities - Internal Service Fund <hr/> Self Insurance Fund <hr/>
<u>Operating Revenues</u>	
Self-Insurance Premiums	\$ 21,003,952
Total Operating Revenues	<hr/> \$ 21,003,952 <hr/>
<u>Operating Expenses</u>	
Fiscal Agent Charges	\$ 525,375
Insurance Premiums	647,262
Building and Contents Insurance	358,299
Other Administrative Expenses	35,471
Contracts with Private Agencies	223,128
Medical Claims	17,477,634
Liability Insurance	26,478
Other Self-Insured Claims	726,327
Total Operating Expenses	<hr/> \$ 20,019,974 <hr/>
Operating Income (Loss)	<hr/> \$ 983,978 <hr/>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 95,637
Total Nonoperating Revenues (Expenses)	<hr/> \$ 95,637 <hr/>
Income (Loss) Before Transfers	\$ 1,079,615
Transfers Out	(228,276)
Change in Net Position	<hr/> \$ 851,339 <hr/>
Net Position, July 1, 2017	<hr/> 4,352,625 <hr/>
Net Position, June 30, 2018	<hr/> <hr/> \$ 5,203,964 <hr/> <hr/>

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

Exhibit D-3

Blount County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2018

	Governmental Activities - Internal Service Fund <hr/> Self Insurance Fund
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-insurance Premiums	\$ 21,003,952
Payments to Fiscal Agents and Other Vendors	(532,000)
Payments to Insurers	(1,255,167)
Payments for Claims	(17,769,869)
Payments for Administrative Costs	(35,471)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 1,411,445</u>
<u>Cash Flows from Investing Activities</u>	
Interest on Investments	\$ 89,127
Net Cash Provided By (Used In) Investing Activities	<u>\$ 89,127</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfers to Other Funds	\$ (228,276)
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ (228,276)</u>
Increase (Decrease) in Cash	\$ 1,272,296
Cash, July 1, 2017	<u>6,995,306</u>
Cash, June 30, 2018	<u><u>\$ 8,267,602</u></u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u>Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 983,978
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Changes in Assets and Liabilities:	
(Increase) Decrease in Current Receivables (excluding interest receivable)	181,618
Increase (Decrease) in Current Liabilities	<u>245,849</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ 1,411,445</u>
<u>Reconciliation of Cash with Statement of Net Position</u>	
Cash Per Net Position	\$ 145,187
Equity in Pooled Cash and Investments Per Net Position	<u>8,122,415</u>
Cash, June 30, 2018	<u><u>\$ 8,267,602</u></u>

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

Exhibit E

Blount County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2018

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 4,122,418
Equity in Pooled Cash and Investments	1,768,010
Accounts Receivable	258,593
Due from Other Governments	5,764,582
Taxes Receivable	15,795,754
Allowance for Uncollectible Taxes	<u>(242,574)</u>
Total Assets	<u>\$ 27,466,783</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 131
Payroll Deductions Payable	368,329
Due to Other Taxing Units	21,383,399
Due to Litigants, Heirs, and Others	4,423,047
Due to Joint Ventures	<u>1,291,877</u>
Total Liabilities	<u>\$ 27,466,783</u>

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

BLOUNT COUNTY, TENNESSEE
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BLOUNT COUNTY, TENNESSEE
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BLOUNT COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Blount 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 Blount County:

A. Reporting Entity

Blount County is a public municipal corporation governed by an elected 21-member board. As required by GAAP, these financial statements present Blount County (the primary government) and its component units. The financial statements of the Blount County Emergency Communications District and the Blount County Public Building Authority, component units requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of the omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

Discretely Presented Component Units – The following entities meet the criteria for discretely presented component units of the county. They are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the county.

The Blount County School Department operates the public school system in the county, and the voters of Blount 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.

Blount Memorial Hospital, Inc., is a nonprofit acute care and general health care provider. The primary mission of the Blount Memorial Hospital is to provide health care services to the citizens of Blount County and the surrounding community. Blount Memorial Hospital, Inc., is governed by a nine-member board of directors, four of whom are appointed by the Blount County Commission, two each by the cities of Maryville and Alcoa, and one by Maryville College. The county is responsible for issuing all debt of the hospital.

The Blount County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number

for the residents of Blount County. The Blount County Emergency Communications District is governed by a nine-member board of directors, four of whom are appointed by the Blount County Commission, two each by the cities of Maryville and Alcoa, and one elected by the other eight members. 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 Blount County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Blount County Public Building Authority serves as a financing mechanism to provide capital loans to local governments throughout the state. The Blount County Public Building Authority is a public nonprofit organization whose board is appointed by the Blount County Commission. The county is entitled to the 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 Blount County Public Building Authority were not material to the component units' opinion unit and therefore have been omitted from this report.

The Blount 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 Blount Memorial Hospital, Inc., Blount County Emergency Communications District, and the Blount County Public Building Authority can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Blount Memorial Hospital, Inc.
907 East Lamar Alexander Parkway
Maryville, Tennessee 37804

Blount County Emergency Communications District
1431 William Blount Drive
Maryville, Tennessee 37801

Blount County Public Building Authority
381 Court Street
Maryville, Tennessee 37804

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most

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

Blount County issues all debt for the discretely presented Blount County School Department. There were no external debt issues contributed by the county to the School Department during the year ended June 30, 2018. The primary government did, however, contribute \$1,272,000 from the General Debt Service Fund to the School Department's Education Capital Projects Fund. That contribution is to be repaid from the General Purpose School Fund over a three year period.

Separate financial statements are provided for governmental funds, proprietary funds (internal service), and fiduciary funds. The internal service fund is 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 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 fund 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 Blount 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 category. Blount County only reports one proprietary fund, an internal service fund. It has no enterprise funds to report.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. The internal service fund 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 60 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. Blount 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.

Blount 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.

Additionally, Blount County reports the following fund types:

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

Permanent Fund – The Endowment Fund is used to account for an endowment received by the county for which the principal must remain intact while interest earned on the principal is to be expended to benefit an orphans’ or children’s home owned by the county.

Internal Service Fund – The Self Insurance Fund accounts for the self-insured general liability, property, casualty, workers’ compensation, and employee health benefits managed by the county for the primary government and the discretely presented School Department.

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 Blount County, the city school systems’ shares of educational revenues, Hotel/Motel tax received by the county to be forwarded to the Tourism Development Authority, state grants and other restricted revenues held for the benefit of the Judicial District Drug Task Force, restricted revenues held for the benefit of the Office of District Attorney General, and amounts held in a payroll clearing account. 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 Blount 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 Blount County School Department reports the following fund types:

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.

Capital Projects Fund – The Education Capital Projects Fund is used to account for building construction and renovations of the School Department.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund, an internal service fund, used to account for general liability, property, casualty, employee health, and workers' compensation programs. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the county's internal service fund are self-insurance premiums. Operating expenses for the internal service fund include medical and other self-insured claims and fiscal agent charges.

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 of the internal service fund, cash includes 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 Blount 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, General Debt Service, and General Purpose School funds. Blount 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. 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, as well as activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as due to/from other funds.

All property taxes receivable are shown net of an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 0.80 percent of the 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 60 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. On the Statement of Net Position for the primary government, a portion of Accounts Payable totaling \$634,834, as well as the entire balance in the account Other Current Liabilities totaling \$2,441,000, represent internal service fund liabilities for self-insured claims. Other Current Liabilities of the discretely presented School Department consist primarily of accrued payroll taxes and other employee benefits.

3. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than 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	50
Other Capital Assets	5 - 20
Infrastructure	20 - 30

4. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net 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/or the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension changes in experience, pension changes in investment earnings, pension other deferrals, OPEB changes in assumptions, unearned revenues, and various receivables for revenues, which do not meet the availability criteria in governmental funds.

5. Compensated Absences

The county's policies permit employees to accumulate earned but unused vacation and sick pay benefits. Employees will be reimbursed for unused sick leave upon retirement or death up to a maximum of 30 days. Vacation benefits for the School Department do not accumulate and must be used within the year or lost. There is no liability for unpaid accumulated sick leave for the School Department since they do not have a policy to pay any amounts when employees separate from service

with the government. All vacation pay and the limited liability for sick leave of the primary government are accrued when incurred in the government-wide statements. A liability for vacation and sick pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

6. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Debt premiums and discounts are deferred and are amortized over the life of the new debt 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 compensated absences and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

7. Net Position and Fund Balance

In the government-wide financial statements and the proprietary fund 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.

As of June 30, 2018, Blount County had \$132,774,459 in outstanding debt for capital purposes of other entities (schools - \$129,739,304, industrial purposes - \$2,488,325, and a joint communications system lease - \$546,830). In accordance with state statutes, certain county school debt proceeds must be shared with other public school systems in the county (the cities of Maryville and Alcoa school systems) based on an average daily attendance proration. This debt is a liability of Blount County, but the capital assets acquired are reported in the financial statements of the other entities. At June 30, 2018, Blount County also had \$10,881,950 of non-capital debt, which was used to retire interest rate swap agreements. Therefore, Blount County has incurred a liability, significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

It is the county's policy that restricted amounts would be reduced first followed by unrestricted amounts when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. Also, it is the county's policy that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

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

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

Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either

(a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

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

Assigned Fund Balance – includes amounts that are constrained by the county’s intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The County Commission and the Board of Education are authorized bodies to make assignments for the primary government and the School Department, respectively. Assigned fund balance in the General Fund includes an amount appropriated for use in the 2018-19 budget (\$1,672,734) and amounts assigned for encumbrances (\$1,216,276). Assigned fund balance in the School Department’s General Purpose School Fund includes amounts assigned for encumbrances.

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.

8. Restatement

In prior years, the government was required to recognize a liability for its other postemployment benefits plans under Governmental Accounting Standards Board (GASB) Statement No. 45. As of July 1, 2017, Blount County has adopted the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Restatements reducing the beginning net position of the Governmental Activities of the primary government and the discretely presented Blount County School Department by \$4,067,786 and \$13,016,559, respectively, have been recognized to account for the transitional requirements.

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 Blount County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Blount 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 Blount 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 Blount County. For this purpose, Blount County recognizes benefit payments when due and payable in accordance with benefit terms. Blount County's OPEB plan is not administered through a trust.

Discretely Presented Blount 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 Blount 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 Blount County School Department

Exhibit J-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 Blount County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund) and the Endowment Fund (permanent fund), which are not budgeted, and the Highway Capital Projects Fund of the primary government,

which adopts project length budgets. All annual appropriations lapse at fiscal year end.

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

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

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

At June 30, 2018, Blount County had outstanding encumbrances in budgeted funds as follows:

<u>Fund</u>	<u>Amount</u>
Primary Government:	
General	\$ 1,348,915
Highway/Public Works	810,137
Nonmajor Governmental	685,873
Discretely Presented School Department:	
General Purpose School	\$ 1,694,141
Nonmajor Governmental	576,638

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Blount County and the Blount 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.

Investment Balances. As of June 30, 2018, Blount County had the following investments carried at amortized cost using a Stable Net Asset value. Pooled investments reported in the following table are held in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Blount County and the discretely presented Blount County School

Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity (days)	Maturities	Amortized Cost
Investments at Amortized Cost:			
State Treasurer's Investment Pool	2 to 113	N/A	\$ 175,490

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Blount County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Blount County has no investment policy that would further limit its investment choices. As of June 30, 2018, Blount County's investment in the State Treasurer's Investment Pool was unrated.

B. Notes Receivable

During the fiscal year ended June 30, 2006, Blount County purchased property intended for use as a county fairground. The purchase price was \$785,000. In January 2007, this property was transferred to the Industrial Development Board (board) for sale to a third party. The county executed an agreement with the board allowing it to dispose of the property upon terms and conditions as the board deems reasonable and to remit all proceeds from the sale of this property to Blount County. However, under the terms of the agreement, the board is not responsible for any proceeds not received. Therefore, the county bears the risk of loss in the event of default by the purchaser. In March 2007, the board sold the property for \$820,000 to Event Management, LLC. The board collected \$125,000 at closing and signed an agreement for the remaining \$695,000 to be paid over the next several years with the potential for a two-year extension. As of December 2014, the board had submitted to the county payments received from Event Management, LLC totaling \$181,071 leaving a balance of \$513,929. During 2014, Event Management, LLC dissolved and defaulted on the final payment due for the remaining balance of \$513,929. In January 2016, the board transferred the property to Fans of the Mountain, LLC at a negotiated price of \$441,353 with an agreement to pay without interest in payments of \$25,000, due on January 10, 2016, and January 10, 2017, with the entire principal balance due and payable on January 10, 2018. The difference (\$72,576) between the balance owed on the defaulted note and the new negotiated price was expensed on the primary government's 2014-2015 Statement of Activities. The entire balance of \$366,353 due on the contract as of June 30, 2018, is reflected as notes receivable

on the balance sheet of the General Debt Service Fund. The county received the final principal balance on December 13, 2018. See prior-year financial reports for additional details related to the history of this land sale.

During 2010, Blount County entered into an Intergovernmental Agreement with the City of Maryville and the City of Alcoa to share the costs of a communication system. The notes receivable for the City of Maryville and City of Alcoa's portion of the ten-year capital lease purchase are \$127,063 and \$103,926, respectively. These notes receivable are reflected in the General Debt Service Fund. See Note IV.F., for information on the capital lease associated with the purchase of the equipment.

Notes receivable are offset by deferred inflows in the fund financial statements.

C. Capital Assets

Capital assets activity for the year ended June 30, 2018, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-17	Increases	Decreases	Balance 6-30-18
Capital Assets Not Depreciated:				
Land	\$ 7,518,566	\$ 0	\$ 0	\$ 7,518,566
Construction in Progress	616,612	0	(153,361)	463,251
Total Capital Assets Not Depreciated	<u>\$ 8,135,178</u>	<u>\$ 0</u>	<u>\$ (153,361)</u>	<u>\$ 7,981,817</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 53,450,478	\$ 0	\$ 0	\$ 53,450,478
Roads, Streets, and Bridges	138,119,939	208,872	(580,040)	137,748,771
Other Capital Assets	19,820,320	2,566,937	(1,370,682)	21,016,575
Total Capital Assets Depreciated	<u>\$ 211,390,737</u>	<u>\$ 2,775,809</u>	<u>\$ (1,950,722)</u>	<u>\$ 212,215,824</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 20,943,107	\$ 1,098,020	\$ 0	\$ 22,041,127
Roads, Streets, and Bridges	84,119,807	4,424,317	(116,009)	88,428,115
Other Capital Assets	11,913,325	1,702,693	(1,169,874)	12,446,144
Total Accumulated Depreciation	<u>\$ 116,976,239</u>	<u>\$ 7,225,030</u>	<u>\$ (1,285,883)</u>	<u>\$ 122,915,386</u>
Total Capital Assets Depreciated, Net	<u>\$ 94,414,498</u>	<u>\$ (4,449,221)</u>	<u>\$ (664,839)</u>	<u>\$ 89,300,438</u>
Governmental Activities Capital Assets, Net	<u>\$ 102,549,676</u>	<u>\$ (4,449,221)</u>	<u>\$ (818,200)</u>	<u>\$ 97,282,255</u>

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

Governmental Activities:

General Government	\$ 202,215
Finance	291,087
Administration of Justice	248,305
Public Safety	1,077,090
Public Health and Welfare	148,518
Social, Cultural, and Recreational	310,433
Highways	<u>4,947,382</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 7,225,030</u>

Discretely Presented Blount County School Department

Governmental Activities:

	Balance 7-1-17	Increases	Decreases	Balance 6-30-18
Capital Assets Not Depreciated:				
Land	\$ 9,951,059	\$ 0	\$ 0	\$ 9,951,059
Total Capital Assets Not Depreciated	<u>\$ 9,951,059</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,951,059</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 173,112,586	\$ 0	\$ 0	\$ 173,112,586
Other Capital Assets	5,567,062	830,475	(103,300)	6,294,237
Total Capital Assets Depreciated	<u>\$ 178,679,648</u>	<u>\$ 830,475</u>	<u>\$ (103,300)</u>	<u>\$ 179,406,823</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 64,548,529	\$ 3,561,581	\$ 0	\$ 68,110,110
Other Capital Assets	4,360,207	281,619	(93,234)	4,548,592
Total Accumulated Depreciation	<u>\$ 68,908,736</u>	<u>\$ 3,843,200</u>	<u>\$ (93,234)</u>	<u>\$ 72,658,702</u>
Total Capital Assets Depreciated, Net	<u>\$ 109,770,912</u>	<u>\$ (3,012,725)</u>	<u>\$ (10,066)</u>	<u>\$ 106,748,121</u>
Governmental Activities Capital Assets, Net	<u>\$ 119,721,971</u>	<u>\$ (3,012,725)</u>	<u>\$ (10,066)</u>	<u>\$ 116,699,180</u>

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

Governmental Activities:

Instruction	\$	43,432
Support Services		3,677,077
Operation of Non-instructional Services		<u>122,691</u>
Total Depreciation Expense - Governmental Activities	\$	<u><u>3,843,200</u></u>

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2018, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government: General	Nonmajor governmental	\$ 8,934

This balance resulted from the time lag between the date that interfund goods and services are provided or reimbursable expenditures occur, and payments are made between funds.

Due to/from Primary Government and Component Unit:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
Primary Government: Internal Service	Component Unit: School Department	\$ 865,823

The amount reflected as Due to Primary Government from the discretely presented School Department on the government-wide Statement of Net Position also includes \$1,921,487 for principal and accrued interest on debt issued by the primary government, which is being retired by the School Department. Of that amount, \$1,422,046 is not expected to be received within one year.

Interfund Transfers

Interfund transfers for the year ended June 30, 2018, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		
	General Fund	Debt Service Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 836,064	\$ 4,675,430
Highway/Public Works Fund	0	0	60,000
Internal Service Fund	228,276	0	0
Total Transfers	\$ 228,276	\$ 836,064	\$ 4,735,430

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.

The county made a one-time transfer of \$3,610,500 from the General Fund to the Other Capital Projects Fund (a nonmajor governmental fund) for various capital expenditures.

E. Operating Leases

Blount County has entered into a leasing program with Enterprise Fleet Management. As of June 30, 2018, Blount County was leasing 21 vehicles. All contracts are for 48 months with monthly rent varying based on vehicle type. Contracts are not effective until delivery of vehicle to the county, which also is the measurement date for the market value of the vehicle. The rental expenditures for the year ended June 30, 2018, was \$86,555 for the primary government and \$33,107 for the discretely presented School Department. The future minimum lease payments for these leases are as follows:

Year Ending June 30	Primary Government	School Department	Total
2019	\$ 94,723	\$ 38,147	\$ 132,870
2020	94,723	37,137	131,860
2021	31,371	12,096	43,467
2022	6,534	4,032	10,566
Total	\$ 227,351	\$ 91,412	\$ 318,763

F. Capital Leases

On September 1, 2010, Blount County entered into a ten-year lease-purchase agreement for a Motorola Communication System. The terms of the agreement require total lease payments of \$3,007,000 plus interest of 3.97 percent. Blount County entered into an interlocal agreement with the cities of Alcoa and Maryville to sublease a portion of the system to those cities. Title to the equipment transfers to Blount County and the cities at the end of the lease period. The lease payments will be made from the General Debt Service Fund. See Note IV.B., regarding notes receivable from the City of Maryville and City of Alcoa related to the lease.

On July 6, 2006, Blount County entered into a 13-year lease-purchase agreement for the School Department for school energy facility upgrades. The terms of the agreement require total lease payments of \$2,738,602 plus interest of 5.4 percent. Title to the equipment transfers to the School Department at the end of the lease period. The lease payments are made by the General Debt Service Fund from contributions by the General Purpose School Fund.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	
	<u>Primary Government</u>	<u>School Department</u>
Machinery and Equipment (county portion)	\$ 1,808,935	\$ 0
Less: Accumulated Depreciation	(1,266,257)	0
Buildings and Improvements	0	2,738,602
Less: Accumulated Depreciation	0	(2,190,880)
Total Book Value	<u>\$ 542,678</u>	<u>\$ 547,722</u>

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2018, were as follows:

Year Ending June 30	Governmental Funds
2019	\$ 705,106
2020	713,633
2021	370,183
Total Minimum Lease Payments	\$ 1,788,922
Less: Amount Representing Interest	(134,134)
Present Value of Minimum Lease Payments	<u>\$ 1,654,788</u>

G. Long-term Obligations

Primary Government

General Obligation Bonds, Notes, and Other Loans

Blount County issues general obligation bonds and other loans 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 and other loans have been issued to refund other general obligation bonds and other loans. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, and other loans outstanding were issued for original terms of up to 21 years for bonds and up to 14 years for the other loans. Blount County had no outstanding capital outlay notes at June 30, 2018. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and other loans included in long-term debt as of June 30, 2018, will be retired from the General Debt Service Fund.

General obligation bonds, other loans, and capital leases outstanding as of June 30, 2018, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-18
General Obligation Bonds - Refunding - Fixed Rate	.55 to 5%	6-30-37	\$ 199,225,000	\$ 157,300,000
Qualified School Construction Bonds	2.6	9-14-27	14,855,000	8,443,742
Other Loans - Public Building Authority	2.5 to 5	6-1-19	4,380,000	900,000
Other Loans - State School Bond Authority	0	11-24-18	727,865	22,640
Capital Lease	3.97 to 5.4	9-1-20	5,745,602	1,654,788

Blount County entered into a loan agreement with the Public Building Authority of Blount County (PBA) to finance capital projects for the county and the discretely presented Blount County School Department. Under the loan agreement, the PBA issued its revenue bonds and made the proceeds available for loan to Blount County.

The annual requirements to amortize all bonds and other loans outstanding as of June 30, 2018, including interest payments and other loan fees, are presented in the following tables.

Year Ending June 30	Bonds		
	Principal	Interest	Total
2019	\$ 7,986,929	\$ 7,736,542	\$ 15,723,471
2020	9,306,929	7,491,953	16,798,882
2021	9,601,929	7,198,477	16,800,406
2022	9,846,929	6,826,194	16,673,123
2023	10,231,929	6,437,479	16,669,408
2024-2028	54,879,097	24,984,584	79,863,681
2029-2033	33,545,000	11,230,157	44,775,157
2034-2037	30,345,000	3,754,177	34,099,177
Total	<u>\$ 165,743,742</u>	<u>\$ 75,659,563</u>	<u>\$ 241,403,305</u>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2019	\$ 922,640	\$ 36,000	\$ 245	\$ 958,885
Total	<u>\$ 922,640</u>	<u>\$ 36,000</u>	<u>\$ 245</u>	<u>\$ 958,885</u>

There is \$12,245,758 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,347, based on the 2010 federal census. Total debt per capital, including bonds, other loans, capital leases, and unamortized debt premiums, totaled \$1,553, based on the 2010 federal census.

The county also issued revenue bonds and general obligation bonds on behalf of Blount Memorial Hospital, Inc. The Series 2014 Hospital Revenue Bonds outstanding at June 30, 2018, totaled \$1,605,789. The county is not liable for these bonds in case of default by the hospital. The Series 2013A bonds issued on behalf of the hospital carry the general obligation pledge of the county in addition to being payable from hospital revenues. Series 2013A bonds outstanding at June 30, 2018, totaled \$71,450,000. These are discussed further in Note V.C. These bonds are reflected as liabilities on the financial statements of Blount Memorial Hospital, Inc., a discretely presented component unit.

The School Department is currently contributing funds to service some of the debt issued on its behalf by the primary government as noted in the table below. This debt is reflected in the government-wide financial statements as Due to the Primary Government in the financial statements of the School Department and as Due from Component Units in the financial statements of the primary government.

<u>Description of Indebtedness</u>	<u>Outstanding 6-30-18</u>
<u>Contributions from the General Purpose School Fund</u>	
School Energy Facility Upgrades - Capital lease	\$ 626,912
Internal Capital Outlay Note - borrowed from General Debt Service Fund	1,272,000

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2018, was as follows:

	<u>Bonds</u>	<u>Other Loans</u>	<u>Capital Leases</u>
Balance, July 1, 2017	\$ 172,995,671	\$ 1,988,141	\$ 2,249,365
Additions	0	0	0
Reductions	(7,251,929)	(1,065,501)	(594,577)
Balance, June 30, 2018	<u>\$ 165,743,742</u>	<u>\$ 922,640</u>	<u>\$ 1,654,788</u>
Balance Due Within One Year	<u>\$ 7,986,929</u>	<u>\$ 922,640</u>	<u>\$ 630,437</u>
	<u>*Other Postemployment Benefits</u>	<u>Compensated Absences</u>	<u>Liability- Agent Plan (Excluding Library)</u>
Balance, July 1, 2017	\$ 7,491,287	\$ 3,098,799	\$ 39,651
Additions	666,766	2,139,744	3,926,468
Reductions	(651,288)	(2,055,850)	(3,966,119)
Balance, June 30, 2018	<u>\$ 7,506,765</u>	<u>\$ 3,182,693</u>	<u>0</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 1,432,212</u>	<u>\$ 0</u>

* See footnote I.D.8. for restatement of the balance 7-1-17.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2018	\$ 179,010,628
Less: Balance Due Within One Year	(10,972,218)
Add: Unamortized Premium on Debt	<u>22,688,951</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 190,727,361</u>

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

Defeasance of Prior Debt

In the prior year, Blount County defeased certain outstanding general obligation bonds by placing the proceeds of new bonds into an irrevocable trust to provide for all future debt service payments on the old bonds. The trustee is empowered and required to pay all principal and interest on the defeased bonds as originally scheduled until the bonds can be called and retired. Accordingly, the trust accounts and the defeased bonds are not included in the county's financial statements. At June 30, 2018, the following outstanding bonds are considered defeased:

	<u>Amount</u>
Series 2011 General Obligation Refunding Bonds (call date 6-1-2021)	\$ 27,270,000

Discretely Presented Blount County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Blount County School Department for the year ended June 30, 2018, was as follows:

	*Other Postemployment Benefits
Balance, July 1, 2017	\$ 13,266,604
Additions	1,113,656
Reductions	<u>(1,326,423)</u>
Balance, June 30, 2018	<u>\$ 13,053,837</u>
Balance Due Within One Year	<u>\$ 0</u>

	Net Pension Liability - Agent Plan	Net Pension Liability - Teacher Legacy Plan
Balance, July 1, 2017	\$ 15,313	\$ 7,112,986
Additions	1,550,412	4,278,022
Reductions	<u>(1,565,725)</u>	<u>(11,391,008)</u>
Balance, June 30, 2018	<u>\$ 0</u>	<u>\$ 0</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>

- See footnote I.D.8. for restatement of the balance 7-1-17.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2018	\$ 13,053,837
Less: Balance Due Within One Year	<u>0</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 13,053,837</u>

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

H. Donor-restricted Endowments

The county accounts for an endowment totaling \$485,403 in a permanent fund, the Endowment Fund. The principal amount must remain intact, while interest earned on the principal is to be used for operating an orphan's or children's home owned by Blount County. In prior years, the interest earned was used to operate the Blount County Children's Home; however, during the year ended June 30, 2014, the children's home ceased operations and as of December 2013, the county quit submitting payments to the children's home. During the year ended June 30, 2018, interest earned totaled \$4,956. As of

June 30, 2018, the Endowment Fund has accumulated a balance of \$17,997 of unspent earned interest. As of the date of this report, the county has yet to determine how to spend the earned interest.

I. Internal Financing

In-lieu-of issuing debt with financial institutions, Blount County chose to internally finance certain projects with idle county funds. During the current year, the county loaned \$1,272,000 of idle funds under Capital Outlay Note, Series 2018 from the General Debt Service Fund to the Education Capital Projects Fund of the discretely presented School Department for constructing, repairing, renovating, and equipping of various school buildings and facilities. The balance of \$1,272,000 due on the Capital Outlay Note, Series 2018 is reflected as Due from Component Units in the government-wide financial statements of the primary government and as Due to Primary Government in the government-wide financial statements of the discretely presented School Department. The loan is being repaid by the General Purpose School Fund of the discretely presented School Department.

V. OTHER INFORMATION

A. Risk Management

Blount County has chosen to establish a self-insurance fund for risks associated with the general liability, property, casualty, employees' health plan, and risks associated with workers' compensation claims. The self-insurance fund is accounted for as an internal service fund where assets are set aside for claim settlements. The county retains the risk of loss to a limit of \$300,000 for each employee in any plan year for health coverage, \$500,000 for each employee and \$1,000,000 for all claims in any plan year for workers' compensation coverage, and \$100,000 for building and personal property coverage. The county has obtained stop/loss commercial insurance policies to cover claims beyond these limits. The county does not carry stop-loss coverage for general liability. Employee dental claims are covered by commercial insurance.

All full-time employees of the primary government and the discretely presented Blount County School Department are eligible to participate in the health program. A premium charge for the general liability, property, casualty, health, and workers' compensation programs is allocated to each fund that accounts for employees. 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. The portion of net position of the internal service fund attributable to health coverage was \$3,165,280 and the portion attributable to general liability, property, casualty, and workers' compensation was \$2,038,684 at June 30, 2018. Those amounts have been designated by management for future catastrophic losses. Liabilities of this fund are reported when losses are probable and the amount of the losses can be reasonably

estimated. The self-insurance fund establishes 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. It is expected that these claims liabilities will be paid within the next fiscal year. Claims liabilities include specific, incremental claims 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:

General Liability, Property, Casualty, and Workers' Compensation

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2016-2017	\$ 2,496,066	\$ 951,968	\$ (1,047,034)	\$ 2,401,000
2017-2018	2,401,000	834,527	(794,527)	2,441,000

Health

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2016-2017	\$ 847,550	\$ 16,032,052	\$ (16,457,242)	\$ 422,360
2017-2018	422,360	17,369,434	(17,156,960)	634,834

On Exhibit D-1, the balances in Accounts Payable and Other Current Liabilities represent self-insurance claims.

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*; Statement No. 81, *Irrevocable Split-Interest Agreements*; Statement No. 85, *Omnibus 2017*; and Statement No. 86, *Certain Debt Extinguishment Issues* became effective for the year ended June 30, 2018.

GASB Statement No. 75, establishes accounting and reporting requirements for postemployment benefits other than pensions (other postemployment benefits or OPEB), which are included in the general purpose financial reports of state and local governmental OPEB plans. This statement replaces GASB Statements No. 45 and No. 57. The scope of this statement establishes

standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

GASB Statement No. 81, establishes accounting and financial reporting guidance for irrevocable split-interest agreements in which a government is a beneficiary.

GASB Statement No. 85, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

GASB Statement No. 86, establishes guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also provides guidance for accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

C. Contingent Liabilities

Blount County is contingently liable for certain debt issued on behalf of Blount Memorial Hospital, Inc. Outstanding Series 2013A Bonds reflected in long-term debt for the hospital (see Note VI.H.) are payable from, but not secured by, revenues of the hospital. This issue also carries the general obligation pledge of the county. Therefore, Blount County would be liable in the event of default by the hospital. Outstanding principal amounts for the bonds as of June 30, 2018, totaled \$71,450,000.

There are several pending lawsuits in which the county is involved. Management has provided for potential claims and judgments in the financial statements of the self-insurance fund in this report. Based on letters from attorneys, management believes that potential claims not already recorded in the self-insurance fund would not materially affect the financial statements of the county.

D. Joint Ventures

The Industrial Development Board of Blount County and the cities of Alcoa and Maryville was organized to promote industrial development and provide

additional job opportunities in Blount County, the cities of Alcoa and Maryville, and the surrounding counties in accordance with Title 7, Chapter 53, *Tennessee Code Annotated*. The board is governed by a ten-member board of directors appointed jointly by the Blount County Commission and the governing bodies of Maryville and Alcoa. The board provides incentives toward the location of certain industrial facilities in the county and cities. Upon approval for the Industrial Development Board to provide these incentives, the county commission also expressed its intent to provide certain funding for these incentives in future years. During the year, Blount County provided \$1,062,200 to the Industrial Development Board to be applied toward those incentives, related debt payments, and operations of the board.

The Fifth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Fifth Judicial District, Blount County, and various cities within Blount County. 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.

The Blount County Solid Waste Authority is a joint venture that is operated by Blount County, the City of Alcoa, and the City of Maryville. The authority comprises 11 members, three of whom are appointed by the Blount County Commission. The cities appoint two members each, and the remaining members are selected from the citizens at large and from private industry. Blount County has control over budgeting and financing the joint venture only to the extent of representation by the three appointed authority members. Blount County, along with the City of Alcoa and the City of Maryville, has entered into two contracts in-lieu-of performance bonds with the Tennessee Department of Environment and Conservation to ensure the proper operation and closure/postclosure care of the Blount County landfill, which is operated by the Blount County Solid Waste Authority. The total of these contracts in-lieu-of performance bonds is \$13,044,104, of which Blount County has guaranteed 40 percent and the two cities the remaining 60 percent, equally. Complete financial statements for the Blount County Solid Waste Authority may be obtained from the City of Alcoa.

The Blount County Cable Television Authority is a joint venture between Blount County, the City of Maryville, and the City of Alcoa, which regulates the operation of cable television service in Blount County. The authority comprises nine members, three of whom are appointed by the Blount County Commission. The remaining six members are appointed by the cities. Blount County has control over budgeting and financing the joint venture only to the extent of representation by the three board members appointed. The authority

funds its budget through the collection of cable television franchise fees from companies under its jurisdiction. After payment of the authority's expenses, the residual of those collections is remitted to the county and the two cities based on point of collection.

The Recreation and Parks Commission is a joint venture between Blount County, the City of Maryville, and the City of Alcoa, which operates a recreation and parks system in Blount County. The commission includes seven members, two of whom are appointed by the Blount County Commission. Four members are appointed by the cities, and one member is appointed by the joint commission. Blount County has control over budget and financing of the commission only to the extent of representation by the two board members appointed. Contributions toward operations are provided annually by the county and the cities based on a per capita cost-sharing formula. Blount County contributed \$693,977 to the operations of the commission during the year ended June 30, 2018.

The Smoky Mountain Tourism Development Authority is a nonprofit entity chartered in June 2012 to promote tourism in the county. The authority was established jointly by the county, the City of Maryville, and the City of Alcoa. The authority is governed by a ten-member board, which includes one representative of the county. The authority's primary funding source is proceeds of a hotel-motel tax, which is levied by the county commission pursuant to a private act. The authority is entitled to 70 percent of the hotel-motel tax. The tax is currently set at a rate of five percent, which is the maximum allowed.

The county does not retain an equity interest in any of the noted joint ventures. Complete financial information for these joint ventures can be obtained from their respective administrative offices at the following addresses:

Administrative Offices:

Industrial Development Board of Blount County and the
Cities of Alcoa and Maryville
201 South Washington Street
Maryville, TN 37804

District Attorney General
Fifth Judicial District
942 East Lamar Alexander Parkway
Maryville, TN 37804

City of Alcoa
Blount County Solid Waste Authority
223 Associates Boulevard
Alcoa, TN 37701

Blount County Cable Television Authority
P.O. Box 4338
Maryville, TN 37804

Recreation and Parks Commission
316 South Everett High Road
Maryville, TN 37804

Smoky Mountain Tourism Development Authority
201 South Washington Street
Maryville, TN 37804

E. Intergovernmental Cooperation Agreement – Research and Development Park

In May 2006, the Industrial Development Board of Blount County entered into an intergovernmental cooperation agreement with Blount County, Tennessee, the City of Maryville, Tennessee, the City of Alcoa, Tennessee, and Knox County, Tennessee. The agreement calls for the acquisition of property to be developed into a research and development park. The purchase price and subsequent development costs were funded jointly by the four participating governments (\$5,000,000 each). These governments are to be repaid with interest at six percent from sales proceeds. The four governments share excess sales proceeds and property tax revenues equally. No property has been sold in the park since the inception of the agreement.

F. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Most employees of Blount County and the non-certified employees of the discretely presented Blount County School Department are provided a defined benefit pension plan (Blount County Plan) through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 71.62 percent and the non-certified employees of the discretely presented School Department comprise 28.38 percent of the plan based on contribution data. In addition, certain other county employees are provided a defined benefit pension plan (Blount County Library Plan) through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 100 percent of the Blount County Library 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.state.tn.us/tcrs.

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, 2017, the following employees were covered by the benefit terms:

Blount County Plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	589
Inactive Employees Entitled to But Not Yet Receiving Benefits	749
Active Employees	831
Total	<u><u>2,169</u></u>

Blount County Library Plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	12
Inactive Employees Entitled to But Not Yet Receiving Benefits	8
Active Employees	23
Total	<u><u>43</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. Blount County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2018, the employer contribution for the Blount County Plan was \$2,495,802 based on a rate of 6.90 and 10.40 percent of covered payroll for general employees and public safety officers, respectively. For the year ended June 30, 2018, the employer contribution for the Blount County Library Plan was \$6,823 based on a rate of 0.85 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Blount 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)

Blount County's net pension liability (asset) was measured as of June 30, 2017, 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, 2017, 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 3.46% 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, 2017, 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.

Changes of Assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.0 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 to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4 percent; and modified the mortality assumptions.

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 Blount 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)

Blount County Plan:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2016	\$ 111,668,673	\$ 111,613,709	\$ 54,964
Changes for the Year:			
Service Cost	\$ 2,789,050	\$ 0	\$ 2,789,050
Interest	8,385,382	0	8,385,382
Differences Between Expected and Actual Experience	2,214,409	0	2,214,409
Changes in Assumptions	2,497,589	0	2,497,589
Contributions-Employer	0	3,804,366	(3,804,366)
Contributions-Employees	0	1,580,521	(1,580,521)
Net Investment Income	0	12,649,915	(12,649,915)
Benefit Payments, Including Refunds of Employee Contributions	(5,305,253)	(5,305,253)	0
Administrative Expense	0	(71,581)	71,581
Other Changes	0	27,223	(27,223)
Net Changes	\$ 10,581,177	\$ 12,685,191	\$ (2,104,014)
Balance, June 30, 2017	\$ 122,249,850	\$ 124,298,900	\$ (2,049,050)

Blount County Library Plan:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2016	\$ 2,686,812	\$ 2,861,271	\$ (174,459)
Changes for the Year:			
Service Cost	\$ 65,081	\$ 0	\$ 65,081
Interest	201,787	0	201,787
Differences Between Expected and Actual Experience	(80,879)	0	(80,879)
Changes in Assumptions	59,282	0	59,282
Contributions-Employer	0	2,244	(2,244)
Contributions-Employees	0	37,401	(37,401)
Net Investment Income	0	319,417	(319,417)
Benefit Payments, Including Refunds of Employee Contributions	(122,795)	(122,795)	0
	0	(1,871)	1,871
Other Changes	0	0	0
Net Changes	<u>\$ 122,476</u>	<u>\$ 234,396</u>	<u>\$ (111,920)</u>
Balance, June 30, 2017	<u>\$ 2,809,288</u>	<u>\$ 3,095,667</u>	<u>\$ (286,379)</u>

Blount County Plan:

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	71.62%	\$ 87,555,343	\$ 89,022,872	\$ (1,467,530)
School Department	28.38%	34,694,507	35,276,028	(581,520)
Total		<u>\$ 122,249,850</u>	<u>\$ 124,298,900</u>	<u>\$ (2,049,050)</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Blount 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	Current Discount Rate	1% Increase
Blount County Plan	6.25%	7.25%	8.25%

Net Pension Liability \$ 13,885,827 \$ (2,049,050) \$ (15,275,730)

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

Net Pension Liability \$ 35,251 \$ (286,379) \$ (558,958)

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

Pension Expense or Negative Pension Expense. For the year ended June 30, 2018, Blount County recognized pension expense of \$1,181,025 and the Blount County Library Plan recognized negative pension expense of (\$1,363).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, Blount County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Blount County Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 1,771,527	\$ 786,048
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	35,597
Changes in Assumptions	1,998,071	0
Contributions Subsequent to the Measurement Date of June 30, 2017 (1)	<u>2,495,802</u>	N/A
Total	<u>\$ 6,265,400</u>	<u>\$ 821,645</u>

Blount County Library Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 110,396	\$ 60,659
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,702	0
Changes in Assumptions	44,461	0
Contributions Subsequent to the Measurement Date of June 30, 2017 (1)	<u>6,823</u>	N/A
Total	<u>\$ 163,382</u>	<u>\$ 60,659</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2017,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Blount County Plan:

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 4,554,739	\$ 588,462
School Department	1,710,661	233,183
Total	<u>\$ 6,265,400</u>	<u>\$ 821,645</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:

Blount County Plan:

Year Ending June 30	Amount
2019	\$ (84,893)
2020	1,815,731
2021	1,130,236
2022	86,887
2023	0
Thereafter	0

Blount County Library Plan:

Year Ending June 30	Amount
2019	\$ 85,153
2020	32,064
2021	282
2022	(21,602)
2023	0
Thereafter	0

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

Discretely Presented Blount County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, most employees of Blount County and the non-certified employees of the discretely presented Blount County School Department are provided a defined benefit pension plan (Blount County Plan) through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 71.62 percent and the non-certified employees of the discretely presented School Department comprise 28.38 percent of the plan based on contribution data. In addition, certain other county employees are provided a defined benefit pension plan (Blount County Library Plan) through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 100 percent of the Blount County Library based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Blount 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.state.tn.us/tcrs.

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, 2018, to the Teacher Retirement Plan were \$186,908, which is four 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 Liabilities (Assets). At June 30, 2018, the School Department reported a liability (asset) of (\$143,587) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2017, 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, 2017, the School Department’s proportion was .544242 percent. The proportion as of June 30, 2016, was .530660 percent.

Pension Expense. For the year ended June 30, 2018, the School Department recognized pension expense of \$64,755.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, 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>Resources</u>	<u>Resources</u>
Difference Between Expected and Actual Experience	\$ 5,032	\$ 10,799
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	7,726
Changes in Assumptions	12,615	0
Changes in Proportion of Net Pension Liability (Asset)	0	3,612
LEA's Contributions Subsequent to the Measurement Date of June 30, 2017	<u>186,908</u>	<u>N/A</u>
Total	<u>\$ 204,555</u>	<u>\$ 22,137</u>

The School Department’s employer contributions of \$186,908, 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, 2019. 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
2019	\$ (1,061)
2020	(1,061)
2021	(1,504)
2022	(3,491)
2023	152
Thereafter	2,473

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, 2017, 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 3.46% 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, 2017, 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	5.79		20	
Real Estate	2.01		20	
Short-term Securities	4.32		10	
	0.00		1	
Total			100	%

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

Changes of Assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.0 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 4.0 percent; and modified the mortality assumptions.

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	\$ 28,648	\$ (143,587)	\$ 269,929

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 Blount 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.state.tn.us/tcrs.

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 Blount County School Department for the year ended June 30, 2018, to the Teacher Legacy Pension Plan were \$3,637,164, which is 9.04 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, 2018, the School Department reported a liability (asset) of (\$380,444) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2017, 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, 2017, the School Department’s proportion was 1.162782 percent. The proportion measured at June 30, 2016, was 1.138179 percent.

Pension Expense. For the year ended June 30, 2018, the School Department recognized pension expense of \$142,344.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, 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	\$ 229,358	\$ 7,854,357
Changes in Assumptions	3,222,130	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	57,750	0
Changes in Proportion of Net Pension Liability (Asset)	584,705	150,729
LEA's Contributions Subsequent to the Measurement Date of June 30, 2017	<u>3,637,164</u>	<u>N/A</u>
Total	<u>\$ 7,731,107</u>	<u>\$ 8,005,086</u>

The School Department’s employer contributions of \$3,637,164 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, 2019. 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
2019	\$ (2,584,318)
2020	1,307,685
2021	(842,507)
2022	(1,792,003)
2023	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, 2017, 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 3.46% 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, 2017, 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	5.79	20
Real Estate	2.01	20
Short-term Securities	4.32	10
	0.00	1
Total		100 %

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

Changes of Assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.0 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 4.0 percent; and modified the mortality assumptions.

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	Current Discount Rate	1% Increase
	6.25%	7.25%	8.25%
Net Pension Liability	\$ 34,136,570	\$ (380,444)	\$ (28,911,028)

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

Blount County offers its employees two deferred compensation plans, one established pursuant to IRC Section 457 and the other pursuant to IRS Section 403(b). All costs of administering and funding these programs are the responsibility of the plan participants. The section 457 and Section 403(b) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 457 and 403(b) establish participation, contribution, and withdrawal provisions for the plans.

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 \$233,794 to this deferred compensation pension plan.

G. Other Postemployment Benefits (OPEB)

Plan Description. Blount County and the Blount County School Department participate in a self-insured postemployment benefits plan administered by Allegiance, a CIGNA company, for its retirees and their covered dependents. Employees are eligible for OPEB benefits if they retire at any age with at least 30 years of service or if they are over the age 60 and have at least 10 years of service. For accounting purposes, the plan is a single-employer defined benefit OPEB plan. Benefits are established and amended by the County Commission. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75.

Benefits Provided. The plan provides healthcare, dental, and life insurance benefits for retirees until they are Medicare eligible. Spouse benefits are provided while the retiree is eligible for coverage. Surviving spouse benefits are not provided. The benefit terms provide for retirees to pay annual premiums ranging from \$1,020 to \$2,904 for medical coverage depending on the type coverage selected. Retirees pay annual premiums of \$0 to \$568 for dental coverage. The county pays the remainder of the covered medical and dental benefits. The county also pays for life insurance benefits of \$10,000.

Employees Covered by Benefit Terms

As of January 1, 2017, the following employees were covered by the benefit terms:

	<u>Primary</u> <u>Government</u>	<u>School</u> <u>Department</u>	<u>Total</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	61	106	167
Inactive Employees Entitled to But Not Yet Receiving Benefits	0	0	0
Active Employees	636	1,106	1,742
Total	<u>697</u>	<u>1,212</u>	<u>1,909</u>

Total OPEB Liability

The total OPEB liability for the county (\$7,506,765) and the School Department (\$13,053,837) was measured as of June 30, 2018 and was determined by an actuarial valuation as of July 1, 2016 and updated to the measurement date.

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:

Actuarial Cost Method	Entry Age
Payroll Growth Rate	2.5%
Salary Increases	4%
Discount Rate	3.87%
Healthcare Cost Trend Rates	7% initially with an ultimate rate of 5% in 2019
Retirees share of Benefit-related Cost	See discussion under Benefits Provided

The discount rate was based on the Bond Buyer's 20 bond index.

The mortality rates are from the RP-2000 Combined Fully Generational Mortality Table with projection scale AA.

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

	Primary Government	School Department	Total OPEB Liability
Balance July 1, 2017	\$ 7,491,287	\$ 13,266,604	\$ 20,757,891
Changes for the Year:			
Service Cost	\$ 415,120	\$ 674,221	\$ 1,089,341
Interest	274,160	479,641	753,801
Changes in Benefit Terms	0	0	0
Difference between Expected and Actuarial Experience	0	0	0
Changes in Assumption and Other Inputs	(172,756)	(270,856)	(443,612)
Benefit Payments	(501,046)	(1,095,773)	(1,596,819)
Net Changes	<u>\$ 15,478</u>	<u>\$ (212,767)</u>	<u>\$ (197,289)</u>
Balance June 30, 2018	<u>\$ 7,506,765</u>	<u>\$ 13,053,837</u>	<u>\$ 20,560,602</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.58 percent in 2017 to 3.87 percent in 2018.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, the primary government recognized OPEB expense of \$666,766 and the School Department recognized OPEB expense of \$1,113,656. At June 30, 2018, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Primary Government:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 0
Changes of Assumptions/Inputs	0	150,242
Net Difference Between Projected and Actual Investments	<u>0</u>	<u>0</u>
Total	<u>\$ 0</u>	<u>\$ 150,242</u>

Discretely Presented School Department:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 0
Changes of Assumptions/Inputs	0	230,650
Net Difference Between Projected and Actual Investments	<u>0</u>	<u>0</u>
Total	<u>\$ 0</u>	<u>\$ 230,650</u>

Amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Primary Government	School Department	Total
2019	\$ (22,514)	\$ (40,206)	\$ (62,720)
2020	(22,514)	(40,206)	(62,720)
2021	(22,514)	(40,206)	(62,720)
2022	(22,514)	(40,206)	(62,720)
2023	(22,514)	(40,206)	(62,720)
Thereafter	(37,672)	(29,620)	(67,292)

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 2.87%	Current Discount Rate 3.87%	1% Increase 4.87%
Primary Government	\$ 7,533,778	\$ 7,506,765	\$ 6,989,220
School Department	13,100,811	13,053,837	12,153,857
Total OPEB Liability	<u>\$ 20,634,589</u>	<u>\$ 20,560,602</u>	<u>\$ 19,143,077</u>

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 (6% decreasing to 4%)	Current Trend Rate (7% decreasing to 5%)	1% Increase (8% decreasing to 6%)
Primary Government	\$ 6,585,131	\$ 7,506,765	\$ 8,603,766
School Department	11,451,167	13,053,837	14,961,459
Total OPEB Liability	<u>\$ 18,036,298</u>	<u>\$ 20,560,602</u>	<u>\$ 23,565,225</u>

H. Office of Central Accounting, Budgeting, and Purchasing

Blount County operates under provisions of the Fiscal Control Acts of 1957 and the Local Option Budgeting Law of 1993. These acts provide for a central system of accounting and budgeting covering all funds of the county. These funds are maintained in the Office of Central Accounting and Budgeting under the supervision of the director of accounts and budgets.

I. Purchasing Laws

Purchasing procedures for the Offices of County Mayor, Director of Schools, and Highway Superintendent are governed by the County Purchasing Law of 1957 (Section 5-14-101, et seq., *Tennessee Code Annotated (TCA)*). Purchasing procedures for the Highway Department are also governed by provisions of the Uniform Road Law, Section 54-7-113, *TCA*. These statutes provide for a purchasing agent and require competitive bids on all purchases exceeding \$25,000.

VI. OTHER NOTES – DISCRETELY PRESENTED BLOUNT MEMORIAL HOSPITAL, INC.

A. Description of Reporting Entity and Significant Accounting Policies

Reporting Entity

Blount Memorial Hospital, Inc., is an acute and general healthcare provider formed to provide services to Blount County and the surrounding communities. The hospital is a component unit of Blount County, Tennessee, which issues debt on the hospital's behalf. The hospital is organized as a private act hospital authority. The hospital's board members are appointed by the County Commission of Blount County, the Board of Commissioners of the City of Alcoa, the Board of Commissioners of the City of Maryville, and the Board of Directors of Maryville College.

The hospital uses enterprise fund accounting and is included as a discretely presented component unit in the financial statements of the county.

The hospital is the sole corporate member of the Blount Memorial Foundation, which coordinates and secures resources to enable the hospital to maintain, improve, and advance care. The hospital and the foundation have common boards of directors and the financial activity of the foundation is included (blended) in the hospital's financial statements. Separate financial statements of the foundation are maintained by the foundation and hospital management. Except for certain expenses paid directly by the foundation, the hospital provides administrative services and pays for operating expenses to support the foundation's activities.

Blount Memorial Physician Group, Inc. (BMPG), is owned 100 percent by the hospital and governed by the hospital's Board of Director's. The financial activity of BMPG is also included (blended) in the hospital's financial statements. BMPG provides physician and outpatient services in Blount County and includes over 80 physicians in a multi-specialty practice. Separate financial statements are maintained by hospital management.

The hospital has non-controlling ownership interest in partnership, which operates a medical facility in Blount County consistent with the hospital's mission of providing healthcare services. This ownership investment is included in other assets at June 30, 2018.

All significant intercompany accounts and transactions with blended component units have been eliminated.

Basis of Presentation

The hospital's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting in accordance with the Governmental Accounting Standards Board (GASB), which establishes standards for external financial reporting for all state and local government entities. GASB requires the classification of net position into three components, which are defined as follows:

Net investment in capital assets – This component of net position consists of property and equipment, net of accumulated depreciation, reduced by the outstanding balances of bonds and other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt are also included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at year-end, the portion of the debt or deferred inflows of resources attributable to the unspent proceeds is not included in the calculation of net investment in capital

assets. Rather, that portion of the debt or deferred inflow of resources is included in the same net position component as the unspent proceeds.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported. The restricted component is separated into nonexpendable and expendable. Net position subject to externally imposed stipulations that the hospital maintain them permanently are nonexpendable. Net position on which use by the hospital is subject to externally imposed stipulations that can be fulfilled by the action of the hospital pursuant to those stipulations or that expire by the passage of time are expendable.

Unrestricted – This component of net position consists of net amounts of assets, deferred outflows of resources, liabilities, and deferred inflows that are not included in the determination of net investment in capital assets or restricted components of net position.

Cash and Cash Equivalents

The hospital considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Patient Accounts Receivable

Accounts receivable from patients and third-party payors are recorded on the accrual basis in the period in which services are rendered. The hospital does not require collateral on accounts receivable. In evaluating the collectability of accounts receivable, the hospital analyzes historical collection rates and write-off's and identifies trends for payors to estimate appropriate allowance amounts. Accounts are charged to bad debt expenses as they are determined to be uncollectible based on a review of aging and collections.

Inventories

Inventories are stated at the lower of cost or market and are valued principally by methods, which approximate the first-in, first-out method.

Investments

Investments are recorded at fair value based on quoted market prices. Interest and dividends on investments, as well as realized and unrealized gains and losses, are included in non-operating revenues when earned.

The hospital is organized as a private act hospital authority, which provides the hospital additional rights and powers, including the manner in which funds are invested. The hospital diversifies its investments into a broad range of asset classes to reduce concentration risk and to maximize return with reasonable and prudent levels of risk. It is also the hospital's policy to limit the maximum position for each type of investment at varying levels within these classifications. As of June 30, 2018, the hospital's fixed income investments all have quality ratings of A- or better (by both Standard and Poor's and Moody's Investors Service).

To limit its exposure to fair value losses arising from changing interest rates, the hospital's investment policy restricts the type and maturities of fixed income investments in order to increase the overall investment horizon. The current duration of the hospital's fixed income investments ranges up to approximately eight years with an average duration of five years, based on timing of interest payments, maturity dates, and expectations of minimal interest rate changes.

Assets Limited as to Use by Board and Foundation

Certain investments have been designated by the Board of Directors for the replacement of property and equipment or for other purposes. Cash and investments held by the foundation in trust accounts are also classified as assets limited as to use. A portion of the investment at June 30, 2018, totaling \$1,198,731 is restricted in perpetuity (nonexpendable) under an irrevocable endowment trust.

As of June 30, 2018, net appreciation on assets limited as to use by board related to the foundation was approximately \$796,041. The net appreciation on assets limited as to use by board related to the foundation are classified as unrestricted net position. In accordance with the State of Tennessee Statutes and Codes Uniform Prudent Management of Institutional Funds Act and as allowed by the foundation's charter and approved by the hospital's Board of Directors net income and net capital appreciation in excess of the nonexpendable amount restricted in perpetuity are authorized for expenditure by the board at its discretion.

Property and Equipment

Land, buildings, and equipment are stated on the basis of cost or fair value at the date of donation. Although title to certain land and buildings rests with the county, these assets have been recorded by the hospital as the county has authorized their use by the hospital. Repairs and maintenance costs are expensed as incurred while significant asset purchases and improvements are capitalized. Depreciation of property and equipment is computed by the straight-line method over the estimated useful lives of the assets. The estimated useful lives are based on guidelines established for the health care industry, which are summarized as follows:

<u>Assets</u>	<u>Years</u>
Land Improvements	8 - 25
Buildings, Improvements, and Fixed Equipment	10 - 40
Equipment	3 - 15

Operating Revenues and Expenses

Revenues and expenses associated with the hospital's mission of providing health care services are considered to be operating activities. Non-operating revenues consist primarily of investment income (loss) and general contributions to the hospital. Unrestricted resources will be applied first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Income Taxes

The hospital is classified as a governmental organization exempt from income tax. The foundation is a not-for-profit organization defined by Section 501(c)(3) of the Internal Revenue Code as other than a private foundation. Accordingly, no provision for income taxes has been included in the accompanying financial statements. BMPG is a corporation and subject to income taxes. BMPG has net operating loss carryforwards, resulting in deferred tax assets, which have been fully offset by a valuation allowance. Accordingly, no provision for income taxes has been included in the accompanying financial statements.

Charity Care

The hospital accepts patients regardless of their ability to pay. A patient is classified as a charity patient by reference to certain established policies of the hospital. Charges at established rates related to charity care are not included in net patient service revenue.

Patient Service Revenue

Patient service revenue is reported in the period in which services are provided at rates that reflect the amount expected to be collected. Net patient service revenue includes amounts estimated by management to be reimbursable by third-party payors under provisions of reimbursement formulas in effect and is net of the provision for bad debts.

Risk Management

The hospital is self-insured for medical malpractice and employee (including dependent) group health expenses and claims. Commercial insurance is purchased for significant exposure to various other risks typical to the hospital's operating environment and industry such as loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and

omissions; and natural disasters. There were no significant losses in excess of insurance coverage during the last three years.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of: assets and liabilities, net position, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recently Issued Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, Leases. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this statement, a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Statement No. 87 is effective for periods beginning after December 15, 2019. At this time, the hospital has elected not to adopt this standard early and has not completed the process of evaluating the impact of this Statement on its financial statements.

B. Cash, Cash Equivalents, and Assets Limited as to Use

As required by state statute, the hospital's cash and cash equivalent balances are on hand with financial institutions participating in the bank collateral pool, which is administered by the collateral pool board and monitored by the Treasury Department of the State of Tennessee. Legal provisions require participating banks to 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 Bank Collateral Pool may be required by agreement to pay an assessment to cover any deficiency.

BMPG's cash balances at financial institutions are covered by Federal Deposit Insurance Corporation (FDIC) insurance (risk category insured).

As authorized by state statutes, assets limited as to use by the board and those held by trustees include U.S. government instruments and other securities held at financial institutions in the hospital's name (uninsured credit risk category) and are categorized by investment type as follows:

	Balance 6-30-18	Percent	
Money Market Funds (cash equivalents)	\$ 2,796,901	3	%
Common Stock	9,479,958	9	
Bond Mutual Funds	42,567,755	43	
Equity Mutual Funds	44,351,999	45	
Total	<u>\$ 99,196,613</u>	<u>100</u>	<u>%</u>

Net investment income on assets limited as to use includes as of June 30:

	Balance 6-30-18
Interest and Dividends	\$ 3,665,705
Net Realized and Unrealized Investment Gain (Loss)	<u>398,160</u>
Total	<u>\$ 4,063,865</u>

The foundation's cash balances at financial institutions are covered by Federal Deposit Insurance Corporation insurance (risk category insured) subject to certain limits. Foundation assets limited as to use are comprised of the following as of June 30:

	Balance 6-30-18
Money Market Funds (cash equivalents)	\$ 3,490
Common Stock	44,583
Bond Mutual Funds	562,979
Equity Mutual Funds	<u>1,383,719</u>
Total	<u>\$ 1,994,771</u>

C. Net Patient Service Revenue

A reconciliation of the amount of services provided to patients at established rates to net patient service revenue as presented in the statements of revenues, expenses, and changes in net position is as follows for the year ended June 30:

	Year ended 6-30-18
Gross Patient Service Charges	\$ 1,062,407,769
Contractual Adjustments and Discounts	(742,209,755)
Charity Care Charges Foregone	(40,938,534)
Provision for Bad Debts	(18,589,432)
	<hr/>
Net Patient Service Revenue	\$ 260,670,048
	<hr/>

The Health Information Technology for Economic and Clinical Health Act (HITECH) was enacted as part of the American Recovery and Reinvestment Act of 2009. Under HITECH, the hospital must implement a certified electronic health record in an effort to promote the adoption and meaningful use of health information technology. It is the hospital's policy to recognize such revenue when there is reasonable assurance the condition specified for compliance within the applicable statutes will be met and the grant will be received. During 2017, the hospital has recorded approximately \$655,000 of revenues related to incentive payments under Medicare and TennCare programs related to meeting meaningful use objectives mandated by HITECH. These incentive payments are included as a component of net patient service revenue.

D. Third-party Payor Agreements

The hospital renders services to patients under contractual arrangements with the Medicare and TennCare programs. Laws, regulations, and contracts governing third-party payor programs can be extremely complex and subject to interpretation. Amounts earned under these contractual arrangements are subject to regulatory review and final determination by the various program intermediaries and other appropriate governmental authorities or their agents. As a result, there is at least a reasonable possibility that recorded estimates related to third-party payor agreements could change in the near term. In the opinion of management, adequate provision has been made in the financial statements for any adjustments, which may result from such reviews.

The Medicare program pays for inpatient services on a prospective basis primarily based upon diagnostic related group assignments as determined by the patient's clinical diagnosis and medical procedures utilized. The hospital receives additional payments from Medicare based on the provision of services to a disproportionate share of low income patients (as defined by the Medicare program). Medicare also pays for outpatient services on a prospective basis based upon ambulatory payment classifications and fee schedules. TennCare reimbursement for both inpatient and outpatient services is based upon prospectively determined rates and per-diem amounts.

Contractual adjustments for Medicare, TennCare, and other third-party discount arrangements are recognized when the related revenues are reported in the financial statements. The percentage of gross patient charges from the Medicare and TennCare programs was approximately 29 percent and 10 percent, respectively, in 2018.

The hospital has reimbursement agreements with commercial insurance companies, health maintenance organizations and preferred provider organizations. The basis for reimbursement under these agreements includes prospectively determined rates, per diems and discounts from established charges.

E. Acquisitions

During 2018, the hospital acquired substantially all assets, excluding accounts receivable as of the effective date, of a medical practice. The acquisition was accounted for as a purchase transaction where the hospital recorded all assets acquired at their fair values on the date of acquisition. The following table presents the allocation of the purchase price to assets acquired based on their estimated fair values.

Medical and Other Equipment	\$ 65,075
Other Assets	<u>30,000</u>
Total Cash Consideration	<u><u>\$ 95,075</u></u>

F. Property and Equipment

A summary of changes in property and equipment is as follows:

	Balance 7-1-17	Additions	Retirements and Transfers	Balance 6-30-18
Cost:				
Land	\$ 12,553,960	\$ 0	\$ 0	\$ 12,553,960
Land Improvements	2,911,003	0	0	2,911,003
Buildings, Improvements, and Fixed Equipment	183,535,938	3,591,873	0	187,127,811
Equipment	139,164,563	10,251,577	(1,956,577)	147,459,563
Construction in Progress	1,254,681	3,305,578	(4,325,634)	234,625
Total Cost	<u>\$ 339,420,145</u>	<u>\$ 17,149,028</u>	<u>\$ (6,282,211)</u>	<u>\$ 350,286,962</u>
Allowances for				
Depreciation:				
Land Improvements	\$ (2,353,262)	\$ (31,558)	\$ 0	\$ (2,384,820)
Buildings, Improvements, and Fixed Equipment	(103,438,445)	(6,704,956)	0	(110,143,401)
Equipment	(114,418,147)	(11,663,422)	1,956,577	(124,124,992)
Total Allowances for Depreciation	<u>\$ (220,209,854)</u>	<u>\$ (18,399,936)</u>	<u>\$ 1,956,577</u>	<u>\$ (236,653,213)</u>
Net Property and Equipment	<u>\$ 119,210,291</u>	<u>\$ (1,250,908)</u>	<u>\$ (4,325,634)</u>	<u>\$ 113,633,749</u>

Construction in progress at June 30, 2018, includes costs primarily related to the renovation and upgrades to the building with total estimated costs to complete of approximately \$145,000.

G. Other Assets

Other assets include an investment in a partnership, a trust investment, and net intangible assets at June 30 as follows:

	6-30-18
Partnership Interest	\$ 2,040,000
Goodwill	2,165,103
Trade Name	1,310,959
Medical Records	488,802
Workforce	1,462,779
Rabbi Trust Investment	595,709
Other	<u>628,215</u>
Total	<u>\$ 8,691,567</u>

Goodwill and trade name are being amortized over a period of ten to 40 years. Medical records and workforce are amortized over a period of three to 20 years. Amortization expense for intangibles was \$397,384 at June 30, 2018. Amortization expense for the next three years is estimated to approximate \$397,000 each year.

H. Long-term Debt and Capital Lease

Changes in long-term debt and capital lease are summarized as follows:

	Balance 7-1-17	Additions	Principal Payments	Balance 6-30-18
Series 2013A Bonds	\$ 75,325,000	\$ 0	\$ 3,875,000	\$ 71,450,000
Series 2014 Bonds	2,297,889	0	692,100	1,605,789
Capital Lease Obligation	0	5,475,979	2,938,241	2,537,738
Bank Note Payable	1,419,211	0	125,784	1,293,427
Total Outstanding	<u>\$ 79,042,100</u>	<u>\$ 5,475,979</u>	<u>\$ 7,631,125</u>	<u>\$ 76,886,954</u>
Less Current Portion	<u>(4,692,884)</u>			<u>(6,500,707)</u>
Long-term Portion	<u>\$ 74,349,216</u>			<u>\$ 70,386,247</u>

In December 2013, Blount County issued on behalf of the hospital, \$89,125,000 of General Obligation Refunding Bonds, Series 2013A. The Series 2013A Bonds bear interest at a variable rate based on the product of the one month Libor rate (2.07% at June 30, 2018) and a factor (67% at June 30, 2018) plus the applicable spread based on the investment rating of the bonds (.45% at June 30, 2018). The Series 2013A Bonds mature in increasing annual amounts ranging from \$4,075,000 in 2019 to \$8,425,000 in 2029 and are subject to redemption at the option of the county, in whole or in part, at the redemption price of par plus accrued interest to the redemption date.

In January 2014, Blount County issued on behalf of the hospital, \$4,288,400 of Hospital Revenue Refunding Bonds, Series 2014. The Series 2014 Bonds mature in varying annual amounts ranging from \$763,889 to a final payment of approximately \$841,900 on July 1, 2019, at an interest rate of 1.68 percent. The Series 2014 Bonds are subject to redemption at the option of the county, in whole or in part, at the redemption price of par, without premium, plus accrued interest to the redemption date.

To protect against the potential of rising interest rates and to balance its mixture of variable and fixed rate debt, the hospital utilized two separate interest rate swap agreements to effectively fix the interest rates on a portion of the amounts. One interest rate swap agreement maturing in June 2026 establishes interest at an effective rate of 4.9 percent on \$25,000,000. The second interest rate swap maturing in June 2029 establishes interest at an effective rate of 4.33 percent on \$30,700,000. The counterparties to these agreements owe the hospital interest based on a variable rate that is calculated based on a published index rate. The bond principal subject to the swap agreements is not exchanged; only the net difference in interest payments is actually exchanged with the counterparties and recorded by the hospital as interest expense. The hospital, through the trustee, continued to pay interest to the bondholders at the variable rate provided by the bonds. During the term

of each swap agreement, the hospital effectively pays a fixed rate on the debt plus or minus the difference between the variable rate due on the bonds and the variable rate received from the counterparty.

The hospital records the fair value liability of its interest rate swaps, which were determined by an independent third-party advisory firm from a model that calculates future cash flows by projecting forward rates and then discounts those cash flows to their present value. The fair value liability of the interest rate swaps increased by \$2,321,734 in 2018.

As of June 30, 2018, the hospital was not exposed to credit risk because the swaps have negative fair values. However, should interest rates change and the fair value of the swaps become positive, the hospital would be exposed to credit risk in the amount of the fair value of the swaps. As of June 30, 2018, the counterparty to the swaps, Deutsche Bank, was rated A3/BBB+/A- by Moody's, Standard and Poor's, and Fitch, respectively.

The hospital is exposed to variable rates if the counterparties to the swap defaults, if the variable rate received from the counterparty is less than that due on the bonds or if the swaps are terminated. The termination of the swap agreements could also result in the hospital making or receiving a termination payment.

During March 2017, the Hospital entered into a term loan agreement with a financial institution for \$1,450,000. The agreement, which is collateralized by certain property, bears interest at 3.38% per year and requires monthly payments of \$14,318 through its maturity in March 2027.

Maturities and mandatory sinking fund payments related to the balances outstanding as of June 30, 2018, are summarized as follows:

Year Ending June 30	Series 2013A	Series 2014	Bank Note Payable	Capital Lease Obligations	Total
2019	\$ 4,075,000	\$ 763,889	\$ 130,102	\$ 1,531,716	\$ 6,500,707
2020	4,275,000	841,900	134,569	666,699	5,918,168
2021	5,750,000	0	139,188	339,323	6,228,511
2022	6,050,000	0	143,966	0	6,193,966
2023	6,350,000	0	148,909	0	6,498,909
2024-2028	36,525,000	0	596,693	0	37,121,693
2029-2030	8,425,000	0	0	0	8,425,000
Total	\$ 71,450,000	\$ 1,605,789	\$ 1,293,427	\$ 2,537,738	\$ 76,886,954

Future interest payments related to the bonds are as follows (interest for variable rate portion of the Series 2013A Bonds is determined using the rate in effect at June 30, 2018, which was 1.78 percent):

Year Ending June 30	Series 2013A	Series 2014	Bank Note Payable	Capital Lease Obligations	Total
2019	\$ 2,829,613	\$ 20,508	\$ 41,715	\$ 58,601	\$ 2,950,437
2020	2,756,782	7,014	37,248	20,107	2,821,151
2021	2,671,869	0	32,629	6,382	2,710,880
2022	2,485,744	0	27,851	0	2,513,595
2023	2,252,289	0	22,909	0	2,275,198
2024-2028	6,753,105	0	38,924	0	6,792,029
2029-2030	334,653	0	0	0	334,653
Total	<u>\$ 20,084,055</u>	<u>\$ 27,522</u>	<u>\$ 201,276</u>	<u>\$ 85,090</u>	<u>\$ 20,397,943</u>

The revenues of the hospital are pledged as collateral for the Series 2014 Bonds. The bond agreements require the hospital to maintain certain financial and other covenants.

During 2018, the hospital leased certain equipment under a capital lease arrangement. As of June 30, 2018, equipment under capital lease had a total cost of \$5,475,979. Related accumulated amortization totaled \$552,987 as of June 30, 2018. Amortization of equipment under capital lease is included with depreciation and amortization in the accompanying statements of revenues, expenses, and changes in net position.

I. Malpractice Trust Fund and Employee Group Health Claims

The hospital is covered under the “Tennessee Governmental Tort Liability Act” (*Tennessee Code Annotated*, Section 29-20-101, et seq.). In addition to requiring claims be made in conformance with this act, special provisions include, but are not limited to, special notice of requirements imposed upon the claimant, a one-year statute of limitations, and a requirement that the governmental entity purchase insurance or be self-insured with certain limits. This act also prohibits a judgment or award exceeding the minimum amounts of insurance coverage set out in the act or the amount of insurance purchased by the governmental entity.

The hospital is self-insured for professional malpractice liability coverage. Claims and expenses of \$77,416 were paid during 2018. At June 30, 2018, the hospital is involved in medical malpractice litigation in which management of the hospital, after consultation with legal counsel, is of the opinion that liability, if any, related to these claims would not be material to the financial statements. No amounts are accrued for potential losses related to unreported incidents or reported incidents, which have not yet resulted in asserted claims, as the hospital is not able to estimate such amounts.

The hospital is self-insured for employee (and dependent) group health claims and records a liability for claims known but unpaid and estimated claims incurred but not reported. The liability for employee group health claims was

\$1,497,470 at June 30, 2018. The total expense related to employee group health claims (net of employee paid premiums) was approximately \$16,058,000 for 2018.

J. Fair Value

The hospital categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

Mutual funds and common stocks are valued using prices quoted in active markets for those securities, while the debt securities are valued based on the securities' relationship to benchmark quoted prices. Derivative instruments are valued using a market approach that considers benchmark interest rates.

The following table sets forth by level, within the fair value hierarchy, the fair value of the hospital's investments (assets limited as to use) and derivative investments (interest rate swaps) as of June 30, 2018:

	Level 1	Level 2	Level 3	Total
Investments by fair value level:				
Mutual funds:				
Money market funds	\$ 2,800,391	\$ 0	\$ 0	\$ 2,800,391
Bond funds	43,130,734	0	0	43,130,734
Equity funds	45,735,718	0	0	45,735,718
Total mutual funds	91,666,843	0	0	91,666,843
Common stocks	9,524,541	0	0	9,524,541
Total investments by fair value level	<u>\$ 101,191,384</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 101,191,384</u>
Derivative instruments:				
Interest rate swaps	<u>\$ 0</u>	<u>\$ 8,141,278</u>	<u>\$ 0</u>	<u>\$ 8,141,278</u>

K. Retirement Plans

The Blount Memorial Hospital retirement plans include three separate defined contribution plans, the Blount Memorial Hospital Retirement Plan, the Blount Memorial Hospital Executive Retirement Plan, and the Blount Memorial Hospital Incorporated Excess Benefit Nonqualified Plan, of which at least one is available to all employees who are age 18 or older. New participants who have completed 1,000 hours of service vest 20 percent each year from two years of service to six years of service. The hospital contributes an amount equal to three percent of each eligible employee's compensation plus a matching contribution (limited to three percent of compensation) based upon voluntary employee contributions to the plan. Plan contributions are made biweekly.

Hospital contributions to the plans, net of forfeitures used of approximately \$130,000, totaled \$4,329,038 in 2018. Employee contributions were \$4,226,940 in 2018. The plans are administered by Fidelity Management Trust Company.

The hospital funds its deferred compensation obligations arising from the Blount Memorial Hospital Incorporated Excess Benefit Nonqualified Plan through a rabbi trust agreement. The rabbi trust agreement is subject to creditor claims in the event of insolvency, but the assets held in the rabbi trust agreement are not available for general operating purposes. Amounts in the rabbi trust are invested in mutual funds, as selected by each participant, which are recorded at fair value, and are included in other assets in the statement of net position. The plan is administered by Fidelity Management Trust Company.

L. Blended Component Units

Condensed combining information for the hospital and its blended component units is presented as follows:

<u>Condensed Combining Statement of Net Position</u>				
<u>June 30, 2018</u>				
	<u>Hospital</u>	<u>Foundation</u>	<u>BMPG</u>	<u>Total</u>
Assets				
Current Assets	\$ 31,380,585	\$ 97,302	\$ 4,706,630	\$ 36,184,517
Assets limited as to use	99,196,613	1,994,771	0	101,191,384
Property and Equipment, net	113,633,749	0	0	113,633,749
Other noncurrent assets	8,691,567	0	0	8,691,567
Total assets	<u>252,902,514</u>	<u>2,092,073</u>	<u>4,706,630</u>	<u>259,701,217</u>
Deferred outflows of resources				
	8,141,278	0	0	8,141,278
Total assets and deferred outflows of resources	<u>\$ 261,043,792</u>	<u>\$ 2,092,073</u>	<u>\$ 4,706,630</u>	<u>\$ 267,842,495</u>
Liabilities and net position				
Current liabilities	\$ 24,897,862	\$ 10,106	\$ 1,370,876	\$ 26,278,844
Long-term liabilities	79,123,234	0	0	79,123,234
Total liabilities	<u>\$ 104,021,096</u>	<u>\$ 10,106</u>	<u>\$ 1,370,876</u>	<u>\$ 105,402,078</u>
Net position:				
Net investment in capital assets	\$ 36,746,795	\$ 0	\$ 0	\$ 36,746,795
Restricted, nonexpendable	0	1,198,731	0	1,198,731
Unrestricted	120,275,901	883,236	3,335,754	124,494,891
Total net position	<u>\$ 157,022,696</u>	<u>\$ 2,081,967</u>	<u>\$ 3,335,754</u>	<u>\$ 162,440,417</u>
Total liabilities and net position	<u>\$ 261,043,792</u>	<u>\$ 2,092,073</u>	<u>\$ 4,706,630</u>	<u>\$ 267,842,495</u>

Condensed Combining Statement of Revenue, Expenses
and Changes in Net Position
Year Ended June 30, 2018

	Hospital	Foundation	BMPG	Total
Operating revenues:				
Net patient service revenue	\$ 31,380,585	\$ 97,302	\$ 4,706,630	\$ 36,184,517
Other revenue	99,196,613	1,994,771	0	101,191,384
Total operating revenues	130,577,198	2,092,073	4,706,630	137,375,901
Operating expenses:				
Depreciation and amortization	18,797,320	0	0	18,797,320
Other operating expenses	177,849,391	412,731	76,280,994	254,543,116
Total operating expenses	196,646,711	412,731	76,280,994	273,340,436
Operating margin	23,919,945	(412,731)	(25,759,668)	(2,252,454)
Nonoperating revenues (expenses):				
Interest expense	(2,839,779)	0	0	(2,839,779)
Investment income	3,953,093	110,772	0	4,063,865
Contributions and other	248,161	307,730	0	555,891
Total nonoperating revenues (expenses)	1,361,475	418,502	0	1,779,977
Increase (decrease) in net position	\$ 25,281,420	\$ 5,771	\$ (25,759,668)	\$ (472,477)
Net position at beginning of year	157,611,470	2,076,196	3,225,228	162,912,894
Transfers	(25,870,194)	0	25,870,194	0
Net position at end of year	\$ 157,022,696	\$ 2,081,967	\$ 3,335,754	\$ 162,440,417

Condensed Combining Statement of Cash Flows
Year Ended June 30, 2018

Operating activities	\$ 42,243,507	\$ (417,800)	\$ (25,834,534)	\$ 15,991,173
Noncapital financing activities	266,120	289,771	0	555,891
Capital and related financing activities	(17,779,159)	0	0	(17,779,159)
Investing activities	(21,544,661)	(214,297)	25,870,194	(1,232,095)
Net increase (decrease) in cash and cash equivalents	3,185,807	(342,326)	35,660	2,879,141
Cash and cash equivalents at beginning of year	1,078,089	425,159	(2,049)	1,501,199
Cash and cash equivalents at end of year	\$ 4,263,896	\$ 82,833	\$ 33,611	\$ 4,380,340

**REQUIRED SUPPLEMENTARY
INFORMATION**

Blount 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 - Blount County Public Library System
For the Fiscal Year Ended June 30

	2014	2015	2016	2017
Total Pension Liability				
Service Cost	\$ 63,181	\$ 57,827	\$ 67,217	\$ 65,081
Interest	170,615	150,526	188,758	201,787
Changes in Benefit Terms	0	0	0	0
Differences Between Actual and Expected Experience	(425,788)	384,073	28,753	(80,879)
Changes in Assumptions	0	0	0	59,282
Benefit Payments, Including Refunds of Employee Contributions	(51,799)	(89,190)	(94,935)	(122,795)
Net Change in Total Pension Liability	\$ (243,791)	\$ 503,236	\$ 189,793	\$ 122,476
Total Pension Liability, Beginning	2,237,574	1,993,783	2,497,019	2,686,812
Total Pension Liability, Ending (a)	\$ 1,993,783	\$ 2,497,019	\$ 2,686,812	\$ 2,809,288
Plan Fiduciary Net Position				
Contributions - Employer	\$ 65,106	\$ 2,162	\$ 2,354	\$ 2,244
Contributions - Employee	34,123	35,729	39,232	37,401
Net Investment Income	393,967	85,685	74,642	319,417
Benefit Payments, Including Refunds of Employee Contributions	(51,799)	(89,190)	(94,935)	(122,795)
Administrative Expense	(847)	(1,035)	(1,611)	(1,871)
Net Change in Plan Fiduciary Net Position	\$ 440,550	\$ 33,351	\$ 19,682	\$ 234,396
Plan Fiduciary Net Position, Beginning	2,367,688	2,808,238	2,841,589	2,861,271
Plan Fiduciary Net Position, Ending (b)	\$ 2,808,238	\$ 2,841,589	\$ 2,861,271	\$ 3,095,667
Net Pension Liability (Asset), Ending (a - b)	\$ (814,455)	\$ (344,570)	\$ (174,459)	\$ (286,379)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	140.85%	113.80%	106.49%	110.19%
Covered Payroll	\$ 682,458	\$ 708,911	\$ 784,615	\$ 748,019
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(119.34%)	(48.61%)	(22.23%)	(38.28%)

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

Blount 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 (Excluding Library System) and Non-certified Employees
of the Discretely Presented School Department
For the Fiscal Year Ended June 30

	2014	2015	2016	2017
Total Pension Liability				
Service Cost	\$ 2,750,764	\$ 2,696,385	\$ 2,644,976	\$ 2,789,050
Interest	7,259,306	7,602,389	7,952,467	8,385,382
Changes in Benefit Terms	0	0	0	0
Differences Between Actual and Expected Experience	(1,426,832)	(1,192,196)	(39,667)	2,214,409
Changes in Assumptions	0	0	0	2,497,589
Benefit Payments, Including Refunds of Employee Contributions	(3,687,953)	(4,220,884)	(4,554,046)	(5,305,253)
Net Change in Total Pension Liability	\$ 4,895,285	\$ 4,885,694	\$ 6,003,730	\$ 10,581,177
Total Pension Liability, Beginning	95,883,964	100,779,249	105,664,943	111,668,673
Total Pension Liability, Ending (a)	\$ 100,779,249	\$ 105,664,943	\$ 111,668,673	\$ 122,249,850
Plan Fiduciary Net Position				
Contributions - Employer	\$ 3,643,299	\$ 3,552,107	\$ 3,606,957	\$ 3,804,366
Contributions - Employee	1,552,627	1,486,716	1,529,996	1,580,521
Net Investment Income	14,728,866	3,221,836	2,877,308	12,649,915
Benefit Payments, Including Refunds of Employee Contributions	(3,687,953)	(4,220,884)	(4,554,046)	(5,305,253)
Administrative Expense	(35,805)	(43,044)	(63,996)	(71,581)
Other	0	0	54,796	27,223
Net Change in Plan Fiduciary Net Position	\$ 16,201,034	\$ 3,996,731	\$ 3,451,015	\$ 12,685,191
Plan Fiduciary Net Position, Beginning	87,964,929	104,165,963	108,162,694	111,613,709
Plan Fiduciary Net Position, Ending (b)	\$ 104,165,963	\$ 108,162,694	\$ 111,613,709	\$ 124,298,900
Net Pension Liability (Asset), Ending (a - b)	\$ (3,386,714)	\$ (2,497,751)	\$ 54,964	\$ (2,049,050)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	103.36%	102.36%	99.95%	101.68%
Covered Payroll	\$ 29,979,870	\$ 29,198,139	\$ 29,875,603	\$ 31,255,600
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(11.3%)	(8.55%)	0.18%	(6.56%)

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

Note: data presented includes the primary government (excluding library system) and non-certified employees of the discretely presented School Department.

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

	2014	2015	2016	2017	2018
Actuarially Determined Contribution	\$ 65,106	\$ 2,162	\$ 2,354	\$ 2,244	\$ 6,823
Less Contributions in Relation to the Actuarially Determined Contribution	(65,106)	(2,162)	(2,354)	(2,244)	(6,823)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 682,458	\$ 708,911	\$ 784,615	\$ 748,015	\$ 802,745
Contributions as a Percentage of Covered Payroll	9.54%	0.30%	0.30%	0.30%	0.85%

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

Blount County, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
Primary Government (Excluding Library System) and Non-certified Employees
of the Discretely Presented School Department
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018
Actuarially Determined Contribution	\$ 3,643,299	\$ 3,552,107	\$ 3,606,957	\$ 3,804,366	\$ 2,495,802
Less Contributions in Relation to the Actuarially Determined Contribution	(3,643,299)	(3,552,107)	(3,606,957)	(3,804,366)	(2,495,802)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 29,979,870	\$ 29,198,139	\$ 29,875,603	\$ 31,255,600	\$ 32,578,323
Contributions as a Percentage of Covered Payroll	12.15%	12.17%	12.07%	12.17%	7.66%

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

Note: data presented includes primary government (excluding library system) and non-certified employees of the discretely presented School Department.

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

	2015	2016	2017	2018
Contractually Required Contribution	\$ 38,074	\$ 93,397	\$ 142,883	\$ 186,908
Less Contributions in Relation to the Contractually Required Contribution	(38,074)	(93,397)	(142,883)	(186,908)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 951,851	\$ 2,334,937	\$ 3,568,387	\$ 4,662,368
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.01%

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

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

	2014	2015	2016	2017	2018
Contractually Required Contribution	\$ 3,709,621	\$ 3,672,032	\$ 3,714,171	\$ 3,715,782	\$ 3,637,164
Less Contributions in Relation to the Contractually Required Contribution	(3,709,621)	(3,672,032)	(3,714,171)	(3,715,782)	(3,637,164)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 41,775,012	\$ 40,619,615	\$ 41,085,985	\$ 41,107,496	\$ 40,158,758
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.06%

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

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

	2016	2017	2018
School Department's Proportion of the Net Pension Liability/Asset	0.458115%	0.530660%	0.544242%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (18,430)	\$ (55,243)	\$ (143,587)
Covered Payroll	\$ 951,851	\$ 2,334,937	\$ 3,568,387
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94%)	(2.37%)	(4.02%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%

* The amounts presented were determined as of June 30 of the prior fiscal year.

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

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

	2015	2016	2017	2018
School Department's Proportion of the Net Pension Liability/Asset	1.064334%	1.085075%	1.138179%	1.162782%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (172,949)	\$ 444,484	\$ 7,112,986	\$ (380,444)
Covered Payroll	\$ 41,775,012	\$ 40,619,615	\$ 41,085,985	\$ 41,107,496
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%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%

* The amounts presented were determined as of June 30 of the prior fiscal year.

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

Exhibit F-9

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

	<u>2018</u>
Total OPEB Liability	
Service Cost	\$ 1,089,341
Interest	753,801
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	0
Changes in Assumptions or Other Inputs	(443,612)
Benefit Payments	<u>(1,596,819)</u>
Net Change in Total OPEB Liability	\$ (197,289)
Total OPEB Liability, Beginning	<u>20,757,891</u>
Total OPEB Liability, Ending	<u><u>\$ 20,560,602</u></u>
Primary Government's Proportionate Share of Total OPEB Liability	\$ 7,506,765
School Department's Proportionate Share of Total OPEB Liability	13,053,837
Covered Employee Payroll	\$ 36,964,238
Net OPEB Liability as a Percentage of Covered Employee Payroll	55.62%

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

Note 2: Changes in assumptions. The following are the discount rates used in each period:

2017	3.58%
2018	3.87%

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

BLOUNT COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2018

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2017 were calculated based on the June 30, 2016, 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	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation
Investment Rate of Return	7.5%, 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	2.5%

**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. The proceeds of the tax must be used to pay for improvements or maintenance on the courthouse and jail.

Law Library Fund – The Law Library Fund is used to account for a special tax levied by private act on litigation. Proceeds of the tax must be expended for the benefit of the county's law library.

Public Library Fund – The Public Library Fund is used to account for transactions of the Blount County Public Library, which is jointly funded by Blount County, the City of Maryville, and the City of Alcoa.

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

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

Capital Projects Funds

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

Highway Capital Projects Fund – The Highway Capital Projects Fund is used to account for capital expenditures of the Highway Department.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for capital expenditures of the county and the School Department.

Permanent Fund

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry.

Endowment Fund – The Endowment Fund is used to account for an endowment received by the county for which the principal amount must remain intact while interest earned on the principal is to be expended to benefit an orphans' or children's home owned by the county.

Exhibit G-1

Blount County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	Special Revenue Funds					Total
	Courthouse and Jail Maintenance	Law Library	Public Library	Drug Control	Constitu - tional Officers - Fees	
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 7,432	\$ 0	\$ 8,850	\$ 16,282
Equity in Pooled Cash and Investments	204,413	52,009	897,453	1,491,666	0	2,645,541
Accounts Receivable	0	0	10,733	26,282	84	37,099
Total Assets	<u>\$ 204,413</u>	<u>\$ 52,009</u>	<u>\$ 915,618</u>	<u>\$ 1,517,948</u>	<u>\$ 8,934</u>	<u>\$ 2,698,922</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 1,568	\$ 0	\$ 15,677	\$ 200	\$ 0	\$ 17,445
Accrued Payroll	0	0	75,298	0	0	75,298
Payroll Deductions Payable	0	0	11,006	0	0	11,006
Due to Other Funds	0	0	0	0	8,934	8,934
Due to State of Tennessee	0	0	987	0	0	987
Due to Litigants, Heirs, and Others	0	0	0	3,784	0	3,784
Total Liabilities	<u>\$ 1,568</u>	<u>\$ 0</u>	<u>\$ 102,968</u>	<u>\$ 3,984</u>	<u>\$ 8,934</u>	<u>\$ 117,454</u>
<u>FUND BALANCES</u>						
Nonspendable:						
Endowments	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Restricted:						
Restricted for General Government	202,845	0	0	0	0	202,845
Restricted for Administration of Justice	0	52,009	0	0	0	52,009
Restricted for Public Safety	0	0	0	580,897	0	580,897

(Continued)

Exhibit G-1

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

	Special Revenue Funds					Total
	Courthouse and Jail Maintenance	Law Library	Public Library	Drug Control	Constitu - tional Officers - Fees	
<u>FUND BALANCES (Cont.)</u>						
Restricted (Cont.):						
Restricted for Public Health and Welfare	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Restricted for Social, Cultural, and Recreational Services	0	0	812,650	0	0	812,650
Restricted for Capital Projects	0	0	0	0	0	0
Committed:						
Committed for Public Safety	0	0	0	933,067	0	933,067
Committed for Capital Outlay	0	0	0	0	0	0
Total Fund Balances	<u>\$ 202,845</u>	<u>\$ 52,009</u>	<u>\$ 812,650</u>	<u>\$ 1,513,964</u>	<u>\$ 0</u>	<u>\$ 2,581,468</u>
Total Liabilities and Fund Balances	<u>\$ 204,413</u>	<u>\$ 52,009</u>	<u>\$ 915,618</u>	<u>\$ 1,517,948</u>	<u>\$ 8,934</u>	<u>\$ 2,698,922</u>

(Continued)

Exhibit G-1

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

	<u>Capital Projects Funds</u>			<u>Permanent</u>	<u>Total</u>
	<u>Highway</u>	<u>Other</u>	<u>Total</u>	<u>Fund</u>	
	<u>Capital</u>	<u>Capital</u>		<u>Endowment</u>	<u>Nonmajor</u>
	<u>Projects</u>	<u>Projects</u>			<u>Governmental</u>
					<u>Funds</u>
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 0	16,282
Equity in Pooled Cash and Investments	1,091	1,240,147	1,241,238	503,400	4,390,179
Accounts Receivable	0	0	0	0	37,099
Total Assets	\$ 1,091	\$ 1,240,147	\$ 1,241,238	\$ 503,400	\$ 4,443,560
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 41,363	\$ 41,363	\$ 0	58,808
Accrued Payroll	0	0	0	0	75,298
Payroll Deductions Payable	0	0	0	0	11,006
Due to Other Funds	0	0	0	0	8,934
Due to State of Tennessee	0	0	0	0	987
Due to Litigants, Heirs, and Others	0	0	0	0	3,784
Total Liabilities	\$ 0	\$ 41,363	\$ 41,363	\$ 0	\$ 158,817
<u>FUND BALANCES</u>					
Nonspendable:					
Endowments	\$ 0	\$ 0	\$ 0	\$ 485,403	\$ 485,403
Restricted:					
Restricted for General Government	0	0	0	0	202,845
Restricted for Administration of Justice	0	0	0	0	52,009
Restricted for Public Safety	0	0	0	0	580,897

(Continued)

Exhibit G-1

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

	<u>Capital Projects Funds</u>			<u>Permanent</u>	<u>Total</u>
	<u>Highway</u>	<u>Other</u>		<u>Fund</u>	
	<u>Capital</u>	<u>Capital</u>	<u>Total</u>	<u>Endowment</u>	<u>Nonmajor</u>
	<u>Projects</u>	<u>Projects</u>			<u>Governmental</u>
					<u>Funds</u>
<u>FUND BALANCES (Cont.)</u>					
Restricted (Cont.):					
Restricted for Public Health and Welfare	\$ 0	\$ 0	\$ 0	\$ 17,997	\$ 17,997
Restricted for Social, Cultural, and Recreational Services	0	0	0	0	812,650
Restricted for Capital Projects	0	198,570	198,570	0	198,570
Committed:					
Committed for Public Safety	0	0	0	0	933,067
Committed for Capital Outlay	1,091	1,000,214	1,001,305	0	1,001,305
Total Fund Balances	<u>\$ 1,091</u>	<u>\$ 1,198,784</u>	<u>\$ 1,199,875</u>	<u>\$ 503,400</u>	<u>\$ 4,284,743</u>
Total Liabilities and Fund Balances	<u>\$ 1,091</u>	<u>\$ 1,240,147</u>	<u>\$ 1,241,238</u>	<u>\$ 503,400</u>	<u>\$ 4,443,560</u>

Exhibit G-2

Blount County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

	Special Revenue Funds					Total
	Courthouse and Jail Maintenance	Law Library	Public Library	Drug Control	Constitu - tional Officers - Fees	
<u>Revenues</u>						
Local Taxes	\$ 207,188	\$ 10,083	\$ 0	\$ 0	\$ 0	\$ 217,271
Fines, Forfeitures, and Penalties	0	0	0	13,342	0	13,342
Charges for Current Services	0	0	82,410	135,866	3,630	221,906
Other Local Revenues	0	0	133,771	19,408	0	153,179
State of Tennessee	0	0	12,000	0	0	12,000
Federal Government	0	0	0	103	0	103
Other Governments and Citizens Groups	0	0	1,147,729	42	0	1,147,771
Total Revenues	\$ 207,188	\$ 10,083	\$ 1,375,910	\$ 168,761	\$ 3,630	\$ 1,765,572
<u>Expenditures</u>						
Current:						
General Government	\$ 188,381	\$ 0	\$ 181,449	\$ 0	\$ 0	\$ 369,830
Administration of Justice	0	0	0	0	3,630	3,630
Public Safety	0	0	0	29,947	0	29,947
Social, Cultural, and Recreational Services	0	0	2,179,345	0	0	2,179,345
Other Operations	0	8,219	0	0	0	8,219
Capital Projects	0	0	17,910	0	0	17,910
Total Expenditures	\$ 188,381	\$ 8,219	\$ 2,378,704	\$ 29,947	\$ 3,630	\$ 2,608,881
<u>Excess (Deficiency) of Revenues</u>						
Over Expenditures	\$ 18,807	\$ 1,864	\$ (1,002,794)	\$ 138,814	\$ 0	\$ (843,309)

(Continued)

Exhibit G-2

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

	Special Revenue Funds					Total
	Courthouse and Jail Maintenance	Law Library	Public Library	Drug Control	Constitu - tional Officers - Fees	
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 0	\$ 1,064,930	\$ 0	\$ 0	\$ 1,064,930
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 1,064,930	\$ 0	\$ 0	\$ 1,064,930
Net Change in Fund Balances	\$ 18,807	\$ 1,864	\$ 62,136	\$ 138,814	\$ 0	\$ 221,621
Fund Balance, July 1, 2017	184,038	50,145	750,514	1,375,150	0	2,359,847
Fund Balance, June 30, 2018	\$ 202,845	\$ 52,009	\$ 812,650	\$ 1,513,964	\$ 0	\$ 2,581,468

(Continued)

Exhibit G-2

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

	Capital Projects Funds			Permanent Fund	Total Nonmajor Governmental Funds
	Highway Capital Projects	Other Capital Projects	Total	Endowment	
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 217,271
Fines, Forfeitures, and Penalties	0	0	0	0	13,342
Charges for Current Services	0	0	0	0	221,906
Other Local Revenues	0	0	0	4,956	158,135
State of Tennessee	0	0	0	0	12,000
Federal Government	0	0	0	0	103
Other Governments and Citizens Groups	0	0	0	0	1,147,771
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 4,956	\$ 1,770,528
<u>Expenditures</u>					
Current:					
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 369,830
Administration of Justice	0	0	0	0	3,630
Public Safety	0	0	0	0	29,947
Social, Cultural, and Recreational Services	0	0	0	0	2,179,345
Other Operations	0	0	0	0	8,219
Capital Projects	0	2,888,508	2,888,508	0	2,906,418
Total Expenditures	\$ 0	\$ 2,888,508	\$ 2,888,508	\$ 0	\$ 5,497,389
Excess (Deficiency) of Revenues					
Over Expenditures	\$ 0	\$ (2,888,508)	\$ (2,888,508)	\$ 4,956	\$ (3,726,861)

(Continued)

Exhibit G-2

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

	Capital Projects Funds			Permanent Fund	Total Nonmajor Governmental Funds
	Highway Capital Projects	Other Capital Projects	Total	Endowment	
<u>Other Financing Sources (Uses)</u>					
Transfers In	\$ 0	\$ 3,670,500	\$ 3,670,500	\$ 0	\$ 4,735,430
Total Other Financing Sources (Uses)	\$ 0	\$ 3,670,500	\$ 3,670,500	\$ 0	\$ 4,735,430
Net Change in Fund Balances	\$ 0	\$ 781,992	\$ 781,992	\$ 4,956	\$ 1,008,569
Fund Balance, July 1, 2017	1,091	416,792	417,883	498,444	3,276,174
Fund Balance, June 30, 2018	\$ 1,091	\$ 1,198,784	\$ 1,199,875	\$ 503,400	\$ 4,284,743

Exhibit G-3

Blount County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Courthouse and Jail Maintenance Fund
For the Year Ended June 30, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 207,188	\$ 0	\$ 0	\$ 207,188	\$ 192,483	\$ 192,483	\$ 14,705
Total Revenues	\$ 207,188	\$ 0	\$ 0	\$ 207,188	\$ 192,483	\$ 192,483	\$ 14,705
<u>Expenditures</u>							
<u>General Government</u>							
County Buildings	\$ 188,381	\$ (86,899)	\$ 101,517	\$ 202,999	\$ 190,970	\$ 276,248	\$ 73,249
Total Expenditures	\$ 188,381	\$ (86,899)	\$ 101,517	\$ 202,999	\$ 190,970	\$ 276,248	\$ 73,249
Excess (Deficiency) of Revenues Over Expenditures	\$ 18,807	\$ 86,899	\$ (101,517)	\$ 4,189	\$ 1,513	\$ (83,765)	\$ 87,954
Net Change in Fund Balance	\$ 18,807	\$ 86,899	\$ (101,517)	\$ 4,189	\$ 1,513	\$ (83,765)	\$ 87,954
Fund Balance, July 1, 2017	184,038	(86,899)	0	97,139	184,038	184,038	(86,899)
Fund Balance, June 30, 2018	\$ 202,845	\$ 0	\$ (101,517)	\$ 101,328	\$ 185,551	\$ 100,273	\$ 1,055

Exhibit G-4

Blount County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Law Library Fund
For the Year Ended June 30, 2018

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 10,083	\$ 0	\$ 10,083	\$ 9,675	\$ 9,675	\$ 408
Total Revenues	\$ 10,083	\$ 0	\$ 10,083	\$ 9,675	\$ 9,675	\$ 408
<u>Expenditures</u>						
<u>Other Operations</u>						
Other Charges	\$ 8,219	\$ 738	\$ 8,957	\$ 8,999	\$ 8,999	\$ 42
Total Expenditures	\$ 8,219	\$ 738	\$ 8,957	\$ 8,999	\$ 8,999	\$ 42
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,864	\$ (738)	\$ 1,126	\$ 676	\$ 676	\$ 450
Net Change in Fund Balance	\$ 1,864	\$ (738)	\$ 1,126	\$ 676	\$ 676	\$ 450
Fund Balance, July 1, 2017	50,145	0	50,145	50,145	50,145	0
Fund Balance, June 30, 2018	\$ 52,009	\$ (738)	\$ 51,271	\$ 50,821	\$ 50,821	\$ 450

Exhibit G-5

Blount County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Public Library Fund
For the Year Ended June 30, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 82,410	\$ 0	\$ 0	\$ 82,410	\$ 105,000	\$ 105,000	\$ (22,590)
Other Local Revenues	133,771	0	0	133,771	143,500	150,500	(16,729)
State of Tennessee	12,000	0	0	12,000	24,000	24,000	(12,000)
Other Governments and Citizens Groups	1,147,729	0	0	1,147,729	1,064,930	1,106,930	40,799
Total Revenues	\$ 1,375,910	\$ 0	\$ 0	\$ 1,375,910	\$ 1,337,430	\$ 1,386,430	\$ (10,520)
<u>Expenditures</u>							
<u>General Government</u>							
County Buildings	\$ 181,449	\$ (5,547)	\$ 6,359	\$ 182,261	\$ 232,406	\$ 196,666	\$ 14,405
<u>Social, Cultural, and Recreational Services</u>							
Libraries	2,052,452	(10,029)	17,801	2,060,224	2,066,071	2,153,911	93,687
Other Social, Cultural, and Recreational	126,893	(4,504)	1,594	123,983	135,382	132,281	8,298
<u>Capital Projects</u>							
General Administration Projects	17,910	(1,325)	6,000	22,585	38,500	38,500	15,915
Total Expenditures	\$ 2,378,704	\$ (21,405)	\$ 31,754	\$ 2,389,053	\$ 2,472,359	\$ 2,521,358	\$ 132,305
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,002,794)	\$ 21,405	\$ (31,754)	\$ (1,013,143)	\$ (1,134,929)	\$ (1,134,928)	\$ 121,785
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 1,064,930	\$ 0	\$ 0	\$ 1,064,930	\$ 1,064,930	\$ 1,064,930	\$ 0
Total Other Financing Sources	\$ 1,064,930	\$ 0	\$ 0	\$ 1,064,930	\$ 1,064,930	\$ 1,064,930	\$ 0
Net Change in Fund Balance	\$ 62,136	\$ 21,405	\$ (31,754)	\$ 51,787	\$ (69,999)	\$ (69,998)	\$ 121,785
Fund Balance, July 1, 2017	750,514	(21,405)	0	729,109	750,514	750,514	(21,405)
Fund Balance, June 30, 2018	\$ 812,650	\$ 0	\$ (31,754)	\$ 780,896	\$ 680,515	\$ 680,516	\$ 100,380

Exhibit G-6

Blount County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control Fund
For the Year Ended June 30, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 13,342	\$ 0	\$ 0	\$ 13,342	\$ 21,045	\$ 21,045	\$ (7,703)
Charges for Current Services	135,866	0	0	135,866	75,000	75,000	60,866
Other Local Revenues	19,408	0	0	19,408	5,000	5,000	14,408
Federal Government	103	0	0	103	15,000	15,000	(14,897)
Other Governments and Citizens Groups	42	0	0	42	0	0	42
Total Revenues	<u>\$ 168,761</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 168,761</u>	<u>\$ 116,045</u>	<u>\$ 116,045</u>	<u>\$ 52,716</u>
<u>Expenditures</u>							
<u>Public Safety</u>							
Sheriff's Department	\$ 29,947	\$ (2,451)	\$ 69,852	\$ 97,348	\$ 165,000	\$ 165,000	\$ 67,652
Drug Enforcement	0	0	0	0	120,000	120,000	120,000
Total Expenditures	<u>\$ 29,947</u>	<u>\$ (2,451)</u>	<u>\$ 69,852</u>	<u>\$ 97,348</u>	<u>\$ 285,000</u>	<u>\$ 285,000</u>	<u>\$ 187,652</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 138,814</u>	<u>\$ 2,451</u>	<u>\$ (69,852)</u>	<u>\$ 71,413</u>	<u>\$ (168,955)</u>	<u>\$ (168,955)</u>	<u>\$ 240,368</u>
Net Change in Fund Balance	\$ 138,814	\$ 2,451	\$ (69,852)	\$ 71,413	\$ (168,955)	\$ (168,955)	\$ 240,368
Fund Balance, July 1, 2017	1,375,150	(2,451)	0	1,372,699	1,375,150	1,375,150	(2,451)
Fund Balance, June 30, 2018	<u>\$ 1,513,964</u>	<u>\$ 0</u>	<u>\$ (69,852)</u>	<u>\$ 1,444,112</u>	<u>\$ 1,206,195</u>	<u>\$ 1,206,195</u>	<u>\$ 237,917</u>

Exhibit G-7

Blount County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Other Capital Projects Fund
For the Year Ended June 30, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures							
<u>Capital Projects</u>							
General Administration Projects	\$ 1,211,667	\$ (139,791)	\$ 241,057	\$ 1,312,933	\$ 1,850,000	\$ 1,913,669	\$ 600,736
Administration of Justice Projects	364,580	(115,813)	166,233	415,000	415,000	415,000	0
Public Safety Projects	110,293	0	0	110,293	115,000	187,500	77,207
Other General Government Projects	1,100,000	0	0	1,100,000	1,100,000	1,100,000	0
Highway and Street Capital Projects	101,968	0	73,032	175,000	0	175,307	307
Education Capital Projects	0	(1,690)	1,690	0	0	0	0
Total Expenditures	\$ 2,888,508	\$ (257,294)	\$ 482,012	\$ 3,113,226	\$ 3,480,000	\$ 3,791,476	\$ 678,250
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,888,508)	\$ 257,294	\$ (482,012)	\$ (3,113,226)	\$ (3,480,000)	\$ (3,791,476)	\$ 678,250
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 3,670,500	\$ 0	\$ 0	\$ 3,670,500	\$ 3,480,000	\$ 3,670,500	\$ 0
Total Other Financing Sources	\$ 3,670,500	\$ 0	\$ 0	\$ 3,670,500	\$ 3,480,000	\$ 3,670,500	\$ 0
Net Change in Fund Balance	\$ 781,992	\$ 257,294	\$ (482,012)	\$ 557,274	\$ 0	\$ (120,976)	\$ 678,250
Fund Balance, July 1, 2017	416,792	(257,294)	0	159,498	416,792	416,792	(257,294)
Fund Balance, June 30, 2018	\$ 1,198,784	\$ 0	\$ (482,012)	\$ 716,772	\$ 416,792	\$ 295,816	\$ 420,956

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

Blount County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 18,396,250	\$ 17,378,500	\$ 17,378,500	\$ 1,017,750
Other Local Revenues	562,846	120,500	120,500	442,346
State of Tennessee	4,621	0	0	4,621
Other Governments and Citizens Groups	584,293	537,500	537,500	46,793
Total Revenues	<u>\$ 19,548,010</u>	<u>\$ 18,036,500</u>	<u>\$ 18,036,500</u>	<u>\$ 1,511,510</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 8,634,229	\$ 8,510,000	\$ 8,635,000	\$ 771
Education	277,778	277,800	277,800	22
<u>Interest on Debt</u>				
General Government	8,076,911	9,359,400	9,359,400	1,282,489
Education	48,866	49,000	49,000	134
<u>Other Debt Service</u>				
General Government	388,772	677,300	552,300	163,528
Education	1,272,000	0	1,272,000	0
Total Expenditures	<u>\$ 18,698,556</u>	<u>\$ 18,873,500</u>	<u>\$ 20,145,500</u>	<u>\$ 1,446,944</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 849,454</u>	<u>\$ (837,000)</u>	<u>\$ (2,109,000)</u>	<u>\$ 2,958,454</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 836,064	\$ 837,000	\$ 837,000	\$ (936)
Total Other Financing Sources	<u>\$ 836,064</u>	<u>\$ 837,000</u>	<u>\$ 837,000</u>	<u>\$ (936)</u>
Net Change in Fund Balance	\$ 1,685,518	\$ 0	\$ (1,272,000)	\$ 2,957,518
Fund Balance, July 1, 2017	10,560,240	10,560,240	10,560,240	0
Fund Balance, June 30, 2018	<u>\$ 12,245,758</u>	<u>\$ 10,560,240</u>	<u>\$ 9,288,240</u>	<u>\$ 2,957,518</u>

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.

City School ADA - Alcoa Fund and City School ADA - Maryville Fund – These two funds are used to account for the city school systems' shares of education revenues collected by the county, which must be apportioned between the various school systems on an average daily attendance basis. These collections are remitted to the city school systems 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.

Other Agency Fund – The Other Agency Fund is used to account for certain payroll deductions of the various county departments.

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.

Other Agency Fund #2 – The Other Agency Fund #2 is used to account for 70 percent of hotel/motel tax revenues collected by the county. These revenues are received by the county and forwarded to the Tourism Board as required by the private act authorizing the tax.

Exhibit I-1

Blount County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2018

	Agency Funds					
	Cities - Sales Tax	City School ADA - Alcoa	City School ADA - Maryville	Constitu - tional Officers - Agency	Other Agency	Judicial District Drug
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 4,122,418	\$ 0	\$ 0
Equity in Pooled Cash and Investments	0	4,954	13,540	0	368,329	976,192
Accounts Receivable	0	19,422	27,721	0	0	2,839
Due from Other Governments	3,716,607	563,853	1,484,122	0	0	0
Property Taxes Receivable	0	4,183,564	11,612,190	0	0	0
Allowance for Uncollectible Property Taxes	0	(65,056)	(177,518)	0	0	0
Total Assets	<u>\$ 3,716,607</u>	<u>\$ 4,706,737</u>	<u>\$ 12,960,055</u>	<u>\$ 4,122,418</u>	<u>\$ 368,329</u>	<u>\$ 979,031</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 131
Payroll Deductions Payable	0	0	0	0	368,329	0
Due to Other Taxing Units	3,716,607	4,706,737	12,960,055	0	0	0
Due to Litigants, Heirs, and Others	0	0	0	4,122,418	0	97,211
Due to Joint Ventures	0	0	0	0	0	881,689
Total Liabilities	<u>\$ 3,716,607</u>	<u>\$ 4,706,737</u>	<u>\$ 12,960,055</u>	<u>\$ 4,122,418</u>	<u>\$ 368,329</u>	<u>\$ 979,031</u>

(Continued)

Exhibit I-1

Blount County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds (Cont.)

	<u>Agency Funds (Cont.)</u>		
	District Attorney General	Other Agency #2	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 0	\$ 4,122,418
Equity in Pooled Cash and Investments	203,418	201,577	1,768,010
Accounts Receivable	0	208,611	258,593
Due from Other Governments	0	0	5,764,582
Property Taxes Receivable	0	0	15,795,754
Allowance for Uncollectible Property Taxes	0	0	(242,574)
Total Assets	<u>\$ 203,418</u>	<u>\$ 410,188</u>	<u>\$ 27,466,783</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 0	\$ 131
Payroll Deductions Payable	0	0	368,329
Due to Other Taxing Units	0	0	21,383,399
Due to Litigants, Heirs, and Others	203,418	0	4,423,047
Due to Joint Ventures	0	410,188	1,291,877
Total Liabilities	<u>\$ 203,418</u>	<u>\$ 410,188</u>	<u>\$ 27,466,783</u>

Exhibit I-2

Blount County, Tennessee
Combining Statement of Changes in Assets
and Liabilities - All Agency Funds
For the Year Ended June 30, 2018

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 21,259,140	\$ 21,259,140	\$ 0
Due from Other Governments	3,708,992	3,716,607	3,708,992	3,716,607
Total Assets	\$ 3,708,992	\$ 24,975,747	\$ 24,968,132	\$ 3,716,607
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 3,708,992	\$ 24,975,747	\$ 24,968,132	\$ 3,716,607
Total Liabilities	\$ 3,708,992	\$ 24,975,747	\$ 24,968,132	\$ 3,716,607
<u>City School ADA - Alcoa Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 5,321	\$ 7,248,689	\$ 7,249,056	\$ 4,954
Accounts Receivable	18,745	19,422	18,745	19,422
Due from Other Governments	548,040	563,853	548,040	563,853
Taxes Receivable	4,220,372	4,183,564	4,220,372	4,183,564
Allowance for Uncollectible Taxes	(67,258)	(65,056)	(67,258)	(65,056)
Total Assets	\$ 4,725,220	\$ 11,950,472	\$ 11,968,955	\$ 4,706,737
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 4,725,220	\$ 11,950,472	\$ 11,968,955	\$ 4,706,737
Total Liabilities	\$ 4,725,220	\$ 11,950,472	\$ 11,968,955	\$ 4,706,737
<u>City School ADA - Maryville Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 14,341	\$ 19,472,508	\$ 19,473,309	\$ 13,540
Accounts Receivable	25,895	7,117	5,291	27,721
Due from Other Governments	1,390,273	1,484,122	1,390,273	1,484,122
Taxes Receivable	11,375,353	11,612,190	11,375,353	11,612,190
Allowance for Uncollectible Taxes	(181,283)	(177,518)	(181,283)	(177,518)
Total Assets	\$ 12,624,579	\$ 32,398,419	\$ 32,062,943	\$ 12,960,055
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 12,624,579	\$ 32,398,419	\$ 32,062,943	\$ 12,960,055
Total Liabilities	\$ 12,624,579	\$ 32,398,419	\$ 32,062,943	\$ 12,960,055

(Continued)

Exhibit I-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 3,031,352	\$ 28,479,138	\$ 27,388,072	\$ 4,122,418
Accounts Receivable	0	0	0	0
Total Assets	\$ 3,031,352	\$ 28,479,138	\$ 27,388,072	\$ 4,122,418
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 3,031,352	\$ 28,479,138	\$ 27,388,072	\$ 4,122,418
Total Liabilities	\$ 3,031,352	\$ 28,479,138	\$ 27,388,072	\$ 4,122,418
<u>Other Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 20,846	\$ 3,154,373	\$ 2,806,890	\$ 368,329
Total Assets	\$ 20,846	\$ 3,154,373	\$ 2,806,890	\$ 368,329
<u>Liabilities</u>				
Payroll Deductions Payable	\$ 20,846	\$ 3,154,373	\$ 2,806,890	\$ 368,329
Total Liabilities	\$ 20,846	\$ 3,154,373	\$ 2,806,890	\$ 368,329
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 1,177,640	\$ 349,474	\$ 550,922	\$ 976,192
Accounts Receivable	0	2,839	0	2,839
Total Assets	\$ 1,177,640	\$ 352,313	\$ 550,922	\$ 979,031
<u>Liabilities</u>				
Accounts Payable	\$ 20,187	\$ 131	\$ 20,187	\$ 131
Due to Litigants, Heirs, and Others	46,363	97,211	46,363	97,211
Due to Joint Venture	1,111,090	254,971	484,372	881,689
Total Liabilities	\$ 1,177,640	\$ 352,313	\$ 550,922	\$ 979,031

(Continued)

Exhibit I-2

Blount 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	\$ 183,172	\$ 20,449	\$ 203	\$ 203,418
Total Assets	\$ 183,172	\$ 20,449	\$ 203	\$ 203,418
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 183,172	\$ 20,449	\$ 203	\$ 203,418
Total Liabilities	\$ 183,172	\$ 20,449	\$ 203	\$ 203,418
<u>Other Agency Fund #2</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 176,936	\$ 1,925,979	\$ 1,901,338	\$ 201,577
Accounts Receivable	181,763	208,611	181,763	208,611
Total Assets	\$ 358,699	\$ 2,134,590	\$ 2,083,101	\$ 410,188
<u>Liabilities</u>				
Due to Joint Ventures	\$ 358,699	\$ 2,134,590	\$ 2,083,101	\$ 410,188
Total Liabilities	\$ 358,699	\$ 2,134,590	\$ 2,083,101	\$ 410,188
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 3,031,352	\$ 28,479,138	\$ 27,388,072	\$ 4,122,418
Equity in Pooled Cash and Investments	1,578,256	53,430,612	53,240,858	1,768,010
Accounts Receivable	226,403	237,989	205,799	258,593
Due from Other Governments	5,647,305	5,764,582	5,647,305	5,764,582
Property Taxes Receivable	15,595,725	15,795,754	15,595,725	15,795,754
Allowance for Uncollectible Property Taxes	(248,541)	(242,574)	(248,541)	(242,574)
Total Assets	\$ 25,830,500	\$ 103,465,501	\$ 101,829,218	\$ 27,466,783
<u>Liabilities</u>				
Accounts Payable	\$ 20,187	\$ 131	\$ 20,187	\$ 131
Payroll Deductions Payable	20,846	3,154,373	2,806,890	368,329
Due to Other Taxing Units	21,058,791	69,324,638	69,000,030	21,383,399
Due to Litigants, Heirs, and Others	3,260,887	28,596,798	27,434,638	4,423,047
Due to Joint Ventures	1,469,789	2,389,561	2,567,473	1,291,877
Total Liabilities	\$ 25,830,500	\$ 103,465,501	\$ 101,829,218	\$ 27,466,783

Blount County School Department

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

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

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

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

Extended School Program Fund – The Extended School Program Fund is used to account for transactions of the Blount County School Department's extended care program.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for building construction and renovations of the School Department.

Exhibit J-1

Blount County, Tennessee
Statement of Activities
Discretely Presented Blount County School Department
For the Year Ended June 30, 2018

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	\$ 56,816,861	\$ 45,000	\$ 4,901,719	\$ 0	\$ (51,870,142)
Support Services	39,596,748	3,004,064	472,783	144,250	(35,975,651)
Operation of Non-instructional Services	7,198,650	0	3,735,529	0	(3,463,121)
Total Governmental Activities	\$ 103,612,259	\$ 3,049,064	\$ 9,110,031	\$ 144,250	\$ (91,308,914)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 22,104,933
Property Taxes Levied for Capital Purposes					1,400,075
Local Option Sales Taxes					15,411,162
Business Taxes					532,892
Other Local Taxes					211,877
Grants and Contributions Not Restricted for Specific Programs					51,226,535
Unrestricted Investment Income					216,045
Miscellaneous					23,103
Total General Revenues					\$ 91,126,622
Change in Net Position					\$ (182,292)
Net Position, July 1, 2017					129,432,615
Restatement - See Note I. D. 8.					(13,016,559)
Net Position, June 30, 2018					\$ 116,233,764

Exhibit J-2

Blount County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Blount County School Department
June 30, 2018

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 11,456,433	\$ 2,722,685	\$ 14,179,118
Accounts Receivable	81,947	34,798	116,745
Due from Other Governments	4,267,037	606,451	4,873,488
Property Taxes Receivable	22,838,013	1,446,685	24,284,698
Allowance for Uncollectible Property Taxes	(362,125)	(22,605)	(384,730)
Total Assets	<u>\$ 38,281,305</u>	<u>\$ 4,788,014</u>	<u>\$ 43,069,319</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 436,604	\$ 134,184	\$ 570,788
Accrued Payroll	3,945,638	521,939	4,467,577
Payroll Deductions Payable	577,238	52,083	629,321
Contracts Payable	93,068	0	93,068
Due to Primary Government	799,443	66,380	865,823
Other Current Liabilities	644,564	65,049	709,613
Total Liabilities	<u>\$ 6,496,555</u>	<u>\$ 839,635</u>	<u>\$ 7,336,190</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 22,084,053	\$ 1,399,987	\$ 23,484,040
Deferred Delinquent Property Taxes	146,127	24,093	170,220
Total Deferred Inflows of Resources	<u>\$ 22,230,180</u>	<u>\$ 1,424,080</u>	<u>\$ 23,654,260</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 0	\$ 1,273,935	\$ 1,273,935
Restricted for Capital Projects	0	541,146	541,146
Committed:			
Committed for Education	0	709,218	709,218
Assigned:			
Assigned for Education	810,737	0	810,737
Assigned for Capital Outlay	883,404	0	883,404
Unassigned	7,860,429	0	7,860,429
Total Fund Balances	<u>\$ 9,554,570</u>	<u>\$ 2,524,299</u>	<u>\$ 12,078,869</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 38,281,305</u>	<u>\$ 4,788,014</u>	<u>\$ 43,069,319</u>

Blount County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
Discretely Presented Blount County School Department
June 30, 2018

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$ 12,078,869	
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$ 9,951,059		
Add: buildings and improvements net of accumulated depreciation	105,002,476		
Add: other capital assets net of accumulated depreciation	<u>1,745,645</u>	116,699,180	
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: capital lease payable on primary government debt	\$ (626,912)		
Less: accrued interest on capital lease payable on primary government debt	(22,575)		
Less: loan payable to primary government	(1,272,000)		
Less: other postemployment benefits liability	<u>(13,053,837)</u>	(14,975,324)	
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension expense and OPEB expense in future years:			
Add: deferred outflows of resources related to pensions	\$ 9,646,322		
Less: deferred inflows of resources related to pensions	(8,260,405)		
Less: deferred inflows of resources related to OPEB	<u>(230,650)</u>	1,155,267	
(4) Net pension assets of the Teacher Plan are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension assets of the Agent Plan	581,520		
Add: net pension assets of the Teacher Plan	143,588		
Add: net pension assets of the Teacher Legacy Plan	<u>380,444</u>	1,105,552	
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>170,220</u>	
Net position of governmental activities (Exhibit A)		<u>\$ 116,233,764</u>	

Exhibit J-4

Blount County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Blount County School Department
For the Year Ended June 30, 2018

	<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	\$ 38,614,893	\$ 1,442,949	\$ 40,057,842
Licenses and Permits	5,395	0	5,395
Charges for Current Services	144,235	2,989,464	3,133,699
Other Local Revenues	307,391	42,213	349,604
State of Tennessee	49,779,603	181,862	49,961,465
Federal Government	297,982	9,814,057	10,112,039
Other Governments and Citizens Groups	0	1,272,000	1,272,000
Total Revenues	<u>\$ 89,149,499</u>	<u>\$ 15,742,545</u>	<u>\$ 104,892,044</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 55,368,977	\$ 4,482,744	\$ 59,851,721
Support Services	31,327,299	1,567,290	32,894,589
Operation of Non-Instructional Services	700,108	6,655,889	7,355,997
Capital Outlay	1,828,414	0	1,828,414
Debt Service:			
Other Debt Service	326,644	0	326,644
Capital Projects	0	2,540,600	2,540,600
Total Expenditures	<u>\$ 89,551,442</u>	<u>\$ 15,246,523</u>	<u>\$ 104,797,965</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (401,943)</u>	<u>\$ 496,022</u>	<u>\$ 94,079</u>
Net Change in Fund Balances	<u>\$ (401,943)</u>	<u>\$ 496,022</u>	<u>\$ 94,079</u>
Fund Balance, July 1, 2017	<u>9,956,513</u>	<u>2,028,277</u>	<u>11,984,790</u>
Fund Balance, June 30, 2018	<u>\$ 9,554,570</u>	<u>\$ 2,524,299</u>	<u>\$ 12,078,869</u>

Blount County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Discretely Presented Blount County School Department
For the Year Ended June 30, 2018

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

Net change in fund balances - total governmental funds (Exhibit J-4)		\$ 94,079
(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	\$ 830,475	
Less: current-year depreciation expense	<u>(3,843,200)</u>	(3,012,725)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase (decrease) net position.		
Less: net book value of assets disposed		(10,066)
(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, 2018	\$ 170,220	
Less: deferred delinquent property taxes and other deferred June 30, 2017	<u>(360,297)</u>	(190,077)
(4) The issuance of long-term debt (e.g., notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Add: principal payments on capital leases for primary government	277,778	
Less: change in loan payable to the primary government	<u>(1,272,000)</u>	(994,222)
(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 for primary government debt	\$ 10,002	
Change in OPEB liability (net of restatement)	212,767	
Change in net pension asset - agent plan	596,833	
Change in net pension asset - teacher retirement plan	88,345	
Change in deferred inflows related to OPEB	(230,650)	
Change in net pension asset - teacher legacy plan	7,493,430	
Change in deferred outflows related to pensions	(5,167,848)	
Change in deferred inflows related to pensions	<u>927,840</u>	<u>3,930,719</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (182,292)</u>

Exhibit J-6

Blount County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Blount County School Department
June 30, 2018

	<u>Special Revenue Funds</u>				<u>Capital</u>	<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Extended</u>	<u>Total</u>	<u>Projects Fund</u>	
	<u>Federal</u>	<u>Cafeteria</u>	<u>School</u>		<u>Education</u>	<u>Nonmajor</u>
	<u>Projects</u>		<u>Program</u>		<u>Capital</u>	<u>Governmental</u>
					<u>Projects</u>	<u>Funds</u>
<u>ASSETS</u>						
Equity in Pooled Cash and Investments	\$ 179,926	\$ 1,347,086	\$ 554,236	\$ 2,081,248	\$ 641,437	\$ 2,722,685
Accounts Receivable	0	2,045	30,878	32,923	1,875	34,798
Due from Other Governments	547,166	41,538	4,561	593,265	13,186	606,451
Property Taxes Receivable	0	0	0	0	1,446,685	1,446,685
Allowance for Uncollectible Property Taxes	0	0	0	0	(22,605)	(22,605)
Total Assets	\$ 727,092	\$ 1,390,669	\$ 589,675	\$ 2,707,436	\$ 2,080,578	\$ 4,788,014
<u>LIABILITIES</u>						
Accounts Payable	\$ 2,246	\$ 1,146	\$ 15,440	\$ 18,832	\$ 115,352	\$ 134,184
Accrued Payroll	349,013	83,087	89,839	521,939	0	521,939
Payroll Deductions Payable	38,005	7,478	6,600	52,083	0	52,083
Due to Primary Government	38,789	18,069	9,522	66,380	0	66,380
Other Current Liabilities	43,734	12,259	9,056	65,049	0	65,049
Total Liabilities	\$ 471,787	\$ 122,039	\$ 130,457	\$ 724,283	\$ 115,352	\$ 839,635
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,399,987	\$ 1,399,987
Deferred Delinquent Property Taxes	0	0	0	0	24,093	24,093
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,424,080	\$ 1,424,080

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>				<u>Capital</u>	<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Extended</u>	<u>Total</u>	<u>Projects Fund</u>	
<u>FUND BALANCES</u>	<u>Federal</u>	<u>Cafeteria</u>	<u>School</u>		<u>Education</u>	<u>Nonmajor</u>
	<u>Projects</u>		<u>Program</u>		<u>Capital</u>	<u>Governmental</u>
					<u>Projects</u>	<u>Funds</u>
Restricted:						
Restricted for Education	\$ 5,305	\$ 1,268,630	\$ 0	\$ 1,273,935	\$ 0	\$ 1,273,935
Restricted for Capital Projects	0	0	0	0	541,146	541,146
Committed:						
Committed for Education	250,000	0	459,218	709,218	0	709,218
Total Fund Balances	<u>\$ 255,305</u>	<u>\$ 1,268,630</u>	<u>\$ 459,218</u>	<u>\$ 1,983,153</u>	<u>\$ 541,146</u>	<u>\$ 2,524,299</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 727,092</u>	<u>\$ 1,390,669</u>	<u>\$ 589,675</u>	<u>\$ 2,707,436</u>	<u>\$ 2,080,578</u>	<u>\$ 4,788,014</u>

Exhibit J-7

Blount County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Blount County School Department
For the Year Ended June 30, 2018

	Special Revenue Funds				Capital	Total
	School Federal Projects	Central Cafeteria	Extended School Program	Total	Projects Fund Education Capital Projects	
<u>Revenues</u>						
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,442,949	\$ 1,442,949
Charges for Current Services	0	1,616,882	1,372,582	2,989,464	0	2,989,464
Other Local Revenues	0	21,905	5,817	27,722	14,491	42,213
State of Tennessee	0	46,055	135,422	181,477	385	181,862
Federal Government	6,036,990	3,777,067	0	9,814,057	0	9,814,057
Other Governments and Citizens Groups	0	0	0	0	1,272,000	1,272,000
Total Revenues	\$ 6,036,990	\$ 5,461,909	\$ 1,513,821	\$ 13,012,720	\$ 2,729,825	\$ 15,742,545
<u>Expenditures</u>						
Current:						
Instruction	\$ 4,482,744	\$ 0	\$ 0	\$ 4,482,744	\$ 0	\$ 4,482,744
Support Services	1,567,290	0	0	1,567,290	0	1,567,290
Operation of Non-Instructional Services	0	5,254,464	1,401,425	6,655,889	0	6,655,889
Capital Projects	0	0	0	0	2,540,600	2,540,600
Total Expenditures	\$ 6,050,034	\$ 5,254,464	\$ 1,401,425	\$ 12,705,923	\$ 2,540,600	\$ 15,246,523
Excess (Deficiency) of Revenues Over Expenditures	\$ (13,044)	\$ 207,445	\$ 112,396	\$ 306,797	\$ 189,225	\$ 496,022
Net Change in Fund Balances	\$ (13,044)	\$ 207,445	\$ 112,396	\$ 306,797	\$ 189,225	\$ 496,022
Fund Balance, July 1, 2017	268,349	1,061,185	346,822	1,676,356	351,921	2,028,277
Fund Balance, June 30, 2018	\$ 255,305	\$ 1,268,630	\$ 459,218	\$ 1,983,153	\$ 541,146	\$ 2,524,299

Exhibit J-8

Blount County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Blount County School Department
General Purpose School Fund
For the Year Ended June 30, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 38,614,893	\$ 0	\$ 0	\$ 38,614,893	\$ 38,641,000	\$ 38,641,000	\$ (26,107)
Licenses and Permits	5,395	0	0	5,395	5,500	5,500	(105)
Charges for Current Services	144,235	0	0	144,235	95,000	95,000	49,235
Other Local Revenues	307,391	0	0	307,391	327,500	327,500	(20,109)
State of Tennessee	49,779,603	0	0	49,779,603	49,499,000	49,722,387	57,216
Federal Government	297,982	0	0	297,982	344,000	373,921	(75,939)
Total Revenues	\$ 89,149,499	\$ 0	\$ 0	\$ 89,149,499	\$ 88,912,000	\$ 89,165,308	\$ (15,809)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 43,140,645	\$ (36,830)	\$ 155,402	\$ 43,259,217	\$ 44,026,500	\$ 44,030,496	\$ 771,279
Special Education Program	7,436,214	(3,256)	352	7,433,310	7,638,100	7,638,100	204,790
Career and Technical Education Program	3,647,322	(645)	846	3,647,523	3,697,500	3,841,750	194,227
Other	1,144,796	0	0	1,144,796	1,290,000	1,290,000	145,204
<u>Support Services</u>							
Attendance	136,355	0	0	136,355	145,000	145,000	8,645
Health Services	928,003	(1,296)	180	926,887	988,000	988,000	61,113
Other Student Support	1,901,465	(37,147)	9,894	1,874,212	1,978,400	1,978,400	104,188
Regular Instruction Program	2,102,147	(2,084)	9,557	2,109,620	2,190,000	2,233,304	123,684
Special Education Program	800,881	(7,970)	75	792,986	826,400	826,400	33,414
Career and Technical Education Program	115,263	0	0	115,263	95,800	120,800	5,537
Technology	1,822,012	(339,470)	391,924	1,874,466	2,293,850	2,293,850	419,384
Other Programs	61,945	0	97	62,042	53,000	64,698	2,656
Board of Education	2,148,459	(3,350)	3,889	2,148,998	1,833,000	2,250,657	101,659
Director of Schools	757,283	(2,555)	1,921	756,649	834,500	834,500	77,851
Office of the Principal	6,220,159	(12,983)	16,680	6,223,856	6,367,500	6,367,500	143,644
Fiscal Services	201,475	(9)	51	201,517	219,900	219,900	18,383
Operation of Plant	7,432,210	(31,851)	31,999	7,432,358	7,823,500	7,823,500	391,142
Maintenance of Plant	2,101,028	(113,409)	159,200	2,146,819	2,375,950	2,243,950	97,131

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Transportation	\$ 4,364,311	\$ (939)	\$ 4,050	\$ 4,367,422	\$ 4,423,900	\$ 4,423,900	\$ 56,478
Central and Other	234,303	(234,303)	0	0	0	0	0
<u>Operation of Non-Instructional Services</u>							
Early Childhood Education	700,108	(414)	24,621	724,315	709,500	734,560	10,245
<u>Capital Outlay</u>							
Regular Capital Outlay	1,828,414	(349,362)	883,403	2,362,455	3,145,000	2,497,000	134,545
<u>Other Debt Service</u>							
Education	326,644	0	0	326,644	326,700	326,700	56
Total Expenditures	\$ 89,551,442	\$ (1,177,873)	\$ 1,694,141	\$ 90,067,710	\$ 93,282,000	\$ 93,172,965	\$ 3,105,255
Excess (Deficiency) of Revenues Over Expenditures	\$ (401,943)	\$ 1,177,873	\$ (1,694,141)	\$ (918,211)	\$ (4,370,000)	\$ (4,007,657)	\$ 3,089,446
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,272,000	\$ 0	\$ 0
Total Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,272,000	\$ 0	\$ 0
Net Change in Fund Balance	\$ (401,943)	\$ 1,177,873	\$ (1,694,141)	\$ (918,211)	\$ (3,098,000)	\$ (4,007,657)	\$ 3,089,446
Fund Balance, July 1, 2017	9,956,513	(1,177,873)	0	8,778,640	9,956,513	9,046,856	(268,216)
Fund Balance, June 30, 2018	\$ 9,554,570	\$ 0	\$ (1,694,141)	\$ 7,860,429	\$ 6,858,513	\$ 5,039,199	\$ 2,821,230

Exhibit J-9

Blount County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Blount County School Department
School Federal Projects Fund
For the Year Ended June 30, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 6,036,990	\$ 0	\$ 0	\$ 6,036,990	\$ 7,022,686	\$ 6,659,432	\$ (622,442)
Total Revenues	\$ 6,036,990	\$ 0	\$ 0	\$ 6,036,990	\$ 7,022,686	\$ 6,659,432	\$ (622,442)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 2,204,057	\$ (16,768)	\$ 1,650	\$ 2,188,939	\$ 2,411,290	\$ 2,275,511	\$ 86,572
Special Education Program	2,003,785	0	1,973	2,005,758	2,636,970	2,253,057	247,299
Career and Technical Education Program	274,902	(943)	2,602	276,561	311,600	293,769	17,208
<u>Support Services</u>							
Other Student Support	172,853	(4,143)	3,685	172,395	191,500	192,784	20,389
Regular Instruction Program	568,312	(9,662)	23,187	581,837	645,340	796,424	214,587
Special Education Program	570,866	(3,764)	147	567,249	566,986	588,025	20,776
Career and Technical Education Program	3,425	(288)	649	3,786	6,000	4,354	568
Transportation	251,834	0	0	251,834	253,000	253,000	1,166
Total Expenditures	\$ 6,050,034	\$ (35,568)	\$ 33,893	\$ 6,048,359	\$ 7,022,686	\$ 6,656,924	\$ 608,565
Excess (Deficiency) of Revenues Over Expenditures	\$ (13,044)	\$ 35,568	\$ (33,893)	\$ (11,369)	\$ 0	\$ 2,508	\$ (13,877)
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (2,508)	\$ 2,508
Total Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (2,508)	\$ 2,508
Net Change in Fund Balance	\$ (13,044)	\$ 35,568	\$ (33,893)	\$ (11,369)	\$ 0	\$ 0	\$ (11,369)
Fund Balance, July 1, 2017	268,349	(35,568)	0	232,781	250,000	250,000	(17,219)
Fund Balance, June 30, 2018	\$ 255,305	\$ 0	\$ (33,893)	\$ 221,412	\$ 250,000	\$ 250,000	\$ (28,588)

Exhibit J-10

Blount County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Blount County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2018

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 1,616,882	\$ 0	\$ 1,616,882	\$ 1,790,000	\$ 1,748,462	\$ (131,580)
Other Local Revenues	21,905	0	21,905	9,000	9,000	12,905
State of Tennessee	46,055	0	46,055	47,000	47,000	(945)
Federal Government	3,777,067	0	3,777,067	4,047,000	4,088,538	(311,471)
Other Governments and Citizens Groups	0	0	0	213,000	0	0
Total Revenues	\$ 5,461,909	\$ 0	\$ 5,461,909	\$ 6,106,000	\$ 5,893,000	\$ (431,091)
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 5,254,464	\$ 230,215	\$ 5,484,679	\$ 6,106,000	\$ 6,106,000	\$ 621,321
Total Expenditures	\$ 5,254,464	\$ 230,215	\$ 5,484,679	\$ 6,106,000	\$ 6,106,000	\$ 621,321
Excess (Deficiency) of Revenues Over Expenditures	\$ 207,445	\$ (230,215)	\$ (22,770)	\$ 0	\$ (213,000)	\$ 190,230
Net Change in Fund Balance	\$ 207,445	\$ (230,215)	\$ (22,770)	\$ 0	\$ (213,000)	\$ 190,230
Fund Balance, July 1, 2017	1,061,185	0	1,061,185	824,094	611,094	450,091
Fund Balance, June 30, 2018	\$ 1,268,630	\$ (230,215)	\$ 1,038,415	\$ 824,094	\$ 398,094	\$ 640,321

Exhibit J-11

Blount County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Blount County School Department
Extended School Program Fund
For the Year Ended June 30, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 1,372,582	\$ 0	\$ 0	\$ 1,372,582	\$ 1,361,000	\$ 1,361,000	\$ 11,582
Other Local Revenues	5,817	0	0	5,817	5,000	5,000	817
State of Tennessee	135,422	0	0	135,422	110,000	110,000	25,422
Other Governments and Citizens Groups	0	0	0	0	161,000	0	0
Total Revenues	<u>\$ 1,513,821</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,513,821</u>	<u>\$ 1,637,000</u>	<u>\$ 1,476,000</u>	<u>\$ 37,821</u>
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Community Services	\$ 1,401,425	\$ (25,108)	\$ 25,662	\$ 1,401,979	\$ 1,637,000	\$ 1,637,000	\$ 235,021
Total Expenditures	<u>\$ 1,401,425</u>	<u>\$ (25,108)</u>	<u>\$ 25,662</u>	<u>\$ 1,401,979</u>	<u>\$ 1,637,000</u>	<u>\$ 1,637,000</u>	<u>\$ 235,021</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 112,396	\$ 25,108	\$ (25,662)	\$ 111,842	\$ 0	\$ (161,000)	\$ 272,842
Net Change in Fund Balance	\$ 112,396	\$ 25,108	\$ (25,662)	\$ 111,842	\$ 0	\$ (161,000)	\$ 272,842
Fund Balance, July 1, 2017	346,822	(25,108)	0	321,714	186,844	186,844	134,870
Fund Balance, June 30, 2018	<u>\$ 459,218</u>	<u>\$ 0</u>	<u>\$ (25,662)</u>	<u>\$ 433,556</u>	<u>\$ 186,844</u>	<u>\$ 25,844</u>	<u>\$ 407,712</u>

Exhibit J-12

Blount County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Blount County School Department
Education Capital Projects Fund
For the Year Ended June 30, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,442,949	\$ 0	\$ 0	\$ 1,442,949	\$ 1,438,200	\$ 1,438,200	\$ 4,749
Other Local Revenues	14,491	0	0	14,491	800	800	13,691
State of Tennessee	385	0	0	385	0	0	385
Other Governments and Citizens Groups	1,272,000	0	0	1,272,000	0	1,272,000	0
Total Revenues	<u>\$ 2,729,825</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,729,825</u>	<u>\$ 1,439,000</u>	<u>\$ 2,711,000</u>	<u>\$ 18,825</u>
<u>Expenditures</u>							
<u>Capital Projects</u>							
Education Capital Projects	\$ 2,540,600	\$ (129,667)	\$ 286,868	\$ 2,697,801	\$ 1,439,000	\$ 2,711,000	\$ 13,199
Total Expenditures	<u>\$ 2,540,600</u>	<u>\$ (129,667)</u>	<u>\$ 286,868</u>	<u>\$ 2,697,801</u>	<u>\$ 1,439,000</u>	<u>\$ 2,711,000</u>	<u>\$ 13,199</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 189,225	\$ 129,667	\$ (286,868)	\$ 32,024	\$ 0	\$ 0	\$ 32,024
Net Change in Fund Balance	\$ 189,225	\$ 129,667	\$ (286,868)	\$ 32,024	\$ 0	\$ 0	\$ 32,024
Fund Balance, July 1, 2017	351,921	(129,667)	0	222,254	81,900	81,900	140,354
Fund Balance, June 30, 2018	<u>\$ 541,146</u>	<u>\$ 0</u>	<u>\$ (286,868)</u>	<u>\$ 254,278</u>	<u>\$ 81,900</u>	<u>\$ 81,900</u>	<u>\$ 172,378</u>

MISCELLANEOUS SCHEDULES

Exhibit K-1

Blount County, Tennessee
 Schedule of Changes in Other Loans, Capital Leases and Bonds
 For the Year Ended June 30, 2018

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-17	Paid and/or Matured During Period	Outstanding 6-30-18
OTHER LOANS PAYABLE							
<u>Payable through General Debt Service Fund</u>							
<u>Public Building Authority Loan Agreements</u>							
Industrial Park (Series B-17-A)	\$ 3,000,000	3.25 to 4.5%	6-20-08	6-1-18	\$ 125,000	\$ 125,000	\$ 0
Various Purposes (Series B-18-A)	4,380,000	2.5 to 5	3-2-09	6-1-19	1,800,000	900,000	900,000
<u>Tennessee State School Bond Authority</u>							
<u>Loan Agreement</u>							
Qualified Zone Academy Bonds - School Building: Renovation, Repairs, and Equipping	727,865	0	11-24-04	11-24-18	63,141	40,501	22,640
Total Other Loans Payable					<u>\$ 1,988,141</u>	<u>\$ 1,065,501</u>	<u>\$ 922,640</u>
CAPITAL LEASES PAYABLE							
<u>Payable through General Debt Service Fund</u>							
Motorola Radio System	3,007,000	3.97	9-1-10	9-1-20	\$ 1,344,675	\$ 316,799	\$ 1,027,876
Total Payable through General Debt Service Fund					<u>\$ 1,344,675</u>	<u>\$ 316,799</u>	<u>\$ 1,027,876</u>
<u>Contributions Due by School Department from the General Purpose School Fund to the General Debt Service Fund</u>							
School Energy Facility Upgrades	2,738,602	5.4	7-6-06	11-6-19	\$ 904,690	\$ 277,778	\$ 626,912
Total Contributions Due by School Department					<u>\$ 904,690</u>	<u>\$ 277,778</u>	<u>\$ 626,912</u>
Total Capital Leases Payable					<u>\$ 2,249,365</u>	<u>\$ 594,577</u>	<u>\$ 1,654,788</u>
BONDS PAYABLE							
<u>Payable through General Debt Service Fund</u>							
Qualified School Construction Bond, Series 2010	14,855,000	2.6	10-7-10	9-14-27	\$ 9,370,671	\$ 926,929	\$ 8,443,742
General Obligation Refunding, Series 2011	46,390,000	4.5	5-5-11	6-1-21	16,560,000	1,680,000	14,880,000
General Obligation Refunding, Series 2015 A	7,120,000	.55 to 2.15	3-5-15	6-1-21	4,820,000	1,175,000	3,645,000
General Obligation Refunding, Series 2015 B	19,785,000	2 to 4	3-5-15	6-1-31	19,340,000	300,000	19,040,000
General Obligation Refunding, Series 2016 A	8,920,000	.97 to 3.6	12-1-16	6-30-37	8,550,000	500,000	8,050,000
General Obligation Refunding, Series 2016 B	117,010,000	2 to 5	12-1-16	6-30-37	114,355,000	2,670,000	111,685,000
Total Bonds Payable					<u>\$ 172,995,671</u>	<u>\$ 7,251,929</u>	<u>\$ 165,743,742</u>

Exhibit K-2

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

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2019	\$ 922,640	\$ 36,000	\$ 245	\$ 958,885
Total	\$ 922,640	\$ 36,000	\$ 245	\$ 958,885

Year Ending June 30	Bonds		
	Principal	Interest	Total
2019	\$ 7,986,929	\$ 7,736,542	\$ 15,723,471
2020	9,306,929	7,491,953	16,798,882
2021	9,601,929	7,198,477	16,800,406
2022	9,846,929	6,826,194	16,673,123
2023	10,231,929	6,437,479	16,669,408
2024	10,056,929	6,030,097	16,087,026
2025	10,456,929	5,599,032	16,055,961
2026	10,856,928	5,148,238	16,005,166
2027	11,333,311	4,695,905	16,029,216
2028	12,175,000	3,511,312	15,686,312
2029	12,600,000	2,942,502	15,542,502
2030	5,590,000	2,359,165	7,949,165
2031	2,490,000	2,127,520	4,617,520
2032	6,200,000	2,051,937	8,251,937
2033	6,665,000	1,749,033	8,414,033
2034	7,030,000	1,422,902	8,452,902
2035	7,345,000	1,144,233	8,489,233
2036	7,770,000	784,182	8,554,182
2037	8,200,000	402,860	8,602,860
Total	\$ 165,743,742	\$ 75,659,563	\$ 241,403,305

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2019	\$ 630,437	\$ 74,669	\$ 705,106
2020	668,303	45,330	713,633
2021	356,048	14,135	370,183
Total	\$ 1,654,788	\$ 134,134	\$ 1,788,922

Blount County, Tennessee
Schedule of Notes Receivable
June 30, 2018

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-18
<u>General Debt Service Fund</u>						
Sale of Land	The Industrial Development Board of Blount County and the Cities of Alcoa and Maryville, Tennessee	\$ 441,353	1-13-15	1-10-18 *	0%	\$ 366,353
Motorola Radio System	The City of Maryville, Tennessee	918,996	9-1-10	9-1-20	0	127,063
"	The City of Alcoa, Tennessee	751,735	9-1-10	9-1-20	0	<u>103,926</u>
Total Notes Receivable						<u>\$ 597,342</u>

* Received final payment on 12-13-18

Blount County, Tennessee
Schedule of Transfers
For the Year Ended June 30, 2018

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Public Library	Operations	\$ 1,064,930
"	General Debt Service	Debt service	836,064
"	Other Capital Projects	Capital Projects	3,610,500
Highway/Public Works	Other Capital Projects	Capital Projects	60,000
Self-Insurance	General	Payroll	<u>228,276</u>
Total Transfers Primary Government			<u>\$ 5,799,770</u>

Blount County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Blount County School Department
For the Year Ended June 30, 2018

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 132,550	\$ 100,000	Cincinnati Insurance Company
Highway Superintendent	Section 8-24-102, <i>TCA</i>	105,199	100,000	"
Director of Schools	Board of Education	132,431 (1)	100,000	"
Trustee	Section 8-24-102, <i>TCA</i>	86,941	4,221,668	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	86,941	50,000	"
Director of Accounts and Budgets	County Commission	96,299 (2)	100,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	86,941	100,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	95,635 (5)	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> and Chancery Court	86,941 (4)	105,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	86,941	100,000	"
Sheriff	Section 8-24-102, <i>TCA</i> , and County Commission	126,239 (3)	100,000	"
Purchasing Agent	County Commission	63,467	100,000	"
Employee Blanket Bonds - All County Employees:				
Public Employee Dishonesty			500,000	Travelers Casualty and Surety Company
Forgery or Alteration			500,000	"
Money and Securities - On Premises			500,000	"
Money and Securities - Messenger			500,000	"
Computer Fraud			500,000	"

- (1) Includes a chief executive officer training supplement of \$1,000.
- (2) Includes \$9,360 for serving as assistant county mayor.
- (3) Includes \$10,520 for serving as director of the Juvenile Detention Center and \$10,520 for serving as superintendent of the workhouse.
- (4) Does not include \$3,630 in special commissioner fees.
- (5) Includes an additional amount of \$8,694. The County Commission has approved for the clerk to be paid an additional 10 percent for serving more than one court.

Exhibit K-6

Blount County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2018

	Special Revenue Funds					Constitu - tional Officers - Fees
	General	Courthouse and Jail Maintenance	Law Library	Public Library	Drug Control	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 30,413,706	\$ 0	\$ 0	\$ 0	\$ 0	0
Discount on Property Taxes	(431,229)	0	0	0	0	0
Trustee's Collections - Prior Year	517,535	0	0	0	0	0
Trustee's Collections - Bankruptcy	148,309	0	0	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	329,071	0	0	0	0	0
Interest and Penalty	106,383	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	1,440,061	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	0
Hotel/Motel Tax	747,521	0	0	0	0	0
Litigation Tax - General	387,653	0	0	0	0	0
Litigation Tax - Special Purpose	0	1,322	10,083	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	205,866	0	0	0	0
Litigation Tax - Courthouse Security	158,200	0	0	0	0	0
Business Tax	699,409	0	0	0	0	0
Mixed Drink Tax	174,474	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	195,188	0	0	0	0	0
Wholesale Beer Tax	230,338	0	0	0	0	0
Interstate Telecommunications Tax	49,054	0	0	0	0	0
Total Local Taxes	\$ 35,165,673	\$ 207,188	\$ 10,083	\$ 0	\$ 0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds						Constitu - tional Officers - Fees
	General	Courthouse and Jail Maintenance	Law Library	Public Library	Drug Control		
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Cable TV Franchise	\$ 570,755	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Permits</u>							
Building Permits	493,815	0	0	0	0	0	0
Other Permits	300	0	0	0	0	0	0
Total Licenses and Permits	<u>\$ 1,064,870</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Officers Costs	\$ 10,805	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Drug Control Fines	0	0	0	0	744	0	0
Drug Court Fees	21,082	0	0	0	0	0	0
DUI Treatment Fines	1,786	0	0	0	0	0	0
Data Entry Fee - Circuit Court	112,772	0	0	0	0	0	0
<u>Criminal Court</u>							
Fines	4,057	0	0	0	0	0	0
Officers Costs	43,518	0	0	0	0	0	0
Victims Assistance Assessments	8,166	0	0	0	0	0	0
<u>General Sessions Court</u>							
Fines	47,962	0	0	0	0	0	0
Officers Costs	818,478	0	0	0	0	0	0
Game and Fish Fines	86	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	12,598	0	0
Jail Fees	27,224	0	0	0	0	0	0
District Attorney General Fees	51,324	0	0	0	0	0	0
DUI Treatment Fines	13,599	0	0	0	0	0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds						Constitu - tional Officers - Fees
	General	Courthouse and Jail Maintenance	Law Library	Public Library	Drug Control		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>General Sessions Court (Cont.)</u>							
Courtroom Security Fee	\$ 24,927	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Victims Assistance Assessments	39,831	0	0	0	0	0	0
<u>Juvenile Court</u>							
Fines	14,461	0	0	0	0	0	0
Drug Court Fees	895	0	0	0	0	0	0
<u>Chancery Court</u>							
Officers Costs	5,126	0	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>							
Other Fines, Forfeitures, and Penalties	32,675	0	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 1,278,774	\$ 0	\$ 0	\$ 0	\$ 13,342	\$ 0	0
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Other General Service Charges	\$ 186,194	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Fees</u>							
Copy Fees	6,767	0	0	20,143	0	0	0
Library Fees	0	0	0	62,267	0	0	0
Telephone Commissions	135,866	0	0	0	135,866	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	0	3,630
Data Processing Fee - Register	44,912	0	0	0	0	0	0
Probation Fees	501,564	0	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	19,350	0	0	0	0	0	0
Data Processing Fee - County Clerk	15,171	0	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	365	0	0	0	0	0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Law Library	Public Library	Drug Control	Constitu - tional Officers - Fees
<u>Charges for Current Services (Cont.)</u>						
<u>Education Charges</u>						
Other Charges for Services	\$ 6,068	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Charges for Current Services	\$ 916,257	\$ 0	\$ 0	\$ 82,410	\$ 135,866	\$ 3,630
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 365,361	\$ 0	\$ 0	\$ 11,969	\$ 19,408	\$ 0
Lease/Rentals	150	0	0	0	0	0
Sale of Materials and Supplies	1,005	0	0	0	0	0
Commissary Sales	2,690	0	0	0	0	0
Sale of Maps	190	0	0	0	0	0
Sale of Recycled Materials	0	0	0	0	0	0
Miscellaneous Refunds	29,772	0	0	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	3,113	0	0	0	0	0
Sale of Property	96,799	0	0	0	0	0
Damages Recovered from Individuals	2,964	0	0	0	0	0
Contributions and Gifts	1,092	0	0	907	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	159,310	0	0	120,895	0	0
Total Other Local Revenues	\$ 662,446	\$ 0	\$ 0	\$ 133,771	\$ 19,408	\$ 0
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 1,409,310	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	573,326	0	0	0	0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					Constitu - tional Officers - Fees
	General	Courthouse and Jail Maintenance	Law Library	Public Library	Drug Control	
<u>Fees Received From County Officials (Cont.)</u>						
<u>Fees In-Lieu-of Salary (Cont.)</u>						
General Sessions Court Clerk	\$ 2,170,737	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Clerk and Master	350,801	0	0	0	0	0
Register	719,059	0	0	0	0	0
Sheriff	90,580	0	0	0	0	0
Trustee	2,589,470	0	0	0	0	0
Total Fees Received From County Officials	\$ 7,903,283	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other General Government Grants	0	0	0	12,000	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	564,107	0	0	0	0	0
<u>Public Works Grants</u>						
Litter Program	74,600	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	325,304	0	0	0	0	0
Beer Tax	17,839	0	0	0	0	0
Vehicle Certificate of Title Fees	107,726	0	0	0	0	0
Alcoholic Beverage Tax	202,295	0	0	0	0	0
State Revenue Sharing - Telecommunications	15,143	0	0	0	0	0
Contracted Prisoner Boarding	1,677,585	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Law Library	Public Library	Drug Control	Constitu - tional Officers - Fees
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Other State Grants	\$ 197,829	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other State Revenues	113,942	0	0	0	0	0
Total State of Tennessee	\$ 3,320,534	\$ 0	\$ 0	\$ 12,000	\$ 0	\$ 0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Other Federal through State	\$ 624,338	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Direct Federal Revenue</u>						
Asset Forfeiture Funds	0	0	0	0	103	0
Tax Credit Bond Rebate	671,559	0	0	0	0	0
Other Direct Federal Revenue	2,351,233	0	0	0	0	0
Total Federal Government	\$ 3,647,130	\$ 0	\$ 0	\$ 0	\$ 103	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 20,520	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Paving and Maintenance	0	0	0	0	0	0
Contributions	0	0	0	0	42	0
Contracted Services	147,822	0	0	1,064,930	0	0
<u>Citizens Groups</u>						
Donations	225,587	0	0	82,799	0	0
<u>Other</u>						
Other	107,300	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 501,229	\$ 0	\$ 0	\$ 1,147,729	\$ 42	\$ 0
Total	\$ 54,460,196	\$ 207,188	\$ 10,083	\$ 1,375,910	\$ 168,761	\$ 3,630

(Continued)

Exhibit K-6

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

	Special Revenue Fund	Debt Service Fund	Permanent Fund	Total
	Highway / Public Works	General Debt Service	Endowment	
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 0	\$ 16,589,308	\$ 0	\$ 47,003,014
Discount on Property Taxes	0	(235,198)	0	(666,427)
Trustee's Collections - Prior Year	0	280,752	0	798,287
Trustee's Collections - Bankruptcy	0	82,509	0	230,818
Circuit Clerk/Clerk and Master Collections - Prior Years	0	179,495	0	508,566
Interest and Penalty	0	58,036	0	164,419
Payments in-Lieu-of Taxes - Local Utilities	240,588	131,231	0	371,819
Payments in-Lieu-of Taxes - Other	0	8,400	0	1,448,461
<u>County Local Option Taxes</u>				
Local Option Sales Tax	4,020,472	893,438	0	4,913,910
Hotel/Motel Tax	0	0	0	747,521
Litigation Tax - General	0	0	0	387,653
Litigation Tax - Special Purpose	0	0	0	11,405
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	205,866
Litigation Tax - Courthouse Security	0	0	0	158,200
Business Tax	0	381,522	0	1,080,931
Mixed Drink Tax	0	0	0	174,474
Mineral Severance Tax	102,707	0	0	102,707
<u>Statutory Local Taxes</u>				
Bank Excise Tax	0	0	0	195,188
Wholesale Beer Tax	0	0	0	230,338
Interstate Telecommunications Tax	0	26,757	0	75,811
Total Local Taxes	\$ 4,363,767	\$ 18,396,250	\$ 0	\$ 58,142,961

(Continued)

Exhibit K-6

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

	Special Revenue Fund	Debt Service Fund	Permanent Fund	Total
	Highway / Public Works	General Debt Service	Endowment	
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Cable TV Franchise	\$ 240,000	\$ 0	\$ 0	\$ 810,755
<u>Permits</u>				
Building Permits	0	0	0	493,815
Other Permits	178,873	0	0	179,173
Total Licenses and Permits	<u>\$ 418,873</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,483,743</u>
<u>Fines, Forfeitures, and Penalties</u>				
<u>Circuit Court</u>				
Officers Costs	\$ 0	\$ 0	\$ 0	10,805
Drug Control Fines	0	0	0	744
Drug Court Fees	0	0	0	21,082
DUI Treatment Fines	0	0	0	1,786
Data Entry Fee - Circuit Court	0	0	0	112,772
<u>Criminal Court</u>				
Fines	0	0	0	4,057
Officers Costs	0	0	0	43,518
Victims Assistance Assessments	0	0	0	8,166
<u>General Sessions Court</u>				
Fines	0	0	0	47,962
Officers Costs	0	0	0	818,478
Game and Fish Fines	0	0	0	86
Drug Control Fines	0	0	0	12,598
Jail Fees	0	0	0	27,224
District Attorney General Fees	0	0	0	51,324
DUI Treatment Fines	0	0	0	13,599

(Continued)

Exhibit K-6

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

	Special Revenue Fund	Debt Service Fund	Permanent Fund	
	Highway / Public Works	General Debt Service	Endowment	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>				
<u>General Sessions Court (Cont.)</u>				
Courtroom Security Fee	\$ 0	\$ 0	\$ 0	\$ 24,927
Victims Assistance Assessments	0	0	0	39,831
<u>Juvenile Court</u>				
Fines	0	0	0	14,461
Drug Court Fees	0	0	0	895
<u>Chancery Court</u>				
Officers Costs	0	0	0	5,126
<u>Other Fines, Forfeitures, and Penalties</u>				
Other Fines, Forfeitures, and Penalties	0	0	0	32,675
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,292,116</u>
<u>Charges for Current Services</u>				
<u>General Service Charges</u>				
Other General Service Charges	\$ 0	\$ 0	\$ 0	186,194
<u>Fees</u>				
Copy Fees	0	0	0	26,910
Library Fees	0	0	0	62,267
Telephone Commissions	0	0	0	271,732
Special Commissioner Fees/Special Master Fees	0	0	0	3,630
Data Processing Fee - Register	0	0	0	44,912
Probation Fees	0	0	0	501,564
Sexual Offender Registration Fee - Sheriff	0	0	0	19,350
Data Processing Fee - County Clerk	0	0	0	15,171
Vehicle Insurance Coverage and Reinstatement Fees	0	0	0	365

(Continued)

Exhibit K-6

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

	Special Revenue Fund	Debt Service Fund	Permanent Fund	Total
	Highway / Public Works	General Debt Service	Endowment	
<u>Charges for Current Services (Cont.)</u>				
<u>Education Charges</u>				
Other Charges for Services	\$ 0	\$ 0	\$ 0	\$ 6,068
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,138,163</u>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 41,487	\$ 374,846	\$ 4,956	\$ 818,027
Lease/Rentals	0	163,000	0	163,150
Sale of Materials and Supplies	14,380	0	0	15,385
Commissary Sales	0	0	0	2,690
Sale of Maps	0	0	0	190
Sale of Recycled Materials	9,949	0	0	9,949
Miscellaneous Refunds	0	0	0	29,772
<u>Nonrecurring Items</u>				
Sale of Equipment	21,147	0	0	24,260
Sale of Property	145,318	25,000	0	267,117
Damages Recovered from Individuals	0	0	0	2,964
Contributions and Gifts	0	0	0	1,999
<u>Other Local Revenues</u>				
Other Local Revenues	0	0	0	280,205
Total Other Local Revenues	<u>\$ 232,281</u>	<u>\$ 562,846</u>	<u>\$ 4,956</u>	<u>\$ 1,615,708</u>
<u>Fees Received From County Officials</u>				
<u>Fees In-Lieu-of Salary</u>				
County Clerk	\$ 0	\$ 0	\$ 0	\$ 1,409,310
Circuit Court Clerk	0	0	0	573,326

(Continued)

Exhibit K-6

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

	Special Revenue Fund	Debt Service Fund	Permanent Fund	Total
	Highway / Public Works	General Debt Service	Endowment	
<u>Fees Received From County Officials (Cont.)</u>				
<u>Fees In-Lieu-of Salary (Cont.)</u>				
General Sessions Court Clerk	\$ 0	\$ 0	\$ 0	\$ 2,170,737
Clerk and Master	0	0	0	350,801
Register	0	0	0	719,059
Sheriff	0	0	0	90,580
Trustee	0	0	0	2,589,470
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,903,283</u>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
Juvenile Services Program	\$ 0	\$ 0	\$ 0	9,000
Other General Government Grants	0	0	0	12,000
<u>Health and Welfare Grants</u>				
Health Department Programs	0	0	0	564,107
<u>Public Works Grants</u>				
Litter Program	0	0	0	74,600
<u>Other State Revenues</u>				
Income Tax	0	0	0	325,304
Beer Tax	0	0	0	17,839
Vehicle Certificate of Title Fees	0	0	0	107,726
Alcoholic Beverage Tax	0	0	0	202,295
State Revenue Sharing - Telecommunications	0	4,621	0	19,764
Contracted Prisoner Boarding	0	0	0	1,677,585
Gasoline and Motor Fuel Tax	3,292,135	0	0	3,292,135
Petroleum Special Tax	88,757	0	0	88,757
Registrar's Salary Supplement	0	0	0	15,164

(Continued)

Exhibit K-6

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

	Special Revenue Fund	Debt Service Fund	Permanent Fund	Total
	Highway / Public Works	General Debt Service	Endowment	
<u>State of Tennessee (Cont.)</u>				
<u>Other State Revenues (Cont.)</u>				
Other State Grants	\$ 0	\$ 0	\$ 0	\$ 197,829
Other State Revenues	269,786	0	0	383,728
Total State of Tennessee	<u>\$ 3,650,678</u>	<u>\$ 4,621</u>	<u>\$ 0</u>	<u>\$ 6,987,833</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
Other Federal through State	\$ 0	\$ 0	\$ 0	\$ 624,338
<u>Direct Federal Revenue</u>				
Asset Forfeiture Funds	0	0	0	103
Tax Credit Bond Rebate	0	0	0	671,559
Other Direct Federal Revenue	0	0	0	2,351,233
Total Federal Government	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,647,233</u>
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 20,520
Paving and Maintenance	12,932	0	0	12,932
Contributions	0	327,891	0	327,933
Contracted Services	0	256,402	0	1,469,154
<u>Citizens Groups</u>				
Donations	0	0	0	308,386
<u>Other</u>				
Other	0	0	0	107,300
Total Other Governments and Citizens Groups	<u>\$ 12,932</u>	<u>\$ 584,293</u>	<u>\$ 0</u>	<u>\$ 2,246,225</u>
Total	<u>\$ 8,678,531</u>	<u>\$ 19,548,010</u>	<u>\$ 4,956</u>	<u>\$ 84,457,265</u>

Exhibit K-7

Blount County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Blount County School Department
For the Year Ended June 30, 2018

	Special Revenue Funds				Capital	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Projects Fund Education Capital Projects	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 21,800,137	\$ 0	\$ 0	\$ 0	\$ 1,360,396	\$ 23,160,533
Discount on Property Taxes	(312,492)	0	0	0	(19,597)	(332,089)
Trustee's Collections - Prior Year	380,053	0	0	0	29,441	409,494
Trustee's Collections - Bankruptcy	106,321	0	0	0	6,768	113,089
Circuit Clerk/Clerk and Master Collections - Prior Years	247,545	0	0	0	14,958	262,503
Interest and Penalty	76,226	0	0	0	5,329	81,555
Payments in-Lieu-of Taxes - T.V.A.	13,279	0	0	0	0	13,279
Payments in-Lieu-of Taxes - Local Utilities	170,751	0	0	0	10,936	181,687
Payments in-Lieu-of Taxes - Other	11,160	0	0	0	700	11,860
<u>County Local Option Taxes</u>						
Local Option Sales Tax	15,411,162	0	0	0	0	15,411,162
Business Tax	501,104	0	0	0	31,788	532,892
Mixed Drink Tax	174,474	0	0	0	0	174,474
<u>Statutory Local Taxes</u>						
Interstate Telecommunications Tax	35,173	0	0	0	2,230	37,403
Total Local Taxes	\$ 38,614,893	\$ 0	\$ 0	\$ 0	\$ 1,442,949	\$ 40,057,842
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 5,395	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,395
Total Licenses and Permits	\$ 5,395	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,395

(Continued)

Exhibit K-7

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

	Special Revenue Funds				Capital	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Projects Fund Education Capital Projects	
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Contract for Instructional Services with Other LEA's	\$ 45,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 45,000
Receipts from Individual Schools	0	0	1,616,882	0	0	1,616,882
Community Service Fees - Children	0	0	0	1,372,582	0	1,372,582
Other Charges for Services	99,235	0	0	0	0	99,235
Total Charges for Current Services	\$ 144,235	\$ 0	\$ 1,616,882	\$ 1,372,582	\$ 0	\$ 3,133,699
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 182,617	\$ 0	\$ 13,120	\$ 5,817	\$ 14,491	\$ 216,045
Lease/Rentals	14,600	0	0	0	0	14,600
Sale of Materials and Supplies	165	0	2,102	0	0	2,267
<u>Nonrecurring Items</u>						
Sale of Equipment	14,179	0	2,171	0	0	16,350
Damages Recovered from Individuals	4,486	0	0	0	0	4,486
Contributions and Gifts	3,218	0	4,512	0	0	7,730
<u>Other Local Revenues</u>						
Other Local Revenues	88,126	0	0	0	0	88,126
Total Other Local Revenues	\$ 307,391	\$ 0	\$ 21,905	\$ 5,817	\$ 14,491	\$ 349,604
<u>State of Tennessee</u>						
<u>State Education Funds</u>						
Basic Education Program	\$ 47,059,348	\$ 0	\$ 0	\$ 0	\$ 0	\$ 47,059,348
Early Childhood Education	621,621	0	0	0	0	621,621
School Food Service	0	0	46,055	0	0	46,055

(Continued)

Exhibit K-7

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

	Special Revenue Funds				Capital	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Projects Fund Education Capital Projects	
<u>State of Tennessee (Cont.)</u>						
<u>State Education Funds (Cont.)</u>						
Other State Education Funds	\$ 164,129	\$ 0	\$ 0	\$ 135,422	\$ 0	\$ 299,551
Internet Connectivity	27,942	0	0	0	0	27,942
Career Ladder Program	215,648	0	0	0	0	215,648
Career Ladder - Extended Contract	1,167	0	0	0	0	1,167
Vocational Equipment	144,250	0	0	0	0	144,250
<u>Other State Revenues</u>						
State Revenue Sharing - T.V.A.	1,454,729	0	0	0	0	1,454,729
State Revenue Sharing - Telecommunications	6,074	0	0	0	385	6,459
Other State Grants	84,695	0	0	0	0	84,695
Total State of Tennessee	\$ 49,779,603	\$ 0	\$ 46,055	\$ 135,422	\$ 385	\$ 49,961,465
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,385,747	\$ 0	\$ 0	\$ 2,385,747
USDA - Commodities	0	0	353,522	0	0	353,522
Breakfast	0	0	981,734	0	0	981,734
USDA - Other	0	0	14,526	0	0	14,526
Vocational Education - Basic Grants to States	0	211,694	0	0	0	211,694
Title I Grants to Local Education Agencies	0	2,492,507	0	0	0	2,492,507
Special Education - Grants to States	132,406	2,829,200	0	0	0	2,961,606
English Language Acquisition Grants	0	21,245	0	0	0	21,245
Eisenhower Professional Development State Grants	0	363,399	0	0	0	363,399
Other Federal through State	29,921	118,945	41,538	0	0	190,404

(Continued)

Exhibit K-7

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

	<u>Special Revenue Funds</u>				<u>Capital</u>	<u>Total</u>
	<u>General Purpose School</u>	<u>School Federal Projects</u>	<u>Central Cafeteria</u>	<u>Extended School Program</u>	<u>Projects Fund Education Capital Projects</u>	
<u>Federal Government (Cont.)</u>						
<u>Direct Federal Revenue</u>						
ROTC Reimbursement	\$ 135,655	\$ 0	\$ 0	\$ 0	\$ 0	\$ 135,655
Total Federal Government	\$ 297,982	\$ 6,036,990	\$ 3,777,067	\$ 0	\$ 0	\$ 10,112,039
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,272,000	\$ 1,272,000
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,272,000	\$ 1,272,000
Total	\$ 89,149,499	\$ 6,036,990	\$ 5,461,909	\$ 1,513,821	\$ 2,729,825	\$ 104,892,044

Blount County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2018

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	101,613	
Social Security		6,300	
Employer Medicare		1,473	
Dues and Memberships		2,200	
Operating Lease Payments		1,085	
Legal Notices, Recording, and Court Costs		2,142	
Printing, Stationery, and Forms		200	
Travel		2,769	
Tuition		475	
Duplicating Supplies		150	
Food Supplies		200	
Office Supplies		365	
Other Supplies and Materials		409	
Data Processing Equipment		1,170	
Total County Commission			\$ 120,551

Board of Equalization

Board and Committee Members Fees	\$	765	
Social Security		32	
Employer Medicare		7	
Total Board of Equalization			804

Beer Board

Legal Notices, Recording, and Court Costs	\$	778	
Total Beer Board			778

Other Boards and Committees

Temporary Personnel	\$	34,265	
Social Security		2,124	
Unemployment Compensation		90	
Employer Medicare		497	
Contracts with Private Agencies		178,831	
Legal Notices, Recording, and Court Costs		440	
Travel		290	
Food Supplies		116	
Office Supplies		191	
Other Charges		129	
Total Other Boards and Committees			216,973

County Mayor/Executive

County Official/Administrative Officer	\$	132,550	
Assistant(s)		9,360	
Secretary(ies)		46,215	
Social Security		11,140	
Pensions		3,835	
Life Insurance		115	
Medical Insurance		24,604	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Dental Insurance	\$	456	
Unemployment Compensation		39	
Employer Medicare		2,605	
Communication		572	
Dues and Memberships		300	
Printing, Stationery, and Forms		847	
Travel		656	
Tuition		135	
Food Supplies		358	
Gasoline		599	
Office Supplies		2,214	
Uniforms		624	
Workers' Compensation Insurance		310	
Other Charges		82	
Office Equipment		670	
Total County Mayor/Executive			\$ 238,286

Personnel Office

Supervisor/Director	\$	64,678	
Clerical Personnel		85,278	
Social Security		8,468	
Pensions		10,035	
Life Insurance		155	
Medical Insurance		38,153	
Dental Insurance		707	
Unemployment Compensation		126	
Employer Medicare		1,980	
Communication		989	
Dues and Memberships		399	
Operating Lease Payments		1,162	
Legal Services		1,246	
Licenses		360	
Travel		993	
Tuition		430	
Other Contracted Services		15,034	
Food Supplies		339	
Office Supplies		878	
Uniforms		96	
Other Supplies and Materials		5,198	
Workers' Compensation Insurance		465	
Other Charges		331	
Total Personnel Office			237,500

Election Commission

County Official/Administrative Officer	\$	78,247	
Clerical Personnel		102,666	
Temporary Personnel		6,015	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Overtime Pay	\$	2,658	
Election Commission		25,200	
Election Workers		102,962	
Social Security		16,015	
Pensions		11,095	
Life Insurance		166	
Medical Insurance		23,087	
Dental Insurance		588	
Unemployment Compensation		552	
Employer Medicare		3,746	
Communication		336	
Dues and Memberships		225	
Operating Lease Payments		1,136	
Legal Notices, Recording, and Court Costs		7,581	
Licenses		12,611	
Maintenance Agreements		10,200	
Printing, Stationery, and Forms		1,910	
Rentals		937	
Travel		8,329	
Tuition		1,500	
Data Processing Supplies		786	
Office Supplies		13,750	
Workers' Compensation Insurance		930	
Building Improvements		26,943	
Data Processing Equipment		2,528	
Total Election Commission			\$ 462,699

Register of Deeds

County Official/Administrative Officer	\$	86,941
Clerical Personnel		290,081
Part-time Personnel		3,228
Social Security		21,887
Pensions		24,616
Life Insurance		389
Medical Insurance		75,392
Dental Insurance		2,043
Unemployment Compensation		405
Employer Medicare		5,166
Communication		577
Dues and Memberships		1,578
Operating Lease Payments		2,637
Maintenance and Repair Services - Office Equipment		500
Printing, Stationery, and Forms		178
Internet Connectivity		1,315
Travel		1,342
Tuition		495
Other Contracted Services		37,250

(Continued)

Exhibit K-8

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

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

Data Processing Supplies	\$	260	
Office Supplies		4,442	
Uniforms		1,498	
Other Supplies and Materials		84	
Workers' Compensation Insurance		1,550	
Furniture and Fixtures		3,665	
Total Register of Deeds			\$ 567,519

Development

Supervisor/Director	\$	79,646	
Foremen		104,308	
Secretary(ies)		92,807	
Other Salaries and Wages		224,524	
Social Security		30,086	
Pensions		32,087	
Life Insurance		502	
Medical Insurance		81,977	
Dental Insurance		2,103	
Unemployment Compensation		495	
Employer Medicare		7,036	
Advertising		210	
Communication		6,141	
Dues and Memberships		7,001	
Operating Lease Payments		41,536	
Legal Notices, Recording, and Court Costs		2,479	
Maintenance and Repair Services - Vehicles		97	
Printing, Stationery, and Forms		1,364	
Travel		426	
Tuition		2,597	
Other Contracted Services		2,985	
Duplicating Supplies		247	
Gasoline		13,438	
Instructional Supplies and Materials		3,360	
Office Supplies		3,593	
Workers' Compensation Insurance		1,705	
Other Charges		222	
Furniture and Fixtures		1,325	
Health Equipment		2,416	
Total Development			746,713

County Buildings

Supervisor/Director	\$	31,522	
Custodial Personnel		144,088	
Maintenance Personnel		113,056	
Part-time Personnel		13,247	
Overtime Pay		2,876	
Social Security		18,060	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Pensions	\$	18,071	
Life Insurance		317	
Medical Insurance		63,663	
Dental Insurance		1,928	
Unemployment Compensation		556	
Employer Medicare		4,224	
Communication		3,514	
Operating Lease Payments		12,083	
Legal Notices, Recording, and Court Costs		10	
Maintenance Agreements		42,550	
Maintenance and Repair Services - Buildings		61,128	
Maintenance and Repair Services - Equipment		51,430	
Pest Control		2,260	
Permits		1,106	
Custodial Supplies		24,077	
Gasoline		4,467	
Natural Gas		61,630	
Office Supplies		485	
Uniforms		4,314	
Utilities		631,338	
Workers' Compensation Insurance		1,860	
Building Improvements		141,605	
Maintenance Equipment		7,020	
Total County Buildings			\$ 1,462,485

Other General Administration

Supervisor/Director	\$	73,359	
Social Security		4,368	
Pensions		5,062	
Life Insurance		60	
Medical Insurance		12,720	
Dental Insurance		236	
Unemployment Compensation		42	
Employer Medicare		1,022	
Communication		1,530	
Legal Notices, Recording, and Court Costs		118	
Other Contracted Services		65,000	
Office Supplies		427	
Liability Insurance		514,712	
Workers' Compensation Insurance		155	
Health Equipment		84,610	
Total Other General Administration			763,421

Preservation of Records

Supervisor/Director	\$	46,686
Other Salaries and Wages		17,220
Social Security		3,770

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Preservation of Records (Cont.)

Pensions	\$	4,410	
Life Insurance		83	
Medical Insurance		11,106	
Dental Insurance		471	
Unemployment Compensation		83	
Employer Medicare		882	
Communication		1,258	
Operating Lease Payments		748	
Travel		363	
Tuition		85	
Other Contracted Services		7,240	
Gasoline		54	
Office Supplies		690	
Other Supplies and Materials		885	
Workers' Compensation Insurance		310	
Total Preservation of Records			\$ 96,344

Risk Management

Supervisor/Director	\$	54,384	
Other Salaries and Wages		42,405	
Social Security		5,573	
Pensions		6,681	
Life Insurance		109	
Medical Insurance		18,176	
Dental Insurance		469	
Unemployment Compensation		84	
Employer Medicare		1,303	
Dues and Memberships		160	
Operating Lease Payments		6,587	
Maintenance and Repair Services - Vehicles		32	
Printing, Stationery, and Forms		511	
Travel		3,137	
Tuition		1,795	
Other Contracted Services		140	
Gasoline		2,059	
Office Supplies		1,760	
Workers' Compensation Insurance		310	
Total Risk Management			145,675

Finance

Accounting and Budgeting

Supervisor/Director	\$	86,939
Accountants/Bookkeepers		369,449
Clerical Personnel		37,831
Part-time Personnel		2,048
Social Security		29,488
Pensions		34,094

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Life Insurance	\$	498	
Medical Insurance		68,277	
Dental Insurance		1,892	
Unemployment Compensation		393	
Employer Medicare		6,906	
Communication		816	
Dues and Memberships		1,684	
Operating Lease Payments		3,041	
Legal Notices, Recording, and Court Costs		819	
Postal Charges		1,036	
Printing, Stationery, and Forms		4,946	
Travel		1,385	
Tuition		984	
Food Supplies		748	
Office Supplies		1,680	
Workers' Compensation Insurance		1,550	
Other Charges		342	
Data Processing Equipment		1,448	
Total Accounting and Budgeting			\$ 658,294

Purchasing

Supervisor/Director	\$	63,467	
Purchasing Personnel		137,796	
Overtime Pay		100	
Social Security		11,971	
Pensions		11,041	
Life Insurance		208	
Medical Insurance		21,574	
Dental Insurance		674	
Unemployment Compensation		251	
Employer Medicare		2,800	
Communication		381	
Dues and Memberships		2,439	
Operating Lease Payments		13,411	
Legal Notices, Recording, and Court Costs		2,572	
Maintenance and Repair Services - Office Equipment		278	
Printing, Stationery, and Forms		907	
Travel		1,208	
Tuition		6,320	
Other Contracted Services		190	
Data Processing Supplies		769	
Office Supplies		698	
Other Supplies and Materials		702	
Workers' Compensation Insurance		620	
Other Charges		200	
Total Purchasing			280,577

(Continued)

Exhibit K-8

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

General Fund (Cont.)Finance (Cont.)Central Services

Local Retirement	\$	268,580	
Audit Services		45,514	
Contributions		800	
Legal Services		43,827	
Legal Notices, Recording, and Court Costs		1,293,445	
Pauper Burials		3,800	
Postal Charges		153,012	
Other Contracted Services		366,013	
Office Supplies		49	
Trustee's Commission		712,128	
Other Charges		7,892	
Total Central Services			\$ 2,895,060

Property Assessor's Office

County Official/Administrative Officer	\$	86,941	
Assistant(s)		294,739	
Clerical Personnel		108,548	
Social Security		29,152	
Pensions		32,995	
Life Insurance		516	
Medical Insurance		68,375	
Dental Insurance		2,038	
Unemployment Compensation		440	
Employer Medicare		6,818	
Communication		1,366	
Data Processing Services		36,049	
Dues and Memberships		2,955	
Operating Lease Payments		14,174	
Legal Services		448	
Maintenance and Repair Services - Office Equipment		882	
Maintenance and Repair Services - Vehicles		779	
Printing, Stationery, and Forms		1,321	
Travel		6,574	
Duplicating Supplies		1,752	
Gasoline		2,664	
Office Supplies		1,791	
Uniforms		1,105	
Other Supplies and Materials		2,896	
Workers' Compensation Insurance		1,860	
Other Charges		48,979	
Total Property Assessor's Office			756,157

Reappraisal Program

Assistant(s)	\$	170,899	
Clerical Personnel		71,968	
Social Security		13,887	
Pensions		16,765	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

Life Insurance	\$	284	
Medical Insurance		68,162	
Dental Insurance		1,428	
Unemployment Compensation		274	
Employer Medicare		3,248	
Data Processing Services		16,283	
Travel		3,019	
Office Supplies		2,670	
Other Supplies and Materials		370	
Workers' Compensation Insurance		930	
Total Reappraisal Program			\$ 370,187

County Trustee's Office

County Official/Administrative Officer	\$	86,941	
Clerical Personnel		237,832	
Temporary Personnel		1,780	
Social Security		18,977	
Pensions		22,411	
Life Insurance		340	
Medical Insurance		64,017	
Dental Insurance		1,650	
Unemployment Compensation		263	
Employer Medicare		4,442	
Communication		577	
Dues and Memberships		1,287	
Operating Lease Payments		1,185	
Legal Services		1,803	
Legal Notices, Recording, and Court Costs		216	
Maintenance Agreements		9,100	
Maintenance and Repair Services - Equipment		166	
Printing, Stationery, and Forms		1,692	
Travel		1,168	
Tuition		1,330	
Other Contracted Services		8,299	
Duplicating Supplies		711	
Office Supplies		2,723	
Other Supplies and Materials		648	
Workers' Compensation Insurance		1,395	
Data Processing Equipment		2,000	
Furniture and Fixtures		2,567	
Total County Trustee's Office			475,520

County Clerk's Office

County Official/Administrative Officer	\$	86,941
Secretary to Board		50,453
Clerical Personnel		618,624
Temporary Personnel		603

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Part-time Personnel	\$	13,078	
Social Security		44,411	
Pensions		47,452	
Life Insurance		802	
Medical Insurance		176,134	
Dental Insurance		4,709	
Unemployment Compensation		1,038	
Employer Medicare		10,506	
Communication		644	
Dues and Memberships		705	
Operating Lease Payments		8,772	
Maintenance Agreements		21,557	
Maintenance and Repair Services - Vehicles		260	
Printing, Stationery, and Forms		1,297	
Travel		727	
Other Contracted Services		144	
Gasoline		753	
Office Supplies		12,038	
Periodicals		600	
Workers' Compensation Insurance		3,875	
In Service/Staff Development		160	
Other Charges		392	
Data Processing Equipment		4,606	
Furniture and Fixtures		147	
Total County Clerk's Office			\$ 1,111,428

Data Processing

Data Processing Personnel	\$	271,075
Part-time Personnel		4,558
Overtime Pay		16
Social Security		16,346
Pensions		17,924
Life Insurance		292
Medical Insurance		33,573
Dental Insurance		1,112
Unemployment Compensation		304
Employer Medicare		3,823
Communication		47,987
Data Processing Services		255,621
Operating Lease Payments		1,484
Licenses		143,078
Maintenance and Repair Services - Equipment		15,961
Travel		1,018
Tuition		2,159
Other Contracted Services		2,358
Data Processing Supplies		917
Equipment Parts - Light		10,856

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

Data Processing (Cont.)

Office Supplies	\$	176	
Workers' Compensation Insurance		1,085	
Data Processing Equipment		26,928	
Total Data Processing			\$ 858,651

Administration of Justice

Circuit Court Judge

Clerical Personnel	\$	739	
Jury and Witness Expense		9,380	
Social Security		46	
Unemployment Compensation		4	
Employer Medicare		11	
Operating Lease Payments		688	
Legal Notices, Recording, and Court Costs		275	
Maintenance Agreements		2,550	
Printing, Stationery, and Forms		4,103	
Other Contracted Services		98	
Data Processing Supplies		867	
Duplicating Supplies		197	
Food Preparation Supplies		88	
Food Supplies		1,429	
Library Books/Media		158	
Office Supplies		405	
Periodicals		60	
Other Supplies and Materials		265	
Workers' Compensation Insurance		155	
Furniture and Fixtures		898	
Total Circuit Court Judge			22,416

Circuit Court Clerk

County Official/Administrative Officer	\$	95,635
Assistant(s)		207,033
Clerical Personnel		1,192,686
Temporary Personnel		2,008
Part-time Personnel		40,512
Social Security		89,318
Pensions		102,663
Life Insurance		1,690
Medical Insurance		320,400
Dental Insurance		8,916
Unemployment Compensation		1,950
Employer Medicare		20,889
Communication		7,870
Contracts with Private Agencies		2,514
Dues and Memberships		1,471
Operating Lease Payments		12,255
Maintenance Agreements		35,164

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court Clerk (Cont.)

Maintenance and Repair Services - Office Equipment	\$	354	
Printing, Stationery, and Forms		15,281	
Travel		2,917	
Tuition		7,415	
Other Contracted Services		826	
Custodial Supplies		205	
Data Processing Supplies		15,607	
Duplicating Supplies		3,498	
Food Preparation Supplies		166	
Food Supplies		1,092	
Gasoline		460	
Library Books/Media		1,222	
Office Supplies		4,297	
Other Supplies and Materials		3,093	
Workers' Compensation Insurance		7,440	
In Service/Staff Development		119	
Other Charges		152	
Building Improvements		20,251	
Data Processing Equipment		2,741	
Furniture and Fixtures		1,178	
Total Circuit Court Clerk			\$ 2,231,288

Criminal Court

Supervisor/Director	\$	54,384	
Probation Officer(s)		202,808	
Secretary(ies)		30,722	
Part-time Personnel		13,890	
Social Security		18,192	
Pensions		19,868	
Life Insurance		338	
Medical Insurance		47,622	
Dental Insurance		1,178	
Unemployment Compensation		386	
Employer Medicare		4,255	
Communication		1,125	
Dues and Memberships		910	
Operating Lease Payments		896	
Travel		5,326	
Tuition		6,385	
Other Contracted Services		2,320	
Drugs and Medical Supplies		39,710	
Instructional Supplies and Materials		3,750	
Office Supplies		1,950	
Other Supplies and Materials		355	
Workers' Compensation Insurance		1,395	
Total Criminal Court			457,765

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Judge

Judge(s)	\$	654,389	
Secretary(ies)		133,162	
Other Salaries and Wages		4,800	
Social Security		39,586	
Pensions		52,754	
Life Insurance		383	
Medical Insurance		67,762	
Dental Insurance		1,658	
Unemployment Compensation		168	
Employer Medicare		11,100	
Communication		577	
Dues and Memberships		1,983	
Operating Lease Payments		834	
Maintenance and Repair Services - Office Equipment		142	
Printing, Stationery, and Forms		814	
Travel		4,707	
Tuition		835	
Other Contracted Services		848	
Library Books/Media		2,207	
Office Supplies		6,000	
Workers' Compensation Insurance		1,240	
Total General Sessions Judge			\$ 985,949

Drug Court

Other Salaries and Wages	\$	25,608	
Social Security		1,549	
Pensions		126	
Life Insurance		28	
Medical Insurance		2,375	
Dental Insurance		86	
Unemployment Compensation		76	
Employer Medicare		362	
Dues and Memberships		120	
Travel		3,109	
Tuition		1,370	
Drugs and Medical Supplies		572	
Other Supplies and Materials		2,294	
Other Charges		153	
Total Drug Court			37,828

Chancery Court

County Official/Administrative Officer	\$	86,941
Clerical Personnel		239,075
Social Security		19,043
Pensions		22,496
Life Insurance		331
Medical Insurance		53,183

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Dental Insurance	\$	1,885	
Unemployment Compensation		294	
Employer Medicare		4,454	
Communication		577	
Dues and Memberships		1,074	
Operating Lease Payments		3,181	
Printing, Stationery, and Forms		5,745	
Travel		122	
Duplicating Supplies		949	
Office Supplies		7,073	
Other Supplies and Materials		200	
Premiums on Corporate Surety Bonds		50	
Data Processing Equipment		14,000	
Total Chancery Court			\$ 460,673

Juvenile Court

Youth Service Officer(s)	\$	220,927	
Secretary(ies)		35,803	
Temporary Personnel		3,150	
Other Salaries and Wages		74,450	
Social Security		19,233	
Pensions		22,501	
Life Insurance		349	
Medical Insurance		47,637	
Dental Insurance		1,650	
Unemployment Compensation		295	
Employer Medicare		4,542	
Communication		2,259	
Dues and Memberships		2,635	
Evaluation and Testing		434	
Operating Lease Payments		2,429	
Medical and Dental Services		11,625	
Printing, Stationery, and Forms		104	
Travel		6,290	
Tuition		2,163	
Other Contracted Services		83	
Food Supplies		527	
Library Books/Media		109	
Office Supplies		1,931	
Uniforms		456	
Other Supplies and Materials		214	
Workers' Compensation Insurance		1,240	
Other Charges		814	
Food Service Equipment		626	
Furniture and Fixtures		13,723	
Total Juvenile Court			478,199

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Office of Public Defender

Clerical Personnel	\$	28,808	
Social Security		1,786	
Unemployment Compensation		89	
Employer Medicare		418	
Operating Lease Payments		16,800	
Total Office of Public Defender			\$ 47,901

Judicial Commissioners

Clerical Personnel	\$	147,563	
Social Security		8,552	
Pensions		6,102	
Life Insurance		106	
Medical Insurance		4,840	
Dental Insurance		210	
Unemployment Compensation		401	
Employer Medicare		2,118	
Communication		577	
Dues and Memberships		600	
Operating Lease Payments		936	
Office Supplies		2,258	
Other Supplies and Materials		790	
Workers' Compensation Insurance		1,240	
Total Judicial Commissioners			176,293

Other Administration of Justice

Captain(s)	\$	19,525	
Lieutenant(s)		50,354	
Sergeant(s)		46,410	
Attendants		251,698	
Social Security		21,684	
Pensions		36,021	
Life Insurance		411	
Medical Insurance		60,839	
Dental Insurance		1,670	
Unemployment Compensation		362	
Employer Medicare		5,071	
Workers' Compensation Insurance		10,946	
Total Other Administration of Justice			504,991

Probation Services

Supervisor/Director	\$	64,373	
Probation Officer(s)		255,998	
Accountants/Bookkeepers		36,168	
Secretary(ies)		27,302	
Other Salaries and Wages		4,200	
Social Security		22,720	
Pensions		24,899	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Probation Services (Cont.)

Life Insurance	\$	438	
Medical Insurance		71,015	
Dental Insurance		1,974	
Unemployment Compensation		483	
Employer Medicare		5,313	
Communication		5,678	
Contracts with Government Agencies		11,175	
Dues and Memberships		1,175	
Operating Lease Payments		896	
Licenses		3,600	
Printing, Stationery, and Forms		4,271	
Travel		166	
Tuition		908	
Other Contracted Services		4,016	
Drugs and Medical Supplies		634	
Office Supplies		3,996	
Other Supplies and Materials		317	
Workers' Compensation Insurance		1,550	
Total Probation Services			\$ 553,265

Victim Assistance Programs

Contributions	\$	47,997	
Total Victim Assistance Programs			47,997

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	105,199	
Assistant(s)		111,670	
Supervisor/Director		298,785	
Deputy(ies)		4,113,755	
Detective(s)		367,834	
Investigator(s)		33,783	
Captain(s)		116,254	
Lieutenant(s)		284,224	
Sergeant(s)		441,560	
Salary Supplements		97,825	
Mechanic(s)		39,954	
Clerical Personnel		221,737	
Attendants		244,735	
Part-time Personnel		35,794	
Longevity Pay		53,424	
Overtime Pay		583,111	
Other Salaries and Wages		10,920	
In-service Training		92,400	
Social Security		426,267	
Pensions		681,700	
Life Insurance		7,277	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Medical Insurance	\$ 1,423,244	
Dental Insurance	34,281	
Unemployment Compensation	7,224	
Employer Medicare	99,978	
Advertising	295	
Communication	195,839	
Contracts with Government Agencies	1,000	
Contracts with Other Public Agencies	2,380	
Confidential Drug Enforcement Payments	5,000	
Dues and Memberships	8,517	
Evaluation and Testing	7,542	
Operating Lease Payments	34,900	
Legal Services	2,550	
Legal Notices, Recording, and Court Costs	300	
Licenses	12,981	
Maintenance Agreements	108,293	
Maintenance and Repair Services - Buildings	6,614	
Maintenance and Repair Services - Equipment	60,983	
Maintenance and Repair Services - Vehicles	32,023	
Matching Share	23,750	
Printing, Stationery, and Forms	9,799	
Rentals	1,612	
Travel	66,351	
Tuition	49,543	
Other Contracted Services	29,668	
Basic Skills Materials	116,484	
Custodial Supplies	627	
Data Processing Supplies	38,612	
Drugs and Medical Supplies	5,320	
Electricity	11,299	
Equipment and Machinery Parts	516	
Food Supplies	7,016	
Garage Supplies	3,057	
Gasoline	383,431	
Law Enforcement Supplies	56,786	
Lubricants	5,015	
Office Supplies	34,717	
Small Tools	923	
Tires and Tubes	32,579	
Uniforms	129,946	
Vehicle Parts	65,703	
Other Supplies and Materials	14,871	
Workers' Compensation Insurance	197,329	
Building Improvements	15,350	
Communication Equipment	1,234	
Data Processing Equipment	5,510	
Law Enforcement Equipment	187,809	
Other Equipment	21,664	
Total Sheriff's Department		\$ 11,928,673

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Administration of the Sexual Offender Registry

Other Charges	\$ 6,550	
Total Administration of the Sexual Offender Registry		\$ 6,550

Jail

Assistant(s)	\$ 47,564	
Supervisor/Director	50,123	
Captain(s)	63,629	
Lieutenant(s)	159,861	
Sergeant(s)	154,908	
Computer Programmer(s)	220,443	
Salary Supplements	9,025	
Guards	138,346	
Clerical Personnel	175,750	
Attendants	2,796,236	
Cafeteria Personnel	103,557	
Part-time Personnel	144,119	
Overtime Pay	206,316	
In-service Training	31,800	
Social Security	250,718	
Pensions	282,404	
Life Insurance	4,356	
Medical Insurance	802,451	
Dental Insurance	22,099	
Unemployment Compensation	5,969	
Employer Medicare	59,273	
Contracts with Private Agencies	22,877	
Dues and Memberships	300	
Evaluation and Testing	65	
Maintenance Agreements	35,000	
Maintenance and Repair Services - Buildings	22,515	
Maintenance and Repair Services - Equipment	19,857	
Medical and Dental Services	1,484,501	
Printing, Stationery, and Forms	7,634	
Travel	17,141	
Tuition	500	
Custodial Supplies	99,288	
Data Processing Supplies	4,623	
Drugs and Medical Supplies	4,720	
Food Preparation Supplies	25,020	
Food Supplies	711,986	
Prisoners Clothing	20,498	
Uniforms	96,224	
Other Supplies and Materials	54,554	
Workers' Compensation Insurance	142,350	
Law Enforcement Equipment	47,875	
Other Equipment	39,198	
Total Jail		8,585,673

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Workhouse

County Official/Administrative Officer	\$	10,520	
Social Security		625	
Pensions		1,090	
Employer Medicare		146	
Workers' Compensation Insurance		1,095	
Total Workhouse			\$ 13,476

Juvenile Services

Captain(s)	\$	61,934	
Lieutenant(s)		43,566	
Sergeant(s)		137,733	
Medical Personnel		8,843	
Salary Supplements		10,520	
Guards		119,938	
Attendants		652,546	
Part-time Personnel		1,568	
Overtime Pay		10,257	
Other Salaries and Wages		25,363	
Social Security		62,847	
Pensions		75,688	
Life Insurance		1,182	
Medical Insurance		190,228	
Dental Insurance		5,342	
Unemployment Compensation		1,176	
Employer Medicare		14,827	
Maintenance Agreements		11,625	
Medical and Dental Services		2,764	
Travel		151	
Custodial Supplies		2,235	
Food Supplies		888	
Instructional Supplies and Materials		827	
Office Supplies		3,397	
Prisoners Clothing		3,826	
Uniforms		4,882	
Other Supplies and Materials		2,748	
Workers' Compensation Insurance		31,755	
Total Juvenile Services			1,488,656

Fire Prevention and Control

Contracts with Private Agencies	\$	23,250	
Total Fire Prevention and Control			23,250

Civil Defense

Assistant(s)	\$	26,822	
Supervisor/Director		58,224	
Social Security		5,019	
Pensions		5,875	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Life Insurance	\$	91	
Medical Insurance		12,167	
Dental Insurance		358	
Unemployment Compensation		61	
Employer Medicare		1,174	
Communication		3,068	
Data Processing Services		28,058	
Dues and Memberships		110	
Operating Lease Payments		1,157	
Travel		387	
Other Contracted Services		17,143	
Food Supplies		4,383	
Gasoline		843	
Office Supplies		512	
Other Supplies and Materials		1,035	
Workers' Compensation Insurance		310	
Communication Equipment		1,776	
Law Enforcement Equipment		11,926	
Total Civil Defense			\$ 180,499

Other Emergency Management

Contracts with Government Agencies	\$	330,769	
Total Other Emergency Management			330,769

Public Health and Welfare

Local Health Center

Medical Personnel	\$	544,087	
Clerical Personnel		102,340	
Part-time Personnel		70,091	
Social Security		40,854	
Pensions		38,850	
Life Insurance		688	
Medical Insurance		177,676	
Dental Insurance		4,037	
Unemployment Compensation		1,253	
Employer Medicare		9,729	
Communication		14,654	
Contracts with Government Agencies		96,330	
Dues and Memberships		200	
Maintenance Agreements		4,500	
Maintenance and Repair Services - Buildings		4,610	
Maintenance and Repair Services - Equipment		825	
Pest Control		420	
Travel		5,426	
Custodial Supplies		2,080	
Food Supplies		469	
Instructional Supplies and Materials		1,738	

(Continued)

Exhibit K-8

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

General Fund (Cont.)Public Health and Welfare (Cont.)Local Health Center (Cont.)

Office Supplies	\$	342	
Utilities		51,085	
Workers' Compensation Insurance		4,340	
Other Charges		21,858	
Total Local Health Center			\$ 1,198,482

Rabies and Animal Control

Supervisor/Director	\$	55,966	
Medical Personnel		72,601	
Truck Drivers		9,495	
Part-time Personnel		12,784	
Overtime Pay		9,158	
Other Salaries and Wages		179,734	
Social Security		20,225	
Pensions		20,780	
Life Insurance		326	
Medical Insurance		67,370	
Dental Insurance		1,788	
Unemployment Compensation		503	
Employer Medicare		4,730	
Communication		1,968	
Dues and Memberships		240	
Operating Lease Payments		9,306	
Licenses		1,070	
Maintenance and Repair Services - Buildings		3,715	
Maintenance and Repair Services - Equipment		745	
Maintenance and Repair Services - Vehicles		1,764	
Transportation - Other than Students		8,778	
Tuition		175	
Other Contracted Services		9,800	
Animal Food and Supplies		7,146	
Custodial Supplies		5,409	
Drugs and Medical Supplies		71,762	
Gasoline		13,343	
Office Supplies		1,610	
Uniforms		2,221	
Utilities		4,634	
Other Supplies and Materials		20,385	
Workers' Compensation Insurance		1,705	
Total Rabies and Animal Control			621,236

Other Local Welfare Services

Contracts with Private Agencies	\$	95,429	
Total Other Local Welfare Services			95,429

Recycling Center

Part-time Personnel	\$	9,487	
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(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Recycling Center (Cont.)

Social Security	\$	588	
Unemployment Compensation		51	
Employer Medicare		138	
Legal Notices, Recording, and Court Costs		10	
Maintenance Agreements		10,156	
Food Supplies		649	
Utilities		1,243	
Workers' Compensation Insurance		155	
Building Construction		52,693	
Plant Operation Equipment		49,464	
Total Recycling Center			\$ 124,634

Social, Cultural, and Recreational Services

Parks and Fair Boards

Contracts with Government Agencies	\$	693,977	
Total Parks and Fair Boards			693,977

Agriculture and Natural Resources

Agricultural Extension Service

Communication	\$	2,745	
Contracts with Government Agencies		164,430	
Operating Lease Payments		1,101	
Total Agricultural Extension Service			168,276

Soil Conservation

Supervisor/Director	\$	67,369	
Educational Assistants		8,039	
Social Security		4,604	
Pensions		4,649	
Life Insurance		60	
Medical Insurance		5,553	
Dental Insurance		236	
Unemployment Compensation		42	
Employer Medicare		1,077	
Communication		1,067	
Maintenance and Repair Services - Vehicles		1,420	
Postal Charges		245	
Travel		1,004	
Tuition		675	
Other Contracted Services		24,169	
Gasoline		198	
Office Supplies		3,063	
Workers' Compensation Insurance		310	
Building Improvements		565	
Data Processing Equipment		3,289	
Furniture and Fixtures		2,052	
Total Soil Conservation			129,686

(Continued)

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

General Fund (Cont.)

Other Operations

Industrial Development

Contracts for Development Costs	\$ 1,062,200	
Total Industrial Development		\$ 1,062,200

Veterans' Services

Assistant(s)	\$ 80,296	
Supervisor/Director	53,599	
Social Security	7,937	
Pensions	9,238	
Life Insurance	155	
Medical Insurance	18,273	
Dental Insurance	707	
Unemployment Compensation	126	
Employer Medicare	1,856	
Communication	1,921	
Operating Lease Payments	896	
Legal Notices, Recording, and Court Costs	54	
Maintenance Agreements	1,197	
Maintenance and Repair Services - Vehicles	533	
Travel	203	
Tuition	100	
Duplicating Supplies	710	
Gasoline	805	
Office Supplies	1,644	
Workers' Compensation Insurance	465	
Total Veterans' Services		180,715

Contributions to Other Agencies

Contributions	\$ 129,888	
Total Contributions to Other Agencies		129,888

Highways

Litter and Trash Collection

Attendants	\$ 34,986	
Social Security	2,076	
Pensions	2,408	
Life Insurance	40	
Medical Insurance	5,478	
Dental Insurance	233	
Unemployment Compensation	42	
Employer Medicare	485	
Contracts with Government Agencies	3,200	
Contracts with Other Public Agencies	20,000	
Licenses	25	
Other Contracted Services	8,375	
Other Supplies and Materials	1,958	
Workers' Compensation Insurance	1,095	
Total Litter and Trash Collection		80,401

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Capital Projects

General Administration Projects

Data Processing Equipment	\$ 31,892	
Other Capital Outlay	13,679	
Total General Administration Projects		\$ 45,571

Public Safety Projects

Communication Equipment	\$ 140,639	
Motor Vehicles	604,715	
Total Public Safety Projects		745,354

Total General Fund \$ 46,303,582

Courthouse and Jail Maintenance Fund

General Government

County Buildings

Trustee's Commission	\$ 2,089	
Building Improvements	186,292	
Total County Buildings		\$ 188,381

Total Courthouse and Jail Maintenance Fund 188,381

Law Library Fund

Other Operations

Other Charges

Licenses	\$ 8,118	
Trustee's Commission	101	
Total Other Charges		\$ 8,219

Total Law Library Fund 8,219

Public Library Fund

General Government

County Buildings

Custodial Personnel	\$ 69,955
Maintenance Personnel	3,586
Part-time Personnel	10,012
Overtime Pay	4
Social Security	4,789
Pensions	439
Life Insurance	82
Medical Insurance	23,159
Dental Insurance	631
Unemployment Compensation	235
Employer Medicare	1,120
Maintenance Agreements	7,704
Maintenance and Repair Services - Buildings	8,192
Maintenance and Repair Services - Equipment	30,866
Other Supplies and Materials	8,011

(Continued)

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

Public Library Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Building Improvements	\$	5,126	
Maintenance Equipment		7,538	
Total County Buildings			\$ 181,449

Social, Cultural, and Recreational Services

Libraries

County Official/Administrative Officer	\$	78,491
Supervisor/Director		404,131
Temporary Personnel		1,368
Part-time Personnel		351,027
Overtime Pay		9
Other Salaries and Wages		341,338
Social Security		69,383
Pensions		6,772
Life Insurance		892
Medical Insurance		132,333
Dental Insurance		4,544
Unemployment Compensation		2,339
Local Retirement		20,481
Employer Medicare		16,524
Bank Charges		2,234
Communication		34,154
Data Processing Services		605
Debt Collection Services		1,011
Dues and Memberships		2,856
Operating Lease Payments		9,062
Legal Services		1,975
Licenses		45,956
Maintenance Agreements		10,992
Pest Control		865
Postal Charges		284
Printing, Stationery, and Forms		600
Travel		3,749
Tuition		1,849
Permits		420
Other Contracted Services		3,267
Custodial Supplies		9,998
Data Processing Supplies		5,470
Food Preparation Supplies		4,185
Library Books/Media		170,264
Office Supplies		11,812
Periodicals		3,462
Utilities		188,546
Software		12,472
Liability Insurance		27,000
Trustee's Commission		889
Workers' Compensation Insurance		2,500

(Continued)

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

Public Library Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Other Charges	\$	50	
Data Processing Equipment		60,301	
Food Service Equipment		5,992	
Total Libraries			\$ 2,052,452

Other Social, Cultural, and Recreational

Supervisor/Director	\$	3,029	
Cafeteria Personnel		46,199	
Part-time Personnel		24,465	
Social Security		4,538	
Pensions		339	
Life Insurance		58	
Medical Insurance		2,932	
Dental Insurance		91	
Unemployment Compensation		268	
Employer Medicare		1,061	
Food Preparation Supplies		1,506	
Food Supplies		41,692	
Other Supplies and Materials		715	
Total Other Social, Cultural, and Recreational			126,893

Capital Projects

General Administration Projects

Maintenance and Repair Services - Buildings	\$	1,325	
Building Improvements		16,585	
Total General Administration Projects			17,910

Total Public Library Fund \$ 2,378,704

Drug Control Fund

Public Safety

Sheriff's Department

Other Contracted Services	\$	8,402	
Animal Food and Supplies		13,144	
Other Supplies and Materials		1,267	
Trustee's Commission		1,636	
Other Charges		3,000	
Law Enforcement Equipment		2,498	
Total Sheriff's Department			\$ 29,947

Total Drug Control Fund 29,947

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	3,630	
Total Chancery Court			\$ 3,630

Total Constitutional Officers - Fees Fund 3,630

(Continued)

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	105,199	
Assistant(s)		85,648	
Supervisor/Director		69,116	
Accountants/Bookkeepers		48,508	
Maintenance Personnel		43,538	
Overtime Pay		83	
Social Security		20,861	
Pensions		24,222	
Life Insurance		285	
Medical Insurance		42,593	
Dental Insurance		1,145	
Unemployment Compensation		84	
Local Retirement		123,895	
Employer Medicare		4,879	
Communication		13,671	
Dues and Memberships		4,170	
Licenses		1,700	
Maintenance Agreements		5,834	
Postal Charges		38	
Travel		2,222	
Tuition		3,210	
Custodial Supplies		4,665	
Electricity		3,931	
Office Supplies		4,252	
Software		518	
Liability Insurance		99,199	
Trustee's Commission		81,750	
Workers' Compensation Insurance		12,971	
Building Improvements		1,787	
Office Equipment		3,055	
Total Administration			\$ 813,029

Highway and Bridge Maintenance

Supervisor/Director	\$	266,611
Assessment Personnel		41,404
Foremen		44,603
Equipment Operators		1,174,382
Laborers		83,899
Overtime Pay		36,851
Other Salaries and Wages		819
Social Security		96,593
Pensions		108,567
Life Insurance		1,778
Medical Insurance		347,068
Dental Insurance		8,451
Unemployment Compensation		921
Employer Medicare		22,590

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Engineering Services	\$	27,100	
Operating Lease Payments		8,989	
Other Contracted Services		122,914	
Asphalt - Hot Mix		1,544,879	
Asphalt - Liquid		72,047	
Concrete		15,490	
Crushed Stone		132,860	
Fertilizer, Lime, and Seed		980	
Food Supplies		3,425	
Pipe - Metal		69,321	
Road Signs		40,614	
Salt		36,518	
Structural Steel		3,805	
Uniforms		5,670	
Drainage Materials		3,217	
Other Supplies and Materials		121	
Workers' Compensation Insurance		98,580	
Highway Equipment		35,917	
State Aid Projects		213,954	
Total Highway and Bridge Maintenance			\$ 4,670,938

Operation and Maintenance of Equipment

Supervisor/Director	\$	67,862	
Materials Supervisor		35,175	
Mechanic(s)		181,410	
Overtime Pay		1,797	
Social Security		16,831	
Pensions		19,753	
Life Insurance		314	
Medical Insurance		58,442	
Dental Insurance		1,414	
Unemployment Compensation		126	
Employer Medicare		3,936	
Maintenance and Repair Services - Vehicles		2,840	
Diesel Fuel		85,289	
Equipment and Machinery Parts		108,635	
Gasoline		36,643	
Lubricants		2,162	
Propane Gas		4,580	
Tires and Tubes		16,035	
Uniforms		5,181	
Workers' Compensation Insurance		15,565	
Maintenance Equipment		24,569	
Total Operation and Maintenance of Equipment			688,559

Capital Outlay

Highway Equipment	\$	1,446,866	
Total Capital Outlay			1,446,866

Total Highway/Public Works Fund \$ 7,619,392

(Continued)

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

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 7,251,929	
Principal on Capital Leases	316,799	
Principal on Other Loans	1,065,501	
Total General Government		\$ 8,634,229

Education

Principal on Capital Leases	\$ 277,778	
Total Education		277,778

Interest on Debt

General Government

Interest on Bonds	\$ 7,946,730	
Interest on Capital Leases	53,384	
Interest on Other Loans	76,797	
Total General Government		8,076,911

Education

Interest on Capital Leases	\$ 48,866	
Total Education		48,866

Other Debt Service

General Government

Financial Advisory Services	\$ 12,000	
Trustee's Commission	358,188	
Other Debt Service	18,584	
Total General Government		388,772

Education

Contributions	\$ 1,272,000	
Total Education		1,272,000

Total General Debt Service Fund \$ 18,698,556

Other Capital Projects Fund

Capital Projects

General Administration Projects

Data Processing Equipment	\$ 1,211,667	
Total General Administration Projects		\$ 1,211,667

Administration of Justice Projects

Law Enforcement Equipment	\$ 364,580	
Total Administration of Justice Projects		364,580

Public Safety Projects

Other Equipment	\$ 110,293	
Total Public Safety Projects		110,293

(Continued)

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

<u>Other Capital Projects Fund (Cont.)</u>		
<u>Capital Projects (Cont.)</u>		
<u>Other General Government Projects</u>		
Other Capital Outlay	<u>\$ 1,100,000</u>	
Total Other General Government Projects		\$ 1,100,000
 <u>Highway and Street Capital Projects</u>		
Bridge Construction	<u>\$ 101,968</u>	
Total Highway and Street Capital Projects		<u>101,968</u>
 Total Other Capital Projects Fund		 <u>\$ 2,888,508</u>
Total Governmental Funds - Primary Government		<u><u>\$ 78,118,919</u></u>

Exhibit K-9

Blount County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Blount County School Department
For the Year Ended June 30, 2018

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 28,108,482	
Career Ladder Program	162,900	
Salary Supplements	580,824	
Educational Assistants	1,880,050	
Other Salaries and Wages	130,700	
Social Security	1,791,129	
Pensions	2,650,924	
Life Insurance	30,541	
Medical Insurance	5,046,667	
Dental Insurance	119,008	
Employer Medicare	425,158	
Printing, Stationery, and Forms	3,206	
Tuition	1,065	
Contracts for Substitute Teachers - Certified	1,248,615	
Other Contracted Services	10,750	
Data Processing Supplies	9,129	
Instructional Supplies and Materials	364,739	
Textbooks - Bound	406,329	
In Service/Staff Development	17,593	
Data Processing Equipment	40,177	
Furniture and Fixtures	112,659	
Total Regular Instruction Program		\$ 43,140,645

Special Education Program

Teachers	\$ 4,447,879	
Career Ladder Program	19,000	
Educational Assistants	1,005,325	
Social Security	310,575	
Pensions	429,575	
Life Insurance	5,305	
Medical Insurance	981,829	
Dental Insurance	22,998	
Employer Medicare	74,310	
Contracts with Private Agencies	90	
Instructional Supplies and Materials	121,220	
Other Supplies and Materials	842	
In Service/Staff Development	7,500	
Special Education Equipment	9,766	
Total Special Education Program		7,436,214

Career and Technical Education Program

Teachers	\$ 2,550,241
Career Ladder Program	10,000
Social Security	150,138
Pensions	234,425
Life Insurance	2,691

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program (Cont.)

Medical Insurance	\$	435,471	
Dental Insurance		9,958	
Employer Medicare		35,113	
Maintenance and Repair Services - Equipment		3,736	
Instructional Supplies and Materials		57,465	
Other Supplies and Materials		2,253	
Liability Insurance		710	
Vocational Instruction Equipment		155,121	
Total Career and Technical Education Program	\$		3,647,322

Other

Local Retirement	\$	1,144,796	
Total Other			1,144,796

Support Services

Attendance

Supervisor/Director	\$	48,983	
Clerical Personnel		44,767	
Social Security		5,417	
Pensions		6,882	
Life Insurance		90	
Medical Insurance		28,385	
Dental Insurance		564	
Employer Medicare		1,267	
Total Attendance			136,355

Health Services

Medical Personnel	\$	636,248	
Secretary(ies)		12,433	
Other Salaries and Wages		68,767	
Social Security		42,703	
Pensions		27,463	
Life Insurance		476	
Medical Insurance		74,964	
Dental Insurance		1,845	
Employer Medicare		9,987	
Dues and Memberships		250	
Medical and Dental Services		2,000	
Travel		1,544	
Other Contracted Services		366	
Drugs and Medical Supplies		13,188	
Food Supplies		260	
Instructional Supplies and Materials		27,202	
Office Supplies		178	
In Service/Staff Development		990	
Data Processing Equipment		827	
Health Equipment		6,312	
Total Health Services			928,003

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support

Guidance Personnel	\$	1,240,884	
Social Workers		45,887	
Secretary(ies)		41,221	
Social Security		77,702	
Pensions		115,885	
Life Insurance		1,235	
Medical Insurance		162,998	
Dental Insurance		4,652	
Employer Medicare		18,744	
Evaluation and Testing		59,098	
Travel		650	
Other Contracted Services		250	
Instructional Supplies and Materials		99	
Office Supplies		220	
Software		125,070	
Other Supplies and Materials		4,482	
In Service/Staff Development		2,388	
Total Other Student Support			\$ 1,901,465

Regular Instruction Program

Supervisor/Director	\$	98,752	
Teachers		12,225	
Librarians		1,174,089	
Secretary(ies)		84,356	
Other Salaries and Wages		144,888	
Social Security		89,084	
Pensions		134,419	
Life Insurance		1,381	
Medical Insurance		169,340	
Dental Insurance		5,319	
Employer Medicare		21,043	
Contracts with Government Agencies		18,646	
Travel		19,247	
Tuition		1,513	
Food Supplies		198	
Instructional Supplies and Materials		6,604	
Library Books/Media		60,000	
In Service/Staff Development		61,043	
Total Regular Instruction Program			2,102,147

Special Education Program

Psychological Personnel	\$	355,993	
Social Security		20,047	
Pensions		31,234	
Life Insurance		330	
Medical Insurance		44,047	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Dental Insurance	\$	1,117	
Employer Medicare		4,689	
Operating Lease Payments		2,135	
Travel		11,779	
Other Contracted Services		309,510	
In Service/Staff Development		20,000	
Total Special Education Program			\$ 800,881

Career and Technical Education Program

Supervisor/Director	\$	8,067	
Secretary(ies)		55,744	
Social Security		3,643	
Pensions		4,579	
Life Insurance		77	
Medical Insurance		19,092	
Dental Insurance		459	
Employer Medicare		852	
Software		22,750	
Total Career and Technical Education Program			115,263

Technology

Supervisor/Director	\$	96,248	
Computer Programmer(s)		249,010	
Clerical Personnel		35,859	
Other Salaries and Wages		129,907	
Social Security		30,714	
Pensions		35,999	
Life Insurance		491	
Medical Insurance		63,667	
Dental Insurance		1,767	
Employer Medicare		7,183	
Maintenance and Repair Services - Equipment		4,960	
Other Contracted Services		43,546	
Data Processing Supplies		160,242	
Software		295,138	
In Service/Staff Development		4,276	
Data Processing Equipment		663,005	
Total Technology			1,822,012

Other Programs

Other Contracted Services	\$	39,456	
Other Equipment		22,489	
Total Other Programs			61,945

Board of Education

Secretary(ies)	\$	8,275	
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(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Other Salaries and Wages	\$	448,274	
Board and Committee Members Fees		33,608	
Social Security		26,705	
Pensions		28,934	
Life Insurance		41	
Medical Insurance		8,516	
Dental Insurance		203	
Unemployment Compensation		4,725	
Employer Medicare		6,709	
Audit Services		32,000	
Contracts with Government Agencies		6,060	
Dues and Memberships		9,700	
Financial Advisory Services		984	
Legal Services		54,935	
Printing, Stationery, and Forms		561	
Tuition		1,616	
Other Contracted Services		6,030	
Liability Insurance		353,898	
Trustee's Commission		731,841	
Workers' Compensation Insurance		354,000	
In Service/Staff Development		4,583	
Other Charges		26,261	
Total Board of Education			\$ 2,148,459

Director of Schools

County Official/Administrative Officer	\$	131,431
Assistant(s)		205,538
Supervisor/Director		110,094
Career Ladder Program		1,000
Secretary(ies)		57,723
Other Salaries and Wages		55,937
Social Security		33,513
Pensions		45,715
Life Insurance		1,404
Medical Insurance		56,671
Dental Insurance		1,372
Disability Insurance		1,019
Employer Medicare		7,901
Dues and Memberships		5,047
Operating Lease Payments		10,214
Postal Charges		4,615
Printing, Stationery, and Forms		1,421
Rentals		450
Travel		490
Other Contracted Services		1,606
Office Supplies		4,846

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Other Supplies and Materials	\$	6,336	
In Service/Staff Development		6,161	
Other Charges		6,779	
Total Director of Schools			\$ 757,283

Office of the Principal

Principals	\$	1,898,457	
Accountants/Bookkeepers		84,982	
Assistant Principals		1,398,888	
Secretary(ies)		1,169,565	
Social Security		269,056	
Pensions		380,275	
Life Insurance		3,837	
Medical Insurance		681,016	
Dental Insurance		16,733	
Employer Medicare		62,950	
Communication		104,480	
Dues and Memberships		1,800	
Operating Lease Payments		815	
Internet Connectivity		122,356	
Rentals		8,000	
Other Contracted Services		132	
Other Supplies and Materials		5,000	
Other Charges		9,317	
Building Improvements		2,500	
Total Office of the Principal			6,220,159

Fiscal Services

Accountants/Bookkeepers	\$	143,728	
Social Security		8,145	
Pensions		9,917	
Life Insurance		164	
Medical Insurance		33,623	
Dental Insurance		758	
Employer Medicare		1,905	
Travel		250	
In Service/Staff Development		2,985	
Total Fiscal Services			201,475

Operation of Plant

Custodial Personnel	\$	2,460,608	
Social Security		141,768	
Pensions		148,002	
Life Insurance		2,733	
Medical Insurance		658,359	
Dental Insurance		18,211	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Employer Medicare	\$	33,200	
Evaluation and Testing		810	
Maintenance Agreements		164,729	
Maintenance and Repair Services - Equipment		5,280	
Permits		2,080	
Other Contracted Services		32,815	
Custodial Supplies		218,756	
Electricity		2,942,540	
Fuel Oil		14,942	
Natural Gas		176,599	
Water and Sewer		322,300	
Plant Operation Equipment		88,478	
Total Operation of Plant			\$ 7,432,210

Maintenance of Plant

Supervisor/Director	\$	82,894	
Secretary(ies)		41,499	
Maintenance Personnel		599,508	
Social Security		42,676	
Pensions		50,245	
Life Insurance		786	
Medical Insurance		131,080	
Dental Insurance		3,537	
Employer Medicare		9,981	
Maintenance Agreements		18,552	
Maintenance and Repair Services - Buildings		179,103	
Maintenance and Repair Services - Equipment		236,904	
Maintenance and Repair Services - Vehicles		21,192	
Pest Control		8,319	
Permits		4,225	
Other Contracted Services		182,250	
Equipment and Machinery Parts		36,395	
Gasoline		41,192	
Other Supplies and Materials		107,652	
Other Charges		2,324	
Building Improvements		126,287	
Heating and Air Conditioning Equipment		70,896	
Motor Vehicles		35,003	
Other Capital Outlay		68,528	
Total Maintenance of Plant			2,101,028

Transportation

Supervisor/Director	\$	48,983	
Clerical Personnel		45,621	
Other Salaries and Wages		51,516	
Social Security		8,556	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Pensions	\$	11,064	
Life Insurance		138	
Medical Insurance		20,847	
Dental Insurance		581	
Employer Medicare		2,001	
Contracts with Parents		1,000	
Contracts with Vehicle Owners		3,313,016	
Medical and Dental Services		577	
Other Contracted Services		827,100	
Tires and Tubes		361	
Transportation Equipment		32,950	
Total Transportation			\$ 4,364,311

Central and Other

Other Contracted Services	\$	9,302	
Data Processing Supplies		26,484	
Software		6,854	
Data Processing Equipment		191,663	
Total Central and Other			234,303

Operation of Non-Instructional Services

Early Childhood Education

Supervisor/Director	\$	8,336	
Teachers		385,910	
Educational Assistants		91,254	
Social Security		28,237	
Pensions		42,771	
Life Insurance		512	
Medical Insurance		105,694	
Dental Insurance		2,418	
Employer Medicare		6,604	
Contracts with Other Public Agencies		23,463	
Instructional Supplies and Materials		2,769	
In Service/Staff Development		2,140	
Total Early Childhood Education			700,108

Capital Outlay

Regular Capital Outlay

Architects	\$	28,942	
Building Improvements		1,444,046	
Communication Equipment		229,980	
Food Service Equipment		125,446	
Total Regular Capital Outlay			1,828,414

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$ 326,644	
Total Education		<u>\$ 326,644</u>

Total General Purpose School Fund \$ 89,551,442

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 852,252	
Educational Assistants	606,093	
Social Security	76,260	
Pensions	86,364	
Life Insurance	949	
Medical Insurance	136,805	
Dental Insurance	4,533	
Employer Medicare	20,489	
Instructional Supplies and Materials	360,444	
Textbooks - Bound	2,887	
Regular Instruction Equipment	<u>56,981</u>	
Total Regular Instruction Program		\$ 2,204,057

Special Education Program

Teachers	\$ 246,887	
Clerical Personnel	85,010	
Educational Assistants	1,147,687	
Speech Pathologist	43,062	
Social Security	91,389	
Pensions	69,822	
Life Insurance	1,148	
Medical Insurance	264,335	
Dental Insurance	8,480	
Employer Medicare	21,888	
Contracts for Substitute Teachers - Certified	1,400	
Instructional Supplies and Materials	<u>22,677</u>	
Total Special Education Program		2,003,785

Career and Technical Education Program

Other Salaries and Wages	\$ 84,857	
Social Security	6,613	
Pensions	8,372	
Life Insurance	161	
Medical Insurance	20,515	
Dental Insurance	275	
Employer Medicare	1,546	
Instructional Supplies and Materials	46,263	
Other Supplies and Materials	918	
Vocational Instruction Equipment	<u>105,382</u>	
Total Career and Technical Education Program		274,902

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Support Services

Other Student Support

Assessment Personnel	\$	80,382	
Social Security		4,771	
Pensions		7,299	
Life Insurance		58	
Medical Insurance		12,506	
Dental Insurance		226	
Employer Medicare		1,116	
Travel		17,075	
Other Contracted Services		15,245	
In Service/Staff Development		13,734	
Other Charges		20,441	
Total Other Student Support			\$ 172,853

Regular Instruction Program

Supervisor/Director	\$	84,397	
Secretary(ies)		44,054	
Other Salaries and Wages		198,367	
Social Security		19,532	
Pensions		27,314	
Life Insurance		299	
Medical Insurance		39,324	
Dental Insurance		899	
Employer Medicare		4,568	
Travel		4,310	
Other Contracted Services		41,490	
Other Supplies and Materials		16,359	
In Service/Staff Development		86,961	
Other Charges		438	
Total Regular Instruction Program			568,312

Special Education Program

Supervisor/Director	\$	96,172	
Psychological Personnel		115,545	
Secretary(ies)		44,294	
Clerical Personnel		72,962	
Other Salaries and Wages		9,500	
Social Security		21,386	
Pensions		28,894	
Life Insurance		317	
Medical Insurance		31,292	
Dental Insurance		922	
Employer Medicare		4,995	
Other Contracted Services		94,325	
Instructional Supplies and Materials		7,594	
Other Supplies and Materials		7,676	
In Service/Staff Development		34,992	
Total Special Education Program			570,866

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Career and Technical Education Program

Travel	\$	658	
In Service/Staff Development		2,767	
Total Career and Technical Education Program	\$		3,425

Transportation

Contracts with Parents	\$	1,834	
Other Contracted Services		250,000	
Total Transportation			251,834

Total School Federal Projects Fund \$ 6,050,034

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	57,138	
Accountants/Bookkeepers		41,558	
Cafeteria Personnel		1,894,109	
Social Security		117,867	
Pensions		77,538	
Life Insurance		1,584	
Medical Insurance		380,370	
Dental Insurance		8,470	
Employer Medicare		27,671	
Dues and Memberships		8,090	
Operating Lease Payments		10,815	
Maintenance Agreements		50,901	
Maintenance and Repair Services - Equipment		142,186	
Printing, Stationery, and Forms		1,950	
Transportation - Other than Students		25,653	
Travel		4,363	
Permits		1,680	
Other Contracted Services		75,020	
Custodial Supplies		45,910	
Food Preparation Supplies		112,608	
Food Supplies		1,692,123	
Office Supplies		4,699	
Uniforms		1,722	
USDA - Commodities		353,522	
Software		13,850	
Other Supplies and Materials		2,440	
Workers' Compensation Insurance		66,500	
In Service/Staff Development		4,572	
Data Processing Equipment		827	
Food Service Equipment		28,728	
Total Food Service	\$		5,254,464

Total Central Cafeteria Fund 5,254,464

(Continued)

Exhibit K-9

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

Extended School Program Fund

Operation of Non-Instructional Services

Community Services

Assistant(s)	\$	83,533	
Part-time Personnel		937,804	
Social Security		60,564	
Pensions		37,745	
Life Insurance		564	
Medical Insurance		114,206	
Dental Insurance		2,999	
Employer Medicare		14,312	
Contracts with Vehicle Owners		19,193	
Operating Lease Payments		3,810	
Travel		937	
Other Contracted Services		25,977	
Food Supplies		70,060	
Instructional Supplies and Materials		9,188	
Software		2,340	
Other Supplies and Materials		3,718	
Trustee's Commission		14,000	
In Service/Staff Development		295	
Other Equipment		180	
Total Community Services			<u>\$ 1,401,425</u>

Total Extended School Program Fund \$ 1,401,425

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Architects	\$	34,919	
Trustee's Commission		29,033	
Building Improvements		741,439	
Food Service Equipment		202,965	
Heating and Air Conditioning Equipment		1,073,217	
Other Capital Outlay		459,027	
Total Education Capital Projects			<u>\$ 2,540,600</u>

Total Education Capital Projects Fund 2,540,600

Total Governmental Funds - Blount County School Department \$ 104,797,965

Blount County, Tennessee
Schedule of Detailed Receipts, Disbursements, and Changes
in Cash Balances - City Agency Funds
For the Year Ended June 30, 2018

	Cities - Sales Tax Fund	City School ADA - Alcoa Fund	City School ADA - Maryville Fund	Total
<u>Cash Receipts</u>				
Current Property Taxes	\$ 0	\$ 4,027,399	\$ 11,005,242	\$ 15,032,641
Discount on Property Taxes	0	(57,327)	(154,515)	(211,842)
Trustee's Collections - Prior Years	0	88,773	242,501	331,274
Trustee's Collections - Bankruptcy	0	20,173	55,133	75,306
Circuit/Clerk and Master Collections - Prior Years	0	40,924	112,052	152,976
Interest and Penalty	0	15,919	43,479	59,398
Payments in-Lieu-of Taxes - Local Utilities	0	32,422	88,612	121,034
Payments in-Lieu-of Taxes - Other	0	1,963	5,291	7,254
Local Option Sales Taxes	21,259,140	2,853,976	7,800,234	31,913,350
Business Taxes	0	92,769	253,551	346,320
Marriage Licenses	0	1,009	2,754	3,763
Other Local Revenue	0	95	257	352
Interstate Telecommunications Tax	0	6,556	17,917	24,473
Other State Revenues	0	124,038	0	124,038
Total Cash Receipts	\$ 21,259,140	\$ 7,248,689	\$ 19,472,508	\$ 47,980,337
<u>Cash Disbursements</u>				
Remittance of Revenues Collected	\$ 21,046,549	\$ 7,134,323	\$ 19,163,117	\$ 47,343,989
Trustee's Commission	212,591	114,733	310,192	637,516
Total Cash Disbursements	\$ 21,259,140	\$ 7,249,056	\$ 19,473,309	\$ 47,981,505
Excess of Cash Receipts Over (Under)				
Cash Disbursements	\$ 0	\$ (367)	\$ (801)	\$ (1,168)
Cash Balance, July 1, 2017	0	5,321	14,341	19,662
Cash Balance, June 30, 2018	\$ 0	\$ 4,954	\$ 13,540	\$ 18,494

SINGLE AUDIT SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

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

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Blount County, Tennessee, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Blount County's basic financial statements, and have issued our report thereon dated December 28, 2018. Our report includes a reference to other auditors who audited the financial statements of Blount Memorial Hospital, Inc., as described in our report on Blount County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Blount 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 Blount County's internal control. Accordingly, we do not express an opinion on the effectiveness of Blount 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.

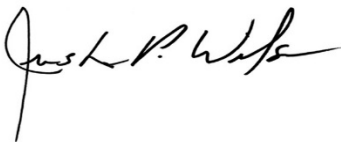
Compliance and Other Matters

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

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

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 28, 2018

JPW/tg



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

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

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Blount 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 Blount County's major federal programs for the year ended June 30, 2018. Blount 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 Blount 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 Blount 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 Blount County's compliance.

Opinion on Each Major Federal Program

In our opinion, Blount 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, 2018.

Report on Internal Control Over Compliance

Management of Blount 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 Blount 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 Blount County's internal control over compliance.

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

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

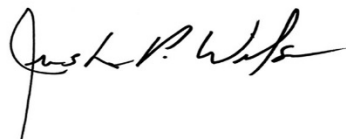
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Blount County, Tennessee, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Blount County's basic financial statements. We issued our report thereon dated December 28, 2018, which contained unmodified opinions on those financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 28, 2018

JPW/tg

Blount County, Tennessee, and the Blount County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2)
For the Year-Ended June 30, 2018

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	\$ 981,734
National School Lunch Program	10.555	N/A	2,400,273 (5)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	353,522 (5)
Passed-through East Tennessee Human Resource Agency, Inc.:			
Child Nutrition Cluster: (4)			
Summer Food Service Program for Children	10.559	N/A	41,538
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-18-55575	164,776
Total U.S. Department of Agriculture			<u>\$ 3,941,843</u>
U.S. Department of the Interior:			
Direct Program:			
Payments in Lieu of Taxes	15.226	N/A	\$ 263,227
Total U.S. Department of the Interior			<u>\$ 263,227</u>
U.S. Department of Justice:			
Direct Program:			
Drug Court Discretionary Grant Program	16.585	N/A	\$ 26,044
Passed-through State Department of Finance and Administration:			
Crime Victim Assistance	16.575	(3)	38,946
Total U.S. Department of Justice			<u>\$ 64,990</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	(6)	\$ 18,783
Highway Safety Cluster: (4)			
State and Community Highway Safety	20.600	(7)	63,827
National Priority Safety Programs	20.616	Z-18-THS031	37,830
Passed-through State Department of Military:			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	(3)	12,377
Total U.S. Department of Transportation			<u>\$ 132,817</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	\$ 2,512,024
Special Education Cluster: (4)			
Special Education - Grants to States	84.027	N/A	2,860,891
Special Education - Preschool Grants	84.173	N/A	97,999
Career and Technical Education - Basic Grants to States	84.048	N/A	324,381
English Language Acquisition Grants	84.365	N/A	21,241
Improving Teacher Quality State Grants	84.367	N/A	365,904
Total U.S. Department of Education			<u>\$ 6,182,440</u>

(Continued)

Blount County, Tennessee, and the Blount 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 State Department of Health:			
Injury Prevention and Control Research and State and Community Based Programs	93.136	GG-18-55575	\$ 4,763
Family Planning - Services	93.217	GG-18-55575	18,239
Substance Abuse and Mental Health Services-Projects of Regional and National Significance	93.243	GG-18-55575	13,823
National State Based Tobacco Control Programs	93.305	GG-18-55575	11,954
Medicaid Cluster:			
Medical Assistance Program	93.778	GG-18-55575	59,352
Maternal and Child Health Services Block Grant to the States	93.994	GG-18-55575	47,152
Passed-through State Department of Human Services:			
CCDF Cluster:			
Child Care and Development Block Grant	93.575	N/A	29,921
Total U.S. Department of Health and Human Services			<u>\$ 185,204</u>
Executive Office of the President:			
Passed-through Laurel County, Kentucky Fiscal Court:			
High Intensity Drug Trafficking Areas Program	95.001	N/A	\$ 39,382
Total Executive Office of the President			<u>\$ 39,382</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(3)	\$ 11,773
Emergency Management Performance Grants	97.042	(3)	57,500
Homeland Security Grant Program	97.067	(3)	37,200
Total U.S. Department of Homeland Security			<u>\$ 106,473</u>
Total Expenditures of Federal Grants			<u>\$ 10,916,376</u>
<u>State Grants</u>			
		<u>Contract Number</u>	
Juvenile Justice - State Commission on Children and Youth	N/A	(3)	\$ 9,000
Litter Program - State Department of Transportation	N/A	(3)	74,600
Health Department Program - State Department of Health	N/A	(3)	564,107
Drug Court Discretionary Grant Program - State Department of Mental Health	N/A	(3)	70,000
Juvenile Court Home Base - State Department of Finance and Administration	N/A	(3)	95,429
Library Technology Training Grant - TN Secretary of State	N/A	(3)	12,000
Archives Development Grant - TN Secretary of State	N/A	(3)	6,400
Read to Be Ready Coaching Network Grant - State Department of Education	N/A	(3)	9,204
Family Resource Center - State Department of Education	N/A	(3)	29,612
Coordinated School Health - State Department of Education	N/A	(3)	125,000
Internet Connectivity - State Department of Education	N/A	(3)	27,942
Early Childhood Education - State Department of Education	N/A	(3)	621,621
Vocational Equipment Grant - State Department of Education	N/A	(3)	144,250
Safe Schools Act - State Department of Education	N/A	(3)	52,341
Total State Grants			<u>\$ 1,841,506</u>

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Blount County elected not to use the 10% de minimus cost rate permitted in the Uniform Guidance.
- (3) Information not available.
- (4) Child Nutrition Cluster total \$3,777,067; Highway Safety Cluster total \$101,657; Special Education Cluster total \$2,958,890.
- (5) Total for CFDA No 10.555 is \$2,753,795.
- (6) Z-17-THS106: \$9,010; Z-18-GHS032: \$9,773.
- (7) Z-18-GHS033: \$6,445; Z-17-THS009: \$37,935; Z-17-THS008: \$1,167; Z-18-THS032: \$9,763; Z-18-THS030: \$8,517.

Blount County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2018

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 Blount County, Tennessee, for the year ended June 30, 2018.

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.

BLOUNT COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2018

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Blount County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * CFDA Number 84.010 Title I Grants to Local Education Agencies
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

There were no findings relating to the financial statements of Blount County, Tennessee, as a result of our examination for the year ended June 30, 2018.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2018.

Blount County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2018

The audit of Blount County did not report any findings and recommendations. Therefore, no management responses are 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).