

ANNUAL FINANCIAL REPORT

BLOUNT COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2017



DIVISION OF LOCAL GOVERNMENT AUDIT

ANNUAL FINANCIAL REPORT
BLOUNT COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2017

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

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

BLOUNT COUNTY, TENNESSEE

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Summary of Audit Findings

Annual Financial Report
Blount County, Tennessee
For the Year Ended June 30, 2017

Scope

We have audited the basic financial statements of Blount County as of and for the year ended June 30, 2017.

Results

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

Our audit resulted in no findings.

INTRODUCTORY SECTION

Blount County Officials

June 30, 2017

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

Jerome Moon, Chairman	Mike Akard
Andy Allen	Steve Samples
Richard Carver	Kenneth Melton
Archie Archer	Mike Caylor
Mike Lewis	Brad Bowers
Shawn Carter	Grady Caskey
Gary Farmer	Ron French
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, 2017, 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 14-22 and the schedule of changes in the county's net pension liability and related ratios, schedule of county contributions, schedule of school's proportionate share of the net pension liability, and schedule of funding progress - other postemployment benefits plan on pages 119-128 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 introductory section, 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), and miscellaneous schedules 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 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 also not a required part of the basic financial statements.

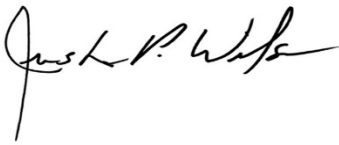
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Blount County School Department (a discretely presented component unit), miscellaneous schedules, and schedule of expenditures of federal awards 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), miscellaneous schedules, and schedule of expenditures of federal awards 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 November 30, 2017, 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,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical line extending downwards from the end.

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 30, 2017

JPW/kp



Blount County, Tennessee Management's Discussion and Analysis (MD&A) For the Year Ended June 30, 2017

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, 2017. It includes an overall view of the Primary Government, which includes the General, General 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 \$19.7 million, while net position of the DPCU School Department increased by \$1.2 million – meaning assets were in excess of liabilities by these amounts. (See Tables 2A and 2B below)

General Fund expenditures were \$8.4 million less than revenues received, and "transfers out", net of "transfers in", was \$1.7 million, which together increased the fund balance (assets in excess of liabilities available for appropriation) by \$6.7 million. It should be noted that the property tax rate remained the same for this budget year, \$2.47. DPCU School Department expenditures were \$1.2 million less than revenue received, which increased the fund balance by this same amount for the year ended June 30, 2017.

Total assets of Governmental Activities in the Primary Government were \$203 million as taxes receivable ended at \$49 million, cash ended at \$46.2 million, and capital assets, net of accumulated depreciation, ended at \$102.5 million. Total assets in the DPCU School Department were \$162.7 million as taxes receivable ended at 24.4 million, cash ended at \$15.6 million, and capital assets, net of accumulated depreciation, ended at \$119.7 million.

Revenues for the Primary Government totaled \$94.7 million. General revenues of the Primary Government accounted for \$58.4 million or 62 percent of total revenues. Program specific revenues in the form of charges for services, sales, grants, and contributions accounted for \$36.3 million or 38 percent of total revenues.

Revenues of the DPCU School Department totaled \$102.3 million, with general revenues making up 88 percent of the total. Program specific revenues in the form of charges for services, sales, grants, and contributions accounted for \$12.6 million or 12 percent of total revenues.

The Primary Government had \$76.7 million in expenses, with \$36.3 million of those expenses being offset by revenues in the form of charges for services, grants, and contributions, resulting in expenses of \$40.4 million to be covered by other forms of revenue, mainly property taxes. Total expenses, plus the change in fair value of derivatives, were less than general revenues by \$19.7 million. A derivative is a security with a price/value dependent upon one or more underlying entities, for example an asset, index, or interest rate.

The DPCU School Department had \$101.2 million in expenses with \$12.6 million of these expenses offset by program specific revenues. Revenues (primarily property taxes and sales taxes of \$23.5 and \$14.9 million, respectively, in addition to the BEP contribution of \$46.4 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 2017 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, \$3.8 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, \$1.9 million of Net Position is subject to external restriction.

Table 1A
Blount County Primary Government Net Position

	Blount County Primary Government Governmental Activities	
	2017	2016
Assets:		
Current and Other Assets	\$ 100,474,868	\$ 98,787,339
Capital Assets	102,549,676	104,817,694
Total Assets	<u>\$ 203,024,544</u>	<u>\$ 203,605,033</u>
Total Deferred Outflows of Resources	<u>\$ 9,811,877</u>	<u>\$ 3,947,076</u>
Liabilities:		
Long-term Liabilities Outstanding	\$ 209,076,896	\$ 207,050,433
Other Liabilities	5,512,234	21,595,990
Total Liabilities	<u>\$ 214,589,130</u>	<u>\$ 228,646,423</u>
Total Deferred Inflows of Resources	<u>\$ 48,952,034</u>	<u>\$ 49,340,619</u>
Net Position:		
Net Investment in Capital Assets	\$ 74,049,105	\$ 76,363,068
Restricted	3,795,485	8,598,885
Unrestricted	<u>(128,549,333)</u>	<u>(155,396,886)</u>
Total Net Position	<u><u>\$ (50,704,743)</u></u>	<u><u>\$ (70,434,933)</u></u>

Table 1B
Blount County DPCU School Department Net Position

	DPCU School Department Governmental Activities	
	2017	2016
Assets:		
Current and Other Assets	\$ 43,008,662	\$ 42,709,771
Capital Assets	119,721,971	122,935,501
Total Assets	<u>\$ 162,730,633</u>	<u>\$ 165,645,272</u>
Total Deferred Outflows of Resources	<u>\$ 14,814,170</u>	<u>\$ 5,396,469</u>
Liabilities:		
Long-term Liabilities Outstanding	\$ 7,378,344	\$ 445,821
Other Liabilities	\$ 8,023,672	\$ 8,025,834
Total Liabilities	<u>\$ 15,402,016</u>	<u>\$ 8,471,655</u>
Total Deferred Inflows of Resources	<u>\$ 32,710,172</u>	<u>\$ 34,293,317</u>
Net Position:		
Net Investment in Capital Assets	\$ 119,721,971	\$ 122,935,501
Restricted	1,905,358	2,215,601
Unrestricted	7,805,286	3,125,667
Total Net Position	<u><u>\$ 129,432,615</u></u>	<u><u>\$ 128,276,769</u></u>

Tables 2A and 2B show changes in Net Position for fiscal year 2017 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	
		2017	2016
Revenues:			
Program Revenues:			
Charges for Services	\$	29,348,016	\$ 28,226,641
Operating Grants and Contributions		5,647,354	5,994,487
Capital Grants and Contributions		1,299,717	1,043,491
General Revenues:			
Property Taxes		47,253,424	46,232,795
Sales Taxes		3,425,874	3,359,034
Hotel/Motel Taxes		763,241	719,779
Business Taxes		1,060,212	970,172
Other Taxes		1,193,534	1,138,781
Grants and Contributions Not Restricted to Specific Programs		4,341,944	3,459,790
Unrestricted Investment Income		334,749	234,951
Investment Income (Loss) - Derivatives		1,718,985	(3,146,508)
Miscellaneous		30,459	51,471
Pension Income		0	0
Total Revenues	\$	96,417,509	\$ 88,284,884
Expenses:			
General Government	\$	7,728,626	\$ 9,502,874
Finance		7,088,465	3,649,315
Administration of Justice		5,706,608	5,880,867
Public Safety		20,751,047	19,188,955
Public Health and Welfare		2,071,620	2,106,192
Social, Cultural, and Recreational		3,195,066	2,927,654
Agriculture and Natural Resources		306,728	248,673
Highway		9,108,599	9,390,825
Education		13,312,858	14,942,000
Interest on General Long-term Debt		7,417,702	8,303,926
Total Expenses	\$	76,687,319	\$ 76,141,281
Increase (Decrease) in Net Position	\$	19,730,190	\$ 12,143,603
Net Position, July 1, 2016		(70,434,933)	(82,578,536)
Net Position, June 30, 2017	\$	(50,704,743)	\$ (70,434,933)

Table 2B

Blount County School Department - Change in Net Position

	Blount County School Department	
	2017	2016
Revenues:		
Program Revenues:		
Charges for Services	\$ 3,192,387	\$ 3,137,248
Operating Grants and Contributions	9,444,629	9,336,650
General Revenues:		
Property Taxes	23,506,526	23,189,145
Sales Taxes	14,927,321	14,665,450
Business Taxes	527,991	492,542
Other Taxes	139,721	131,524
Grants and Contributions Not Restricted to Specific Programs	50,480,852	48,902,109
Unrestricted Investment Income	100,256	32,316
Miscellaneous	15,790	6,897
Total Revenues	\$ 102,335,473	\$ 99,893,881
Expenses:		
Instruction	\$ 57,587,422	\$ 53,787,920
Support Services	36,019,971	34,746,542
Operation of Non-instructional Services	7,572,234	7,436,272
Total Expenses	\$ 101,179,627	\$ 95,970,734
Increase (Decrease) in Net Position	\$ 1,155,846	\$ 3,923,147
Net Position, July 1, 2016	128,276,769	124,353,622
Net Position, June 30, 2017	\$ 129,432,615	\$ 128,276,769

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 \$20.8 million accounted for approximately 27 percent of the \$76.7 million total expenses for governmental activities, while Highways and Education (related to internal service funds activities) expenses accounted for 12 percent and 17 percent, respectively. Of the \$76.7 million in governmental expenses, \$29.3 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 fund balance for the governmental funds remained at \$485,403 for endowments.
- **Restricted Fund Balance** – The restricted fund balance for the General Fund remained steady at approximately \$1.2 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 decreased to zero. The restricted fund balance for the General Purpose School Fund remained steady at \$418.7 thousand, restricted for other purposes.
- **Committed Fund Balance** – The committed fund balance for the General Fund decreased to \$216.6 thousand. The committed fund balance for the General Debt Service Fund decreased slightly to \$10.6 million, committed for debt service.
- **Assigned Fund Balance** – The assigned fund balance for the General Fund increased to \$4.4 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 increased to \$4.3 million.
- **Unassigned Fund Balance** – The unassigned fund balance for the General Fund increased by \$3.3 million to \$16.7 million. The unassigned fund balance for the General Purpose School Fund decreased by \$3.4 million to \$5.2 million.

Budgetary Highlights

During the 2017 budget year, the county accomplished the following: 1) Step-increase implementation of classification/compensation plan, 2) School Dept. fully integrated into Human Resources/Payroll System – Kronos, 3) Further implementation of IT Modernization Program, and 4) Debt refinancing converting variable rate debt to fixed rate debt and terminating swap agreements.

Capital Assets and Debt Administration

Capital Assets

Blount County's investment in capital assets, net of accumulated depreciation, as of June 30, 2017, totaled \$102.5 million. This investment in capital assets includes land, construction in progress, buildings and improvements, roads, streets, and bridges, and other capital assets.

<u>Asset</u>	<u>Historical Value</u>	<u>Accumulated Depreciation</u>	<u>Net Value 6-30-17</u>
Land	\$ 7,518,566	\$ 0	\$ 7,518,566
Construction in Progress	616,612	-	616,612
Buildings and Improvements	53,450,478	(20,943,107)	32,507,371
Roads, Streets, and Bridges	138,119,939	(84,119,807)	54,000,132
Other Capital Assets	19,820,320	(11,913,325)	7,906,995
Total	<u>\$ 219,525,915</u>	<u>\$ (116,976,239)</u>	<u>\$ 102,549,676</u>

Blount County School Department's investment in capital assets, net of accumulated depreciation, as of June 30, 2017, totaled \$119.7 million. This investment in capital assets includes land, buildings and improvements, and other capital assets.

<u>Asset</u>	<u>Historical Value</u>	<u>Accumulated Depreciation</u>	<u>Net Value 6-30-17</u>
Land	\$ 9,951,059	\$ 0	\$ 9,951,059
Buildings and Improvements	173,112,586	(64,548,529)	\$ 108,564,057
Other Capital Assets	5,567,062	(4,360,207)	\$ 1,206,855
Total	<u>\$ 188,630,707</u>	<u>\$ (68,908,736)</u>	<u>\$ 119,721,971</u>

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 2017, the Blount County Commission adopted a budget for the fiscal year ending June 30, 2018. The property tax rate for tax year 2018 was adopted at a rate of \$2.47, the same as the 2017 tax year.

The distribution of the 2018 property tax rate is shown below:

Fund	2018	2017
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	\$2.47	\$2.47

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, 2017

	Primary Government	Component Units	
	Total Governmental Activities	School Department	Blount Memorial Hospital
<u>ASSETS</u>			
Cash	\$ 197,562	\$ 0	\$ 315,282
Equity in Pooled Cash and Investments	45,969,929	15,590,554	0
Inventories	0	0	4,075,540
Accounts Receivable	477,772	44,288	23,544,607
Due from Other Governments	2,917,591	3,259,810	0
Due from Component Units	1,628,370	0	0
Property Taxes Receivable	49,063,057	24,448,388	0
Allowance for Uncollectible Property Taxes	(781,891)	(389,621)	0
Net Pension Asset - Agent Plan - Library	174,459	0	0
Net Pension Asset - Teacher Retirement Plan	0	55,243	0
Prepaid Items	0	0	3,205,866
Restricted Assets:			
Restricted for Foundation	0	0	1,981,040
Other Restricted Assets	0	0	97,643,241
Notes Receivable	828,019	0	0
Capital Assets:			
Assets Not Depreciated:			
Land	7,518,566	9,951,059	12,553,960
Construction in Progress	616,612	0	1,254,681
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	32,507,371	108,564,057	80,655,234
Other Capital Assets	7,906,995	1,206,855	33,622,399
Infrastructure	54,000,132	0	0
Total Assets	<u>\$ 203,024,544</u>	<u>\$ 162,730,633</u>	<u>\$ 258,851,850</u>

(Continued)

Exhibit A

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

	Primary Government	Component Units	
	Total Governmental Activities	School Department	Blount Memorial Hospital
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Accumulated Decrease in Fair Value of Hedging Derivatives	\$ 0	\$ 0	\$ 10,463,012
Deferred Charge on Refunding	4,077,564	0	0
Pension Changes in Experience	213,602	304,693	0
Pension Changes in Investment Earnings	2,799,720	8,994,541	0
Pension Other Deferrals	0	580,204	0
Pension Contributions After Measurement Date	2,720,991	4,934,732	0
Total Deferred Outflows of Resources	<u>\$ 9,811,877</u>	<u>\$ 14,814,170</u>	<u>\$ 10,463,012</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 1,072,860	\$ 481,650	\$ 2,368,344
Accrued Payroll	1,370,400	4,451,400	9,731,764
Accrued Interest Payable	108,707	0	152,105
Payroll Deductions Payable	511,529	669,674	0
Contracts Payable	0	61,403	0
Retainage Payable	0	41,698	0
Due to Primary Government	0	1,628,370	0
Due to State of Tennessee	4,966	0	0
Due to Cities	28,972	0	0
Due to Litigant, Heirs, and Others	13,800	0	0
Other Current Liabilities	2,401,000	689,477	4,213,289
Derivative - Interest Rate Swap	0	0	10,463,012
Noncurrent Liabilities:			
Due Within One Year	10,346,118	0	4,692,884
Due in More Than One Year	198,730,778	7,378,344	74,780,570
Total Liabilities	<u>\$ 214,589,130</u>	<u>\$ 15,402,016</u>	<u>\$ 106,401,968</u>

(Continued)

Exhibit A

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

	Primary Government	Component Units	
	Total Governmental Activities	School Department	Blount Memorial Hospital
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 47,203,833	\$ 23,521,927	\$ 0
Pension Changes in Experience	1,057,098	8,984,973	0
Pension Other Deferrals	0	203,272	0
Unearned Revenue	691,103	0	0
Total Deferred Inflows of Resources	<u>\$ 48,952,034</u>	<u>\$ 32,710,172</u>	<u>\$ 0</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 74,049,105	\$ 119,721,971	\$ 40,168,191
Restricted for:			
General Government	701,752	0	0
Finance	83,235	0	0
Administration of Justice	435,688	0	0
Public Safety	704,036	0	0
Public Health and Welfare	34,151	0	0
Social, Cultural, and Recreation	750,514	0	0
Debt Service	291,843	0	0
Capital Projects	121,363	351,921	0
Education	0	1,498,194	0
Pensions	174,459	55,243	0
Permanent Endowment:			
Expendable	13,041	0	0
Nonexpendable	485,403	0	1,177,500
Unrestricted	<u>(128,549,333)</u>	<u>7,805,286</u>	<u>121,567,203</u>
Total Net Position (Deficit)	<u>\$ (50,704,743)</u>	<u>\$ 129,432,615</u>	<u>\$ 162,912,894</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, 2017

						Net (Expense) Revenue and Changes in Net Position		
						Primary Government	Component Units	
						Total Governmental Activities	Blount County School Department	Blount Memorial Hospital
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions				
<u>Primary Government</u>								
Governmental Activities:								
General Government	\$ 7,728,626	\$ 2,724,302	\$ 43,714	\$ 0	\$ (4,960,610)	\$ 0	\$ 0	
Finance	7,088,465	4,055,299	0	0	(3,033,166)	0	0	
Administration of Justice	5,706,608	4,205,540	210,956	0	(1,290,112)	0	0	
Public Safety	20,751,047	3,898,464	583,102	61,555	(16,207,926)	0	0	
Public Health and Welfare	2,071,620	255,418	953,648	0	(862,554)	0	0	
Social, Cultural, and Recreational Services	3,195,066	252,836	980,221	0	(1,962,009)	0	0	
Agriculture and Natural Resources	306,728	0	15,618	0	(291,110)	0	0	
Highways	9,108,599	190,367	2,860,095	1,238,162	(4,819,975)	0	0	
Education	13,312,858	13,765,790	0	0	452,932	0	0	
Interest on Long-term Debt	7,417,702	0	0	0	(7,417,702)	0	0	
Total Primary Government	\$ 76,687,319	\$ 29,348,016	\$ 5,647,354	\$ 1,299,717	\$ (40,392,232)	\$ 0	\$ 0	
<u>Component Units</u>								
Blount County School Department	\$ 101,179,627	\$ 3,192,387	\$ 9,444,629	\$ 0	\$ 0	\$ (88,542,611)	\$ 0	
Blount Memorial Hospital	266,802,890	244,065,751	11,556,355	0	0	0	(11,180,784)	
Total Component Units	\$ 367,982,517	\$ 247,258,138	\$ 21,000,984	\$ 0	\$ 0	\$ (88,542,611)	\$ (11,180,784)	

(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	Blount
					Total Governmental Activities	County School Department	Memorial Hospital
General Revenues:							
Property Taxes Levied for General Purposes					\$ 30,603,074	\$ 22,119,851	\$ 0
Property Taxes Levied for Debt Service					16,650,350	0	0
Property Taxes Levied for Capital Projects					0	1,386,675	0
Local Option Sales Taxes					3,425,874	14,927,321	0
Hotel/Motel Taxes					763,241	0	0
Litigation - General Taxes					724,381	0	0
Business Taxes					1,060,212	527,991	0
Wholesale Beer Taxes					252,914	0	0
Other Taxes					216,239	139,721	0
Grants and Contributions Not Restricted to Specific Programs					4,341,944	50,480,852	814,109
Unrestricted Investment Income					334,749	100,256	8,010,574
Miscellaneous					30,459	15,790	0
Total General Revenues					<u>\$ 58,403,437</u>	<u>\$ 89,698,457</u>	<u>\$ 8,824,683</u>
Change in Fair Value of Derivatives - Interest Rate Swap					\$ 1,718,985	\$ 0	\$ 0
Change in Net Position					\$ 19,730,190	\$ 1,155,846	\$ (2,356,101)
Net Position (Deficit), July 1, 2016					<u>(70,434,933)</u>	<u>128,276,769</u>	<u>165,268,995</u>
Net Position (Deficit), June 30, 2017					<u><u>\$ (50,704,743)</u></u>	<u><u>\$ 129,432,615</u></u>	<u><u>\$ 162,912,894</u></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, 2017

	<u>Major Funds</u>		<u>Nonmajor Funds</u>	
			<u>Other</u>	
	<u>General</u>	<u>General Debt Service</u>	<u>Govern-mental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash	\$ 100	\$ 0	\$ 15,301	\$ 15,401
Equity in Pooled Cash and Investments	22,932,990	10,143,779	6,080,015	39,156,784
Accounts Receivable	218,764	16,380	55,324	290,468
Due from Other Governments	1,355,312	275,167	1,287,112	2,917,591
Due from Other Funds	8,973	0	0	8,973
Property Taxes Receivable	31,746,684	17,316,373	0	49,063,057
Allowance for Uncollectible Property Taxes	(505,929)	(275,962)	0	(781,891)
Notes Receivable - Long-term	0	828,019	0	828,019
Total Assets	<u>\$ 55,756,894</u>	<u>\$ 28,303,756</u>	<u>\$ 7,437,752</u>	<u>\$ 91,498,402</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 464,591	\$ 0	\$ 179,284	\$ 643,875
Accrued Payroll	1,175,576	0	194,824	1,370,400
Payroll Deductions Payable	453,389	0	58,140	511,529
Due to Other Funds	0	0	8,973	8,973
Due to State of Tennessee	3,544	0	1,422	4,966
Due to Other Taxing Units	22,174	0	6,798	28,972
Due to Litigants, Heirs, and Others	10,016	0	3,784	13,800
Total Liabilities	<u>\$ 2,129,290</u>	<u>\$ 0</u>	<u>\$ 453,225</u>	<u>\$ 2,582,515</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 30,543,657	\$ 16,660,176	\$ 0	\$ 47,203,833
Deferred Delinquent Property Taxes	468,204	255,321	0	723,525

(Continued)

Exhibit C-1

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

	Major Funds		Nonmajor Funds	
		General Debt Service	Other Govern- mental Funds	Total Governmental Funds
	General			
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>				
Other Deferred/Unavailable Revenue	\$ 220,375	\$ 828,019	\$ 0	\$ 1,048,394
Total Deferred Inflows of Resources	\$ 31,232,236	\$ 17,743,516	\$ 0	\$ 48,975,752
<u>FUND BALANCES</u>				
Nonspendable:				
Endowments	\$ 0	\$ 0	\$ 485,403	\$ 485,403
Restricted:				
Restricted for General Government	517,714	0	184,038	701,752
Restricted for Finance	83,235	0	0	83,235
Restricted for Administration of Justice	385,543	0	50,145	435,688
Restricted for Public Safety	132,016	0	572,020	704,036
Restricted for Public Health and Welfare	34,151	0	13,041	47,192
Restricted for Social, Cultural, and Recreational Services	0	0	750,514	750,514
Restricted for Capital Projects	0	0	121,363	121,363
Committed:				
Committed for Administration of Justice	78,543	0	0	78,543
Committed for Public Safety	0	0	803,130	803,130
Committed for Public Health and Welfare	138,077	0	0	138,077
Committed for Highways/Public Works	0	0	3,708,353	3,708,353
Committed for Capital Outlay	0	0	296,520	296,520
Committed for Debt Service	0	10,560,240	0	10,560,240
Assigned:				
Assigned for General Government	3,524,308	0	0	3,524,308
Assigned for Finance	54,445	0	0	54,445
Assigned for Administration of Justice	55,064	0	0	55,064

(Continued)

Exhibit C-1

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

	<u>Major Funds</u>		<u>Nonmajor Funds</u>	
		General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>FUND BALANCES (Cont.)</u>	<u>General</u>			
Assigned (Cont.):				
Assigned for Public Safety	\$ 603,562	\$ 0	\$ 0	\$ 603,562
Assigned for Public Health and Welfare	30,989	0	0	30,989
Assigned for Agriculture and Natural Resources	586	0	0	586
Assigned for Highways/Public Works	2,375	0	0	2,375
Assigned for Capital Outlay	86,683	0	0	86,683
Unassigned	16,668,077	0	0	16,668,077
Total Fund Balances	<u>\$ 22,395,368</u>	<u>\$ 10,560,240</u>	<u>\$ 6,984,527</u>	<u>\$ 39,940,135</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 55,756,894</u>	<u>\$ 28,303,756</u>	<u>\$ 7,437,752</u>	<u>\$ 91,498,402</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, 2017

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)		\$	39,940,135
(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		616,612	
Add: infrastructure net of accumulated depreciation		54,000,132	
Add: buildings and improvements net of accumulated depreciation		32,507,371	
Add: other capital assets net of accumulated depreciation		<u>7,906,995</u>	102,549,676
(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.			4,352,625
(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	\$	(1,988,141)	
Less: capital leases payable		(2,249,365)	
Less: bonds payable		(172,995,671)	
Add: deferred amount on refunding		4,077,564	
Less: compensated absences payable		(3,098,799)	
Less: other postemployment benefits liability		(3,423,501)	
Less: accrued interest on bonds, notes, and capital leases		(108,707)	
Add: receivable for capital lease to be retired by the School Department		904,690	
Add: receivable for accrued interest to be retired by the School Department		32,577	
Less: unamortized premium on debt		(25,281,768)	
Less: net pension liability (excluding library)		<u>(39,651)</u>	(204,170,772)
(4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:			
Add: deferred outflows of resources related to pensions	\$	5,734,313	
Less: deferred inflows of resources related to pensions		<u>(1,057,098)</u>	4,677,215
(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-library			174,459
(6) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,771,919</u>
Net position of governmental activities (Exhibit A)		\$	<u>(50,704,743)</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, 2017

	Major Funds		Nonmajor Funds	
	General	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>				
Local Taxes	\$ 34,980,241	\$ 17,790,233	\$ 3,328,477	\$ 56,098,951
Licenses and Permits	1,040,659	0	396,611	1,437,270
Fines, Forfeitures, and Penalties	1,284,388	0	12,906	1,297,294
Charges for Current Services	877,713	0	216,660	1,094,373
Other Local Revenues	354,029	179,632	241,108	774,769
Fees Received From County Officials	7,827,507	0	0	7,827,507
State of Tennessee	3,045,490	0	4,053,157	7,098,647
Federal Government	3,303,545	0	0	3,303,545
Other Governments and Citizens Groups	505,888	677,743	1,036,125	2,219,756
Total Revenues	\$ 53,219,460	\$ 18,647,608	\$ 9,285,044	\$ 81,152,112
<u>Expenditures</u>				
Current:				
General Government	\$ 5,023,054	\$ 0	\$ 505,079	\$ 5,528,133
Finance	7,208,645	0	0	7,208,645
Administration of Justice	5,980,389	0	0	5,980,389
Public Safety	21,265,536	0	452,125	21,717,661
Public Health and Welfare	1,939,314	0	0	1,939,314
Social, Cultural, and Recreational Services	693,977	0	2,014,437	2,708,414
Agriculture and Natural Resources	315,150	0	0	315,150
Other Operations	1,364,245	0	9,396	1,373,641
Highways	80,759	0	8,078,529	8,159,288
Debt Service:				
Principal on Debt	0	8,728,114	0	8,728,114
Interest on Debt	0	7,542,122	0	7,542,122
Other Debt Service	0	13,963,773	0	13,963,773

(Continued)

Exhibit C-3

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

	Major Funds		Nonmajor Funds	
	General	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Expenditures (Cont.)</u>				
Capital Projects	\$ 979,204	\$ 0	\$ 1,106,152	\$ 2,085,356
Total Expenditures	\$ 44,850,273	\$ 30,234,009	\$ 12,165,718	\$ 87,250,000
Excess (Deficiency) of Revenues Over Expenditures	\$ 8,369,187	\$ (11,586,401)	\$ (2,880,674)	\$ (6,097,888)
<u>Other Financing Sources (Uses)</u>				
Bonds Issued	\$ 0	\$ 125,930,000	\$ 0	\$ 125,930,000
Premiums on Debt Sold	0	24,898,990	0	24,898,990
Transfers In	155,254	835,344	978,668	1,969,266
Transfers Out	(1,814,012)	0	0	(1,814,012)
Payments to Refunded Debt Escrow Agent	0	(142,230,988)	0	(142,230,988)
Total Other Financing Sources (Uses)	\$ (1,658,758)	\$ 9,433,346	\$ 978,668	\$ 8,753,256
Net Change in Fund Balances	\$ 6,710,429	\$ (2,153,055)	\$ (1,902,006)	\$ 2,655,368
Fund Balance, July 1, 2016	15,684,939	12,713,295	8,886,533	37,284,767
Fund Balance, June 30, 2017	\$ 22,395,368	\$ 10,560,240	\$ 6,984,527	\$ 39,940,135

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

Exhibit C-4

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, 2017

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$	2,655,368
(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	\$	4,144,802	
Less: current-year depreciation expense		<u>(6,369,350)</u>	(2,224,548)
(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			(43,470)
(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, 2017	\$	1,771,919	
Less: deferred delinquent property taxes and other deferred June 30, 2016		<u>(2,017,987)</u>	(246,068)
(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	\$	6,306,929	
Add: principal payments on other loans		1,860,565	
Add: principal payments on capital leases		560,620	
Less: refunding debt proceeds		(125,930,000)	
Less: lease principal payments contributed by the School Department		(255,918)	
Less: change in premium on debt issuances		(21,622,038)	
Add: debt principal refunded		136,885,000	
Add: change in deferred amount on refunding debt		3,029,933	
Add: payment to terminate swap agreement		<u>12,914,000</u>	13,749,091

(Continued)

Exhibit C-4

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	\$ 469,215
Change in receivable for accrued interest being retired by the School Department	(9,216)
Change in other postemployment benefits liability	(245,784)
Change in compensated absences payable	197,896
Change in net pension asset - agent plan (excluding library)	(1,856,265)
Change in net pension asset - agent plan (library)	(170,111)
Change in deferred outflows related to pensions	2,834,868
Change in deferred inflows related to pensions	<u>1,338,937</u>
	\$ 2,559,540
(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.	
	1,561,292
(7) The interest rate swap agreement was classified as an investment derivative; therefore, the following is reflected on the changes in net position for governmental activities.	
Change in fair value of derivatives-interest rate swap	<u>1,718,985</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 19,730,190</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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 34,980,241	\$ 0	\$ 0	\$ 34,980,241	\$ 31,994,125	\$ 32,374,125	\$ 2,606,116
Licenses and Permits	1,040,659	0	0	1,040,659	792,999	792,999	247,660
Fines, Forfeitures, and Penalties	1,284,388	0	0	1,284,388	1,099,295	1,100,445	183,943
Charges for Current Services	877,713	0	0	877,713	825,357	780,357	97,356
Other Local Revenues	354,029	0	0	354,029	240,001	265,086	88,943
Fees Received From County Officials	7,827,507	0	0	7,827,507	7,388,500	7,608,500	219,007
State of Tennessee	3,045,490	0	0	3,045,490	3,224,286	2,818,882	226,608
Federal Government	3,303,545	0	0	3,303,545	3,426,911	3,536,803	(233,258)
Other Governments and Citizens Groups	505,888	0	0	505,888	225,590	359,590	146,298
Total Revenues	\$ 53,219,460	\$ 0	\$ 0	\$ 53,219,460	\$ 49,217,064	\$ 49,636,787	\$ 3,582,673
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 119,614	\$ (350)	\$ 807	\$ 120,071	\$ 122,828	\$ 122,828	\$ 2,757
Board of Equalization	760	0	0	760	2,849	2,849	2,089
Beer Board	546	0	0	546	550	550	4
County Mayor/Executive	226,134	(526)	2,240	227,848	242,038	242,758	14,910
Personnel Office	180,612	(433)	448	180,627	183,611	184,310	3,683
Election Commission	570,040	(7,990)	31,768	593,818	638,966	641,662	47,844
Register of Deeds	577,252	(4,784)	6,522	578,990	599,835	614,262	35,272
Development	789,355	(59,695)	15,238	744,898	623,312	864,563	119,665
Planning	0	0	0	0	239,214	0	0
County Buildings	1,452,477	(140,015)	100,613	1,413,075	1,484,139	1,486,169	73,094
Other General Administration	858,546	(200)	0	858,346	862,088	862,448	4,102
Preservation of Records	107,111	(406)	2,567	109,272	105,982	111,288	2,016
Risk Management	140,607	(3,106)	2,716	140,217	155,254	155,767	15,550
<u>Finance</u>							
Accounting and Budgeting	637,174	(4,412)	628	633,390	706,717	708,731	75,341
Purchasing	256,128	(1,334)	4,661	259,455	277,484	278,510	19,055
Central Services	2,957,581	0	15,350	2,972,931	2,847,500	3,169,000	196,069

(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 7/1/2016	Add: Encumbrances 6/30/2017	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	\$ 827,386	\$ (1,693)	\$ 1,824	\$ 827,517	\$ 862,201	\$ 866,689	\$ 39,172
Reappraisal Program	316,204	(841)	3,180	318,543	371,011	371,011	52,468
County Trustee's Office	464,810	0	2,212	467,022	484,113	485,790	18,768
County Clerk's Office	1,141,452	(38,611)	4,071	1,106,912	1,157,964	1,187,146	80,234
Data Processing	607,910	(19,505)	23,360	611,765	827,444	828,616	216,851
<u>Administration of Justice</u>							
Circuit Court Judge	35,976	(7,744)	2,365	30,597	111,186	111,186	80,589
Circuit Court Clerk	2,204,662	(22,588)	9,628	2,191,702	2,256,238	2,301,481	109,779
Criminal Court	466,532	(26,156)	3,241	443,617	466,580	484,729	41,112
General Sessions Judge	998,860	(9,081)	1,623	991,402	1,019,411	1,021,961	30,559
Chancery Court	468,234	(4,260)	19,586	483,560	467,266	502,896	19,336
Juvenile Court	464,936	(3,097)	2,876	464,715	489,541	491,011	26,296
Office of Public Defender	47,824	0	0	47,824	47,418	48,568	744
Judicial Commissioners	181,859	0	1,041	182,900	233,044	233,044	50,144
Other Administration of Justice	524,436	0	0	524,436	536,142	536,224	11,788
Probation Services	540,352	(28,252)	16,750	528,850	590,510	592,034	63,184
Victim Assistance Programs	46,718	0	0	46,718	52,000	52,000	5,282
<u>Public Safety</u>							
Sheriff's Department	11,128,021	(147,322)	248,737	11,229,436	11,618,864	11,683,674	454,238
Administration of the Sexual Offender Registry	7,350	(2,000)	3,850	9,200	6,000	11,000	1,800
Jail	8,110,844	(177,102)	330,714	8,264,456	8,750,487	8,885,057	620,601
Workhouse	13,457	0	0	13,457	13,460	13,460	3
Juvenile Services	1,437,907	(10,997)	17,709	1,444,619	1,678,018	1,683,286	238,667
Fire Prevention and Control	23,250	0	0	23,250	23,250	23,250	0
Civil Defense	219,914	(12,294)	4,919	212,539	194,763	245,231	32,692
Other Emergency Management	324,793	0	0	324,793	324,793	324,793	0
<u>Public Health and Welfare</u>							
Local Health Center	1,297,232	(5,872)	26,619	1,317,979	1,324,440	1,437,127	119,148
Rabies and Animal Control	575,223	(18,476)	6,150	562,897	599,405	634,335	71,438

(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 7/1/2016	Add: Encumbrances 6/30/2017	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>							
Other Local Welfare Services	\$ 66,859	\$ 0	\$ 0	\$ 66,859	\$ 98,668	\$ 98,668	\$ 31,809
<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	162,779	(30)	0	162,749	163,496	164,535	1,786
Soil Conservation	152,371	(10,526)	0	141,845	129,376	145,147	3,302
<u>Other Operations</u>							
Industrial Development	1,062,200	0	0	1,062,200	1,062,200	1,062,200	0
Veterans' Services	177,472	(222)	586	177,836	183,953	184,466	6,630
Contributions to Other Agencies	124,573	0	0	124,573	124,573	124,573	0
<u>Highways</u>							
Litter and Trash Collection	80,759	(7,923)	2,375	75,211	86,281	86,031	10,820
<u>Capital Projects</u>							
General Administration Projects	20,096	(37,991)	51,030	33,135	37,000	37,000	3,865
Public Safety Projects	959,108	(172,070)	35,653	822,691	838,768	838,768	16,077
Total Expenditures	\$ 44,850,273	\$ (987,904)	\$ 1,003,657	\$ 44,866,026	\$ 47,016,208	\$ 47,936,659	\$ 3,070,633
Excess (Deficiency) of Revenues Over Expenditures	\$ 8,369,187	\$ 987,904	\$ (1,003,657)	\$ 8,353,434	\$ 2,200,856	\$ 1,700,128	\$ 6,653,306
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 155,254	\$ 0	\$ 0	\$ 155,254	\$ 155,254	\$ 155,254	\$ 0
Transfers Out	(1,814,012)	0	0	(1,814,012)	(2,355,800)	(2,227,238)	413,226
Total Other Financing Sources	\$ (1,658,758)	\$ 0	\$ 0	\$ (1,658,758)	\$ (2,200,546)	\$ (2,071,984)	\$ 413,226

(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 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ 6,710,429	\$ 987,904	\$ (1,003,657)	\$ 6,694,676	\$ 310	\$ (371,856)	\$ 7,066,532
Fund Balance, July 1, 2016	15,684,939	(987,904)	0	14,697,035	14,730,993	14,730,993	(33,958)
Fund Balance, June 30, 2017	<u>\$ 22,395,368</u>	<u>\$ 0</u>	<u>\$ (1,003,657)</u>	<u>\$ 21,391,711</u>	<u>\$ 14,731,303</u>	<u>\$ 14,359,137</u>	<u>\$ 7,032,574</u>

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, 2017

		Governmental Activities - Internal Service Fund
		Self Insurance Fund
	<u>ASSETS</u>	
Current Assets:		
Cash	\$	182,161
Equity in Pooled Cash and Investments		6,813,145
Accounts Receivable		187,304
Due from Component Units		691,103
Total Assets	\$	<u>7,873,713</u>
	<u>LIABILITIES</u>	
Current Liabilities:		
Accounts Payable	\$	428,985
Other Current Liabilities		2,401,000
Total Liabilities	\$	<u>2,829,985</u>
	<u>DEFERRED INFLOWS OF RESOURCES</u>	
Unearned Revenue	\$	691,103
Total Deferred Inflows of Resources	\$	<u>691,103</u>
	<u>NET POSITION</u>	
Net Position - Unrestricted	\$	<u>4,352,625</u>
Total Net Position	\$	<u><u>4,352,625</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, 2017

	Governmental Activities - Internal Service Fund
	Self Insurance Fund
<u>Operating Revenues</u>	
Self-Insurance Premiums	\$ 20,582,164
Total Operating Revenues	<u>\$ 20,582,164</u>
<u>Operating Expenses</u>	
Fiscal Agent Charges	\$ 534,313
Insurance Premiums	682,809
Building and Contents Insurance	316,950
Other Administrative Expenses	89,363
Contracts with Private Agencies	272,123
Medical Claims	16,253,139
Liability Insurance	21,945
Other Self-Insured Claims	730,881
Total Operating Expenses	<u>\$ 18,901,523</u>
Operating Income (Loss)	<u>\$ 1,680,641</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 35,905
Total Nonoperating Revenues (Expenses)	<u>\$ 35,905</u>
Income (Loss) Before Transfers	\$ 1,716,546
Transfers Out	(155,254)
Change in Net Position	<u>\$ 1,561,292</u>
Net Position, July 1, 2016	<u>2,791,333</u>
Net Position, June 30, 2017	<u><u>\$ 4,352,625</u></u>

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, 2017

	Governmental Activities - Internal Service Fund Self Insurance Fund
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-insurance Premiums	\$ 20,582,164
Payments to Fiscal Agents	(581,452)
Payments to Insurers	(1,293,827)
Payments for Claims	(17,685,895)
Payments for Administrative Costs	(89,837)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 931,153</u>
<u>Cash Flows from Investing Activities</u>	
Interest on Investments	\$ 32,076
Net Cash Provided By (Used In) Investing Activities	<u>\$ 32,076</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfers to Other Funds	\$ (155,254)
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ (155,254)</u>
Increase (Decrease) in Cash	\$ 807,975
Cash, July 1, 2016	<u>6,187,331</u>
Cash, June 30, 2017	<u><u>\$ 6,995,306</u></u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u>Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 1,680,641
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>(567,870)</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 931,153</u></u>
<u>Reconciliation of Cash with Statement of Net Position</u>	
Cash Per Net Position	\$ 182,161
Equity in Pooled Cash and Investments Per Net Position	<u>6,813,145</u>
Cash, June 30, 2017	<u><u>\$ 6,995,306</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, 2017

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 3,031,352
Equity in Pooled Cash and Investments	1,578,256
Accounts Receivable	226,403
Due from Other Governments	5,647,305
Taxes Receivable	15,595,725
Allowance for Uncollectible Taxes	<u>(248,541)</u>
Total Assets	<u>\$ 25,830,500</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 20,187
Payroll Deductions Payable	20,846
Due to Other Taxing Units	21,058,791
Due to Litigants, Heirs, and Others	3,260,887
Due to Joint Ventures	<u>1,469,789</u>
Total Liabilities	<u>\$ 25,830,500</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, 2017

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 debt issues contributed by the county to the School Department during the year ended June 30, 2017.

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.

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:

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

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 0.83 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 \$422,360, as well as the entire balance in the account Other Current Liabilities totaling \$2,401,000, represent internal service fund liabilities for self-insured claims.

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 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 other deferrals, 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 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, 2017, Blount County had \$139,034,614 in outstanding debt for capital purposes of other entities (schools - \$135,740,372, industrial purposes - \$2,578,875, and a joint communications system lease - \$715,367). 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, 2017, Blount County also had \$12,506,450 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 2017-18 budget (\$3,365,000) and amounts assigned for encumbrances (\$993,012). Assigned fund balance in the School Department's General Purpose School Fund includes an amount appropriated for use in the 2017-18 budget (\$3,098,000), amounts assigned for encumbrances (\$1,203,881), and an amount assigned to capital outlay (\$221,454).

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

E. Pension Plans

Primary Government

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

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 capital projects funds of the primary government, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

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

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, 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, 2017, Blount County had outstanding encumbrances in budget funds as follows:

<u>Fund</u>	<u>Amount</u>
Primary Government:	
General	\$ 1,003,657
Nonmajor Governmental	<u>528,992</u>
Total	<u>\$ 1,532,649</u>
Discretely Presented School Department:	
General Purpose School	\$ 1,203,881
Nonmajor Governmental	<u>190,343</u>
Total	<u>\$ 1,394,224</u>

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, 2017, 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	3 to 80	N/A	\$ 204,252

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, 2017, 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 \$391,353 due on the contract as of June 30, 2017, is reflected as notes receivable on the balance sheet of the General Debt Service Fund. 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 \$240,196 and \$196,470, respectively. These notes receivable are reflected in the General Debt Service Fund. See Note IV.G., 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. Derivative Instruments

Primary Government

Blount County elected to terminate the following derivative instruments during the year:

Instrument	Type	Objective	Original Notional Amount	Effective Date	Maturity Date	Terms
\$10M Swap	Pay fixed interest rate swap	Variable to synthetic fixed rate swap	\$ 10,000,000	6-1-06	6-1-30	Pay 3.9% receive 63.2% of 5-year CMS
\$10M Swap	Pay fixed interest rate swap	Variable to synthetic fixed rate swap	10,000,000	6-1-06	6-1-28	Pay 3.264% receive 59% of 5-year CMS
\$14M Swap	Pay fixed interest rate swap	Variable to synthetic fixed rate swap	14,000,000	6-1-06	6-1-27	Pay 3.533% receive 59% of 5-year CMS
\$39M Swap	Pay fixed interest rate swap	Variable to synthetic fixed rate swap	39,000,000	6-1-06	6-1-23	Pay 4.27% receive 63.45% of 5-year CMS

The changes in fair value of such derivative instruments and swap termination payments for the year then ended as reported in the 2017 financial statements are as follows:

Governmental Activities			Swap	
Type	Changes in Fair Value		Termination	
	Classification	Amount	Payment	
Investment Derivatives:				
Pay-fixed interest rate swaps:				
\$10M Swap	Interest and Investment Earnings	\$ 286,788	\$	\$ 2,888,207
\$10M Swap	Interest and Investment Earnings	280,328		2,047,719
\$14M Swap	Interest and Investment Earnings	365,195		2,676,902
\$39M Swap	Interest and Investment Earnings	786,674		5,301,172
Totals		\$ 1,718,985		\$ 12,914,000

As of June 30, 2017, Blount County has no outstanding interest rate swap agreements.

D. Capital Assets

Capital assets activity for the year ended June 30, 2017, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-16	Increases	Decreases	Balance 6-30-17
Capital Assets Not Depreciated:				
Land	\$ 7,518,566	\$ 0	\$ 0	\$ 7,518,566
Construction in Progress	2,050,859	218,366	(1,652,613)	616,612
Total Capital Assets Not Depreciated	<u>\$ 9,569,425</u>	<u>\$ 218,366</u>	<u>\$ (1,652,613)</u>	<u>\$ 8,135,178</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 53,371,440	\$ 79,038	\$ 0	\$ 53,450,478
Roads, Streets, and Bridges	136,752,633	1,367,306	0	138,119,939
Other Capital Assets	16,398,833	4,132,705	(711,218)	19,820,320
Total Capital Assets Depreciated	<u>\$ 206,522,906</u>	<u>\$ 5,579,049</u>	<u>\$ (711,218)</u>	<u>\$ 211,390,737</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 19,849,039	\$ 1,094,068	\$ 0	\$ 20,943,107
Roads, Streets, and Bridges	80,278,080	3,841,727	0	84,119,807
Other Capital Assets	11,147,518	1,433,555	(667,748)	11,913,325
Total Accumulated Depreciation	<u>\$ 111,274,637</u>	<u>\$ 6,369,350</u>	<u>\$ (667,748)</u>	<u>\$ 116,976,239</u>
Total Capital Assets Depreciated, Net	<u>\$ 95,248,269</u>	<u>\$ (790,301)</u>	<u>\$ (43,470)</u>	<u>\$ 94,414,498</u>
Governmental Activities Capital Assets, Net	<u>\$ 104,817,694</u>	<u>\$ (571,935)</u>	<u>\$ (1,696,083)</u>	<u>\$ 102,549,676</u>

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

Governmental Activities:

General Government	\$	210,537
Finance		281,440
Administration of Justice		248,821
Public Safety		1,053,164
Public Health and Welfare		150,009
Social, Cultural, and Recreational		310,433
Highways		<u>4,114,946</u>
Total Depreciation Expense - Governmental Activities	\$	<u><u>6,369,350</u></u>

Discretely Presented Blount County School Department**Governmental Activities:**

	Balance 7-1-16	Increases	Decreases	Balance 6-30-17
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	\$ 172,730,094	\$ 382,492	\$ 0	\$ 173,112,586
Other Capital Assets	5,582,105	229,886	(244,929)	5,567,062
Total Capital Assets Depreciated	<u>\$ 178,312,199</u>	<u>\$ 612,378</u>	<u>\$ (244,929)</u>	<u>\$ 178,679,648</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 60,986,948	\$ 3,561,581	\$ 0	\$ 64,548,529
Other Capital Assets	4,340,809	260,868	(241,470)	4,360,207
Total Accumulated Depreciation	<u>\$ 65,327,757</u>	<u>\$ 3,822,449</u>	<u>\$ (241,470)</u>	<u>\$ 68,908,736</u>
Total Capital Assets Depreciated, Net	<u>\$ 112,984,442</u>	<u>\$ (3,210,071)</u>	<u>\$ (3,459)</u>	<u>\$ 109,770,912</u>
Governmental Activities Capital Assets, Net	<u>\$ 122,935,501</u>	<u>\$ (3,210,071)</u>	<u>\$ (3,459)</u>	<u>\$ 119,721,971</u>

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

Governmental Activities:

Instruction	\$ 39,188
Support Services	3,650,728
Operation of Non-instructional Services	<u>132,533</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,822,449</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2017, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 8,973

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:	Component Unit:	
Internal Service	School Department	\$ 691,103
Governmental Activities	School Department	937,267

The amount reflected as Due to Primary Government from the discretely presented School Department on the government-wide Statement of Net Position also includes \$937,267 for principal and accrued interest on debt issued by the primary government, which is being retired by the School Department. Of that amount, \$626,912 is not expected to be received within one year.

Interfund Transfers

Interfund transfers for the year ended June 30, 2017, consisted of the following amounts:

Primary Government

	Transfers In		
	General	Debt Service	Nonmajor
Transfers Out	Fund	Fund	Funds
General Fund	\$ 0	\$ 835,344	\$ 978,668
Internal Service Fund	155,254	0	0
Total Transfers	\$ 155,254	\$ 835,344	\$ 978,668

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

F. Operating Leases

During the year Blount County entered into a leasing program with Enterprise Fleet Management. As of June 30, 2017, Blount County was leasing 16 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, 2017, was \$52,741 for the primary government and \$28,517 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
2018	\$ 79,001	\$ 27,687	\$ 106,688
2019	79,001	27,687	106,688
2020	77,920	27,687	105,607
2021	5,259	6,598	11,857
Total	\$ 241,181	\$ 89,659	\$ 330,840

G. 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:

	Governmental Activities	
	Primary Government	School Department
Machinery and Equipment (county portion)	\$ 1,808,935	\$ 0
Less: Accumulated Depreciation	(1,085,363)	0
Buildings and Improvements	0	2,738,602
Less: Accumulated Depreciation	0	(2,053,950)
Total Book Value	<u>\$ 723,572</u>	<u>\$ 684,652</u>

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2017, were as follows:

Year Ending June 30	Governmental Funds
2018	\$ 696,826
2019	705,106
2020	713,633
2021	370,183
Total Minimum Lease Payments	<u>\$ 2,485,748</u>
Less: Amount Representing Interest	<u>(236,383)</u>
Present Value of Minimum Lease Payments	<u>\$ 2,249,365</u>

H. 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 16 years for the other loans. Blount County had no outstanding capital outlay notes at June 30, 2017. 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, 2017, will be retired from the General Debt Service Fund.

General obligation bonds, other loans, and capital leases outstanding as of June 30, 2017, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-17
General Obligation Bonds - Refunding - Fixed Rate	.55 to 5%	6-30-37	\$ 199,225,000	\$ 163,625,000
Qualified School Construction Bonds	2.6	9-14-27	14,855,000	9,370,671
Other Loans - Public Building Authority	2.5 to 5	6-1-19	7,380,000	1,925,000
Other Loans - State School Bond Authority	0	11-24-20	727,865	63,141
Capital Lease	3.97 to 5.4	9-1-20	5,745,602	2,249,365

Blount County has entered into various loan agreements 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 agreements, the PBA issued its revenue bonds and made the proceeds available for loan to Blount County. The following table summarizes all PBA and other loan agreements outstanding at June 30, 2017:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-17	Interest Type	Interest Rates
<u>Blount County Public Building Authority</u>				
Industrial Park (Series B-17-A)	\$ 3,000,000	\$ 125,000	Fixed	3.25 to 4.5 %
Various Purpose (Series B-18-A)	4,380,000	1,800,000	Fixed	2.5 to 5
<u>TN State School Bond Authority</u>				
Qualified Zone Academy Bonds	727,865	63,141	N/A	0
		<u>\$ 1,988,141</u>		

The annual requirements to amortize all bonds and other loans outstanding as of June 30, 2017, including interest payments, are presented in the following tables.

Year Ending June 30	Bonds			
	Principal	Interest (1)	Total	
2018	\$ 7,251,929	\$ 9,233,345	\$ 16,485,274	
2019	7,986,929	9,023,157	17,010,086	
2020	9,306,929	8,778,568	18,085,497	
2021	9,601,929	8,485,092	18,087,021	
2022	9,846,929	6,826,194	16,673,123	
2023-2027	52,936,026	27,910,751	80,846,777	
2028-2032	39,055,000	12,992,436	52,047,436	
2033-2037	37,010,000	5,503,210	42,513,210	
Total	<u>\$ 172,995,671</u>	<u>\$ 88,752,753</u>	<u>\$ 261,748,424</u>	

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2018	\$ 1,065,501	\$ 168,350	\$ 245	\$ 1,234,096
2019	922,640	36,000	245	958,885
Total	<u>\$ 1,988,141</u>	<u>\$ 204,350</u>	<u>\$ 490</u>	<u>\$ 2,192,981</u>

There is \$10,560,240 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,406, based on the 2010 federal census. Total debt per capital, including bonds, other loans, capital leases, and unamortized debt premiums, totaled \$1,646, 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, 2017, totaled \$2,297,889. 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, 2017, totaled \$75,325,000. These are discussed further in Note V.D. 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.

Description of Indebtedness	Outstanding 6-30-17
<u>Capital Leases</u>	
<u>Contributions from the General Purpose School Fund</u>	
School Energy Facility Upgrades	\$ 904,690

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2017, was as follows:

	Bonds	Other Loans	Capital Leases
Balance, July 1, 2016	\$ 168,532,600	\$ 25,573,706	\$ 2,809,985
Additions	125,930,000	0	0
Reductions	(121,466,929)	(23,585,565)	(560,620)
Balance, June 30, 2017	<u>\$ 172,995,671</u>	<u>\$ 1,988,141</u>	<u>\$ 2,249,365</u>
Balance Due Within One Year	<u>\$ 7,251,929</u>	<u>\$ 1,065,501</u>	<u>\$ 594,577</u>

	Other Postemployment Benefits	Compensated Absences	Net Pension Liability- Agent Plan (Excluding Library) (1)
Balance, July 1, 2016	\$ 3,177,717	\$ 3,296,695	\$ (1,816,614)
Additions	726,604	2,106,584	5,911,860
Reductions	(480,820)	(2,304,480)	(4,055,595)
Balance, June 30, 2017	<u>\$ 3,423,501</u>	<u>\$ 3,098,799</u>	<u>39,651</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 1,394,460</u>	<u>\$ 0</u>

(1) The agent pension plan reported a net pension asset at July 1, 2016.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2017	\$ 183,795,128
Less: Balance Due Within One Year	(10,346,118)
Add: Unamortized Premium on Debt	<u>25,281,768</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 198,730,778</u>

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

Current and Advance Refunding

During the year, Blount County refunded several PBA loans and general obligation bond issues. The county issued a total of \$125,930,000 of Series 2016 A and B fixed rate general obligation bonds and received a premium on the issues of \$24,898,990. Proceeds of the bonds, along with the premium received and \$5,000,000 from the General Debt Service Fund balance, were used to refund the following debt issues and to provide funds to terminate interest rate swap agreements associated with the Series 2013 B bond issue.

Issue	Principal Amount Refunded	Called and Redeemed During the Year	Outstanding but Defeased as of 6-30-17	Call Date for Outstanding Defeased Debt
PBA Loans:				
Series B-10-A	\$ 900,000	\$ 900,000	\$ -	
Series B-16-A	18,755,000	-	18,755,000	6-1-2018
Series B-17-A	2,070,000	-	2,070,000	6-1-2018
General Obligation Refunding Bonds:				
Series 2004 A	2,115,000	2,115,000	-	
Series 2004 B	1,645,000	1,645,000	-	
Series 2005	4,695,000	4,695,000	-	
Series 2011	27,270,000	-	27,270,000	6-1-2021
Series 2013 B	79,435,000	79,435,000 (1)	-	
Total	<u>\$ 136,885,000</u>	<u>\$ 88,790,000</u>	<u>\$ 48,095,000</u>	

(1) The county paid \$12,914,000 to terminate interest rate swap agreements associated with this issue. See Note IV.C. for discussion of those agreements.

For the refunded debt issues, which could not be called and redeemed immediately, the funds provided were used to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments of the refunded debt. As a result, the remaining outstanding refunded debt issues are considered defeased, and the liability has been removed from the county's long-term debt.

As a result of the refunding, total debt service payments over the next 20 years were estimated to be reduced by approximately \$3,350,000, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of approximately \$940,000 was estimated at the time of sale (11/7/2016) to be obtained. Actual savings or loss will vary from those estimates depending on the performance of the variable rate indices related to the refunded Series 2013 B debt.

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, 2017, was as follows:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2016	\$ 1,337	\$ (43,770)
Additions	0	1,329,660
Reductions	(1,337)	(1,035,845)
Balance, June 30, 2017	\$ 0	\$ 250,045
Balance Due Within One Year	\$ 0	\$ 0

	Net Pension Liability - Agent Plan (1)	Net Pension Liability - Teacher Legacy Plan
Balance, July 1, 2016	\$ (681,137)	\$ 444,484
Additions	2,277,431	18,240,941
Reductions	(1,580,981)	(11,572,439)
Balance, June 30, 2017	\$ 15,313	\$ 7,112,986
Balance Due Within One Year	\$ 0	\$ 0

(1) The Agent Plan reported a net pension asset at July 1, 2016.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2017	\$ 7,378,344
Less: Balance Due Within One Year	<u>0</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 7,378,344</u>

Net pension liabilities and other postemployment benefits will be paid from the employing funds, primarily the General Purpose School and School Federal Project funds.

I. On-behalf Payments – Discretely Presented Blount County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Blount County School Department. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Medicare Supplement Plan for the year ended June 30, 2017, were \$62,213. The School Department has

recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

J. 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, 2017, interest earned totaled \$2,577. As of June 30, 2017, the Endowment Fund has accumulated a balance of \$13,041 of unspent earned interest. As of the date of this report, the county has yet to determine how to spend the earned interest.

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 \$2,772,674 and the portion attributable to general liability, property, casualty, and workers' compensation was \$1,579,951 at June 30, 2017. 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
2015-2016	\$ 2,492,585	\$ 1,050,535	\$ (1,047,054)	\$ 2,496,066
2016-2017	2,496,066	951,968	(1,047,034)	2,401,000

Health

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2015-2016	\$ 1,138,566	\$ 17,484,299	\$ (17,775,315)	\$ 847,550
2016-2017	847,550	16,032,052	(16,457,242)	422,360

On Exhibit D-1, the balance in the Accounts Payable account on the Statement of Net Position includes \$422,360 related to self-insured claims, and the balance in the account Other Current Liabilities includes internal service fund liabilities of \$2,401,000 for other self-insured claims.

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*; Statement No. 77, *Tax Abatement Disclosures*; Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*; Statement No. 80, *Blending Requirements for Certain Component Units*; and Statement No. 82, *Pension Issues an amendment of GASB Statements No. 67, No. 68, and No. 73*, became effective for the year ended June 30, 2017.

GASB Statement No. 74, establishes accounting and reporting requirements for postemployment benefits other than pensions (other postemployment benefits or OPEB), which are included in the general purpose external

financial reports of state and local governmental OPEB plans. This statement replaces GASB Statements No. 43 and No. 57. It also includes requirements for defined contribution OPEB plans that replace the requirements in statements No. 25, No. 43, and No. 50. The scope of this statement includes OPEB plans, both defined benefit and defined contribution, administered through trusts meeting the necessary criteria as well as reporting assets accumulated through OPEB plans that are not administered through trusts that meet the specified criteria.

GASB Statement No. 77, established reporting requirements for tax abatements. This standard requires the disclosure of information about the nature and magnitude of tax abatement agreements entered into by state and local governments that reduce the government's tax revenues.

GASB Statement No. 78, amends Statement No. 68 to exclude certain pensions provided to employees of state or local governments through a cost-sharing multiple-employer pension plans that are not state or local plans and meet specific other criteria. This statement establishes recognition, measurement, and reporting criteria for these plans.

GASB Statement No. 80, amends the blending requirements of paragraph 53 of Statement No. 14. This standard adds additional blending criterion, which requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member.

GASB Statement No. 82 amends Statements No. 67, No. 68, and No. 73. This standard establishes covered payroll as the payroll on which contributions to a pension plan are based in the Required Supplementary Information. In addition, this standard clarifies that employer paid member contributions should be considered plan member contributions for purposes of applying Statement No. 67, and employee contributions for the purposes of applying Statement No. 68. This standard further states that an employer's expense and expenditures for employer paid member contributions should be recognized in the period for which the contribution is assessed and classified in the same manner that the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits).

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, 2017, totaled \$75,325,000.

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. Changes in Administration

On August 31, 2016, Margaret Flynn left the Office of County Clerk and was succeeded by Gaye Hasty.

E. 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 \$12,813,462, 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, 2017.

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

F. 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.

G. 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 comprised 72.14 percent and the non-certified employees of the discretely presented School Department comprised 27.86 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 comprised 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.tn.gov/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 of the 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, 2016, the following employees were covered by the benefit terms:

Blount County Plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	547
Inactive Employees Entitled to But Not Yet Receiving Benefits	725
Active Employees	842
Total	<u><u>2,114</u></u>

Blount County Library Plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	12
Inactive Employees Entitled to But Not Yet Receiving Benefits	7
Active Employees	20
Total	<u><u>39</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, 2017, the employer contribution for the Blount County Plan was \$3,799,166 based on a rate of 11.38 and 14.88 percent of covered payroll for general employees and public safety officers, respectively. For the year ended June 30, 2017, the employer contribution for the Blount County Library Plan was \$2,245 based on a rate of 0.3 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, 2016, 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, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost-of-Living Adjustment	2.50%

Mortality rates were based on actual experience from the June 30, 2012, actuarial experience study, adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2016, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. 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, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding

inflation of three percent. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	6.46 %	33 %
International Equity Emerging Market	6.26	17
International Equity Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income	4.61	8
Real Estate	0.98	29
Short-term Securities	4.73	7
	0.00	1
Total		<u>100 %</u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 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 (a)-(b)
Balance, July 1, 2015	\$ 105,664,943	\$ 108,162,694	\$ (2,497,751)
Changes for the year:			
Service Cost	\$ 2,644,976	\$ 0	\$ 2,644,976
Interest	7,952,467	0	7,952,467
Differences Between Expected and Actual Experience	(39,667)	0	(39,667)
Contributions-Employer	0	3,606,957	(3,606,957)
Contributions-Employees	0	1,529,996	(1,529,996)
Net Investment Income	0	2,877,308	(2,877,308)
Benefit Payments, Including Refunds of Employee Contributions	(4,554,046)	(4,554,046)	0
Administrative Expense	0	(63,996)	63,996
Other Changes	0	54,796	(54,796)
Net Changes	\$ 6,003,730	\$ 3,451,015	\$ 2,552,715
Balance, June 30, 2016	\$ 111,668,673	\$ 111,613,709	\$ 54,964

Blount County Library Plan:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2015	\$ 2,497,019	\$ 2,841,589	\$ (344,570)
Changes for the year:			
Service Cost	\$ 67,217	\$ 0	\$ 67,217
Interest	188,758	0	188,758
Differences Between Expected and Actual Experience	28,753	0	28,753
Contributions-Employer	0	2,354	(2,354)
Contributions-Employees	0	39,232	(39,232)
Net Investment Income	0	74,642	(74,642)
Benefit Payments, Including Refunds of Employee Contributions	(94,935)	(94,935)	0
Administrative Expense	0	(1,611)	1,611
Other Changes	0	0	0
Net Changes	\$ 189,793	\$ 19,682	\$ 170,111
Balance, June 30, 2016	\$ 2,686,812	\$ 2,861,271	\$ (174,459)

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	72.14%	\$ 80,557,781	\$ 80,518,130	\$ 39,651
School Department	27.86%	31,110,892	31,095,579	15,313
Total		\$ 111,668,673	\$ 111,613,709	\$ 54,964

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 7.5 percent, as well as what the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

	1%	Current Discount Rate	1%
Blount County Plan:	Decrease 6.5%	7.5%	Increase 8.5%

Net Pension Liability	\$ 14,537,511	\$ 54,964	\$ (12,022,791)
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	1%	Current Discount Rate	1%
Blount County Library Plan:	Decrease 6.5%	7.5%	Increase 8.5%

Net Pension Liability	\$ 132,134	\$ (174,459)	\$ (435,093)
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Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Pension Expense. For the year ended June 30, 2017, the Blount County Plan recognized pension expense of \$771,151 and the Blount County Library Plan recognized pension expense of \$13,003.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2017, 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	\$ 0	\$ 1,317,786
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,746,412	0
Contributions Subsequent to the Measurement Date of June 30, 2016 (1)	3,799,166	N/A
Total	<u>\$ 7,545,578</u>	<u>\$ 1,317,786</u>

Blount County Library Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 213,602	\$ 106,447
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	97,058	0
Contributions Subsequent to the Measurement Date of June 30, 2016 (1)	2,245	N/A
Total	<u>\$ 312,905</u>	<u>\$ 106,447</u>

1. The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2016,” 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	\$ 5,421,408	\$ 950,651
School Department	2,124,170	367,135
Total	<u>\$ 7,545,578</u>	<u>\$ 1,317,786</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
2018	\$ (171,780)
2019	(171,780)
2020	1,728,844
2021	1,043,349
2022	0
Thereafter	0

Blount County Library Plan:

Year Ending June 30	Amount
2018	\$ 5,707
2019	112,154
2020	59,065
2021	27,283
2022	0
Thereafter	0

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

Payable to the Pension Plan

At June 30, 2017, the Blount County Plan reported a payable of \$522,240 and the Blount County Library Plan reported a payable of \$3,749 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2017.

Discretely Presented Blount County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Blount County and non-certified employees of the discretely presented Blount County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 72.14 percent and

the non-certified employees of the discretely presented School Department comprise 27.86 percent of the plan 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.tn.gov/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, 2017, to the Teacher Retirement Plan were \$138,463, 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, 2017, the Blount County School Department reported an asset of \$55,243 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Blount County School Department's proportion of the net pension asset was based on the Blount County 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, 2016, the Blount County School Department's proportion was .530660 percent. The revised proportion measured at June 30, 2015, was .448659 percent.

Pension Expense. For the year ended June 30, 2017, the Blount County School Department recognized pension expense of \$46,059.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2017, the Blount County School Department reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 5,353	\$ 6,369
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	9,045	0
Changes in Proportion of Net Pension Liability (Asset)	0	2,300
LEA's Contributions Subsequent to the Measurement Date of June 30, 2016	138,463	0
Total	<u>\$ 152,861</u>	<u>\$ 8,669</u>

The Blount County School Department's employer contributions of \$138,463, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension liability asset in the year ending June 30, 2018. 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
2018	\$ 2,044
2019	2,044
2020	2,044
2021	1,613
2022	(325)
Thereafter	(1,694)

Actuarial Assumptions. The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates are customized based on the June 30, 2012, actuarial experience study and some included adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2016, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. 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, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	6.46 %	33 %
International Equity Emerging Market	6.26	17
International Equity Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income	4.61	8
Real Estate	0.98	29
Short-term Securities	4.73	7
	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 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 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 Blount County School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what the Blount County School Department's proportionate share of the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Net Pension Liability	\$ 26,087	\$ (55,243)	\$ 115,167

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

Payable to the Pension Plan

At June 30, 2017, the Blount County School Department reported a payable of \$17,726 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2017.

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.tn.gov/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, 2017, to the Teacher Legacy Pension Plan were \$3,715,849, 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, 2017, the Blount County School Department reported a liability of \$7,112,986 for its proportionate share of the net pension liability. The net pension liability (asset) was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The Blount County School

Department's proportion of the net pension liability (asset) was based on the Blount County 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, 2016, the Blount County School Department's proportion was 1.138179 percent. The proportion measured at June 30, 2015, was 1.085075 percent.

Pension Expense. For the year ended June 30, 2017, the Blount County School Department recognized pension expense of \$912,929.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2017, the Blount County School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 299,340	\$ 8,611,469
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	7,941,746	0
Changes in Proportion and Differences Between LEA's Contributions and Proportionate Share of Contributions	580,204	200,972
Changes in Proportion of Net Pension Liability (Asset)		
LEA's Contributions Subsequent to the Measurement Date of June 30, 2016	3,715,849	N/A
Total	\$ 12,537,139	\$ 8,812,441

The Blount County School Department's employer contributions of \$3,715,849 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, 2018. 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
2018	\$ (1,256,287)
2019	(1,256,287)
2020	2,553,364
2021	448,669
2022	(480,612)
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, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates are customized based on the June 30, 2012, actuarial experience study and some included adjustments for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2015, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. 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, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of

capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	6.46 %	33 %
International Equity Emerging Market	6.26	17
Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income	4.61	8
Real Estate	0.98	29
Short-term Securities	4.73	7
	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 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 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 Blount

County School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what the Blount County School Department's proportionate share of the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
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Net Pension Liability	\$ 39,058,631	\$ 7,112,986	\$ (19,349,345)
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Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

Payable to the Pension Plan

At June 30, 2017, the Blount County School Department reported a payable of \$464,424 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2017.

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 discretely presented School Department are required to participate in a hybrid pension plan administered by the Tennessee Consolidated Retirement System. This hybrid pension plan requires that these teachers contribute five percent of their salaries into a deferred compensation plan managed by the hybrid plan pursuant to IRC Section 401(k). As part of their employment package, the School Department has assumed all costs of funding this program on-behalf of the plan participants. The Section 401(k) plan assets remain the property of the participating teachers and are not presented in the accompanying financial statements. IRC Section 401(k), establishes participating, contribution, and withdrawal provisions for the plans. During the year, the School Department

contributed \$172,977 to the 401(k) portion of the hybrid pension plan on-behalf of the plan participants.

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

Plan Description

Blount County and the Blount County School Department participate in a self-insured postemployment benefits plan for medical insurance benefits for retirees and their beneficiaries. Dental insurance and life insurance of \$10,000 are also provided.

Funding Policy

The premium requirements of plan members are established and may be amended by the county commission. The plan is self-insured and financed on a pay-as-you-go basis. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The county develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums. Eligible employees must be age 60 with ten years of service or any age with 30 years of service until attainment of age 65 when they become eligible for Medicare. Blount County and the School Department pay 100 percent of the retirees' premiums. The retiree's spouse is eligible while the retiree is eligible for coverage until the spouse's age of 65, but after the retiree reaches age 65, a monthly contribution of \$100 is required to continue the spouse's coverage.

Annual OPEB Cost and Net OPEB Obligation

	Primary Government	School Department	Total
ARC	\$ 765,950	\$ 1,329,118	\$ 2,095,068
Interest on the NOPEBO	127,109	(1,751)	125,358
Adjustment to the ARC	(166,455)	2,293	(164,162)
Annual OPEB cost	\$ 726,604	\$ 1,329,660	\$ 2,056,264
Amount of contribution	(480,820)	(1,035,845)	(1,516,665)
Increase/decrease in NOPEBO	\$ 245,784	\$ 293,815	\$ 539,599
Net OPEB obligation, 7-1-16	3,177,717	(43,770)	3,133,947
Net OPEB obligation, 6-30-17	\$ 3,423,501	\$ 250,045	\$ 3,673,546

Fiscal Year Ended	Plan		Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed		Net OPEB Obligation at Year End
6-30-15	Self-insured	\$	1,830,845	81.8	% \$	2,738,775
6-30-16	"		1,885,726	79.0		3,133,947
6-30-17	"		2,056,264	73.8		3,673,546

Funded Status and Funding Progress

The funded status of the plan as of the latest actuarial valuation was as follows:

	Primary Government	School Department	Total
Actuarial valuation date	7-1-16	7-1-16	
Actuarial accrued liability (AAL)	\$ 7,221,969	\$ 13,132,248	\$ 20,354,217
Actuarial value of plan assets	\$ 0	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 7,221,969	\$ 13,132,248	\$ 20,354,217
Actuarial value of assets as a % of the AAL	0%	0%	0%
Covered payroll (active plan members)	\$ 21,697,248	\$ 48,246,173	\$ 69,943,421
UAAL as a % of covered payroll	33%	27%	29%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2016, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a four percent investment rate of return and an annual healthcare cost trend rate of eight percent initially, reduced by decrements to an ultimate rate of five percent in 2019. Both rates include a 2.5 percent inflation assumption. The

unfunded actuarial accrued liability is being amortized as a level percentage of payrolls on a closed basis over a 30-year period beginning with June 30, 2009.

I. 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.

J. 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.

K. Subsequent Events

On August 2, 2017, the county's General Debt Service Fund issued a \$1,272,000 capital outlay note to the Education Capital Projects Fund.

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, 2017.

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-offs 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, 2017, 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 4.8 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, 2017, totaling \$1,177,500 is restricted in perpetuity (nonexpendable) under an irrevocable endowment trust.

As of June 30, 2017, net appreciation on assets limited as to use by board related to the foundation was approximately \$494,604. 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 - 30
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.

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

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), subject to certain limits. At June 30, 2017, BMPG balances exceeded the limits by approximately \$1,740,000 (uninsured credit risk category).

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 6-30-17	Percent
Money Market Funds (cash equivalents)	\$ 871,089	1
Municipal Bonds	0	0
Common Stock	7,693,865	8
Bond Mutual Funds	42,297,241	43
Equity Mutual Funds	46,781,046	48
Total	<u>\$ 97,643,241</u>	<u>100</u>

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

	Balance 6-30-17
Interest and Dividends	\$ 5,569,068
Net Realized and Unrealized Investment Gain (Loss)	<u>2,441,506</u>
Total	<u><u>\$ 8,010,574</u></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 6-30-17
Money Market Funds (cash equivalents)	\$ 314,828
Common Stock	41,512
Bond Mutual Funds	525,671
Equity Mutual Funds	<u>1,099,029</u>
Total	<u><u>\$ 1,981,040</u></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 6-30-17
Gross Patient Service Charges	\$ 1,006,892,673
Contractual Adjustments and Discounts	(706,120,178)
Charity Care Charges Foregone	(37,149,738)
Provision for Bad Debts	<u>(19,557,006)</u>
Net Patient Service Revenue	<u><u>\$ 244,065,751</u></u>

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 11 percent, respectively, in 2017.

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

Effective March 1, 2017, and April 1, 2017, the hospital acquired substantially all assets, excluding accounts receivable as of the effective date, of Blount Hospitalists, P.C. (Blount Hospitalists) and Budayr & Associates, P.C. (Budayr), respectively. The acquisitions were accounted for as purchase transactions 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	\$ 31,605
Other Assets	<u>856,190</u>
Total Cash Consideration	<u>\$ 887,795</u>

F. Property and Equipment

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

	Balance 7-1-16	Additions	Retirements and Transfers	Balance 6-30-17
Cost:				
Land	\$ 12,483,960	\$ 70,000	\$ 0	\$ 12,553,960
Land Improvements	2,639,973	271,030	0	2,911,003
Buildings, Improvements, and Fixed Equipment	177,149,333	6,704,766	(318,161)	183,535,938
Equipment	142,851,274	4,212,300	(7,899,011)	139,164,563
Construction in Progress	841,449	1,209,820	(796,588)	1,254,681
Total Cost	<u>\$ 335,965,989</u>	<u>\$ 12,467,916</u>	<u>\$ (9,013,760)</u>	<u>\$ 339,420,145</u>
Allowances for				
Depreciation:				
Land Improvements	\$ (2,326,619)	\$ (26,643)	\$ 0	\$ (2,353,262)
Buildings, Improvements, and Fixed Equipment	(97,156,586)	(6,600,019)	318,160	(103,438,445)
Equipment	<u>(110,942,470)</u>	<u>(11,372,039)</u>	<u>7,896,362</u>	<u>(114,418,147)</u>
Total Allowances for				
Depreciation	<u>\$ (210,425,675)</u>	<u>\$ (17,998,701)</u>	<u>\$ 8,214,522</u>	<u>\$ (220,209,854)</u>
Net Property and Equipment	<u>\$ 125,540,314</u>	<u>\$ (5,530,785)</u>	<u>\$ (799,238)</u>	<u>\$ 119,210,291</u>

Construction in progress at June 30, 2017, includes costs primarily related to the renovation and upgrades to the building with total estimated costs to complete of approximately \$667,000.

G. Other Assets

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

	<u>6-30-17</u>
Partnership Interest	\$ 2,040,000
Goodwill	2,236,090
Trade Name	1,353,406
Medical Records	507,412
Workforce	1,695,237
Rabbi Trust Investment	431,354
Other	<u>612,484</u>
Total	<u>\$ 8,875,983</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 \$305,195 at June 30, 2017. Amortization expense for the next three years is estimated to approximate \$395,000 each year.

H. Long-term Debt and Capital Lease

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

	Balance 7-1-16	Additions	Principal Payments	Balance 6-30-17
Series 2013A Bonds	\$ 79,025,000	\$ 0	\$ 3,700,000	\$ 75,325,000
Series 2014 Bonds	2,924,184	0	626,295	2,297,889
Capital Lease Obligation	831,389	0	831,389	0
Bank Note Payable	0	1,450,000	30,789	1,419,211
Total Outstanding	\$ 82,780,573	<u>\$ 1,450,000</u>	<u>\$ 5,188,473</u>	\$ 79,042,100
Less Current Portion	<u>(5,157,684)</u>			<u>(4,692,884)</u>
Long-term Portion	<u>\$ 77,622,889</u>			<u>\$ 74,349,216</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 (1.15% at June 30, 2017) and a factor (67% at June 30, 2017) plus the applicable spread based on the investment rating of the bonds (.43% at June 30, 2017). The Series 2013A Bonds mature in increasing annual amounts ranging from \$3,875,000 in 2018 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 \$692,100 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 \$3,849,771 in 2017.

As of June 30, 2017, 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, 2017, the counterparty to the swaps, Deutsche Bank, was rated Baa2/A-/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, 2017, are summarized as follows:

Year Ending June 30	Series 2013A	Series 2014	Bank Note Payable	Total
2018	\$ 3,875,000	\$ 692,100	\$ 125,784	\$ 4,692,884
2019	4,075,000	763,889	130,102	4,968,991
2020	4,275,000	841,900	134,569	5,251,469
2021	5,750,000	0	139,188	5,889,188
2022	6,050,000	0	143,966	6,193,966
2023-2027	34,850,000	0	745,602	35,595,602
2028-2029	16,450,000	0	0	16,450,000
Total	<u>\$ 75,325,000</u>	<u>\$ 2,297,889</u>	<u>\$ 1,419,211</u>	<u>\$ 79,042,100</u>

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, 2017, which was 1.15 percent):

Year Ending June 30	Series 2013A	Series 2014	Bank Note Payable	Total
2018	\$ 2,778,022	\$ 32,743	\$ 46,033	\$ 2,856,798
2019	2,733,119	20,508	41,715	2,795,342
2020	2,685,907	7,014	37,248	2,730,169
2021	2,627,202	0	32,629	2,659,831
2022	2,460,514	0	27,851	2,488,365
2023-2027	8,309,212	0	61,833	8,371,045
2028-2029	1,018,494	0	0	1,018,494
Total	<u>\$ 22,612,470</u>	<u>\$ 60,265</u>	<u>\$ 247,309</u>	<u>\$ 22,920,044</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 2016, the hospital leased certain equipment under a capital lease arrangement. As of June 30, 2016, equipment under capital lease had a total cost of \$1,666,920. Related accumulated amortization totaled \$69,702 as of June 30, 2016. Amortization of equipment under capital lease is included with depreciation and amortization in the accompanying statements of revenues, expenses, and changes in net position. The capital lease ended during 2017, and the hospital purchased the related equipment for \$1.

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 \$120,295 were paid during 2017. At June 30, 2017, 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 \$1,523,799 at June 30, 2017. The total expense related to employee group health claims (net of employee paid premiums) was approximately \$16,719,000 for 2017.

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, 2017:

	Level 1	Level 2	Level 3	Total
Investments by fair value level:				
Mutual funds:				
Money market funds	\$ 1,185,917	\$ 0	\$ 0	\$ 1,185,917
Bond funds	42,822,912	0	0	42,822,912
Equity funds	47,880,075	0	0	47,880,075
Total mutual funds	91,888,904	0	0	91,888,904
Common stocks	7,735,377	0	0	7,735,377
Total investments by fair value level	\$ 99,624,281	\$ 0	\$ 0	\$ 99,624,281
Derivative instruments:				
Interest rate swaps	\$ 0	\$ 10,463,012	\$ 0	\$ 10,463,012

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 \$4,325,765 in 2017. Employee contributions were \$4,170,926 in 2017. 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.

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

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

Exhibit F-2

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
Total Pension Liability			
Service Cost	\$ 2,750,764	\$ 2,696,385	\$ 2,644,976
Interest	7,259,306	7,602,389	7,952,467
Changes in Benefit Terms	0	0	0
Differences Between Actual and Expected Experience	(1,426,832)	(1,192,196)	(39,667)
Changes in Assumptions	0	0	0
Benefit Payments, Including Refunds of Employee Contributions	(3,687,953)	(4,220,884)	(4,554,046)
Net Change in Total Pension Liability	\$ 4,895,285	\$ 4,885,694	\$ 6,003,730
Total Pension Liability, Beginning	95,883,964	100,779,249	105,664,943
Total Pension Liability, Ending (a)	\$ 100,779,249	\$ 105,664,943	\$ 111,668,673
Plan Fiduciary Net Position			
Contributions - Employer	\$ 3,643,299	\$ 3,552,107	\$ 3,606,957
Contributions - Employee	1,552,627	1,486,716	1,529,996
Net Investment Income	14,728,866	3,221,836	2,877,308
Benefit Payments, Including Refunds of Employee Contributions	(3,687,953)	(4,220,884)	(4,554,046)
Administrative Expense	(35,805)	(43,044)	(63,996)
Other	0	0	54,796
Net Change in Plan Fiduciary Net Position	\$ 16,201,034	\$ 3,996,731	\$ 3,451,015
Plan Fiduciary Net Position, Beginning	87,964,929	104,165,963	108,162,694
Plan Fiduciary Net Position, Ending (b)	\$ 104,165,963	\$ 108,162,694	\$ 111,613,709
Net Pension Liability (Asset), Ending (a - b)	\$ (3,386,714)	\$ (2,497,751)	\$ 54,964
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	103.36%	102.36%	99.95%
Covered Payroll	\$ 29,979,870	\$ 29,198,139	\$ 29,875,603
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(11.3%)	(8.55%)	0.18%

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
Actuarially Determined Contribution	\$ 65,106	\$ 2,162	\$ 2,354	\$ 2,245
Less Contributions in Relation to the Actuarially Determined Contribution	(65,106)	(2,162)	(2,354)	(2,245)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 682,458	\$ 708,911	\$ 784,615	\$ 748,015
Contributions as a Percentage of Covered Payroll	9.54%	0.30%	0.30%	0.30%

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
Actuarially Determined Contribution	\$ 3,643,299	\$ 3,552,107	\$ 3,606,957	\$ 3,799,166
Less Contributions in Relation to the Actuarially Determined Contribution	(3,643,299)	(3,552,107)	(3,606,957)	(3,799,166)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 29,979,870	\$ 29,198,139	\$ 29,875,603	\$ 31,419,004
Contributions as a Percentage of Covered Payroll	12.15%	12.17%	12.07%	12.09%

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
Contractually Required Contribution	\$ 38,074	\$ 93,397	\$ 138,463
Less Contributions in Relation to the Contractually Required Contribution	(38,074)	(93,397)	(138,463)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 951,851	\$ 2,334,937	\$ 3,461,585
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%

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
Contractually Required Contribution	\$ 3,709,621	\$ 3,672,032	\$ 3,714,171	\$ 3,715,849
Less Contributions in Relation to the Contractually Required Contribution	(3,709,621)	(3,672,032)	(3,714,171)	(3,715,849)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 41,775,012	\$ 40,619,615	\$ 41,085,985	\$ 41,104,526
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%

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 *

	<u>2016</u>	<u>2017</u>
School Department's Proportion of the Net Pension Liability/Asset	0.458115%	0.530660%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (18,430)	\$ (55,243)
Covered Payroll	\$ 951,851	\$ 2,334,937
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94%)	(2.37%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%

* 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-8

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
School Department's Proportion of the Net Pension Liability/Asset	1.064334%	1.085075%	1.138179%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (172,949)	\$ 444,484	\$ 7,112,986
Covered Payroll	\$ 41,775,012	\$ 40,619,615	\$ 41,085,985
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41%)	1.09%	17.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%

* 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 Funding Progress – Other Postemployment Benefits Plan
Primary Government and Discretely Presented Blount County School Department
June 30, 2017

(Dollar amounts in thousands)

Plan	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age Normal (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Self-Insurance	7-1-12	\$ 0	\$ 19,157	\$ 19,157	0	\$ 66,082	28.99%
"	7-1-14	0	20,062	20,062	0	67,997	29.50
"	7-1-16	0	20,354	20,354	0	69,943	29.10

BLOUNT COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2017

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2017 were calculated based on the July 1, 2015, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Frozen Initial Liability
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.

Highway/Public Works Fund – The Highway/Public Works Fund accounts for operations of the county Highway Department.

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, 2017

	Special Revenue Funds					Constitu - tional Officers - Fees
	Courthouse and Jail Maintenance	Law Library	Public Library	Drug Control		
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 6,451	\$ 0	\$ 8,850	
Equity in Pooled Cash and Investments	239,038	50,862	850,608	1,356,670	0	
Accounts Receivable	0	0	1,162	22,674	123	
Due from Other Governments	0	0	0	0	0	
Total Assets	<u>\$ 239,038</u>	<u>\$ 50,862</u>	<u>\$ 858,221</u>	<u>\$ 1,379,344</u>	<u>\$ 8,973</u>	
<u>LIABILITIES</u>						
Accounts Payable	\$ 55,000	\$ 717	\$ 20,874	\$ 410	\$ 0	
Accrued Payroll	0	0	75,598	0	0	
Payroll Deductions Payable	0	0	9,844	0	0	
Due to Other Funds	0	0	0	0	8,973	
Due to State of Tennessee	0	0	1,391	0	0	
Due to Other Taxing Units	0	0	0	0	0	
Due to Litigants, Heirs, and Others	0	0	0	3,784	0	
Total Liabilities	<u>\$ 55,000</u>	<u>\$ 717</u>	<u>\$ 107,707</u>	<u>\$ 4,194</u>	<u>\$ 8,973</u>	
<u>FUND BALANCES</u>						
Nonspendable:						
Endowments	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Restricted:						
Restricted for General Government	184,038	0	0	0	0	

(Continued)

Exhibit G-1

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

	Special Revenue Funds					Constitu - tional Officers - Fees
	Courthouse and Jail Maintenance	Law Library	Public Library	Drug Control		
<u>FUND BALANCES (Cont.)</u>						
Restricted (Cont.):						
Restricted for Administration of Justice	\$ 0	\$ 50,145	\$ 0	\$ 0	\$ 0	0
Restricted for Public Safety	0	0	0	572,020	0	0
Restricted for Public Health and Welfare	0	0	0	0	0	0
Restricted for Social, Cultural, and Recreational Services	0	0	750,514	0	0	0
Restricted for Capital Projects	0	0	0	0	0	0
Committed:						
Committed for Public Safety	0	0	0	803,130	0	0
Committed for Highways/Public Works	0	0	0	0	0	0
Committed for Capital Outlay	0	0	0	0	0	0
Total Fund Balances	\$ 184,038	\$ 50,145	\$ 750,514	\$ 1,375,150	\$ 0	0
Total Liabilities and Fund Balances	\$ 239,038	\$ 50,862	\$ 858,221	\$ 1,379,344	\$ 8,973	0

(Continued)

Exhibit G-1

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

	<u>Special Revenue Funds (Cont.)</u>		<u>Capital Projects Funds</u>		
	Highway / Public Works	Total	Highway Capital Projects	Other Capital Projects	Total
<u>ASSETS</u>					
Cash	\$ 0	\$ 15,301	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	2,571,637	5,068,815	1,091	511,912	513,003
Accounts Receivable	31,118	55,077	0	0	0
Due from Other Governments	1,287,112	1,287,112	0	0	0
Total Assets	<u>\$ 3,889,867</u>	<u>\$ 6,426,305</u>	<u>\$ 1,091</u>	<u>\$ 511,912</u>	<u>\$ 513,003</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 7,163	\$ 84,164	\$ 0	\$ 95,120	\$ 95,120
Accrued Payroll	119,226	194,824	0	0	0
Payroll Deductions Payable	48,296	58,140	0	0	0
Due to Other Funds	0	8,973	0	0	0
Due to State of Tennessee	31	1,422	0	0	0
Due to Other Taxing Units	6,798	6,798	0	0	0
Due to Litigants, Heirs, and Others	0	3,784	0	0	0
Total Liabilities	<u>\$ 181,514</u>	<u>\$ 358,105</u>	<u>\$ 0</u>	<u>\$ 95,120</u>	<u>\$ 95,120</u>
<u>FUND BALANCES</u>					
Nonspendable:					
Endowments	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Restricted:					
Restricted for General Government	0	184,038	0	0	0

(Continued)

Exhibit G-1

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

	<u>Special Revenue Funds (Cont.)</u>		<u>Capital Projects Funds</u>		
	Highway / Public Works	Total	Highway Capital Projects	Other Capital Projects	Total
<u>FUND BALANCES (Cont.)</u>					
Restricted (Cont.):					
Restricted for Administration of Justice	\$ 0	\$ 50,145	\$ 0	\$ 0	\$ 0
Restricted for Public Safety	0	572,020	0	0	0
Restricted for Public Health and Welfare	0	0	0	0	0
Restricted for Social, Cultural, and Recreational Services	0	750,514	0	0	0
Restricted for Capital Projects	0	0	0	121,363	121,363
Committed:					
Committed for Public Safety	0	803,130	0	0	0
Committed for Highways/Public Works	3,708,353	3,708,353	0	0	0
Committed for Capital Outlay	0	0	1,091	295,429	296,520
Total Fund Balances	<u>\$ 3,708,353</u>	<u>\$ 6,068,200</u>	<u>\$ 1,091</u>	<u>\$ 416,792</u>	<u>\$ 417,883</u>
Total Liabilities and Fund Balances	<u>\$ 3,889,867</u>	<u>\$ 6,426,305</u>	<u>\$ 1,091</u>	<u>\$ 511,912</u>	<u>\$ 513,003</u>

(Continued)

Exhibit G-1

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

	Permanent Fund	Total Nonmajor Governmental Funds
	Endowment	
<u>ASSETS</u>		
Cash	\$ 0	\$ 15,301
Equity in Pooled Cash and Investments	498,197	6,080,015
Accounts Receivable	247	55,324
Due from Other Governments	0	1,287,112
Total Assets	<u>\$ 498,444</u>	<u>\$ 7,437,752</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 179,284
Accrued Payroll	0	194,824
Payroll Deductions Payable	0	58,140
Due to Other Funds	0	8,973
Due to State of Tennessee	0	1,422
Due to Other Taxing Units	0	6,798
Due to Litigants, Heirs, and Others	0	3,784
Total Liabilities	<u>\$ 0</u>	<u>\$ 453,225</u>
<u>FUND BALANCES</u>		
Nonspendable:		
Endowments	\$ 485,403	\$ 485,403
Restricted:		
Restricted for General Government	0	184,038

(Continued)

Exhibit G-1

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

	Permanent Fund	Total Nonmajor Governmental Funds
	Endowment	
<u>FUND BALANCES (Cont.)</u>		
Restricted (Cont.):		
Restricted for Administration of Justice	\$ 0	\$ 50,145
Restricted for Public Safety	0	572,020
Restricted for Public Health and Welfare	13,041	13,041
Restricted for Social, Cultural, and Recreational Services	0	750,514
Restricted for Capital Projects	0	121,363
Committed:		
Committed for Public Safety	0	803,130
Committed for Highways/Public Works	0	3,708,353
Committed for Capital Outlay	0	296,520
Total Fund Balances	<u>\$ 498,444</u>	<u>\$ 6,984,527</u>
Total Liabilities and Fund Balances	<u>\$ 498,444</u>	<u>\$ 7,437,752</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, 2017

	Special Revenue Funds					
	Courthouse and Jail Maintenance	Law Library	Public Library	Drug Control	Highway / Public Works	Total
<u>Revenues</u>						
Local Taxes	\$ 197,456	\$ 9,593	\$ 0	\$ 0	\$ 3,121,428	\$ 3,328,477
Licenses and Permits	0	0	0	0	396,611	396,611
Fines, Forfeitures, and Penalties	0	0	0	12,906	0	12,906
Charges for Current Services	0	0	95,614	121,046	0	216,660
Other Local Revenues	0	0	118,870	11,047	108,614	238,531
State of Tennessee	0	0	17,300	0	4,035,857	4,053,157
Other Governments and Citizens Groups	0	0	980,221	10,100	45,804	1,036,125
Total Revenues	\$ 197,456	\$ 9,593	\$ 1,212,005	\$ 155,099	\$ 7,708,314	\$ 9,282,467
<u>Expenditures</u>						
Current:						
General Government	\$ 300,119	\$ 0	\$ 204,960	\$ 0	\$ 0	\$ 505,079
Public Safety	0	0	0	452,125	0	452,125
Social, Cultural, and Recreational Services	0	0	2,014,437	0	0	2,014,437
Other Operations	0	9,396	0	0	0	9,396
Highways	0	0	0	0	8,078,529	8,078,529
Capital Projects	0	0	32,061	0	0	32,061
Total Expenditures	\$ 300,119	\$ 9,396	\$ 2,251,458	\$ 452,125	\$ 8,078,529	\$ 11,091,627
Excess (Deficiency) of Revenues Over Expenditures	\$ (102,663)	\$ 197	\$ (1,039,453)	\$ (297,026)	\$ (370,215)	\$ (1,809,160)

(Continued)

Exhibit G-2

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

	Special Revenue Funds					
	Courthouse and Jail Maintenance	Law Library	Public Library	Drug Control	Highway / Public Works	Total
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 0	\$ 978,668	\$ 0	\$ 0	\$ 978,668
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 978,668	\$ 0	\$ 0	\$ 978,668
Net Change in Fund Balances	\$ (102,663)	\$ 197	\$ (60,785)	\$ (297,026)	\$ (370,215)	\$ (830,492)
Fund Balance, July 1, 2016	286,701	49,948	811,299	1,672,176	4,078,568	6,898,692
Fund Balance, June 30, 2017	\$ 184,038	\$ 50,145	\$ 750,514	\$ 1,375,150	\$ 3,708,353	\$ 6,068,200

(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	\$ 3,328,477
Licenses and Permits	0	0	0	0	396,611
Fines, Forfeitures, and Penalties	0	0	0	0	12,906
Charges for Current Services	0	0	0	0	216,660
Other Local Revenues	0	0	0	2,577	241,108
State of Tennessee	0	0	0	0	4,053,157
Other Governments and Citizens Groups	0	0	0	0	1,036,125
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,577</u>	<u>\$ 9,285,044</u>
<u>Expenditures</u>					
Current:					
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 505,079
Public Safety	0	0	0	0	452,125
Social, Cultural, and Recreational Services	0	0	0	0	2,014,437
Other Operations	0	0	0	0	9,396
Highways	0	0	0	0	8,078,529
Capital Projects	0	1,074,091	1,074,091	0	1,106,152
Total Expenditures	<u>\$ 0</u>	<u>\$ 1,074,091</u>	<u>\$ 1,074,091</u>	<u>\$ 0</u>	<u>\$ 12,165,718</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 0</u>	<u>\$ (1,074,091)</u>	<u>\$ (1,074,091)</u>	<u>\$ 2,577</u>	<u>\$ (2,880,674)</u>

(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	\$ 0	\$ 0	\$ 0	\$ 978,668
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 978,668
Net Change in Fund Balances	\$ 0	\$ (1,074,091)	\$ (1,074,091)	\$ 2,577	\$ (1,902,006)
Fund Balance, July 1, 2016	1,091	1,490,883	1,491,974	495,867	8,886,533
Fund Balance, June 30, 2017	\$ 1,091	\$ 416,792	\$ 417,883	\$ 498,444	\$ 6,984,527

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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 197,456	\$ 0	\$ 0	\$ 197,456	\$ 190,970	\$ 190,970	\$ 6,486
Total Revenues	\$ 197,456	\$ 0	\$ 0	\$ 197,456	\$ 190,970	\$ 190,970	\$ 6,486
<u>Expenditures</u>							
General Government							
County Buildings	\$ 300,119	\$ (198,154)	\$ 86,899	\$ 188,864	\$ 190,970	\$ 190,970	\$ 2,106
Total Expenditures	\$ 300,119	\$ (198,154)	\$ 86,899	\$ 188,864	\$ 190,970	\$ 190,970	\$ 2,106
Excess (Deficiency) of Revenues Over Expenditures	\$ (102,663)	\$ 198,154	\$ (86,899)	\$ 8,592	\$ 0	\$ 0	\$ 8,592
Net Change in Fund Balance	\$ (102,663)	\$ 198,154	\$ (86,899)	\$ 8,592	\$ 0	\$ 0	\$ 8,592
Fund Balance, July 1, 2016	286,701	(198,154)	0	88,547	264,111	264,111	(175,564)
Fund Balance, June 30, 2017	\$ 184,038	\$ 0	\$ (86,899)	\$ 97,139	\$ 264,111	\$ 264,111	\$ (166,972)

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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 9,593	\$ 0	\$ 9,593	\$ 9,402	\$ 9,402	\$ 191
Total Revenues	\$ 9,593	\$ 0	\$ 9,593	\$ 9,402	\$ 9,402	\$ 191
<u>Expenditures</u>						
<u>Other Operations</u>						
Other Charges	\$ 9,396	\$ (697)	\$ 8,699	\$ 8,747	\$ 8,747	\$ 48
Total Expenditures	\$ 9,396	\$ (697)	\$ 8,699	\$ 8,747	\$ 8,747	\$ 48
Excess (Deficiency) of Revenues Over Expenditures	\$ 197	\$ 697	\$ 894	\$ 655	\$ 655	\$ 239
Net Change in Fund Balance	\$ 197	\$ 697	\$ 894	\$ 655	\$ 655	\$ 239
Fund Balance, July 1, 2016	49,948	(697)	49,251	49,975	49,975	(724)
Fund Balance, June 30, 2017	\$ 50,145	\$ 0	\$ 50,145	\$ 50,630	\$ 50,630	\$ (485)

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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 95,614	\$ 0	\$ 0	\$ 95,614	\$ 99,000	\$ 99,000	\$ (3,386)
Other Local Revenues	118,870	0	0	118,870	159,400	159,400	(40,530)
State of Tennessee	17,300	0	0	17,300	10,000	10,000	7,300
Other Governments and Citizens Groups	980,221	0	0	980,221	978,389	978,389	1,832
Total Revenues	\$ 1,212,005	\$ 0	\$ 0	\$ 1,212,005	\$ 1,246,789	\$ 1,246,789	\$ (34,784)
<u>Expenditures</u>							
<u>General Government</u>							
County Buildings	\$ 204,960	\$ (4,948)	\$ 5,547	\$ 205,559	\$ 185,438	\$ 222,587	\$ 17,028
<u>Social, Cultural, and Recreational Services</u>							
Libraries	1,887,799	(19,414)	10,757	1,879,142	1,966,673	1,970,785	91,643
Other Social, Cultural, and Recreational	126,638	(1,235)	4,504	129,907	131,875	132,220	2,313
<u>Capital Projects</u>							
General Administration Projects	32,061	(2,510)	4,950	34,501	36,500	36,500	1,999
Total Expenditures	\$ 2,251,458	\$ (28,107)	\$ 25,758	\$ 2,249,109	\$ 2,320,486	\$ 2,362,092	\$ 112,983
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,039,453)	\$ 28,107	\$ (25,758)	\$ (1,037,104)	\$ (1,073,697)	\$ (1,115,303)	\$ 78,199
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 978,668	\$ 0	\$ 0	\$ 978,668	\$ 973,698	\$ 978,668	\$ 0
Total Other Financing Sources	\$ 978,668	\$ 0	\$ 0	\$ 978,668	\$ 973,698	\$ 978,668	\$ 0
Net Change in Fund Balance	\$ (60,785)	\$ 28,107	\$ (25,758)	\$ (58,436)	\$ (99,999)	\$ (136,635)	\$ 78,199
Fund Balance, July 1, 2016	811,299	(28,107)	0	783,192	822,748	822,748	(39,556)
Fund Balance, June 30, 2017	\$ 750,514	\$ 0	\$ (25,758)	\$ 724,756	\$ 722,749	\$ 686,113	\$ 38,643

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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 12,906	\$ 0	\$ 0	\$ 12,906	\$ 23,250	\$ 23,250	\$ (10,344)
Charges for Current Services	121,046	0	0	121,046	50,000	50,000	71,046
Other Local Revenues	11,047	0	0	11,047	1,200	1,200	9,847
Federal Government	0	0	0	0	15,000	15,000	(15,000)
Other Governments and Citizens Groups	10,100	0	0	10,100	0	10,000	100
Total Revenues	\$ 155,099	\$ 0	\$ 0	\$ 155,099	\$ 89,450	\$ 99,450	\$ 55,649
<u>Expenditures</u>							
<u>Public Safety</u>							
Sheriff's Department	\$ 158,306	\$ (49,979)	\$ 3,735	\$ 112,062	\$ 131,500	\$ 141,500	\$ 29,438
Drug Enforcement	293,819	0	0	293,819	125,000	320,000	26,181
Total Expenditures	\$ 452,125	\$ (49,979)	\$ 3,735	\$ 405,881	\$ 256,500	\$ 461,500	\$ 55,619
Excess (Deficiency) of Revenues Over Expenditures	\$ (297,026)	\$ 49,979	\$ (3,735)	\$ (250,782)	\$ (167,050)	\$ (362,050)	\$ 111,268
Net Change in Fund Balance	\$ (297,026)	\$ 49,979	\$ (3,735)	\$ (250,782)	\$ (167,050)	\$ (362,050)	\$ 111,268
Fund Balance, July 1, 2016	1,672,176	(49,979)	0	1,622,197	1,654,992	1,654,992	(32,795)
Fund Balance, June 30, 2017	\$ 1,375,150	\$ 0	\$ (3,735)	\$ 1,371,415	\$ 1,487,942	\$ 1,292,942	\$ 78,473

Exhibit G-7

Blount County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 3,121,428	\$ 0	\$ 0	\$ 3,121,428	\$ 2,922,000	\$ 2,922,000	\$ 199,428
Licenses and Permits	396,611	0	0	396,611	410,000	422,048	(25,437)
Other Local Revenues	108,614	0	0	108,614	16,900	66,715	41,899
State of Tennessee	4,035,857	0	0	4,035,857	2,918,600	3,584,590	451,267
Other Governments and Citizens Groups	45,804	0	0	45,804	0	0	45,804
Total Revenues	\$ 7,708,314	\$ 0	\$ 0	\$ 7,708,314	\$ 6,267,500	\$ 6,995,353	\$ 712,961
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 745,538	\$ (2,869)	\$ 4,470	\$ 747,139	\$ 738,919	\$ 791,825	\$ 44,686
Highway and Bridge Maintenance	5,073,224	(56,168)	37,856	5,054,912	4,280,394	5,113,595	58,683
Operation and Maintenance of Equipment	735,635	(32,583)	21,492	724,544	798,890	800,188	75,644
Capital Outlay	1,524,132	0	348,782	1,872,914	444,000	1,875,000	2,086
Total Expenditures	\$ 8,078,529	\$ (91,620)	\$ 412,600	\$ 8,399,509	\$ 6,262,203	\$ 8,580,608	\$ 181,099
Excess (Deficiency) of Revenues Over Expenditures	\$ (370,215)	\$ 91,620	\$ (412,600)	\$ (691,195)	\$ 5,297	\$ (1,585,255)	\$ 894,060
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 500	\$ 500	\$ (500)
Total Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 500	\$ 500	\$ (500)
Net Change in Fund Balance	\$ (370,215)	\$ 91,620	\$ (412,600)	\$ (691,195)	\$ 5,797	\$ (1,584,755)	\$ 893,560
Fund Balance, July 1, 2016	4,078,568	(91,620)	0	3,986,948	3,257,488	3,257,488	729,460
Fund Balance, June 30, 2017	\$ 3,708,353	\$ 0	\$ (412,600)	\$ 3,295,753	\$ 3,263,285	\$ 1,672,733	\$ 1,623,020

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 (Budgetary Basis) and Budget
General Debt Service Fund
For the Year Ended June 30, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 17,790,233	\$ 0	\$ 17,790,233	\$ 17,040,000	\$ 17,040,000	\$ 750,233
Other Local Revenues	179,632	0	179,632	213,000	213,000	(33,368)
Other Governments and Citizens Groups	677,743	0	677,743	557,000	557,000	120,743
Total Revenues	\$ 18,647,608	\$ 0	\$ 18,647,608	\$ 17,810,000	\$ 17,810,000	\$ 837,608
<u>Expenditures</u>						
<u>Principal on Debt</u>						
General Government	\$ 8,472,196	\$ 0	\$ 8,472,196	\$ 8,432,132	\$ 8,472,197	\$ 1
Education	255,918	0	255,918	255,918	255,918	0
<u>Interest on Debt</u>						
General Government	7,479,433	0	7,479,433	7,715,704	7,967,840	488,407
Education	62,689	0	62,689	62,689	62,689	0
<u>Other Debt Service</u>						
General Government	13,963,773	(2,000)	13,961,773	890,100	14,195,900	234,127
Total Expenditures	\$ 30,234,009	\$ (2,000)	\$ 30,232,009	\$ 17,356,543	\$ 30,954,544	\$ 722,535
Excess (Deficiency) of Revenues Over Expenditures	\$ (11,586,401)	\$ 2,000	\$ (11,584,401)	\$ 453,457	\$ (13,144,544)	\$ 1,560,143
<u>Other Financing Sources (Uses)</u>						
Bonds Issued	\$ 125,930,000	\$ 0	\$ 125,930,000	\$ 0	\$ 125,930,000	\$ 0
Premiums on Debt Sold	24,898,990	0	24,898,990	0	24,898,990	0
Transfers In	835,344	0	835,344	825,000	825,000	10,344
Payments to Refunded Debt Escrow Agent	(142,230,988)	0	(142,230,988)	0	(142,230,988)	0
Total Other Financing Sources	\$ 9,433,346	\$ 0	\$ 9,433,346	\$ 825,000	\$ 9,423,002	\$ 10,344

(Continued)

Exhibit H

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Net Change in Fund Balance	\$ (2,153,055)	\$ 2,000	\$ (2,151,055)	\$ 1,278,457	\$ (3,721,542)	\$ 1,570,487
Fund Balance, July 1, 2016	12,713,295	(2,000)	12,711,295	11,237,420	11,237,420	1,473,875
Fund Balance, June 30, 2017	\$ 10,560,240	\$ 0	\$ 10,560,240	\$ 12,515,877	\$ 7,515,878	\$ 3,044,362

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 payroll transactions of the various county departments. Amounts sufficient to cover the gross payroll are paid into this fund from the various county operating funds. Payroll deductions and net payroll checks are processed and paid through this clearing account.

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, 2017

	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	\$ 3,031,352	\$ 0	\$ 0
Equity in Pooled Cash and Investments	0	5,321	14,341	0	20,846	1,177,640
Accounts Receivable	0	18,745	25,895	0	0	0
Due from Other Governments	3,708,992	548,040	1,390,273	0	0	0
Property Taxes Receivable	0	4,220,372	11,375,353	0	0	0
Allowance for Uncollectible Property Taxes	0	(67,258)	(181,283)	0	0	0
Total Assets	<u>\$ 3,708,992</u>	<u>\$ 4,725,220</u>	<u>\$ 12,624,579</u>	<u>\$ 3,031,352</u>	<u>\$ 20,846</u>	<u>\$ 1,177,640</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 20,187
Payroll Deductions Payable	0	0	0	0	20,846	0
Due to Other Taxing Units	3,708,992	4,725,220	12,624,579	0	0	0
Due to Litigants, Heirs, and Others	0	0	0	3,031,352	0	46,363
Due to Joint Ventures	0	0	0	0	0	1,111,090
Total Liabilities	<u>\$ 3,708,992</u>	<u>\$ 4,725,220</u>	<u>\$ 12,624,579</u>	<u>\$ 3,031,352</u>	<u>\$ 20,846</u>	<u>\$ 1,177,640</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	\$ 3,031,352
Equity in Pooled Cash and Investments		183,172	176,936	1,578,256
Accounts Receivable		0	181,763	226,403
Due from Other Governments		0	0	5,647,305
Property Taxes Receivable		0	0	15,595,725
Allowance for Uncollectible Property Taxes		0	0	(248,541)
Total Assets		<u>\$ 183,172</u>	<u>\$ 358,699</u>	<u>\$ 25,830,500</u>
<u>LIABILITIES</u>				
Accounts Payable		\$ 0	\$ 0	\$ 20,187
Payroll Deductions Payable		0	0	20,846
Due to Other Taxing Units		0	0	21,058,791
Due to Litigants, Heirs, and Others		183,172	0	3,260,887
Due to Joint Ventures		0	358,699	1,469,789
Total Liabilities		<u>\$ 183,172</u>	<u>\$ 358,699</u>	<u>\$ 25,830,500</u>

Exhibit I-2

Blount County, Tennessee
Combining Statement of Changes in Assets
and Liabilities - All Agency Funds
For the Year Ended June 30, 2017

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 21,624,856	\$ 21,624,856	\$ 0
Due from Other Governments	3,621,338	3,708,992	3,621,338	3,708,992
Total Assets	\$ 3,621,338	\$ 25,333,848	\$ 25,246,194	\$ 3,708,992
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 3,621,338	\$ 25,333,848	\$ 25,246,194	\$ 3,708,992
Total Liabilities	\$ 3,621,338	\$ 25,333,848	\$ 25,246,194	\$ 3,708,992
<u>City School ADA - Alcoa Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 6,924	\$ 7,043,140	\$ 7,044,743	\$ 5,321
Accounts Receivable	19,291	18,745	19,291	18,745
Due from Other Governments	510,274	548,040	510,274	548,040
Taxes Receivable	3,978,449	4,220,372	3,978,449	4,220,372
Allowance for Uncollectible Taxes	(64,054)	(67,258)	(64,054)	(67,258)
Total Assets	\$ 4,450,884	\$ 11,763,039	\$ 11,488,703	\$ 4,725,220
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 4,450,884	\$ 11,763,039	\$ 11,488,703	\$ 4,725,220
Total Liabilities	\$ 4,450,884	\$ 11,763,039	\$ 11,488,703	\$ 4,725,220
<u>City School ADA - Maryville Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 18,869	\$ 18,642,490	\$ 18,647,018	\$ 14,341
Accounts Receivable	27,440	25,895	27,440	25,895
Due from Other Governments	1,301,162	1,390,273	1,301,162	1,390,273
Taxes Receivable	10,836,243	11,375,353	10,836,243	11,375,353
Allowance for Uncollectible Taxes	(174,465)	(181,283)	(174,465)	(181,283)
Total Assets	\$ 12,009,249	\$ 31,252,728	\$ 30,637,398	\$ 12,624,579
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 12,009,249	\$ 31,252,728	\$ 30,637,398	\$ 12,624,579
Total Liabilities	\$ 12,009,249	\$ 31,252,728	\$ 30,637,398	\$ 12,624,579

(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	\$ 2,889,508	\$ 25,219,488	\$ 25,077,644	\$ 3,031,352
Accounts Receivable	725	0	725	0
Total Assets	\$ 2,890,233	\$ 25,219,488	\$ 25,078,369	\$ 3,031,352
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 2,890,233	\$ 25,219,488	\$ 25,078,369	\$ 3,031,352
Total Liabilities	\$ 2,890,233	\$ 25,219,488	\$ 25,078,369	\$ 3,031,352
<u>Other Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 378,567	\$ 3,237,007	\$ 3,594,728	\$ 20,846
Total Assets	\$ 378,567	3,237,007	3,594,728	0 20,846
<u>Liabilities</u>				
Payroll Deductions Payable	\$ 378,567	\$ 3,237,007	\$ 3,594,728	\$ 20,846
Total Liabilities	\$ 378,567	\$ 3,237,007	\$ 3,594,728	\$ 20,846
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 1,268,414	\$ 263,299	\$ 354,073	\$ 1,177,640
Total Assets	\$ 1,268,414	\$ 263,299	\$ 354,073	\$ 1,177,640
<u>Liabilities</u>				
Accounts Payable	\$ 38,629	\$ 20,187	\$ 38,629	\$ 20,187
Due to Litigants, Heirs, and Others	56,666	46,363	56,666	46,363
Due to Joint Venture	1,173,119	196,749	258,778	1,111,090
Total Liabilities	\$ 1,268,414	\$ 263,299	\$ 354,073	\$ 1,177,640

(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	\$ 164,272	\$ 19,096	\$ 196	\$ 183,172
Total Assets	<u>\$ 164,272</u>	<u>\$ 19,096</u>	<u>\$ 196</u>	<u>\$ 183,172</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 164,272	\$ 19,096	\$ 196	\$ 183,172
Total Liabilities	<u>\$ 164,272</u>	<u>\$ 19,096</u>	<u>\$ 196</u>	<u>\$ 183,172</u>
<u>Other Agency Fund #2</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 159,742	\$ 1,761,125	\$ 1,743,931	\$ 176,936
Accounts Receivable	173,377	181,763	173,377	181,763
Total Assets	<u>\$ 333,119</u>	<u>\$ 1,942,888</u>	<u>\$ 1,917,308</u>	<u>\$ 358,699</u>
<u>Liabilities</u>				
Due to Joint Ventures	\$ 333,119	\$ 1,942,888	\$ 1,917,308	\$ 358,699
Total Liabilities	<u>\$ 333,119</u>	<u>\$ 1,942,888</u>	<u>\$ 1,917,308</u>	<u>\$ 358,699</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 2,889,508	\$ 25,219,488	\$ 25,077,644	\$ 3,031,352
Equity in Pooled Cash and Investments	1,996,788	52,591,013	53,009,545	1,578,256
Accounts Receivable	220,833	226,403	220,833	226,403
Due from Other Governments	5,432,774	5,647,305	5,432,774	5,647,305
Property Taxes Receivable	14,814,692	15,595,725	14,814,692	15,595,725
Allowance for Uncollectible Property Taxes	(238,519)	(248,541)	(238,519)	(248,541)
Total Assets	<u>\$ 25,116,076</u>	<u>\$ 99,031,393</u>	<u>\$ 98,316,969</u>	<u>\$ 25,830,500</u>
<u>Liabilities</u>				
Accounts Payable	\$ 38,629	\$ 20,187	\$ 38,629	\$ 20,187
Payroll Deductions Payable	378,567	3,237,007	3,594,728	20,846
Due to Other Taxing Units	20,081,471	68,349,615	67,372,295	21,058,791
Due to Litigants, Heirs, and Others	3,111,171	25,284,947	25,135,231	3,260,887
Due to Joint Ventures	1,506,238	2,139,637	2,176,086	1,469,789
Total Liabilities	<u>\$ 25,116,076</u>	<u>\$ 99,031,393</u>	<u>\$ 98,316,969</u>	<u>\$ 25,830,500</u>

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, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Total Governmental Activities
Governmental Activities:				
Instruction	\$ 57,587,422	\$ 44,500	\$ 5,185,366	\$ (52,357,556)
Support Services	36,019,971	3,147,887	421,294	(32,450,790)
Operation of Non-instructional Services	7,572,234	0	3,837,969	(3,734,265)
Total Governmental Activities	\$ 101,179,627	\$ 3,192,387	\$ 9,444,629	\$ (88,542,611)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 22,119,851
Property Taxes Levied for Capital Purposes				1,386,675
Local Option Sales Taxes				14,927,321
Business Taxes				527,991
Other Local Taxes				139,721
Grants and Contributions Not Restricted for Specific Programs				50,480,852
Unrestricted Investment Income				100,256
Miscellaneous				15,790
Total General Revenues				\$ 89,698,457
Change in Net Position				\$ 1,155,846
Net Position, July 1, 2016				128,276,769
Net Position, June 30, 2017				\$ 129,432,615

Exhibit J-2

Blount County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Blount County School Department
June 30, 2017

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 13,151,752	\$ 2,438,802	\$ 15,590,554
Accounts Receivable	22,000	22,288	44,288
Due from Other Governments	2,894,886	364,924	3,259,810
Property Taxes Receivable	23,005,357	1,443,031	24,448,388
Allowance for Uncollectible Property Taxes	(366,624)	(22,997)	(389,621)
Total Assets	<u>\$ 38,707,371</u>	<u>\$ 4,246,048</u>	<u>\$ 42,953,419</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 445,814	\$ 35,836	\$ 481,650
Accrued Payroll	3,936,622	514,778	4,451,400
Payroll Deductions Payable	611,610	58,064	669,674
Contracts Payable	19,500	41,903	61,403
Retainage Payable	8,480	33,218	41,698
Due to Primary Government	629,502	61,601	691,103
Other Current Liabilities	626,767	62,710	689,477
Total Liabilities	<u>\$ 6,278,295</u>	<u>\$ 808,110</u>	<u>\$ 7,086,405</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 22,133,579	\$ 1,388,348	\$ 23,521,927
Deferred Delinquent Property Taxes	338,984	21,313	360,297
Total Deferred Inflows of Resources	<u>\$ 22,472,563</u>	<u>\$ 1,409,661</u>	<u>\$ 23,882,224</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 418,660	\$ 1,079,534	\$ 1,498,194
Restricted for Capital Projects	0	351,921	351,921
Committed:			
Committed for Education	0	596,822	596,822
Assigned:			
Assigned for Education	4,080,427	0	4,080,427
Assigned for Capital Outlay	221,454	0	221,454
Unassigned	5,235,972	0	5,235,972
Total Fund Balances	<u>\$ 9,956,513</u>	<u>\$ 2,028,277</u>	<u>\$ 11,984,790</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 38,707,371</u>	<u>\$ 4,246,048</u>	<u>\$ 42,953,419</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, 2017

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)		\$	11,984,790
(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		108,564,057	
Add: other capital assets net of accumulated depreciation		<u>1,206,855</u>	119,721,971
(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	\$	(904,690)	
Less: accrued interest on capital lease payable on primary government debt		(32,577)	
Less: other postemployment benefits		(250,045)	
Less: net pension liability of the Agent Plan		(15,313)	
Less: net pension liability of the Teacher Legacy Plan		<u>(7,112,986)</u>	(8,315,611)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:			
Add: deferred outflows of resources related to pensions	\$	14,814,170	
Less: deferred inflows of resources related to pensions		<u>(9,188,245)</u>	5,625,925
(4) Net pension assets of the Teacher Plan are not current financial resources and therefore are not reported in the governmental funds.			55,243
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>360,297</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>129,432,615</u></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, 2017

	Major Fund General Purpose School	Nonmajor Funds Other Governmental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 37,882,700	\$ 1,429,712	\$ 39,312,412
Licenses and Permits	5,535	0	5,535
Charges for Current Services	66,596	3,133,287	3,199,883
Other Local Revenues	665,602	21,685	687,287
State of Tennessee	49,021,406	149,012	49,170,418
Federal Government	318,855	9,640,435	9,959,290
Total Revenues	<u>\$ 87,960,694</u>	<u>\$ 14,374,131</u>	<u>\$ 102,334,825</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 55,500,973	\$ 4,439,846	\$ 59,940,819
Support Services	30,283,362	1,351,027	31,634,389
Operation of Non-Instructional Services	680,135	6,927,922	7,608,057
Capital Outlay	939,269	0	939,269
Debt Service:			
Other Debt Service	318,607	0	318,607
Capital Projects	0	1,250,002	1,250,002
Total Expenditures	<u>\$ 87,722,346</u>	<u>\$ 13,968,797</u>	<u>\$ 101,691,143</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 238,348</u>	<u>\$ 405,334</u>	<u>\$ 643,682</u>
Net Change in Fund Balances	\$ 238,348	\$ 405,334	\$ 643,682
Fund Balance, July 1, 2016	<u>9,718,165</u>	<u>1,622,943</u>	<u>11,341,108</u>
Fund Balance, June 30, 2017	<u>\$ 9,956,513</u>	<u>\$ 2,028,277</u>	<u>\$ 11,984,790</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, 2017

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)		\$	643,682
(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	\$	612,378	
Less: current-year depreciation expense		(3,822,449)	(3,210,071)
(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			(3,459)
(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, 2017	\$	360,297	
Less: deferred delinquent property taxes and other deferred June 30, 2016		(359,649)	648
(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			255,918
(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	\$	9,216	
Change in other postemployment benefits liability (prepaid)		(293,815)	
Change in compensated absences payable		1,337	
Change in net pension asset/liability - agent plan		(696,450)	
Change in net pension asset - teacher retirement plan		36,813	
Change in net pension liability - teacher legacy plan		(6,668,502)	
Change in deferred outflows related to pensions		9,417,701	
Change in deferred inflows related to pensions		1,662,828	3,469,128
Change in net position of governmental activities (Exhibit B)		\$	<u>1,155,846</u>

Exhibit J-6

Blount County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Blount County School Department
June 30, 2017

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Extended School Program	Total	Education Capital Projects	
<u>ASSETS</u>						
Equity in Pooled Cash and Investments	\$ 440,687	\$ 1,148,589	\$ 446,714	\$ 2,035,990	\$ 402,812	\$ 2,438,802
Accounts Receivable	0	931	20,357	21,288	1,000	22,288
Due from Other Governments	312,167	31,205	8,695	352,067	12,857	364,924
Property Taxes Receivable	0	0	0	0	1,443,031	1,443,031
Allowance for Uncollectible Property Taxes	0	0	0	0	(22,997)	(22,997)
Total Assets	\$ 752,854	\$ 1,180,725	\$ 475,766	\$ 2,409,345	\$ 1,836,703	\$ 4,246,048
<u>LIABILITIES</u>						
Accounts Payable	\$ 20,445	\$ 539	\$ 14,852	\$ 35,836	\$ 0	\$ 35,836
Accrued Payroll	346,959	79,655	88,164	514,778	0	514,778
Payroll Deductions Payable	35,782	14,202	8,080	58,064	0	58,064
Contracts Payable	0	0	0	0	41,903	41,903
Retainage Payable	0	0	0	0	33,218	33,218
Due to Primary Government	38,458	14,332	8,811	61,601	0	61,601
Other Current Liabilities	42,861	10,812	9,037	62,710	0	62,710
Total Liabilities	\$ 484,505	\$ 119,540	\$ 128,944	\$ 732,989	\$ 75,121	\$ 808,110
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,388,348	\$ 1,388,348
Deferred Delinquent Property Taxes	0	0	0	0	21,313	21,313
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,409,661	\$ 1,409,661

(Continued)

Exhibit J-6

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

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Extended School Program	Total	Education Capital Projects	
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Education	\$ 18,349	\$ 1,061,185	\$ 0	\$ 1,079,534	\$ 0	\$ 1,079,534
Restricted for Capital Projects	0	0	0	0	351,921	351,921
Committed:						
Committed for Education	250,000	0	346,822	596,822	0	596,822
Total Fund Balances	<u>\$ 268,349</u>	<u>\$ 1,061,185</u>	<u>\$ 346,822</u>	<u>\$ 1,676,356</u>	<u>\$ 351,921</u>	<u>\$ 2,028,277</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 752,854</u>	<u>\$ 1,180,725</u>	<u>\$ 475,766</u>	<u>\$ 2,409,345</u>	<u>\$ 1,836,703</u>	<u>\$ 4,246,048</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, 2017

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Extended School Program	Total	Education Capital Projects	
<u>Revenues</u>						
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,429,712	\$ 1,429,712
Charges for Current Services	0	1,747,297	1,385,990	3,133,287	0	3,133,287
Other Local Revenues	0	12,412	5,839	18,251	3,434	21,685
State of Tennessee	0	47,519	101,493	149,012	0	149,012
Federal Government	5,802,466	3,837,969	0	9,640,435	0	9,640,435
Total Revenues	\$ 5,802,466	\$ 5,645,197	\$ 1,493,322	\$ 12,940,985	\$ 1,433,146	\$ 14,374,131
<u>Expenditures</u>						
Current:						
Instruction	\$ 4,439,846	\$ 0	\$ 0	\$ 4,439,846	\$ 0	\$ 4,439,846
Support Services	1,351,027	0	0	1,351,027	0	1,351,027
Operation of Non-Instructional Services	0	5,506,381	1,421,541	6,927,922	0	6,927,922
Capital Projects	0	0	0	0	1,250,002	1,250,002
Total Expenditures	\$ 5,790,873	\$ 5,506,381	\$ 1,421,541	\$ 12,718,795	\$ 1,250,002	\$ 13,968,797
Excess (Deficiency) of Revenues Over Expenditures	\$ 11,593	\$ 138,816	\$ 71,781	\$ 222,190	\$ 183,144	\$ 405,334
Net Change in Fund Balances	\$ 11,593	\$ 138,816	\$ 71,781	\$ 222,190	\$ 183,144	\$ 405,334
Fund Balance, July 1, 2016	256,756	922,369	275,041	1,454,166	168,777	1,622,943
Fund Balance, June 30, 2017	\$ 268,349	\$ 1,061,185	\$ 346,822	\$ 1,676,356	\$ 351,921	\$ 2,028,277

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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 37,882,700	\$ 0	\$ 0	\$ 37,882,700	\$ 37,314,000	\$ 37,711,000	\$ 171,700
Licenses and Permits	5,535	0	0	5,535	5,500	5,500	35
Charges for Current Services	66,596	0	0	66,596	44,500	72,850	(6,254)
Other Local Revenues	665,602	0	0	665,602	314,000	787,677	(122,075)
State of Tennessee	49,021,406	0	0	49,021,406	49,012,000	49,081,213	(59,807)
Federal Government	318,855	0	0	318,855	520,000	554,931	(236,076)
Total Revenues	\$ 87,960,694	\$ 0	\$ 0	\$ 87,960,694	\$ 87,210,000	\$ 88,213,171	\$ (252,477)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 43,534,129	\$ (61,904)	\$ 36,830	\$ 43,509,055	\$ 40,456,400	\$ 44,256,920	\$ 747,865
Special Education Program	7,534,044	(7,000)	3,256	7,530,300	8,291,500	7,968,800	438,500
Career and Technical Education Program	3,551,663	(158)	645	3,552,150	3,667,800	3,661,600	109,450
Adult Education Program	0	0	0	0	250,300	239,100	239,100
Other	881,137	0	0	881,137	1,280,000	1,280,000	398,863
<u>Support Services</u>							
Attendance	138,467	0	0	138,467	137,400	140,600	2,133
Health Services	918,230	(599)	1,296	918,927	917,700	943,600	24,673
Other Student Support	1,836,568	(955)	37,147	1,872,760	1,995,100	1,990,300	117,540
Regular Instruction Program	2,184,901	(7,250)	2,084	2,179,735	2,311,400	2,263,011	83,276
Special Education Program	741,837	(146)	7,970	749,661	510,300	824,100	74,439
Career and Technical Education Program	90,995	0	0	90,995	93,300	94,300	3,305
Technology	240,173	0	339,470	579,643	0	590,000	10,357
Adult Programs	0	0	0	0	139,200	121,000	121,000
Other Programs	125,565	(25,288)	0	100,277	53,000	115,213	14,936
Board of Education	1,832,853	(1,207)	3,350	1,834,996	2,032,100	2,040,100	205,104
Director of Schools	787,667	(1,278)	2,555	788,944	827,200	839,600	50,656
Office of the Principal	6,045,870	(1)	12,983	6,058,852	6,660,600	6,390,900	332,048
Fiscal Services	200,871	0	9	200,880	217,400	224,400	23,520

(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 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Operation of Plant	\$ 7,462,304	\$ (28,166)	\$ 31,851	\$ 7,465,989	\$ 7,841,250	\$ 7,686,900	\$ 220,911
Maintenance of Plant	2,007,154	(53,150)	113,409	2,067,413	2,252,100	2,094,600	27,187
Transportation	4,234,979	(3,777)	939	4,232,141	4,301,850	4,285,450	53,309
Central and Other	1,434,928	(85,441)	260,311	1,609,798	1,977,700	1,848,450	238,652
<u>Operation of Non-Instructional Services</u>							
Early Childhood Education	680,135	(597)	414	679,952	708,200	707,000	27,048
<u>Capital Outlay</u>							
Regular Capital Outlay	939,269	(429,807)	349,362	858,824	1,909,500	859,750	926
<u>Other Debt Service</u>							
Education	318,607	0	0	318,607	318,700	318,700	93
Total Expenditures	<u>\$ 87,722,346</u>	<u>\$ (706,724)</u>	<u>\$ 1,203,881</u>	<u>\$ 88,219,503</u>	<u>\$ 89,150,000</u>	<u>\$ 91,784,394</u>	<u>\$ 3,564,891</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 238,348</u>	<u>\$ 706,724</u>	<u>\$ (1,203,881)</u>	<u>\$ (258,809)</u>	<u>\$ (1,940,000)</u>	<u>\$ (3,571,223)</u>	<u>\$ 3,312,414</u>
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 274,900	\$ (274,900)
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 274,900</u>	<u>\$ (274,900)</u>
Net Change in Fund Balance	\$ 238,348	\$ 706,724	\$ (1,203,881)	\$ (258,809)	\$ (1,940,000)	\$ (3,296,323)	\$ 3,037,514
Fund Balance, July 1, 2016	<u>9,718,165</u>	<u>(706,724)</u>	<u>0</u>	<u>9,011,441</u>	<u>11,963,950</u>	<u>11,963,950</u>	<u>(2,952,509)</u>
Fund Balance, June 30, 2017	<u><u>\$ 9,956,513</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (1,203,881)</u></u>	<u><u>\$ 8,752,632</u></u>	<u><u>\$ 10,023,950</u></u>	<u><u>\$ 8,667,627</u></u>	<u><u>\$ 85,005</u></u>

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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 5,802,466	\$ 0	\$ 0	\$ 5,802,466	\$ 5,823,300	\$ 6,254,808	\$ (452,342)
Total Revenues	\$ 5,802,466	\$ 0	\$ 0	\$ 5,802,466	\$ 5,823,300	\$ 6,254,808	\$ (452,342)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 2,127,026	\$ (6,638)	\$ 16,768	\$ 2,137,156	\$ 2,152,800	\$ 2,291,948	\$ 154,792
Special Education Program	2,036,713	0	0	2,036,713	2,248,700	2,327,475	290,762
Career and Technical Education Program	276,107	0	943	277,050	271,500	311,166	34,116
<u>Support Services</u>							
Other Student Support	182,439	0	4,143	186,582	171,200	194,533	7,951
Regular Instruction Program	478,866	(100)	9,662	488,428	520,200	629,921	141,493
Special Education Program	445,166	(337)	3,764	448,593	425,500	460,022	11,429
Career and Technical Education Program	3,628	0	288	3,916	4,000	3,979	63
Transportation	240,928	0	0	240,928	223,000	243,000	2,072
Total Expenditures	\$ 5,790,873	\$ (7,075)	\$ 35,568	\$ 5,819,366	\$ 6,016,900	\$ 6,462,044	\$ 642,678
Excess (Deficiency) of Revenues Over Expenditures	\$ 11,593	\$ 7,075	\$ (35,568)	\$ (16,900)	\$ (193,600)	\$ (207,236)	\$ 190,336
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 193,600	\$ 207,236	\$ (207,236)
Total Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 193,600	\$ 207,236	\$ (207,236)
Net Change in Fund Balance	\$ 11,593	\$ 7,075	\$ (35,568)	\$ (16,900)	\$ 0	\$ 0	\$ (16,900)
Fund Balance, July 1, 2016	256,756	(7,075)	0	249,681	250,000	250,000	(319)
Fund Balance, June 30, 2017	\$ 268,349	\$ 0	\$ (35,568)	\$ 232,781	\$ 250,000	\$ 250,000	\$ (17,219)

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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 1,747,297	\$ 0	\$ 1,747,297	\$ 1,764,000	\$ 1,764,000	\$ (16,703)
Other Local Revenues	12,412	0	12,412	1,000	1,000	11,412
State of Tennessee	47,519	0	47,519	50,000	50,000	(2,481)
Federal Government	3,837,969	0	3,837,969	4,035,000	4,035,000	(197,031)
Total Revenues	<u>\$ 5,645,197</u>	<u>\$ 0</u>	<u>\$ 5,645,197</u>	<u>\$ 5,850,000</u>	<u>\$ 5,850,000</u>	<u>\$ (204,803)</u>
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 5,506,381	\$ (43,070)	\$ 5,463,311	\$ 6,050,000	\$ 6,054,500	\$ 591,189
Total Expenditures	<u>\$ 5,506,381</u>	<u>\$ (43,070)</u>	<u>\$ 5,463,311</u>	<u>\$ 6,050,000</u>	<u>\$ 6,054,500</u>	<u>\$ 591,189</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 138,816</u>	<u>\$ 43,070</u>	<u>\$ 181,886</u>	<u>\$ (200,000)</u>	<u>\$ (204,500)</u>	<u>\$ 386,386</u>
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,500	\$ (4,500)
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,500</u>	<u>\$ (4,500)</u>
Net Change in Fund Balance	\$ 138,816	\$ 43,070	\$ 181,886	\$ (200,000)	\$ (200,000)	\$ 381,886
Fund Balance, July 1, 2016	<u>922,369</u>	<u>(43,070)</u>	<u>879,299</u>	<u>1,024,094</u>	<u>1,024,094</u>	<u>(144,795)</u>
Fund Balance, June 30, 2017	<u>\$ 1,061,185</u>	<u>\$ 0</u>	<u>\$ 1,061,185</u>	<u>\$ 824,094</u>	<u>\$ 824,094</u>	<u>\$ 237,091</u>

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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 1,385,990	\$ 0	\$ 0	\$ 1,385,990	\$ 1,400,000	\$ 1,403,400	\$ (17,410)
Other Local Revenues	5,839	0	0	5,839	5,000	5,000	839
State of Tennessee	101,493	0	0	101,493	130,000	130,000	(28,507)
Total Revenues	\$ 1,493,322	\$ 0	\$ 0	\$ 1,493,322	\$ 1,535,000	\$ 1,538,400	\$ (45,078)
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Community Services	\$ 1,421,541	\$ (22,494)	\$ 25,108	\$ 1,424,155	\$ 1,698,000	\$ 1,704,500	\$ 280,345
Total Expenditures	\$ 1,421,541	\$ (22,494)	\$ 25,108	\$ 1,424,155	\$ 1,698,000	\$ 1,704,500	\$ 280,345
Excess (Deficiency) of Revenues Over Expenditures	\$ 71,781	\$ 22,494	\$ (25,108)	\$ 69,167	\$ (163,000)	\$ (166,100)	\$ 235,267
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,100	\$ (3,100)
Total Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,100	\$ (3,100)
Net Change in Fund Balance	\$ 71,781	\$ 22,494	\$ (25,108)	\$ 69,167	\$ (163,000)	\$ (163,000)	\$ 232,167
Fund Balance, July 1, 2016	275,041	(22,494)	0	252,547	349,844	349,844	(97,297)
Fund Balance, June 30, 2017	\$ 346,822	\$ 0	\$ (25,108)	\$ 321,714	\$ 186,844	\$ 186,844	\$ 134,870

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, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,429,712	\$ 0	\$ 0	\$ 1,429,712	\$ 1,335,000	\$ 1,335,000	\$ 94,712
Other Local Revenues	3,434	0	0	3,434	0	0	3,434
Total Revenues	\$ 1,433,146	\$ 0	\$ 0	\$ 1,433,146	\$ 1,335,000	\$ 1,335,000	\$ 98,146
<u>Expenditures</u>							
<u>Capital Projects</u>							
Education Capital Projects	\$ 1,250,002	\$ (59,155)	\$ 129,667	\$ 1,320,514	\$ 1,335,000	\$ 1,335,000	\$ 14,486
Total Expenditures	\$ 1,250,002	\$ (59,155)	\$ 129,667	\$ 1,320,514	\$ 1,335,000	\$ 1,335,000	\$ 14,486
Excess (Deficiency) of Revenues Over Expenditures	\$ 183,144	\$ 59,155	\$ (129,667)	\$ 112,632	\$ 0	\$ 0	\$ 112,632
Net Change in Fund Balance	\$ 183,144	\$ 59,155	\$ (129,667)	\$ 112,632	\$ 0	\$ 0	\$ 112,632
Fund Balance, July 1, 2016	168,777	(59,155)	0	109,622	81,900	81,900	27,722
Fund Balance, June 30, 2017	\$ 351,921	\$ 0	\$ (129,667)	\$ 222,254	\$ 81,900	\$ 81,900	\$ 140,354

MISCELLANEOUS SCHEDULES

Exhibit K-1

Blount County, Tennessee
Schedule of Changes in Other Loans, Capital Leases and Bonds
For the Year Ended June 30, 2017

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-16	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-17
OTHER LOANS PAYABLE									
<u>Payable through General Debt Service Fund</u>									
<u>Public Building Authority Loan Agreements</u>									
Industrial Park (Series B-10-A)	\$ 2,000,000	5.55 to 6.2%	6-29-06	6-1-21	\$ 900,000	\$ 0	\$ 0	\$ 900,000	\$ 0
Various Purposes (Series B-16-A)	33,550,000	3 to 5	5-15-08	6-1-37	19,855,000	0	1,100,000	18,755,000	0
Industrial Park (Series B-17-A)	3,000,000	3.25 to 4.5	6-20-08	6-1-18	2,315,000	0	120,000	2,070,000	125,000
Various Purposes (Series B-18-A)	4,380,000	2.5 to 5	3-2-09	6-1-19	2,400,000	0	600,000	0	1,800,000
<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	11-24-20	103,706	0	40,565	0	63,141
Total Other Loans Payable					\$ 25,573,706	\$ 0	\$ 1,860,565	\$ 21,725,000	\$ 1,988,141
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	\$ 1,649,377	\$ 0	\$ 304,702	\$ 0	\$ 1,344,675
Total Payable through General Debt Service Fund					\$ 1,649,377	\$ 0	\$ 304,702	\$ 0	\$ 1,344,675
<u>Contributions Due by School Department from the General Purpose School</u>									
<u>Fund to the General Debt Service Fund</u>									
School Energy Facility Upgrades	2,738,602	5.4	7-6-06	11-6-19	\$ 1,160,608	\$ 0	\$ 255,918	\$ 0	\$ 904,690
Total Contributions Due by School Department					\$ 1,160,608	\$ 0	\$ 255,918	\$ 0	\$ 904,690
Total Capital Leases Payable					\$ 2,809,985	\$ 0	\$ 560,620	\$ 0	\$ 2,249,365
BONDS PAYABLE									
<u>Payable through General Debt Service Fund</u>									
General Obligation Refunding, Series 2004 A	7,405,000	2 to 4.15	9-1-04	3-1-19	\$ 2,115,000	\$ 0	\$ 0	\$ 2,115,000	\$ 0
General Obligation Refunding, Series 2004 B	5,060,000	2 to 4	10-1-04	4-1-19	1,645,000	0	0	1,645,000	0
General Obligation Refunding, Series 2005	14,860,000	3 to 5	1-27-05	4-1-19	4,695,000	0	0	4,695,000	0
Qualified School Construction Bond, Series 2010	14,855,000	2.6	10-7-10	9-14-27	10,297,600	0	926,929	0	9,370,671
General Obligation Refunding, Series 2011	46,390,000	4.5	5-5-11	6-1-21	44,725,000	0	895,000	27,270,000	16,560,000
General Obligation Refunding, Series 2013 B	79,800,000	Variable (1)	12-9-13	6-1-37	79,435,000	0	0	79,435,000	0
General Obligation Refunding, Series 2015 A	7,120,000	.55 to 2.15	3-5-15	6-1-21	5,985,000	0	1,165,000	0	4,820,000
General Obligation Refunding, Series 2015 B	19,785,000	2 to 4	3-5-15	6-1-31	19,635,000	0	295,000	0	19,340,000
General Obligation Refunding, Series 2016 A	8,920,000	.97 to 3.6	12-1-16	6-30-37	0	8,920,000	370,000	0	8,550,000
General Obligation Refunding, Series 2016 B	117,010,000	2 to 5	12-1-16	6-30-37	0	117,010,000	2,655,000	0	114,355,000
Total Bonds Payable					\$ 168,532,600	\$ 125,930,000	\$ 6,306,929	\$ 115,160,000	\$ 172,995,671

- (1) The interest rate swap agreement associated with this loan was terminated during the year. A fee of \$12,914,000 was paid to the counterparty to terminate the agreement.

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
2018	\$ 1,065,501	\$ 168,350	\$ 245	\$ 1,234,096
2019	922,640	36,000	245	958,885
Total	<u>\$ 1,988,141</u>	<u>\$ 204,350</u>	<u>\$ 490</u>	<u>\$ 2,192,981</u>

Year Ending June 30	Bonds		
	Principal	Interest	Total
2018	\$ 7,251,929	\$ 9,233,345	\$ 16,485,274
2019	7,986,929	9,023,157	17,010,086
2020	9,306,929	8,778,568	18,085,497
2021	9,601,929	8,485,092	18,087,021
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	<u>\$ 172,995,671</u>	<u>\$ 88,752,753</u>	<u>\$ 261,748,424</u>

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2018	\$ 594,577	\$ 102,249	\$ 696,826
2019	630,437	74,669	705,106
2020	668,303	45,330	713,633
2021	356,048	14,135	370,183
Total	<u>\$ 2,249,365</u>	<u>\$ 236,383</u>	<u>\$ 2,485,748</u>

Blount County, Tennessee
Schedule of Notes Receivable
June 30, 2017

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-17
<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%	\$ 391,353
Motorola Radio System	The City of Maryville, Tennessee	918,996	9-1-10	9-1-20	0	240,196
"	The City of Alcoa, Tennessee	751,735	9-1-10	9-1-20	0	<u>196,470</u>
Total Notes Receivable						<u>\$ 828,019</u>

Blount County, Tennessee
Schedule of Transfers
For the Year Ended June 30, 2017

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Public Library	Operations	\$ 978,668
"	General Debt Service	Debt service	835,344
Self-Insurance	General	Payroll	<u>155,254</u>
Total Transfers Primary Government			<u>\$ 1,969,266</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, 2017

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 126,238	\$ 100,000	Cincinnati Insurance Company
Highway Superintendent	Section 8-24-102, <i>TCA</i>	100,189	100,000	"
Director of Schools	Board of Education	129,900 (1)	100,000	"
Trustee	Section 8-24-102, <i>TCA</i>	82,801	4,221,668	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	82,801	50,000	"
Director of Accounts and Budgets	County Commission	92,511 (2)	100,000	"
County Clerk:				
Margaret Flynn (7/1/16 through 8/31/16)	Section 8-24-102, <i>TCA</i>	13,800	100,000	"
Gaye Hasty (9/1/16 through 6/30/17)	Section 8-24-102, <i>TCA</i>	69,001	100,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	91,081	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i>	82,801	105,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	82,801	100,000	"
Sheriff	Section 8-24-102, <i>TCA</i> , and County Commission	120,827 (3)	100,000	"
Purchasing Agent	County Commission	60,017	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 \$9,370 for serving as assistant county mayor.

(3) Includes \$10,019 for serving as director of the Juvenile Detention Center,
\$10,019 for serving as superintendent of the workhouse, and a law
enforcement training supplement of \$600.

Exhibit K-6

Blount County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2017

	Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Law Library	Public Library	Drug Control
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 29,808,481	\$ 0	\$ 0	\$ 0	\$ 0
Discount on Property Taxes	(447,996)	0	0	0	0
Trustee's Collections - Prior Year	612,918	0	0	0	0
Trustee's Collections - Bankruptcy	192,401	0	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	236,233	0	0	0	0
Interest and Penalty	120,736	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	1,954,981	0	0	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	0	0
Hotel/Motel Tax	758,363	0	0	0	0
Litigation Tax - General	366,732	0	0	0	0
Litigation Tax - Special Purpose	0	1,297	9,593	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	196,159	0	0	0
Litigation Tax - Courthouse Security	150,600	0	0	0	0
Business Tax	686,018	0	0	0	0
Mixed Drink Tax	134,228	0	0	0	0
Mineral Severance Tax	0	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	147,703	0	0	0	0
Wholesale Beer Tax	252,914	0	0	0	0
Interstate Telecommunications Tax	5,929	0	0	0	0
Total Local Taxes	\$ 34,980,241	\$ 197,456	\$ 9,593	\$ 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
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 573,059	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>					
Building Permits	467,600	0	0	0	0
Other Permits	0	0	0	0	0
Total Licenses and Permits	\$ 1,040,659	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Officers Costs	\$ 12,470	\$ 0	\$ 0	\$ 0	\$ 0
Drug Control Fines	0	0	0	0	1,084
Drug Court Fees	18,964	0	0	0	0
DUI Treatment Fines	2,625	0	0	0	0
Data Entry Fee - Circuit Court	105,319	0	0	0	0
<u>Criminal Court</u>					
Fines	8,668	0	0	0	0
Officers Costs	54,131	0	0	0	0
Victims Assistance Assessments	8,559	0	0	0	0
<u>General Sessions Court</u>					
Fines	65,718	0	0	0	0
Officers Costs	762,356	0	0	0	0
Game and Fish Fines	312	0	0	0	0
Drug Control Fines	0	0	0	0	9,709
Jail Fees	32,998	0	0	0	0
District Attorney General Fees	47,949	0	0	0	0
DUI Treatment Fines	14,731	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
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>General Sessions Court (Cont.)</u>					
Courtroom Security Fee	\$ 26,578	\$ 0	\$ 0	\$ 0	\$ 0
Victims Assistance Assessments	38,159	0	0	0	0
<u>Juvenile Court</u>					
Fines	13,018	0	0	0	0
Drug Court Fees	919	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	5,689	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0	0	2,113
Other Fines, Forfeitures, and Penalties	65,225	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 1,284,388	\$ 0	\$ 0	\$ 0	\$ 12,906
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Other General Service Charges	\$ 175,306	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fees</u>					
Copy Fees	6,313	0	0	21,425	0
Library Fees	0	0	0	74,189	0
Telephone Commissions	121,046	0	0	0	121,046
Data Processing Fee - Register	45,360	0	0	0	0
Probation Fees	486,742	0	0	0	0
Sexual Offender Registration Fee - Sheriff	22,800	0	0	0	0
Data Processing Fee - County Clerk	15,840	0	0	0	0
<u>Education Charges</u>					
Other Charges for Services	4,306	0	0	0	0
Total Charges for Current Services	\$ 877,713	\$ 0	\$ 0	\$ 95,614	\$ 121,046

(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
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 141,135	\$ 0	\$ 0	\$ 6,506	\$ 9,807
Lease/Rentals	2,725	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0
Sale of Maps	458	0	0	0	0
Sale of Recycled Materials	0	0	0	0	0
Miscellaneous Refunds	25,706	0	0	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	2,257	0	0	0	0
Sale of Property	14,567	0	0	0	0
Damages Recovered from Individuals	4,398	0	0	0	0
Contributions and Gifts	25,390	0	0	2,180	0
<u>Other Local Revenues</u>					
Other Local Revenues	137,393	0	0	110,184	1,240
Total Other Local Revenues	\$ 354,029	\$ 0	\$ 0	\$ 118,870	\$ 11,047
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 1,394,639	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	680,883	0	0	0	0
General Sessions Court Clerk	1,945,808	0	0	0	0
Clerk and Master	423,467	0	0	0	0
Register	744,824	0	0	0	0
Sheriff	104,931	0	0	0	0
Trustee	2,532,955	0	0	0	0
Total Fees Received From County Officials	\$ 7,827,507	\$ 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
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0
Other General Government Grants	0	0	0	17,300	0
<u>Health and Welfare Grants</u>					
Health Department Programs	452,321	0	0	0	0
<u>Public Works Grants</u>					
Bridge Program	0	0	0	0	0
State Aid Program	0	0	0	0	0
Litter Program	62,400	0	0	0	0
<u>Other State Revenues</u>					
Income Tax	384,604	0	0	0	0
Beer Tax	18,415	0	0	0	0
Vehicle Certificate of Title Fees	66,047	0	0	0	0
Alcoholic Beverage Tax	195,025	0	0	0	0
Contracted Prisoner Boarding	1,537,091	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0
Other State Grants	197,872	0	0	0	0
Other State Revenues	107,551	0	0	0	0
Total State of Tennessee	\$ 3,045,490	\$ 0	\$ 0	\$ 17,300	\$ 0
<u>Federal Government</u>					
<u>Federal Through State</u>					
Other Federal through State	\$ 534,076	\$ 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
<u>Federal Government (Cont.)</u>					
<u>Direct Federal Revenue</u>					
Tax Credit Bond Rebate	\$ 670,839	\$ 0	\$ 0	\$ 0	\$ 0
Other Direct Federal Revenue	2,098,630	0	0	0	0
Total Federal Government	<u>\$ 3,303,545</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 13,800	\$ 0	\$ 0	\$ 0	\$ 0
Paving and Maintenance	0	0	0	0	0
Contributions	0	0	0	0	10,100
Contracted Services	165,858	0	0	978,105	0
<u>Citizens Groups</u>					
Donations	196,706	0	0	2,116	0
<u>Other</u>					
Other	129,524	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 505,888</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 980,221</u>	<u>\$ 10,100</u>
Total	<u>\$ 53,219,460</u>	<u>\$ 197,456</u>	<u>\$ 9,593</u>	<u>\$ 1,212,005</u>	<u>\$ 155,099</u>

(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>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 0	\$ 16,259,139	\$ 0	\$ 46,067,620
Discount on Property Taxes	0	(244,320)	0	(692,316)
Trustee's Collections - Prior Year	0	334,340	0	947,258
Trustee's Collections - Bankruptcy	0	106,320	0	298,721
Circuit Clerk/Clerk and Master Collections - Prior Years	0	128,855	0	365,088
Interest and Penalty	0	65,989	0	186,725
Payments in-Lieu-of Taxes - Local Utilities	242,358	132,196	0	374,554
Payments in-Lieu-of Taxes - Other	0	10,634	0	1,965,615
<u>County Local Option Taxes</u>				
Local Option Sales Tax	2,802,988	622,886	0	3,425,874
Hotel/Motel Tax	0	0	0	758,363
Litigation Tax - General	0	0	0	366,732
Litigation Tax - Special Purpose	0	0	0	10,890
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	196,159
Litigation Tax - Courthouse Security	0	0	0	150,600
Business Tax	0	374,194	0	1,060,212
Mixed Drink Tax	0	0	0	134,228
Mineral Severance Tax	76,082	0	0	76,082
<u>Statutory Local Taxes</u>				
Bank Excise Tax	0	0	0	147,703
Wholesale Beer Tax	0	0	0	252,914
Interstate Telecommunications Tax	0	0	0	5,929
Total Local Taxes	\$ 3,121,428	\$ 17,790,233	\$ 0	\$ 56,098,951

(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	\$ 252,048	\$ 0	\$ 0	\$ 825,107
<u>Permits</u>				
Building Permits	0	0	0	467,600
Other Permits	144,563	0	0	144,563
Total Licenses and Permits	\$ 396,611	\$ 0	\$ 0	\$ 1,437,270
<u>Fines, Forfeitures, and Penalties</u>				
<u>Circuit Court</u>				
Officers Costs	\$ 0	\$ 0	\$ 0	\$ 12,470
Drug Control Fines	0	0	0	1,084
Drug Court Fees	0	0	0	18,964
DUI Treatment Fines	0	0	0	2,625
Data Entry Fee - Circuit Court	0	0	0	105,319
<u>Criminal Court</u>				
Fines	0	0	0	8,668
Officers Costs	0	0	0	54,131
Victims Assistance Assessments	0	0	0	8,559
<u>General Sessions Court</u>				
Fines	0	0	0	65,718
Officers Costs	0	0	0	762,356
Game and Fish Fines	0	0	0	312
Drug Control Fines	0	0	0	9,709
Jail Fees	0	0	0	32,998
District Attorney General Fees	0	0	0	47,949
DUI Treatment Fines	0	0	0	14,731

(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>Fines, Forfeitures, and Penalties (Cont.)</u>				
<u>General Sessions Court (Cont.)</u>				
Courtroom Security Fee	\$ 0	\$ 0	\$ 0	\$ 26,578
Victims Assistance Assessments	0	0	0	38,159
<u>Juvenile Court</u>				
Fines	0	0	0	13,018
Drug Court Fees	0	0	0	919
<u>Chancery Court</u>				
Officers Costs	0	0	0	5,689
<u>Other Fines, Forfeitures, and Penalties</u>				
Proceeds from Confiscated Property	0	0	0	2,113
Other Fines, Forfeitures, and Penalties	0	0	0	65,225
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 1,297,294
<u>Charges for Current Services</u>				
<u>General Service Charges</u>				
Other General Service Charges	\$ 0	\$ 0	\$ 0	\$ 175,306
<u>Fees</u>				
Copy Fees	0	0	0	27,738
Library Fees	0	0	0	74,189
Telephone Commissions	0	0	0	242,092
Data Processing Fee - Register	0	0	0	45,360
Probation Fees	0	0	0	486,742
Sexual Offender Registration Fee - Sheriff	0	0	0	22,800
Data Processing Fee - County Clerk	0	0	0	15,840
<u>Education Charges</u>				
Other Charges for Services	0	0	0	4,306
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 1,094,373

(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>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 22,187	\$ 116,632	\$ 2,577	\$ 298,844
Lease/Rentals	0	38,000	0	40,725
Sale of Materials and Supplies	4,878	0	0	4,878
Sale of Maps	0	0	0	458
Sale of Recycled Materials	4,753	0	0	4,753
Miscellaneous Refunds	0	0	0	25,706
<u>Nonrecurring Items</u>				
Sale of Equipment	24,961	0	0	27,218
Sale of Property	51,827	25,000	0	91,394
Damages Recovered from Individuals	8	0	0	4,406
Contributions and Gifts	0	0	0	27,570
<u>Other Local Revenues</u>				
Other Local Revenues	0	0	0	248,817
Total Other Local Revenues	\$ 108,614	\$ 179,632	\$ 2,577	\$ 774,769
<u>Fees Received From County Officials</u>				
<u>Fees In-Lieu-of Salary</u>				
County Clerk	\$ 0	\$ 0	\$ 0	\$ 1,394,639
Circuit Court Clerk	0	0	0	680,883
General Sessions Court Clerk	0	0	0	1,945,808
Clerk and Master	0	0	0	423,467
Register	0	0	0	744,824
Sheriff	0	0	0	104,931
Trustee	0	0	0	2,532,955
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 7,827,507

(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</u>				
<u>General Government Grants</u>				
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 9,000
Other General Government Grants	0	0	0	17,300
<u>Health and Welfare Grants</u>				
Health Department Programs	0	0	0	452,321
<u>Public Works Grants</u>				
Bridge Program	329,214	0	0	329,214
State Aid Program	908,948	0	0	908,948
Litter Program	0	0	0	62,400
<u>Other State Revenues</u>				
Income Tax	0	0	0	384,604
Beer Tax	0	0	0	18,415
Vehicle Certificate of Title Fees	0	0	0	66,047
Alcoholic Beverage Tax	0	0	0	195,025
Contracted Prisoner Boarding	0	0	0	1,537,091
Gasoline and Motor Fuel Tax	2,708,938	0	0	2,708,938
Petroleum Special Tax	88,757	0	0	88,757
Registrar's Salary Supplement	0	0	0	15,164
Other State Grants	0	0	0	197,872
Other State Revenues	0	0	0	107,551
Total State of Tennessee	\$ 4,035,857	\$ 0	\$ 0	\$ 7,098,647
<u>Federal Government</u>				
<u>Federal Through State</u>				
Other Federal through State	\$ 0	\$ 0	\$ 0	\$ 534,076

(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>Federal Government (Cont.)</u>				
<u>Direct Federal Revenue</u>				
Tax Credit Bond Rebate	\$ 0	\$ 0	\$ 0	\$ 670,839
Other Direct Federal Revenue	0	0	0	2,098,630
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 3,303,545
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 13,800
Paving and Maintenance	45,804	0	0	45,804
Contributions	0	430,761	0	440,861
Contracted Services	0	246,982	0	1,390,945
<u>Citizens Groups</u>				
Donations	0	0	0	198,822
<u>Other</u>				
Other	0	0	0	129,524
Total Other Governments and Citizens Groups	\$ 45,804	\$ 677,743	\$ 0	\$ 2,219,756
Total	\$ 7,708,314	\$ 18,647,608	\$ 2,577	\$ 81,152,112

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, 2017

	Special Revenue Funds				Capital Projects Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Education Capital Projects	Total
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 21,606,483	\$ 0	\$ 0	\$ 0	\$ 1,354,927	\$ 22,961,410
Discount on Property Taxes	(331,121)	0	0	0	(20,361)	(351,482)
Trustee's Collections - Prior Year	445,867	0	0	0	27,162	473,029
Trustee's Collections - Bankruptcy	139,400	0	0	0	8,746	148,146
Circuit Clerk/Clerk and Master Collections - Prior Years	170,922	0	0	0	10,738	181,660
Interest and Penalty	87,695	0	0	0	5,420	93,115
Payments in-Lieu-of Taxes - T.V.A.	13,279	0	0	0	0	13,279
Payments in-Lieu-of Taxes - Local Utilities	172,192	0	0	0	11,016	183,208
Payments in-Lieu-of Taxes - Other	14,128	0	0	0	886	15,014
<u>County Local Option Taxes</u>						
Local Option Sales Tax	14,927,321	0	0	0	0	14,927,321
Business Tax	496,813	0	0	0	31,178	527,991
Mixed Drink Tax	134,228	0	0	0	0	134,228
<u>Statutory Local Taxes</u>						
Interstate Telecommunications Tax	5,493	0	0	0	0	5,493
Total Local Taxes	\$ 37,882,700	\$ 0	\$ 0	\$ 0	\$ 1,429,712	\$ 39,312,412
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 5,535	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,535
Total Licenses and Permits	\$ 5,535	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,535

(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 Projects Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Education Capital Projects	Total
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Contract for Instructional Services with Other LEA's	\$ 44,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 44,500
Receipts from Individual Schools	0	0	1,747,297	0	0	1,747,297
Community Service Fees - Children	0	0	0	1,385,990	0	1,385,990
Other Charges for Services	22,096	0	0	0	0	22,096
Total Charges for Current Services	\$ 66,596	\$ 0	\$ 1,747,297	\$ 1,385,990	\$ 0	\$ 3,199,883
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 89,630	\$ 0	\$ 5,113	\$ 2,079	\$ 3,434	\$ 100,256
Lease/Rentals	14,600	0	0	0	0	14,600
E-Rate Funding	474,230	0	0	0	0	474,230
<u>Nonrecurring Items</u>						
Sale of Equipment	7,302	0	2,196	0	0	9,498
Sale of Property	2,576	0	0	0	0	2,576
Damages Recovered from Individuals	3,716	0	0	0	0	3,716
Contributions and Gifts	2,999	0	5,103	0	0	8,102
<u>Other Local Revenues</u>						
Other Local Revenues	70,549	0	0	3,760	0	74,309
Total Other Local Revenues	\$ 665,602	\$ 0	\$ 12,412	\$ 5,839	\$ 3,434	\$ 687,287
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 62,213	\$ 0	\$ 0	\$ 0	\$ 0	\$ 62,213

(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 Projects Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Education Capital Projects	Total
<u>State of Tennessee (Cont.)</u>						
<u>State Education Funds</u>						
Basic Education Program	\$ 46,439,160	\$ 0	\$ 0	\$ 0	\$ 0	\$ 46,439,160
Early Childhood Education	596,558	0	0	0	0	596,558
School Food Service	0	0	47,519	0	0	47,519
Other State Education Funds	187,973	0	0	101,493	0	289,466
Career Ladder Program	252,273	0	0	0	0	252,273
Career Ladder - Extended Contract	1,167	0	0	0	0	1,167
<u>Other State Revenues</u>						
State Revenue Sharing - T.V.A.	1,443,998	0	0	0	0	1,443,998
Other State Grants	38,064	0	0	0	0	38,064
Total State of Tennessee	\$ 49,021,406	\$ 0	\$ 47,519	\$ 101,493	\$ 0	\$ 49,170,418
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,475,489	\$ 0	\$ 0	\$ 2,475,489
USDA - Commodities	0	0	356,995	0	0	356,995
Breakfast	0	0	997,659	0	0	997,659
USDA - Other	0	0	7,826	0	0	7,826
Vocational Education - Basic Grants to States	0	197,986	0	0	0	197,986
Title I Grants to Local Education Agencies	0	2,372,556	0	0	0	2,372,556
Special Education - Grants to States	170,399	2,722,670	0	0	0	2,893,069
English Language Acquisition Grants	0	22,502	0	0	0	22,502
Eisenhower Professional Development State Grants	0	352,301	0	0	0	352,301
Other Federal through State	29,934	134,451	0	0	0	164,385

(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 Projects Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Education Capital Projects		Total
Federal Government (Cont.)							
<u>Direct Federal Revenue</u>							
ROTC Reimbursement	\$ 118,522	\$ 0	\$ 0	\$ 0	\$ 0	\$	118,522
Total Federal Government	\$ 318,855	\$ 5,802,466	\$ 3,837,969	\$ 0	\$ 0	\$	9,959,290
Total	\$ 87,960,694	\$ 5,802,466	\$ 5,645,197	\$ 1,493,322	\$ 1,433,146	\$	102,334,825

Exhibit K-8

Blount County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2017

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	102,058	
Social Security		6,328	
Employer Medicare		1,480	
Dues and Memberships		2,200	
Operating Lease Payments		1,085	
Legal Notices, Recording, and Court Costs		2,703	
Printing, Stationery, and Forms		75	
Travel		1,801	
Tuition		1,350	
Duplicating Supplies		208	
Office Supplies		206	
Other Supplies and Materials		120	
Total County Commission			\$ 119,614

Board of Equalization

Board and Committee Members Fees	\$	705	
Social Security		44	
Unemployment Compensation		1	
Employer Medicare		10	
Total Board of Equalization			760

Beer Board

Legal Notices, Recording, and Court Costs	\$	546	
Total Beer Board			546

County Mayor/Executive

County Official/Administrative Officer	\$	126,238	
Assistant(s)		9,370	
Secretary(ies)		44,970	
Social Security		10,183	
Pensions		6,044	
Life Insurance		116	
Medical Insurance		23,388	
Dental Insurance		515	
Unemployment Compensation		45	
Employer Medicare		2,496	
Dues and Memberships		150	
Gasoline		385	
Office Supplies		1,354	
Other Supplies and Materials		59	
Workers' Compensation Insurance		310	
Other Charges		511	
Total County Mayor/Executive			226,134

Personnel Office

Supervisor/Director	\$	62,768	
Clerical Personnel		51,536	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Personnel Office (Cont.)

Part-time Personnel	\$	12,201	
Social Security		7,199	
Pensions		12,562	
Life Insurance		127	
Medical Insurance		27,218	
Dental Insurance		598	
Unemployment Compensation		165	
Employer Medicare		1,684	
Dues and Memberships		190	
Operating Lease Payments		1,289	
Legal Services		751	
Tuition		399	
Office Supplies		935	
Workers' Compensation Insurance		620	
Other Charges		370	
Total Personnel Office			\$ 180,612

Election Commission

County Official/Administrative Officer	\$	74,521	
Clerical Personnel		97,544	
Temporary Personnel		27,221	
Overtime Pay		4,974	
Election Commission		24,831	
Election Workers		206,334	
Social Security		19,078	
Pensions		19,193	
Life Insurance		171	
Medical Insurance		28,712	
Dental Insurance		1,041	
Unemployment Compensation		455	
Employer Medicare		4,497	
Operating Lease Payments		1,175	
Legal Notices, Recording, and Court Costs		8,243	
Printing, Stationery, and Forms		2,982	
Rentals		1,567	
Travel		6,927	
Tuition		3,200	
Other Contracted Services		25,696	
Office Supplies		9,818	
Workers' Compensation Insurance		1,860	
Total Election Commission			570,040

Register of Deeds

County Official/Administrative Officer	\$	82,801
Clerical Personnel		287,949
Part-time Personnel		2,274
Social Security		21,447

(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.)

Pensions	\$	39,058	
Life Insurance		387	
Medical Insurance		75,918	
Dental Insurance		2,303	
Unemployment Compensation		471	
Employer Medicare		5,050	
Dues and Memberships		1,678	
Operating Lease Payments		2,637	
Maintenance and Repair Services - Office Equipment		500	
Printing, Stationery, and Forms		62	
Travel		1,652	
Tuition		625	
Other Contracted Services		37,188	
Data Processing Supplies		323	
Office Supplies		4,926	
Other Supplies and Materials		381	
Workers' Compensation Insurance		1,550	
Data Processing Equipment		8,072	
Total Register of Deeds			\$ 577,252

Development

Assistant(s)	\$	52,156	
Supervisor/Director		92,740	
Secretary(ies)		82,618	
Overtime Pay		112	
Other Salaries and Wages		288,178	
Social Security		30,590	
Pensions		43,612	
Life Insurance		466	
Medical Insurance		79,244	
Dental Insurance		2,253	
Unemployment Compensation		746	
Employer Medicare		7,154	
Advertising		400	
Communication		1,495	
Dues and Memberships		6,704	
Engineering Services		20,428	
Operating Lease Payments		34,906	
Legal Notices, Recording, and Court Costs		2,346	
Maintenance and Repair Services - Vehicles		2,089	
Printing, Stationery, and Forms		1,017	
Travel		493	
Tuition		2,780	
Other Contracted Services		3,253	
Duplicating Supplies		386	
Gasoline		11,618	
Instructional Supplies and Materials		2,875	

(Continued)

Exhibit K-8

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

General Fund (Cont.)General Government (Cont.)Development (Cont.)

Library Books/Media	\$	30	
Office Supplies		3,984	
Uniforms		1,739	
Other Supplies and Materials		1,685	
Workers' Compensation Insurance		1,705	
Other Charges		1,159	
Health Equipment		8,394	
Total Development			\$ 789,355

County Buildings

Supervisor/Director	\$	30,673	
Custodial Personnel		146,974	
Maintenance Personnel		108,053	
Part-time Personnel		11,310	
Overtime Pay		662	
Social Security		17,350	
Pensions		30,031	
Life Insurance		324	
Medical Insurance		75,996	
Dental Insurance		2,256	
Unemployment Compensation		528	
Employer Medicare		4,057	
Communication		418	
Operating Lease Payments		10,011	
Maintenance Agreements		41,587	
Maintenance and Repair Services - Buildings		59,857	
Maintenance and Repair Services - Equipment		46,791	
Pest Control		1,800	
Travel		268	
Tuition		1,100	
Permits		1,525	
Custodial Supplies		27,260	
Gasoline		3,586	
Natural Gas		59,932	
Office Supplies		657	
Uniforms		92	
Utilities		626,534	
Workers' Compensation Insurance		1,860	
Building Improvements		136,090	
Maintenance Equipment		4,895	
Total County Buildings			1,452,477

Other General Administration

Supervisor/Director	\$	69,556
Social Security		4,139
Pensions		7,732
Life Insurance		58

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Other General Administration (Cont.)

Medical Insurance	\$	11,085	
Dental Insurance		244	
Unemployment Compensation		48	
Employer Medicare		968	
Communication		306	
Office Supplies		303	
Liability Insurance		514,712	
Workers' Compensation Insurance		249,395	
Total Other General Administration			\$ 858,546

Preservation of Records

Supervisor/Director	\$	45,430	
Other Salaries and Wages		22,958	
Social Security		4,063	
Pensions		7,609	
Life Insurance		67	
Medical Insurance		10,506	
Dental Insurance		531	
Unemployment Compensation		96	
Employer Medicare		950	
Communication		1,853	
Dues and Memberships		30	
Operating Lease Payments		748	
Travel		444	
Tuition		85	
Other Contracted Services		492	
Duplicating Supplies		40	
Gasoline		89	
Office Supplies		582	
Other Supplies and Materials		386	
Workers' Compensation Insurance		310	
Furniture and Fixtures		9,842	
Total Preservation of Records			107,111

Risk Management

Supervisor/Director	\$	52,920	
Other Salaries and Wages		40,911	
Social Security		5,379	
Pensions		10,431	
Life Insurance		108	
Medical Insurance		17,269	
Dental Insurance		530	
Unemployment Compensation		96	
Employer Medicare		1,258	
Dues and Memberships		150	
Operating Lease Payments		5,822	
Travel		1,823	

(Continued)

Exhibit K-8

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

General Fund (Cont.)General Government (Cont.)Risk Management (Cont.)

Tuition	\$	1,480	
Other Contracted Services		100	
Gasoline		1,712	
Office Supplies		308	
Workers' Compensation Insurance		310	
Total Risk Management			\$ 140,607

FinanceAccounting and Budgeting

Supervisor/Director	\$	83,141	
Accountants/Bookkeepers		356,665	
Clerical Personnel		26,871	
Part-time Personnel		3,608	
Social Security		28,057	
Pensions		50,229	
Life Insurance		424	
Medical Insurance		59,620	
Dental Insurance		1,998	
Unemployment Compensation		477	
Employer Medicare		6,562	
Communication		158	
Dues and Memberships		1,399	
Operating Lease Payments		3,022	
Legal Notices, Recording, and Court Costs		450	
Postal Charges		1,418	
Printing, Stationery, and Forms		1,555	
Travel		2,748	
Tuition		534	
Gasoline		46	
Office Supplies		1,073	
Workers' Compensation Insurance		1,705	
Other Charges		1,101	
Data Processing Equipment		4,313	
Total Accounting and Budgeting			637,174

Purchasing

Supervisor/Director	\$	60,017	
Purchasing Personnel		121,160	
Overtime Pay		23	
Social Security		10,655	
Pensions		19,975	
Life Insurance		197	
Medical Insurance		29,830	
Dental Insurance		1,074	
Unemployment Compensation		205	
Employer Medicare		2,492	
Dues and Memberships		3,319	

(Continued)

Exhibit K-8

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

General Fund (Cont.)Finance (Cont.)Purchasing (Cont.)

Operating Lease Payments	\$	1,197	
Legal Notices, Recording, and Court Costs		1,597	
Maintenance and Repair Services - Office Equipment		295	
Printing, Stationery, and Forms		77	
Travel		576	
Tuition		874	
Other Contracted Services		45	
Office Supplies		1,481	
Other Supplies and Materials		264	
Workers' Compensation Insurance		775	
Total Purchasing			\$ 256,128

Central Services

Local Retirement	\$	234,871	
Audit Services		44,284	
Communication		184,610	
Contributions		7,950	
Legal Services		45,420	
Legal Notices, Recording, and Court Costs		1,241,480	
Pauper Burials		2,200	
Postal Charges		137,603	
Other Contracted Services		354,746	
Trustee's Commission		704,404	
Other Charges		13	
Total Central Services			2,957,581

Property Assessor's Office

County Official/Administrative Officer	\$	82,801	
Assistant(s)		322,293	
Clerical Personnel		113,999	
Social Security		30,598	
Pensions		55,864	
Life Insurance		559	
Medical Insurance		82,745	
Dental Insurance		2,712	
Unemployment Compensation		604	
Employer Medicare		7,156	
Data Processing Services		35,862	
Dues and Memberships		3,380	
Operating Lease Payments		2,458	
Maintenance and Repair Services - Vehicles		808	
Printing, Stationery, and Forms		701	
Travel		3,771	
Tuition		845	
Data Processing Supplies		235	
Duplicating Supplies		1,810	
Gasoline		2,765	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Office Supplies	\$	6,254	
Other Supplies and Materials		2,399	
Workers' Compensation Insurance		1,860	
Other Charges		54,116	
Office Equipment		10,791	
Total Property Assessor's Office			\$ 827,386

Reappraisal Program

Assistant(s)	\$	141,229	
Clerical Personnel		56,159	
Social Security		11,127	
Pensions		20,677	
Life Insurance		232	
Medical Insurance		63,030	
Dental Insurance		1,395	
Unemployment Compensation		279	
Employer Medicare		2,602	
Data Processing Services		16,170	
Travel		876	
Tuition		225	
Office Supplies		613	
Other Supplies and Materials		219	
Workers' Compensation Insurance		930	
Furniture and Fixtures		441	
Total Reappraisal Program			316,204

County Trustee's Office

County Official/Administrative Officer	\$	82,801	
Clerical Personnel		231,424	
Temporary Personnel		2,078	
Social Security		18,475	
Pensions		35,157	
Life Insurance		336	
Medical Insurance		56,540	
Dental Insurance		1,860	
Unemployment Compensation		301	
Employer Medicare		4,321	
Dues and Memberships		1,246	
Operating Lease Payments		1,185	
Legal Services		1,950	
Legal Notices, Recording, and Court Costs		158	
Maintenance Agreements		9,100	
Printing, Stationery, and Forms		2,944	
Travel		1,455	
Tuition		1,125	
Other Contracted Services		8,157	
Duplicating Supplies		848	

(Continued)

Exhibit K-8

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

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

Office Supplies	\$	1,674	
Other Supplies and Materials		280	
Workers' Compensation Insurance		1,395	
Total County Trustee's Office			\$ 464,810

County Clerk's Office

County Official/Administrative Officer	\$	82,801	
Secretary to Board		43,258	
Clerical Personnel		594,364	
Temporary Personnel		3,035	
Part-time Personnel		27,640	
Social Security		43,394	
Pensions		72,393	
Life Insurance		779	
Medical Insurance		149,768	
Dental Insurance		5,158	
Unemployment Compensation		1,178	
Employer Medicare		10,236	
Dues and Memberships		1,242	
Operating Lease Payments		8,861	
Maintenance Agreements		17,214	
Maintenance and Repair Services - Vehicles		37	
Printing, Stationery, and Forms		1,839	
Travel		1,681	
Tuition		265	
Gasoline		802	
Office Supplies		16,553	
Periodicals		600	
Workers' Compensation Insurance		3,875	
Data Processing Equipment		54,479	
Total County Clerk's Office			1,141,452

Data Processing

Data Processing Personnel	\$	244,240	
Part-time Personnel		4,664	
Overtime Pay		449	
Social Security		14,811	
Pensions		27,204	
Life Insurance		267	
Medical Insurance		27,812	
Dental Insurance		1,063	
Unemployment Compensation		268	
Employer Medicare		3,464	
Data Processing Services		169,110	
Operating Lease Payments		49,963	
Maintenance and Repair Services - Equipment		21,259	
Printing, Stationery, and Forms		3,355	

(Continued)

Exhibit K-8

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

General Fund (Cont.)Finance (Cont.)Data Processing (Cont.)

Travel	\$	1,139	
Tuition		1,799	
Other Contracted Services		1,540	
Data Processing Supplies		1,654	
Equipment Parts - Light		11,297	
Office Supplies		143	
Software		2,278	
Workers' Compensation Insurance		1,240	
Data Processing Equipment		18,891	
Total Data Processing			\$ 607,910

Administration of JusticeCircuit Court Judge

Clerical Personnel	\$	3,952	
Jury and Witness Expense		11,200	
Social Security		245	
Unemployment Compensation		24	
Employer Medicare		57	
Operating Lease Payments		751	
Maintenance Agreements		4,748	
Printing, Stationery, and Forms		6,442	
Other Contracted Services		2,192	
Duplicating Supplies		60	
Library Books/Media		150	
Office Supplies		171	
Other Supplies and Materials		3,458	
Workers' Compensation Insurance		155	
Other Charges		269	
Furniture and Fixtures		2,102	
Total Circuit Court Judge			35,976

Circuit Court Clerk

County Official/Administrative Officer	\$	91,081	
Assistant(s)		3,856	
Clerical Personnel		1,378,506	
Part-time Personnel		444	
Overtime Pay		24	
Social Security		85,686	
Pensions		145,852	
Life Insurance		1,584	
Medical Insurance		297,079	
Dental Insurance		9,852	
Unemployment Compensation		2,507	
Employer Medicare		20,059	
Bank Charges		87	
Communication		1,123	
Dues and Memberships		781	

(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.)

Operating Lease Payments	\$	10,396	
Maintenance Agreements		31,870	
Maintenance and Repair Services - Office Equipment		393	
Maintenance and Repair Services - Vehicles		782	
Printing, Stationery, and Forms		15,934	
Travel		9,045	
Tuition		10,961	
Other Contracted Services		3,166	
Data Processing Supplies		10,880	
Duplicating Supplies		4,689	
Gasoline		1,025	
Library Books/Media		1,019	
Office Supplies		4,976	
Other Supplies and Materials		14,371	
Workers' Compensation Insurance		7,440	
Other Charges		586	
Building Improvements		776	
Data Processing Equipment		28,825	
Furniture and Fixtures		5,367	
Office Equipment		3,640	
Total Circuit Court Clerk			\$ 2,204,662

Criminal Court

Supervisor/Director	\$	52,920	
Probation Officer(s)		193,685	
Secretary(ies)		29,910	
Part-time Personnel		11,616	
Social Security		17,331	
Pensions		29,274	
Life Insurance		323	
Medical Insurance		43,402	
Dental Insurance		1,417	
Unemployment Compensation		490	
Employer Medicare		4,053	
Communication		1,528	
Dues and Memberships		780	
Operating Lease Payments		896	
Travel		6,470	
Tuition		6,712	
Other Contracted Services		1,163	
Instructional Supplies and Materials		6,193	
Office Supplies		6,679	
Other Supplies and Materials		50,295	
Workers' Compensation Insurance		1,395	
Total Criminal Court			466,532

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Judge

Judge(s)	\$	645,992	
Secretary(ies)		118,868	
Other Salaries and Wages		10,200	
Social Security		34,832	
Pensions		86,732	
Life Insurance		380	
Medical Insurance		63,984	
Dental Insurance		1,860	
Unemployment Compensation		144	
Employer Medicare		10,856	
Dues and Memberships		2,498	
Operating Lease Payments		834	
Printing, Stationery, and Forms		172	
Travel		3,441	
Tuition		750	
Other Contracted Services		1,253	
Library Books/Media		1,813	
Office Supplies		3,090	
Other Supplies and Materials		2,101	
Workers' Compensation Insurance		1,240	
Other Charges		192	
Communication Equipment		7,628	
Total General Sessions Judge			\$ 998,860

Chancery Court

County Official/Administrative Officer	\$	82,801	
Clerical Personnel		232,632	
Social Security		18,244	
Pensions		35,291	
Life Insurance		338	
Medical Insurance		52,914	
Dental Insurance		2,125	
Unemployment Compensation		336	
Employer Medicare		4,267	
Dues and Memberships		901	
Operating Lease Payments		3,071	
Legal Notices, Recording, and Court Costs		76	
Printing, Stationery, and Forms		5,479	
Travel		223	
Duplicating Supplies		238	
Office Supplies		5,573	
Other Supplies and Materials		294	
Workers' Compensation Insurance		1,240	
Data Processing Equipment		20,000	
Furniture and Fixtures		2,191	
Total Chancery Court			468,234

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court

Youth Service Officer(s)	\$	218,694	
Secretary(ies)		29,895	
Temporary Personnel		4,350	
Other Salaries and Wages		72,349	
Social Security		18,962	
Pensions		35,816	
Life Insurance		347	
Medical Insurance		48,568	
Dental Insurance		1,860	
Unemployment Compensation		337	
Employer Medicare		4,496	
Communication		2,858	
Dues and Memberships		810	
Evaluation and Testing		334	
Operating Lease Payments		2,108	
Medical and Dental Services		8,156	
Printing, Stationery, and Forms		86	
Travel		6,380	
Tuition		842	
Other Contracted Services		846	
Library Books/Media		1,019	
Office Supplies		1,776	
Other Supplies and Materials		1,002	
Workers' Compensation Insurance		1,085	
Other Charges		1,960	
Total Juvenile Court			\$ 464,936

Office of Public Defender

Clerical Personnel	\$	28,365	
Social Security		1,827	
Unemployment Compensation		95	
Employer Medicare		427	
Operating Lease Payments		16,800	
Workers' Compensation Insurance		310	
Total Office of Public Defender			47,824

Judicial Commissioners

Clerical Personnel	\$	146,385
Social Security		8,512
Pensions		9,218
Life Insurance		109
Medical Insurance		8,704
Dental Insurance		443
Unemployment Compensation		434
Employer Medicare		2,109
Dues and Memberships		1,375
Operating Lease Payments		936

(Continued)

Exhibit K-8

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

General Fund (Cont.)Administration of Justice (Cont.)Judicial Commissioners (Cont.)

Library Books/Media	\$	362	
Other Supplies and Materials		1,877	
Workers' Compensation Insurance		1,395	
Total Judicial Commissioners			\$ 181,859

Other Administration of Justice

Lieutenant(s)	\$	48,998	
Sergeant(s)		45,161	
Attendants		270,049	
Social Security		21,222	
Pensions		51,579	
Life Insurance		406	
Medical Insurance		68,568	
Dental Insurance		2,055	
Unemployment Compensation		420	
Employer Medicare		4,963	
Workers' Compensation Insurance		11,015	
Total Other Administration of Justice			524,436

Probation Services

Supervisor/Director	\$	62,476	
Probation Officer(s)		248,288	
Accountants/Bookkeepers		35,252	
Secretary(ies)		25,902	
Overtime Pay		67	
Other Salaries and Wages		4,050	
Social Security		22,325	
Pensions		39,668	
Life Insurance		427	
Medical Insurance		52,850	
Dental Insurance		2,314	
Unemployment Compensation		508	
Employer Medicare		5,221	
Communication		4,859	
Dues and Memberships		1,400	
Operating Lease Payments		896	
Printing, Stationery, and Forms		1,500	
Travel		124	
Other Contracted Services		20,492	
Drugs and Medical Supplies		2,009	
Office Supplies		3,295	
Other Supplies and Materials		4,879	
Workers' Compensation Insurance		1,550	
Total Probation Services			540,352

Victim Assistance Programs

Contributions	\$	46,718	
Total Victim Assistance Programs			46,718

(Continued)

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

General Fund (Cont.)

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	100,189
Assistant(s)		111,541
Supervisor/Director		387,426
Deputy(ies)		3,985,981
Detective(s)		337,966
Investigator(s)		31,664
Captain(s)		146,651
Lieutenant(s)		276,156
Sergeant(s)		419,000
Salary Supplements		12,000
Mechanic(s)		38,879
Clerical Personnel		213,066
Attendants		190,269
Part-time Personnel		13,280
Longevity Pay		61,596
Overtime Pay		543,428
Other Salaries and Wages		10,738
In-service Training		87,000
Social Security		410,977
Pensions		910,238
Life Insurance		6,818
Medical Insurance		1,249,500
Dental Insurance		36,758
Unemployment Compensation		8,080
Employer Medicare		96,387
Communication		16,704
Contracts with Government Agencies		1,000
Confidential Drug Enforcement Payments		2,000
Dues and Memberships		6,990
Evaluation and Testing		10,429
Operating Lease Payments		18,867
Legal Services		1,079
Licenses		7,151
Maintenance Agreements		88,348
Maintenance and Repair Services - Equipment		36,425
Maintenance and Repair Services - Vehicles		45,537
Matching Share		23,750
Printing, Stationery, and Forms		13,532
Travel		58,022
Tuition		30,776
Other Contracted Services		29,380
Basic Skills Materials		75,793
Data Processing Supplies		40,314
Duplicating Supplies		2,754
Electricity		10,754
Equipment and Machinery Parts		923
Garage Supplies		1,056

(Continued)

Exhibit K-8

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

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

Gasoline	\$	319,924	
Law Enforcement Supplies		36,154	
Lubricants		4,336	
Office Supplies		16,378	
Small Tools		111	
Tires and Tubes		34,863	
Uniforms		100,336	
Vehicle Parts		66,356	
Other Supplies and Materials		13,220	
Workers' Compensation Insurance		192,546	
Building Improvements		10,350	
Data Processing Equipment		29,532	
Law Enforcement Equipment		84,793	
Other Equipment		11,950	
Total Sheriff's Department			\$ 11,128,021

Administration of the Sexual Offender Registry

Other Charges	\$	7,350	
Total Administration of the Sexual Offender Registry			7,350

Jail

Assistant(s)	\$	46,283	
Supervisor/Director		44,903	
Captain(s)		64,691	
Lieutenant(s)		146,847	
Sergeant(s)		144,159	
Computer Programmer(s)		205,917	
Salary Supplements		10,200	
Guards		146,387	
Clerical Personnel		176,451	
Attendants		2,612,506	
Cafeteria Personnel		99,149	
Part-time Personnel		140,323	
Overtime Pay		199,989	
In-service Training		31,800	
Social Security		234,081	
Pensions		415,403	
Life Insurance		4,099	
Medical Insurance		717,596	
Dental Insurance		24,064	
Unemployment Compensation		6,198	
Employer Medicare		55,973	
Contracts with Private Agencies		27,400	
Dues and Memberships		709	
Evaluation and Testing		875	
Maintenance Agreements		16,160	
Maintenance and Repair Services - Buildings		3,484	

(Continued)

Exhibit K-8

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

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

Maintenance and Repair Services - Equipment	\$	18,077	
Medical and Dental Services		1,158,164	
Printing, Stationery, and Forms		9,663	
Travel		12,185	
Tuition		4,409	
Custodial Supplies		83,445	
Data Processing Supplies		11,505	
Food Preparation Supplies		29,828	
Food Supplies		658,436	
Prisoners Clothing		9,306	
Uniforms		22,867	
Other Supplies and Materials		77,101	
Workers' Compensation Insurance		141,588	
Law Enforcement Equipment		158,453	
Other Equipment		140,170	
Total Jail			\$ 8,110,844

Workhouse

County Official/Administrative Officer	\$	10,019	
Social Security		591	
Pensions		1,484	
Employer Medicare		139	
Workers' Compensation Insurance		1,224	
Total Workhouse			13,457

Juvenile Services

Captain(s)	\$	27,834	
Lieutenant(s)		50,778	
Sergeant(s)		142,160	
Medical Personnel		5,499	
Salary Supplements		10,019	
Guards		116,082	
Attendants		598,515	
Part-time Personnel		15,893	
Overtime Pay		10,827	
Other Salaries and Wages		30,190	
Social Security		59,316	
Pensions		105,347	
Life Insurance		1,087	
Medical Insurance		168,078	
Dental Insurance		5,648	
Unemployment Compensation		1,483	
Employer Medicare		13,955	
Maintenance Agreements		11,995	
Medical and Dental Services		695	
Travel		500	
Tuition		40	

(Continued)

Exhibit K-8

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

General Fund (Cont.)Public Safety (Cont.)Juvenile Services (Cont.)

Other Contracted Services	\$	1,819	
Office Supplies		2,603	
Prisoners Clothing		2,733	
Uniforms		8,988	
Other Supplies and Materials		9,103	
Workers' Compensation Insurance		36,720	
Total Juvenile Services			\$ 1,437,907

Fire Prevention and Control

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

Civil Defense

Assistant(s)	\$	26,100	
Supervisor/Director		56,506	
Social Security		4,903	
Pensions		9,186	
Life Insurance		86	
Medical Insurance		11,524	
Dental Insurance		404	
Unemployment Compensation		73	
Employer Medicare		1,147	
Communication		147	
Dues and Memberships		110	
Operating Lease Payments		1,117	
Travel		639	
Other Contracted Services		68,012	
Gasoline		828	
Office Supplies		1	
Other Supplies and Materials		3,677	
Workers' Compensation Insurance		310	
Communication Equipment		8,285	
Data Processing Equipment		10,800	
Law Enforcement Equipment		16,059	
Total Civil Defense			219,914

Other Emergency Management

Contracts with Government Agencies	\$	324,793	
Total Other Emergency Management			324,793

Public Health and WelfareLocal Health Center

Medical Personnel	\$	561,651	
Clerical Personnel		95,282	
Part-time Personnel		80,263	
Social Security		42,176	
Pensions		67,137	

(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.)

Life Insurance	\$	715	
Medical Insurance		168,201	
Dental Insurance		5,001	
Unemployment Compensation		1,373	
Employer Medicare		10,040	
Communication		29,642	
Contracts with Government Agencies		96,053	
Maintenance and Repair Services - Buildings		4,299	
Maintenance and Repair Services - Equipment		1,381	
Pest Control		424	
Travel		1,265	
Tuition		990	
Other Contracted Services		6,799	
Custodial Supplies		2,084	
Instructional Supplies and Materials		10,092	
Office Supplies		930	
Utilities		41,798	
Workers' Compensation Insurance		4,030	
Other Charges		40,606	
Data Processing Equipment		14,428	
Heating and Air Conditioning Equipment		10,572	
Total Local Health Center			\$ 1,297,232

Rabies and Animal Control

Supervisor/Director	\$	55,340
Medical Personnel		69,032
Part-time Personnel		35,860
Overtime Pay		8,997
Other Salaries and Wages		158,644
Social Security		19,467
Pensions		32,234
Life Insurance		301
Medical Insurance		63,977
Dental Insurance		1,860
Unemployment Compensation		564
Employer Medicare		4,553
Licenses		430
Maintenance and Repair Services - Buildings		1,394
Maintenance and Repair Services - Vehicles		2,380
Transportation - Other than Students		117
Tuition		445
Other Contracted Services		29,859
Animal Food and Supplies		6,970
Drugs and Medical Supplies		50,087
Gasoline		11,781
Office Supplies		1,823
Uniforms		1,848

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Utilities	\$	5,096	
Other Supplies and Materials		10,924	
Workers' Compensation Insurance		1,240	
Total Rabies and Animal Control			\$ 575,223

Other Local Welfare Services

Contracts with Private Agencies	\$	66,859	
Total Other Local Welfare Services			66,859

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	\$	3,362	
Contracts with Government Agencies		157,606	
Operating Lease Payments		1,023	
Office Equipment		788	
Total Agricultural Extension Service			162,779

Soil Conservation

Supervisor/Director	\$	65,380	
Educational Assistants		42,370	
Social Security		7,229	
Pensions		7,272	
Life Insurance		60	
Medical Insurance		5,253	
Dental Insurance		266	
Unemployment Compensation		144	
Employer Medicare		1,691	
Communication		600	
Postal Charges		272	
Printing, Stationery, and Forms		880	
Travel		1,825	
Tuition		400	
Other Contracted Services		9,041	
Office Supplies		1,165	
Workers' Compensation Insurance		620	
Building Improvements		500	
Data Processing Equipment		6,713	
Furniture and Fixtures		690	
Total Soil Conservation			152,371

(Continued)

Exhibit K-8

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

General Fund (Cont.)Other OperationsIndustrial Development

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

Veterans' Services

Assistant(s)	\$ 76,773	
Supervisor/Director	52,156	
Social Security	7,629	
Pensions	14,337	
Life Insurance	148	
Medical Insurance	17,313	
Dental Insurance	797	
Unemployment Compensation	144	
Employer Medicare	1,784	
Communication	714	
Operating Lease Payments	822	
Maintenance Agreements	1,197	
Maintenance and Repair Services - Vehicles	178	
Travel	78	
Tuition	200	
Duplicating Supplies	1,393	
Gasoline	696	
Office Supplies	629	
Workers' Compensation Insurance	465	
Other Charges	19	
Total Veterans' Services		177,472

Contributions to Other Agencies

Contributions	\$ 124,573	
Total Contributions to Other Agencies		124,573

HighwaysLitter and Trash Collection

Attendants	\$ 34,045	
Social Security	2,026	
Pensions	3,744	
Life Insurance	39	
Medical Insurance	5,083	
Dental Insurance	257	
Unemployment Compensation	45	
Employer Medicare	474	
Contracts with Government Agencies	3,200	
Licenses	25	
Other Contracted Services	27,190	
Other Supplies and Materials	3,407	
Workers' Compensation Insurance	1,224	
Total Litter and Trash Collection		80,759

(Continued)

Exhibit K-8

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

General Fund (Cont.)Capital ProjectsGeneral Administration Projects

Data Processing Equipment	\$ 4,997	
Other Capital Outlay	15,099	
Total General Administration Projects		\$ 20,096

Public Safety Projects

Communication Equipment	\$ 109,596	
Motor Vehicles	849,512	
Total Public Safety Projects		959,108

Total General Fund \$ 44,850,273

Courthouse and Jail Maintenance FundGeneral GovernmentCounty Buildings

Trustee's Commission	\$ 1,960	
Building Improvements	298,159	
Total County Buildings		\$ 300,119

Total Courthouse and Jail Maintenance Fund 300,119

Law Library FundOther OperationsOther Charges

Other Contracted Services	\$ 9,301	
Trustee's Commission	95	
Total Other Charges		\$ 9,396

Total Law Library Fund 9,396

Public Library FundGeneral GovernmentCounty Buildings

Custodial Personnel	\$ 29,637	
Maintenance Personnel	47,225	
Part-time Personnel	29,644	
Overtime Pay	33	
Social Security	6,194	
Pensions	251	
Life Insurance	98	
Medical Insurance	18,163	
Dental Insurance	576	
Unemployment Compensation	270	
Employer Medicare	1,449	
Maintenance Agreements	6,348	
Maintenance and Repair Services - Buildings	6,268	
Maintenance and Repair Services - Equipment	45,419	
Other Supplies and Materials	13,385	
Total County Buildings		\$ 204,960

(Continued)

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

Public Library Fund (Cont.)

Social, Cultural, and Recreational Services

Libraries

County Official/Administrative Officer	\$	76,027	
Supervisor/Director		338,227	
Part-time Personnel		353,372	
Overtime Pay		182	
Other Salaries and Wages		319,597	
Social Security		64,119	
Pensions		2,252	
Life Insurance		867	
Medical Insurance		128,156	
Dental Insurance		5,136	
Unemployment Compensation		2,494	
Local Retirement		16,330	
Employer Medicare		15,246	
Bank Charges		3,158	
Communication		31,490	
Data Processing Services		11,202	
Debt Collection Services		1,110	
Dues and Memberships		2,589	
Operating Lease Payments		8,265	
Licenses		26,773	
Maintenance Agreements		15,075	
Pest Control		720	
Postal Charges		539	
Travel		2,220	
Tuition		3,202	
Permits		210	
Other Contracted Services		2,625	
Custodial Supplies		12,685	
Data Processing Supplies		1,314	
Library Books/Media		158,790	
Office Supplies		16,955	
Periodicals		17,032	
Utilities		184,281	
Other Supplies and Materials		4,754	
Liability Insurance		27,000	
Trustee's Commission		989	
Workers' Compensation Insurance		2,500	
Data Processing Equipment		30,316	
Total Libraries			\$ 1,887,799

Other Social, Cultural, and Recreational

Supervisor/Director	\$	31,940
Part-time Personnel		40,852
Social Security		4,376
Pensions		103
Life Insurance		40
Medical Insurance		12,045

(Continued)

Exhibit K-8

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

Public Library Fund (Cont.)Social, Cultural, and Recreational Services (Cont.)Other Social, Cultural, and Recreational (Cont.)

Dental Insurance	\$	266	
Unemployment Compensation		242	
Employer Medicare		1,023	
Food Preparation Supplies		277	
Food Supplies		33,830	
Other Supplies and Materials		1,644	
Total Other Social, Cultural, and Recreational			\$ 126,638

Capital ProjectsGeneral Administration Projects

Building Improvements	\$	28,715	
Maintenance Equipment		3,346	
Total General Administration Projects			32,061

Total Public Library Fund \$ 2,251,458

Drug Control FundPublic SafetySheriff's Department

Other Contracted Services	\$	8,459	
Animal Food and Supplies		8,525	
Other Supplies and Materials		11,009	
Trustee's Commission		1,217	
Other Charges		3,000	
Law Enforcement Equipment		126,096	
Total Sheriff's Department			\$ 158,306

Drug Enforcement

Law Enforcement Equipment	\$	293,819	
Total Drug Enforcement			293,819

Total Drug Control Fund 452,125

Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$	100,189	
Assistant(s)		81,191	
Supervisor/Director		17,065	
Accountants/Bookkeepers		45,443	
Social Security		14,534	
Pensions		22,309	
Life Insurance		179	
Medical Insurance		25,095	
Dental Insurance		819	
Unemployment Compensation		48	
Local Retirement		135,906	

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Employer Medicare	\$	3,399	
Communication		10,079	
Dues and Memberships		4,326	
Licenses		819	
Maintenance Agreements		7,524	
Postal Charges		12	
Travel		3,070	
Tuition		6,605	
Custodial Supplies		1,325	
Drugs and Medical Supplies		20	
Electricity		3,898	
Office Supplies		6,106	
Other Supplies and Materials		147	
Liability Insurance		99,199	
Trustee's Commission		62,125	
Workers' Compensation Insurance		9,766	
Building Improvements		79,038	
Office Equipment		5,302	
Total Administration			\$ 745,538

Highway and Bridge Maintenance

Supervisor/Director	\$	260,575	
Assessment Personnel		774	
Foremen		45,381	
Equipment Operators		320,337	
Equipment Operators - Heavy		253,352	
Equipment Operators - Light		220,805	
Truck Drivers		313,839	
Overtime Pay		43,211	
Other Salaries and Wages		259,145	
Social Security		100,345	
Pensions		181,384	
Life Insurance		1,977	
Medical Insurance		341,233	
Dental Insurance		10,229	
Unemployment Compensation		1,084	
Employer Medicare		23,468	
Operating Lease Payments		5,856	
Other Contracted Services		110,230	
Asphalt - Hot Mix		908,547	
Asphalt - Liquid		34,083	
Concrete		900	
Crushed Stone		125,325	
Pipe - Metal		101,723	
Road Signs		40,068	
Salt		33,515	
Structural Steel		4,668	

(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.)

Uniforms	\$	8,943	
Drainage Materials		5,839	
Other Supplies and Materials		987	
Workers' Compensation Insurance		92,778	
Highway Equipment		37,634	
State Aid Projects		1,184,989	
Total Highway and Bridge Maintenance			\$ 5,073,224

Operation and Maintenance of Equipment

Supervisor/Director	\$	30,923	
Materials Supervisor		1,957	
Foremen		47,586	
Mechanic(s)		184,413	
Overtime Pay		1,750	
Social Security		15,736	
Pensions		28,931	
Life Insurance		315	
Medical Insurance		45,699	
Dental Insurance		1,461	
Unemployment Compensation		120	
Employer Medicare		3,680	
Maintenance and Repair Services - Vehicles		1,270	
Diesel Fuel		66,863	
Equipment and Machinery Parts		142,365	
Gasoline		30,897	
Lubricants		3,264	
Pipe - Metal		15,516	
Propane Gas		2,394	
Tires and Tubes		35,509	
Uniforms		4,688	
Workers' Compensation Insurance		14,649	
Maintenance Equipment		55,649	
Total Operation and Maintenance of Equipment			735,635

Capital Outlay

Highway Equipment	\$	1,524,132	
Total Capital Outlay			1,524,132

Total Highway/Public Works Fund \$ 8,078,529

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	6,306,929	
Principal on Capital Leases		304,702	
Principal on Other Loans		1,860,565	
Total General Government			\$ 8,472,196

(Continued)

Exhibit K-8

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

General Debt Service Fund (Cont.)Principal on Debt (Cont.)Education

Principal on Capital Leases	\$ 255,918	
Total Education		\$ 255,918

Interest on DebtGeneral Government

Interest on Bonds	\$ 6,160,584	
Interest on Capital Leases	65,480	
Interest on Other Loans	663,576	
Other Debt Service	589,793	
Total General Government		7,479,433

Education

Interest on Capital Leases	\$ 62,689	
Total Education		62,689

Other Debt ServiceGeneral Government

Financial Advisory Services	\$ 6,000	
Trustee's Commission	349,388	
Other Charges	16,389	
Underwriter's Discount	293,329	
Other Debt Issuance Charges	372,385	
Swap Termination Fee	12,914,000	
Other Debt Service	12,282	
Total General Government		13,963,773

Total General Debt Service Fund \$ 30,234,009

Other Capital Projects FundCapital ProjectsGeneral Administration Projects

Data Processing Equipment	\$ 1,003,349	
Total General Administration Projects		\$ 1,003,349

Administration of Justice Projects

Data Processing Equipment	\$ 57,906	
Total Administration of Justice Projects		57,906

Education Capital Projects

Other Capital Outlay	\$ 12,836	
Total Education Capital Projects		12,836

Total Other Capital Projects Fund 1,074,091

Total Governmental Funds - Primary Government \$ 87,250,000

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, 2017

General Purpose School FundInstructionRegular Instruction Program

Supervisor/Director	\$	3,750	
Teachers		28,419,733	
Career Ladder Program		181,740	
Salary Supplements		564,405	
Educational Assistants		1,910,710	
Overtime Pay		9,810	
Other Salaries and Wages		119,056	
Social Security		1,816,454	
Pensions		2,680,465	
Life Insurance		30,533	
Medical Insurance		5,022,413	
Dental Insurance		142,442	
Employer Medicare		429,904	
Printing, Stationery, and Forms		2,697	
Other Contracted Services		1,100,143	
Instructional Supplies and Materials		610,719	
Textbooks - Bound		448,155	
Other Supplies and Materials		15,000	
In Service/Staff Development		26,000	
Total Regular Instruction Program			\$ 43,534,129

Special Education Program

Teachers	\$	4,589,073	
Career Ladder Program		22,000	
Educational Assistants		934,998	
Social Security		308,632	
Pensions		443,198	
Life Insurance		5,151	
Medical Insurance		938,419	
Dental Insurance		27,162	
Employer Medicare		73,827	
Contracts with Private Agencies		2,385	
Maintenance and Repair Services - Equipment		977	
Other Contracted Services		7,000	
Instructional Supplies and Materials		148,633	
Other Supplies and Materials		1,000	
In Service/Staff Development		7,500	
Special Education Equipment		24,089	
Total Special Education Program			7,534,044

Career and Technical Education Program

Teachers	\$	2,604,841	
Career Ladder Program		12,000	
Social Security		153,786	
Pensions		236,427	
Life Insurance		2,726	

(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	\$	420,620	
Dental Insurance		11,810	
Employer Medicare		35,966	
Maintenance and Repair Services - Equipment		4,000	
Instructional Supplies and Materials		56,943	
Other Supplies and Materials		1,589	
Liability Insurance		675	
Vocational Instruction Equipment		10,280	
Total Career and Technical Education Program			\$ 3,551,663

Other

Local Retirement	\$	881,137	
Total Other			881,137

Support Services

Attendance

Supervisor/Director	\$	48,113	
Clerical Personnel		53,290	
Social Security		5,890	
Pensions		10,285	
Life Insurance		72	
Medical Insurance		18,809	
Dental Insurance		629	
Employer Medicare		1,379	
Total Attendance			138,467

Health Services

Medical Personnel	\$	621,538	
Secretary(ies)		10,836	
Other Salaries and Wages		67,756	
Social Security		41,422	
Pensions		41,079	
Life Insurance		451	
Medical Insurance		71,131	
Dental Insurance		2,015	
Employer Medicare		9,687	
Travel		2,427	
Other Contracted Services		2,655	
Drugs and Medical Supplies		18,108	
Instructional Supplies and Materials		26,099	
Other Supplies and Materials		956	
In Service/Staff Development		1,320	
Health Equipment		750	
Total Health Services			918,230

(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	\$	1,221,028	
Social Workers		45,090	
Secretary(ies)		57,195	
Social Security		76,903	
Pensions		117,863	
Life Insurance		1,176	
Medical Insurance		157,589	
Dental Insurance		5,264	
Employer Medicare		18,572	
Evaluation and Testing		1,424	
Travel		1,200	
Other Contracted Services		128,192	
Office Supplies		417	
Other Supplies and Materials		4,280	
In Service/Staff Development		375	
Total Other Student Support			\$ 1,836,568

Regular Instruction Program

Supervisor/Director	\$	96,969	
Librarians		1,183,718	
Secretary(ies)		98,245	
Other Salaries and Wages		195,292	
Certified Substitute Teachers		750	
Social Security		93,640	
Pensions		146,660	
Life Insurance		1,491	
Medical Insurance		188,127	
Dental Insurance		6,554	
Employer Medicare		21,885	
Contracts with Government Agencies		38,394	
Travel		15,813	
Food Supplies		671	
Library Books/Media		60,000	
Other Supplies and Materials		120	
In Service/Staff Development		36,572	
Total Regular Instruction Program			2,184,901

Special Education Program

Psychological Personnel	\$	350,215	
Social Security		20,378	
Pensions		31,626	
Life Insurance		356	
Medical Insurance		55,885	
Dental Insurance		1,475	
Employer Medicare		4,766	
Travel		14,664	

(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.)

Other Contracted Services	\$	242,372	
In Service/Staff Development		20,100	
Total Special Education Program			\$ 741,837

Career and Technical Education Program

Supervisor/Director	\$	8,373	
Secretary(ies)		59,761	
Social Security		4,070	
Pensions		7,409	
Life Insurance		50	
Medical Insurance		9,882	
Dental Insurance		498	
Employer Medicare		952	
Total Career and Technical Education Program			90,995

Technology

Software	\$	205,149	
Data Processing Equipment		35,024	
Total Technology			240,173

Other Programs

On-behalf Payments to OPEB	\$	62,213	
Other Contracted Services		38,064	
Other Equipment		25,288	
Total Other Programs			125,565

Board of Education

Other Salaries and Wages	\$	94,001	
Board and Committee Members Fees		36,518	
Social Security		6,160	
Pensions		5,408	
Life Insurance		42	
Medical Insurance		8,918	
Dental Insurance		267	
Unemployment Compensation		3,978	
Employer Medicare		1,813	
Audit Services		32,000	
Dues and Memberships		8,989	
Legal Services		20,452	
Printing, Stationery, and Forms		1,498	
Travel		312	
Other Contracted Services		12,967	
Other Supplies and Materials		432	
Liability Insurance		506,228	
Trustee's Commission		724,363	
Workers' Compensation Insurance		358,137	

(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.)

In Service/Staff Development	\$	2,407	
Other Charges		7,963	
Total Board of Education			\$ 1,832,853

Director of Schools

County Official/Administrative Officer	\$	128,900	
Assistant(s)		205,805	
Supervisor/Director		108,957	
Career Ladder Program		1,000	
Secretary(ies)		86,516	
Other Salaries and Wages		51,960	
Social Security		34,158	
Pensions		55,333	
Life Insurance		1,429	
Medical Insurance		59,376	
Dental Insurance		1,867	
Disability Insurance		934	
Employer Medicare		8,206	
Dues and Memberships		4,859	
Postal Charges		3,325	
Printing, Stationery, and Forms		1,479	
Travel		340	
Other Contracted Services		10,043	
Office Supplies		9,271	
Other Supplies and Materials		5,949	
In Service/Staff Development		1,886	
Other Charges		6,074	
Total Director of Schools			787,667

Office of the Principal

Principals	\$	1,900,298	
Accountants/Bookkeepers		84,076	
Assistant Principals		1,325,457	
Secretary(ies)		1,194,911	
Social Security		266,169	
Pensions		424,374	
Life Insurance		3,522	
Medical Insurance		589,332	
Dental Insurance		19,435	
Employer Medicare		62,486	
Communication		144,811	
Dues and Memberships		1,000	
Other Contracted Services		747	
Other Supplies and Materials		4,490	
Other Charges		24,762	
Total Office of the Principal			6,045,870

(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.)Fiscal Services

Accountants/Bookkeepers	\$	142,125	
Social Security		8,031	
Pensions		15,439	
Life Insurance		160	
Medical Insurance		29,358	
Dental Insurance		797	
Employer Medicare		1,880	
Travel		296	
In Service/Staff Development		2,785	
Total Fiscal Services			\$ 200,871

Operation of Plant

Custodial Personnel	\$	2,452,470	
Social Security		140,005	
Pensions		254,173	
Life Insurance		2,594	
Medical Insurance		593,198	
Dental Insurance		19,210	
Employer Medicare		33,216	
Evaluation and Testing		1,255	
Other Contracted Services		292,456	
Custodial Supplies		221,729	
Electricity		2,953,225	
Natural Gas		144,138	
Water and Sewer		306,943	
Plant Operation Equipment		47,692	
Total Operation of Plant			7,462,304

Maintenance of Plant

Supervisor/Director	\$	83,593	
Secretary(ies)		40,715	
Maintenance Personnel		582,681	
Social Security		41,509	
Pensions		78,549	
Life Insurance		768	
Medical Insurance		123,799	
Dental Insurance		3,700	
Employer Medicare		9,708	
Maintenance and Repair Services - Buildings		44,606	
Maintenance and Repair Services - Equipment		29,617	
Maintenance and Repair Services - Vehicles		18,551	
Other Contracted Services		464,188	
Equipment and Machinery Parts		70,856	
Gasoline		35,430	
Other Supplies and Materials		162,765	
Other Charges		27,888	

(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.)Maintenance of Plant (Cont.)

Building Improvements	\$	66,995	
Heating and Air Conditioning Equipment		58,219	
Motor Vehicles		31,135	
Other Capital Outlay		31,882	
Total Maintenance of Plant			\$ 2,007,154

Transportation

Supervisor/Director	\$	50,681	
Clerical Personnel		44,204	
Other Salaries and Wages		50,723	
Social Security		8,373	
Pensions		13,910	
Life Insurance		141	
Medical Insurance		15,635	
Dental Insurance		552	
Employer Medicare		1,957	
Contracts with Parents		654	
Contracts with Vehicle Owners		3,227,737	
Medical and Dental Services		1,113	
Other Contracted Services		738,000	
Transportation Equipment		81,299	
Total Transportation			4,234,979

Central and Other

Supervisor/Director	\$	94,816	
Computer Programmer(s)		155,868	
Clerical Personnel		27,957	
Other Salaries and Wages		128,870	
Social Security		24,369	
Pensions		40,798	
Life Insurance		340	
Medical Insurance		42,349	
Dental Insurance		1,491	
Employer Medicare		5,699	
Maintenance and Repair Services - Equipment		5,389	
Other Contracted Services		222,943	
Data Processing Supplies		501,762	
Software		18,544	
Other Supplies and Materials		6	
In Service/Staff Development		1,301	
Data Processing Equipment		162,426	
Total Central and Other			1,434,928

Operation of Non-Instructional ServicesEarly Childhood Education

Supervisor/Director	\$	9,001	
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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.)Operation of Non-Instructional Services (Cont.)Early Childhood Education (Cont.)

Teachers	\$	367,914	
Educational Assistants		88,906	
Social Security		26,850	
Pensions		43,720	
Life Insurance		453	
Medical Insurance		102,293	
Dental Insurance		2,906	
Employer Medicare		6,278	
Other Contracted Services		25,510	
Instructional Supplies and Materials		2,883	
In Service/Staff Development		3,421	
Total Early Childhood Education			\$ 680,135

Capital OutlayRegular Capital Outlay

Architects	\$	56,080	
Building Improvements		186,069	
Communication Equipment		131,878	
Food Service Equipment		176,500	
Heating and Air Conditioning Equipment		6,250	
Other Capital Outlay		382,492	
Total Regular Capital Outlay			939,269

Other Debt ServiceEducation

Debt Service Contribution to Primary Government	\$	318,607	
Total Education			318,607

Total General Purpose School Fund \$ 87,722,346

School Federal Projects FundInstructionRegular Instruction Program

Teachers	\$	878,728	
Educational Assistants		607,679	
Social Security		78,091	
Pensions		93,551	
Life Insurance		1,017	
Medical Insurance		149,658	
Dental Insurance		5,377	
Employer Medicare		20,885	
Other Fringe Benefits		575	
Instructional Supplies and Materials		272,021	
Regular Instruction Equipment		19,444	
Total Regular Instruction Program			\$ 2,127,026

(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.)Instruction (Cont.)Special Education Program

Teachers	\$	140,954	
Clerical Personnel		82,134	
Educational Assistants		1,181,948	
Speech Pathologist		42,344	
Social Security		94,688	
Pensions		103,022	
Life Insurance		1,082	
Medical Insurance		270,373	
Dental Insurance		10,162	
Employer Medicare		22,301	
Instructional Supplies and Materials		83,306	
Special Education Equipment		4,399	
Total Special Education Program			\$ 2,036,713

Career and Technical Education Program

Other Salaries and Wages	\$	86,820	
Social Security		7,284	
Pensions		10,474	
Life Insurance		169	
Medical Insurance		27,256	
Dental Insurance		608	
Employer Medicare		1,703	
Travel		220	
Instructional Supplies and Materials		50,575	
Other Supplies and Materials		192	
Vocational Instruction Equipment		90,806	
Total Career and Technical Education Program			276,107

Support ServicesOther Student Support

Assessment Personnel	\$	80,024	
Social Security		4,749	
Pensions		7,237	
Life Insurance		59	
Medical Insurance		11,972	
Dental Insurance		262	
Employer Medicare		1,111	
Travel		26,479	
Other Contracted Services		15,340	
In Service/Staff Development		10,966	
Other Charges		24,240	
Total Other Student Support			182,439

Regular Instruction Program

Supervisor/Director	\$	98,546	
Secretary(ies)		41,696	

(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.)Regular Instruction Program (Cont.)

Other Salaries and Wages	\$	207,415	
Social Security		21,227	
Pensions		31,402	
Life Insurance		1,759	
Medical Insurance		28,893	
Dental Insurance		1,084	
Employer Medicare		4,964	
Travel		4,195	
Other Contracted Services		1,312	
Other Supplies and Materials		183	
In Service/Staff Development		34,655	
Other Charges		386	
Other Equipment		1,149	
Total Regular Instruction Program			\$ 478,866

Special Education Program

Supervisor/Director	\$	93,970	
Psychological Personnel		106,274	
Secretary(ies)		46,746	
Clerical Personnel		70,555	
Social Security		19,104	
Pensions		31,429	
Life Insurance		308	
Medical Insurance		28,150	
Dental Insurance		1,192	
Employer Medicare		4,468	
Other Contracted Services		205	
Other Supplies and Materials		7,382	
In Service/Staff Development		35,383	
Total Special Education Program			445,166

Career and Technical Education Program

Travel	\$	1,649	
In Service/Staff Development		1,979	
Total Career and Technical Education Program			3,628

Transportation

Contracts with Parents	\$	1,627	
Other Contracted Services		239,301	
Total Transportation			240,928

Total School Federal Projects Fund \$ 5,790,873

(Continued)

Exhibit K-9

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

Central Cafeteria FundOperation of Non-Instructional ServicesFood Service

Supervisor/Director	\$	56,823	
Accountants/Bookkeepers		41,217	
Cafeteria Personnel		1,890,430	
Social Security		117,374	
Pensions		127,039	
Life Insurance		1,396	
Medical Insurance		363,377	
Dental Insurance		11,123	
Employer Medicare		27,504	
Dues and Memberships		5,084	
Maintenance and Repair Services - Equipment		167,695	
Printing, Stationery, and Forms		1,354	
Transportation - Other than Students		28,616	
Travel		5,351	
Other Contracted Services		143,206	
Custodial Supplies		41,825	
Food Supplies		1,904,639	
Office Supplies		1,704	
Uniforms		9,411	
USDA - Commodities		356,995	
Other Supplies and Materials		117,154	
Workers' Compensation Insurance		66,500	
In Service/Staff Development		7,750	
Other Charges		1,679	
Data Processing Equipment		3,473	
Food Service Equipment		7,662	
Total Food Service			\$ 5,506,381

Total Central Cafeteria Fund \$ 5,506,381

Extended School Program FundOperation of Non-Instructional ServicesCommunity Services

Assistant(s)	\$	82,813	
Part-time Personnel		931,900	
Social Security		60,796	
Pensions		58,493	
Life Insurance		531	
Medical Insurance		113,769	
Dental Insurance		3,458	
Employer Medicare		14,216	
Contracts with Vehicle Owners		17,340	
Travel		888	
Other Contracted Services		28,735	
Food Supplies		78,605	
Instructional Supplies and Materials		12,874	

(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 (Cont.)Operation of Non-Instructional Services (Cont.)Community Services (Cont.)

Other Supplies and Materials	\$	3,384	
Trustee's Commission		<u>13,739</u>	
Total Community Services			<u>\$ 1,421,541</u>

Total Extended School Program Fund			\$ 1,421,541
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Education Capital Projects FundCapital ProjectsEducation Capital Projects

Trustee's Commission	\$	28,480	
Other Capital Outlay		<u>1,221,522</u>	
Total Education Capital Projects			<u>\$ 1,250,002</u>

Total Education Capital Projects Fund			<u>1,250,002</u>
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Total Governmental Funds - Blount County School Department			<u><u>\$ 101,691,143</u></u>
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Blount County, Tennessee
Schedule of Detailed Receipts, Disbursements, and Changes
in Cash Balances - City Agency Funds
For the Year Ended June 30, 2017

	Cities - Sales Tax Fund	City School ADA - Alcoa Fund	City School ADA - Maryville Fund	Total
<u>Cash Receipts</u>				
Current Property Taxes	\$ 0	\$ 3,901,139	\$ 10,514,908	\$ 14,416,047
Trustee's Collections - Prior Years	0	84,276	227,180	311,456
Trustee's Collections - Bankruptcy	0	25,445	68,582	94,027
Circuit/Clerk and Master Collections - Prior Years	0	31,494	84,821	116,315
Interest and Penalty	0	16,232	43,757	59,989
Payments in-Lieu-of Taxes - Local Utilities	0	32,352	87,199	119,551
Payments in-Lieu-of Taxes - Other	0	2,556	6,945	9,501
Local Option Sales Taxes	21,624,856	2,734,087	7,366,738	31,725,681
Business Taxes	0	87,600	236,112	323,712
Marriage Licenses	0	1,008	2,716	3,724
Other Local Revenue	0	68	200	268
Interstate Telecommunications Tax	0	1,236	3,332	4,568
Other State Revenues	0	125,647	0	125,647
Total Cash Receipts	<u>\$ 21,624,856</u>	<u>\$ 7,043,140</u>	<u>\$ 18,642,490</u>	<u>\$ 47,310,486</u>
<u>Cash Disbursements</u>				
Remittance of Revenues Collected	\$ 21,408,607	\$ 6,932,915	\$ 18,348,969	\$ 46,690,491
Trustee's Commission	216,249	111,828	298,049	626,126
Total Cash Disbursements	<u>\$ 21,624,856</u>	<u>\$ 7,044,743</u>	<u>\$ 18,647,018</u>	<u>\$ 47,316,617</u>
Excess of Cash Receipts Over (Under)				
Cash Disbursements	\$ 0	\$ (1,603)	\$ (4,528)	\$ (6,131)
Cash Balance, July 1, 2016	0	6,924	18,869	25,793
Cash Balance, June 30, 2017	<u>\$ 0</u>	<u>\$ 5,321</u>	<u>\$ 14,341</u>	<u>\$ 19,662</u>

SINGLE AUDIT SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

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

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, 2017, and the related notes to the financial statements, which collectively comprise Blount County's basic financial statements, and have issued our report thereon dated November 30, 2017. 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.

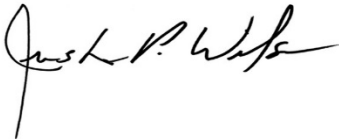
Compliance and Other Matters

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

November 30, 2017

JPW/kp



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

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

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, 2017. 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 requirements of laws, regulations, contracts, and grants 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, 2017.

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.

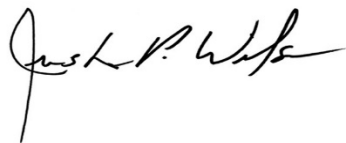
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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, 2017, and the related notes to the financial statements, which collectively comprise Blount County's basic financial statements. We issued our report thereon dated November 30, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 30, 2017

JPW/kp

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, 2017

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	\$ 997,659
National School Lunch Program	10.555	N/A	2,483,315 (7)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	356,995 (7)
Passed-through State Department of Health and Human Services:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	N/A	125,148
Total U.S. Department of Agriculture			<u>\$ 3,963,117</u>
U.S. Department of the Interior:			
Bureau of Land Management:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	N/A	\$ 257,837
Total U.S. Department of the Interior			<u>\$ 257,837</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
State and Community Highway Safety	20.600	(5)	\$ 94,935
Alcohol Open Container Requirements	20.607	(6)	67,426
National Priority Safety Programs	20.616	Z-17-THS385	7,766
Passed-through State Department of Military:			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	N/A	15,004
Total U.S. Department of Transportation			<u>\$ 185,131</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	\$ 2,363,894
Special Education Cluster: (4)			
Special Education - Grants to States	84.027	N/A	2,800,884
Special Education - Preschool Grants	84.173	N/A	92,522
Career and Technical Education - Basic Grants to States	84.048	N/A	332,697
English Language Acquisition Grants	84.365	N/A	22,532
Improving Teacher Quality State Grants	84.367	N/A	348,741
Total U.S. Department of Education			<u>\$ 5,961,270</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Health and Human Services:			
Injury Prevention and Control Research and State and Community Based Programs	93.136	(3)	\$ 2,306
Family Planning - Services	93.217	(3)	19,674
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	(3)	29,417
National State Based Tobacco Control Programs	93.305	(3)	11,646
Child Care and Development Block Grant	93.575	(3)	29,934
Medical Assistance Program	93.778	(3)	62,075
HIV Prevention Activities - Health Department Based	93.940	(3)	5,224
Maternal and Child Health Services Block Grant to the States	93.994	(3)	26,331
Total U.S. Department of Health and Human Services			<u>\$ 186,607</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
Executive Office of the President:			
Passed-through Laurel County, Kentucky Fiscal Court:			
High Intensity Drug Trafficking Areas Program	95.001	G-17-AP0001A	\$ 17,000
Total Executive Office of the President			\$ 17,000
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(3)	\$ 51,455
Total U.S. Department of Homeland Security			\$ 51,455
Total Expenditures of Federal Grants			\$ 10,622,417
		Contract Number	
State Grants			
Juvenile Justice - State Commission on Children and Youth	N/A	(3)	\$ 9,000
Early Childhood Education - State Department of Education	N/A	(3)	596,558
Read to Be Ready Coaching Network Grant - State Department of Education	N/A	(3)	4,251
Litter Program - State Department of Transportation	N/A	(3)	62,400
Rural Local Health Services - State Department of Health	N/A	(3)	452,321
Archives Development Grant - TN Secretary of State	N/A	(3)	5,000
Drug Court Grant - State Department of Finance and Administration	N/A	(3)	70,000
Tennessee State Library and Archives Tech Grant - TN Secretary of State	N/A	(3)	17,300
Juvenile Court Home Base - State Department of Finance and Administration	N/A	(3)	66,859
Total State Grants			\$ 1,283,689

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 \$3,837,969; Special Education Cluster total \$2,893,406.
- (5) Z-16-GHS033: \$61,088; Z-16-GHS034: \$2,323; Z-16-GHS035: \$3,770; Z-17-THS008: \$9,765; Z-17-THS009: \$26,991; Less refunds of previous overpayments Z-16-GHS033: \$3,771 and Z-16-GHS034: \$5,231.
- (6) Z-16-GHS032: \$30,019; Z-16-GHS036: \$1,581; Z-17-THS106: \$35,826.
- (7) Total for CFDA No. 10.555 is \$2,840,310.

Blount County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2017

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, 2017.

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, 2017

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 Numbers: 10.553 and 10.555 Nutrition Cluster: School Breakfast Program and National School Lunch Program
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, 2017.

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, 2017.



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

January 22, 2018

NOTIFICATION OF AUDIT RELEASE

Blount County Official:

The Division of Local Government Audit will release the Annual Financial Report of Blount County, Tennessee, for the year ended June 30, 2017, at 9:00 A.M. on January 24, 2018. A PDF file containing this report has been provided to the county mayor, highway superintendent, director of schools, and the county's director of accounts and budgets. Interested officials and citizens may obtain a copy of the PDF file from one of the officials noted above. Also, this report will be available for inspection at www.comptroller.tn.gov.

Auditors are available to meet with the county's Audit Committee to discuss all aspects of the audit upon the request of that committee. Requests should be made to the East Tennessee audit manager for available dates and times:

East Tennessee Audit Manager – Mark Treece 865-594-6134 or mark.treece@cot.tn.gov

Included with this notice is a copy of the Summary of Audit Findings.

Very truly yours,

A handwritten signature in black ink, appearing to read "John Dunn".

Media Contact:

John Dunn, Public Information Officer, john.dunn@cot.tn.gov 615-401-7755