

OFFICIAL STATEMENT

NEW ISSUE

BOOK-ENTRY-ONLY

Rating: S&P – “AA+”

(See “MISCELLANEOUS-Rating” herein)

In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the City, as hereafter defined, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. For an explanation of certain tax consequences under federal law which may result from the ownership of the Bonds, see the discussion under the heading “LEGAL MATTERS – Tax Matters” herein. Under existing law, the Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except Tennessee franchise and excise taxes. (See “LEGAL MATTERS -Tax Matters” herein.)

\$17,525,000

CITY OF MARYVILLE, TENNESSEE General Obligation Refunding Bonds, Series 2021

Dated: May 28, 2021

Due: June 1, as shown below.

The \$17,525,000 General Obligation Refunding Bonds, Series 2021 (the “Bonds”) issued by the City of Maryville, Tennessee (the “City”) are issuable in fully registered form in denominations of \$5,000 and authorized integral multiples thereof. The Bonds will be issued in book-entry-only form and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, as the nominee for DTC, principal, and interest with respect to the Bonds shall be payable to Cede & Co., as nominee for DTC, which will, in turn, remit such principal and interest to the DTC participants for subsequent disbursements to the beneficial owners of the Bonds. Individual purchases of the Bonds will be made in book-entry-only form, in denominations of \$5,000 or integral multiples thereof and will bear interest at the annual rates as shown below. Interest on the Bonds is payable semi-annually from the date thereof commencing on December 1, 2021 and thereafter on each June 1 and December 1 by check or draft mailed to the owners thereof as shown on the books and records of Regions Bank, Nashville, Tennessee, the registration and paying agent (the “Registration Agent”). In the event of discontinuation of the book-entry-only system, principal of and interest on the Bonds are payable at the designated corporate trust office of the Registration Agent.

The Bonds are payable from unlimited *ad valorem* taxes to be levied on all taxable property within the City, that refinanced debt that financed or refinanced improvements to the water and sewer system of the Municipality shall also be payable from but not secured by the revenues of such system. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the City are irrevocably pledged. See section entitled “SECURITIES OFFERED – Security”.

The Bonds maturing June 1, 2030 and thereafter are subject to optional redemption prior to maturity on or after June 1, 2029.

<u>Due</u> <u>(June 1)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP**</u>	<u>Due</u> <u>(June 1)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP**</u>
2022	\$825,000	5.00 %	0.17 %	574531WD7	2029	\$1,000,000	5.00 %	0.89 %	574531WL9
2023	1,150,000	5.00	0.19	574531WE5	2030	880,000	4.00	1.00 c	574531WM7
2024	850,000	5.00	0.27	574531WF2	2031	2,075,000	3.00	1.16 c	574531WN5
2025	1,275,000	5.00	0.39	574531WG0	2032	2,125,000	3.00	1.25 c	574531WP0
2026	1,300,000	5.00	0.50	574531WH8	2033	2,125,000	3.00	1.30 c	574531WQ8
2027	1,010,000	5.00	0.64	574531WJ4	2034	1,960,000	2.00	1.70 c	574531WR6
2028	950,000	5.00	0.77	574531WK1					

c = Yield to call on June 1, 2029

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

The Bonds are offered when, as and if issued by the City, subject to the approval of the legality thereof by Bass, Berry & Sims PLC, Knoxville, Tennessee, bond counsel, whose opinion will be delivered with the Bonds. Certain legal matters will be passed upon from Kizer & Black, Attorney, PLLC, counsel to the City. It is expected that the Bonds will be available for delivery through the facilities of DTC, New York, New York, on or about May 28, 2021.

Cumberland Securities Company, Inc.
Municipal Advisor

April 29, 2021

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

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

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

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

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

In connection with this offering, the Underwriter may over-allot or effect transactions which stabilize or maintain the market prices of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

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

CITY OF MARYVILLE, TENNESSEE

OFFICIALS

Honorable Andy White
Greg McClain
Sherri Phillips
Mike Swift
Melanie Davis, Esq.

Mayor
City Manager
City Recorder
Finance Director
City Attorney

COUNCIL MEMBERS

Fred Metz, Vice Mayor
Sarah Herron
Tommy Hunt
Drew Miles

UNDERWRITER

Mesirow Financial, Inc.
Chicago, Illinois

BOND REGISTRATION AND PAYING AGENT

Regions Bank
Nashville, Tennessee

BOND COUNSEL

Bass, Berry & Sims PLC
Knoxville, Tennessee

MUNICIPAL ADVISOR

Cumberland Securities Company, Inc.

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SUMMARY STATEMENT

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

The Issuer	City of Maryville, Tennessee (the “City” or “Issuer”). See APPENDIX B contained herein.
Securities Offered	\$17,525,000 General Obligation Refunding Bonds, Series 2021 (the “Bonds”) of the City, dated May 28, 2021. The Bonds mature each June 1 beginning June 1, 2022 through June 1, 2034, inclusive. See the section entitled “SECURITIES OFFERED” herein for additional information.
Security.....	The Bonds are payable from unlimited <i>ad valorem</i> taxes to be levied on all taxable property within the City, that refinanced debt that financed or refinanced improvements to the water and sewer system of the Municipality shall also be payable from but not secured by the revenues of such system. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the City are irrevocably pledged.
Purpose.....	The Bonds are being issued for the purpose of providing funds for (i) refinancing the Refunded Debt, as described herein; and (ii) pay the costs of issuance and sale of the Bonds.
Optional Redemption.....	The Bonds maturing June 1, 2030 and thereafter are subject to optional redemption prior to maturity on or after June 1, 2029.
Tax Matters	In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the City, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. For an explanation of certain tax consequences under federal law which may result from the ownership of the Bonds, see the discussion under the heading “LEGAL MATTERS – Tax Matters” herein. Under existing law, the Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except Tennessee franchise and excise taxes. (See “LEGAL MATTERS -Tax Matters” herein.)
Rating	S&P: “AA+”. See the section entitled “MISCELLANEOUS - Rating” for more information.
Municipal Advisor	Cumberland Securities Company, Inc., See the section entitled “MISCELLANEOUS-Municipal Advisor; Related parties; Other” herein.
Underwriter	Mesirow Financial Inc., Chicago, Illinois.
Bond Counsel.....	Bass, Berry & Sims PLC, Knoxville, Tennessee.
Book-Entry-Only	The Bonds will be issued under the Book-Entry-Only System except as otherwise described herein. For additional information, see the section entitled “BASIC DOCUMENTATION - Book-Entry-Only System”.
Registration Agent	Regions Bank, Nashville, Tennessee.
General	The Bonds are being issued in full compliance with applicable provisions of Title 9, Chapter 21, <i>Tennessee Code Annotated</i> , as supplemented and revised. See “SECURITIES OFFERED” herein. The Bonds will be issued with CUSIP numbers and delivered through the facilities of The Depository Trust Company, New York, New York.

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

Other Information The information in this *Official Statement* is deemed “final” within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 as of the date which appears on the cover hereof. For more information concerning the City or this *Official Statement*, contact Mr. Mike Swift, Finance Director, 406 W. Broadway Avenue, Maryville, Tennessee 37801, Telephone: (865) 273-3479; or the City's Municipal Advisor, Cumberland Securities Company, Inc., Telephone: (865) 988-2663.

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Beginning Fund Balance	\$ 8,720,364	\$ 8,505,607	\$10,543,117	\$11,417,359	\$12,851,280
Revenues	37,716,523	38,609,341	40,848,386	42,647,235	46,626,035
Expenditures	22,617,748	21,262,717	22,528,115	23,993,114	25,284,540
Other Financing Sources:					
Transfers In	1,570,642	1,623,795	1,611,181	1,661,806	1,871,299
Transfers Out	(16,771,041)	(16,859,775)	(19,057,210)	(18,882,006)	(21,876,948)
Bond/Note/Lease Proceeds	(113,133)	-	-	-	-
Adjustments	-	-	-	-	-
Ending Fund Balance	<u>\$8,505,607</u>	<u>\$10,543,117</u>	<u>\$11,417,359</u>	<u>\$12,851,280</u>	<u>\$14,187,126</u>

Source: Comprehensive Annual Financial Reports of the City of Maryville, Tennessee.

\$17,525,000
CITY OF MARYVILLE, TENNESSEE
General Obligation Refunding Bonds, Series 2021

SECURITIES OFFERED

AUTHORITY AND PURPOSE

This *Official Statement* which includes the Summary Statement hereof and appendices hereto, is furnished in connection with the offering by the City of Maryville, Tennessee (the “City”) of \$17,525,000 General Obligation Refunding Bonds, Series 2021 (the “Bonds”).

The Bonds are authorized to be issued pursuant to the provisions of Sections 9-21-101 *et. seq.*, *Tennessee Code Annotated*, and other applicable provisions of law and pursuant to a resolution duly adopted by the Mayor and City Council on April 6, 2021 (the “Resolution”).

The Bonds are being issued for the purpose of providing funds for refinancing the Refunded Debt, as described herein; and (ii) pay the costs of issuance and sale of the Bonds.

REFUNDING PLAN

The City is proposing to issue the Bonds to refund or refinance all or a portion of the City’s outstanding: (1) lease prepayment obligations relating to a lease entered into by the City with The Industrial Development Board of Blount County and the Cities of Alcoa and Maryville, Tennessee (the “IDB”) which lease obligations relate to the payment of the debt service on the IDB’s Local Government Public Improvement Bonds, Series 2009C, dated June 16, 2009; (2) General Obligation Refunding Bonds, Series 2015, dated May 27, 2015; (3) General Obligation Refunding Bonds, Series 2016, dated February 1, 2016, and (4) General Obligation Refunding Bonds, Series 2016B, dated May 25, 2016 (collectively, the “Refunded Debt”).

As required by Title 9, Chapter 21, Part 9 of *Tennessee Code Annotated* as supplemented and revised, a plan of refunding (the “Plan”) for the Refunded Debt was submitted to the Director of the Division of Local Government Finance for review, and a report was received thereon.

DESCRIPTION OF THE BONDS

The Bonds will be dated and bear interest from May 28, 2021. Interest on the Bonds will be payable semi-annually on June 1 and December 1, commencing December 1, 2021. The Bonds are issuable in book-entry-only form in \$5,000 denominations or integral multiples thereof as shall be requested by each respective registered owner.

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

SECURITY

The Bonds are payable from unlimited *ad valorem* taxes to be levied on all taxable property within the City. That portion of the Bonds as designated by the City, that refinances debt that financed or refinanced improvements to the water and sewer system of the Municipality, shall also be payable from but not secured by the revenues of such system. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the City are irrevocably pledged.

The City, through its governing body, shall annually levy and collect a tax on all taxable property within the City, in addition to all other taxes authorized by law, sufficient to pay the principal of and interest on the Bonds when due. Principal and interest on the Bonds falling due at any time when there are insufficient funds from such tax shall be paid from the current funds of the City and reimbursement therefore shall be made out of taxes provided by the Resolution when the same shall have been collected. The taxes may be reduced to the extent of direct appropriations from the General Fund of the City or revenues of the water and sewer system to the payment of debt service on the Bonds.

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

OPTIONAL REDEMPTION OF THE BONDS

Bonds maturing June 1, 2030, and thereafter, shall be subject to optional redemption prior to maturity at the option of the City on June 1, 2029 and thereafter, as a whole or in part, at any time, at the redemption price of par plus accrued interest to the redemption date.

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

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

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

NOTICE OF REDEMPTION

Notice of call for redemption shall be given by the Registration Agent on behalf of the City not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of

moneys in an amount equal to the amount necessary to affect the redemption with the Registration Agent no later than the redemption date (“Conditional Redemption”). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the City nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the City pursuant to written instructions from an authorized representative of the City (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein) given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein. In the case of a Conditional Redemption, the failure of the City to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

PAYMENT OF BONDS

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

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BASIC DOCUMENTATION

REGISTRATION AGENT

The Registration Agent, Regions Bank, Nashville, Tennessee, its successor or the City will make all interest payments with respect to the Bonds on each interest payment date directly to Cede & Co., as nominee of DTC, the registered owner as shown on the Bond registration records maintained by the Registration Agent, except as follows.

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

BOOK-ENTRY-ONLY SYSTEM

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

So long as Cede & Co. is the Registered Owner of the Bonds, as nominee of DTC, references herein to the Bondholders, Holders or Registered Owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds.

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

DTC and its Participants. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized Book-Entry-Only transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include

both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

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

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

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

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

DISCONTINUANCE OF BOOK-ENTRY-ONLY SYSTEM

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

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

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

DISPOSITION OF BOND PROCEEDS

The proceeds of the sale of the Bonds shall be applied by the City as follows:

- (a) an amount, which together with investment earnings thereon and other legally available funds of the City, if any, will be sufficient to pay principal of, premium, if any, and interest on the Refunded Debt until and through the redemption date therefor shall be transferred to the paying agent for the Refunded Debt to be held to the earliest optional redemption date and used for the payment and retirement of the Refunded Debt; and
- (b) the remainder of the proceeds of the sale of the Bonds shall be used to pay the costs of issuance the Bonds, and all necessary legal, accounting and fiscal expenses, printing, engraving, advertising and similar expenses, bond insurance premium, if any, administrative and clerical costs, rating agency fees, registration agent fees, and other necessary miscellaneous expenses incurred in connection with the issuance and sale of the Bonds

DISCHARGE AND SATISFACTION OF BONDS

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

1. By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Bonds as and when the same become due and payable;
2. By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers ("an Agent"; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice); or
3. By delivering such Bonds to the Registration Agent, for cancellation by it;

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

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

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

REMEDIES OF BONDHOLDERS

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

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

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

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LEGAL MATTERS

LITIGATION

There are no suits threatened or pending challenging the legality or validity of the Bonds or the right of the City to sell or issue the Bonds.

TAX MATTERS

Federal

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

- is excluded from a bondholder's federal gross income under the Internal Revenue Code of 1986, as amended (the "Code"), and
- is not a preference item for a bondholder under the federal alternative minimum tax.

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

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

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

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

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

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

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

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

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

State Taxes

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

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CHANGES IN FEDERAL AND STATE TAX LAW

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

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

CLOSING CERTIFICATES

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

APPROVAL OF LEGAL PROCEEDINGS

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

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MISCELLANEOUS

RATING

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

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

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

COMPETITIVE PUBLIC SALE

The Bonds were offered for sale at competitive public bidding on April 29, 2021. Details concerning the public sale were provided to potential bidders and others in the *Preliminary Official Statement* that is dated April 20, 2021.

The successful bidder for the Bonds was an account led by Mesirow Financial, Inc., Chicago, Illinois (the “Underwriters”) who contracted with the City, subject to the conditions set forth in the Official Notice of Sale and Bid Form to purchase the Bonds at a purchase price of \$20,157,606.60 (consisting of the par amount of the Bonds, plus a net original premium of \$2,737,756.60 and less an underwriter’s discount of \$105,150.00) or 115.022006% of par.

MUNICIPAL ADVISOR; RELATED PARTIES; OTHER

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

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

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

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

Bond Counsel. From time to time, Bass, Berry & Sims PLC has represented the Bank on legal matters unrelated to the City and may do so again in the future.

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

ADDITIONAL DEBT

The City has not authorized the issuance of any additional debt. The City has ongoing capital needs that may or may not require the issuance of additional debt. The City may also authorize the issuance of additional refundings of Refunded Debt as savings opportunities arise.

DEBT LIMITATIONS

Pursuant to Title 9, Chapter 21, *Tennessee Code Annotated*, as amended, there is no limit on the amount of bonds that may be issued when the City uses the statutory authority granted therein to issue bonds. (see “DEBT STRUCTURE - Indebtedness and Debt Ratios” for additional information.)

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DEBT RECORD

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

CONTINUING DISCLOSURE

The City will at the time the Bonds are delivered execute a Continuing Disclosure Certificate under which it will covenant for the benefit of holders and Beneficial Owners of the Bonds to provide certain financial information relating to the City by not later than twelve months after the end of each fiscal year commencing with the fiscal year ending June 30, 2021 (the "Annual Report"), and to provide notice of the occurrence of certain significant events not later than ten business days after the occurrence of the events and notice of failure to provide any required financial information of the City. The issuer will provide notice in a timely manner to the MSRB of a failure by the City to provide the annual financial information on or before the date specified in the continuing disclosure agreement. The Annual Report (and audited financial statements if filed separately) and notices described above will be filed by the City with the Municipal Securities Rulemaking Board ("MSRB") at www.emma.msrb.org and with any State Information Depository which may be established in Tennessee (the "SID"). The specific nature of the information to be contained in the Annual Report or the notices of events is summarized below. These covenants have been made in order to assist the Underwriters in complying with Securities Exchange Act Rule 15c2-12(b), as it may be amended from time to time (the "Rule 15c2-12").

Five-Year History of Filing. For the past five years, the City has complied in all material respects with its existing continuing disclosure agreements in accordance with Rule 15c2-12.

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

1. Summary of Bonded Indebtedness as of the end of such fiscal year;
2. The Indebtedness and Debt Ratios as of the end of such fiscal year, together with information about the property tax base;
3. Information about the Bonded Debt Service Requirements – General Government as of the end of such fiscal year;
4. Information about the Bonded Debt Service Requirements – Water and Sewer System as of the end of such fiscal year;
5. Information about the Bonded Debt Service Requirements – Electric System as of the end of such fiscal year;

6. The Fund Balances, Net Assets and Retained Earnings for the fiscal year;
7. Five Year Summary of Revenues, Expenditures and Changes in Fund Balances - General Fund for the fiscal year;
8. Five Year Summary of Revenues, Expenditures and Changes in Fund Balances – Water and Sewer Fund for the fiscal year;
9. Five Year Summary of Revenues, Expenditures and Changes in Fund Net Balances – Electric Fund for the fiscal year;
10. The estimated Assessed Valuation of property in the City for the tax year ending in such fiscal year and the total estimated actual value of all taxable property for such year;
11. Property Tax Rates and Collections of the City for the tax year ending in such fiscal year as well as the uncollected balance for such fiscal year; and
12. The Ten Largest Taxpayers.

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

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

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

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

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

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

- (a) If the amendment or waiver relates to the provisions concerning the Annual Report and Reporting of Significant Events it may only be made in connection with a change in circumstances that

arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

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

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

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

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

BONDHOLDER RISK - COVID-19

The world-wide outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread to several counties and cities in the State of Tennessee, including the Issuer and is considered by the World Health Organization to be a Public Health Emergency of International Concern. The spread of COVID-19 has led to quarantine and other “social distancing” measures in affected regions. While effects of COVID-19 on the Issuer may be temporary, the virus has affected travel, commerce and financial markets across the world. Additionally, U.S. and global stock markets have recently experienced significant volatility and overall declines that have attributed to COVID-19 concerns.

The Issuer is unable to predict: (i) the extent or duration of the COVID-19 outbreak or any other epidemic or pandemic; (ii) the extent or duration of existing and additional quarantines, travel restrictions or other measures relating to COVID-19 or any other epidemic or pandemic; or (iii) whether and to what extent the COVID-19 outbreak or any other epidemic or pandemic may disrupt the local or global economy, manufacturing or the supply chain or whether any such disruption may adversely affect the operations of the Issuer. Given the evolving nature of the spread of the virus and the behavior of governments, businesses and individuals in response thereto, the Issuer cannot accurately predict the magnitude of the impact of COVID-19 on the Issuer and its financial condition. The Issuer is

proactively taking steps to mitigate the spread of COVID-19 and to preserve effective staffing for all essential Issuer operations.

Although the Issuer cannot accurately predict the magnitude of the ultimate impact of COVID-19 outbreak on the Issuer’s finances, the Issuer is carefully monitoring the immediate effect of the COVID-19 outbreak on the Issuer’s finances and is attempting to make projections as to the effect of the COVID-19 outbreak for the upcoming fiscal year.

For the current fiscal year, the Issuer’s largest source of revenues is property tax revenues. Property tax revenues are levied each year on the 1st Monday in October and are delinquent the following March 1st. The Issuer has already collected almost 97% of its billed property taxes for tax year 2020, which is comparable to prior years and exceeds to FY2021 budget. Economic uncertainties resulting from the COVID-19 outbreak may result in delays in collecting the remaining amount of tax year 2020 property taxes outstanding, which is a relatively small portion of the Issuer’s revenues, and may also affect collections in future years if the COVID-19 outbreak and resulting economic restrictions continue.

The Issuer has adopted a budget for the 2021 fiscal year commencing July 1, 2020 which anticipates an overall slight decrease in revenues. This budget includes a projected 9% decrease in sales tax revenues. However, collections for the first seven months have exceeded the same period of the prior year by 11%.

With respect to sales and use tax revenues for the most recent months for which information is available, the Issuer’s local sales and use tax revenues were:

	<u>2019 Revenues</u>	<u>2020 Revenues</u>	<u>% Increase or Decrease</u>
Jan	\$ 787,050	\$ 898,653	14%
Feb	790,357	828,097	5%
Mar	914,035	956,577	5%
Apr	938,445	723,183	(23%)
May	944,184	1,031,870	9%
Jun	935,156	1,055,415	13%
Jul	931,965	1,018,015	9%
Aug	910,683	1,001,859	10%
Sep	975,362	1,024,413	5%
Oct	925,696	1,054,977	14%
Nov	1,032,189	1,089,068	6%
Dec	<u>1,237,234</u>	<u>1,412,665</u>	<u>14%</u>
TOTAL	<u>\$11,322,357</u>	<u>\$12,094,789</u>	7%

The Issuer has received over \$1 million federal and/or State assistance to offset costs to the Issuer of addressing the COVID-19 outbreak and additional funding is expected. As this point, the Issuer has not been officially informed as to the timing or amount of additional federal or State assistance that may be provided, nor does the Issuer know the scope of expenses that will be payable from such assistance. The Issuer’s budget for the 2021 fiscal year does not include the federal portion

of such assistance that has been received or may be received as a source of revenue to provide for a balanced budget.

The Issuer's liquidity position remains strong. As of June 30, 2020, the Issuer had in excess of \$14 million in fund balance for the General Fund (\$14 million unassigned), which is approximately 30.5% of the Issuer's General Fund budget for the 2021 fiscal year. The Issuer's current liquidity position is expected to be adequate to fund essential services and make timely debt service payments on debt of the Issuer.

Various types of information regarding employment and income trends within the City are detailed in APPENDIX B. This information was assembled prior to the COVID-19 outbreak and may not be reflective of current financial conditions. For example, unemployment rates throughout the United States, including the County, have increased significantly since the COVID-19 outbreak. Furthermore, APPENDIX B lists the largest employers in the County. The COVID-19 outbreak has affected businesses throughout the United States, including businesses in the County, and many of the employers listed in APPENDIX B have been forced to reduce their employment levels from the levels described in APPENDIX B. Given the fluidity of the current economic environment, the Issuer is not able to provide sufficiently accurate updates to this information.

ADDITIONAL INFORMATION

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

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

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

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

The City has deemed this *Official Statement* as "final" as of its date within the meaning of Rule 15c2-12.

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CERTIFICATION OF THE CITY

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

/s/ Andy White
Mayor

ATTEST:

/s/ Sherri Phillips
City Recorder

APPENDIX A

LEGAL OPINION

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

Ladies and Gentlemen:

We have acted as bond counsel to the City of Maryville, Tennessee (the "Issuer") in connection with the issuance of \$17,525,000 General Obligation Refunding Bonds, Series 2021, dated May 28, 2021 (the "Bonds"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

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

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

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

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

3. The Bonds constitute general obligations of the Issuer for the payment of which the Issuer has validly and irrevocably pledged its full faith and credit. The principal of and interest on the Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the Issuer, provided that those portions of the Bonds, as determined by the Issuer, that refinance debt that financed or refinanced improvements to the water and sewer system of the Issuer shall also be payable from but not secured by the revenues of such system.

4. Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The Issuer has covenanted to comply with all such requirements. The Issuer has covenanted to comply with all such requirements. Except as set forth in this Paragraph 4, we express no opinion regarding other federal tax consequences arising with respect to the Bonds.

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

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds and the resolution authorizing the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds.

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

Yours truly,

Bass, Berry & Sims PLC

APPENDIX B

SUPPLEMENTAL INFORMATION STATEMENT

GENERAL INFORMATION

LOCATION

The City of Maryville (the “City”) is the county seat of Blount County (the "County") which is located in the eastern portion of the State of Tennessee. The County is bordered to the east by Sevier County and to the north by Knox County. To the south, the County is bordered by Monroe County and the State of North Carolina. To the west of the County is Loudon County, Tennessee. Other incorporated towns within the County are Alcoa, Rockford, Friendsville and Townsend. Vonore is an unincorporated town that is in both Blount County and Monroe County. The City is located approximately 15 miles south of Knoxville.

The County is in the extreme eastern portion of Tennessee. Bordering the Great Smoky Mountains National Park, the immediate surrounding terrain is hilly and mountainous while much of the county is covered with rolling farmlands. Blount County is situated near the geographic center of the eastern United States with approximately 50 percent of the U.S. population within a 500-mile radius. The County benefits from being a gateway to the Great Smoky Mountains National Park. The scenic and recreational attractions of the park attract an ever increasing number of tourists to the County yearly.

Maryville is also situated at the southern boundary of the Oak Ridge Technology corridor, a nationally recognized high-technology research and development center. Additionally, Maryville is located about four miles from the Pellissippi Parkway extension, which makes the city residents within a 10 to 20-minute drive to the West Knoxville - Oak Ridge area.

GENERAL

The County covers 559 square miles in the extreme eastern portion of Tennessee.

The County is part of the Knoxville Metropolitan Statistical Area (the “MSA”) that had a population of 693,826 according to the 2010 US Census. The MSA includes Knox (Knoxville and Farragut), Anderson (Oak Ridge and Clinton), Blount (Maryville and Alcoa), Loudon (Loudon), and Union (Maynardville) Counties.

The County is also part of the Knoxville-Morristown-Sevierville Combined Statistical Area (the “CSA”). According to the 2010 Census, the CSA had a population of 1,056,442. The CSA includes Roane, Anderson, Blount, Knox, Loudon, Union, Grainger, Hamblen, Jefferson, Campbell, Cocke and Sevier Counties. The City of Knoxville is the largest city in the CSA with a population of 178,874 according to the 2010 Census. The County has a Census 2010 population of approximately 123,010. The population of Maryville as counted in the 2010 Census was 27,465.

Main Street Program. Maryville was accredited with Tennessee Main Street Accreditation. Maryville has a historically significant downtown that it plans to improve through the Main Street program, encouraging new investment and entrepreneurship.

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As of August 2020, there are 39 communities that are accredited through the state program Tennessee Main Street Accreditation and a program of the national Trust for Historic Preservation (called Main Street America). The Main Street Program provides training, support and grant opportunities to assist in downtown revitalization efforts to focus on historic preservation, community events and economic revitalization. In 2019, accredited Tennessee Main Street communities generated \$111 million of public and private investment and nearly 1,000 new jobs. The Tennessee Main Street Program requires communities to illustrate a commitment from local government and other local organizations, an adequate organizational budget, a strong historic preservation ethic, a collection of historic commercial buildings and a walkable district.

GOVERNMENT

The City is governed by a five (5) member City Council a portion of which is elected every two (2) years to overlapping four (4) year terms of office. The Mayor is the presiding officer and the ceremonial head of the City. An appointed City Manager serves as the full-time administrator.

The City provides a full range of municipal services contemplated by its Charter. Those services include public safety (police and fire); highways and streets; special events; land use planning and code enforcement; and waste collection and disposal. The City also funds joint service delivery efforts with neighboring jurisdictions including the public library, parks and recreation and industrial recruitment.

TRANSPORTATION

The area has excellent transportation facilities by rail, air, river and highway. Both the Norfolk Southern and CSX Railroads have terminals and stops in the County, with lines radiating in nine directions. The Pellissippi Highway (I-140) provides a direct link to I-40 and I-75 in Knox County. Major highways serving the County include U.S. Highway 44, 129, 321, 411 and 441 as well as State Routes 33, 75 and 95.

McGhee Tyson Airport. The McGhee Tyson Airport is the principal commercial airport in East Tennessee, serving the commercial airline industry, air cargo, military aviation and general aviation. With parallel 9,000 feet runways, McGhee Tyson Airport can accommodate any size aircraft. The Airport is located within the city limits of Alcoa 12 miles south of downtown Knoxville. The airport occupies more than 2,000 acres of land with space for additional air cargo facilities or economic development. This facility is owned and managed by the Metropolitan Knoxville Airport Authority.

According to a recent study by the University of Tennessee's Center for Transportation Research, the airport contributes over \$1 billion to the local economy (including Anderson, Blount, Knox, Loudon and Sevier Counties) every year. The report examined the employment, business and tax impacts of the airport, including the Downtown Island Airport.

The Metropolitan Knoxville Airport Authority (MKAA) was established in 1978 as an independent nonprofit agency to own and operate McGhee Tyson Airport and Downtown Island Airport. The Authority's nine-member Board of Commissioners is appointed by the Mayor of Knoxville and confirmed by City Council. This board determines the policies for the current Airport Authority staff of 150 employees in six departments. The board appoints a President who serves as

the chief administrator and executive officer. All of the revenues are generated by user fees and rental income so no taxpayer dollars are used to support airport operations.

Two air cargo services provide daily service. In addition, six passenger airlines carry air cargo on most flights. More than 40,359 tons of airfreight annually pass through its cargo facilities. Federal Express and United Parcel Service are the main couriers.

McGhee Tyson Airport has several major airlines serving over 20 non-stop destinations including Atlanta, Chicago, Dallas/Ft. Worth, Denver, New York, Orlando and Washington D.C. With more than 120 arrivals and departures each day and more than 4,000 seats available, McGhee Tyson Airport is one of the most convenient and accessible regional airports in the nation.

The airport is served by two low-fare carriers: Allegiant Air and Frontier Airlines. Allegiant Travel Company is focused on linking travelers in small cities to world-class leisure destinations. Through its subsidiary, Allegiant Air, the Company operates a low-cost, high-efficiency, all-jet passenger airline offering air travel both on a stand-alone basis and bundled with hotel rooms, rental cars and other travel related services. Frontier Airlines started flight in the summer of 2011 from Knoxville to its hub in Denver, Colorado.

McGhee Tyson is served by major and regional carriers including:

Major Airlines:

Regional Carriers:

Allegiant Air	Frontier Airlines	American Eagle	United Express
Delta Airlines	United		

Source: Metropolitan Knoxville Airport Authority.

These airlines connect passengers with service to several hub airports across the nation on more than 120 flights daily.

McGhee Tyson Airport

<u>Total Year</u>	<u>Commercial Passengers</u>	<u>Total Air Cargo in Pounds</u>
2010	1,688,882	93,393,658
2011	1,773,671	92,390,849
2012	1,747,145	91,514,071
2013	1,676,374	84,029,942
2014	1,738,133	74,115,672
2015	1,747,472	77,395,631
2016	1,827,989	84,831,987
2017	1,988,626	82,884,887
2018	2,221,137	81,363,507
2019	2,572,775	N/A

Source: Metropolitan Knoxville Airport Authority.

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McGhee Tyson Airport has undergone many improvements in the past few years. The most recent was in 2017 when the runway and taxiway system was upgraded for \$108 million.

Source: Metropolitan Knoxville Airport Authority.

TACAir is McGhee Tyson Airport's general aviation services provider. In addition to providing fuel and services to commercial carriers, they also accommodate the general aviation industry, which includes corporate aviation, charter flights, flight schools and people who fly as a hobby.

The Tennessee Air National Guard's 134th Air Refueling Group operates 10 aircraft at McGhee Tyson Airport. The Guard's KC-135E tankers provide refueling to the country's military aircraft. In addition, the Army Aviation Support Facility, the 110th and 119th Tactical Control Squadrons and the 228th Combat Communications Squadron operate on the base.

Downtown Island Home Airport. Knoxville's Downtown Island Home Airport, located five minutes from downtown, serves as another home base for smaller and privately owned airplanes. The Island Home Airport is a 150-acre general aviation facility with a 3,500-foot runway. It is home to nearly 140 private and corporate aircraft, with 24 hours a day service available.

Waterways. Fifteen miles away is the head of the Tennessee River navigation channel in Knoxville. This river is part of the Interconnected Inland Water System that links Knoxville with 21 states, the Mississippi River and the Great Lakes. Linkages may be made to the entire inland waterway system, allowing shipments to be made by water to Houston, Tampa, Pittsburgh, Minneapolis and Little Rock.

Six active river terminals handle barge shipments throughout the area. The Tennessee-Tombigbee Waterway links East Tennessee with 13 other states and the Gulf of Mexico. This 234-mile canal connects 16,000 miles of waterways throughout Tennessee, Mississippi and Alabama leading to the Port of Mobile and the Gulf of Mexico. This Waterway shortens the shipping between Tennessee and the Gulf of Mexico by 882 miles and enables East Tennessee products to arrive at their Gulf destination from eight to nine days earlier. The development of the Tennessee-Tombigbee Waterway has been a catalyst for the development of industry and agriculture throughout the area. Barge shipping has always been a popular alternative to rail in East Tennessee because of the existence of the Inland Water System.

Nearby Knoxville also has a Foreign Trade Zone, is an inland Port of Entry with a U.S. Customs Office. In 1988, Knoxville was given its Foreign Trade Zone designation by the U.S. Department of Commerce. This designation allows manufacturers to ship foreign raw materials and components to parts of Knoxville and store them duty free in Knoxville until used. In May 1991, the Foreign Trade Zone was activated.

EDUCATION

Maryville City Schools District is made up of about 16.2 square miles with seven schools: three elementary, two intermediate, one junior high school and one high school with 331 teachers. The fall 2020 enrollment had 5,443 students.

Source: City of Maryville Audit.

The County is also home to two other school systems: The *Blount County School System* is made up of 22 public schools, including one alternative education school. Fall 2020 enrollment for Blount County schools is about 10,663 with around 679 teachers total. The District's size is about 584 square miles. *Alcoa City Schools District* is made up of about 9 square miles with four schools: one elementary, one middle school, one intermediate school and one high school with 116 teachers. The fall 2020 enrollment was about 2,134 students.

Source: Tennessee Department of Education.

Also, there are several private schools that serve the area: Apostolic Christian Academy, Clayton-Bradley Academy, Foothills Christian Academy, New Horizon Montessori School, and Maryville Christian School. Moreover, the County has many opportunities for higher education. In addition to the following schools, the University of Tennessee Knoxville is located in nearby Knox County. It is the largest campus in the UT system.

Maryville College. The private, four-year, liberal arts college, located in Maryville, was founded in 1819 and is one of the fifty oldest institutions of higher learning in the United States. The college is co-educational and grants the degrees of Bachelor of Arts, Bachelor of Science and Bachelor of Music with fifty diverse fields of study. Fall 2020 enrollment is 1,072 students, and the college is situated on a 375-acre campus. Dual degree programs are available in the fields of engineering, pharmacy and veterinary medicine.

Source: Maryville College.

Pellissippi State Community College (the "PSCC") – Blount County Center. The Blount County Center satellite campus for PSCC has been housed at the former Bungalow Elementary School building since 1991. While that location served the needs of the college for many years, the institution has outgrown the aging facility. An average of 1,600 students attend classes at the Blount County Center each year. An expanded 39.5-acre facility allows more students to attend classes nearer to where they live.

Since its founding in 1974 as State Technical Institute at Knoxville, PSCC has expanded the teaching of technology, the use of technology in instruction, and the transfer of technology to local business and industry in support of regional economic development. Enrollment for fall 2019 was listed as 10,800. The PSCC continues to support and develop career/technical associate's degrees and institutional certificates, university parallel associate's degree programs, and continuing education opportunities for the citizens of Knox, Blount, and surrounding counties. PSCC has been named one of the 200 fastest-growing community colleges in the nation, according to Community College Week.

Several campuses make up the Community College. The main campus is the Pellissippi Campus in west Knoxville. The Division Street Campus and the Magnolia Avenue Campus are also in Knoxville.

Source: Pellissippi State Technical Community College and the City.

Tennessee College of Applied Technology-Knoxville (the "TCAT-Knoxville"). TCAT-Knoxville is part of a statewide system of 27 vocational-technical schools. TCAT-Knoxville meets a Tennessee mandate that no resident is more than 50 miles from a vocational-technical shop. TCAT-Knoxville's primary purpose is to meet the occupational and technical training needs of the citizens including employees of existing and prospective businesses and industries in the region. TCAT-

Knoxville serves the central east region of the state including Knox and Blount Counties. TCAT-Knoxville began operations in 1966, and the main campus is located in Knox County. Fall 2018 enrollment was 1,559 students.

Source: Tennessee College of Applied Technology-Knoxville.

HOSPITALS

Blount Memorial Hospital. Blount Memorial is an acute care, short-term hospital located in Maryville. The Hospital Facility consists of approximately 715,925 square feet and a licensed capacity of 275 beds and 131 physicians. The hospital employs about 2,470 people and had 10,791 admissions in 2018. The hospital facility is operated by Blount Memorial Hospital Incorporated (the “BMH, Inc.”), a governmental non-profit corporation formed by the County pursuant to Tennessee law. The Hospital is governed by a board of directors appointed by the County, and the Cities of Alcoa and Maryville. The Hospital’s property is owned by the County and BMH, Inc. There are several Special Care Units at Blount Memorial Hospital: ICU, CCU, same day surgery, medical/surgical patient care, Mountain View Recovery Center, emotional health center, family birthing center, and KidCare. The hospital's Emergency Room is open 24 hours and is equipped with 17 treatment rooms.

University of Tennessee Medical Center. Located in nearby Knoxville near the Blount County line, the *UT Medical Center* in Knoxville is an acute care teaching hospital with 589 beds and about 550 doctors. The hospital employs about 5,316 people and had 28,964 admissions for 2018. Designated as the region’s Level I adult and pediatric Trauma Center by the state of Tennessee, the Medical Center provides the highest level of programs and emergency services. Critically ill patients are transported to the Medical Center via one of LIFESTAR’S two helicopters.

Special care units such as cardiac care, open heart, medical intensive care, neuro-respiratory, and trauma surgical intensive care are available for patients who require maximum medical attention. A Level IV Intensive Care Nursery, a Pediatric Intensive Care Unit, a newborn nursery and many other programs comprising Children’s Health Services enable the hospital to provide the region’s most comprehensive medical services for infants and children. University Hospital also serves as the Regional Perinatal Center.

Source: University Health Center and Knoxville News Sentinel.

MANUFACTURING AND COMMERCE

The economic base for Blount County includes a diversified group of industrial and service companies. The County has nine industrial parks within its boundaries with less than 400 acres remaining for development. Big Springs has 100 acres available in Maryville. Partnership Park North has 220 acres available about 8 miles from McGhee Tyson Airport in Alcoa. Partnership Park South has 210 acres in Maryville. Stock Creek Development Centre is a 24-acre site 5 miles from downtown Knoxville in Rockford.

The County is aligned with many strategic partners that assist growth and attract many advanced technology and R&D based companies. They are the Oak Ridge National Laboratory, the University of Tennessee, the Technology 2020 project, Tennessee Valley Authority and the National Safe Skies Alliance.

Amazon. Amazon currently operates fulfillment and sortation centers in Charleston, Chattanooga, Lebanon, Memphis, Murfreesboro and Nashville, a Prime Now Hub in Nashville and various other facilities supporting last mile delivery operations across the State of Tennessee. New facilities are being built in Mt. Juliet (to be in production by 2021) and in Alcoa (to be in production by 2022). The company is in the midst of building a corporate office in downtown Nashville, which will bring 5,000 jobs and house the management functions for Amazon's Retail Operations division. In Tennessee, Amazon has three fulfillment centers that use innovative robotics technology (Alcoa, Memphis and Mt. Juliet), with eighth fulfillment centers total.

Since 2010, Amazon has invested nearly \$9 billion in Tennessee as of 2021, including infrastructure and compensation to thousands of its employees in the state. Amazon's investments in Tennessee contributed an additional \$8.7 billion into the state's economy, and using methodology developed by the U.S. Bureau of Economic Analysis, Amazon estimates its investments in the state have created an additional 12,700 indirect jobs on top of the company's direct hires in Tennessee.

Amazon in 2018 bought organic grocer Whole Foods for \$13.7 billion. Amazon also added Sears' Kenmore appliances to its website and is rolling out its own ready-to-cook meal kits, competing with companies such as Blue Apron. Amazon's fulfillment network supports millions of small, medium, and large-sized businesses worldwide through its Fulfillment By Amazon offering. There are more than 30,000 authors, sellers and developers in Tennessee, growing their businesses and reaching new customers on Amazon products and services every day.

Amazon has pledged to invest over \$700 million to provide upskilling training for 100,000 U.S. employees for in-demand jobs. Programs will help Amazonians from all backgrounds access training to move into highly-skilled roles across the company's corporate offices, tech hubs, fulfillment centers, retail stores, and transportation network, or pursue career paths outside of Amazon.

Arconic Inc., formerly ALCOA Inc., owns and operates three aluminum plants located in the City of Alcoa near the McGhee Tyson Airport. These are the company's primary aluminum smelting and fabricating plants in the United States. The plant's primary product is flat, rolled aluminum sheets that are processed into beverage cans, Venetian blinds, lithographic sheets, and automobile trim. The plants have produced in the past about 200 metric tons of aluminum a year. This operation is the largest aluminum-producing and fabricating complex in the United States. The facility at one time was the largest aluminum manufacturing facility in the world with 12,000 ALCOA Inc. employees. See "RECENT DEVELOPMENTS" for more information.

DENSO Tennessee. The automotive parts plant DENSO has three locations in the state – Maryville, Athens and Jackson – and employs roughly 5,000 people in Tennessee as of March 2019. DENSO has invested approximately \$3 billion in Tennessee. DENSO opened in 1988 and makes starters, alternators, instrument clusters and electronics for the automotive industry. The company's entire campus covers more than 154 acres and also features a training center, logistics center and associate fitness center. The company provides parts for 20 automakers, including Toyota, Honda, Daimler Chrysler, General Motors, Ford and Subaru. DENSO employs more than 23,000 people across the North American region, and DENSO's North American consolidated sales totaled \$10.9 billion for the fiscal year ending March 31, 2018.

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National Safe Skies Alliance is a non-profit consortium dedicated to advancing aviation security by conducting independent testing and evaluation of anti-terrorism technologies in airports nationwide. Safe Skies' membership is comprised of airports, airlines, national laboratories, universities, and the security industry, working in partnership with the Department of Homeland Security - Transportation Security Administration, to protect the traveling public. Safe Skies' staff of security specialists, test engineers and statisticians are experts in the evaluation of security systems for the Passenger Checkpoint, Checked Baggage and Air Cargo, Access Control and the Airport Perimeter.

The *Oak Ridge National Laboratory* (the "ORNL") based in nearby Roane County, is a multiprogram science and technology laboratory managed for the U.S. Department of Energy by UT-Battelle, LLC. Scientists and engineers at ORNL conduct basic and applied research and development to create scientific knowledge and technological solutions that strengthen the nation's leadership in key areas of science; increase the availability of clean, abundant energy; restore and protect the environment; and contribute to national security. ORNL also performs other work for the Department of Energy, including isotope production, information management, and technical program management, and provides research and technical assistance to other organizations. The laboratory is a program of DOE's Oak Ridge Field Office.

Pellissippi Place is a 450-acre high tech park on the Oak Ridge Corridor in Alcoa. The first construction phase was begun in late 2008. The park focuses on technology, corporate research and high-tech business development. Over the course of the project, the park is expected to create over \$1 billion dollars in economic impact. Total build out of the park is estimated between 20 to 30 years. Phase I involved the infrastructure for the park, a phase that cost around \$10 million and was completed in 2010. The development is LEED certified, which requires all developers and contractors to following sustainable green building guidelines recognized by the U.S. Green Building Council. Molecular Pathology Laboratory Network, which develops molecular diagnostics and cytogenetics tests and services with a focus on pathology, hematology/oncology, obstetrics and gynecology, medical genetics, infection disease, gastroenterology, and internal medicine was the first major tenant in the park. In 2013, Pronova Solutions announced its plans to become the anchor tenant and opened in June of 2015. The project represents an investment of \$52 million and up to 500 new jobs in Blount County. The Park is operated under a joint agreement among Blount County, the Cities of Alcoa and Maryville, and Knox County.

The *Technology 2020* project was initiated in 1993 to capitalize on the unique resources of the East Tennessee region: the presence of the ORNL, the University of Tennessee-Knoxville, the headquarters of the Tennessee Valley Authority, and a significant number of both large and small technology companies in the region. A \$4.5 million investment has been made by DOE, South Central Bell, the Tennessee Public Service Commission and Lockheed-Martin to set up a regional telecommunications laboratory. This economic development resource center is located in Oak Ridge's Commerce Park. An 18,000 square foot facility has been constructed on the 5.2-acre site. The facility will be used for testing and demonstrating new communications technologies and applications.

The *Tennessee Valley Authority* (the "TVA") provides support, technology, expertise, and financial resources to existing businesses and industries in the Valley to help them grow and be more efficient and profitable. These resources include technical assistance, low-interest loans, and other tools needed by businesses for successful operation.

The *University of Tennessee's* flagship campus in Knoxville is home to a wide array of vigorous programs doing research on issues vital to the community, the state, the nation, and the world. The university has collaborative relationships with public and private agencies including ORNL, Battelle Memorial Institute (forming UT-Battelle), St. Jude Children's Research Hospital, the Memphis Bioworks Foundation, and the Boston-Baskin Cancer group (forming UT Cancer Institute).

Major Employers in Blount County, Tennessee

<u>Company</u>	<u>Product/Service</u>	<u>Employment</u>
Denso ¹	Automotive Parts	5,350
Clayton Homes	Manufactured Housing	4,883
Blount Memorial Hospital	Healthcare	2,647
McGhee Tyson Air National Guard	Airbase	1,728
Blount County Schools	Education	1,701
Newell Brands	Manufacturer	1,000
Arconic Inc. (formerly ALCOA Inc) ²	Aluminum Ingot, Coiled Steel	898
Blount County Government	Government	774
Maryville City Schools	Education	708
Wal-Mart	Retail Store	610
Accenture	Hotel Customer Service	541
TeamHealth Alcoa Billing	Billing	451
Ruby Tuesday Inc.	Restaurants	475
Massey Group	Electrical Contractor	405
Maryville College	Education	380
Reinhart Food Service	Distribution	344
City of Maryville	Government	321
Standard Aero Alliance Inc.	Aircraft Engines and Parts	335
Rockford Manufacturing	Yarn & Cordage	300
City of Alcoa	Government	275
K12	Education	265
Alcoa City Schools	Education	344
Peninsula Hospital	Healthcare	317

¹Headquarters based in Blount County, includes employees in the McMinn County Plant.

²Headquarters are based in Blount County, but employment includes some employees working in Knox County.

Source: Blount County Chamber of Commerce, Knoxville News Sentinel, Tennessee Department of Economic and Community Development, and Maryville Audit - 2020.

EMPLOYMENT INFORMATION

Due to the national rise in unemployment due to COVID-19 in the spring of 2020, the rates for the County for December 2020 do not represent the usual unemployment rate.

For the month of December 2020, the unemployment rate for Maryville stood at 5.4% with 13,844 persons employed out of a labor force of 14,627. As of December 2020, the unemployment rate for Blount County stood at 5.5% with 62,889 persons employed out of a labor force of 66,515. The Knoxville MSA’s unemployment for December 2020 was at 5.6% with 424,688 persons employed out of a labor force of 449,666. As of December 2020, the unemployment rate in the Knoxville-Morristown-Sevierville CSA stood at 5.6%, representing 541,481 persons employed out of a workforce of 573,631.

The following charts show unemployment trends in the City for the last 5 years:

Unemployment					
	Annual Average	Annual Average	Annual Average	Annual Average	Annual Average
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
National	5.3%	4.9%	4.4%	3.6%	3.9%
Tennessee	5.6%	4.7%	3.8%	3.5%	3.4%
Maryville	5.2%	4.2%	3.4%	3.0%	6.0%
Index vs. National	98	86	77	83	153
Index vs. State	93	89	89	86	176
Blount County	5.2%	4.4%	3.5%	3.2%	3.2%
Index vs. National	98	90	80	89	82
Index vs. State	93	94	92	91	94
Knoxville MSA	5.3%	4.4%	3.6%	3.3%	3.2%
Index vs. National	100	90	82	92	82
Index vs. State	95	94	95	94	94
Knoxville-Morristown – Sevierville CSA	5.5%	4.6%	3.7%	3.4%	3.3%
Index vs. National	104	94	84	94	85
Index vs. State	98	98	97	97	97

Source: Tennessee Department of Employment Security, CPS Labor Force Estimates Summary.

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ECONOMIC DATA

Per Capita Personal Income

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
National	\$47,058	\$48,978	\$49,870	\$51,885	\$54,446
Tennessee	\$40,801	\$42,593	\$43,726	\$44,950	\$46,900
Blount County	\$36,945	\$38,791	\$39,912	\$41,190	\$42,991
Index vs. National	79	79	80	79	79
Index vs. State	91	91	91	92	92
Knoxville MSA	\$39,911	\$41,673	\$42,630	\$43,770	\$45,739
Index vs. National	85	85	85	84	84
Index vs. State	98	98	97	97	98
Knoxville-Sevierville-Harriman CSA	\$38,046	\$39,730	\$40,621	\$41,663	\$43,528
Index vs. National	81	81	81	80	80
Index vs. State	93	93	93	93	93

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

Social and Economic Characteristics

	<u>National</u>	<u>Tennessee</u>	<u>Blount County</u>	<u>Alcoa</u>	<u>Maryville</u>
Median Value Owner Occupied Housing	\$217,500	\$167,200	\$182,100	\$137,800	\$204,500
% High School Graduates or Higher Persons 25 Years Old and Older	85.2%	87.5%	89.1%	88.8%	92.4%
% Persons with Income Below Poverty Level	10.5%	13.9%	10.5%	11.7%	11.4%
Median Household Income	\$62,843	\$53,320	\$56,667	\$48,750	\$61,384

Source: U.S. Census Bureau State & County QuickFacts - 2019.

RECREATION

Appalachian National Scenic Trail (the "AT"). The Appalachian Trail is a 2,175-mile long footpath stretching through 14 eastern states from Maine to Georgia. It can be accessed in Blount County through the Great Smoky Mountain National Park in Townsend. Conceived in 1921 and first completed in 1937, it traverses the wild, scenic, wooded, pastoral, and culturally significant lands of the Appalachian Mountains. The AT is enjoyed by an estimated 4 million people each year.

Source: National Park Service.

Fort Loudoun State Historic Park. Fort Loudoun State Park is located in Vonore (in Monroe County) on TVA's Tellico Reservoir. This 1,200-acre site is the location of one of the earliest British fortifications on the western frontier, built in 1756. Today the fort and the 1794 Tellico Blockhouse overlook the Tellico Reservoir and the Appalachian Mountains. Much of the park's 1,200-acres lie on an island on Tellico Lake. The park has a Visitor Center/Museum that offers information on the area's history and artifacts that were excavated prior to the Fort's reconstruction. The largest event of each year is an 18th Century Trade Faire that showcases many aspects of that century. There are over 150,000 visitors to the park each year. British soldiers, civilians, ladies and small children come together with traders, French soldiers, Creek and Cherokee Indians.

Source: Tennessee State Parks.

Great Smoky Mountains National Park (the "Park"). The Great Smoky Mountains National Park straddles the border between North Carolina and Tennessee in Blount and Sevier Counties and the southern part of Cocke County. Monroe County is located southwest of the Park. The City of Gatlinburg in Sevier County is the gateway city to the Park. Over 500,000 acres were set aside in 1934 to form the Park. The Park includes 244,000 acres in Tennessee and 276,000 acres in North Carolina and covers a total 800 square miles. It includes 97 historic and 342 modern structures that are maintained by the Park. The Park is a hiker's paradise with over 800 miles of maintained trails, including the Appalachian Trail. The Smoky Mountains have the most biological diversity of any area in the world's temperate zone. The Park is a sanctuary for a magnificent array of animal and plant life, all of which is protected for future generations to enjoy.

Located in the center of the eastern half of the United States, the Park is readily accessible to 70% of the country's population. Each year it draws the largest attendance of any of the National Parks in the United States. Visitors to the Tennessee side of the park during 2018 reached over 6.3 million, with a total visitation for both Tennessee and North Carolina was 11.3 million in 2016. The park is also one of the few national parks that does not charge an entrance fee.

A news release from the park service says the spending supported 10,734 jobs in the local area. The peer-reviewed visitor spending analysis was conducted by U.S. Geological Survey economists along with the National Park Service. The report shows \$14.7 billion of direct spending by 283 million park visitors in communities within 60 miles of a national park. According to the report, most visitor spending supports jobs in restaurants, grocery and convenience stores (39 percent); hotels, motels and bed and breakfasts (27 percent); and other amusement and recreation (20 percent).

Source: National Park Service.

RECENT DEVELOPMENTS

Amazon. Amazon began in 2020 building a new, state-of-the-art fulfillment center in Alcoa, which is anticipated to launch in 2022. This will create nearly 800 new, full-time jobs with benefits and opportunities to engage with advanced robotics. Amazon employees at the more than 634,812-square-foot fulfillment center will pick, pack and ship smaller customer items, such as books, electronics and consumer goods.

Arconic Inc. (formerly ALCOA Inc.). In November of 2016 ALCOA Inc. split into two standalone companies Arconic Inc. and ALCOA Corp. The former ALCOA Inc. aluminum facility has now become Arconic Inc. Arconic Inc. is now a global leader in multi-materials innovation,

precision engineering and advanced manufacturing, and the newly formed ALCOA Corp. emerging as a cost-competitive leader in the bauxite, alumina and aluminum industries. The separation took effect through a pro-rata distribution by ALCOA Inc. of 80.1 percent of the outstanding shares of ALCOA Corp. with Arconic Inc. retaining 19.9 percent of ALCOA Corp. common stock. With aerospace and transportation accounting for 65 percent of the company's Global Rolled Product revenue, several big names in the automobile industry have become customers of Arconic, including Ford, Chrysler and GM. Arconic Inc. can currently supply over 90 percent of a jet engine's necessary components through metallic and carbon fiber reinforced plastic aircraft parts.

At the existing facility a three-year, \$275 million expansion to convert capacity for the automobile industry was completed in 2015. An additional 200 full-time workers were hired.

Avant, LLC. Avant, LLC opened its new call center in an existing 25,000 square-foot building in Louisville in January 2018. This will create more than 200 new jobs in Louisville over the next few years. Avant, LLC is an online lending platform and leading provider of credit alternatives to middle-income consumers. The company also offers its technology solutions to bank and non-bank partners via its *Powered By Avant* product to provide an innovative digital lending experience to its customers.

Cirrus Aircraft. The private aircraft manufacturer Cirrus Aircraft began construction in 2016 on the first phase to build \$15 million in 4 buildings and 181 parking spaces on 13 acres and create 170 jobs at the Metropolitan Knoxville Airport West Aviation Area. The new "Vision Center" is the epicenter and flagship location for all Cirrus Aircraft pilot, owner and customer activities. The Knoxville facility includes a full-motion flight simulator currently under development and other fixed training devices. It also contains a factory service center as well as a design center, allowing buyers to personalize and create their Vision SF50.

DENSO Tennessee. The Japanese company DENSO Manufacturing produces automotive parts in four plants located in Maryville. In late 2018 DENSO completed the initial phase of a \$1 billion expansion plan that will result in 1,000 new jobs to its Blount County facility to meet the future demand for electric vehicles. New workers for the expansion will be hired in phases over four years. DENSO's investment includes safety components and systems for purely electric cars and hybrid vehicles. This new billion-dollar-expansion comes a year after DENSO spent \$400 million building a 500-employee facility at Maryville intended in part to pull together various warehouse operations. Already one of the largest employers in the County, DENSO represents an investment exceeding \$2 billion in the Blount County Industrial Park.

J.C. Penney. In 2020 the retailer J.C. Penny filed for Chapter 11 bankruptcy protection to stabilize the company's finances. Their store in Foothills Mall in Maryville was closed. Five other stores in Tennessee were also closed: McMinnville, Columbia, Dyersburg, Kingsport and Cleveland. The bankruptcy court filing listed 242 locations to close. About 600 stores are expected to remain open after the closures.

Nisus Corporation. Nisus broke ground on a 30,000 square foot warehouse at its Rockford, TN Headquarters. The \$3 million dollar project comes on the heels of a 2016 expansion that increased warehouse capacity and included a new tank farm. The new facility represents a 60% increase from their already 50,000 square foot facility, adding more warehouse space and accommodating new production processes for future products. Additional space allows Nisus to

purchase materials in larger quantities, while at the same time creating room to accommodate new machinery for innovations in the pipeline.

Pellissippi State Community College (the “PSCC”). PSCC began construction on a new \$16.5 million, 52,397 square-foot Ruth and Steve West Workforce Development Center at the Blount County campus. The center will be a training hub where students will be able to master the skills necessary to fill critical local jobs, including in manufacturing, computer programming and robotics. The Tennessee College of Applied Technology – Knoxville will also have a presence in the center offering programs in welding, mechatronics and pipefitting. The center is expected to be open in the fall of 2021.

Source: The Blount County Economic Development Board, The Daily Times, Knoxville News Sentinel and WBIR Knoxville, TN.

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CITY OF MARYVILLE, TENNESSEE
SUMMARY OF BONDED INDEBTEDNESS

Purpose	Due Date	Interest Rate(s)	General Government	Water/Sewer System ²	Electric System ²	Outstanding ¹ as of June 30, 2020
\$18,720,000 Qualified School Construction Bonds, Series 2009	June 2027	Fixed	\$ 7,136,302	-	-	\$ 7,136,302
\$14,355,000 Lease Agreement, Series 2009C (Civic Arts Center- Maryville's Portion)	June 2030	Fixed	8,905,000	-	-	8,905,000
\$2,500,000 General Obligation Bonds, Series 2010	June 2025	Fixed	-	-	-	-
\$2,304,000 Loan Agreement, Series 2011 (EESI Loan)	June 2031	Fixed	-	1,383,372	-	1,383,372
\$9,855,000 General Obligation Refunding Bonds, Series 2015	June 2035	Fixed	9,855,000	-	-	9,855,000
\$3,350,000 General Obligation Refunding Bonds, Series 2016	June 2029	Fixed	2,750,000	-	-	2,750,000
\$6,175,000 General Obligation Refunding Bonds, Series 2016B	June 2023	Fixed	746,000	2,248,000	666,000	3,660,000
\$27,795,000 General Obligation Refunding Bonds, Series 2017A	June 2030	Fixed	21,555,000	2,565,000	-	24,120,000
\$31,800,000 General Obligation Refunding Bonds, Series 2017B	June 2038	Fixed	-	31,280,000	-	31,280,000
\$24,000,000 General Obligation Refunding Bonds, Series 2018	June 2040	Fixed	18,180,000	2,910,000	2,910,000	24,000,000
\$1,240,328 EESI Loan, Series 2018	June 2036	Fixed	1,028,173	-	-	1,028,173
\$2,500,000 General Obligation Bonds, Series 2010	June 2025	Fixed	-	-	960,000	960,000
Total Bonded Debt as of June 30, 2020			70,155,475	40,386,372	4,536,000	\$ 115,077,847
ISSUED AFTER JUNE 30, 2020						
Plus: \$5,000,000 Electric Revenue Bond, Series 2020	June 2025	Fixed	-	-	5,000,000	5,000,000
Less: Refunded Debt		Fixed	-	-	(960,000)	(960,000)
CURRENT BOND ISSUE						
Plus: \$17,525,000 General Obligation Refunding Bonds, Series 2021	June 2034	Fixed	15,765,000	1,760,000	-	17,525,000
Less: Refunded Debt		Fixed	(21,110,000)	(1,995,000)	-	(23,105,000)
Less: Outstanding Revenue Supported Debt						
Less: Revenue-Supported Debt			-	(40,151,372)	(8,576,000)	(48,727,372)
Net Bonded Debt			\$ 64,810,475	\$ -	\$ -	\$ 64,810,475

Notes:

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

² General Obligation Debt additionally payable by revenues of applicable utility system.

³ On December 1, 2017, the Series 2017A Bonds defeased the Series 2009B Bonds maturing June 1, 2020 and thereafter. \$825,000 of the Series 2009B Bonds are additionally payable from the revenues of the Water and Sewer System.

⁴ The Qualified School Constructions Bonds, Series 2009 requires annual Loan Repayments from the City to be deposited into a Sub-Account with the State of Tennessee for the principal repayment on the Series 2009 QSCB on June 1, 2027. As of June 30, 2020, the City has already made \$11,583,698 in Loan Repayments, leaving only \$7,136,302 remaining.

⁵ The Series 2009C Bonds were issued by the Industrial Development Board of Blount County, TN. The City has pledged its full, faith and credit to the repayment of the lease agreement. For more information, see the notes to the Financial Statements in the CAFR.

CITY OF MARYVILLE, TENNESSEE
Indebtedness and Debt Ratios

INTRODUCTION

The information set forth in the following table is based upon information derived in part from the CAFR and the table should be read in conjunction with those statements.

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
						Post Issuance
INDEBTEDNESS						
TAX SUPPORTED						
General Obligation Bonds & Notes	\$69,503,060	\$65,444,956	\$77,664,510	\$74,817,544	\$70,155,475	\$64,810,475
TOTAL TAX SUPPORTED	\$69,503,060	\$65,444,956	\$77,664,510	\$74,817,544	\$70,155,475	\$64,810,475
REVENUE SUPPORTED						
Water & Sewer Revenue Bonds & Notes	\$45,178,644	\$43,615,376	\$43,886,936	\$42,126,288	\$40,386,372	\$40,151,372
Electric Revenue Bonds & Notes	4,738,000	3,992,000	6,144,000	5,353,000	8,576,000	8,576,000
TOTAL REVENUE SUPPORTED	\$49,916,644	\$47,607,376	\$50,030,936	\$47,479,288	\$48,962,372	\$48,727,372
TOTAL DEBT	\$119,419,704	\$113,052,332	\$127,695,446	\$122,296,832	\$119,117,847	\$113,537,847
Less: Revenue Supported Debt	(\$49,916,644)	(\$47,607,376)	(\$50,030,936)	(\$47,479,288)	(\$48,962,372)	(\$48,727,372)
Less: Debt Service Fund	(243,669)	(107,343)	(836,938)	(1,405,156)	(2,324,829)	(2,324,829)
NET DIRECT DEBT	\$69,259,391	\$65,337,613	\$76,827,572	\$73,412,388	\$67,830,646	\$62,485,646
PROPERTY TAX BASE						
Estimated Actual Value	\$2,992,756,588	\$3,063,208,379	\$3,401,217,718	\$3,471,856,351	\$3,600,350,483	\$3,600,350,483
Appraised Value	2,992,756,588	3,063,208,379	3,126,467,520	3,199,820,399	3,600,350,483	3,600,350,483
Assessed Value	899,200,255	920,936,943	929,560,117	949,416,858	1,080,000,622	1,080,000,622

Source: Tax Aggregate Report and CAFR.

DEBT RATIOS	2017				2018				2019				2020				2021			
	Actual Value	Estimated Value	Appraised Value	Assessed Value	Actual Value	Estimated Value	Appraised Value	Assessed Value	Actual Value	Estimated Value	Appraised Value	Assessed Value	Actual Value	Estimated Value	Appraised Value	Assessed Value	Actual Value	Estimated Value	Appraised Value	Assessed Value
TOTAL DEBT to Estimated Actual Value	3.99%	3.69%	3.75%	3.52%	3.69%	3.69%	3.75%	3.52%	3.69%	3.69%	3.75%	3.52%	3.69%	3.69%	3.75%	3.52%	3.69%	3.69%	3.75%	3.52%
TOTAL DEBT to Appraised Value	3.99%	3.69%	4.08%	3.82%	3.69%	3.69%	4.08%	3.82%	3.69%	3.69%	4.08%	3.82%	3.69%	3.69%	4.08%	3.82%	3.69%	3.69%	4.08%	3.82%
TOTAL DEBT to Assessed Value	13.28%	12.28%	13.74%	12.88%	12.28%	12.28%	13.74%	12.88%	12.28%	12.28%	13.74%	12.88%	12.28%	12.28%	13.74%	12.88%	12.28%	12.28%	13.74%	12.88%
NET DIRECT DEBT to Estimated Actual Value	2.31%	2.13%	2.26%	2.11%	2.13%	2.13%	2.26%	2.11%	2.13%	2.13%	2.26%	2.11%	2.13%	2.13%	2.26%	2.11%	2.13%	2.13%	2.26%	2.11%
NET DIRECT DEBT to Appraised Value	2.31%	2.13%	2.46%	2.29%	2.13%	2.13%	2.46%	2.29%	2.13%	2.13%	2.46%	2.29%	2.13%	2.13%	2.46%	2.29%	2.13%	2.13%	2.46%	2.29%
NET DIRECT DEBT to Assessed Value	7.70%	7.09%	8.26%	7.73%	7.09%	7.09%	8.26%	7.73%	7.09%	7.09%	8.26%	7.73%	7.09%	7.09%	8.26%	7.73%	7.09%	7.09%	8.26%	7.73%
PER CAPITA RATIOS																				
POPULATION (1)	28,703	28,765	29,192	29,625	28,703	28,765	29,192	29,625	28,703	28,765	29,192	29,625	28,703	28,765	29,192	29,625	28,703	28,765	29,192	29,625
PER CAPITA PERSONAL INCOME (2)	\$39,912	\$41,190	\$42,991	\$42,991	\$39,912	\$41,190	\$42,991	\$42,991	\$39,912	\$41,190	\$42,991	\$42,991	\$39,912	\$41,190	\$42,991	\$42,991	\$39,912	\$41,190	\$42,991	\$42,991
Estimated Actual Value to POPULATION	104,266	106,491	116,512	117,193	104,266	106,491	116,512	117,193	104,266	106,491	116,512	117,193	104,266	106,491	116,512	117,193	104,266	106,491	116,512	117,193
Assessed Value to POPULATION	31,328	32,016	31,843	32,048	31,328	32,016	31,843	32,048	31,328	32,016	31,843	32,048	31,328	32,016	31,843	32,048	31,328	32,016	31,843	32,048
Total Debt to POPULATION	4,161	3,930	4,374	4,128	4,161	3,930	4,374	4,128	4,161	3,930	4,374	4,128	4,161	3,930	4,374	4,128	4,161	3,930	4,374	4,128
Net Direct Debt to POPULATION	2,413	2,271	2,632	2,478	2,413	2,271	2,632	2,478	2,413	2,271	2,632	2,478	2,413	2,271	2,632	2,478	2,413	2,271	2,632	2,478
Total Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME	10.42%	9.54%	10.17%	9.60%	10.42%	9.54%	10.17%	9.60%	10.42%	9.54%	10.17%	9.60%	10.42%	9.54%	10.17%	9.60%	10.42%	9.54%	10.17%	9.60%
Net Direct Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME	6.05%	5.51%	6.12%	5.76%	6.05%	5.51%	6.12%	5.76%	6.05%	5.51%	6.12%	5.76%	6.05%	5.51%	6.12%	5.76%	6.05%	5.51%	6.12%	5.76%

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

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

CITY OF MARYVILLE, TENNESSEE
BONDED DEBT SERVICE REQUIREMENTS - General Government

F.Y. Ended 6/30	Existing Debt- General Obligation (1)		Refunding Bonds, Series 2021		General Obligation Refunding Bonds, Series 2021		Less: Refunded Bonds		Debt Service Requirements (1)		% Principal Repaid
	Principal	Interest	Principal	Interest (3)	Principal	Interest	Principal	Interest	Principal	Interest	
2021	\$ 5,441,629	\$ 2,645,187	\$ 8,086,816	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,441,629	\$ 2,645,187	8.40%
2022	5,076,236	2,458,950	7,535,186	599,101	1,249,101	(1,173,000)	(706,200)	(1,879,200)	4,553,236	2,351,852	6,905,088
2023	5,252,880	2,297,846	7,550,726	561,650	1,261,650	(1,217,000)	(675,740)	(1,892,740)	4,735,880	2,183,756	6,919,636
2024	5,428,571	2,120,115	7,548,686	526,650	1,001,650	(1,005,000)	(635,200)	(1,640,200)	4,898,571	2,011,565	6,910,136
2025	5,496,279	1,926,657	7,422,936	502,900	1,427,900	(1,350,000)	(598,200)	(1,948,200)	5,071,279	1,831,357	6,902,636
2026	5,634,880	1,744,900	7,379,780	456,650	1,456,650	(1,385,000)	(558,825)	(1,943,825)	5,249,880	1,642,725	6,892,605
2027	4,320,000	1,277,856	5,597,856	406,650	1,306,650	(1,425,000)	(517,100)	(1,942,100)	3,795,000	1,167,406	4,962,406
2028	4,455,000	1,075,356	5,530,356	361,650	1,311,650	(1,480,000)	(459,350)	(1,939,350)	3,925,000	977,656	4,902,656
2029	4,590,000	923,831	5,513,831	314,150	1,314,150	(1,535,000)	(397,725)	(1,932,725)	4,055,000	840,256	4,895,256
2030	4,735,000	771,913	5,506,913	264,150	1,144,150	(1,565,000)	(332,500)	(1,897,500)	4,050,000	703,563	4,753,563
2031	3,010,000	613,563	3,623,563	228,950	2,303,950	(2,075,000)	(269,250)	(2,344,250)	3,010,000	573,263	3,583,263
2032	3,110,000	523,263	3,633,263	166,700	2,291,700	(2,150,000)	(207,000)	(2,357,000)	3,085,000	482,963	3,567,963
2033	3,290,000	429,963	3,719,963	102,950	2,227,950	(2,300,000)	(142,500)	(2,442,500)	3,115,000	390,413	3,505,413
2034	3,115,000	331,263	3,446,263	39,200	1,999,200	(2,090,000)	(73,500)	(2,163,500)	2,985,000	296,963	3,281,963
2035	1,410,000	237,813	1,647,813	-	-	(360,000)	(10,800)	(370,800)	1,050,000	227,013	1,277,013
2036	1,085,000	194,200	1,279,200	-	-	-	-	-	1,085,000	194,200	1,279,200
2037	1,120,000	158,938	1,278,938	-	-	-	-	-	1,120,000	158,938	1,278,938
2038	1,155,000	122,538	1,277,538	-	-	-	-	-	1,155,000	122,538	1,277,538
2039	1,195,000	83,556	1,278,556	-	-	-	-	-	1,195,000	83,556	1,278,556
2040	1,235,000	43,225	1,278,225	-	-	-	-	-	1,235,000	43,225	1,278,225
	<u>\$ 70,155,475</u>	<u>\$ 19,980,932</u>	<u>\$ 90,136,407</u>	<u>\$ 4,531,351</u>	<u>\$ 20,296,351</u>	<u>\$ (2,110,000)</u>	<u>\$ (5,583,890)</u>	<u>\$ (26,693,890)</u>	<u>\$ 64,810,475</u>	<u>\$ 18,928,393</u>	<u>\$ 83,738,868</u>

NOTES:

- (1) The above figures do not include short-term notes outstanding, if any. For more information, see the notes to the Financial Statements in the CAFR.
- (2) The Qualified School Construction Bonds, Series 2009 requires annual Loan Repayments from the City to be deposited into a Sub-Account with the State of Tennessee for the principal repayment on the Series 2009 QSCB on June 1, 2027. As of June 30, 2020, the City has already made \$11,583,698 in Loan Repayments, leaving only \$7,136,302 remaining.
- (3) True Interest Cost of 1.429%.

FINANCIAL INFORMATION

INTRODUCTION

As required by generally accepted accounting principles (GAAP), all City funds and account groups are organized according to standards established by the Government Accounting Standards Board (GASB). The City's financial reporting system is designed to provide timely, accurate feedback on the City's overall financial position and includes, at a minimum, quarterly reports to the City Council. All City financial statements are audited annually by independent certified public accountants.

The City's General Purpose Financial Statements, which is an extract of the Comprehensive Annual Financial Report, is included herein.

BASIS OF ACCOUNTING AND PRESENTATION

All governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as a net current asset. Expenditures are generally recognized when the related fund liability is incurred. Exceptions to this general ruling include: (1) sick pay which is not accrued, and (2) principal and interest on general long-term debt which is recognized when due.

BUDGETARY PROCESS

The City Manager, in a timely manner, is required to submit to the City Council a proposed operating budget for the fiscal year which begins on the following July 1. A public hearing is conducted by the City Council to obtain citizen comment on the proposed budget. Prior to June 30th, the budget must be adopted. All annual appropriations lapse at the end of the fiscal year.

Amendments that revise the total expenditures of any fund may occur at any time during the fiscal year. Any revisions that alter the total expenditures of any department or fund must be approved by the City Council.

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FUND BALANCES, NET ASSETS AND RETAINED EARNINGS

The City maintains fund balances, net assets or retained earnings in most major operating funds. Additionally, several reserves have been established to address specific needs of the City. The table below depicts fund balances and retained earnings for the last five fiscal years ending June 30:

For The Year Ended June 30

<u>Fund Type</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<i>Governmental Funds:</i>					
General	\$ 8,505,607	\$10,543,117	\$11,417,360	\$12,851,280	\$14,187,126
General Purpose Schools	7,273,369	7,113,520	7,034,525	5,694,035	5,914,508
Debt Service	243,669	107,343	836,938	1,405,156	2,324,829
Capital Projects	552,177	1,313,735	15,625,237	8,272,065	5,196,593
Other Governmental	<u>4,428,158</u>	<u>5,157,293</u>	<u>9,775,271</u>	<u>5,662,463</u>	<u>6,560,934</u>
Total	<u>\$21,002,980</u>	<u>\$24,235,008</u>	<u>\$44,689,331</u>	<u>\$33,884,999</u>	<u>\$34,183,990</u>
<i>Proprietary Net Assets:</i>					
Electric Dept	\$ 40,179,609	\$ 42,127,542	\$ 42,964,045	\$ 45,077,338	\$ 48,102,917
Water Dept	57,284,773	59,162,273	60,428,468	62,989,972	69,218,761
Stormwater*	3,020,876	-	-	-	-
Internal Service Funds	<u>3,400,722</u>	<u>2,603,072</u>	<u>3,913,774</u>	<u>4,616,778</u>	<u>7,121,430</u>
Total	<u>\$103,885,980</u>	<u>\$103,892,887</u>	<u>\$107,306,287</u>	<u>\$112,684,088</u>	<u>\$124,443,108</u>

Source: Comprehensive Annual Financial Reports of the City of Maryville, Tennessee.

* Stormwater Utility was reclassified as a Special Revenue Fund (Governmental Fund) as of July 1, 2016.

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CITY OF MARYVILLE, TENNESSEE
 Five Year Summary of Revenues, Expenditures and
 Changes In Fund Balances - General Fund
 For the Fiscal Year Ended June 30

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues:					
Local taxes	\$ 33,292,995	\$ 33,669,713	\$ 35,594,045	\$ 36,986,283	\$ 40,844,396
Licenses and Permits	29,842	29,935	31,351	32,509	29,408
Intergovernmental Revenue	3,188,399	3,314,634	3,419,866	3,295,769	3,385,076
Charges for Services	954,404	1,245,833	1,532,601	1,426,653	1,517,469
Fines and Forfeits	51,440	60,058	76,449	65,317	60,250
Investment Income	43,947	81,199	145,849	515,998	421,801
Other Revenues	155,496	207,968	48,225	324,706	367,635
Total Revenues	<u>\$ 37,716,523</u>	<u>\$ 38,609,340</u>	<u>\$ 40,848,386</u>	<u>\$ 42,647,235</u>	<u>\$ 46,626,035</u>
Expenditures and Other Uses:					
General Government	\$ 4,485,164	\$ 2,718,314	\$ 1,905,424	\$ 1,719,462	\$ 1,617,939
Public Safety	9,051,777	9,169,750	9,483,229	9,695,338	10,301,442
Public Works	5,975,873	6,372,024	7,553,257	7,878,382	8,778,472
Recreation and Parks	1,491,658	1,534,217	1,633,799	1,658,881	1,687,139
Economic Development	-	-	-	1,076,860	891,588
Nondepartmental Costs	1,534,431	1,416,055	1,748,847	1,834,223	1,894,827
Capital Projects	78,845	165,490	203,559	129,968	113,133
Total Expenditures	<u>\$ 22,617,748</u>	<u>\$ 21,375,850</u>	<u>\$ 22,528,115</u>	<u>\$ 23,993,114</u>	<u>\$ 25,284,540</u>
Excess of Revenues & Over (under) Expenditures	\$ 15,098,775	\$ 17,233,490	\$ 18,320,271	\$ 18,654,121	\$ 21,341,495
Other Financing Sources (Uses):					
Interfund Transfers - In	\$ 1,570,642	\$ 1,623,795	\$ 1,611,181	\$ 1,661,806	\$ 1,871,299
Interfund Transfers - Out	(16,771,041)	(16,819,775)	(19,057,210)	(18,882,006)	(21,876,948)
Capitalized Lease	(113,133)	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ (15,313,532)</u>	<u>\$ (15,195,980)</u>	<u>\$ (17,446,029)</u>	<u>\$ (17,220,200)</u>	<u>\$ (20,005,649)</u>
Excess of Revenue and Other Sources over (Under) Expenditures and Other Sources	\$ (214,757)	\$ 2,037,510	\$ 874,242	\$ 1,433,921	\$ 1,335,846
Fund Balance July 1	8,720,364	8,505,607	10,543,117	11,417,359	12,851,280
Prior Period Adjustment	-	-	-	-	-
Fund Balance June 30	<u>\$ 8,505,607</u>	<u>\$ 10,543,117</u>	<u>\$ 11,417,359</u>	<u>\$ 12,851,280</u>	<u>\$ 14,187,126</u>

Source: Comprehensive Annual Financial Report for City of Maryville, Tennessee

CITY OF MARYVILLE, TENNESSEE
 Five Year Summary of Revenues, Expenditures and
 Changes In Fund Net Position - Water And Sewer Fund
 For the Fiscal Year Ended June 30

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues:					
Metered Water Sales	\$ 5,203,985	\$ 5,332,652	\$ 5,235,838	\$ 5,568,727	\$ 5,903,945
Sewer Sales	7,078,118	7,081,562	7,048,354	7,869,674	8,496,613
Forfeited Discounts	95,145	90,993	95,526	102,733	88,643
Rent from Water Property	118,434	134,533	138,165	130,819	136,596
Miscellaneous	692,465	678,171	719,865	810,839	3,227,151
Connection Charges	17,790	34,320	44,170	42,030	41,260
City of Alcoa - WWTP Debt Share	767,740	853,263	693,025	652,244	646,264
City of Alcoa - Sewage Treatment	1,158,806	784,746	1,572,182	1,964,832	1,502,075
Knox - Chapman Utility District	79,710	79,710	79,710	79,710	79,710
Total Revenues	<u>\$ 15,212,193</u>	<u>\$ 15,069,949</u>	<u>\$ 15,626,835</u>	<u>\$ 17,221,608</u>	<u>\$ 20,122,257</u>
Expenses:					
Direct Operating Expense	\$ 4,924,343	\$ 5,470,182	\$ 5,822,676	\$ 6,258,121	\$ 6,323,339
Customer Accounting and Collection	1,052,583	1,208,697	1,117,195	1,276,467	1,193,611
Administrative and General	1,529,770	1,792,980	1,705,668	1,765,635	1,896,195
Depreciation and Amortization	3,348,567	3,479,603	3,546,805	3,977,231	4,141,873
Total Expenses	<u>\$ 10,855,263</u>	<u>\$ 11,951,462</u>	<u>\$ 12,192,344</u>	<u>\$ 13,277,454</u>	<u>\$ 13,555,018</u>
Operating Income	\$ 4,356,930	\$ 3,118,487	\$ 3,434,491	\$ 3,944,154	\$ 6,567,239
Non-Operating Revenues (Expenses):					
Interest Earned	\$ 21,782	\$ 43,527	\$ 73,208	\$ 150,314	\$ 131,220
Amortization of Debt Expense	(239,831)	(146,459)	(183,687)	(135,706)	(135,706)
Gain on Sale of Capital Assets	75,493	186,001	20,800	(555,802)	(144,198)
Total Non-Operating Revenues (Expenses)	<u>(142,556)</u>	<u>83,069</u>	<u>(89,679)</u>	<u>(541,194)</u>	<u>(148,684)</u>
Income Before Interest Expense	4,214,374	3,201,556	3,344,812	3,402,960	6,418,555
Interest Expense	<u>(2,012,161)</u>	<u>(1,941,871)</u>	<u>(1,882,183)</u>	<u>(1,222,966)</u>	<u>(1,148,709)</u>
Net Income Befor Contributions and Transfers	\$ 2,202,213	\$ 1,259,685	\$ 1,462,629	\$ 2,179,994	\$ 5,269,846
Capital Contributions	1,352,422	1,139,691	1,133,017	935,824	1,582,577
Payments in Lieu of Taxes	<u>(494,958)</u>	<u>(521,876)</u>	<u>(528,860)</u>	<u>(554,314)</u>	<u>(623,634)</u>
Change in Net Position	<u>\$ 3,059,677</u>	<u>\$ 1,877,500</u>	<u>\$ 2,066,786</u>	<u>\$ 2,561,504</u>	<u>\$ 6,228,789</u>
Net Position - July 1	54,225,096	57,284,773	59,162,273	60,428,468	62,989,972
Restatement of beginning Net Position	<u>-</u>	<u>-</u>	<u>(800,591)</u>	<u>-</u>	<u>-</u>
Net Assets - June 30	<u><u>\$ 57,284,773</u></u>	<u><u>\$ 59,162,273</u></u>	<u><u>\$ 60,428,468</u></u>	<u><u>\$ 62,989,972</u></u>	<u><u>\$ 69,218,761</u></u>

Source: Comprehensive Annual Financial Reports for City of Maryville, Tennessee.

CITY OF MARYVILLE, TENNESSEE
Five Year Summary of Revenues, Expenditures and
Changes In Fund Balances - Electric Fund
For the Fiscal Year Ended June 30

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues:					
Residential	\$ 23,312,698	\$ 25,365,847	\$ 25,760,821	\$ 26,596,059	\$ 26,008,299
Small lighting and power sales	5,177,691	5,445,257	5,440,495	5,609,041	5,364,597
Large lighting and power sales	35,522,687	36,827,855	35,491,426	35,543,211	33,479,728
Electric sales growth credit	(443,779)	(545,774)	(622,987)	(613,585)	(543,512)
Street and outdoor	1,176,950	1,174,516	1,231,857	1,266,348	1,266,427
Total Charges for Service	<u>\$ 64,746,247</u>	<u>\$ 68,267,701</u>	<u>\$ 67,301,612</u>	<u>\$ 68,401,074</u>	<u>\$ 65,575,538</u>
Consumer forfeitures and discounts	\$ 375,361	\$ 375,599	\$ 377,664	\$ 381,349	\$ 306,731
Rent from electric property	143,471	498,923	487,244	503,080	672,420
Other electric revenue	485,453	159,742	182,540	255,994	286,903
Miscellaneous service revenue	1,306	862	1,270	5,705	1,751
Total Revenues	<u>\$ 65,751,838</u>	<u>\$ 69,302,827</u>	<u>\$ 68,350,330</u>	<u>\$ 69,547,202</u>	<u>\$ 66,843,344</u>
Purchased Power	\$ 54,708,949	\$ 56,938,765	\$ 56,238,559	\$ 56,056,488	\$ 52,213,064
Operating Expenses:					
Transmission expenses	\$ 14,660	\$ 17,560	\$ 18,333	\$ 15,913	\$ 11,366
Distribution expenses	1,248,228	1,345,823	1,475,461	1,675,919	1,853,056
Customer account expenses	705,287	735,557	803,449	1,067,754	883,081
Sales expense	110,779	132,968	134,473	114,539	120,297
Administrative and general expense	1,930,766	2,314,299	2,069,483	2,390,568	2,318,876
Total Operating Expenses	<u>\$ 4,009,720</u>	<u>\$ 4,546,207</u>	<u>\$ 4,501,199</u>	<u>\$ 5,264,693</u>	<u>\$ 5,186,676</u>
Maintenance Expenses:					
Transmission expenses	\$ 64,414	\$ 72,542	\$ 90,854	\$ 67,308	\$ 104,164
Distribution expenses	1,588,105	1,709,705	1,635,716	1,697,480	1,741,260
Administrative and general expense	19,539	23,340	26,980	50,238	34,077
Total Maintenance Expenses	<u>\$ 1,672,058</u>	<u>\$ 1,805,587</u>	<u>\$ 1,753,550</u>	<u>\$ 1,815,026</u>	<u>\$ 1,879,501</u>
Other Operating Expenses:					
Depreciation expenses	\$ 2,333,126	\$ 2,325,082	\$ 2,487,319	\$ 2,640,070	\$ 2,678,983
Taxes	1,582,894	1,625,362	1,592,795	1,626,819	1,811,339
Total Other Operating Expenses	<u>\$ 3,916,020</u>	<u>\$ 3,950,444</u>	<u>\$ 4,080,114</u>	<u>\$ 4,266,889</u>	<u>\$ 4,490,322</u>
Operating Income	\$ 1,445,091	\$ 2,061,824	\$ 1,776,908	\$ 2,144,106	\$ 3,073,782
Non-Operating Revenues (Expenses):					
Rent from non-utility property	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400
Interest Earned	14,766	29,245	74,626	163,645	110,289
Gain on sale of fixed assets	-	6,224	-	-	-
Amortization of debt expense	(56,213)	(37,010)	(47,769)	11,747	(5,218)
Miscellaneous	84,238	84,238	(33,276)	-	-
Total Non-Operating Revenues (Expenses)	<u>\$ 51,191</u>	<u>\$ 6,859</u>	<u>\$ 1,981</u>	<u>\$ 183,792</u>	<u>\$ 113,471</u>
Income Before Interest Expense	1,496,282	2,068,683	1,778,889	2,327,898	3,187,253
Extraordinary Item	(211,363)	(120,750)	(89,738)	(214,605)	(161,674)
Net Income	<u>\$ 1,284,919</u>	<u>\$ 1,947,933</u>	<u>\$ 1,689,151</u>	<u>\$ 2,113,293</u>	<u>\$ 3,025,579</u>
Retained Earnings - July 1	38,894,690	40,179,609	42,127,542	42,964,045	45,077,338
Prior Year Adjustments	-	-	(852,648)	-	-
Retained Earnings - June 30	<u>\$ 40,179,609</u>	<u>\$ 42,127,542</u>	<u>\$ 42,964,045</u>	<u>\$ 45,077,338</u>	<u>\$ 48,102,917</u>

Source: Comprehensive Annual Financial Reports for City of Maryville, Tennessee.

INVESTMENT AND CASH MANAGEMENT PRACTICES

Investment of idle City operating funds is controlled by State statute and local policies. Generally, such policies limit investment instruments to direct U.S. Government obligations, those issued by U.S. Agencies or Certificates of Deposit. The City is not authorized to invest in reverse repurchase agreements or derivative products. No investment may be made for a period greater than two years without written permission of the State Director of Local Finance.

As required by prevailing statutes, all demand deposits or Certificates of Deposit are secured by similar grade collateral pledged at 110% of market value for amounts in excess of that guaranteed through federally sponsored insurance programs. Deposits with savings and loan associations must be collateralized as outlined above, by an irrevocable letter of credit issued by the Federal Home Loan Bank or by providing notes secured by the first mortgages or first deeds for trust upon residential property in the state equal to at least 150 percent of the amount of uninsured deposits. All collateral must be held in a third party escrow account for the benefit of the City. For reporting purposes, all investments are stated at cost which approximates market value.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

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

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

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

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

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

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

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

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

Taxation of Property

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

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

Assessment of Property

County Assessments; County Board of Equalization. The function of assessment is to assess all property (with certain exceptions) to the person or persons owning or claiming to own such property on January 1 for the year for which the assessment is made. All assessment of real and personal property are required to be made annually and as of January 1 for the year to which the assessment applies. Not later than May 20 of each year, the assessor of property in each county is required to (a) make an assessment of all property in the county and (b) note upon the assessor's records the current classification and assessed value of all taxable property within the assessor's jurisdiction.

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

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

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

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

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

Periodic Reappraisal and Equalization

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

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

Valuation for Property Tax Purposes

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

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

Certified Tax Rate

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

municipality may adjust the Certified Tax Rate to reflect extraordinary assessment changes or to recapture excessive adjustments.

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

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

Tax Freeze for the Elderly Homeowners

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

Tax Collection and Tax Lien

Property taxes are payable on September 1st of each year and become delinquent on December 1st of that same year.

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

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Assessed Valuations. According to the City, property in the County and City reflected a ratio of appraised value to true market value of 1.00 for tax year 2019¹.

<u>Class</u>	<u>Assessed Valuation</u>	<u>Est. Actual Value</u>
Public Utilities	\$ 16,214,147	\$ 37,145,812
Commercial and Industrial	393,696,200	984,240,500
Personal Tangible	152,095,050	506,983,271
Residential and Farm	<u>517,995,225</u>	<u>2,071,980,900</u>
Total	\$1,080,000,622	\$3,600,350,483

¹ The tax year coincides with the calendar year, therefore, tax year 2019 is actually fiscal year 2019-2020.
Source: Tax Aggregate Report and the City.

The assessed value of property in the City for the fiscal year ending June 30, 2020 (tax year 2019) is \$1,080,000,622 compared to \$949,416,585 for the fiscal year ending June 30, 2019 (tax year 2018). The estimated actual value of all taxable property for tax year 2019 is \$3,600,350,483 compared to \$3,471,856,351 for tax year 2018.

Property Tax Rates and Collections. The following table shows the property tax rates and collections of the City for tax years 2016 through 2020 as well as the aggregate uncollected balances for each fiscal year ending June 30, 2020.

PROPERTY TAX RATES AND COLLECTIONS				Fiscal Yr Collections		Aggregate Uncollected Balance	
Tax Year²	Assessed Valuation	Tax Rates	Taxes Levied	Amount	Pct	as of June 30, 2020	
						Amount	Pct
2016	\$ 916,063,708	\$2.17	\$19,984,494	\$19,515,541	97.7%	\$ 4,413	0.0%
2017	929,560,117	2.27	21,101,120	20,915,814	99.1%	13,709	0.1%
2018	949,416,858	2.27	21,551,868	21,136,908	98.1%	97,527	0.5%
2019	1,080,000,622	2.27	24,516,163	23,762,886	96.9%	\$351,103	1.4%
2020	1,092,359,020*	2.27	24,796,550*	IN PROGRESS			

* *Estimated*
Source: Comprehensive Annual Financial Reports of the City of Maryville, Tennessee.

² The tax year coincides with the calendar year, therefore, tax year 2020 is actually fiscal year 2020-2021.

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Ten Largest Taxpayers. For the fiscal year ending June 30, 2020 (tax year 2019), the ten largest taxpayers in the City are as follows:

	<u>Taxpayer</u>	<u>Business Type</u>	<u>Assessment</u>	<u>% of Total Assessment</u>
1.	Denso	Manufacturing	\$130,023,794	12.2%
2.	Bridgeway Properties 1, LLC	Real Estate	18,581,848	1.7%
3.	Wal-Mart Stores, Inc	Retail	10,181,570	1.0%
4.	Camellia Trace at Mtn View	Apartments	8,475,933	0.8%
5.	Atmos Energy Corp	Natural Gas Utilities	8,452,545	0.8%
6.	Foothills Mall Equities LLC	Retail	8,275,601	0.8%
7.	CBL & Associates	Real Estate	7,950,923	0.7%
8.	Mountainside Independent Life	Healthcare	5,523,671	0.5%
9.	Standard Aero Alliance, Inc.	Manufacturing	5,280,385	0.5%
10.	Presbyterian Homes	Retirement Center	<u>4,889,240</u>	<u>0.5%</u>
	TOTAL		<u>\$207,635,510</u>	<u>19.5%</u>

Source: Comprehensive Annual Financial Reports of the City of Maryville, Tennessee.

LOCAL OPTION SALES TAX

Pursuant to applicable provisions of Title 67, Chapter 6, Part 7 of *Tennessee Code Annotated*, as amended, (the "Act"), the County levies a county-wide local option sales tax. Under the Act, counties and incorporated cities may levy a sales tax on the same privileges on which the State levies its sales tax. The rate of any sales tax levied by a county or city is limited under State law to 2.75%.

Pursuant to the Act, the levy of a sales tax by a county precludes any city from within the county from levying a sales tax, but a city may levy a sales tax in addition to the county's sales tax a rate not exceeding the difference between the county sales tax rate and the maximum local option sales tax rate of 2.75%. If a city is located in more than one county, each portion of the city that is located in a separate county is treated as a separate city for purposes of determining the maximum sales tax rate. The City raised the local option sales tax rate by a half-percent in December 2013 to 2.75%. This half-percent increase was effective on February 1, 2014. Blount County also raised its local option sales tax rate to 2.75% effective July 1, 2014. This action by the County superseded the City's rate increase. The City of Maryville receives one-half of the local option sales tax collected in the City of Maryville.

PENSION PLANS

Employees of the City of Maryville are members of the Political Subdivision Pension Plan (PSPP), an agent multiple- employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using member's high five (5)-year average salary and years of service. Members become eligible to retire at the age of sixty (60) with ten (10)

years of service or at any age with thirty (30) years of service. Reduced retirement benefits are available to vested members at the age of fifty-five (55). Disability benefits are available to active members with five (5) years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979 become vested after ten (10) years of service and members joining prior to July 1, 1979 were vested after four (4) years of service. Benefit provisions are established in state statute found in Title 8, Chapter 34-3 7 of the Tennessee Code Annotated (TCA). State statutes are amended by the Tennessee General Assembly. Political subdivisions such as the City of Maryville participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

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GENERAL PURPOSE FINANCIAL STATEMENTS
OF
CITY OF MARYVILLE, TENNESSEE
FOR THE FISCAL YEAR ENDED
JUNE 30, 2020

The General Purpose Financial Statements are extracted from the Financial Statements with Report of Certified Public Accountants of the City of Maryville for the fiscal year ended June 30, 2020 which is available upon request from the City.

CITY OF MARYVILLE, TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2020

Prepared By:

Mike Swift
City Director of Financial Services

CITY OF MARYVILLE, TENNESSEE

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CITY OF MARYVILLE, TENNESSEE

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INTRODUCTORY SECTION



October 26, 2020

Honorable Mayor, City Council and Citizens of the City of Maryville, Tennessee

We are pleased to present the comprehensive annual report for the fiscal year ended June 30, 2020.

This report was prepared in accordance with the Maryville City Charter and state statutes. It provides detailed information as to how the City receives, spends and accounts for its revenues, along with key indicators of financial strength. The City is responsible for the accuracy of the data and for the fairness and completeness of the presentation. We believe this document contains all information necessary to gain an understanding of the City's financial activities in fiscal year 2020. We encourage readers to consider this transmittal letter in conjunction with the financial statements and Management's Discussion and Analysis ("MD&A"). The MD&A is a narrative introduction, overview and analysis of the financial statements.

Demographics

Located approximately 15 miles south of Knoxville, Tennessee, the City of Maryville consists of 17.23 square miles and is the county seat of Blount County. The Townsend entrance to the Great Smoky Mountains National Park is a 20 minute drive while the tourism destinations of Gatlinburg, Pigeon Forge and Dollywood are located in adjacent Sevier County. The City is also home to Maryville College, a private, four year, undergraduate liberal arts institution.

With an estimated population of 30,302 residents in 2020, the City population has grown by approximately 7.9% in the last decade. The statistical section of this report contains more detailed demographic information.

Governmental Structure

The governing authority consists of a five-member City Council elected at-large, with City Council selecting two of its own members to serve as Mayor and Vice-Mayor. The City Manager reports to the City Council and manages the daily operations of five appointed operating department managing directors.

The City provides traditional government services, including police and fire protection, codes enforcement, street maintenance and refuse collection. In addition, the City provides water distribution services to 16,482 customers and wastewater collection services to 14,818 customers. Electric service is provided to another 23,210 customers. The service areas for Water, Wastewater and Electric utilities extend beyond the municipal boundaries of the City. The City also participates in inter-governmental agreements to fund a public library, parks & recreation commission and fine arts activities.

Maryville City Schools currently serves 5,294 students in seven schools. The Schools are funded in part by annual transfers from the General Fund. In FY 2020, the City contributed \$9,422,500 to fund school operations. In addition, principal and interest for school related debt is paid from the City's Debt Service Fund.

Economic Condition and Outlook

The economic indicators for the City of Maryville and the region were very positive and unemployment rates were very low until we were impacted by COVID-19 in late March. COVID-19 caused many businesses to close for a period and unemployment rates increased significantly. However, conditions stabilized in June and have shown significant improvement since including a steady decline in unemployment. Compared to the prior year, sales tax was down in April and May but has been above the prior year each starting in June. Revenue for the year ended June 30, 2020 exceeded the amount budgeted. COVID-19 has created some uncertainty but we are seeing improvements as we start fiscal 2021. Positives include:

- The City and Blount County benefit from a stable employer base. Denso Manufacturing Tennessee, Inc., the largest employer in Blount County and the City with 5,350 full time employees, has been a leading source of jobs since 1988. The County's third largest employer, Blount Memorial Hospital, with 2,647 full time employees, is also located primarily within the City of Maryville.
- For May 2020, the unemployment rate for Blount County peaked in April 2020 at 14.4%, declined to 8.6% in May 2020 and has declined to 6.6% for August 2020.
- The assessed property value of \$1,080.0 million reflects an increase of \$130.6 million from the previous year. Assessed Real Property, including both residential and commercial/industrial categories, increased by \$129.3 million or 16.5% to \$911.7 million. Assessed value of Personal Property was flat at \$152.1 million and the assessment for Public Utilities increased by 8.5% to \$16.2 million.
- Total General Fund FY 2020 revenues increased by \$3,978,800, or 9.3%, to \$46,626,035. Of this increase, \$2,626,798 was from property taxes, \$416,624 was attributed to local sales tax and \$814,691 was in other taxes.

Long-term Financial Planning

Long-term planning includes both our operations and capital needs. As part of our budget process for FY 2021 we prepared a five year operating forecast for the general fund, debt service fund and utility funds. We also maintain a six year capital projects forecast to establish priorities within realistic funding availability.

Major Initiatives

Maryville City Schools

Listed below are the FY 2020 significant projects for the school district:

1. Sam Houston/Maryville Academy
 - a. Sam Houston Elementary updated existing and added new bathroom facilities for students and staff.
 - b. Maryville Academy includes the addition of one teacher bathroom.

The total cost of these two projects is \$798,200 and is anticipated to be completed in the fall of 2020.

General Government

The City of Maryville has the following significant infrastructure projects in 2020:

1. Extension of Robert C. Jackson Drive from 321 to Morganton Road - This project is an important step in planned economic development along the corridor with industrial development to the north and residential to the south. This project started in fiscal year 2018 and was completed in June 2020. The total cost of the development was \$12 million.

Water and Wastewater System Improvements

The Water and Sewer Department completed a number of water and wastewater projects in FY 2020. The largest completed project was the first year of a multi-year project to replace residential meters at a cost of \$380,223.

Electric System Improvements

The Electric Department started a major project to replace a substation at an estimated cost of \$8 million. The land has been purchased for \$1.7 million and site preparation and equipment purchases totaled \$1.9 million in FY 2020. The construction is expected to be completed in the fall of 2020.

Financial Information

Internal Controls

City management maintains internal accounting controls to ensure that the City's assets are protected from loss, theft, or misuse and that adequate accounting records allows financial statements to conform with generally accepted accounting principles. Since the costs of internal controls should not outweigh their benefits, the City's internal controls have been designed to provide reasonable, rather than absolute assurances that the financial statements will be free from material misstatements.

Budgetary Controls

Sound financial management and legal compliance require compliance with budget controls. The Maryville City Charter and state statutes require the City to operate under an annual balanced budget adopted by local ordinance. Within each fund, expenditures may not legally exceed appropriations at the department (cost center) level.

In accordance with Article IX Section 3 of the Maryville City Charter, the City Manager shall submit the proposed budget to City Council at least forty-five days before the beginning of the fiscal year. The City Council reviews the budget, holds a required public hearing and adopts the annual budget with two required readings prior to the beginning of the fiscal year. Coordination of the budget process and ongoing management of the adopted budget is delegated by the City Manager to the Department of Financial Services.

Other Information

Independent Audit

The financial statements are prepared in compliance with governmental-reporting standards issued by the Governmental Accounting Standards Board, guidelines issued by the Government Finance Officers Association of the United States and Canada, and generally accepted accounting principles applicable to government entities. The Maryville City Charter and state statutes require an annual audit by independent Certified Public Accountants. The accounting firm of Pugh CPAs, serves as independent auditor to the City of Maryville. The auditor's report on the combined financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

Awards

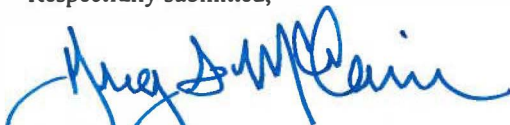
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Maryville for its comprehensive annual financial report for the fiscal year ended June 30, 2019. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.


Acknowledgements

This document is made possible by the commitment of the staff of the Department of Financial Services. We recognize and appreciate the willingness of each City department that provided information for this document. We also wish to express our sincere appreciation to the staff of Pugh CPAs, for their technical expertise and to City Council for their support and leadership in planning and conducting the City's financial activities.

Respectfully submitted,



Greg S. McClain
City Manager



Michael A. Swift
Director of Financial Services



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Maryville
Tennessee**

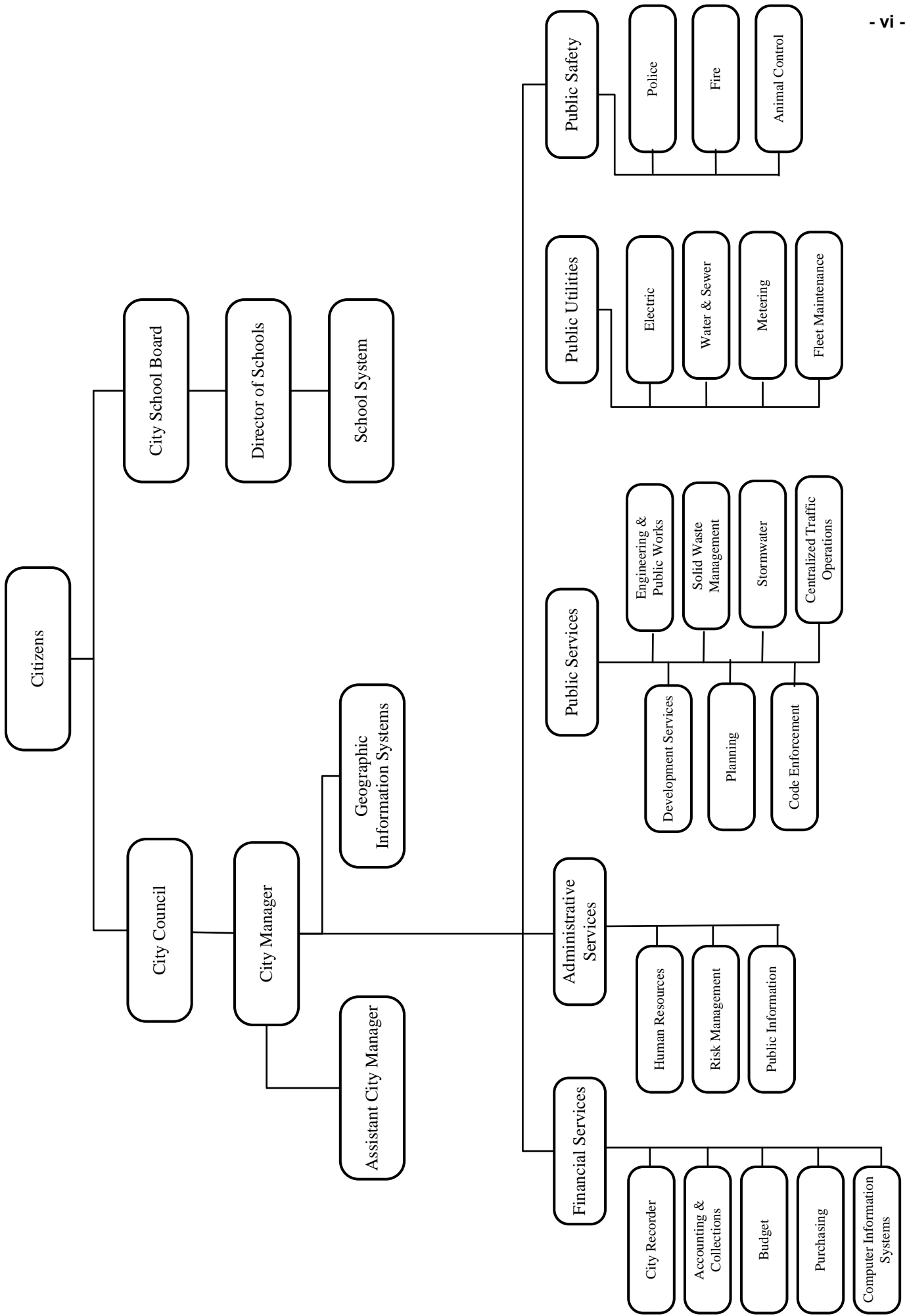
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO

City of Maryville, Tennessee
 Organization Chart as of 6/30/20



CITY OF MARYVILLE, TENNESSEE
PRINCIPAL ELECTED AND APPOINTED OFFICIALS
June 30, 2020

I. City Council

- A. Tom Taylor..... Mayor
- B. Andy White Vice-Mayor
- C. Tommy Hunt Councilman
- D. Fred Metz..... Councilman
- E. Joe Swann..... Councilman

II. City School Board

- A. Nick BlackChairman
- B. Julie Elder Vice-Chairman
- C. Chad Hampton..... Member
- D. Candy Morgan Member
- E. Bethany Pope Member

III. City Administration

- A. Greg McClain.....City Manager
- B. Roger D. Campbell Assistant City Manager
- C. Mike SwiftManaging Director of Financial Services
- D. Tony CrispManaging Director of Public Safety
- E. Angela Luckie Managing Director of Public Services
- F. Baron Swafford Managing Director of Public Utilities
- G. Sherri Phillips.....Recorder and CMFO

IV. City School Administration

- A. Dr. Mike Winstead Director of Maryville City Schools
- B. Amy VagnierAssistant Director of Maryville City Schools

V. Judicial/Legal Services

- A. William Yarborough City Judge
- B. Tracy Jenkins.....City Prosecuting Attorney
- C. Melanie E. Davis..... City Attorney (1)

(1) Per contractual agreement

FINANCIAL SECTION



PUGH & COMPANY, P.C.
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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor, Members of City Council,
and City Manager of City of Maryville
Maryville, Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, budgetary comparisons for the general fund and general purpose school fund, and the aggregate remaining fund information of City of Maryville, Tennessee (the "City") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and the general purpose school fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.



An independently owned member
RSM US Alliance



TSCPA
Members of the Tennessee Society
Of Certified Public Accountants

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 x - xvii and the required supplementary information on pages 52 - 61 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Maryville's basic financial statements. The introductory, supplementary information and statistical information sections, and the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* on pages 119 - 121, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The information included in the other supplementary information section as listed in the table of contents and the schedule of expenditures of federal awards and state financial assistance 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 supplementary information and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The information included in the introductory and statistical information sections, as listed in the table of contents, 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 October 26, 2020 on our consideration of the City'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 to 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 the City'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 City of Maryville's internal control over financial reporting and compliance.

Pugh & Company, P.C.

Certified Public Accountants
Knoxville, Tennessee
October 26, 2020



MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Maryville's Comprehensive Annual Financial Report presents an overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and the notes to the financial statements.

Financial Highlights

- The City's net position at June 30, 2020 is \$217,213,842, an increase of \$19,895,800 over prior year. Of this amount, \$19,446,943 is the unrestricted net position.
- As of June 30, 2020, the City's governmental funds reported combined ending fund balances of \$34,183,990, an increase of \$298,991 compared to prior year. The capital projects funds had a decrease of \$3.1 million from the use of prior year bond proceeds primarily for road and school construction projects. The other governmental funds had a net increase of \$3.4 million.
- The City's General Fund reported total fund balance of \$14,187,126 at June 30, 2020, an increase of \$1,335,846. This fund balance is 30.4% of total general fund revenue.

At June 30, 2020, the City's General Purpose School Fund reported a fund balance of \$5,914,508, an increase of \$220,473 from last fiscal year. Fund balance is 12.9% of total revenue. Tennessee State Law requires schools to maintain a minimum fund balance of 3% of total revenue (TCA 49-3-352).

Overview of the Financial Statements

The City's basic audited financial statements comprise three components: (1) Government-wide financial statements; (2) Fund financial statements; and (3) Notes to the financial statements. This section also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business reporting. All governmental and business-type activities are combined to arrive at a total for the Primary Government. There are two government-wide statements, the statement of net assets and the statement of activities, which are described below.

The statement of net position presents information on all the City's assets plus deferred outflows and liabilities plus deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of changes in the financial position of the City. It is important to note that this statement combines the governmental fund's current financial resources (short-term) with capital assets and long-term liabilities.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. The format of this statement is very different from a traditional "income statement". The format is intended to portray the extent to which governmental activities are funded by taxes and the extent to which business-type activities are supported by the revenues they generate. The statement presents all underlying events giving rise to the changes in net position, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (for example, uncollected taxes and earned but unused vacation leave).

Each of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include police and fire services, public works, development services, schools and general government activities. The business-type activities of the City include Water & Wastewater and Electric utilities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Maryville, similar to other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Maryville can be divided into two categories: governmental funds and proprietary funds. The City of Maryville does not have any funds of the fiduciary fund type.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is more limited than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains several individual governmental funds organized according to their type: General, Special Revenue, Capital Projects and Debt Service. Information is presented separately in the governmental balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, General Purpose School, Debt Service and Capital Projects, which are all considered as Major Funds. Data from the remaining governmental funds are combined into a single aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the combining statements elsewhere in the report.

The City adopts an annual appropriated budget for its general, special revenue and debt service funds. A budgetary comparison statement has been provided for the General Fund and General Purpose School Fund.

Proprietary Funds

The City maintains two types of proprietary funds. Enterprise funds are used to account for quasi-business functions where revenues typically are generated from charges or fees rather than taxes. The City uses enterprise funds to account for its Electric and Water and Wastewater. The City uses Internal Service funds to account for its group self-insurance, worker's compensation, fleet, information technology services and facility management. The internal services funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is presented in the form of combining statements elsewhere in this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

As noted earlier, over time, net position may serve as a useful indicator of a government's financial position. The City's net position is \$217,213,845 at the close of the most recent fiscal year. Compared to the prior year the City's net position increased \$19,895,800, or 10.1%, of which governmental activities provided \$10,641,432 and business activities provided \$9,254,368.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Assets:						
Current and Other Assets	\$ 75,285,169	\$ 74,458,723	\$ 24,744,249	\$ 20,783,732	\$ 100,029,418	\$ 95,242,455
Pension Asset	8,644,324	2,587,641	548,301	48,718	9,192,625	2,636,359
Capital Assets, Net	154,157,313	150,870,085	149,934,574	147,417,679	304,091,887	298,287,764
Total Assets	<u>238,086,806</u>	<u>227,916,449</u>	<u>175,227,124</u>	<u>168,250,129</u>	<u>413,313,930</u>	<u>396,166,578</u>
Deferred Outflows of Resources:						
Pension and OPEB Deferrals	9,601,965	11,022,744	977,210	1,105,888	10,579,175	12,128,632
Deferred Charges on Refunding	872,345	1,054,967	1,082,249	1,236,499	1,954,594	2,291,466
Total Deferred Outflows of Resources	<u>10,474,310</u>	<u>12,077,711</u>	<u>2,059,459</u>	<u>2,342,387</u>	<u>12,533,769</u>	<u>14,420,098</u>
Liabilities:						
Long-term Liabilities	77,272,500	81,663,714	48,503,189	51,405,261	125,775,689	133,068,975
Pension and OPEB Liabilities	27,476,819	25,722,944	2,660,692	2,572,143	30,137,511	28,295,087
Other Liabilities	9,496,991	11,952,255	7,344,011	6,999,854	16,841,002	18,952,109
Total Liabilities	<u>114,246,310</u>	<u>119,338,913</u>	<u>58,507,892</u>	<u>60,977,258</u>	<u>172,754,202</u>	<u>180,316,171</u>
Deferred Inflows of Resources:						
Deferred Revenue	24,494,717	24,069,317	0	0	24,494,717	24,069,317
Pension and OPEB Deferrals	9,927,925	7,335,198	1,457,013	1,547,948	11,384,938	8,883,146
Total Deferred Inflows of Resources	<u>34,422,642</u>	<u>31,404,515</u>	<u>1,457,013</u>	<u>1,547,948</u>	<u>35,879,655</u>	<u>32,952,463</u>
Net Position:						
Net Investment in Capital Assets	80,569,343	71,483,311	104,451,545	97,938,048	185,020,888	169,421,359
Restricted	12,197,710	5,566,116	548,301	48,718	12,746,011	5,614,834
Unrestricted	7,125,111	12,201,305	12,321,832	10,080,544	19,446,943	22,281,849
Total Net Position	<u>\$ 99,892,164</u>	<u>\$ 89,250,732</u>	<u>\$ 117,321,678</u>	<u>\$ 108,067,310</u>	<u>\$ 217,213,842</u>	<u>\$ 197,318,042</u>

The increase in assets is primarily due to the positive changes in net position as noted above and the pension plans having an increase of \$6.6 million to \$9.2 million in net assets as of June 30, 2020.

Long-Term Liabilities decreased primarily due to normal principal payments. Pension and OPEB liabilities increased because the OPEB liability increased as of June 30, 2020, partially offset by a decrease in the pension liability. The increase in Other Liabilities resulted primarily from construction on road and school projects in June not paid until July.

The largest portion of the City's net position (85%) at June 30, 2020 reflects its investment in capital assets (e.g. land, buildings, machinery and equipment), less any related outstanding debt used to acquire these assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not easily or quickly available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are not planned to be used to liquidate these liabilities. Governmental Activities experienced an increase of 13% year over year for Net Investment in Capital Assets. Business-Type Activities experienced an increase of 7% year over year for Net Investment in Capital Assets. An additional portion of the City's net position (6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is \$19,446,943. Of this amount, \$7,125,111 is in the Governmental Activities and \$12,321,832 is available for Business-Type Activities.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues:						
Charges for Services	\$ 6,091,863	\$ 6,578,084	\$ 86,974,001	\$ 86,768,810	\$ 93,065,864	\$ 93,346,894
Operating Grants and Contributions	26,965,282	26,575,918	0	0	26,965,282	26,575,918
Capital Grants and Contributions	816,124	860,253	1,582,577	935,824	2,398,701	1,796,077
General Revenues:						
Sales Tax	22,926,734	22,021,237	0	0	22,926,734	22,021,237
State Income and Excise Taxes	623,561	516,585	0	0	623,561	516,585
Property Taxes	35,931,020	33,058,491	0	0	35,931,020	33,058,491
Business Taxes	898,073	883,417	0	0	898,073	883,417
Miscellaneous Taxes	4,442,654	4,264,484	0	0	4,442,654	4,264,484
In-Lieu of Taxes	1,537,388	1,056,460	0	0	1,537,388	1,056,460
Investment Earnings	790,544	1,290,491	241,509	313,959	1,032,053	1,604,450
Miscellaneous Revenues	1,653,132	2,033,435	0	8,400	1,653,132	2,041,835
Total Revenues	102,676,375	99,138,855	88,798,087	88,026,993	191,474,462	187,165,848
Expenses						
General Government	2,534,670	5,146,085	0	0	2,534,670	5,146,085
Public Safety	10,825,748	10,963,016	0	0	10,825,748	10,963,016
Public Services	12,246,584	12,479,719	0	0	12,246,584	12,479,719
Culture and Recreation	1,842,966	1,828,743	0	0	1,842,966	1,828,743
Economic Development	917,915	1,226,860	0	0	917,915	1,226,860
Education	62,932,107	61,992,125	0	0	62,932,107	61,992,125
Interest on Long-Term Debt	2,584,532	2,664,542	0	0	2,584,532	2,664,542
Other Debt Service	21,720	23,911	0	0	21,720	23,911
Electric	0	0	62,688,789	66,498,463	62,688,789	66,498,463
Water and Sewer	0	0	14,983,631	15,191,927	14,983,631	15,191,927
Total Expenses	93,906,242	96,325,001	77,672,420	81,690,390	171,578,662	178,015,391
Change in Net Position Before Transfers	8,770,133	2,813,854	11,125,667	6,336,603	19,895,800	9,150,457
Transfers-In Lieu of Tax Payments	1,871,299	1,661,806	(1,871,299)	(1,661,806)	0	0
Change in Net Position	10,641,432	4,475,660	9,254,368	4,674,797	19,895,800	9,150,457
Net Position at Beginning of Year	89,250,732	84,775,072	108,067,310	103,392,513	197,318,042	188,167,585
Net Position at End of Year	\$ 99,892,164	\$ 89,250,732	\$ 117,321,678	\$ 108,067,310	\$ 217,213,842	\$ 197,318,042

Analysis of Change in Position

Governmental Activities

- Governmental activities increased the City's governmental net assets by \$10,641,432.
- Revenue increased by 3.6%, or \$3,537,520. The City's largest revenue category, property taxes, increased by \$2,872,529, or 8.7%. Sales taxes increased by \$905,497 year over year, an increase of 4.1%.
- Expenses decreased by 11.9%, or \$2,418,759, due primarily to decreases in General Government and Economic Development expenses.

Business-Type Activities

- Business-type activities increased the City's business-type net position by \$9,254,368.
- The Electric Utility, the largest business-type activity of the City with FY 2020 operating revenues of \$66,851,744 and operating expenses of \$62,521,897, experienced decreased revenues and expenses due primarily to milder weather. Purchased Power expense for the utility decreased by \$3,843,424, or 6.9% year over year. Purchased Power expense as a percent of Charges for Service decreased from 81.9% in FY 2019 to 79.6% in FY 2020. These changes resulted from a decrease in power usage compared to the prior year and additional credits from TVA in FY 2020.
- The Water and Sewer Fund concluded FY 2020 with a change in net position of \$6,228,789 compared to \$2,561,504 in the previous year. Total revenues increased \$2,900,649 to \$20,122,257 while operating expenses increased by \$277,564 to \$13,555,018. A portion of the revenue increase was from selling additional sewer capacity to another utility and there was a rate increase effective January 1, 2019.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the City. As of June 30, 2020, unassigned fund balance of the General Fund was \$14,187,126. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total revenue. Unassigned fund balance represents 30.4% of total general fund revenue.

The General Purpose School Fund is the primary operating fund for the Maryville City Schools. As of June 30, 2020, the assigned fund balance of the General Purpose School Fund was \$5,773,970. Assigned fund balance represents 12.6% of total general purpose school fund revenue. The City's contribution from General Fund for operating support of the schools was \$9,422,500.

The Debt Service Fund is used to pay principal and interest for debt issued for City and School-related projects, not including self-supporting debt issued for capital improvements of the Water & Wastewater and Electric Utilities. In FY 2020, the primary revenue to the Debt Service Fund was contributions from Maryville College related to payment of debt issued for construction of the Civic Arts Center. In addition, the General Fund transferred \$6,737,009 to the Debt Service Fund for debt payments. The assigned fund balance of the Debt Service Fund as of June 30, 2020, was \$2,324,829, an increase of \$919,673 from the prior year.

The Capital Projects Fund is used to account for capital projects of the City. On June 1, 2018 the City issued general obligation bonds primarily for roads and parking garage improvements in the capital projects fund of \$14,300,000. Fund balance decreased in FY 2020 by \$3,075,472 due primarily to spending the remaining bond proceeds.

Schedules for Other Non-Major Governmental Funds are also found in this report.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net position of the Electric Utility as of June 30, 2020 was \$48,102,917, an increase of \$3,025,579 from the prior year. Operating income for the utility increased from \$3,251,598 in FY 2019 to \$4,329,847 in FY 2020. Charges for services decreased 4.1% and purchased power costs decreased by 6.9% year over year.

Net position of the Water and Sewer Department as of June 30, 2020, was \$69,218,761, an increase of \$6,228,789 from the prior year. Operating income for the utility increased from \$3,944,154 in FY 2019 to \$6,567,239 for FY 2020. Capital Contributions (Non-Cash item) increased from \$935,824 for FY 2019 to \$1,582,577 in FY 2020.

General Fund Budgetary Highlights

The final budget was not changed from the original appropriation.

Capital Asset and Debt Administration

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 8,304,507	\$ 8,124,507	\$ 2,073,556	\$ 2,032,108	\$ 10,378,063	\$ 10,156,615
Right-of-Way/Easements	812,070	509,420	0	0	812,070	509,420
Construction in Progress	2,412,551	14,984,214	6,519,296	3,683,175	8,931,847	18,667,389
Buildings and Improvements	146,184,082	138,738,334	0	0	146,184,082	138,738,334
Infrastructure	38,651,300	24,730,023	0	0	38,651,300	24,730,023
Machinery, Equipment & Vehicles	24,607,257	23,720,869	0	0	24,607,257	23,720,869
Capital Lease Property	24,466,663	24,466,663	0	0	24,466,663	24,466,663
Electric Plant	0	0	83,528,098	81,595,009	83,528,098	81,595,009
Water & Wastewater Plant	0	0	151,381,160	148,108,401	151,381,160	148,108,401
Total Capital Assets	<u>245,438,430</u>	<u>235,274,030</u>	<u>243,502,110</u>	<u>235,418,693</u>	<u>488,940,540</u>	<u>470,692,723</u>
Less: Accumulated Depreciation	<u>91,281,117</u>	<u>84,403,945</u>	<u>93,567,536</u>	<u>87,948,708</u>	<u>184,848,653</u>	<u>172,352,653</u>
Net Capital Assets	<u>\$ 154,157,313</u>	<u>\$ 150,870,085</u>	<u>\$ 149,934,574</u>	<u>\$ 147,469,985</u>	<u>\$ 304,091,887</u>	<u>\$ 298,340,070</u>
Net Capital Assets - Beginning	\$ 150,870,085	\$ 139,899,067	\$ 147,469,985	\$ 144,493,103	\$ 298,340,070	\$ 284,392,170
Increase/(Decrease) in Net Capital Assets	<u>3,287,228</u>	<u>10,971,018</u>	<u>2,464,589</u>	<u>2,976,882</u>	<u>5,751,817</u>	<u>13,947,900</u>
Net Capital Assets - Ending	<u>\$ 154,157,313</u>	<u>\$ 150,870,085</u>	<u>\$ 149,934,574</u>	<u>\$ 147,469,985</u>	<u>\$ 304,091,887</u>	<u>\$ 298,340,070</u>

Capital Assets

The City's investment in capital assets for its governmental and business type activities as of June 30, 2020, amounts to \$304,091,887 net of accumulated depreciation, an increase of 1.9%, or \$5,751,817 year over year.

Total capital assets in the Governmental Activities category increased by \$10,164,400 while accumulated depreciation also increased by \$6,877,172, thereby resulting in an increase in net capital assets of \$3,287,228. Increases in FY 2020 include:

- Robert C Jackson Extension \$5.2 million.
- Other road construction \$0.9 million.
- New intersection with traffic signal \$1.2 million.
- Bridge Replacements \$0.4 million.
- Equipment Purchases \$1.2 million.

In the Business-Type Activities, there is an increase in Electric Plant assets of \$1,933,089. Water & Wastewater Plant assets increased by \$3,372,759, which includes contributed capital.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
General Obligation/Rev Bonds	\$ 53,086,000	\$ 55,690,000	\$ 43,539,000	\$ 45,985,000	\$ 96,625,000	\$ 101,675,000
TN State School Bond						
Authority Loan	8,164,475	9,502,544	0	0	8,164,475	9,502,544
TN State Revolving Fund Loans	0	0	1,383,372	1,494,288	1,383,372	1,494,288
Capital Lease Obligation	9,013,819	9,838,477	0	0	9,013,819	9,838,477
Premium on Bonds	3,562,196	3,942,029	1,642,906	2,000,344	5,205,102	5,942,373
Total Debt Payable	<u>73,826,490</u>	<u>78,973,050</u>	<u>46,565,278</u>	<u>49,479,632</u>	<u>120,391,768</u>	<u>128,452,682</u>
Compensated Absences	3,446,010	2,690,664	1,937,911	1,925,629	5,383,921	4,616,293
OPEB Liability	27,476,819	25,722,944	2,660,692	2,572,143	30,137,511	28,295,087
Total Long Term Obligations	<u>\$ 104,749,319</u>	<u>\$ 107,386,658</u>	<u>\$ 51,163,881</u>	<u>\$ 53,977,404</u>	<u>\$ 155,913,200</u>	<u>\$ 161,364,062</u>

As of June 30, 2020, the City governmental activities had total debt outstanding of \$70,264,294, comprised of general obligation debt backed by its full faith and credit pledge excluding original issue premium. In addition, the City is obligated for another \$44,922,372 in revenue debt issued for the Water & Wastewater and Electric utilities, excluding original issue premium. These revenue bonds, while carrying the credit support of the City's general obligation pledge, are repaid from net revenues of the appropriate utility.

The City has a six year capital plan. Based on the current plan, the governmental activities are not expected to require any new debt issuance. In the business activities, the Electric Utility has started building a new substation for which new debt of \$4 million along with \$1 million of refunding debt was issued in July 2020. The Water and Sewer Utility is planning a major renovation of the sewer treatment process to start in FY 2021 and no new debt is expected to be issued for this project.

On April 25, 2018, Standard & Poor's upgraded the City's General Obligation long term and underlying bond rating from AA to AA+. The City's bond rating as assigned by Moody's Investors Service remains Aa3.

The Charter of the City of Maryville limits the issuance of general obligation debt up to an amount that will not exceed fifteen percent (15%) of the total assessed value of the incorporated area. The current debt limitation for the City is \$162,000,093 compared to the City's outstanding debt net of fund balance held in the Debt Service Fund of \$71,501,661. The legal debt margin is \$90,498,432.

The OPEB Liability is the actuarial accrued liability less the amount funded in a trust fund for which the City would be obligated. The City has not established a trust fund for the OPEB Liability. The annual change in the OPEB obligation is equivalent to the annual OPEB cost, which is the OPEB expense for the year on the accrual basis of accounting, less estimated retiree claims currently paid by the City on a pay-as-you-go basis. The City's OPEB obligation, including Schools, at June 30, 2020 was \$30,137,511.

See Notes 6 and 7 of the Notes to Financial Statements for more detailed information regarding capital assets and long term liabilities.

The FY 2021 Adopted Budget

- The FY 2021 Adopted Budget includes a five year projection for the general fund and debt service fund and a six year projection for each capital fund. These projections include transfers from the General Fund of \$2,000,000 per year for capital projects and \$1,500,000 for equipment replacement with a balanced budget and no use of bond funding for governmental funds.
- The General Fund Appropriation Budget is \$46,517,805, a decrease of \$924,869 or 1.9%, from the final FY 2020 Budget of \$47,442,674. The FY 2021 budget was reduced to conservatively reflect the uncertainties regarding sales tax and other revenues caused by COVID-19.
- The adopted property tax rate of \$2.27 per \$100 of assessed valuation is the same as the prior year. For a residence valued at \$150,000, City property taxes for FY 2020 remain \$851, or \$71 per month.
- The FY 2020 Budget funds 326 full-time positions city-wide (general government services and utilities), an increase of 3 positions from the previous year, which consist of 1 Grounds Maintenance Worker, 1 Information Technologies Specialist and 1 GIS Specialist.
- A cost of living increase has been provided for all employees of 2.5% and step raises for eligible employees. City and employee funding of employee medical expenses was increased on average 2.3% over the prior year effective July 1, 2020.
- The General Funds support for the School's operating budget was maintained at \$9,455,000. This budget provides \$1,660,626 for new projects including technology enhancements, improvements to parks, a new firing range and replacement of one greenway bridge plus \$1,195,000 for completion of projects previously started.
- Water & Sewer capital projects totaling \$6,475,746 are scheduled for FY 2021 to focus primarily on system rehabilitation/relocation, sewer system extensions, equipment replacement and plant improvements.
- The capital plan for the Electric System includes ongoing system rehabilitation and maintenance, substation upgrades, development projects, equipment replacement, overhead and underground construction and completion of the replacement of the Big Springs Substation. The FY 2021 capital budget for the Electric Department is \$7,107,000.

BASIC FINANCIAL STATEMENTS

CITY OF MARYVILLE, TENNESSEE
STATEMENT OF NET POSITION
June 30, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 44,260,640	\$ 17,105,920	\$ 61,366,560
Receivables			
Taxes, Net	24,925,497	0	24,925,497
Accounts, Net	477,199	5,463,323	5,940,522
Internal Balances	119,618	(119,618)	0
Due from Other Governments	5,110,363	0	5,110,363
Inventories	251,314	2,121,019	2,372,333
Net Pension Asset	8,644,324	548,301	9,192,625
TCRS Stabilization Trust	140,538	0	140,538
Other Assets	0	173,605	173,605
Capital Assets			
Nondepreciable	11,529,128	8,592,852	20,121,980
Depreciable, Net of Accumulated Depreciation	142,628,185	141,341,722	283,969,907
Total Capital Assets, Net of Depreciation	154,157,313	149,934,574	304,091,887
Total Assets	238,086,806	175,227,124	413,313,930
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Bond Refunding Costs	872,345	1,082,249	1,954,594
Deferred Pension Outflows	6,681,754	977,210	7,658,964
Deferred Other-Postemployment Benefits Outflows	2,920,211	0	2,920,211
Total Deferred Outflows of Resources	10,474,310	2,059,459	12,533,769
LIABILITIES			
Accounts Payable	2,412,888	6,345,168	8,758,056
Accrued Liabilities	6,919,278	883,473	7,802,751
Accrued Interest Payable	164,825	115,370	280,195
Noncurrent Liabilities Due in More than One Year			
Other Post-Employment Benefit Liability	27,476,819	2,660,692	30,137,511
Long-Term Liabilities			
Due Within One Year	7,115,288	4,118,138	11,233,426
Due in More Than One Year	70,157,212	44,385,051	114,542,263
Total Liabilities	114,246,310	58,507,892	172,754,202
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue	24,494,717	0	24,494,717
Deferred Pension Inflows	8,575,173	837,731	9,412,904
Deferred Other-Postemployment Benefits Inflows	1,352,752	619,282	1,972,034
Total Deferred Inflows of Resources	34,422,642	1,457,013	35,879,655
NET POSITION			
Net Investment in Capital Assets	80,569,343	104,451,545	185,020,888
Restricted for			
Special Revenue			
General Purpose School Fund	140,538	0	140,538
State Street Aid	1,473,249	0	1,473,249
Maryville City Schools Cafeteria	767,675	0	767,675
Special Projects	13,847	0	13,847
Stormwater	786,738	0	786,738
Drug	183,521	0	183,521
GIS	187,817	0	187,817
Pensions	8,644,325	548,301	9,192,626
Unrestricted	7,125,111	12,321,832	19,446,943
Total Net Position	\$ 99,892,164	\$ 117,321,678	\$ 217,213,842

The accompanying notes are an integral part of these financial statements.

CITY OF MARYVILLE, TENNESSEE

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2020

	<u>General</u>	<u>General Purpose School</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and Cash Equivalents	\$ 11,455,682	\$ 9,784,862	\$ 2,324,829	\$ 5,785,701	\$ 7,157,572	\$ 36,508,646
Receivables:						
Taxes, Net of Allowance for Doubtful Accounts	24,925,497	0	0	0	0	24,925,497
Accounts	284,487	2,769	0	0	106,346	393,602
Due from Other Governments	4,232,511	381,905	0	0	495,947	5,110,363
Inventories	0	0	0	0	50,426	50,426
TCRS Stabilization Trust	0	140,538	0	0	0	140,538
Due from Other Funds	89,887	2,492,679	0	0	24,842	2,607,408
Total Assets	<u>\$ 40,988,064</u>	<u>\$ 12,802,753</u>	<u>\$ 2,324,829</u>	<u>\$ 5,785,701</u>	<u>\$ 7,835,133</u>	<u>\$ 69,736,480</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ 409,212	\$ 35,683	\$ 0	\$ 589,108	\$ 266,892	\$ 1,300,895
Due to Other Funds	1,543,468	0	0	0	949,211	2,492,679
Accrued Payroll	0	3,794,402	0	0	719	3,795,121
Other Liabilities	7,579	3,058,160	0	0	57,377	3,123,116
Total Liabilities	<u>1,960,259</u>	<u>6,888,245</u>	<u>0</u>	<u>589,108</u>	<u>1,274,199</u>	<u>10,711,811</u>
Deferred Inflow of Resources						
Deferred Revenue	<u>24,840,679</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>24,840,679</u>
Fund Balances						
Nonspendable	0	0	0	0	50,426	50,426
Restricted	0	140,538	0	0	3,412,847	3,553,385
Assigned	0	5,773,970	2,324,829	5,196,593	3,097,661	16,393,053
Unassigned	<u>14,187,126</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14,187,126</u>
Total Fund Balances	<u>14,187,126</u>	<u>5,914,508</u>	<u>2,324,829</u>	<u>5,196,593</u>	<u>6,560,934</u>	<u>34,183,990</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 40,988,064</u>	<u>\$ 12,802,753</u>	<u>\$ 2,324,829</u>	<u>\$ 5,785,701</u>	<u>\$ 7,835,133</u>	<u>\$ 69,736,480</u>

The accompanying notes are an integral part of these financial statements.

CITY OF MARYVILLE, TENNESSEE
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
June 30, 220

Amounts reported for governmental activities in the statement of net position are different because:

Ending Fund Balance - Governmental Funds \$ 34,183,990

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Capital Assets	\$ 243,897,422	
Less: Accumulated Depreciation	<u>(89,933,201)</u>	
		153,964,221

Revenues, including property taxes that have been deferred in the balance sheet of the governmental funds because they were not available to pay current liabilities of the period are recognized as revenue in the statement of activities and, therefore, are not included in the statement of net position. 345,958

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Long-Term Debt	\$ (61,250,475)	
Unamortized Bond Premium	(3,562,196)	
Capital Lease Obligations	(9,013,819)	
Accrued Interest on Long-Term Debt	(164,825)	
Compensated Absences	<u>(3,446,010)</u>	
		(77,437,325)

Internal service funds are used by management to charge certain costs (e.g., certain employee benefits, insurance, maintenance, and use of equipment) to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position. 7,121,430

Net pension assets and liabilities of the City's agent multiple-employer plans are not current financial resources and therefore are not reported in the governmental funds. 8,644,324

Other post-employment benefits liabilities are not current financial resources and therefore are not reported in the governmental funds. (27,476,819)

Amounts reported as deferred outflows of unamortized amounts on refundings, deferred outflows related to other post-employment benefits, and deferred outflows related to pensions increase the amount of net position reported in the statement of net position, but are not reported as assets in the funds. Similarly, deferred inflows related to pensions and other postemployment benefits decrease the amount of net position reported in the statement of net position, but are not reported as liabilities in the funds.

Deferred Outflows of Resources Related to Deferred Bond Refunding Costs	\$ 872,345	
Deferred Outflows of Resources Related to Pensions	6,681,754	
Deferred Outflows of Resources Related to Other Post-employment Benefits	2,920,211	
Deferred Inflows of Resources Related to Pensions	(8,575,173)	
Deferred Inflows of Resources Related to Other Post-employment Benefits	<u>(1,352,752)</u>	
		<u>546,385</u>

Net Position of Governmental Activities \$ 99,892,164

The accompanying notes are an integral part of these financial statements.

CITY OF MARYVILLE, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	General	General Purpose School	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes:						
Property Taxes	\$ 24,192,036	\$ 11,853,722	\$ 0	\$ 0	\$ 0	\$ 36,045,758
Local Option Sales Taxes	11,535,612	8,897,241	0	0	0	20,432,853
Other Taxes	5,116,748	323,652	0	0	0	5,440,400
Licenses, Permits and Fees	29,408	2,596	0	0	0	32,004
Intergovernmental:						
State Taxes	3,385,076	141,123	0	0	1,028,960	4,555,159
Federal Grants	0	0	0	0	2,287,662	2,287,662
State Grants	0	593,306	0	0	0	593,306
U.S.D.A. Revenues	0	0	0	0	1,132,904	1,132,904
Other State Revenues	0	23,142,625	0	0	0	23,142,625
Other Local Revenues	0	0	0	0	445,406	445,406
Charges for Services	1,517,469	664,981	0	0	3,442,241	5,624,691
Fines, Forfeitures and Court Costs	60,250	0	0	0	18,566	78,816
Interest Income	421,801	112,206	183,360	47,665	25,514	790,546
Miscellaneous Revenue	367,635	165,283	1,141,281	621,800	150,960	2,446,959
Total Revenues	<u>46,626,035</u>	<u>45,896,735</u>	<u>1,324,641</u>	<u>669,465</u>	<u>8,532,213</u>	<u>103,049,089</u>
Expenditures:						
Current:						
General Government	1,617,939	0	0	0	426,998	2,044,937
Public Safety	10,301,442	0	0	0	62,447	10,363,889
Public Service	8,778,472	0	0	0	1,732,027	10,510,499
Culture and Recreation	1,687,139	0	0	0	8,548	1,695,687
Economic Development	891,588	0	0	0	26,327	917,915
Nondepartmental Costs	1,894,827	0	0	0	0	1,894,827
Education	0	53,591,314	0	0	5,262,992	58,854,306
Debt Service:						
Principal Retirement	0	0	3,942,064	0	0	3,942,064
Interest and Fiscal Fees	0	0	2,422,637	0	0	2,422,637
Payments under Capital Leases	113,133	0	1,111,050	0	0	1,224,183
Capital Outlay	0	1,141,319	0	7,744,937	1,864,197	10,750,453
Total Expenditures	<u>25,284,540</u>	<u>54,732,633</u>	<u>7,475,751</u>	<u>7,744,937</u>	<u>9,383,536</u>	<u>104,621,397</u>
Net Change in Fund Balance Before Other Financing Sources (Uses)	<u>21,341,495</u>	<u>(8,835,898)</u>	<u>(6,151,110)</u>	<u>(7,075,472)</u>	<u>(851,323)</u>	<u>(1,572,308)</u>
Other Financing Sources (Uses):						
Transfers In	1,871,299	9,422,500	7,070,783	4,000,000	1,749,794	24,114,376
Transfers Out	(21,876,948)	(366,129)	0	0	0	(22,243,077)
Total Other Financing Sources (Uses)	<u>(20,005,649)</u>	<u>9,056,371</u>	<u>7,070,783</u>	<u>4,000,000</u>	<u>1,749,794</u>	<u>1,871,299</u>
Net Change in Fund Balances	1,335,846	220,473	919,673	(3,075,472)	898,471	298,991
Fund Balances, July 1st	<u>12,851,280</u>	<u>5,694,035</u>	<u>1,405,156</u>	<u>8,272,065</u>	<u>5,662,463</u>	<u>33,884,999</u>
Fund Balances, June 30th	<u>\$ 14,187,126</u>	<u>\$ 5,914,508</u>	<u>\$ 2,324,829</u>	<u>\$ 5,196,593</u>	<u>\$ 6,560,934</u>	<u>\$ 34,183,990</u>

The accompanying notes are an integral part of these financial statements.

CITY OF MARYVILLE, TENNESSEE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2020

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balances – Total Governmental Funds	\$	298,991
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital Assets Purchased	\$	10,669,504
Loss on Disposal of Assets		(6,228)
Depreciation Expense		<u>(7,218,856)</u>
Net Change in Capital Assets		3,444,420
<p>Revenues, including property taxes, in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		(114,746)
<p>The issuance of long-term debt 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.</p>		
Add: Principal Payments on Debt	3,942,069	
Add: Payment of Capital Leases	<u>824,658</u>	
		4,766,727
<p>Expenses reported in the statement of activities include amortization of the deferred amount on debt refunding (\$182,622). In addition, the amortization of bond premium results in reduction of expenses (\$379,833). These amounts do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
		197,211
<p>Internal service funds are used by management to charge certain costs (e.g., certain employee benefits, insurance, maintenance, and use or equipment) to individual funds. The net revenue (expense) amounts of the internal service funds are reported with governmental activities.</p>		
		2,504,652
<p>Certain assets, liabilities, deferred inflows, and deferred outflows accounted for using the economic resources focus and the accrual basis of accounting are reported in the Statement of Net Position but are not reported in the fund financial statements, which include only items that are accounted for using current financial resources measurement and modified accrual basis of accounting. These amounts do not provide or require the use of current financial resources and, therefore, are not reflected in the revenues and expenditures of governmental funds.</p>		
Change in Assets and Deferred Outflows		
Net Pension Asset	6,056,684	
Deferred Pension Outflows	(934,077)	
Deferred Other Post-employment Benefits Outflows	<u>(486,702)</u>	
		4,635,905
Change in Liabilities and Deferred Inflows		
Accrued Interest	10,218	
Other Post-Employment Benefit Liability	(1,753,875)	
Compensated Absences	(755,344)	
Deferred Pension Inflows	(2,842,310)	
Deferred Other Post-Employment Benefits Inflows	<u>249,583</u>	
		<u>(5,091,728)</u>
Change in Net Position of Governmental Activities	\$	<u><u>10,641,432</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF MARYVILLE, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes				
Property Taxes	\$ 24,080,200	\$ 24,080,200	\$ 24,192,036	\$ 111,836
Interest and Penalties on Property Tax	240,000	240,000	286,899	46,899
In Lieu of Taxes	1,539,814	1,539,814	1,480,330	(59,484)
Local Sales Tax	11,326,000	11,326,000	11,535,612	209,612
City Beer Tax	1,261,000	1,261,000	1,285,377	24,377
City Liquor Tax	368,000	368,000	416,027	48,027
Gross Receipts Tax	969,000	969,000	1,002,470	33,470
Franchise Taxes	645,000	645,000	631,478	(13,522)
Hotel/Motel Taxes	15,000	15,000	14,167	(833)
Total Taxes	<u>40,444,014</u>	<u>40,444,014</u>	<u>40,844,396</u>	<u>400,382</u>
Intergovernmental				
State Mixed Drink Tax	134,000	134,000	141,123	7,123
State Beer Tax	13,000	13,000	12,899	(101)
State Income Tax	223,643	223,643	452,378	228,735
State Sales Tax	2,458,200	2,458,200	2,493,882	35,682
State Transportation Tax	55,000	55,000	0	(55,000)
State Excise Tax	52,000	52,000	171,184	119,184
State Street Maintenance Contract	85,000	85,000	113,610	28,610
Total Intergovernmental	<u>3,020,843</u>	<u>3,020,843</u>	<u>3,385,076</u>	<u>364,233</u>
Charges for Services				
Code Enforcement Services	300,000	300,000	502,727	202,727
Planning Services	20,000	20,000	23,117	3,117
Public Works Sales	120,000	120,000	81,870	(38,130)
Engineering Services	20,000	20,000	37,896	17,896
Public Safety	62,000	62,000	104,237	42,237
Animal Control Services	18,000	18,000	18,275	275
Solid Waste Management Services	643,000	643,000	646,743	3,743
Rent	96,567	96,567	102,604	6,037
Total Charges for Services	<u>1,279,567</u>	<u>1,279,567</u>	<u>1,517,469</u>	<u>237,902</u>
Fines, Forfeitures and Court Costs				
Fines and Costs	58,800	58,800	47,344	(11,456)
Clerk's Fees	11,000	11,000	12,906	1,906
Licenses	30,000	30,000	29,408	(592)
Total Fines, Forfeitures and Court Costs	<u>99,800</u>	<u>99,800</u>	<u>89,658</u>	<u>(10,142)</u>
Interest Income	<u>520,000</u>	<u>520,000</u>	<u>421,801</u>	<u>(98,199)</u>
Other Revenues	<u>363,883</u>	<u>363,883</u>	<u>367,635</u>	<u>3,752</u>
Total Revenues	<u>45,728,107</u>	<u>45,728,107</u>	<u>46,626,035</u>	<u>897,928</u>

The accompanying notes are an integral part of these financial statements.

CITY OF MARYVILLE, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
GENERAL FUND
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
General Government				
Administration				
City Manager's Office				
Salaries	344,108	355,241	355,241	0
Fringe Benefits	92,389	92,650	92,650	0
Operating Expenses	89,340	77,556	23,096	54,460
Materials and Supplies	12,290	12,680	9,942	2,738
Total City Manager's Office	<u>538,127</u>	<u>538,127</u>	<u>480,929</u>	<u>54,460</u>
Legislative				
Salaries	1,800	1,800	1,800	0
Fringe Benefits	1,091	1,091	150	941
Operating Expense	55,363	55,093	37,507	17,586
Materials and Supplies	3,325	3,595	2,609	986
Intergovernmental Services	125,006	125,006	122,001	3,005
Total Legislative	<u>186,585</u>	<u>186,585</u>	<u>164,067</u>	<u>22,518</u>
Judicial/Legal				
Salaries	75,176	74,369	64,840	9,529
Fringe Benefits	37,015	37,015	31,205	5,810
Operating Expenses	104,480	105,287	100,597	4,690
Total Judicial/Legal	<u>216,671</u>	<u>216,671</u>	<u>196,642</u>	<u>20,029</u>
Human Resources				
Salaries	130,374	138,515	138,126	389
Fringe Benefits	56,110	49,712	46,567	3,145
Operating Expenses	53,730	52,069	26,086	25,983
Materials and Supplies	6,415	6,332	4,972	1,360
Total Human Resources	<u>246,629</u>	<u>246,628</u>	<u>215,751</u>	<u>30,877</u>
Total Administration	<u>1,188,012</u>	<u>1,188,011</u>	<u>1,057,389</u>	<u>127,884</u>
Finance				
Salaries	360,345	355,546	319,248	36,298
Fringe Benefits	140,789	140,789	114,335	26,454
Operating Expenses	156,752	161,551	119,048	42,503
Materials and Supplies	10,879	10,879	7,919	2,960
Total Finance	<u>668,765</u>	<u>668,765</u>	<u>560,550</u>	<u>108,215</u>
Total General Government	<u>1,856,777</u>	<u>1,856,776</u>	<u>1,617,939</u>	<u>236,099</u>

The accompanying notes are an integral part of these financial statements.

CITY OF MARYVILLE, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
GENERAL FUND
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (Continued)				
Public Safety				
Police Department				
Salaries	3,746,128	3,673,448	3,539,943	133,505
Fringe Benefits	1,657,674	1,662,217	1,474,716	187,501
Operating Expenses	708,635	706,503	623,857	82,646
Materials and Supplies	275,366	286,635	232,999	53,636
Intergovernmental Services	171,900	198,900	198,900	0
Total Police Department	<u>6,559,703</u>	<u>6,527,703</u>	<u>6,070,415</u>	<u>457,288</u>
Animal Control				
Salaries	180,491	182,408	182,408	0
Fringe Benefits	67,552	67,658	67,150	508
Operating Expenses	48,293	95,316	82,757	12,559
Materials and Supplies	12,615	10,569	4,969	5,600
Total Animal Control	<u>308,951</u>	<u>355,951</u>	<u>337,284</u>	<u>18,667</u>
Fire Department				
Salaries	2,573,806	2,506,978	2,377,437	129,541
Fringe Benefits	1,111,494	1,112,174	1,005,322	106,852
Operating Expenses	405,425	473,004	441,198	31,806
Materials and Supplies	82,520	81,089	56,469	24,620
Intergovernmental Services	17,106	17,106	13,317	3,789
Total Fire Department	<u>4,190,351</u>	<u>4,190,351</u>	<u>3,893,743</u>	<u>296,608</u>
Total Public Safety	<u>11,059,005</u>	<u>11,074,005</u>	<u>10,301,442</u>	<u>772,563</u>
Public Services				
Administration				
Salaries	213,460	203,925	201,251	2,674
Fringe Benefits	75,321	84,621	83,901	720
Operating Expenses	21,241	21,241	9,424	11,817
Materials and Supplies	14,618	14,853	14,184	669
Total Administration	<u>324,640</u>	<u>324,640</u>	<u>308,760</u>	<u>15,880</u>
Development				
Development Services				
Salaries	751,907	732,262	628,356	103,906
Fringe Benefits	292,934	292,934	242,325	50,609
Operating Expenses	113,241	127,986	85,075	42,911
Materials and Supplies	13,526	18,426	14,347	4,079
Total Development	<u>1,171,608</u>	<u>1,171,608</u>	<u>970,103</u>	<u>201,505</u>
Engineering & Public Works				
Public Works				
Engineering				
Salaries	241,634	241,534	240,625	909
Fringe Benefits	95,289	95,289	92,828	2,461
Operating Expenses	128,301	128,362	54,398	73,964
Materials and Supplies	9,635	9,674	8,162	1,512
Total Engineering	<u>474,859</u>	<u>474,859</u>	<u>396,013</u>	<u>78,846</u>

The accompanying notes are an integral part of these financial statements.

CITY OF MARYVILLE, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
GENERAL FUND
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (Continued)				
Engineering & Public Works				
Solid Waste - Residential				
Salaries	564,467	526,002	525,582	420
Fringe Benefits	256,194	254,821	236,262	18,559
Operating Expenses	158,920	165,920	157,548	8,372
Materials and Supplies	54,950	54,950	52,019	2,931
Total Solid Waste - Residential	<u>1,034,531</u>	<u>1,001,693</u>	<u>971,411</u>	<u>30,282</u>
Solid Waste - Commercial				
Salaries	286,952	294,080	294,072	8
Fringe Benefits	146,959	142,277	142,277	0
Operating Expenses	71,279	80,096	76,656	3,440
Materials and Supplies	36,295	36,241	33,150	3,091
Total Solid Waste - Commercial	<u>541,485</u>	<u>552,694</u>	<u>546,155</u>	<u>6,539</u>
Solid Waste - Brush				
Salaries	346,912	362,471	362,471	0
Fringe Benefits	177,037	175,578	175,578	0
Operating Expenses	89,903	97,433	95,848	1,585
Materials and Supplies	47,305	47,305	44,412	2,893
Total Solid Waste - Brush	<u>661,157</u>	<u>682,787</u>	<u>678,309</u>	<u>4,478</u>
Solid Waste - Landfill				
Operating Expenses	1,304,847	1,366,665	1,368,072	(1,407)
Street Maintenance				
Salaries	768,184	767,872	702,778	65,094
Fringe Benefits	442,128	442,190	369,701	72,489
Operating Expenses	151,805	152,055	139,801	12,254
Materials and Supplies	224,830	224,830	152,760	72,070
Total Street Maintenance	<u>1,586,947</u>	<u>1,586,947</u>	<u>1,365,040</u>	<u>221,907</u>
Ground Maintenance				
Salaries	604,157	599,157	530,094	69,063
Fringe Benefits	284,980	284,980	217,061	67,919
Operating Expenses	177,605	182,605	159,983	22,622
Materials and Supplies	43,260	43,260	35,998	7,262
Total Ground Maintenance	<u>1,110,002</u>	<u>1,110,002</u>	<u>943,136</u>	<u>166,866</u>
Street Lighting				
Operating Expenses	1,000,000	1,000,000	959,986	40,014
Central Traffic Operations				
Salaries	136,690	149,452	149,452	0
Fringe Benefits	77,155	68,018	68,018	0
Operating Expenses	60,904	56,089	44,930	11,159
Materials and Supplies	9,260	10,450	9,087	1,363
Total Central Traffic Operations	<u>284,009</u>	<u>284,009</u>	<u>271,487</u>	<u>12,522</u>
Total Engineering & Public Works	<u>7,997,837</u>	<u>8,059,656</u>	<u>7,499,609</u>	<u>560,047</u>
Total Public Services	<u>9,494,085</u>	<u>9,555,904</u>	<u>8,778,472</u>	<u>777,432</u>

The accompanying notes are an integral part of these financial statements.

CITY OF MARYVILLE, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
GENERAL FUND
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (Continued):				
Culture and Recreation:				
Library:				
Blount County Library	877,026	877,026	877,026	0
Parks and Recreation:				
Operating Expenses	46,885	46,885	36,885	10,000
Management Contract	783,228	783,228	773,228	10,000
Total Parks and Recreation	<u>830,113</u>	<u>830,113</u>	<u>810,113</u>	<u>20,000</u>
Total Culture and Recreation	<u>1,707,139</u>	<u>1,707,139</u>	<u>1,687,139</u>	<u>20,000</u>
Economic Development				
Economic Development	1,096,455	1,034,637	891,588	143,049
Non-Departmental Costs				
Operating Expenses	260,309	281,365	64,151	217,214
Liability Insurance	210,500	210,500	164,703	45,797
Property Insurance	129,718	128,662	109,602	19,060
IT Services	509,320	509,320	509,320	0
Facility Operations	1,044,898	1,044,898	1,044,897	1
Fiber Maintenance	20,000	0	0	0
Employee Relations	2,387	2,387	2,154	233
Total Non-Departmental Costs	<u>2,177,132</u>	<u>2,177,132</u>	<u>1,894,827</u>	<u>282,305</u>
Debt Service				
Payments under Capital Lease	113,133	113,133	113,133	0
Capital Outlay				
Public Safety	15,000	0	0	0
Total Expenditures	<u>27,518,726</u>	<u>27,518,726</u>	<u>25,284,540</u>	<u>2,231,448</u>
Excess Revenues Over Expenditures	18,209,381	18,209,381	21,341,495	3,132,114
Other Financing Sources (Uses)				
Transfers In	3,214,567	3,214,567	1,871,299	(1,343,268)
Transfers Out	(21,423,948)	(21,423,948)	(21,876,948)	(453,000)
Total Other Financing Sources (Uses)	<u>(18,209,381)</u>	<u>(18,209,381)</u>	<u>(20,005,649)</u>	<u>(1,796,268)</u>
Net Change in Fund Balance	0	0	1,335,846	(1,335,846)
Fund Balance, July 1st	<u>12,851,280</u>	<u>12,851,280</u>	<u>12,851,280</u>	<u>0</u>
Fund Balance, June 30th	<u>\$ 12,851,280</u>	<u>\$ 12,851,280</u>	<u>\$ 14,187,126</u>	<u>\$ (1,335,846)</u>

The accompanying notes are an integral part of these financial statements.

CITY OF MARYVILLE, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL PURPOSE SCHOOL FUND - SPECIAL REVENUE FUND
For the Year Ended June 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 20,908,812	\$ 20,908,812	\$ 21,074,615	\$ 165,803
Licenses, Permits and Fees	2,800	2,800	2,596	(204)
Charges for Services	582,500	582,500	664,981	82,481
Intergovernmental	24,060,000	24,060,000	23,877,054	(182,946)
Interest Income	200,000	200,000	112,206	(87,794)
Miscellaneous Revenues	356,000	356,000	165,283	(190,717)
Total Revenues	<u>46,110,112</u>	<u>46,110,112</u>	<u>45,896,735</u>	<u>(213,377)</u>
Expenditures				
Instruction				
Regular Instruction Program	30,641,248	30,641,248	29,981,327	659,921
Special Education Program	5,935,170	5,935,170	5,854,927	80,243
Vocational Education Program	1,299,922	1,299,922	1,432,878	(132,956)
Alternative School Program	581,730	581,730	539,521	42,209
Early Childhood Education Program	238,114	238,114	247,162	(9,048)
Student Support - Health Services	129,341	129,341	123,024	6,317
Student Support - Guidance Services	1,613,802	1,613,802	1,542,443	71,359
Regular Instruction Support	1,821,160	1,821,160	1,803,910	17,250
Special Education Support	491,406	491,406	489,672	1,734
Technology	558,668	558,668	619,486	(60,818)
Board of Education	1,320,440	1,320,440	1,414,233	(93,793)
Office of the Superintendent of Schools	416,945	416,945	422,141	(5,196)
Office of the Principal - School Administration	3,556,986	3,556,986	3,576,914	(19,928)
Fiscal Services	278,723	278,723	279,179	(456)
Human Resources (Personnel)	286,555	286,555	278,284	8,271
Operation of Plant	2,761,461	2,761,461	2,476,193	285,268
Maintenance of Plant	989,059	989,059	1,126,553	(137,494)
Transportation	1,247,761	1,247,761	1,262,182	(14,421)
Community Services	139,121	139,121	121,285	17,836
Capital Outlay				
Regular Capital Outlay	1,225,000	1,225,000	1,141,319	83,681
Total Expenditures	<u>55,532,612</u>	<u>55,532,612</u>	<u>54,732,633</u>	<u>799,979</u>
Net Change in Fund Balance Before Other Financing Sources (Uses)	<u>(9,422,500)</u>	<u>(9,422,500)</u>	<u>(8,835,898)</u>	<u>586,602</u>
Other Financing Sources (Uses)				
Transfers In	9,422,500	9,422,500	9,422,500	0
Transfers Out	0	0	(366,129)	(366,129)
Other Financing Sources (Uses) Total	<u>9,422,500</u>	<u>9,422,500</u>	<u>9,056,371</u>	<u>(366,129)</u>
Net Change in Fund Balance	0	0	220,473	220,473
Fund Balance, July 1st	<u>5,694,035</u>	<u>5,694,035</u>	<u>5,694,035</u>	<u>0</u>
Fund Balance, June 30th	<u>\$ 5,694,035</u>	<u>\$ 5,694,035</u>	<u>\$ 5,914,508</u>	<u>\$ 220,473</u>

The accompanying notes are an integral part of these financial statements.

CITY OF MARYVILLE, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2020

	Business-type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
	Major Funds			
	Electric Department	Water and Sewer Department	Total	
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 6,203,287	\$ 10,902,633	\$ 17,105,920	\$ 7,751,993
Receivables:				
Accounts (Net of Allowance for Uncollectibles)	4,208,424	1,114,641	5,323,065	0
Rentals	140,258	0	140,258	0
Due From Other Funds	45,103	297,876	342,979	4,889
Other	0	0	0	83,597
Inventory of Materials and Supplies	1,481,859	639,160	2,121,019	200,888
Total Current Assets	<u>12,078,931</u>	<u>12,954,310</u>	<u>25,033,241</u>	<u>8,041,367</u>
Capital Assets				
Land and Land Rights	438,294	1,635,262	2,073,556	0
Construction in Progress	5,320,565	1,198,731	6,519,296	0
Plant in Service	83,528,098	151,381,160	234,909,258	0
Building and Improvements	0	0	0	873,125
Data Processing Equipment	0	0	0	231,060
Software	0	0	0	7,000
Fleet Maintenance Equipment	0	0	0	419,122
	<u>89,286,957</u>	<u>154,215,153</u>	<u>243,502,110</u>	<u>1,530,307</u>
Less: Accumulated Depreciation and Amortization	39,430,303	54,137,233	93,567,536	1,337,215
Net Capital Assets	<u>49,856,654</u>	<u>100,077,920</u>	<u>149,934,574</u>	<u>193,092</u>
Other Noncurrent Assets				
Net Pension Asset	291,950	256,351	548,301	0
Energy Service Loans	173,605	0	173,605	0
Total Other Noncurrent Assets	<u>465,555</u>	<u>256,351</u>	<u>721,906</u>	<u>0</u>
Total Noncurrent Assets	<u>50,322,209</u>	<u>100,334,271</u>	<u>150,656,480</u>	<u>193,092</u>
	<u>62,401,140</u>	<u>113,288,581</u>	<u>175,689,721</u>	<u>8,234,459</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Pension Outflows	520,328	456,882	977,210	0
Deferred Bond Refunding Costs	18,543	1,063,706	1,082,249	0
Total Deferred Outflows of Resources	<u>538,871</u>	<u>1,520,588</u>	<u>2,059,459</u>	<u>0</u>

The accompanying notes are an integral part of these financial statements.

CITY OF MARYVILLE, TENNESSEE
STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS
June 30, 2020

	Business-type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
	Major Funds			
	Electric Department	Water and Sewer Department	Total	
LIABILITIES				
Current Liabilities				
Accounts Payable	5,886,262	458,959	6,345,221	1,113,029
Due to Other Funds	370,570	92,027	462,597	0
Accrued Compensated Absences	459,797	394,177	853,974	0
Customer Deposits	393,900	83,510	477,410	0
Other Accrued Liabilities	234,465	113,310	347,775	0
Current Portion of Long-Term Debt	987,012	2,277,152	3,264,164	0
Total Current Liabilities	<u>8,332,006</u>	<u>3,419,135</u>	<u>11,751,141</u>	<u>1,113,029</u>
Noncurrent Liabilities				
Bonds Payable	3,680,265	38,237,477	41,917,742	0
Loan Payable - Tennessee Revolving Loan Fund	0	1,383,372	1,383,372	0
Accrued Compensated Absences	581,783	502,154	1,083,937	0
Advances from TVA for Energy Service Loans	173,605	0	173,605	0
Other Post-Employment Benefit Liability	1,316,870	1,343,822	2,660,692	0
Total Noncurrent Liabilities	<u>5,752,523</u>	<u>41,466,825</u>	<u>47,219,348</u>	<u>0</u>
Total Liabilities	<u>14,084,529</u>	<u>44,885,960</u>	<u>58,970,489</u>	<u>1,113,029</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Pension Inflows	446,061	391,670	837,731	0
Deferred OPEB Inflows	306,504	312,778	619,282	0
Total Deferred Inflows of Resources	<u>752,565</u>	<u>704,448</u>	<u>1,457,013</u>	<u>0</u>
NET POSITION				
Net Investment in Capital Assets	45,207,920	59,243,625	104,451,545	193,092
Restricted: Pensions	291,950	256,351	548,301	0
Unrestricted Position	2,603,047	9,718,785	12,321,832	6,928,338
Total Net Position	<u>\$ 48,102,917</u>	<u>\$ 69,218,761</u>	<u>\$ 117,321,678</u>	<u>\$ 7,121,430</u>

The accompanying notes are an integral part of these financial statements.

CITY OF MARYVILLE, TENNESSEE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2020

	Business-type Activities-Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Funds			
	Electric Department	Water and Sewer Department	Total	
OPERATING REVENUES				
Charges for Services	\$ 65,575,538	\$ 15,902,633	\$ 81,478,171	\$ 17,226,272
Rent from Property	680,820	136,596	817,416	0
Other Revenue	595,386	4,083,028	4,678,414	45,706
Total Operating Revenues	<u>66,851,744</u>	<u>20,122,257</u>	<u>86,974,001</u>	<u>17,271,978</u>
OPERATING EXPENSES				
Purchased Power	52,213,064	0	52,213,064	0
Electric Operations	3,833,602	0	3,833,602	0
Water and Sewer Operations	0	6,323,339	6,323,339	0
Customer Accounts Expense	1,426,320	1,193,611	2,619,931	0
Administrative and General Expense	1,645,489	1,896,195	3,541,684	0
Sales Expense	121,714	0	121,714	0
Depreciation and Amortization	2,678,983	4,141,873	6,820,856	193,842
Taxes	602,725	0	602,725	0
Information Technology Operating Expenses	0	0	0	1,038,294
Fleet Maintenance Operating Expenses	0	0	0	795,210
Facilities Operating and Maintenance Expenses	0	0	0	1,502,052
Self-Insurance Operating Expenses	0	0	0	11,237,928
Total Operating Expenses	<u>62,521,897</u>	<u>13,555,018</u>	<u>76,076,915</u>	<u>14,767,326</u>
OPERATING INCOME	<u>4,329,847</u>	<u>6,567,239</u>	<u>10,897,086</u>	<u>2,504,652</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest Income	110,289	131,220	241,509	0
Amortization	(5,218)	(135,706)	(140,924)	0
Gain (Loss) on Capital Assets	0	(144,198)	(144,198)	0
Interest Expense	(161,674)	(1,148,709)	(1,310,383)	0
Total Non-Operating Revenues (Expenses)	<u>(56,603)</u>	<u>(1,297,393)</u>	<u>(1,353,996)</u>	<u>0</u>
CHANGE IN NET POSITION BEFORE CONTRIBUTIONS AND TRANSFERS	<u>4,273,244</u>	<u>5,269,846</u>	<u>9,543,090</u>	<u>2,504,652</u>
CONTRIBUTIONS AND TRANSFERS				
Capital Contributions	0	1,582,577	1,582,577	0
Payments in Lieu of Taxes	(1,247,665)	(623,634)	(1,871,299)	0
Total Contributions and Transfers	<u>(1,247,665)</u>	<u>958,943</u>	<u>(288,722)</u>	<u>0</u>
CHANGE IN NET POSITION	3,025,579	6,228,789	9,254,368	2,504,652
NET POSTION, July 1st	<u>45,077,338</u>	<u>62,989,972</u>	<u>108,067,310</u>	<u>4,616,778</u>
NET POSITION, June 30th	<u>\$ 48,102,917</u>	<u>\$ 69,218,761</u>	<u>\$ 117,321,678</u>	<u>\$ 7,121,430</u>

The accompanying notes are an integral part of these financial statements.

CITY OF MARYVILLE, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2020

	Business-type Activities-Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Funds			
	Electric Department	Water and Sewer Department	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Collections from Customers	\$ 66,669,776	\$ 20,144,843	\$ 86,814,619	\$ 1,853,746
Receipts from Other Funds	0	0	0	15,382,819
Other Receipts	0	0	0	45,706
Payments to Employees	(4,716,843)	(4,463,362)	(9,180,205)	(842,680)
Payments to Other Suppliers of Goods and Services	(54,104,222)	(5,028,335)	(59,132,557)	(13,573,218)
Taxes	(602,725)	0	(602,725)	0
Net Cash Flows Provided By (Used in) Operating Activities	<u>7,245,986</u>	<u>10,653,146</u>	<u>17,899,132</u>	<u>2,866,373</u>
CASH FLOWS FROM NONCAPITAL FINANCING NONCAPITAL FINANCING ACTIVITIES				
Transfers to City of Maryville - In Lieu of Taxes	(1,247,665)	(623,634)	(1,871,299)	0
Net Cash Provided By (Used In) Non Capital Non Capital Financing Activities	<u>(1,247,665)</u>	<u>(623,634)</u>	<u>(1,871,299)</u>	<u>0</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(5,199,386)	(4,331,698)	(9,531,084)	(36,650)
Utility Plant Removal Costs, Net of Salvage	(105,724)	(82,798)	(188,522)	0
Proceeds from Sale of Capital Assets	0	23,986	23,986	0
Principal Paid on Long-Term Debt	(817,000)	(1,739,916)	(2,556,916)	0
Interest Paid on Long-Term Debt	(158,371)	(1,459,640)	(1,618,011)	0
Energy Service Advances Repaid to TVA	(116,601)	0	(116,601)	0
Energy Service Loans Collected from Customers	116,601	0	116,601	0
Capital Contributions	0	1,582,577	1,582,577	0
Net Cash Flows Provided By (Used In) Capital and Related Financing Activities	<u>(6,280,481)</u>	<u>(6,007,489)</u>	<u>(12,287,970)</u>	<u>(36,650)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	110,289	131,220	241,509	0
Net Cash Flows Provided By (Used In) Investing Activities	<u>110,289</u>	<u>131,220</u>	<u>241,509</u>	<u>0</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(171,871)	4,153,243	3,981,372	2,829,723
CASH & CASH EQUIVALENTS - July 1st	<u>6,375,158</u>	<u>6,749,390</u>	<u>13,124,548</u>	<u>4,922,270</u>
CASH & CASH EQUIVALENTS - June 30th	<u>\$ 6,203,287</u>	<u>\$ 10,902,633</u>	<u>\$ 17,105,920</u>	<u>\$ 7,751,993</u>

The accompanying notes are an integral part of these financial statements.

CITY OF MARYVILLE, TENNESSEE
STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2020

	<u>Business-Type Activities-Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Major Funds</u>			
	<u>Electric Department</u>	<u>Water and Sewer Department</u>	<u>Total</u>	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 4,329,847	\$ 6,567,239	\$ 10,897,086	\$ 2,504,652
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used In) Operating Activities				
Add (Deduct) Non-Cash Items				
Depreciation and Amortization	2,944,958	4,141,875	7,086,833	193,842
Changes in Assets and Liabilities				
Accounts Receivable	(198,232)	110,855	(87,377)	7,818
Rentals Receivable	17,403	0	17,403	
Inventories	(146,861)	22,730	(124,131)	8,463
Accounts Payable	316,725	112,964	429,689	149,124
Accrued Compensated Absences	33,615	(21,333)	12,282	0
Accrued Post-Employment Benefit Obligation/Deferrals	(10,521)	(32,995)	(43,516)	0
Net Pension Obligation/Deferrals	(177,595)	(152,180)	(329,775)	0
Other Accrued Liabilities	17,493	(6,380)	11,113	0
Customer Deposits	(5,450)	9,775	4,325	0
Due from Other Funds	4,311	(98,044)	(93,733)	2,474
Due to Other Funds	120,293	(1,360)	118,933	0
NET CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 7,245,986</u>	<u>\$ 10,653,146</u>	<u>\$ 17,899,132</u>	<u>\$ 2,866,373</u>

The accompanying notes are an integral part of these financial statements.

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) REPORTING ENTITY

The City of Maryville, Tennessee (the City), has existed under various charters in its over 200-year history. The most recent incorporation was authorized by *H.B. No 132 Private Chapter No 27* adopted by the State legislature on March 14, 1967. The act took effect September 1, 1967 and effectively recreated the City of Maryville as a Council-Manager City with five councilmen elected at large who in turn hire a City Manager for day-to-day administration. The charter authorizes the following services: public safety (police and fire), highways and streets, public utilities, health and social services, education, public improvements, planning and zoning, and general administrative services.

The financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP) followed in the United States of America. The Governmental Accounting Standards Board (GASB) is the established and recognized standard-setting body for governmental accounting and financial reporting. The GASB periodically issues new or revised standards that are implemented by the City.

Governmental Accounting Standards Board (GASB) *Statement No. 14 - "The Financial Reporting Entity"*, as amended by GASB *Statement No. 39 "Determining Whether Certain Organizations are Component Units"*, defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of a component unit's Board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. The City is a primary government including Maryville City Schools (the School System) and has no component units.

(B) GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The basic financial statements include both government-wide and fund financial statements. Both the government-wide and fund financial statements categorize activities as either governmental activities or business-type activities. *Governmental activities* are normally supported by taxes and intergovernmental revenues. *Business-type activities* rely to a significant extent on fees and charges for support. All activities, both governmental and business-type, are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets as well as long-term obligations. The government-wide financial statements focus more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal year.

The government-wide statement of activities demonstrates the degree to which the direct expenses, including depreciation, of the various departments of the City are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific department. Interest on general long-term debt and depreciation expense on assets shared by multiple departments are not allocated to the various departments. Program revenues include revenues from fines and forfeitures, licenses and permit fees, special assessment taxes, certain intergovernmental grants, other entities participation and charges for services. Taxes and other items not properly included among program revenues are reported as general revenues.

Generally, the effect of interfund activity has been removed from the government-wide financial statements. Net interfund activity and balances between governmental activities and business-type activities are shown in the government-wide financial statements.

The City does not currently utilize an indirect cost allocation system. The General Fund charges certain administrative fees to departments within other operating funds to support general services used by those funds. The expenditures/expenses are recorded as a reduction of expense in the allocating fund. Therefore, no elimination is required from either the government-wide or fund level financial statements.

The fund financial statements emphasis is on the major funds in either the governmental or business-type categories. Non-major funds are summarized into a single column.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(B) GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Internal service funds of a government (which provide services primarily to other funds of the City) are presented as part of the proprietary fund financial statements. Since the principal users of the internal services are the City's governmental activities, financial statements of internal service funds are consolidated into the governmental activities column when presented at the government-wide level. To the extent possible, the costs of these services are reflected in the appropriate department.

(C) BASIS OF PRESENTATION

The City uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid in the City's financial management by segregating transactions related to certain functions or activities. The following categories are used by the City:

Governmental Fund Types

Governmental funds are those through which most of the governmental functions of the City are financed. The focus of governmental fund measurement, in the fund financial statements, is upon determination of financial position and changes in financial position rather than upon net income. Governmental Funds include the following fund types:

General Fund: The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required or elected to be accounted for in another fund.

Special Revenue Funds: Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes. There is one (1) special revenue fund presented as a major fund in the basic financial statements as follows:

General Purpose School Fund: The General Purpose School Fund is used to account for the general operations of the Maryville City Schools. Major funding for the General Purpose School Fund is provided by state education funds, shared revenues provided by Blount County, and transfers from the General Fund.

Debt Service Fund: The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt (principal, interest, and related costs) not being accounted for in the Enterprise Funds. The Debt Service Fund is presented as a major fund in the basic financial statements.

Capital Projects Funds: Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). There is one (1) capital projects fund presented as a major fund in the basic financial statements as follows:

Capital Projects Fund: The Capital Projects Fund is used to account for the City's major capital projects. Funding is provided by debt issues and transfers from the General Fund.

Proprietary Fund Types

Proprietary funds are used to account for the City's ongoing operations and activities, which are similar to those often found in the private sector. The focus of proprietary fund measurement is upon the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds include the following fund types:

Enterprise Funds: Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The following enterprise funds are used by the City:

Electric Department Fund: The Electric Department Fund is used to account for the operation of the City's electric system. This fund is presented as a major fund in the basic financial statements.

Water and Sewer Department Fund: The Water and Sewer Department Fund is used to account for the operation of the City's water and sewer system. This fund is presented as a major fund in the basic financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(C) BASIS OF PRESENTATION

Proprietary Fund Types (Continued)

Internal Service Funds: Internal service funds are used to account for the providing of goods or services to other governmental operating units on a cost reimbursement basis. The purpose of centralizing certain activities in an internal service fund is to achieve a level of operating efficiency that may not be available if the same activities were performed by multiple units within the governmental organization. The following internal service funds are used by the City:

Employee Medical Self-Insurance Funds: The Employee Medical Self-Insurance Funds are used to account for the City's self-insured health insurance program. Premiums charged to various operating funds and employee payroll deductions are placed in this fund for the payment of medical claims and administrative expenses.

Retiree Medical Self-Insurance Funds: The Retiree Medical Self-Insurance Funds are used to account for the City's self-insured health insurance program for retirees. Premiums charged to various operating funds and retiree contributions are placed in this fund for the payment of medical claims and administrative expenses.

Self-Insured Workmen's Compensation Fund: The Self-Insured Workmen's Compensation Fund is used to account for the City's self-insured worker's compensation program. Premiums charged to various operating funds are placed in this fund for the payment of claims and administrative expenses.

Information Technology Systems Fund: The Information Technology Systems Fund is used to account for the operation of the City's computer information system. Data processing charges collected from various City funds are placed in this fund for the payment of operating expenses.

Fleet Maintenance Fund: The Fleet Maintenance Fund is used to account for the operation of the City's vehicle maintenance program. Vehicle maintenance charges collected from various City funds are placed in this fund for the payment of operating expenses.

Facilities Management Fund: The Facilities Management Fund is used to account for the operation of the City's physical facilities.

(D) MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to (1) demonstrate legal and covenant compliance, (2) demonstrate the source and use of liquid resources, and (3) demonstrate how the City's actual experience conforms to the annual budget. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" is defined as collectible within the current period or within 60 days of the end of the current fiscal period. Expenditures, other than interest on long-term debt, are recorded when the related fund liability is incurred, if measurable. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues susceptible to accrual include property tax, local sales tax, state-shared sales tax, highway user tax, franchise fees, and interest earned on pooled investments. Licenses and permits, charges for services, fines and forfeitures and miscellaneous revenues are generally recorded as revenues when received in cash because they are not measurable until actually received. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for a specific purpose or project before any amounts will be paid to the City; therefore, revenues are based upon the expenditures recorded. In the other, monies are virtually unrestricted as to the purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(D) MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

The City reports deferred revenues in the governmental funds if the potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed and revenue is recognized.

Since the governmental fund financial statements are presented on a basis different than the governmental activities column of the government-wide financial statements, a reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. An exception to this rule is charges between the government’s electric and water/sewer functions and various functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the applicable functions.

Amounts reported as program revenue include (1) charges to customers or users who purchase, use or directly benefit from goods or services provided by a particular department, (2) operating grants and contributions that are restricted to meeting the operational requirements of a particular department, and (3) capital grants and contributions that are restricted. Taxes, investment income and other revenues not identifiable with a particular department are included as general revenues. The general revenues support the net costs of the departments not covered by program revenues.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources, as they are needed.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services of the fund’s principal ongoing operations. Operating expenses include the cost of providing the goods and services, administrative expenses, and depreciation on capital assets. Non-operating revenues and expenses are items such as investment income and interest expense, which are not a result of the direct operations of the activity.

(E) ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS, AND NET POSITION/FUND BALANCES

Deposits and Investments - Cash and cash equivalents include cash on hand, bank deposits and short-term investments with maturities of three months or less at the time of purchase, including deposits with the State Treasurer’s Local Government Investment Pool (LGIP). The City pools substantially all of its cash and cash equivalents except for bank balances of the school funds, Electric Department Fund and Water and Sewer Department Fund. All bank deposits are fully insured by the Tennessee Investment Collateral Pool.

Deposits with LGIP may be withdrawn with a maximum of one day’s notice and are valued at cost. The State Pooled Investment Fund, of which LGIP is a part, is managed like a Rule SEC 2a-7 fund. The same investment guidelines are followed, but the State Pooled Investment Fund is not reported to the SEC.

The State Pooled Investment Fund is governed by the State Funding Board in accordance with Tennessee Code Annotated. The Funding Board is comprised of the State Treasurer, the Comptroller, the Commissioner of Finance and Administration, the Secretary of State and the Governor. Reporting is done monthly, quarterly and annually and there are regularly scheduled meetings. The Funding Board has developed an Investment Policy which meets Rule SEC 2a-7 requirements and State laws.

Receivables - All receivables are shown net of an allowance for uncollectible accounts.

Unbilled Accounts Receivable - The City of Maryville Utilities delay the recording of some accrued revenues due to the staggering of meter reading dates during the month. Consequently, there is a lag in meter reading time and billing dates as the utilities do not bill at a cut-off date of June 30th, the year-end. Unbilled revenues are estimated by calculation of average daily revenue for the number of days unrecorded based on the following month’s billing.

For the Electric Department at June 30, 2020, unrecorded unbilled revenue was estimated to be \$2,080,444.

For the Water and Sewer Department at June 30, 2020, unrecorded unbilled revenue was estimated to be \$546,192.

Expenses and the related purchased power for the unrecorded unbilled revenue have been reflected in the Statements of Revenues, Expenses and Changes in Fund Net Position of each respective utility.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(E) ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS, AND NET POSITON/FUND BALANCES (Continued)

Inventories and Prepaid Items - Materials and supplies inventories of the proprietary funds are maintained by a perpetual inventory accounting system and are valued on a basis of average cost. Inventory of the Maryville City Schools' Cafeteria Fund is accounted for by the purchase method and is valued on a basis of average cost.

Prepaid items consist of payments to vendors for costs applicable to future accounting periods. These items are recorded as prepaid items in both the government-wide and fund financial statements.

Regulated Operations - The Electric Department Fund is an electric utility operation regulated by Tennessee Valley Authority (TVA), an agency of the federal government. TVA exercises oversight in the rate setting process and requires the use of accounting policies for public electric utilities as prescribed by the Federal Energy Regulatory Commission (FERC).

Capital Assets - Capital assets, including public domain infrastructure (e.g. roads, bridges, sidewalks, and culverts) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset, or materially extend its life, are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

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

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives (land, rights-of-way/easements, and construction-in-progress are not depreciated):

<u>Assets</u>	<u>Useful Life (Years)</u>
Building	50
Improvements	20-50
Equipment and Vehicles	5-25
Infrastructure	25-50

Deferred Outflows of Resources/Inflows of Resources - In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

Compensated Absences - Accumulated unpaid vacation and vested sick pay are accrued in the Government-wide and all Proprietary Fund statements. Long-term liabilities of the governmental funds are not shown on the fund financial statements, as these benefits are not expected to be liquidated with expendable available financial resources. Upon resignation, any accrued vacation will be paid in lump sum. Upon retirement, accrued vacation may be paid in lump sum or taken as time off before the retirement date.

City Employees - Employees earn vacation and sick leave in varying amounts in accordance with administrative policies and can carry over leave based on years of service. An employee who retires may have one-half of accrued sick leave credited toward additional service for retirement purposes, not to exceed 495 hours for fireman and 360 hours for all other employees.

School System Personnel - Personnel on a 235-day contract are entitled to earn five days of paid vacation time and are authorized to carry over five days from year to year. Personnel employed on a 260-day contract are entitled to earn paid vacation time up to a maximum of 20 days per year depending on years employed and carry over a maximum of 20 days. Personnel accumulate sick leave at 10, 11 or 12 days per year, depending upon the employee's contract and carries forward indefinitely. Non-professional employees of the School System receive no compensation for accumulated sick leave upon retirement. However, upon retirement, professional employees of the School System receive an additional month of employment credit for the purpose of computing retirement benefits for every twenty (20) days of accumulated sick leave.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(E) ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS, AND NET POSITION/FUND BALANCES (Continued)

Long-Term Obligations - In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type. Debt premiums and discounts are deferred and amortized over the life of the debt. Debt payable is reported net of the applicable premium or discount.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, in the period in which the debt is issued. 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.

Proprietary fund financial statements recognize debt premiums and discounts as deferrals that are amortized to interest expense over the life of the debt. Debt payable is reported net of the applicable premium or discount. Under GASB Statement No. 62, debt issue costs that are recovered through rate charges established by the regulatory authority are recognized as deferred regulatory charges. They are amortized over the life of the debt.

Interfund Transactions - Interfund transactions consist of identified services performed for other funds or costs billed to other funds and are recorded as expenditures in the fund receiving the services and as a reimbursement, reducing expenditures, in the fund performing the services except for sales of electric and water/sewer services to other City departments and the internal service risk management or health charges which are recorded as revenue and expenditures in the appropriate funds. All other interfund transactions are reported as transfers.

Net Position and Fund Balance - Government-wide and proprietary fund net position is classified into three components. "Net investment in capital assets" consists of capital assets net of accumulated depreciation and reduced by outstanding debt used to finance the purchase or construction of those assets. "Restricted" net position is noncapital net assets that must be used for a particular purpose as specified by creditors, grantors, or contributors external to the City. "Unrestricted" net position is remaining net position that does not meet the definition of the other two categories.

Governmental fund equity is classified as fund balance. The City follows GASB No. Statement 54, *Fund Balance and Governmental Fund Type Definitions*. Under this statement fund balances are classified into the following categories:

- a. Nonspendable fund balances comprise those amounts that cannot be spent due to their form (e.g. inventory and prepaids) or funds that legally or contractually are required to be maintained intact.
- b. Restricted fund balances comprise those amounts constrained to be used for a specific purpose by external parties, constitutional provisions or enabling legislation.
- c. Committed fund balances comprise those amounts that are set aside for a specific purpose by the City's highest level of decision-making authority (City Council) through its highest level of formal action (ordinance). Formal action must be taken prior to the end of the fiscal year. The same formal action must be taken to remove or change the limitations placed on the funds.
- d. Assigned fund balances consist of amounts that are set aside with the intent to be used for a specific purpose by the City's highest level of decision-making body. Assigned fund balances may not cause a deficit in unassigned fund balance.
- e. Unassigned fund balances consist of excess funds that have not been classified in the previous four categories. The general fund is the only governmental fund that reports positive unassigned fund balance.

City Council has retained the authority to assign funds for specific purposes. When both restricted and unrestricted funds are available for expenditure, restricted funds are spent first unless legal requirements disallow it. When committed, assigned and unassigned funds are available for expenditure, committed funds are spent first, assigned funds next, and unassigned funds last.

The City has a Fund Balance Policy to maintain in the General Fund an unassigned fund balance of at least 25% and not more than 40% of General Fund revenue. Should unassigned fund balance decline below 25% of revenue, the City Manager is required to provide the City Council a plan to increase fund balance to at least 25% of revenue over a period not to exceed three years.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(E) ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS, AND NET POSITION/FUND BALANCES (Continued)

Pensions - 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 City's participation in the Public Employee Retirement Plan, the Teacher Legacy Pension Plan, and the Teacher Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and the additions to/deductions from the City'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, the Teacher Legacy Pension Plan, and the Teacher Retirement Plan of TCRS. Investments are reported at fair value.

Estimates - The preparation of basic 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 amount of assets, liabilities, revenue and expenses/expenditures, and the disclosure of contingent assets and liabilities at the date of the basic financial statements. Actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

(A) BUDGETARY INFORMATION

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. At least forty-five (45) days before the beginning of the budgetary fiscal year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1st. The operating budget includes proposed expenditures and the means of financing them. The legal level of budgetary control is at the department level.
2. Public hearing is conducted by the City to obtain taxpayer comments.
3. Prior to July 1st, the budget is legally enacted through passage of an ordinance on two separate readings.
4. The City Manager is authorized to transfer appropriations between any program or line item within a department without the approval of the City Council. However, any revisions that alter the total expenditures of any department, and all other budget amendments, must be approved by the City Council.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds and Debt Service Fund. Formal budgetary integration is employed for the Debt Service Fund even though effective budgetary control is additionally achieved through general obligation bond indenture provisions. Because Capital Projects Funds are project-oriented and may extend over two (2) or more fiscal years, the recording of an annual budget is not necessary. Budgeted appropriations lapse at year-end.
6. Budgets for the General, Special Revenue and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles.

(B) SUPPLEMENTAL APPROPRIATIONS

The following revisions were made to the original fiscal 2020 budgeted expenditures and other financing uses by additional appropriations for the following major governmental funds:

Fund	Original Budget	Revisions	Final Budget
General Fund	\$ 48,942,674	\$ 0	\$ 48,942,674
General Purpose School Fund	\$ 55,532,612	\$ 0	\$ 55,532,612
Debt Service Fund	\$ 7,502,756	\$ 0	\$ 7,502,756

NOTE 3 - DEPOSITS AND INVESTMENTS

Custodial Credit Risk - Deposits - For cash and cash equivalents, this is the risk that, in the event of a bank failure, the City’s deposits may not be available, or the City will not be able to recover collateral securities in the possession of an outside party. The City’s policy requires that deposits be either (1) secured and collateralized by the institutions at 105% of the value of the deposits placed in the institution, less the amount protected by federal depository insurance or (2) that deposits be placed in financial institutions that participate in the bank collateral pool administered by the Treasurer of the State of Tennessee. Institutions participating in the collateral pool determine the aggregated balance of their public fund accounts. The amount of collateral required to secure these public deposits must be at least 105% of the average daily balance of public deposits held.

The City’s investment policy allows investments in obligations of the U.S. Treasury and other authorized investments as more fully explained in Note 1.

Included in Cash and Cash equivalents at June 30, 2020 were balances in the State Treasurer’s Local Government Investment Pool (LGIP) in the amount of \$52,791,669. Deposits with the LGIP are not subject to categorization and are reported at amortized cost using a table net asset value. The LGIP is not registered with the SEC as an investment company. However, the LGIP has a policy that it will operate in a manner consistent with the SEC’s Rule 2a-7. SEC Rule 2a-7 allows SEC registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the State Treasurer to administer the LGIP under the same terms and conditions, including collateral requirements, as required for other funds invested by the Treasurer. The reported value of the pool is the same as the fair value of the pool shares. There are no minimum or maximum dollar limits on the size of withdrawal transactions. In most cases, a withdrawal will be honored the same day it is requested. However, withdrawals of \$5,000,000 or more will be honored the next working day after request.

NOTE 4 - PROPERTY TAX

The City’s property tax is levied each September 1st on the assessed value as listed by the County Assessor and is payable by each November 30th. Beginning December 1st interest and penalty is accrued on unpaid property taxes. The City’s tax rate for the year ended June 30, 2020, was \$2.27 per \$100 of assessed value.

Property taxes levied for 2019 and prior years, but uncollected as of June 30, 2020, are recorded as receivables, net of estimated amounts uncollectible based upon collections in prior years. The allowance for uncollectible property taxes as of June 30, 2020 is \$96,126. The taxes collected during the fiscal year ended June 30, 2020, and those taxes expected to be collected in the subsequent sixty (60) days, are recognized as revenues in the fiscal year ended June 30, 2020. The remainder of net property taxes receivable are recorded as deferred revenue.

Property taxes levied for the fiscal year ending June 30, 2021 are recorded as receivables and deferred revenue.

NOTE 5 - INTERFUND BALANCES AND TRANSFERS

As of June 30, 2020, interfund receivables and payables were as follows:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>	<u>Total Balances</u>
Governmental Activities			
General Fund	\$ 89,887	\$ (1,543,468)	\$ (1,453,581)
General Purpose School Fund	2,492,679	0	2,492,679
Nonmajor Funds	29,731	(949,211)	(919,480)
Total Governmental Activities	<u>\$ 2,612,297</u>	<u>\$ (2,492,679)</u>	<u>\$ 119,618</u>
Business-Type Activities			
Electric Department	\$ 45,103	\$ (370,570)	\$ (325,467)
Water and Sewer Department	297,876	(92,027)	205,849
Total Business-type Activities	<u>\$ 342,979</u>	<u>\$ (462,597)</u>	<u>\$ (119,618)</u>

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

NOTE 5 - INTERFUND BALANCES AND TRANSFERS (Continued)

Transfers during the year are as follows:

Transfers From:	Transfers to:					Total
	General Fund	Debt Service Fund	General Purpose Schools	Capital Projects Fund	Nonmajor Governmental Funds	
General Fund	\$ 0	\$ 6,737,009	\$ 9,422,500	\$ 4,000,000	\$ 1,717,439	\$ 21,876,948
General Purpose Schools Fund	0	333,774	0	0	32,355	366,129
Electric Department Fund	1,247,665	0	0	0	0	1,247,665
Water and Sewer Department Fund	623,634	0	0	0	0	623,634
Total	\$ 1,871,299	\$ 7,070,783	\$ 9,422,500	\$ 4,000,000	\$ 1,749,794	\$ 24,114,376

The transfers from the General Fund are to fund the operating activities of the receiving fund. The transfers from the Electric Department Fund and Water and Sewer Department Fund are transfers in lieu of payment of taxes.

NOTE 6 - CAPITAL ASSETS

A summary of capital asset activity, for the government-wide financial statements, for the fiscal year ended June 30, 2020 is as follows:

	Balance July 01, 2019	Increases	Decreases	Balance June 30, 2020
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 8,124,507	\$ 180,000	\$ 0	\$ 8,304,507
Rights-of-Way/Easements	509,420	302,650	0	812,070
Construction in Progress	14,984,214	8,983,545	(21,555,208)	2,412,551
Total Capital Assets, Not Being Depreciated	23,618,141	9,466,195	(21,555,208)	11,529,128
Capital Assets, Being Depreciated:				
Buildings and Improvements	138,738,334	7,556,808	(111,060)	146,184,082
Infrastructure	24,730,023	13,921,377	(100)	38,651,300
Capital Lease:				
Buildings (Civic Arts Center)	23,075,000	0	0	23,075,000
Communications Equipment	1,391,663	0	0	1,391,663
Equipment and Vehicles	23,720,869	1,316,982	(430,594)	24,607,257
Total Capital Assets, Being Depreciated	211,655,889	22,795,167	(541,754)	233,909,302
Less Accumulated Depreciation for:				
Buildings and Improvements	(47,601,592)	(3,492,692)	111,060	(50,983,224)
Infrastructure	(13,400,982)	(915,711)	100	(14,316,593)
Capital Lease	(9,486,417)	(1,011,396)	0	(10,497,813)
Equipment and Vehicles	(13,914,954)	(1,992,899)	424,366	(15,483,487)
Total Accumulated Depreciation	(84,403,945)	(7,412,698)	535,526	(91,281,117)
Total Capital Assets, Being Depreciated, Net	127,251,944	15,382,469	(6,228)	142,628,185
Governmental Activities Capital Assets, Net	\$ 150,870,085	\$ 24,848,664	\$ (21,561,436)	\$ 154,157,313

NOTE 6 - CAPITAL ASSETS (Continued)

	Balance July 01, 2019	Increases	Decreases	Balance June 30, 2020
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land and Land Rights	\$ 2,032,108	\$ 41,448	\$ 0	\$ 2,073,556
Construction in Progress	3,683,175	5,635,893	(2,799,772)	6,519,296
Total Capital Assets, Not Being Depreciated	<u>5,715,283</u>	<u>5,677,341</u>	<u>(2,799,772)</u>	<u>8,592,852</u>
Capital Assets, Being Depreciated:				
Electric Plant in Service:				
Transmission	6,126,031	0	0	6,126,031
Distribution	65,971,778	2,339,469	(508,042)	67,803,205
General	9,497,200	223,897	(122,235)	9,598,862
Water Plant in Service	45,317,328	1,906,840	(698,825)	46,525,343
Sewer Plant in Service	102,791,073	2,183,309	(118,565)	104,855,817
Total Capital Assets, Being Depreciated	<u>229,703,410</u>	<u>6,653,515</u>	<u>(1,447,667)</u>	<u>234,909,258</u>
Less Accumulated Depreciation for:				
Electric Plant in Service:				
Transmission	(2,924,771)	(154,371)	0	(3,079,142)
Distribution	(28,215,920)	(2,308,019)	662,552	(29,861,387)
General	(6,080,655)	(482,568)	73,449	(6,489,774)
Water Plant in Service	(19,359,703)	(1,459,932)	581,009	(20,238,626)
Sewer Plant in Service	(31,367,659)	(2,681,941)	150,993	(33,898,607)
Total Accumulated Depreciation	<u>(87,948,708)</u>	<u>(7,086,831)</u>	<u>1,468,003</u>	<u>(93,567,536)</u>
Total Capital Assets, Being Depreciated, Net	<u>141,754,702</u>	<u>(433,316)</u>	<u>20,336</u>	<u>141,341,722</u>
Business-Type Activities Capital Assets, Net	<u>\$ 147,469,985</u>	<u>\$ 5,244,025</u>	<u>\$ (2,779,436)</u>	<u>\$ 149,934,574</u>

Depreciation expense was charged to the governmental functions in the government-wide financial statement as follows:

General Government	\$ 1,354,138
Public Safety	898,971
Public Works	1,923,492
Culture and Recreation	147,278
Education	3,088,819
	<u>\$ 7,412,698</u>

NOTE 7 - DEBT AND LONG-TERM LIABILITIES

(A) BONDS AND NOTES PAYABLE

General Obligation Bonds - The City issues general obligation bonds to provide for the acquisition and construction of major roads, capital facilities and equipment. General obligation bonds have been issued for general government activities, business-type activities and to refund previously issued general obligation bonds. These bonds are generally issued as serial bonds with level debt service payments over 20 to 22 years except refunding bonds are generally issued matching the maturities of the bonds being refunded. General obligation bonds outstanding at June 30, 2020 were as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$2,500,000 - 2010 General Obligation Public Improvement, due in annual installments of \$155,000 to \$205,000 through June 1, 2025; interest at 2.0% to 3.5%.	\$ 0	\$ 960,000	\$ 960,000
\$9,855,000 - 2015 General Obligation Refunding, due in annual installments of \$1,010,000 to \$2,280,000 through June 1, 2030; interest at 3.0%.	9,855,000	0	9,855,000
\$3,350,000 - 2016A General Obligation Refunding, due in annual installments of \$150,000 to \$450,000 through June 1, 2029; interest at 1.5% to 4.0%.	2,750,000	0	2,750,000
\$6,175,000 - 2016B General Obligation Refunding, due in annual installments of \$30,000 to \$1,160,000 through June 1, 2024; interest at 2.0% to 3.0%.	746,000	2,914,000	3,660,000
\$27,795,000 - 2017A General Obligation Refunding, due in annual installments of \$325,000 to \$2,260,000 through June 1, 2030; interest at 2.25% to 5.0%.	21,555,000	2,565,000	24,120,000
\$24,000,000 - 2018A General Obligation Public Improvement, due in annual installments starting in 2021 of \$780,000 to \$1,620,000 through June 1, 2040; interest at 3.0% to 5.0%.	<u>18,180,000</u>	<u>5,820,000</u>	<u>24,000,000</u>
Total General Obligation Bonds	<u>\$ 53,086,000</u>	<u>\$ 12,259,000</u>	<u>\$ 65,345,000</u>

Revenue Bonds - The City issues revenue bonds to provide funds for the acquisition and construction of major capital facilities and to refund previously issued revenue bonds. These bonds are generally issued as serial bonds with varying amounts of principal maturing each year. Revenue bonds outstanding at June 30, 2020 were as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$31,800,000 - 2017B Water and Sewer Revenue and Tax Refunding, due in annual installments of \$260,000 to \$2,440,000 through June 1, 2038; interest at 2.25% to 5.0%.	\$ 0	\$ 31,280,000	\$ 31,280,000

The Water and Sewer Fund annual total revenue of approximately \$16 million is pledged to pay principal and interest on these bonds which will be \$1,338,719 for the year ending June 30, 2021.

NOTE 7 - DEBT AND LONG-TERM LIABILITIES (Continued)

(A) BONDS AND NOTES PAYABLE (Continued)

Notes Payable (Direct Borrowings) - The City has entered loan agreements with the State of Tennessee for school capital projects and a sewer system capital project at favorable interest rates. The notes payable outstanding at June 30, 2020 were as follows:

	Governmental Activities	Business-type Activities	Total
\$18,720,000 - Tennessee State School Bond Authority Note, due in monthly installments of \$97,342 to \$110,118 through July 1, 2026; interest at 1.515%.	\$ 7,136,302	\$ 0	\$ 7,136,302
\$1,240,328 - Tennessee School Energy Efficiency Note, due in monthly installments of \$15,456 through April 1, 2026; interest at 1.5%.	1,028,173	0	1,028,173
\$2,304,000 - Tennessee Revolving Fund loan, due in monthly installments for twenty years through June 30, 2031 with interest at 2.09%	0	1,383,372	1,383,372
Total Notes Payable	<u>8,164,475</u>	<u>1,383,372</u>	<u>9,547,847</u>
Total Debt Payable	<u>\$ 61,250,475</u>	<u>\$ 44,922,372</u>	<u>\$ 106,172,847</u>

The various bond indentures contain significant limitations and restrictions on annual debt service requirements. The City is in compliance with all significant limitations and restrictions. Premiums related to issuance of bonds are being amortized over the life of the bonds.

The following is a summary of debt transactions of the City for the fiscal year ended June 30, 2020:

	Debt Payable July 1, 2019	Debt Issued	Debt Retired	Debt Payable June 30, 2020
General Obligation Bonds	\$ 70,135,000	\$ 0	\$ 4,790,000	\$ 65,345,000
Revenue Bonds	31,540,000	0	260,000	31,280,000
Notes Payable (Direct Borrowings):				
Tennessee State School Bond Authority	8,304,406	0	1,168,104	7,136,302
Tennessee Revolving Loan Fund	1,494,288	0	110,916	1,383,372
Tennessee School Energy Efficiency Loan	1,198,138	0	169,965	1,028,173
Total Debt Payable	<u>\$ 112,671,832</u>	<u>\$ 0</u>	<u>\$ 6,498,985</u>	<u>\$ 106,172,847</u>

For governmental activities, the City's charter provides a debt limit of 15% of assessed property values. As of June 30, 2020, the debt limit was \$160.0 million and the legal debt margin is \$90.5 million. There is no debt limit for business-type activities.

NOTE 7 - DEBT AND LONG-TERM LIABILITIES (Continued)

(A) BONDS AND NOTES PAYABLE (Continued)

The following is a summary of the City's debt service requirements in five-year increments:

Fiscal Years Ending June 30,	Governmental Activities				Business-type Activities				Total	
	Bonds		Direct Borrowings		Bonds		Direct Borrowings		Principal	Interest
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		
2021	\$ 3,346,000	\$ 1,977,886	\$ 1,340,629	\$ 297,851	\$ 2,794,000	\$ 1,522,564	\$ 113,220	\$ 27,432	\$ 7,593,849	\$ 3,825,733
2022	2,958,000	1,816,906	1,343,236	295,244	2,242,000	1,404,394	115,572	25,080	6,658,808	3,541,624
2023	3,097,000	1,681,696	1,345,880	292,600	1,993,000	1,303,391	117,972	22,680	6,553,852	3,300,367
2024	3,235,000	1,539,056	1,348,571	289,909	2,130,000	1,214,781	120,432	20,220	6,834,003	3,063,966
2025	3,245,000	1,382,106	1,351,279	287,201	2,210,000	1,119,681	122,940	17,712	6,929,219	2,806,700
2026 - 2030	17,480,000	4,807,813	1,434,880	284,569	11,015,000	4,238,750	654,108	49,152	30,583,988	9,380,284
2031 - 2035	13,935,000	2,135,863	0	0	12,210,000	2,497,988	139,128	1,562	26,284,128	4,635,413
2036 - 2040	5,790,000	602,456	0	0	8,945,000	620,813	0	0	14,735,000	1,223,269
Totals	\$ 53,086,000	\$ 15,943,782	\$ 8,164,475	\$ 1,747,374	\$ 43,539,000	\$ 13,922,362	\$ 1,383,372	\$ 163,838	\$ 106,172,847	\$ 31,777,356

(B) CAPITALIZED LEASE OBLIGATIONS

Civic Arts Center

On May 2, 2006, City Council adopted a resolution authorizing the execution of a lease agreement with respect to a Civic Arts Center to be constructed on the campus of Maryville College; approving the issuance of bonds in an amount not to exceed \$33,685,000 by the Industrial Development Board of Blount County to finance the Civic Arts Centers; consenting to the assignment of the City's obligation under the lease agreement; and such other matters with respect to the Civic Arts Center. The lease obligates the City to pay annually an amount not to exceed 71.43% of the rental payments due, which shall be equal to a percentage of the principal, premium and interest on the bonds approved and issued. The Industrial Development Board of Blount County entered into a fifty (50) year lease with Maryville College to lease the land on which the Civic Arts Center was constructed. At the end of the fifty-year lease, the Civic Arts Center becomes the property of Maryville College

Maryville College committed to provide the first \$18,000,000 of the rental payments, of which 71.43% or \$12,857,400 applies to the City's rental payments. As of June 30, 2020, Maryville College has paid \$11,748,015 on the City's rental payments, with the balance of \$1,109,385 to be applied to the City's rental payments for next year.

Communications Equipment

In 2010 the City entered into an inter-governmental agreement with Blount County, Tennessee and the City of Alcoa, Tennessee to acquire emergency communication equipment with Blount County being the lessee. The County subleased to each city their pro rata share. The City's prorata share of the cost was \$918,966 and the City is required to make annual lease of \$113,133 plus interest at 3.97% for 10 years. Title to the equipment will transfer to each government at the end of the lease.

Changes in capital lease obligations for the year end June 30, 2020 were:

	Balance July 1, 2019	New Leases	Lease Payments	Balance June 30, 2020
Civic Center	\$ 9,625,000	\$ 0	\$ 720,000	\$ 8,905,000
Communications Equipment	213,477	0	104,658	108,819
Total	\$ 9,838,477	\$ 0	\$ 824,658	\$ 9,013,819

NOTE 7 - DEBT AND LONG-TERM LIABILITIES (Continued)

(B) CAPITALIZED LEASE OBLIGATIONS

The following is a summary of the City's payments of capitalized lease obligations in five-year increments:

Fiscal Years Ending June 30,	Governmental Activities	
	Principal	Interest
2021	\$ 863,819	\$ 373,765
2022	775,000	346,800
2023	810,000	323,550
2024	845,000	291,150
2025	900,000	257,350
2026 - 2030	4,820,000	701,475
Totals	\$ 9,013,819	\$ 2,294,090

(C) TOTAL LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2020:

	<u>Balance</u> <u>July 01, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities					
Debt Payable:					
General Obligation Bonds	\$ 55,690,000	\$ 0	\$ 2,604,000	\$ 53,086,000	\$ 3,346,000
Notes Payable	9,502,544	0	1,338,069	8,164,475	1,340,629
Premium on Bond Issuance	3,942,029	0	379,833	3,562,196	379,833
Total Debt Payable	<u>69,134,573</u>	<u>0</u>	<u>4,321,902</u>	<u>64,812,671</u>	<u>5,066,462</u>
Other Liabilities:					
Capital Lease Obligations	9,838,477	0	824,658	9,013,819	863,819
Compensated Absences	2,690,664	2,124,487	1,369,141	3,446,010	1,185,007
Total Other Liabilities	<u>12,529,141</u>	<u>2,124,487</u>	<u>2,193,799</u>	<u>12,459,829</u>	<u>2,048,826</u>
Total Liabilities	<u>\$ 81,663,714</u>	<u>\$ 2,124,487</u>	<u>\$ 6,515,701</u>	<u>\$ 77,272,500</u>	<u>\$ 7,115,288</u>
	<u>Balance</u> <u>July 01, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Due Within</u> <u>One Year</u>
Business-Type Activities					
Debt Payable:					
General Obligation Bonds	\$ 14,445,000	\$ 0	\$ 2,186,000	\$ 12,259,000	\$ 2,529,000
Revenue Bonds	31,540,000	0	260,000	31,280,000	265,000
Notes Payable	1,494,288	0	110,916	1,383,372	113,220
Premium on Bond Issuance	2,000,344	0	357,438	1,642,906	356,944
Total Debt Payable	<u>49,479,632</u>	<u>0</u>	<u>2,914,354</u>	<u>46,565,278</u>	<u>3,264,164</u>
Other Liabilities:					
Compensated Absences	1,925,629	1,522,650	1,510,368	1,937,911	853,974
Total Liabilities	<u>\$ 51,405,261</u>	<u>\$ 1,522,650</u>	<u>\$ 4,424,722</u>	<u>\$ 48,503,189</u>	<u>\$ 4,118,138</u>

NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM

Employees of the City and School System participate in the following retirement systems:

- a. Public Employee Retirement Plan.
- b. Teachers Legacy Plan - Closed to new membership on June 30, 2014.
- c. Teachers Retirement Plan - For teachers employed starting July 1, 2014.
- d. Higher Education and Teacher Hybrid Plan - Defined contribution plan for teachers.
- e. City of Maryville Utilities Retirement Program - Defined contribution plan for employees of the Maryville Utilities which was closed to new members on June 30, 1988.
- f. Deferred Compensation Plan.

The Public Employee Retirement Plan, Teachers Legacy Plan and Teachers Retirement Plan are defined benefits plans administered by the Tennessee Consolidated Retirement System (TCRS). The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34 - 37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-investment-Policies>.

The following information is provided to support the balances as of June 30, 2020 in the total column on the Statement of Net Position on page 1 of the financial statements.

	Public Employee Retirement Plan	Teachers Legacy Plan	Teachers Retirement	All Plans
Net Pension Asset	\$ 1,934,723	\$ 7,102,586	\$ 155,316	\$ 9,192,625
Pension Deferred Outflows	\$ 3,448,165	\$ 4,121,993	\$ 88,806	\$ 7,658,964
Pension Deferred Inflows	\$ 2,955,999	\$ 6,395,131	\$ 61,774	\$ 9,412,904

The following information applies to all three defined benefit plans administered by the TCRS and is provided here so it is not repeated in the descriptions of each of these plans.

Contributions

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. By law, employer contributions are required to be paid. The TCRS may intercept the City's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (ADC) and member contributions are expected to finance the cost 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)

Net Pension Liability (Asset): The net pension liability (asset) for each plan was measured as of June 30, 2019, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The total pension liability as of June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	Graded salary ranges from 8.72% to 3.44% based on age, including inflation, averaging 4.00%
Investment rate of return	7.25%, net of pension plan investment expenses, including inflation
Cost of living adjustment	2.25%

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

The actuarial assumptions used in the June 30, 2019 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012 through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

Net Pension Liability (Asset) (Continued)

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

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

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

Discount Rate: The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from Maryville 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.

(A) PUBLIC EMPLOYEES RETIREMENT PLAN

General Information about the Pension Plan

Plan Description: Employees of the City are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS.

Benefits Provided: Tennessee Code Annotated Title 8, Chapters 34 - 37 establishes 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 10 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 at age 55 and vested. Members vest with 10 years of service credit. Service-related disability benefits are provided regardless of length of service. Ten years of service is required for nonservice-related disability eligibility. The service related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10% and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd 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 3%, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A 1% COLA is granted if the CPI change is between one-half percent and 1%. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

(A) PUBLIC EMPLOYEES RETIREMENT PLAN (Continued)

General Information about the Pension Plan (Continued)

Employees Covered by the Benefit Terms: At the measurement date of June 30, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	285
Inactive Employees Entitled to, but not yet Receiving Benefits	334
Active Employees	<u>412</u>
Total	<u><u>1,031</u></u>

Contributions: Employees contribute 5% of salary, the City makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2020, employer contributions for the City were \$2,371,012 based on a rate of 11.12% of covered payroll. By law, employer contributions are required to be paid.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
<u>Balances at June 30, 2018</u>	\$ 96,530,495	\$ 96,701,673	\$ (171,178)
Changes for the Year:			
Service Cost	1,777,831	0	1,777,831
Interest	6,992,795	0	6,992,795
Changes of benefit terms	(5,428,262)	0	(5,428,262)
Difference between Expected and Actual Experience	(112,709)	0	(112,709)
Contributions - Employer	0	2,302,073	(2,302,073)
Contributions - Employees	0	1,022,511	(1,022,511)
Net Investment Income	0	7,133,950	(7,133,950)
Benefit Payments - Including Refunds of Employee Contributions	(3,711,957)	(3,711,957)	0
Administrative Expenses	0	(37,072)	37,072
Other Changes	<u>0</u>	<u>(5,428,262)</u>	<u>5,428,262</u>
Net Changes	<u>(482,302)</u>	<u>1,281,243</u>	<u>(1,763,545)</u>
<u>Balances at June 30, 2019</u>	<u>\$ 96,048,193</u>	<u>\$ 97,982,916</u>	<u>\$ (1,934,723)</u>

Other Changes: The City had previously reported the employees of the Maryville, Alcoa, and Blount County Parks and Recreation and Blount County Emergency Communications District. These two entities were created effective April 1, 1989 and February 1, 1985, respectively. It was determined that each of these two entities were separate legal entities and were not eligible to participate in TCRS under the City. Both Maryville, Alcoa, and Blount Parks and Recreation and Blount County Emergency Communications District became TCRS participating employers effective December 1, 2016. The City of Maryville transferred liabilities and assets to Maryville, Alcoa, and Blount Parks and Recreation and Blount County Emergency Communications District of \$1,811,894 and \$3,616,368, respectively, totaling \$5,428,262. This represents the liabilities and assets accrued from April 1, 1989 and February 1, 1985 for each of these entities to June 30, 2019. The transfer of liabilities is shown as a change of benefit terms and the transfer of assets are shown as an "other" change in fiduciary net position.

NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

(A) PUBLIC EMPLOYEES RETIREMENT PLAN (Continued)

General Information about the Pension Plan (Continued)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate: The following presents the net pension liability (asset) of the City calculated using the discount rate of 7.25%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability (Asset) 2019	\$ 10,970,152	\$ (1,934,723)	\$ (12,662,626)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Expense: For the year ended June 30, 2020, the City recognized pension expense of \$1,234,087.

Deferred Outflows of Resources and Deferred Inflows of Resources: For the year ended June 30, 2020, the City 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
Differences Between Expected and Actual Experience	\$ 205,118	\$ 1,632,900
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	1,323,099
Changes of Assumptions	872,035	0
Contributions Subsequent to the Measurement Date of June 30, 2019	2,371,012	0
Total	\$ 3,448,165	\$ 2,955,999

The amount shown above for “contributions subsequent to the measurement date of June 30, 2019,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

For the Years ended June 30,

2021	\$ (264,832)
2022	(991,346)
2023	(533,079)
2024	(89,589)

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

Payable to the Pension Plan

At June 30, 2020, the City reported no outstanding amount of contributions to the pension plan, including employee contributions, required at the year ended June 30, 2020.

NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

(B) TEACHERS LEGACY PLAN

General Information about the Pension Plan

Plan Description: Teachers employed by the School System 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 Local Education Agencies (LEAs) after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan.

Benefits Provided: Tennessee Code Annotated Title 8, Chapters 34-37 establishes 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 5 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 at age 55 and vested. 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 10% and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd 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 3%, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A 1% COLA is granted if the CPI change is between one-half percent and 1%. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5% of salary. The 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 School System for the year ended June 30, 2020 to the Teacher Legacy Pension Plan were \$2,550,804 which is 10.63% 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, 2020, the School System reported a liability (asset) of \$(7,102,586) for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The School Systems' proportion of the net pension liability was based on the School Systems' share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2019, the School Systems' proportion was 0.690792%. The proportion measured as of June 30, 2018 was 0.667657%.

Pension Expense (Negative Pension Expense): For the year ended June 30, 2020, the School System recognized pension expense (negative pension expense) of \$1,111,017.

NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

(B) TEACHERS LEGACY PLAN (Continued)

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

Deferred Outflows of Resources and Deferred Inflows of Resources: For the year ended June 30, 2020, the School System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources shown below:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 345,807	\$ 4,338,400
Changes of Assumptions	957,110	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	2,029,345
Changes in Proportion of Net Pension Liability (Asset)	268,272	27,386
LEAs Contributions Subsequent to the Measurement Date of June 30, 2019	<u>2,550,804</u>	<u>0</u>
Total	<u>\$ 4,121,993</u>	<u>\$ 6,395,131</u>

The School System's employer contributions of \$2,550,804 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 ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the Years ended June 30,

2021	\$ (1,286,063)
2022	(1,954,142)
2023	(906,348)
2024	(677,389)

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

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate: The following presents the School System's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25%, as well as what the School System's proportionate share of the net pension liability (asset) would be if we were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Maryville City Schools' Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 14,522,736</u>	<u>\$ (7,102,586)</u>	<u>\$ (24,304,929)</u>

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, 2020, the School System reported no payables for the outstanding amount of contributions to the pension plan, including employee contributions, required at the year ended June 30, 2020.

NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

(C) TEACHERS RETIREMENT PLAN

General Information about the Pension Plan

Plan Description: 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.

Benefits Provided: Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Retirement Plan are eligible to retire at age 65 with 5 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 at age 60 and vested or pursuant to the rule of 80. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10% and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd 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 3%, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A 1% COLA is granted if the CPI change is between one-half percent and 1%. A member who leaves 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. Teachers contribute 5% of salary. 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 the TCRS, the employer contribution rate cannot be less than 4%, except for 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, 2020 to the Teacher Retirement Plan were \$151,000, which is 4% 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, 2020, the School System reported a liability (asset) of (\$115,316) for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019, and the total pension asset used to calculate the net pension asset was determined by an actuarial value as of that date. The School System's proportion of the net pension asset was based on the School System's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2019, The School System's proportion was 0.275145%. The proportion measured as of June 30, 2018 was 0.255229%.

Pension Expense: For the year ended June 30, 2020, the School System recognized pension expense of \$46,215.

NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

(C) TEACHERS RETIREMENT PLAN (Continued)

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

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the School System reported deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 6,440	\$ 27,114
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	6,567
Changes of Assumptions	5,396	0
Changes in Proportion of Net Pension Liability (Asset)	0	28,093
LEAs Contributions Subsequent to the Measurement Date of June 30, 2019	<u>76,970</u>	<u>0</u>
Total	<u>\$ 88,806</u>	<u>\$ 61,774</u>

The School System's employer contributions of \$151,000, 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 ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the Years ended June 30,

2021	\$ (5,821)
2022	(6,826)
2023	(4,984)
2024	(4,045)
2025	(3,778)
Thereafter	(24,484)

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

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate: The following presents the School System's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25%, as well as what the School System's proportionate share of the net pension liability (asset) would be if we were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Maryville City Schools' Proportionate Share of the Net Pension Liability (Asset)	\$ <u>49,210</u>	\$ <u>(155,316)</u>	\$ <u>(306,498)</u>

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, 2020, the School System reported no payable for the outstanding amount of contributions to the pension plan, including employee contributions, required at the year ended June 30, 2020.

NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

(C) TEACHERS RETIREMENT PLAN (Continued)

TCRS Stabilization Trust

Legal Provisions: The School System is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The School System has placed funds into the irrevocable trust as authorized by statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member's funds are restricted for the payment of retirement benefits of that member's employees. Trust funds are not subject to the claims of general creditors of the School System.

The trust is authorized to make investments as directed by the TCRS Board of Trustees. The School System may not impose any restrictions on investments placed by the trust on their behalf.

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

Investments are reported at fair value or amortized which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the fair Securities and securities transactions are recorded in the financial statements on a trade-date basis. The fair value of assets of the TRGT held at June 30, 2020, represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets held are categorized for fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

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

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

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

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

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

NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

(C) TEACHERS RETIREMENT PLAN (Continued)

TCRS Stabilization Trust (Continued)

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

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

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

At June 30, 2020, the School System had the following investments held by the trust on its behalf.

	Weighted Average Maturity (Days)	Maturities	Fair Value
Investments at Fair Value			
U.S. Equity	N/A	N/A	\$ 43,565
Developed Market International Equity	N/A	N/A	19,676
Emerging Market International Equity	N/A	N/A	5,622
U.S. Fixed Income	N/A	N/A	28,108
Real Estate	N/A	N/A	14,054
Short-Term Securities	N/A	N/A	1,405
Investments at Amortized Cost using the NAV			
Private Equity and Strategic Lending	N/A	N/A	28,108
Total			\$ 140,538

	Fair Value Measurements Using				Amortized Cost (NAV)
	Carrying Amount	Quoted Prices in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments at Fair Value					
U.S. Equity	\$ 43,565	\$ 43,565	\$ 0	\$ 0	\$ 0
Developed Market International Equity	19,676	19,676	0	0	0
Emerging Market International Equity	5,622	5,622	0	0	0
U.S. Fixed Income	28,108	0	28,108	0	0
Real Estate	14,054	0	0	14,054	0
Short-Term Securities	1,405	703	702	0	0
Private Equity and Strategic Lending	28,108	0	0	0	28,108
Total	\$ 140,538	\$ 69,566	\$ 28,810	\$ 14,054	\$ 28,108

NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

(C) TEACHERS RETIREMENT PLAN (Continued)

TCRS Stabilization Trust (Continued)

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

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

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

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the School System's investment in a single issuer. The School System places no limit on the amount that can be invested in one issuer.

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

For further information concerning the School Department's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2020/ag19092.pdf>.

(D) DEFINED CONTRIBUTION PLAN - MARYVILLE CITY SCHOOLS

The School System contributes to the Higher Education and Teacher Hybrid Plan (the "Plan"), a defined contribution pension plan under section 401(k) of the Internal Revenue Code, for teachers with membership in the Tennessee Consolidated Retirement System after June 30, 2014. The Plan is a component of the defined benefit plan reported in Part (C) of this Note. Benefit terms, including contribution requirements, for the Plan are established by Tennessee Code Annotated Title 8, Chapters 34-37 and may be amended by the Tennessee General Assembly. For each employee in the pension plan the School System is required to contribute 5% of annual salary to an individual employee account. Employees have a 2% contribution, with an opt-out feature. For the year ended June 30, 2020 the School System recognized pension expense of \$190,880. Employees are immediately vested on all contributions and earnings on those contributions.

The School System reported no payable for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2020.

(E) CITY OF MARYVILLE UTILITIES RETIREMENT PROGRAM

Employees of the City of Maryville Utilities hired before June 30, 1988 are participants in the City of Maryville Utilities Retirement Program (the Plan), a defined contribution plan established under the authority of the City Council using a money purchase feature. Each employee's accumulated benefits at any point in time are equal to the sum of (1) the "rollover" amount from a plan in effect prior to July 1, 1986, (2) employee and employer contributions, and (3) investment earnings. Because the Plan is a defined contribution plan, no unfunded liabilities will exist. The Plan is administered by Principal Financial Group. The Plan's provisions and contribution requirements may be amended by the City Council.

Employees contribute a minimum of 3% of gross pay, while the Utility contributes 8% of gross pay. In addition, employees may elect to contribute an additional 4% of gross pay, thereby having a total of 15% of gross pay being invested in the Plan.

Employees hired subsequent to June 30, 1988, are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the TCRS, as fully described in (A) above.

Total pension expense in 2020 was \$157,745. As of June 30, 2020, there are 22 participants in the Plan.

NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

(F) DEFERRED COMPENSATION PLAN

Employees of the City may participate in a deferred compensation plan adopted under the provisions of *Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service For State and Local Governments)*.

The deferred compensation plan is available to all employees of the City. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

The deferred compensation plan is administered by the International City/County Management Association (ICMA) and established by Section 391:1 of Title 35 of the New Hampshire Revised Statutes Annotated. During the fiscal year ended June 30, 1998, as required by the *Internal Revenue Code Section 457(g)*, the assets of the plan were placed in a trust. Therefore, the assets are not available to the general creditors of the City. As a result, the City does not account for these assets in an agency fund.

NOTE 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

The City maintains separate OPEB plans for School Retirees and for City Retirees. An actuarial valuation was prepared for both plans as of January 1, 2019 with a measurement date of June 30, 2020. The OPEB liability as of June 30, 2020 and the changes for the year then ended are:

	<u>School Retirees</u>	<u>City Retirees</u>	<u>Total</u>
Liability at June 30, 2019	\$ 21,570,530	\$ 6,724,557	\$ 28,295,087
Changes for the Year			
Service Cost	1,368,240	248,958	1,617,198
Interest	792,610	240,421	1,033,031
Benefits Paid	<u>(615,204)</u>	<u>(192,601)</u>	<u>(807,805)</u>
Net Changes	<u>1,545,646</u>	<u>296,778</u>	<u>1,842,424</u>
Liability at June 30, 2020	<u>\$ 23,116,176</u>	<u>\$ 7,021,335</u>	<u>\$ 30,137,511</u>

Actuarial Assumptions. The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise specified:

Salary Increases	4.75%
Discount Rate	3.64%
Healthcare Cost Trend Rates	7.50% for 2020, decreasing to 6.75% over 3 years and following the Getzen model thereafter until reaching an ultimate rate of 3.94% in 2075

The salary increases assumption used in the January 1, 2020 valuation were based on the results of an actuarial experience study for period July 1, 2015 – June 30, 2016. The discount rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2018 and changed from 3.67% for the prior year. Health cost trend rates were changed from 8.00% grading uniformly to an ultimate rate of 5.00% over 12 years. Mortality, withdrawal, retirement and disability rates are based upon the Tennessee Consolidated Retirement System and were updated to current decrement studies completed for the State of Tennessee. The participation rate assumption for City Retirees was lowered from 95% to 75% based upon an experience study performed for the City of Maryville.

For the year ended June 30, 2020, the City recognized OPEB expense of:

School Retiree Plan	\$ 2,591,927
City Retiree Plan	<u>163,356</u>
Total	<u>\$ 2,755,283</u>

NOTE 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

OPEB Expense, Actuarially Determined Contribution and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	School Retiree Plan	City Retiree Plan	Total
Deferred Outflows of Resources			
Total	\$ <u>2,920,211</u>	\$ <u>0</u>	\$ <u>2,920,211</u>
Deferred Inflows of Resources			
Experience Losses (Gains) - July 1, 2017	\$ 185,206	\$ 49,071	\$ 234,277
Experience Losses (Gains) - July 1, 2018	148,541	1,251,108	1,399,649
Change in Assumptions - July 1, 2018	<u>0</u>	<u>338,108</u>	<u>338,108</u>
Total	\$ <u>333,747</u>	\$ <u>1,638,287</u>	\$ <u>1,972,034</u>

Contributions between the measurement date January 1, 2020 and the disclosure date June 30, 2020 are reported as a deferred outflow of resources and will be recognized as a reduction (increase) in net OPEB liability in the subsequent measurement period.

Amounts reported as deferred outflows (inflows) of resources will be recognized in OPEB expense as follows:

Year Ended June 30,	School Retiree Plan	City Retiree Plan	Total
2021	\$ 431,077	\$ (326,023)	\$ 105,054
2022	431,077	(326,023)	105,054
2023	431,077	(326,023)	105,054
2024	431,077	(326,023)	105,054
2025	431,077	(326,023)	105,054
Thereafter	431,079	(8,172)	422,907

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

Plan Description and Benefits

CITY RETIREES

The City maintains a single-employer plan whereby certain health benefits are provided to the retiree and their spouse. The plan is a self-insured plan that provides health and prescription drug coverage to those employees who retire with twenty (20) or more years of service and are at least sixty (60) years old. The Plan provides coverage for up to five (5) years and terminates when the employee reaches age sixty-five (65). The Plan is established under the authority of the City of Maryville City Council and may be amended at any time. The Plan does not issue a stand-alone financial report. Retirees are required to pay 50% of the City's COBRA rate, or a rate as determined by the City for each covered individual.

Employees Covered by the Benefit Terms. At June 30, 2020, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	25
Inactive Employees Entitled to, but not yet Receiving Benefits	0
Active Employees	<u>287</u>
Total	<u><u>312</u></u>

NOTE 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Plan Description and Benefits (Continued)

CITY RETIREES (Continued)

Sensitivity of the Total OPEB Liability to Changes in Discount Rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.64%) or 1 percentage-point higher (4.64%) than the current discount rate:

	1% Decrease (2.64%)	Current Discount Rate (3.64%)	1% Increase (4.64%)
Total OPEB Liability	\$ 7,411,647	\$ 7,021,335	\$ 6,615,871

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower (6.50% decreasing to 5.75% over 3 years and following the Getzen model thereafter) or 1 percentage-point higher (8.50% decreasing to 7.75% over 3 years and following the Getzen model thereafter) than the current healthcare cost trend rates:

	1% Decrease (6.50%)	Healthcare Cost Trend Rate (7.50%)	1% Increase (8.50%)
Total OPEB Liability	\$ 6,331,019	\$ 7,021,335	\$ 7,805,489

SCHOOL RETIREES

The Schools maintains a single-employer plan whereby certain health benefits are provided to the retiree and their spouse. The plan is a self-insured plan that provides health and prescription drug coverage to those employees who retire after 1999 at age sixty (60) with ten (10) years of service or retire before age sixty (60) with thirty (30) years of Tennessee Consolidated Retirement System service. The plan provides health coverage up to age sixty-five (65). There are some employees who retired prior to 1990 who were eligible to retire with TCRS who are provided coverage through death. The plan was created under the authority of the Maryville Board of Education and may be modified by the Board at any time with 180 day notice.

Employees Covered by the Benefit Terms. At June 30, 2020, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	59
Inactive Employees Entitled to, but not yet Receiving Benefits	0
Active Employees	492
Total	551

Retirees' Share of Benefit-Related Costs	Participant Age	
	Under Age 65	Over Age 65
Retiree	\$ 9,323	\$ 5,714
Spouse	\$ 4,661	\$ 652

NOTE 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Plan Description and Benefits (Continued)

SCHOOL RETIREES (Continued)

Sensitivity of the Total OPEB Liability to Changes in Discount Rate. The following presents the total OPEB liability of the School, as well as what the School's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.64%) or 1 percentage-point higher (4.64%) than the current discount rate:

	1% Decrease <u>(2.64%)</u>	Current Discount Rate (3.64%)	1% Increase <u>(4.64%)</u>
Total OPEB Liability	\$ <u>24,681,793</u>	\$ <u>23,116,176</u>	\$ <u>21,627,369</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the Schools, as well as what the Schools' total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower (6.50% decreasing to 5.75% over 3 years and following the Getzen model thereafter) or 1 percentage-point higher (8.50% decreasing to 7.75% over 3 years and following the Getzen model thereafter) than the current healthcare cost trend rates:

	1% Decrease <u>(6.50%)</u>	Healthcare Cost Trend Rate (7.50%)	1% Increase <u>(8.50%)</u>
Total OPEB Liability	\$ <u>20,453,713</u>	\$ <u>23,116,176</u>	\$ <u>26,286,119</u>

NOTE 10 - CONTRACTS WITH THE TENNESSEE VALLEY AUTHORITY (TVA)

The City of Maryville Utilities Electric Department (Utility) has a power contract with TVA whereby the Utility purchases all its electric power from TVA and is subject to restrictions and conditions. These include prohibitions against diverting Utility assets to other operations of the municipality, securing indebtedness of other operations, or paying more than the Utility's equitable share of tax equivalents.

NOTE 11 - SELF-INSURANCE

(A) WORKMEN'S COMPENSATION

Effective September 1, 1979, the City was issued a Certificate of Compliance with the Tennessee Workmen's Compensation Law to operate as a self-insured employer. The amounts transferred to the Self-Insured Workmen's Compensation Internal Service Fund are determined by reference to standard Workmen's Compensation rate structures used by insurance companies.

The self-insurance plan is augmented by coverage with Public Entity Partners, whereby coverage is extended for claims over \$400,000 per occurrence and \$400,000 aggregate.

(B) EMPLOYEE'S BENEFITS - MEDICAL PLAN

The City is self-insured for employee medical benefits. The School System separately determines employee benefits and premiums and accordingly are recorded in a separate internal service fund.

The self-insurance plans are augmented by coverage with Sun Life of Canada, whereby coverage is extended for claims exceeding \$175,000 per employee which limits the exposure to large individual claims.

NOTE 11 - SELF-INSURANCE (Continued)

(C) CLAIMS LIABILITIES

Liabilities of the self-insurance funds are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The self-insurance funds establish claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled. Changes in the balance of claims liabilities during the past three fiscal years for each fund are:

	Fiscal Year	Liability - Beginning	Claims and Changes in Estimates	Fiscal Year Claim Payments	Liability - Ending
Employee Medical					
Self-Insurance/Dental Insurance	2017-2018	\$ 516,044	\$ 10,748,262	\$ 10,766,874	\$ 497,432
	2018-2019	497,432	10,514,436	10,521,739	490,129
	2019-2020	490,129	10,304,863	10,170,056	624,936
Retiree Medical Self-Insurance	2017-2018	\$ 29,000	\$ 605,112	\$ 625,127	\$ 8,985
	2018-2019	8,985	1,026,129	977,573	57,541
	2019-2020	57,541	818,390	805,931	70,000
Workmen's Compensation					
Self-Insurance	2017-2018	\$ 185,000	\$ 159,073	\$ 215,698	\$ 128,375
	2018-2019	128,375	243,854	209,014	163,215
	2019-2020	163,215	114,679	193,257	84,637

The City continues to carry commercial insurance for certain risks of loss, including coverage for buildings and personal property, general and personal injury liability, and automobile liability and physical damage. Settled claims from these risks have not exceeded commercial insurance coverage in any of the prior three (3) fiscal years.

NOTE 12 - CONSTRUCTION CONTRACTS

As of June 30, 2020, the City had the following commitments with respect to unfinished construction-in-progress:

Project Name	Total Contract or Estimated Amount	Costs Incurred Through June 30, 2020	Estimated Cost to Complete
Advance Traffic Management System	\$ 2,675,000	\$ 364,695	\$ 2,310,305
Foothills Mall Extension	4,924,000	932,582	3,991,418
Carpenters Grade Improvement	3,821,000	84,554	3,736,446
State Industrial Access Road #1 Clydesdale Rd.	478,552	80,311	398,241
State Industrial Access Road #2 RCJ Widening	407,772	132,299	275,473
John Sevier Tennis Court Replacement	157,570	63,126	94,444
Big Springs Bridge Replacement	50,000	32,700	17,300
Crest Road Sidewalk	262,000	118,658	143,342
Salt Bin- OP Center	206,500	5,919	200,581
Sandy Springs Park Facility Renovations	182,000	161,022	20,978
Sandy Springs Ballfield Improvements	130,000	44,583	85,417
Sam Houston/Maryville Academy Expansion	885,679	384,049	501,630
	<u>\$ 14,180,073</u>	<u>\$ 2,404,498</u>	<u>\$ 11,775,575</u>

NOTE 13 - JOINT VENTURES

In order to pool resources and share the costs, risks and rewards of providing services for the benefit of the general public, the City participates in the following joint ventures.

(A) EMERGENCY COMMUNICATIONS DISTRICT OF BLOUNT COUNTY

Pursuant to an agreement dated August 28, 1984, between the City of Maryville, Blount County, and the City of Alcoa, Tennessee, a Communications Center was established for the purpose of handling emergency calls for the three (3) governmental entities. Effective July 1, 1999, the Blount County Communications Center was combined with the Emergency Communications District of Blount County, a component unit of Blount County, Tennessee. The three (3) governmental entities participate in the funding of the District while exercising no direct control over the District.

The Emergency Communications District of Blount County is governed by nine (9) directors appointed by the Blount County Board of County Commissioners. Before the issuance of most debt instruments, the District must obtain the approval of the Blount County Board of County Commissioners. The District's Board employs coordinators and staff to conduct the daily business of the organization.

For the fiscal year ended June 30, 2020, the City contributed \$198,900 to the Blount County Emergency Communications District. Summary financial information for the fiscal year ended June 30, 2019, the most recent fiscal year available, is presented below:

Operating Revenues	\$ 1,640,363
Operating Expenses	<u>2,291,716</u>
Operating Income (Loss)	(651,353)
Non-Operating Revenues	<u>743,275</u>
Change in Net Position	91,922
Net Position - July, 1 2018	<u>4,440,376</u>
Net Position - June 30, 2019	<u>\$ 4,532,298</u>
Total Assets	<u>\$ 5,642,150</u>
Deferred Outflows of Resources	<u>\$ 109,476</u>
Total Liabilities	<u>\$ 1,153,875</u>
Deferred Inflows of Resources	<u>\$ 65,453</u>
Net Position	<u>\$ 4,532,298</u>

The Emergency Communications District of Blount County issues a publicly available financial report. A report may be obtained by writing to the Blount County Communications District, P. O. Box 4609, Maryville, TN 37802.

(B) RECREATION AND PARKS COMMISSION

The City of Maryville, Blount County, and the City of Alcoa, Tennessee, jointly participate in the Recreation and Parks Commission (County-Wide) by funding percentages of the operational budget of the Commission. Each governmental entity appoints several persons to serve as commissioners on the Recreation and Parks Commission. The following factors suggest that the Recreation and Parks Commission should not be included in the reporting entity:

- (1) The governing board is solely responsible for operational activities of the Commission.
- (2) The City is neither entitled to operating surpluses nor responsible for operating deficits of the Commission.
- (3) The City's participation is limited to allocated funding as derived by the Commission's operating budget.
- (4) The facilities operated by the Recreation and Parks Commission are open to the public-at-large and not exclusively for enjoyment of residents of the City of Maryville, Tennessee.

NOTE 13 - JOINT VENTURES (Continued)

(B) RECREATION AND PARKS COMMISSION (Continued)

For the fiscal year ended June 30, 2020, the City contributed \$810,113 to the Recreation and Parks Commission to fund operations. Summary financial information for the fiscal year ended June 30, 2019, is presented below:

Revenues	\$ 3,011,931
Expenditures	<u>1,570,712</u>
Change in Net Position	1,441,219
Net Position - July, 1 2018	<u>1,611,649</u>
Net Position - June 30, 2019	<u>\$ 3,052,868</u>
Total Assets	<u>\$ 3,164,497</u>
Deferred Outflows of Resources	<u>\$ 107,535</u>
Total Liabilities	<u>\$ 209,468</u>
Deferred Inflows of Resources	<u>\$ 9,696</u>
Net Position	<u>\$ 3,052,868</u>

The Recreation and Parks Commission issues a publicly available financial report. A copy may be obtained by writing to Recreation and Parks Commission, 316 Everett High Road, Maryville, TN 37804.

(C) BLOUNT COUNTY CABLE TELEVISION AUTHORITY

The City of Maryville, Blount County, and the City of Alcoa, Tennessee jointly regulate the operation of cable television through the Blount County Cable Television Authority. The Authority is composed of nine (9) appointed members. 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.

Summary financial information for the fiscal year ended June 30, 2019 is presented below:

Revenues	\$ 1,058,227
Expenditures	<u>23,945</u>
Excess of Revenue Over Expenditures Before	
Franchise Fee Distributions	1,034,282
Franchise Fee Distributions to County and Cities	<u>1,033,444</u>
Change in Net Position	838
Net Position - July, 1 2018	<u>18,912</u>
Net Position - June 30, 2019	<u>\$ 19,750</u>
Total Assets	<u>\$ 267,900</u>
Total Liabilities	<u>\$ 248,150</u>
Net Position	<u>\$ 19,750</u>

No joint venture debt was reported on the financial statements of the Authority as of June 30, 2019.

The Blount County Cable Television Authority issues a publicly available financial report. A copy may be obtained by writing to Blount County Cable Television Authority, P. O. Box 4338, Maryville, TN 37802.

NOTE 13 - JOINT VENTURES (Continued)

(D) INDUSTRIAL DEVELOPMENT BOARD OF BLOUNT COUNTY AND THE CITIES OF ALCOA AND MARYVILLE, TENNESSEE

The Industrial Development Board of Blount County and the Cities of Alcoa and Maryville, Tennessee was organized pursuant to a resolution of the Blount County Quarterly Court in a special called session on September 30, 1969. A certificate of incorporation was received from the Secretary of State of the State of Tennessee dated October 1, 1969. The Industrial Development Board is governed by seven (7) directors. The purpose of the Industrial Development Board is to promote industrial development, provide additional job opportunities in Blount County, Tennessee and surrounding areas, and to exercise the authority and pursue the objectives of an industrial development corporation as provided for in Title 7, Chapter 53, of the Tennessee Code Annotated.

For the fiscal year ended June 30, 2020, the City of Maryville contributed \$1,088,123 to the Industrial Development Board of Blount County and the Cities of Alcoa and Maryville, Tennessee (inclusive of payments for the development and operation of three (3) industrial parks as more fully described in Note 14).

Summary financial information for the fiscal year ended June 30, 2019, the most recent fiscal year available, is presented below:

Revenues	\$ 2,872,459
Expenditures	<u>4,580,563</u>
Change in Net Position	(1,708,104)
Net Position - July, 1 2018	<u>37,197,165</u>
Net Position - June 30, 2019	<u>\$ 35,489,061</u>
Total Assets	<u>\$ 68,265,866</u>
Deferred Outflows of Resources	<u>\$ 1,067</u>
Total Liabilities	<u>\$ 32,777,814</u>
Deferred Inflows of Resources	<u>\$ 58</u>
Net Position	<u>\$ 35,489,061</u>

The Industrial Development Board of Blount County and the Cities of Alcoa and Maryville, Tennessee issues a publicly available report. A copy may be obtained by writing to Industrial Development Board of Blount County and the Cities of Alcoa and Maryville, Tennessee, 201 S. Washington Street, Maryville, Tennessee 37804.

NOTE 14 - JOINT DEVELOPMENT OF INDUSTRIAL PARKS

(A) PARTNERSHIP PARK NORTH - PARTNERSHIP PARK SOUTH

Pursuant to an Intergovernmental Cooperation Agreement dated December 16, 1997, by and among the City of Maryville, Tennessee, the City of Alcoa, Tennessee, Blount County, Tennessee, and the Industrial Development Board of Blount County and the Cities of Alcoa and Maryville, Tennessee, the two (2) cities and Blount County agreed to provide financial assistance to the Industrial Development Board in connection with the purchase of certain property and the development and operation of such property as two (2) industrial parks. Such financial assistance is to be provided as follows: Blount County –40%; City of Maryville –30%; and City of Alcoa – 30%.

Under the terms of the agreement, a joint operating committee, composed of one (1) representative from each of the parties to the agreement, shall have overall control of the two (2) industrial parks – the Partnership Park South (Herron property) and the Partnership Park North (Burkhart property). Such overall control shall include the right to approve all sales of property in the Industrial Parks; approve all budgets related to the operation of the Industrial Parks; approve all capital improvements to the Industrial Parks; and approve all design guidelines, restrictive covenants, and management policies regarding the Industrial Parks.

In addition to financial assistance provided to the Industrial Development Board by the City of Maryville, the City of Alcoa, and Blount County, the Industrial Development Board is to receive the proceeds from the sale of land in the Industrial Parks together with other receipts in connection with the operation, development, and maintenance of the Industrial Parks. Also, amounts equivalent to the property taxes received with respect to any property within either of the Industrial Parks is to be contributed to the Industrial Board.

NOTE 14 - JOINT DEVELOPMENT OF INDUSTRIAL PARKS

(B) THE PELLISSIPPI RESEARCH CENTRE ON THE OAK RIDGE CORRIDOR

Pursuant to an Intergovernmental Cooperation Agreement dated May 2006 by and among the City of Maryville, Tennessee; the City of Alcoa, Tennessee; Blount County, Tennessee; Knox County, Tennessee; and the Industrial Development Board of Blount County and the Cities of Alcoa and Maryville, Tennessee, the two (2) cities and two (2) counties agreed to provide financial assistance to the Industrial Development Board in connection with the purchase of certain property and the development and operation of such property as a research and development industrial park. Such financial assistance is to be provided as follows: Blount County – 25%; Knox County – 25%; City of Maryville – 25%; and City of Alcoa – 25%.

Under the terms of the agreement, a joint operating committee, composed of one (1) representative from each of the parties to the agreement, shall have overall control of the industrial park. Such overall control shall include the right to approve all sales of property in the Industrial Park; approve all budgets related to the operation of the Industrial Park; approve all capital improvements to the Industrial Park; and approve all design guidelines, restrictive covenants, and management policies regarding the Industrial Park.

In addition to financial assistance provided to the Industrial Development Board by the City of Maryville, the City of Alcoa, Blount County and Knox County, the Industrial Development Board is to receive the proceeds from the sale of land in the Industrial Park together with other receipts in connection with the operation, development, and maintenance of the Industrial Park. Also, amounts equivalent to the property taxes received with respect to any property within the Industrial Park is to be contributed to the Industrial Board if needed for operation. Otherwise, the property taxes are remitted to the two (2) cities and two (2) counties based upon the above percentages.

NOTE 15 - RISK FINANCING ACTIVITIES

It is the policy of the City to purchase commercial insurance for the risks of losses to which it is exposed. These risks include general liability, property and casualty, worker's compensation, and employee health and accident claims. Settled claims have not exceeded this commercial coverage in any of the past three (3) fiscal years.

The City maintains its funds with financial institutions which participate in the bank collateral pool administered by the Treasurer of the State of Tennessee. Participating banks determine the aggregate balance of their public funds accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must be equal to at least 105% of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public funds accounts are pledged to the State Treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in aggregate rather than against each individual account. Under this assessment agreement, public funds accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

NOTE 16 - PENDING LITIGATION

The City is involved in various litigations arising in the ordinary course of its operations. The City is vigorously defending each of the suits. The outcome of these suits is not presently determinable. However, management believes that if any suit results in an unfavorable outcome that its insurance coverage is sufficient to cover any judgment.

NOTE 17 - SUBSEQUENT EVENTS

In July 2020, the City issued \$5,000,000 of Electric Revenue Bonds at 1.07% interest rate payable in five annual payments of \$1,000,000 plus interest. The proceeds will be used to pay \$4,000,000 of cost incurred for a new electric substation; \$960,000 were used to refund the remaining principle balance of the 2010 General Obligation Bonds in the Electric Department Fund; and the remaining \$40,000 were used for bond issuance costs.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

CITY OF MARYVILLE, TENNESSEE
SCHEDULES OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
PUBLIC EMPLOYEE PENSION PLAN OF TCRS
Fiscal Years Ended June 30

	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service Cost	\$ 1,777,831	\$ 1,755,534	\$ 1,779,509	\$ 1,513,305	\$ 1,497,709	\$ 1,482,036
Interest	6,992,795	6,731,724	6,571,568	5,608,121	5,316,317	5,049,813
Changes in Benefit Terms	(5,428,262)	0	0	0	0	0
Differences between Actual and Expected Experience	(112,709)	(1,270,990)	(1,843,151)	559,325	(233,801)	(895,947)
Change of Assumptions	0	0	2,180,089	0	0	0
Benefit Payments, Including Refunds of Employee Contributions	(3,711,957)	(3,563,207)	(3,303,968)	(2,831,775)	(2,610,612)	(2,612,140)
Other Changes	0	0	8,496,175	0	0	0
Net Change in Total Pension Liability	(482,302)	3,653,061	13,880,222	4,848,976	3,969,613	3,023,762
Total Pension Liability - Beginning	96,530,495	92,877,434	78,997,212	74,148,236	70,178,623	67,154,861
Total Pension Liability - Ending (a)	\$ 96,048,193	\$ 96,530,495	\$ 92,877,434	\$ 78,997,212	\$ 74,148,236	\$ 70,178,623
Plan Fiduciary Net Position						
Contributions - Employer	\$ 2,302,073	\$ 2,215,967	\$ 2,145,243	\$ 2,145,242	\$ 2,030,190	\$ 1,995,417
Contributions - Employee	1,022,511	984,220	952,595	1,030,868	901,464	864,855
Net Investment Income	7,133,950	7,477,847	9,269,389	1,918,675	2,150,493	9,803,924
Benefit Payments, Including Refunds of Employee Contributions	(3,711,957)	(3,563,207)	(3,303,968)	(2,831,775)	(2,610,612)	(2,612,140)
Administrative Expense	(37,072)	(38,403)	(35,941)	(29,514)	(21,168)	(17,836)
Other	(5,428,262)	(1,327,251)	8,150,093	0	0	0
Net Change in Plan Fiduciary Net Position	1,281,243	5,749,173	17,177,411	2,233,496	2,450,367	10,034,220
Plan Fiduciary Net Position - Beginning	96,701,673	90,952,500	73,775,089	71,541,593	69,091,226	59,057,006
Plan Fiduciary Net Position - Ending (b)	\$ 97,982,916	\$ 96,701,673	\$ 90,952,500	\$ 73,775,089	\$ 71,541,593	\$ 69,091,226
Net Pension Liability (Asset) - Ending (a) - (b)	\$ (1,934,723)	\$ (171,178)	\$ 1,924,934	\$ 5,222,123	\$ 2,606,643	\$ 1,087,397
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	102.01%	100.18%	97.93%	93.39%	96.48%	98.45%
Covered Payroll	\$ 20,444,681	\$ 19,679,977	\$ 19,332,367	\$ 19,051,887	\$ 18,022,713	\$ 17,291,306
Net Pension Liability (Asset) as a Percentage of Covered Payroll	-9.46%	-0.87%	9.96%	27.41%	14.46%	6.29%

Notes: *Changes of assumptions.* In 2017, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, salary growth and mortality improvements.

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years Please refer to previously supplied data from the TCRS GASB website for the prior years' data, if needed.

CITY OF MARYVILLE, TENNESSEE
SCHEDULES OF CONTRIBUTIONS
PUBLIC EMPLOYEE PENSION PLAN OF TCRS
Fiscal Years Ended June 30

	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 2,371,012	\$ 2,302,073	\$ 2,215,967	\$ 2,176,824	\$ 2,145,243	\$ 2,030,190	\$ 1,995,417
Contributions in Relation to the Actuarially Determined Contribution	<u>2,371,012</u>	<u>2,302,073</u>	<u>2,215,967</u>	<u>2,176,824</u>	<u>2,145,243</u>	<u>2,030,190</u>	<u>1,995,417</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 21,322,041	\$ 20,444,681	\$ 19,679,977	\$ 19,332,367	\$ 19,051,887	\$ 18,022,713	\$ 17,291,306
Contributions as a Percentage of Covered Payroll	11.12%	11.26%	11.26%	11.26%	11.26%	11.26%	11.54%

Note: This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available. Please refer to the previously supplied data from the TCRS GASB website for prior years' data, if needed.

Notes:

Valuation date: Actuarially determined contribution rates for 2020 were calculated based on the June 30, 2018 actuarial valuation.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period:	Varies by Year
Asset Valuation:	10-year smoothed within a 20.0% corridor to market value
Inflation	2.5%
Salary Increases:	Graded salary ranges from 8.72% to 3.44% based on age, including inflation, averaging 4.00 percent
Investment Rate of Return	7.25%, net of investment expense, including inflation
Retirement Age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement.
Cost of Living Adjustments	2.25%

Changes of Assumptions: In 2017, the following assumptions were changed: decreased inflation rate from 3.00% to 2.50%; decreased the investment rate of return from 7.50% to 7.25%; decreased the cost-of-living adjustment from 2.50% to 2.25%; decreased salary growth graded ranges from an average of 4.25% to an average of 4.00%; and modified mortality assumptions.

CITY OF MARYVILLE, TENNESSEE

**SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
TEACHER LEGACY PENSION PLAN OF TCRS**

Fiscal Years Ended June 30

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Maryville City Schools' Proportion of the Net Pension Liability (Asset)	0.690792%	0.667657%	0.673848%	0.640423%	0.614098%	5.798390%
Maryville City Schools' Proportionate Share of the Net Pension Liability (Asset)	\$ (7,102,586)	\$ (2,349,428)	\$ (220,472)	\$ 4,002,292	\$ 251,556	\$ (94,211)
Maryville City Schools' Covered Payroll	\$ 23,166,992	\$ 23,379,049	\$ 23,742,683	\$ 23,117,998	\$ 22,988,822	\$ 22,758,634
Maryville City Schools' Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	-30.66%	-10.05%	-0.93%	17.31%	1.09%	-0.41%
Plan Fiduciary Net Position as a percentage of the total Pension Liability (Asset)	104.28%	101.49%	100.14%	97.14%	99.81%	100.08%

Note: This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available. Please refer to previously supplied data from the TCRS GASB website for prior year's data, if needed.

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF MARYVILLE CITY SCHOOLS CONTRIBUTIONS
TEACHER LEGACY PENSION PLAN OF TCRS

Fiscal Years Ended June 30

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 2,550,804	\$ 2,422,876	\$ 2,122,828	\$ 2,153,345	\$ 2,089,867	\$ 2,078,187	\$ 2,020,967
Contribution in Relation to the Contractually Required Contribution	<u>2,550,804</u>	<u>2,422,876</u>	<u>2,122,828</u>	<u>2,153,345</u>	<u>2,089,867</u>	<u>2,078,187</u>	<u>2,020,967</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Maryville City Schools' Covered Payroll	\$ 23,996,277	\$ 23,166,992	\$ 23,379,049	\$ 23,742,683	\$ 23,117,988	\$ 22,998,822	\$ 22,758,634
Contributions as a percentage of Maryville City Schools' Covered Payroll	10.63%	10.46%	9.08%	9.07%	9.04%	9.04%	8.88%

Note: *Changes of assumptions.* In 2017, the following assumptions were changed: Decreased inflation rate from 3.00% to 2.50%; decreased the investment rate of return from 7.50% to 7.25%; decreased the cost-of-living adjustment from 2.50% to 2.25%; decreased salary growth graded ranges from an average of 4.25% to an average of 4.00%; and modified the mortality assumptions.

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available. Please refer to previously supplied data from the TCRS GASB website for prior year's data, if needed.

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF MARYVILLE CITY SCHOOLS
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
TEACHER HYBRID PENSION PLAN OF TCRS

Fiscal Years Ended June 30

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Maryville City Schools' Proportion of the Net Pension Liability (Asset)	0.275145%	0.255229%	0.175774%	0.169669%	0.100884%
Maryville City Schools' Proportionate Share of the Net Pension Liability (Asset)	\$ (155,316)	\$ (115,753)	\$ (46,375)	\$ (17,663)	\$ (4,059)
Maryville City Schools' Covered Payroll	\$ 2,902,688	\$ 2,230,393	\$ 1,170,625	\$ 746,552	\$ 209,611
Maryville City Schools' Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	-5.35%	-5.19%	-3.96%	-2.37%	-1.94%
Plan Fiduciary Net Position as a percentage of the total Pension Liability (Asset)	123.07%	126.97%	126.81%	121.88%	127.46%

Note: This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF MARYVILLE CITY SCHOOLS CONTRIBUTIONS
TEACHER HYBRID PENSION PLAN OF TCRS
Fiscal Years Ended June 30

	<u>2020*</u>	<u>2019**</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 76,970	\$ 56,485	\$ 36,372	\$ 46,147	\$ 18,688	\$ 5,240
Contribution in Relation to the Contractually Required Contribution	<u>76,970</u>	<u>56,485</u>	<u>89,216</u>	<u>46,147</u>	<u>29,862</u>	<u>8,384</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (52,844)</u>	<u>\$ 0</u>	<u>\$ (11,174)</u>	<u>\$ (3,144)</u>
Maryville City Schools' Covered Payroll	\$ 3,791,629	\$ 2,902,688	\$ 2,230,393	\$ 1,170,625	\$ 746,552	\$ 209,611
Contributions as a percentage of Maryville City Schools' Covered Payroll	2.03%	1.95%	4.00%	3.94%	4.00%	4.00%

Notes: *Changes of assumptions.* In 2017, the following assumptions were changed: Decreased inflation rate from 3.00% to 2.50%; decreased the investment rate of return from 7.50% to 7.25%; decreased the cost-of-living adjustment from 2.50% to 2.25%; decreased salary growth graded ranges from an average of 4.25% to an average of 4.00%; and modified the mortality assumptions.

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

* In FY 2020 the Maryville City Schools placed the actuarially determined contribution rate of 2.03% of covered payroll into the pension plan and placed 1.97% of covered payroll into the Pension Stabilization Reserve Trust.

** In FY 2019 the Maryville City Schools placed the actuarially determined contribution rate of 1.95% of covered payroll into the pension plan and placed 2.05% of covered payroll into the Pension Stabilization Reserve Trust.

CITY OF MARYVILLE, TENNESSEE

CITY RETIREES
SCHEDULES OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

Fiscal Year Ended June 30

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service Cost	\$ 248,958	\$ 238,621	\$ 318,472
Interest	240,421	314,319	304,771
Experiences Losses (Gains)	0	(1,751,552)	(73,608)
Change in Assumptions	0	(473,352)	0
Benefit Payments	<u>(192,601)</u>	<u>(139,032)</u>	<u>(248,014)</u>
Net Change in Total OPEB Liability	296,778	(1,810,996)	301,621
Total OPEB Liability - Beginning	<u>6,724,557</u>	<u>8,535,553</u>	<u>8,233,932</u>
Total OPEB Liability - Ending	<u>\$ 7,021,335</u>	<u>\$ 6,724,557</u>	<u>\$ 8,535,553</u>
Covered Payroll	\$ 17,282,255	\$ 16,498,573	\$ 16,192,427
Total OPEB Liability (Asset) as a Percentage of Covered Payroll	40.6%	40.8%	52.7%

Note: There are no assets accumulating in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 related to this OPEB plan. This schedule is intended to display ten years of information. Additional years will be displayed as they become available.

CITY OF MARYVILLE, TENNESSEE

CITY RETIREES
SCHEDULES OF CONTRIBUTIONS TO OPEB PLAN

Fiscal Year Ended June 30

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarial Determined Contribution	\$ 760,080	\$ 721,024	\$ 902,052
Contributions in Relation to the Actuarial Determined Contribution	<u>192,601</u>	<u>139,032</u>	<u>93,323</u>
Contribution Deficiency (Excess)	<u>\$ 567,479</u>	<u>\$ 581,992</u>	<u>\$ 808,729</u>
Covered Payroll	\$ 17,282,255	\$ 16,498,573	\$ 16,192,427
Contribution as a Percentage of Covered- Employee Payroll	1.1%	0.8%	0.6%

Notes: This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

CITY OF MARYVILLE, TENNESSEE
SCHOOL RETIREES
SCHEDULES OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
Fiscal Year Ended June 30

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service Cost	\$ 1,368,240	\$ 1,311,427	\$ 933,567
Interest	792,610	627,797	605,377
Experiences Losses (Gains)	0	(198,055)	(277,810)
Change in Assumptions	0	3,893,615	0
Benefit Payments	<u>(615,204)</u>	<u>(887,097)</u>	<u>(562,124)</u>
Net Change in Total OPEB Liability	1,545,646	4,747,687	699,010
Total OPEB Liability - Beginning	<u>21,570,530</u>	<u>16,822,843</u>	<u>16,123,833</u>
Total OPEB Liability - Ending	<u>\$ 23,116,176</u>	<u>\$ 21,570,530</u>	<u>\$ 16,822,843</u>
Covered Payroll	\$ 29,222,702	\$ 27,964,308	\$ 28,596,454
Total OPEB Liability (Asset) as a Percentage of Covered Payroll	79.1%	77.1%	58.8%

Note: There are no assets accumulating in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 related to this OPEB plan. This schedule is intended to display ten years of information. Additional years will be displayed as they become available.

CITY OF MARYVILLE, TENNESSEE
SCHOOL RETIREES
SCHEDULES OF CONTRIBUTIONS TO OPEB PLAN
Fiscal Year Ended June 30

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarial Determined Contribution	\$ 3,018,053	\$ 2,827,852	\$ 2,081,980
Contributions in Relation to the Actuarial Determined Contribution	<u>615,204</u>	<u>887,097</u>	<u>511,789</u>
Contribution Deficiency (Excess)	\$ <u>2,402,849</u>	\$ <u>1,940,755</u>	\$ <u>1,570,191</u>
Covered Payroll	\$ 29,222,702	\$ 27,964,308	\$ 28,596,454
Contribution as a Percentage of Covered- Employee Payroll	2.1%	3.2%	1.8%

Notes: This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

OTHER SUPPLEMENTARY INFORMATION

CITY OF MARYVILLE, TENNESSEE
COMBINING BALANCE SHEET
Non-Major Governmental Funds
June 30, 2020

	Special Revenue Funds						
	State Street Aid	Maryville City Schools Cafeteria	Federal Projects	Special Projects	Maryville City Schools Continuing Care Program	Local Grant	Stormwater
ASSETS							
Cash and Cash Equivalents	\$ 1,571,804	\$ 1,227,622	\$ 0	\$ 151,716	\$ 415,095	\$ 1,013,072	\$ 710,130
Accounts Receivable	0	0	0	0	6,455	0	66,848
Due From Other Governments	80,689	3,728	323,332	0	0	88,198	0
Inventories	0	50,426	0	0	0	0	0
Due From Other Funds	0	0	0	0	0	0	24,842
Total Assets	<u>\$ 1,652,493</u>	<u>\$ 1,281,776</u>	<u>\$ 323,332</u>	<u>\$ 151,716</u>	<u>\$ 421,550</u>	<u>\$ 1,101,270</u>	<u>\$ 801,820</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts Payable	\$ 179,244	\$ 0	\$ 0	\$ 975	\$ 66	\$ 25,374	\$ 15,082
Due to Other Funds	0	444,954	294,254	0	210,003	0	0
Accrued Payroll	0	0	208	0	511	0	0
Other Liabilities	0	18,721	28,870	0	9,786	0	0
Total Liabilities	<u>179,244</u>	<u>463,675</u>	<u>323,332</u>	<u>975</u>	<u>220,366</u>	<u>25,374</u>	<u>15,082</u>
Fund Balances							
Nonspendable	0	50,426	0	0	0	0	0
Restricted	1,473,249	767,675	0	13,847	0	0	786,738
Assigned	0	0	0	136,894	201,184	1,075,896	0
Total Fund Balances	<u>1,473,249</u>	<u>818,101</u>	<u>0</u>	<u>150,741</u>	<u>201,184</u>	<u>1,075,896</u>	<u>786,738</u>
Total Liabilities and Fund Balances	<u>\$ 1,652,493</u>	<u>\$ 1,281,776</u>	<u>\$ 323,332</u>	<u>\$ 151,716</u>	<u>\$ 421,550</u>	<u>\$ 1,101,270</u>	<u>\$ 801,820</u>

CITY OF MARYVILLE, TENNESSEE
COMBINING BALANCE SHEET (Continued)
Non-Major Governmental Funds
June 30, 2020

	Special Revenue Funds		Total Special Revenue Funds	Capital Project Funds		Total Capital Project Funds	Total Non-Major Governmental Funds
	Drug	GIS		School Construction	Equipment Replacement		
ASSETS							
Cash and Cash Equivalents	\$ 187,268	\$ 171,665	\$ 5,448,372	\$ 201,915	\$ 1,507,285	\$ 1,709,200	\$ 7,157,572
Accounts Receivable	0	33,043	106,346	0	0	0	106,346
Due from Other Governments	0	0	495,947	0	0	0	495,947
Inventories	0	0	50,426	0	0	0	50,426
Due from Other Funds	0	0	24,842	0	0	0	24,842
Total Assets	<u>\$ 187,268</u>	<u>\$ 204,708</u>	<u>\$ 6,125,933</u>	<u>\$ 201,915</u>	<u>\$ 1,507,285</u>	<u>\$ 1,709,200</u>	<u>\$ 7,835,133</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts Payable	\$ 3,747	\$ 16,891	\$ 241,379	\$ 0	\$ 25,513	\$ 25,513	\$ 266,892
Due to Other Funds	0	0	949,211	0	0	0	949,211
Accrued Payroll	0	0	719	0	0	0	719
Other Liabilities	0	0	57,377	0	0	0	57,377
Total Liabilities	<u>3,747</u>	<u>16,891</u>	<u>1,248,686</u>	<u>0</u>	<u>25,513</u>	<u>25,513</u>	<u>1,274,199</u>
Fund Balances							
Nonspendable	0	0	50,426	0	0	0	50,426
Restricted	183,521	187,817	3,412,847	0	0	0	3,412,847
Assigned	0	0	1,413,974	201,915	1,481,772	1,683,687	3,097,661
Total Fund Balances	<u>183,521</u>	<u>187,817</u>	<u>4,877,247</u>	<u>201,915</u>	<u>1,481,772</u>	<u>1,683,687</u>	<u>6,560,934</u>
Total Liabilities and Fund Balances	<u>\$ 187,268</u>	<u>\$ 204,708</u>	<u>\$ 6,125,933</u>	<u>\$ 201,915</u>	<u>\$ 1,507,285</u>	<u>\$ 1,709,200</u>	<u>\$ 7,835,133</u>

CITY OF MARYVILLE, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

Non-Major Governmental Funds

For the Year Ended June 30, 2020

	Special Revenue Funds						
	State Street Aid	Maryville City Schools Cafeteria	Federal Projects	Special Projects	Maryville City Schools Continuing Care Program	Local Grant	Stormwater
Revenues							
Intergovernmental							
State Taxes	\$ 1,028,960	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Grants	0	0	2,083,037	0	0	204,625	0
U.S.D.A. Revenue	0	1,132,904	0	0	0	0	0
Other	0	18,406	0	0	0	0	0
Charges for Services	0	1,143,097	0	0	813,562	0	1,437,257
Interest Income	0	16,771	0	0	8,743	0	0
Miscellaneous	0	0	0	400	0	0	0
Total Revenues	<u>1,028,960</u>	<u>2,311,178</u>	<u>2,083,037</u>	<u>400</u>	<u>822,305</u>	<u>204,625</u>	<u>1,437,257</u>
Expenditures							
Current							
Public Safety	0	0	0	0	0	35,770	0
Public Services	849,564	0	0	0	0	0	882,463
Culture and Recreation	0	0	0	8,548	0	0	0
Economic Development	0	0	0	26,327	0	0	0
Education	0	2,259,013	2,083,037	0	920,942	0	0
Capital Outlay	0	15,836	0	0	0	251,749	268,788
Total Expenditures	<u>849,564</u>	<u>2,274,849</u>	<u>2,083,037</u>	<u>34,875</u>	<u>920,942</u>	<u>287,519</u>	<u>1,151,251</u>
Net Change in Fund Balance Before Other Financing Sources (Uses)	<u>179,396</u>	<u>36,329</u>	<u>0</u>	<u>(34,475)</u>	<u>(98,637)</u>	<u>(82,894)</u>	<u>286,006</u>
Other Financing Sources (Uses)							
Transfers In	0	0	0	0	0	217,439	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>217,439</u>	<u>0</u>
Net Change in Fund Balance	179,396	36,329	0	(34,475)	(98,637)	134,545	286,006
Fund Balance, July 1st	<u>1,293,853</u>	<u>781,772</u>	<u>0</u>	<u>185,216</u>	<u>299,821</u>	<u>941,351</u>	<u>500,732</u>
Fund Balance, June 30th	<u>\$ 1,473,249</u>	<u>\$ 818,101</u>	<u>\$ 0</u>	<u>\$ 150,741</u>	<u>\$ 201,184</u>	<u>\$ 1,075,896</u>	<u>\$ 786,738</u>

CITY OF MARYVILLE, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Continued)

Non-Major Governmental Funds

For the Year Ended June 30, 2020

	Special Revenue Funds			Capital Project Funds			Total Non-Major Governmental Funds
	Drug	GIS	Total Special Revenue Funds	School Construction	Equipment Replacement	Total Capital Project Funds	
Revenues							
Intergovernmental							
State Taxes	\$ 0	\$ 0	\$ 1,028,960	\$ 0	\$ 0	\$ 0	\$ 1,028,960
Federal Grants	0	0	2,287,662	0	0	0	2,287,662
U.S.D.A. Revenue	0	0	1,132,904	0	0	0	1,132,904
Other	0	427,000	445,406	0	0	0	445,406
Charges for Services	32,800	15,525	3,442,241	0	0	0	3,442,241
Fines, Forfeitures and Court Costs	18,566	0	18,566	0	0	0	18,566
Interest Income	0	0	25,514	0	0	0	25,514
Miscellaneous	11,285	0	11,685	0	139,275	139,275	150,960
Total Revenues	<u>62,651</u>	<u>442,525</u>	<u>8,392,938</u>	<u>0</u>	<u>139,275</u>	<u>8,532,213</u>	<u>8,532,213</u>
Expenditures							
Current							
General Government	0	426,998	426,998	0	0	0	426,998
Public Safety	26,677	0	62,447	0	0	0	62,447
Public Works	0	0	1,732,027	0	0	0	1,732,027
Culture and Recreation	0	0	8,548	0	0	0	8,548
Economic Development	0	0	26,327	0	0	0	26,327
Education	0	0	5,262,992	0	0	0	5,262,992
Capital Outlay	53,074	0	589,447	96,024	1,178,726	1,274,750	1,864,197
Total Expenditures	<u>79,751</u>	<u>426,998</u>	<u>8,108,786</u>	<u>96,024</u>	<u>1,178,726</u>	<u>1,274,750</u>	<u>9,383,536</u>
Net Change in Fund Balances Before Other Financing Sources (Uses)	<u>(17,100)</u>	<u>15,527</u>	<u>284,152</u>	<u>(96,024)</u>	<u>(1,039,451)</u>	<u>(1,135,475)</u>	<u>(851,323)</u>
Other Financing Sources (Uses)							
Transfers In	0	0	217,439	32,355	1,500,000	1,532,355	1,749,794
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>217,439</u>	<u>32,355</u>	<u>1,500,000</u>	<u>1,532,355</u>	<u>1,749,794</u>
Net Change in Fund Balance	<u>(17,100)</u>	<u>15,527</u>	<u>501,591</u>	<u>(63,669)</u>	<u>460,549</u>	<u>396,880</u>	<u>898,471</u>
Fund Balance, July 1st	<u>200,621</u>	<u>172,290</u>	<u>4,375,656</u>	<u>265,584</u>	<u>1,021,223</u>	<u>1,286,807</u>	<u>5,662,463</u>
Fund Balance, June 30th	<u>\$ 183,521</u>	<u>\$ 187,817</u>	<u>\$ 4,877,247</u>	<u>\$ 201,915</u>	<u>\$ 1,481,772</u>	<u>\$ 1,683,687</u>	<u>\$ 6,560,934</u>

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other governmental operating units on a cost-reimbursed basis.

Employee Medical Self-Insurance Funds - The Employee Medical Self-Insurance Funds are used to account for the City's self-insured health insurance program. Premiums charged to various operating funds and employee payroll deductions are placed in these self-insurance funds for the payment of medical claims and administrative expenses.

Retiree Medical Self-Insurance Funds - The Retiree Medical Self-Insurance Funds are used to account for the City's retiree self-insured health insurance program. Premiums charged to various operating funds and retiree payments are placed in these self-insurance funds for the payment of medical claims and administrative expenses for city retirees.

Self-Insured Workmen's Compensation Fund - The Self-Insured Workmen's Compensation Fund is used to account for the City's self-insured worker's compensation program. Premiums charged to various operating funds are placed in this fund for the payment of claims and administrative expenses.

Information Technology Systems Fund - The Information Technology Systems Fund is used to account for the operation of the City's information technology system. Data processing charges collected from various City funds are placed in this fund for the payment of operating expenses.

Fleet Maintenance Fund - The Fleet Maintenance Fund is used to account for the operation of the City's vehicle maintenance program. Vehicle maintenance charges collected from various City funds are placed in this fund for the payment of operating expenses.

Facilities Management Fund - The Facilities Management Fund is used to account for the operation of the City's physical facilities. Charges collected from various City funds are placed in this fund for the payment of operating expenses associated with the City's physical facilities.

CITY OF MARYVILLE, TENNESSEE
COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

June 30, 2020

	City Employee Medical Self- Insurance Fund	Schools Employee Medical Self- Insurance Fund	City Retiree Medical Self- Insurance Fund	School Retiree Medical Self- Insurance Fund	Self-Insured Workmen's Compensation Fund	Information Technology Systems Fund	Fleet Maintenance Fund	Facilities Management Fund	Total Internal Service Funds
ASSETS									
Current Assets									
Cash	\$ 1,877,314	\$ 2,059,555	\$ 434,086	\$ 371,104	\$ 1,049,871	\$ 258,844	\$ 303,706	\$ 1,397,513	\$ 7,751,993
Accounts Receivable	53,678	29,919	0	0	0	0	0	0	83,597
Inventories	0	0	0	0	0	0	200,888	0	200,888
Due From Other Funds	0	0	0	0	0	0	4,889	0	4,889
Total Current Assets	<u>1,930,992</u>	<u>2,089,474</u>	<u>434,086</u>	<u>371,104</u>	<u>1,049,871</u>	<u>258,844</u>	<u>509,483</u>	<u>1,397,513</u>	<u>8,041,367</u>
Capital Assets									
Building and Improvements	0	0	0	0	0	0	873,125	0	873,125
Data Processing Equipment	0	0	0	0	0	231,060	0	0	231,060
Software	0	0	0	0	0	7,000	0	0	7,000
Fleet Maintenance Equipment	0	0	0	0	0	0	419,122	0	419,122
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>238,060</u>	<u>1,292,247</u>	<u>0</u>	<u>1,530,307</u>
Less: Accumulated Depreciation and Amortization	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>226,727</u>	<u>1,110,488</u>	<u>0</u>	<u>1,337,215</u>
Net Capital Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,333</u>	<u>181,759</u>	<u>0</u>	<u>193,092</u>
Total Assets	<u>1,930,992</u>	<u>2,089,474</u>	<u>434,086</u>	<u>371,104</u>	<u>1,049,871</u>	<u>270,177</u>	<u>691,242</u>	<u>1,397,513</u>	<u>8,234,459</u>
LIABILITIES AND NET POSITION									
Current Liabilities									
Accounts Payable	240,845	467,688	20,000	50,000	84,637	7,553	32,329	209,977	1,113,029
Total Current Liabilities	<u>240,845</u>	<u>467,688</u>	<u>20,000</u>	<u>50,000</u>	<u>84,637</u>	<u>7,553</u>	<u>32,329</u>	<u>209,977</u>	<u>1,113,029</u>
Net Position									
Investment in Capital Assets	0	0	0	0	0	11,333	181,759	0	193,092
Unrestricted	1,690,147	1,621,786	414,086	321,104	965,234	251,291	477,154	1,187,536	6,928,338
Total Net Position	<u>\$ 1,690,147</u>	<u>\$ 1,621,786</u>	<u>\$ 414,086</u>	<u>\$ 321,104</u>	<u>\$ 965,234</u>	<u>\$ 262,624</u>	<u>\$ 658,913</u>	<u>\$ 1,187,536</u>	<u>\$ 7,121,430</u>

CITY OF MARYVILLE, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2020

	City Employee Medical Self- Insurance Fund	Schools Employee Medical Self- Insurance Fund	City Retiree Medical Self- Insurance Fund	School Retiree Medical Self- Insurance Fund	Self-Insured Workmen's Compensation Fund	Information Technology Systems Fund	Fleet Maintenance Fund	Facilities Management Fund	Total Internal Service Funds
OPERATING REVENUES									
Insurance Charges	\$ 4,734,199	\$ 7,097,615	\$ 357,701	\$ 788,294	\$ 418,831	\$ 0	\$ 0	\$ 0	\$ 13,396,640
Facilities Charges	0	0	0	0	0	0	0	1,882,470	1,882,470
Data Processing Charges	0	0	0	0	0	1,080,144	0	0	1,080,144
Equipment Repair Charges	0	0	0	0	0	0	867,018	0	867,018
Miscellaneous	421	0	0	0	0	1,010	44,275	0	45,706
Total Operating Revenues	4,734,620	7,097,615	357,701	788,294	418,831	1,081,154	911,293	1,882,470	17,271,978
OPERATING EXPENSES									
Salaries and Related Costs	0	0	0	0	0	543,728	579,833	83,889	1,207,450
Other Services	0	0	0	0	0	146,050	17,548	500,344	663,942
Supplies and Parts	0	0	0	0	0	21,267	37,717	47,792	106,776
Training	0	0	0	0	0	2,670	200	0	2,870
Inventory Adjustments	0	0	0	0	0	0	2,833	0	2,833
Building and Office Rental	0	0	0	0	0	0	71,725	0	71,725
Insurance	0	0	0	0	0	742	10,769	20,101	31,612
Software Licenses and Minor Equipment	0	0	0	0	0	0	36,650	0	36,650
Depreciation	0	0	0	0	0	5,333	188,509	0	193,842
Utilities	0	0	0	0	0	0	0	412,664	412,664
Communications	0	0	0	0	0	3,150	0	28,722	31,872
Repair and Maintenance	0	0	0	0	0	0	13,487	393,286	406,773
Insurance Claims Premiums and Administrative Expenses	3,887,943	6,416,920	203,185	615,204	114,676	0	0	0	11,237,928
Other	0	0	0	0	0	320,687	24,448	15,254	360,389
Total Operating Expenses	3,887,943	6,416,920	203,185	615,204	114,676	1,043,627	983,719	1,502,052	14,767,326
CHANGE IN NET POSITION	846,677	680,695	154,516	173,090	304,155	37,527	(72,426)	380,418	2,504,652
NET POSITION - July 1st	843,470	941,091	259,570	148,014	661,079	225,097	731,339	807,118	4,616,778
NET POSITION - June 30th	\$ 1,690,147	\$ 1,621,786	\$ 414,086	\$ 321,104	\$ 965,234	\$ 262,624	\$ 658,913	\$ 1,187,536	\$ 7,121,430

CITY OF MARYVILLE, TENNESSEE
COMBINING CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2020

	City Employee Medical Self- Insurance Fund	Schools Employee Medical Self- Insurance Fund	City Retiree Medical Self- Insurance Fund	School Retiree Medical Self- Insurance Fund	Self-Insured Workmen's Compensatio n Fund	Information Technology Systems Fund	Fleet Maintenance Fund	Facilities Management Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES									
Insurance Premiums/Reimbursements Collected	\$ 634,977	\$ 984,277	\$ 74,120	\$ 129,943	\$ 30,429	\$ 0	\$ 0	\$ 0	\$ 1,853,746
Collections from Various City Departments	4,047,747	6,172,632	283,581	658,351	388,402	1,080,144	869,492	1,882,470	15,382,819
Other	421	0	0	0	0	1,010	44,275	0	45,706
Payments to Other Suppliers of Goods and Services	(3,868,795)	(6,309,080)	(189,814)	(616,116)	(193,254)	(652,629)	(379,263)	(1,364,267)	(13,573,218)
Payments to Employees for Services	0	0	0	0	0	(390,835)	(398,517)	(53,328)	(842,680)
Net Cash Provided By (Used In) Operating Activities	<u>814,350</u>	<u>847,829</u>	<u>167,887</u>	<u>172,178</u>	<u>225,577</u>	<u>37,690</u>	<u>135,987</u>	<u>464,875</u>	<u>2,866,373</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES									
Acquisition of Capital Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(36,650)</u>	<u>0</u>	<u>(36,650)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	814,350	847,829	167,887	172,178	225,577	37,690	99,337	464,875	2,829,723
CASH AND CASH EQUIVALENTS - July 1st	<u>1,062,964</u>	<u>1,211,726</u>	<u>266,199</u>	<u>198,926</u>	<u>824,294</u>	<u>221,154</u>	<u>204,369</u>	<u>932,638</u>	<u>4,922,270</u>
CASH AND CASH EQUIVALENTS - June 30th	<u><u>\$ 1,877,314</u></u>	<u><u>\$ 2,059,555</u></u>	<u><u>\$ 434,086</u></u>	<u><u>\$ 371,104</u></u>	<u><u>\$ 1,049,871</u></u>	<u><u>\$ 258,844</u></u>	<u><u>\$ 303,706</u></u>	<u><u>\$ 1,397,513</u></u>	<u><u>\$ 7,751,993</u></u>

CITY OF MARYVILLE, TENNESSEE
COMBINING CASH FLOWS (Continued)
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2020

	City Employee Medical Self- Insurance Fund	Schools Employee Medical Self- Insurance Fund	City Retiree Medical Self- Insurance Fund	School Retiree Medical Self- Insurance Fund	Self-Insured Workmen's Compensatio n Fund	Information Technology Systems Fund	Fleet Maintenance Fund	Facilities Management Fund	Total Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPEARTING ACTIVITIES									
Operating Income (loss)	\$ 846,677	\$ 680,695	\$ 154,516	\$ 173,090	\$ 304,155	\$ 37,527	\$ (72,426)	\$ 380,418	\$ 2,504,652
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Expenses:									
Add Non-Cash Expenses:									
Depreciation	0	0	0	0	0	5,333	188,509	0	193,842
Changes in Assets and Liabilities:									
Accounts Receivable	(51,476)	59,294	0	0	0	0	0	0	7,818
Due from Other Funds	0	0	0	0	0	0	2,474	0	2,474
Inventories	0	0	0	0	0	0	8,463	0	8,463
Accounts Payable	19,149	107,840	13,371	(912)	(78,578)	(5,170)	8,967	84,457	149,124
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 814,350</u>	<u>\$ 847,829</u>	<u>\$ 167,887</u>	<u>\$ 172,178</u>	<u>\$ 225,577</u>	<u>\$ 37,690</u>	<u>\$ 135,987</u>	<u>\$ 464,875</u>	<u>\$ 2,866,373</u>

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt not being accounted for in the Enterprise Funds.

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Maryville College	\$ 1,111,050	\$ 1,111,050	\$ 1,141,281	\$ 30,231
Interest Earned	20,923	20,923	183,360	162,437
Total Revenues	<u>1,131,973</u>	<u>1,131,973</u>	<u>1,324,641</u>	<u>192,668</u>
Expenditures				
Debt Service				
Principal Retirement	3,942,069	3,942,069	3,942,064	5
Interest and Fiscal Fees	2,449,637	2,449,637	2,422,637	27,000
Payments Under Capital Leases	1,111,050	1,111,050	1,111,050	0
Total Expenditures	<u>7,502,756</u>	<u>7,502,756</u>	<u>7,475,751</u>	<u>27,005</u>
Net Change in Fund Balance Before Other Financing Sources (Uses)	<u>(6,370,783)</u>	<u>(6,370,783)</u>	<u>(6,151,110)</u>	<u>219,673</u>
Other Financing Sources (Uses)				
Transfers In	<u>7,070,783</u>	<u>7,070,783</u>	<u>7,070,783</u>	<u>0</u>
Net Change in Fund Balance	700,000	700,000	919,673	219,673
Fund Balance, July 1st	<u>1,405,156</u>	<u>1,405,156</u>	<u>1,405,156</u>	<u>0</u>
Fund Balance, June 30th	<u>\$ 2,105,156</u>	<u>\$ 2,105,156</u>	<u>\$ 2,324,829</u>	<u>\$ 219,673</u>

NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

State Street Aid Fund - The State Street Aid Fund is used to account for the State gasoline tax. Proceeds of this tax must be expended for the improvement and maintenance of City streets.

Maryville City Schools Cafeteria Fund - The Maryville City Schools Cafeteria Fund is used to account for the operations of all cafeterias in the School System. Revenues are provided primarily by the sale of meals (breakfasts, lunches, and a la carte items) and reimbursements from the United States Department of Agriculture (USDA).

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

Special Projects Fund - The Special Projects Fund is used to account for the revenues and expenditures associated with the Sanitation Santa Program, economic development activities, and community events.

Maryville City Schools Continuing Care Program Fund - The Maryville City Schools Continuing Care Program Fund is used to account for the revenues (primarily fees) and expenditures of the before- and after-school programs at the three (3) City of Maryville elementary schools and two (2) City of Maryville middle schools.

Local Grant Fund - The Local Grant Fund is used to account for the proceeds of federal and state grants and the related expenditures therefrom.

Drug Fund - The Drug Fund is used to account for revenues (primarily drug related fines) which must be expended on drug-enforcement operations of the City.

Geographic Information System (GIS) Fund - The Geographic Information System Fund is used to account for the revenues (primarily intergovernmental funding) and expenditures associated with the development and maintenance of a geographic information system.

Stormwater Fund - The Storm Water Fund is used to account for the revenues (primarily fees assessed to property owners) and expenditures associated with the City's Storm Water System. Prior to July 1, 2016, the Stormwater Fund was classified as an Enterprise Fund.

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
STATE STREET AID – SPECIAL REVENUE FUND
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental – State Gasoline Tax	\$ 973,662	\$ 973,662	\$ 1,028,960	\$ 55,298
Expenditures				
Salaries	30,000	30,000	15,027	14,973
Fringe Benefits	1,210	1,210	1,113	97
Operating Expenses	910,000	1,017,730	791,256	226,474
Materials and Supplies	61,500	64,500	42,168	22,332
Capital Outlay	190,000	79,270	0	79,270
Total Expenditures	<u>1,192,710</u>	<u>1,192,710</u>	<u>849,564</u>	<u>343,146</u>
Net Change in Fund Balance	(219,048)	(219,048)	179,396	398,444
Fund Balance, July 1st	<u>1,293,853</u>	<u>1,293,853</u>	<u>1,293,853</u>	<u>0</u>
Fund Balance, June 30th	<u><u>\$ 1,074,805</u></u>	<u><u>\$ 1,074,805</u></u>	<u><u>\$ 1,473,249</u></u>	<u><u>\$ 398,444</u></u>

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MARYVILLE CITY SCHOOLS CAFETERIA - SPECIAL REVENUE FUND
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
U.S.D.A. Revenue	\$ 1,080,263	\$ 1,080,263	\$ 1,132,904	\$ 52,641
State Revenues	18,980	18,980	18,406	(574)
Charges for Services	1,289,338	1,289,338	1,143,097	(146,241)
Interest Income	25,000	25,000	16,771	(8,229)
Total Revenues	<u>2,413,581</u>	<u>2,413,581</u>	<u>2,311,178</u>	<u>(102,403)</u>
Expenditures				
Food	1,060,000	1,060,000	988,918	71,082
Salaries	887,096	887,096	878,067	9,029
Fringe Benefits	317,485	317,485	302,061	15,424
Operating Expenses	39,000	39,000	43,274	(4,274)
Materials and Supplies	60,000	60,000	46,693	13,307
Capital Outlay	150,000	150,000	15,836	134,164
Total Expenditures	<u>2,513,581</u>	<u>2,513,581</u>	<u>2,274,849</u>	<u>238,732</u>
Net Change in Fund Balance	(100,000)	(100,000)	36,329	136,329
Fund Balance, July 1st	<u>781,772</u>	<u>781,772</u>	<u>781,772</u>	<u>0</u>
Fund Balance, June 30th	<u>\$ 681,772</u>	<u>\$ 681,772</u>	<u>\$ 818,101</u>	<u>\$ 136,329</u>

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FEDERAL PROJECTS - SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,923,916	\$ 2,141,313	\$ 2,083,037	\$ (58,276)
Expenditures				
Regular Instruction	757,553	744,420	744,420	0
Regular Instruction Support	8,517	8,384	9,554	(1,170)
Special Education Instruction	812,084	860,063	858,267	1,796
Special Education Support	287,936	294,127	292,082	2,045
Special Education Transportation Equipment	0	1,493	0	1,493
Vocational Education Instruction	37,525	186,775	141,106	45,669
Vocational Education Support	20,301	46,051	37,608	8,443
Total Expenditures	<u>1,923,916</u>	<u>2,141,313</u>	<u>2,083,037</u>	<u>58,276</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance, July 1st	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30th	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SPECIAL PROJECTS – SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Contributions	\$ 3,500	\$ 3,500	\$ 400	\$ (3,100)
Total Revenues	<u>3,500</u>	<u>3,500</u>	<u>400</u>	<u>(3,100)</u>
Expenditures				
Economic Development	150,000	118,000	26,327	123,673
Community Events	29,950	29,950	4,566	25,384
Community Support	<u>3,500</u>	<u>8,500</u>	<u>3,982</u>	<u>(482)</u>
Total Expenditures	<u>183,450</u>	<u>156,450</u>	<u>34,875</u>	<u>148,575</u>
Net Change in Fund Balance	(179,950)	(152,950)	(34,475)	145,475
Fund Balance, July 1st	<u>185,216</u>	<u>185,216</u>	<u>185,216</u>	<u>0</u>
Fund Balance, June 30th	<u>\$ 5,266</u>	<u>\$ 32,266</u>	<u>\$ 150,741</u>	<u>\$ 145,475</u>

CITY OF MARYVILLE, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

MARYVILLE CITY SCHOOLS CONTINUING CARE PROGRAM - SPECIAL REVENUE FUND

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Community Service Fees	\$ 1,092,663	\$ 1,092,663	\$ 813,562	\$ (279,101)
Interest	20,000	20,000	8,743	(11,257)
Total Revenues	<u>1,112,663</u>	<u>1,112,663</u>	<u>822,305</u>	<u>(290,358)</u>
Expenditures				
Salaries and Related Costs	657,740	657,740	658,805	(1,065)
Materials and Supplies	130,000	130,000	110,114	19,886
Other Expenditures	324,923	324,923	152,023	172,900
Total Expenditures	<u>1,112,663</u>	<u>1,112,663</u>	<u>920,942</u>	<u>191,721</u>
Net Change in Fund Balance	0	0	(98,637)	(98,637)
Fund Balance, July 1st	<u>299,821</u>	<u>299,821</u>	<u>299,821</u>	<u>0</u>
Fund Balance, June 30th	<u>\$ 299,821</u>	<u>\$ 299,821</u>	<u>\$ 201,184</u>	<u>\$ (98,637)</u>

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

LOCAL GRANT – SPECIAL REVENUE FUND

For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental - Other Federal, State, and Local Grants	\$ 6,348,828	\$ 6,348,828	\$ 204,625	\$ (6,144,203)
Expenditures				
Public Safety	52,891	52,891	30,591	22,300
Police Safety Equipment	19,564	19,564	5,179	14,385
Advance Traffic Management System	2,434,136	2,434,136	123,832	2,310,304
Foothills Mall Drive Extension	4,482,124	4,482,124	43,363	4,438,761
TDOT Carpenters Grade	332,900	332,900	84,554	248,346
Total Expenditures	<u>7,321,615</u>	<u>7,321,615</u>	<u>287,519</u>	<u>7,034,096</u>
Net Change in Fund Balance Before Other Financing Sources (Uses)	(972,787)	(972,787)	(82,894)	889,893
Other Financing Sources (Uses)				
Transfers in	<u>264,439</u>	<u>264,439</u>	<u>217,439</u>	<u>(47,000)</u>
Net Change in Fund Balance	(708,348)	(708,348)	134,545	842,893
Fund Balance, July 1st	<u>941,351</u>	<u>941,351</u>	<u>941,351</u>	<u>0</u>
Fund Balance, June 30th	<u>\$ 233,003</u>	<u>\$ 233,003</u>	<u>\$ 1,075,896</u>	<u>\$ 842,893</u>

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

DRUG FUND - SPECIAL REVENUE FUND

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Drug-related Fines	\$ 5,000	\$ 5,000	\$ 18,566	\$ 13,566
Impound and Wrecker Fees	33,000	33,000	32,800	(200)
Sale of Equipment	20,000	20,000	7,265	(12,735)
Contributions	0	0	4,020	4,020
Total Revenues	<u>58,000</u>	<u>58,000</u>	<u>62,651</u>	<u>4,651</u>
Expenditures				
Operating Expenses	57,173	57,173	26,599	30,574
Materials and Supplies	42,000	42,000	78	41,922
Capital Outlay	100,000	100,000	53,074	46,926
Total Expenditures	<u>199,173</u>	<u>199,173</u>	<u>79,751</u>	<u>119,422</u>
Net Change in Fund Balance	(141,173)	(141,173)	(17,100)	124,073
Fund Balance, July 1st	<u>200,621</u>	<u>200,621</u>	<u>200,621</u>	<u>0</u>
Fund Balance, June 30th	<u>\$ 59,448</u>	<u>\$ 59,448</u>	<u>\$ 183,521</u>	<u>\$ 124,073</u>

CITY OF MARYVILLE, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

GEOGRAPHIC INFORMATION SYSTEMS – SPECIAL REVENUE FUND

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental Funding	\$ 433,471	\$ 433,471	\$ 427,000	\$ (6,471)
Data Sales	13,780	13,780	15,525	1,745
Total Revenues	<u>447,251</u>	<u>447,251</u>	<u>442,525</u>	<u>(4,726)</u>
Expenditures				
Salaries	156,587	168,434	168,434	0
Fringe Benefits	71,554	71,550	71,309	241
Operating Expenses	186,923	169,648	157,011	12,637
Materials and Supplies	3,400	8,832	7,845	987
Insurance	2,347	2,347	959	1,388
IT Services	15,752	15,752	15,752	0
Building and Office	5,688	5,688	5,688	0
Total Expenditures	<u>442,251</u>	<u>442,251</u>	<u>426,998</u>	<u>15,253</u>
Net Change in Fund Balance	5,000	5,000	15,527	10,527
Fund Balance, July 1st	<u>172,290</u>	<u>172,290</u>	<u>172,290</u>	<u>0</u>
Fund Balance, June 30th	<u>\$ 177,290</u>	<u>\$ 177,290</u>	<u>\$ 187,817</u>	<u>\$ 10,527</u>

CITY OF MARYVILLE, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

STORMWATER – SPECIAL REVENUE FUND

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Residential Fees	\$ 475,000	\$ 475,000	\$ 482,987	\$ 7,987
Commercial Fees	956,000	956,000	948,589	(7,411)
Customer Forfeited Discounts	7,000	7,000	5,681	(1,319)
Total Revenues	<u>1,438,000</u>	<u>1,438,000</u>	<u>1,437,257</u>	<u>(743)</u>
Expenditures				
Engineering				
Salaries	288,431	278,707	248,788	29,919
Fringe Benefits	99,594	108,997	100,663	8,334
Operating Expense	271,953	245,465	186,762	58,703
Materials and Supplies	12,748	16,787	12,994	3,793
Capital Outlay	294,930	317,701	268,788	48,913
Total Engineering	<u>967,656</u>	<u>967,657</u>	<u>817,995</u>	<u>149,662</u>
Construction				
Salaries	195,614	193,535	174,617	18,918
Fringe Benefits	98,934	99,013	81,596	17,417
Operating Expense	100,613	102,613	68,505	34,108
Materials and Supplies	13,400	13,400	8,538	4,862
Total Construction	<u>408,561</u>	<u>408,561</u>	<u>333,256</u>	<u>75,305</u>
Total Expenditures	<u>1,376,217</u>	<u>1,376,218</u>	<u>1,151,251</u>	<u>224,967</u>
Net Change in Fund Balance	61,783	61,782	286,006	224,224
Fund Balance, July 1st	<u>500,732</u>	<u>500,732</u>	<u>500,732</u>	<u>0</u>
Fund Balance, June 30th	<u>\$ 562,515</u>	<u>\$ 562,514</u>	<u>\$ 786,738</u>	<u>\$ 224,224</u>

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
WATER AND SEWER DEPARTMENT

CITY OF MARYVILLE UTILITIES - ENTERPRISE FUND

For the Year Ended June 30, 2020

DIRECT OPERATING EXPENSES

Water Expenses

Salaries	\$ 428,567
Fringe Benefits	181,285
Operating Expenses	380,663
Materials and Supplies	103,278
Insurance	12,950
Information Technology Services	35,442
Total Water Expenses	<u>1,142,185</u>

Waste Water Treatment Expenses

Salaries	1,054,422
Fringe Benefits	398,161
Operating Expenses	1,563,832
Materials and Supplies	266,718
Insurance	42,441
Information Technology Services	56,445
Building Maintenance	28,179
Total Waste Water Treatment Expenses	<u>3,410,198</u>

Water and Waste Water System

Salaries	863,731
Fringe Benefits	332,472
Operating Expenses	479,536
Materials and Supplies	95,217
Total Water and Waste Water System	<u>1,770,956</u>
Total Direct Operating Expenses	<u>6,323,339</u>

CUSTOMER ACCOUNTING AND COLLECTION

Customer Records and Expenses	1,173,611
Uncollectible Accounts	20,000
Total Customer Accounting and Collection	<u>1,193,611</u>

ADMINISTRATIVE AND GENERAL EXPENSES

Salaries	789,932
Fringe Benefits	208,285
Operating Expenses	423,153
Materials and Supplies	32,726
Insurance	41,754
Information Technology Services	170,649
Building Maintenance	229,696
Total Administrative and General Expenses	<u>1,896,195</u>

OTHER OPERATING EXPENSES

Depreciation	4,141,873
Total Operating Expenses	<u>\$ 13,555,018</u>

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
June 30, 2020

	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding July 1, 2019	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding June 30, 2020
Governmental Activities									
Notes Payable									
<u>Payable through Debt Service Fund</u>									
Tennessee State School Bond Authority Note	\$ 18,720,000	1.515 %	12/17/2009	7/1/2026	\$ 8,304,406	\$ 0	\$ 1,168,104	\$ 0	\$ 7,136,302
Tennessee School Energy Efficiency Note	1,240,328	1.5 %	4/1/2019	4/1/2026	1,198,138	0	169,965	0	1,028,173
Total Notes Payable through Debt Service Fund					<u>9,502,544</u>	<u>0</u>	<u>1,338,069</u>	<u>0</u>	<u>8,164,475</u>
Bonds Payable									
<u>Payable through Debt Service Fund</u>									
2015 General Obligation Refunding	9,855,000	3.00 %	5/27/2015	6/1/2030	9,855,000	0	0	0	9,855,000
2016A General Obligation Refunding	3,350,000	1.5 to 4.0 %	2/1/2016	6/1/2029	2,900,000	0	150,000	0	2,750,000
2016B General Obligation Refunding	1,197,000	2.0 to 3.0 %	5/25/2016	6/1/2024	975,000	0	229,000	0	746,000
2017A General Obligation Refunding	23,780,000	2.25 to 5.0 %	12/1/2017	6/1/2030	23,780,000	0	2,225,000	0	21,555,000
2018A General Obligation Public Improvement	18,180,000	3.0 to 5 %	6/1/2018	6/1/2040	18,180,000	0	0	0	18,180,000
Total Bonds Payable through Debt Service Fund					<u>55,690,000</u>	<u>0</u>	<u>2,604,000</u>	<u>0</u>	<u>53,086,000</u>
Total Governmental Activities					<u>\$ 65,192,544</u>	<u>\$ 0</u>	<u>\$ 3,942,069</u>	<u>\$ 0</u>	<u>\$ 61,250,475</u>
Business-Type Activities									
Notes Payable									
<u>Payable through Water and Sewer Department Fund</u>									
Tennessee Revolving Fund Loan	\$ 2,034,000	2.09 %	10/26/2009	6/30/2031	\$ 1,494,288	\$ 0	\$ 110,916	\$ 0	\$ 1,383,372
Bonds Payable									
<u>Payable through Water and Sewer Department Fund</u>									
2016B General Obligation Refunding	2,780,000	2.0 to 3.0 %	5/25/2016	6/1/2024	2,492,000	0	244,000	0	2,248,000
2017A General Obligation Refunding	4,015,000	2.25 to 5.0 %	12/1/2017	6/1/2030	3,690,000	0	1,125,000	0	2,565,000
2017B Water and Sewer Revenue and Tax Refunding	31,800,000	2.25 to 5.0 %	12/1/2017	6/1/2038	31,540,000	0	260,000	0	31,280,000
2018A General Obligation Public Improvement	2,910,000	3.0 to 5.0 %	6/1/2018	6/1/2040	2,910,000	0	0	0	2,910,000
Total Bonds Payable through Water and Sewer Department Fund					<u>40,632,000</u>	<u>0</u>	<u>1,629,000</u>	<u>0</u>	<u>39,003,000</u>
<u>Payable through Electric Department Fund</u>									
2010 General Obligation Public Improvement	2,500,000	2.0 to 3.5 %	6/30/2010	6/1/2025	1,130,000	0	170,000	0	960,000
2016B General Obligation Refunding	2,780,000	2.0 to 3.0 %	5/25/2016	6/1/2024	1,313,000	0	647,000	0	666,000
2018A General Obligation Public Improvement	2,910,000	3.0 to 5.0 %	6/1/2018	6/1/2040	2,910,000	0	0	0	2,910,000
Total Bonds Payable through Electric Department Fund					<u>5,353,000</u>	<u>0</u>	<u>817,000</u>	<u>0</u>	<u>4,536,000</u>
Total Business-Type Activities					<u>\$ 47,479,288</u>	<u>\$ 0</u>	<u>\$ 2,556,916</u>	<u>\$ 0</u>	<u>\$ 44,922,372</u>

CITY OF MARYVILLE, TENNESSEE

SCHEDULE OF BOND AND INTEREST REQUIREMENTS BY FISCAL YEAR

June 30, 2020

Fiscal Year	Total Requirements	Total		2009 Qualified School		2010 General Obligation	
		Bond	Interest	Bond	Interest	Bond	Interest
2021	\$ 11,419,582	\$ 7,593,849	\$ 3,825,733	\$ 1,168,104	\$ 283,608	\$ 180,000	\$ 32,688
2022	10,200,432	6,658,808	3,541,624	1,168,104	283,608	185,000	26,838
2023	9,854,220	6,553,852	3,300,368	1,168,104	283,608	190,000	20,825
2024	9,897,970	6,834,003	3,063,967	1,168,104	283,608	200,000	14,175
2025	9,735,920	6,929,219	2,806,701	1,168,104	283,608	205,000	7,175
2026	9,469,114	6,915,376	2,553,738	1,295,782	283,608	0	0
2027	7,724,115	5,703,100	2,021,015	0	0	0	0
2028	7,673,015	5,910,764	1,762,251	0	0	0	0
2029	7,393,477	5,793,488	1,599,989	0	0	0	0
2030	7,704,552	6,261,260	1,443,292	0	0	0	0
2031	6,695,840	5,439,128	1,256,712	0	0	0	0
2032	6,571,150	5,475,000	1,096,150	0	0	0	0
2033	6,666,900	5,735,000	931,900	0	0	0	0
2034	6,394,850	5,635,000	759,850	0	0	0	0
2035	4,590,800	4,000,000	590,800	0	0	0	0
2036	4,214,063	3,745,000	469,063	0	0	0	0
2037	4,183,125	3,830,000	353,125	0	0	0	0
2038	4,199,525	3,965,000	234,525	0	0	0	0
2039	1,684,856	1,575,000	109,856	0	0	0	0
2040	1,676,700	1,620,000	56,700	0	0	0	0
Totals	\$ <u>137,950,203</u>	\$ <u>106,172,847</u>	\$ <u>31,777,356</u>	\$ <u>7,136,302</u>	\$ <u>1,701,648</u>	\$ <u>960,000</u>	\$ <u>101,700</u>

CITY OF MARYVILLE, TENNESSEE

SCHEDULE OF BOND AND INTEREST REQUIREMENTS BY FISCAL YEAR (Continued)

June 30, 2020

Year	2011 State Revolving		2015 General Obligation		2016A General Obligation		2016B General Obligation	
	Bond	Interest	Bond	Interest	Bond	Interest	Bond	Interest
2021	\$ 113,220	\$ 27,432	\$ 0	\$ 295,650	\$ 150,000	\$ 59,650	\$ 1,160,000	\$ 84,800
2022	115,572	25,080	0	295,650	150,000	53,650	510,000	50,000
2023	117,972	22,680	0	295,650	150,000	51,400	530,000	39,800
2024	120,432	20,220	0	295,650	160,000	48,400	280,000	29,200
2025	122,940	17,712	0	295,650	450,000	45,200	280,000	23,600
2026	125,496	15,156	0	295,650	450,000	36,200	290,000	18,000
2027	128,100	12,552	0	295,650	450,000	27,200	305,000	12,200
2028	130,764	9,888	0	295,650	450,000	18,200	305,000	6,100
2029	133,488	7,164	130,000	295,650	340,000	8,075	0	0
2030	136,260	4,392	750,000	291,750	0	0	0	0
2031	139,128	1,562	2,075,000	269,250	0	0	0	0
2032	0	0	2,150,000	207,000	0	0	0	0
2033	0	0	2,300,000	142,500	0	0	0	0
2034	0	0	2,090,000	73,500	0	0	0	0
2035	0	0	360,000	10,800	0	0	0	0
2036	0	0	0	0	0	0	0	0
2037	0	0	0	0	0	0	0	0
2038	0	0	0	0	0	0	0	0
2039	0	0	0	0	0	0	0	0
2040	0	0	0	0	0	0	0	0
Totals	<u>\$ 1,383,372</u>	<u>\$ 163,838</u>	<u>\$ 9,855,000</u>	<u>\$ 3,655,650</u>	<u>\$ 2,750,000</u>	<u>\$ 347,975</u>	<u>\$ 3,660,000</u>	<u>\$ 263,700</u>

CITY OF MARYVILLE, TENNESSEE

SCHEDULE OF BOND AND INTEREST REQUIREMENTS BY FISCAL YEAR (Continued)

June 30, 2020

Year	2017A General Obligation		2017B General Obligation		2018A General Obligation		2018 ESSI Schools Loan	
	Bond	Interest	Bond	Interest	Bond	Interest	Bond	Interest
2021	\$ 3,605,000	\$ 1,044,594	\$ 265,000	\$ 1,073,719	\$ 780,000	\$ 909,350	\$ 172,525	\$ 14,243
2022	3,265,000	864,344	270,000	1,060,469	820,000	870,350	175,132	11,636
2023	2,040,000	701,094	1,320,000	1,046,969	860,000	829,350	177,776	8,992
2024	2,390,000	599,094	1,430,000	980,969	905,000	786,350	180,467	6,301
2025	2,075,000	479,594	1,495,000	909,469	950,000	741,100	183,175	3,593
2026	2,060,000	375,844	1,560,000	834,719	995,000	693,600	139,098	961
2027	2,100,000	272,844	1,675,000	756,719	1,045,000	643,850	0	0
2028	2,140,000	167,844	1,785,000	672,969	1,100,000	591,600	0	0
2029	2,185,000	119,694	1,855,000	632,806	1,150,000	536,600	0	0
2030	2,260,000	67,800	1,915,000	588,750	1,200,000	490,600	0	0
2031	0	0	1,990,000	531,300	1,235,000	454,600	0	0
2032	0	0	2,055,000	471,600	1,270,000	417,550	0	0
2033	0	0	2,125,000	409,950	1,310,000	379,450	0	0
2034	0	0	2,190,000	346,200	1,355,000	340,150	0	0
2035	0	0	2,250,000	280,500	1,390,000	299,500	0	0
2036	0	0	2,310,000	213,000	1,435,000	256,063	0	0
2037	0	0	2,350,000	143,700	1,480,000	209,425	0	0
2038	0	0	2,440,000	73,200	1,525,000	161,325	0	0
2039	0	0	0	0	1,575,000	109,856	0	0
2040	0	0	0	0	1,620,000	56,700	0	0
Totals	\$ 24,120,000	\$ 4,692,744	\$ 31,280,000	\$ 11,027,006	\$ 24,000,000	\$ 9,777,369	\$ 1,028,173	\$ 45,726

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF INSURANCE IN FORCE

June 30, 2020

<u>Coverage</u>	<u>Coverage Period</u>	<u>Hazard Insured Against</u>	<u>Amount of Coverage</u>	
Buildings and Personal Property	07/01/2019 to 07/01/2020	Property Damage	\$ 22,377,569	Municipal Center including Fire Station
			1,605,288	Fire Stations
			229,714	Animal Shelter/Impound Lot
			391,934	Animal Shelter #2
			6,676,647	Parking Garages
			885,940	Crawford Property
			8,812,502	Operation Center
			2,328,828	Fleet Maintenance Building
			302,375	Fuel System
			33,666	Wash Bay
			18,456,427	Water Treatment Plant
			63,672,926	Wastewater Treatment Plant
			247,537	Wastewater Maintenance Building
			14,448,103	Sewer Pump/Lift Stations
			19,083,272	Electric Substations
			11,015,839	Water Tanks
			2,122,842	Booster Pump Stations
			2,793,722	Utility Warehouses
			804,190	Storage Sheds Home Avenue
			498,233	Storage Sheds Best Street
1,657,939	Pool			
533,527	Concession Stands			
1,579,405	Parks			
1,100,000	Data Processing Equipment			
1,949,370	Mobile Equipment			
Crime	07/01/2019 to 07/01/2020	Employee Dishonesty	150,000	Per Occurrence
		Forgery or Alteration	150,000	Per Occurrence
		Theft, Destruction or Disappearance	150,000	Per Occurrence
		Computer Fraud	150,000	Per Occurrence
Finance Director's Bond	12/01/2019 to 12/01/2020	Crime	835,000	
Liability	12/31/2019 to 12/31/2020	Errors or Omissions	1,000,000	Per Occurrence (\$10,000 Deductible)
General and Personal Injury Liability	12/31/2019 to 12/31/2020	Bodily Injury or Personal Injury	300,000	Per Person
		Property Damage	700,000	Per Occurrence
		Other Losses	100,000	Per Occurrence
		Catastrophic Medical Expenses	1,000,000	Per Occurrence
		Medical Payments	500,000	Per Person
			1,000,000	Per Occurrence
			1,000	Per Person
			10,000	Per Accident
		Fire Damage	100,000	Per Occurrence
		Impounded Property	100,000	Per Occurrence
Non-Monetary Defense	100,000	Per Occurrence		

CITY OF MARYVILLE, TENNESSEE

SCHEDULE OF INSURANCE IN FORCE (Continued)

June 30, 2020

<u>Coverage</u>	<u>Coverage Period</u>	<u>Hazard Insured Against</u>	<u>Amount of Coverage</u>	
Automobile Liability and Physical Damage	12/31/2019 to 12/31/2020	Bodily Injury	\$ 300,000	Per Person
			700,000	Per Occurrence
		Property Damage	100,000	Per Occurrence
		Other Losses	1,000,000	Per Occurrence
		Catastrophic Medical Expenses	500,000	Per Person
			1,000,000	Per Occurrence
		Medical Payments	1,000	Per Person
			10,000	Per Accident
		Uninsured Motorists	300,000	Per Occurrence for Bodily Injury
			100,000	Per Occurrence for Property Damage
		Collision/ Comprehensive Damages	Various Coverages Depending on Value of Vehicle	
Employer's Liability and Workmen's Compensation	11/01/2019 to 11/01/2020	Employee Bodily Injury by Accident	300,000	Per Occurrence
		Employee Bodily Injury by Disease	300,000	Per Employee
			700,000	Policy Limit

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF INSURANCE IN FORCE
GENERAL PURPOSE SCHOOL FUND - SPECIAL REVENUE FUND

June 30, 2020

<u>Coverage</u>	<u>Coverage Period</u>	<u>Hazard Insured Against</u>	<u>Amount of Coverage</u>	
General Commercial Liability	07/01/2019 to 07/01/2020	Each Occurrence Fire Damage (any one fire) Personal and ADV Injury General Aggregate	\$ 1,000,000 Included Included Unlimited	
Automobile Liability and Physical Damage	07/01/2019 to 07/01/2020	Bodily Injury or Personal Injury, Property Damage Medical Payments Uninsured Motorists Collision/ Comprehensive Damages	1,000,000 Per Occurrence 5,000 Per Person 100,000 Per Accident 2,000,000 Per Occurrence Actual Cash Value (Less \$500 deductible)	
Buildings and Personal Property	01/01/2020 to 12/31/2023	Property Damage	See Statement of Values	Building & Contents
				\$ 16,223,910
				15,438,678
				7,513,851
				9,097,662
				21,159,471
				27,304,856
				21,909,351
				44,485,331
				1,450,000
				1,390,914
			Totals	\$ 165,974,024

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF INSURANCE IN FORCE (Continued)
GENERAL PURPOSE SCHOOL FUND - SPECIAL REVENUE FUND

June 30, 2020

<u>Coverage</u>	<u>Coverage Period</u>	<u>Hazard Insured Against</u>	<u>Amount of Coverage</u>
Student Athletic and Intramural Injuries	08/01/2019 to 08/01/2020	Athlete Bodily Injury	\$500,000 Per Person
Employer's Liability and Workmen's Compensation	07/01/2019 to 07/01/2020	Employee Bodily Injury	\$1,000,000 Policy Limit
Cyber Liability	07/01/2019 to 07/01/2020	Cyber Liability	\$1,000,000 Each and Every Loss (\$1,000 deductible), with Breach Mitigation Limited to \$100,000)
Educators Legal Liability	07/01/2019 to 07/01/2020	Errors and Omissions	\$1,000,000 Per Claim (\$2,500 per claim deductible)

CITY OF MARYVILLE, TENNESSEE

SCHEDULE OF UTILITY RATES

June 30, 2020

The basic utility rates in force as of June 30, 2020 are as follows:

ELECTRIC SERVICE

I. Residential Rates:

Customer Charge: \$10.86 Per Month
Energy Charge: 8.995 Cents Per kWh

II. General Power Rates:

Usage Under 50 KW and/or KWH Usage Under 15,000:

Customer Charge: \$16.37 Per Month
Energy Charge: 10.03 Cents Per KWH

Usage Over 50 KW but Not More than 1,000 KW and/or KWH Usage Equal to or Greater than 15,000:

Customer Charge: \$54.53 Per Delivery Point Per Month
Demand Charge: First 50 KW - No Charge Over 50 KW - \$13.94 per KW
Energy Charge: First 15,000 KWH -10.186 cents per KWH Over 15,000 KWH - 5.962 Cents Per KWH

Usage Over 1,000 KW:

Customer Charge: \$163.66 Per Delivery Point Per Month
Demand Charge: First 1,000 kW - \$14.21 per KW Additional KW - \$15.69 per KW
Energy Charge: 5.953 Cents Per KWH

Usage Over 5,000 KW but Not More than 15,000 KW:

Various demand and energy charges in effect depending upon several factors including on peak and off peak usage.

III. Customers served as of June 30, 2020 are as follows:

Table with 2 columns: Customer Type and Count. Rows include Residential (18,930), General Power (2,988), Street and Athletic (108), Outdoor Lighting (1,184), and Total Customers (23,210).

IV. Units of Power Purchased and Sold:

Table with 2 columns: Unit Type and Value. Rows include Kilowatt - Hours Purchased (786,920,952), Kilowatt - Hours Sold (773,429,212), and Line Losses (13,491,740).

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF UTILITY RATES (Continued)

June 30, 2020

The basic utility rates in force as of June 30, 2020 are as follows:

WATER SERVICE

<u>Rates per Gallons for All Water Used:</u>	<u>Inside City</u>	<u>Outside City</u>
First 1,500 gallons or less	\$ 10.05 min. bill	\$ 15.08 min. bill
Next 3,500 gallons per thousand gallons	3.57	5.36
Next 5,000 gallons per thousand gallons	3.22	4.83
Next 20,000 gallons per thousand gallons	3.09	4.64
Next 20,000 gallons per thousand gallons	2.95	4.43
Additional gallons per thousand gallons	2.80	4.21

PRIVATE FIRE SPRINKLER LINE SERVICE

<u>Line Size</u>	<u>Monthly Charge</u>
5/8"	\$ 5.02
1"	7.15
2"	12.24
4"	19.53
6"	29.26
8"	43.94
10"	62.58
12"	98.88

WATER TAP FEES

<u>Line Size</u>	
5/8"	\$ 545
1"	975
2"	4,200

Above 2" – fee based on estimate of costs to install.

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF UTILITY RATES (Continued)

June 30, 2020

The basic utility rates in force as of June 30, 2020 are as follows:

SEWAGE SERVICE

<u>Location</u>	<u>Charge per 1,000 Gallons of Metered Water</u>	<u>Customer Charge</u>
Inside City (Residential)	\$ 4.37	\$ 11.82
Outside City (Residential)	6.54	17.73
Inside City (Non-residential)	5.01	11.82
Outside City (Non-residential)	7.52	17.73

SEWER TAP FEES

City Installs Sewer Tap	\$ 879.00
Customer Exposes Existing Tap	148.00
Sewer Line Extension Charge	At Cost
Sewer Line Extension Surcharged within Westwood	3,272.00

CUSTOMERS SERVED AS OF June 30, 2020

Water service	16,482
Sewer service	14,818

CITY OF MARYVILLE, TENNESSEE
AWWA WATER AUDIT PERFORMANCE INDICATORS
For the Year Ended June 30, 2020

AWWA Free Water Audit Software: System Attributes and Performance Indicators		WAS v5.0 American Water Works Association. Copyright © 2014, All Rights Reserved.
Water Audit Report for: City of Maryville (TN0000438)		
Reporting Year: 2020 7/2019 - 6/2020		
*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 80 out of 100 ***		
System Attributes:		
	Apparent Losses:	7.926 MG/Yr
	+ Real Losses:	89.771 MG/Yr
	= Water Losses:	97.697 MG/Yr
	? Unavoidable Annual Real Losses (UARL):	137.38 MG/Yr
	Annual cost of Apparent Losses:	\$60,713
	Annual cost of Real Losses:	\$78,931 Valued at Variable Production Cost <small>Return to Reporting Worksheet to change this assumption</small>
Performance Indicators:		
Financial:	Non-revenue water as percent by volume of Water Supplied:	9.6%
	Non-revenue water as percent by cost of operating system:	2.5% Real Losses valued at Variable Production Cost
Operational Efficiency:	Apparent Losses per service connection per day:	1.29 gallons/connection/day
	Real Losses per service connection per day:	14.60 gallons/connection/day
	Real Losses per length of main per day*:	N/A
	Real Losses per service connection per day per psi pressure:	0.16 gallons/connection/day/psi
	From Above, Real Losses = Current Annual Real Losses (CARL):	89.77 million gallons/year
	? Infrastructure Leakage Index (ILI) [CARL/UARL]:	0.65
<small>* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline</small>		

OTHER INFORMATION SECTION

CITY OF MARYVILLE, TENNESSEE

STATISTICAL SECTION

June 30, 2020

This part of the City of Maryville's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

CONTENTS

SCHEDULES

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

1 through 4

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source.

5 through 8

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

9 through 13

Demographic And Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

14 through 15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

16 through 18

CITY OF MARYVILLE, TENNESSEE

SCHEDULE 1

**NET POSITION BY COMPONENT
(Prepared Using the Accrual Basis of Accounting)**

Last Ten Fiscal Years

June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 80,569,343	\$ 71,483,311	\$ 73,758,266	\$ 71,564,059	\$ 63,845,926	\$ 51,401,298	\$ 48,939,854	\$ 47,699,337	\$ 46,793,585	\$ 41,656,069
Restricted	12,197,710	5,566,116	3,009,455	4,685,615	3,544,719	10,093,572	10,845,846	11,628,825	12,221,859	14,363,014
Unrestricted (Deficit)	<u>7,125,111</u>	<u>12,201,305</u>	<u>7,812,694</u>	<u>12,910,841</u>	<u>10,672,192</u>	<u>10,465,838</u>	<u>14,236,827</u>	<u>12,442,670</u>	<u>16,175,991</u>	<u>16,524,153</u>
Total Governmental Activities Net Position	<u>\$ 99,892,164</u>	<u>\$ 89,250,732</u>	<u>\$ 84,580,415</u>	<u>\$ 89,160,515</u>	<u>\$ 78,062,837</u>	<u>\$ 71,960,708</u>	<u>\$ 74,022,527</u>	<u>\$ 71,770,832</u>	<u>\$ 75,191,435</u>	<u>\$ 72,543,236</u>
BUSINESS-TYPE ACTIVITIES										
Net Investment in Capital Assets	\$ 104,451,545	\$ 97,938,048	\$ 92,104,798	\$ 93,134,803	\$ 88,750,325	\$ 83,526,202	\$ 78,694,922	\$ 75,990,684	\$ 72,042,808	\$ 71,888,457
Restricted	548,301	48,718	0	0	0	0	0	0	0	0
Unrestricted	<u>12,321,832</u>	<u>10,080,544</u>	<u>11,287,715</u>	<u>8,155,012</u>	<u>11,734,933</u>	<u>12,147,535</u>	<u>14,842,884</u>	<u>13,961,757</u>	<u>13,479,959</u>	<u>9,399,720</u>
Total Business-Type Activities Net Position	<u>\$ 117,321,678</u>	<u>\$ 108,067,310</u>	<u>\$ 103,392,513</u>	<u>\$ 101,289,815</u>	<u>\$ 100,485,258</u>	<u>\$ 95,673,737</u>	<u>\$ 93,537,806</u>	<u>\$ 89,952,441</u>	<u>\$ 85,522,767</u>	<u>\$ 81,288,177</u>
PRIMARY GOVERNMENT										
Net Investment in Capital Assets	\$ 185,020,888	\$ 169,421,359	\$ 165,863,064	\$ 164,698,862	\$ 152,596,251	\$ 134,927,500	\$ 127,634,776	\$ 123,690,021	\$ 118,836,393	\$ 113,544,526
Restricted	12,746,011	5,614,834	20,092,043	4,685,615	3,544,719	10,093,572	10,845,846	11,628,825	12,221,859	14,363,014
Unrestricted (Deficit)	<u>19,446,943</u>	<u>22,281,849</u>	<u>2,225,410</u>	<u>21,065,853</u>	<u>22,407,125</u>	<u>22,613,373</u>	<u>29,079,711</u>	<u>26,404,427</u>	<u>29,655,950</u>	<u>25,923,873</u>
Total Primary Government Net Position	<u>\$ 217,213,842</u>	<u>\$ 197,318,042</u>	<u>\$ 188,180,517</u>	<u>\$ 190,450,330</u>	<u>\$ 178,548,095</u>	<u>\$ 167,634,445</u>	<u>\$ 167,560,333</u>	<u>\$ 161,723,273</u>	<u>\$ 160,714,202</u>	<u>\$ 153,831,413</u>

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 2
CHANGES IN NET POSITION
(Prepared Using the Accrual Basis of Accounting)
Last Ten Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
EXPENSES										
Governmental Activities										
General Government	\$ 3,426,258	\$ 4,720,098	\$ 3,823,685	\$ 5,312,390	\$ 6,370,371	\$ 4,819,297	\$ 4,560,452	\$ 3,667,968	\$ 3,354,656	\$ 1,732,507
Public Safety	10,825,748	10,963,016	10,493,698	9,729,248	9,548,584	8,724,154	8,978,334	8,683,688	8,639,299	9,754,968
Public Services	12,246,584	12,479,719	11,571,522	9,423,214	7,746,805	7,114,555	6,914,370	7,537,465	7,086,762	6,012,197
Culture and Recreation	1,842,966	1,828,743	2,680,773	2,521,646	2,468,577	3,312,723	3,136,157	3,086,470	3,097,756	2,950,743
Economic Development	26,327	1,226,860	17,949	74,282	30,037	18,059	18,193	132,076	109,695	342,968
Nondepartmental	0	0	0	0	0	0	0	0	0	994,254
Education	62,932,107	61,992,125	54,951,576	54,521,274	51,022,934	49,261,478	50,848,054	49,452,178	46,929,595	45,788,418
Debt Service										
Interest on Long-Term Debt	2,584,532	2,664,542	2,449,595	2,327,868	2,623,253	2,567,148	2,493,886	2,595,494	2,707,454	2,187,347
Other Debt Service	21,720	23,911	262,275	200,596	119,407	200,463	25,841	28,221	253,795	289,682
Total Governmental Activities Expenses	<u>93,906,242</u>	<u>95,899,014</u>	<u>86,251,073</u>	<u>84,110,518</u>	<u>79,929,968</u>	<u>76,017,877</u>	<u>76,975,287</u>	<u>75,183,560</u>	<u>72,179,012</u>	<u>70,053,084</u>
Business-Type Activities										
Electric	62,688,789	66,498,463	65,661,883	66,296,844	63,536,304	63,780,518	62,625,738	60,756,997	59,416,054	61,371,556
Water and Sewer	14,983,631	14,636,125	14,258,214	14,039,792	13,107,255	13,027,635	13,008,449	12,596,332	12,762,305	11,562,664
Stormwater Utility	0	0	0	0	1,179,276	1,039,904	1,090,652	994,488	929,436	917,136
Total Business-Type Activities Expenses	<u>77,672,420</u>	<u>81,134,588</u>	<u>79,920,097</u>	<u>80,336,636</u>	<u>77,822,835</u>	<u>77,848,057</u>	<u>76,724,839</u>	<u>74,347,817</u>	<u>73,107,795</u>	<u>73,851,356</u>
Total Primary Government Expenses	<u>\$ 171,578,662</u>	<u>\$ 177,033,602</u>	<u>\$ 166,171,170</u>	<u>\$ 164,447,154</u>	<u>\$ 157,752,803</u>	<u>\$ 153,865,934</u>	<u>\$ 153,700,126</u>	<u>\$ 149,531,377</u>	<u>\$ 145,286,807</u>	<u>\$ 143,904,440</u>
PROGRAM REVENUES										
Governmental Activities										
Charges for Services										
General Government	\$ 500,971	\$ 613,437	\$ 516,415	\$ 484,047	\$ 347,595	\$ 426,606	\$ 327,895	\$ 304,949	\$ 203,508	\$ 253,572
Public Safety	73,054	532,278	763,426	626,255	451,403	469,264	347,345	308,521	270,586	224,966
Public Services	2,729,609	2,246,719	2,271,749	1,999,886	514,347	494,520	470,509	487,230	488,718	455,006
Culture and Recreation	0	0	0	0	0	771,617	768,879	605,653	836,447	775,595
Economic Development	0	0	0	42,300	42,300	42,300	42,300	42,300	42,300	167,300
Education	2,788,229	3,185,650	3,183,579	3,016,330	2,890,608	2,596,645	2,565,628	2,544,574	2,683,913	2,655,600
Operating Grants and Contributions	26,965,282	26,575,918	26,409,258	24,582,044	23,155,848	22,873,038	23,187,037	21,916,241	21,851,552	22,862,220
Capital Grants and Contributions	816,124	860,253	245,384	1,760,883	879,601	594,673	149,271	381,615	89,963	791,634
Total Governmental Activities Program Revenues	<u>33,873,269</u>	<u>34,014,255</u>	<u>33,389,811</u>	<u>32,511,745</u>	<u>28,281,702</u>	<u>28,268,663</u>	<u>27,858,864</u>	<u>26,591,083</u>	<u>26,466,987</u>	<u>28,185,893</u>

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 2
CHANGES IN NET POSITION (Continued)
(Prepared Using the Accrual Basis of Accounting)
Last Ten Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
PROGRAM REVENUES (Continued)										
Business-Type Activities										
Charges for Services										
Electric	66,851,744	69,555,602	68,358,730	69,311,227	65,760,238	66,058,065	65,282,458	64,000,691	63,101,946	65,120,457
Water and Sewer	20,122,257	17,221,608	15,626,835	15,069,949	15,212,193	14,832,003	14,905,009	14,297,661	13,820,345	12,959,720
Stormwater Utility	0	0	0	0	1,396,201	1,387,354	1,392,046	1,387,612	1,375,446	1,368,969
Operating Grants and Contributions	0	0	0	0	121,903	0	0	0	0	0
Capital Grants and Contributions	1,582,577	935,824	1,133,017	1,139,691	1,352,422	541,280	157,413	491,035	375,028	3,926,340
Total Business-Type Activities Program Revenues	<u>88,556,578</u>	<u>87,713,034</u>	<u>85,118,582</u>	<u>85,520,867</u>	<u>83,842,957</u>	<u>82,818,702</u>	<u>81,736,926</u>	<u>80,176,999</u>	<u>78,672,765</u>	<u>83,375,486</u>
Total Primary Government Program Revenues	<u>\$ 122,429,847</u>	<u>\$ 121,727,289</u>	<u>\$ 118,508,393</u>	<u>\$ 118,032,612</u>	<u>\$ 112,124,659</u>	<u>\$ 111,087,365</u>	<u>\$ 109,595,790</u>	<u>\$ 106,768,082</u>	<u>\$ 105,139,752</u>	<u>\$ 111,561,379</u>
NET (EXPENSE) REVENUE										
Governmental Activities	\$ (60,032,973)	\$ (61,884,759)	\$ (52,861,262)	\$ (51,598,773)	\$ (51,648,266)	\$ (47,749,214)	\$ (49,116,312)	\$ (48,592,477)	\$ (45,712,025)	\$ (41,867,191)
Business-Type Activities	<u>10,884,158</u>	<u>6,570,046</u>	<u>5,190,085</u>	<u>5,175,831</u>	<u>6,011,722</u>	<u>4,962,245</u>	<u>5,003,687</u>	<u>5,820,782</u>	<u>5,556,570</u>	<u>9,515,730</u>
Total Primary Government Net Expenses	<u>\$ (49,148,815)</u>	<u>\$ (55,314,713)</u>	<u>\$ (47,671,177)</u>	<u>\$ (46,422,942)</u>	<u>\$ (45,636,544)</u>	<u>\$ (42,786,969)</u>	<u>\$ (44,112,625)</u>	<u>\$ (42,771,695)</u>	<u>\$ (40,155,455)</u>	<u>\$ (32,351,461)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities										
General Revenues										
Sales Taxes	\$ 22,926,734	\$ 22,021,237	\$ 20,523,896	\$ 19,663,897	\$ 18,682,970	\$ 18,258,885	\$ 15,207,831	\$ 11,792,592	\$ 11,840,020	\$ 10,913,074
State income and Excise taxes	623,561	516,585	518,860	723,926	686,015	537,456	536,887	313,332	322,009	299,275
Property Taxes	35,931,020	33,058,491	32,569,527	30,943,255	29,963,302	28,462,845	27,561,747	26,535,715	25,791,890	26,178,362
Business Taxes	898,073	883,417	1,110,325	1,026,201	1,008,162	1,044,938	782,339	912,011	802,555	723,497
Miscellaneous Taxes	4,442,654	4,264,484	3,347,492	3,110,172	3,051,698	3,005,430	3,025,884	5,550,803	5,483,319	5,100,621
In-lieu-of Taxes	1,537,388	1,056,460	678,084	661,155	923,008	1,036,489	852,795	538,093	638,248	620,312
Interest Income	790,544	1,290,491	482,027	135,861	267,939	256,400	217,444	179,293	174,339	217,446
Miscellaneous	1,653,132	2,033,433	1,538,570	1,642,146	1,761,861	1,817,076	1,681,975	1,544,033	1,766,779	994,638
Gain (Loss) on Deletion of Capital Assets	0 *	(425,987)	80,315	145,167	84,798	48,583	28,668	18,730	129,958	11,117
Transfers	<u>1,871,299</u>	<u>1,661,806</u>	<u>1,611,182</u>	<u>1,623,795</u>	<u>1,320,642</u>	<u>1,192,314</u>	<u>1,472,437</u>	<u>1,449,365</u>	<u>1,411,107</u>	<u>1,382,880</u>
Total Governmental Activities	<u>70,674,405</u>	<u>66,360,417</u>	<u>62,460,278</u>	<u>59,675,575</u>	<u>57,750,395</u>	<u>55,660,416</u>	<u>51,368,007</u>	<u>48,833,967</u>	<u>48,360,224</u>	<u>46,441,222</u>

* In 2020, Gain(Loss) on Deletion of Capital Assets began being recorded as a direct expense of the related function or program.

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 2
CHANGES IN NET POSITION (Continued)
(Prepared Using the Accrual Basis of Accounting)
Last Ten Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
GENERAL REVENUES AND OTHER										
CHANGES IN NET POSITION (Continued)										
Business-Type Activities										
General Revenues										
Interest Income	241,509	313,959	147,834	72,772	36,548	14,813	14,732	21,838	21,157	77,879
Gain (Loss) on Deletion of Capital Assets	0 **	(555,802)	20,800	192,225	75,493	69,101	30,983	28,019	59,570	142,062
Transfers	(1,871,299)	(1,661,806)	(1,611,182)	(1,623,795)	(1,320,642)	(1,192,314)	(1,472,437)	(1,449,365)	(1,411,107)	(1,382,880)
Total Business-Type Activities	<u>(1,629,790)</u>	<u>(1,903,649)</u>	<u>(1,442,548)</u>	<u>(1,358,798)</u>	<u>(1,208,601)</u>	<u>(1,108,400)</u>	<u>(1,426,722)</u>	<u>(1,399,508)</u>	<u>(1,330,380)</u>	<u>(1,162,939)</u>
Total Primary Government	<u>\$ 69,044,615</u>	<u>\$ 64,456,768</u>	<u>\$ 61,017,730</u>	<u>\$ 58,316,777</u>	<u>\$ 56,541,794</u>	<u>\$ 54,552,016</u>	<u>\$ 49,941,285</u>	<u>\$ 47,434,459</u>	<u>\$ 47,029,844</u>	<u>\$ 45,278,283</u>
CHANGE IN NET POSITION										
Governmental Activities	\$ 10,641,432	\$ 4,475,658	\$ 9,599,016	\$ 8,076,802	\$ 6,102,129	\$ 7,911,202	\$ 2,251,695	\$ 241,490	\$ 2,648,199	\$ 4,574,031
Business-Type Activities	<u>9,254,368</u>	<u>4,674,797</u>	<u>3,755,937</u>	<u>3,825,433</u>	<u>4,811,521</u>	<u>3,862,245</u>	<u>3,585,365</u>	<u>4,429,674</u>	<u>4,234,590</u>	<u>8,361,191</u>
Total Primary Government	<u>\$ 19,895,800</u>	<u>\$ 9,150,455</u>	<u>\$ 13,354,953</u>	<u>\$ 11,902,235</u>	<u>\$ 10,913,650</u>	<u>\$ 11,773,447</u>	<u>\$ 5,837,060</u>	<u>\$ 4,671,164</u>	<u>\$ 6,882,789</u>	<u>\$ 12,935,222</u>

** In 2020, Gain(Loss) on Deletion of Capital Assets began being reported as an expense of an identifiable activity on the statement of activities rather than as a general revenue.

CITY OF MARYVILLE, TENNESSEE

SCHEDULE 3

**FUND BALANCES, GOVERNMENTAL FUNDS
(Prepared Using the Modified Accrual Basis of Accounting)**

Last Ten Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
FUND BALANCE UNDER GASB 54										
GENERAL FUND										
Nonspendable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,156
Assigned	0	0	0	158,694	378,850	896,783	1,550,055	680,255	127,077	118,256
Unassigned	<u>14,187,126</u>	<u>12,851,280</u>	<u>11,417,360</u>	<u>10,384,423</u>	<u>8,126,757</u>	<u>7,823,581</u>	<u>6,244,744</u>	<u>6,316,252</u>	<u>6,451,351</u>	<u>5,946,711</u>
Total General Fund	<u>\$ 14,187,126</u>	<u>\$ 12,851,280</u>	<u>\$ 11,417,360</u>	<u>\$ 10,543,117</u>	<u>\$ 8,505,607</u>	<u>\$ 8,720,364</u>	<u>\$ 7,794,799</u>	<u>\$ 6,996,507</u>	<u>\$ 6,578,428</u>	<u>\$ 6,069,123</u>
ALL OTHER										
GOVERNMENTAL FUNDS										
Nonspendable	\$ 50,426	\$ 50,426	\$ 50,426	\$ 49,434	\$ 34,118	\$ 49,596	\$ 63,644	\$ 67,631	\$ 54,288	\$ 106,917
Restricted	3,553,385	2,978,475	18,442,744	2,777,298	1,934,318	2,086,536	2,240,767	2,723,852	3,485,940	10,811,986
Committed	0	0	842,733	991,224	1,030,194	895,136	906,264	806,398	860,476	703,049
Assigned	<u>16,393,053</u>	<u>18,004,818</u>	<u>13,936,028</u>	<u>9,873,935</u>	<u>9,498,743</u>	<u>17,719,013</u>	<u>16,088,157</u>	<u>14,317,360</u>	<u>17,277,192</u>	<u>17,126,379</u>
Total All Other Governmental Funds	<u>\$ 19,996,864</u>	<u>\$ 21,033,719</u>	<u>\$ 33,271,931</u>	<u>\$ 13,691,891</u>	<u>\$ 12,497,373</u>	<u>\$ 20,750,281</u>	<u>\$ 19,298,832</u>	<u>\$ 17,915,241</u>	<u>\$ 21,677,896</u>	<u>\$ 28,748,331</u>

CITY OF MARYVILLE, TENNESSEE

SCHEDULE 4

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
(Prepared Using the Modified Accrual Basis of Accounting)**

Last Ten Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
REVENUES										
Taxes	\$ 61,919,011	\$ 57,333,199	\$ 54,944,752	\$ 52,147,791	\$ 50,658,135	\$ 49,019,402	\$ 44,893,872	\$ 41,880,615	\$ 41,632,978	\$ 40,986,052
Licenses, Permits and Fees	32,004	35,405	294,213	268,763	263,930	327,361	312,295	308,447	298,488	227,477
Intergovernmental	32,157,062	31,905,089	30,809,590	29,221,117	27,587,224	26,710,097	26,843,658	25,264,170	25,204,039	26,513,613
Charges for Services	5,624,691	5,999,146	6,040,830	5,600,307	3,801,497	4,187,186	3,884,772	3,776,626	3,934,332	3,351,150
Fines, Forfeitures and Costs	78,816	68,120	84,253	64,085	57,116	60,113	104,753	82,907	102,139	70,200
Interest Income	790,546	1,290,491	547,303	135,861	267,939	256,400	217,444	179,293	174,339	217,446
Miscellaneous	2,446,959	2,501,768	1,809,943	3,190,720	2,139,324	2,183,150	1,748,640	2,027,098	2,080,057	1,850,856
Total Revenues	<u>103,049,089</u>	<u>99,133,218</u>	<u>94,530,884</u>	<u>90,628,644</u>	<u>84,775,165</u>	<u>82,743,709</u>	<u>78,005,434</u>	<u>73,519,156</u>	<u>73,426,372</u>	<u>73,216,794</u>
EXPENDITURES										
General Government	2,044,937	2,156,241	2,409,696	3,161,490	4,887,120	3,700,705	2,677,974	2,392,810	2,157,334	2,344,875
Public Safety	10,363,889	9,777,096	9,551,554	9,313,491	9,121,138	8,589,950	8,278,238	7,964,174	7,893,768	9,095,291
Public Service	10,510,499	9,964,573	9,760,053	8,700,343	6,777,231	6,292,611	6,171,951	5,825,440	6,208,726	6,471,955
Culture and Recreation	1,695,687	1,664,453	1,687,812	1,543,358	1,512,185	2,363,093	2,186,943	2,150,213	2,174,705	2,028,355
Economic Development	917,915	1,226,860	17,949	74,282	53,618	8,954	10,463	124,865	98,621	331,338
Nondepartmental	1,894,827	1,834,223	1,748,847	1,416,055	1,534,431	1,292,612	1,018,871	1,014,323	978,445	994,254
Education	58,854,306	58,596,150	56,274,524	52,906,926	51,591,873	50,269,984	48,195,673	47,336,155	45,524,948	44,411,976
Debt Service										
Principal Retirement	3,942,064	3,402,289	3,268,099	3,428,099	3,203,099	3,138,099	3,073,104	3,083,099	3,033,099	3,257,255
Interest and Fiscal Fees	2,422,637	2,511,738	2,357,688	2,036,032	2,190,162	2,119,402	2,049,671	2,141,044	2,549,725	2,448,736
Payments Under										
Capital Lease	1,224,183	1,209,733	1,194,233	1,193,133	9,024,136	1,254,316	1,265,876	1,237,920	1,105,423	548,169
Capital Outlay	10,750,453	20,483,395	6,586,269	5,441,431	4,670,159	2,691,341	2,357,425	5,058,928	9,911,160	12,112,193
Total Expenditures	<u>104,621,397</u>	<u>112,826,751</u>	<u>94,856,724</u>	<u>89,214,640</u>	<u>94,565,152</u>	<u>81,721,067</u>	<u>77,286,189</u>	<u>78,328,971</u>	<u>81,635,954</u>	<u>84,044,397</u>
Excess (Deficiency) of Revenue Over Expenditures Before Financing Sources (Uses)	<u>(1,572,308)</u>	<u>(13,693,533)</u>	<u>(325,840)</u>	<u>1,414,004</u>	<u>(9,789,987)</u>	<u>1,022,642</u>	<u>719,245</u>	<u>(4,809,815)</u>	<u>(8,209,582)</u>	<u>(10,827,603)</u>

CITY OF MARYVILLE, TENNESSEE

SCHEDULE 4

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (Continued)
(Prepared Using the Modified Accrual Basis of Accounting)

Last Ten Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
OTHER FINANCING SOURCES (USES)										
Transfers In	24,114,376	21,677,361	20,668,392	18,143,570	18,091,683	16,965,008	16,754,267	17,305,072	18,521,596	14,858,643
Transfers Out	(22,243,077)	(20,015,555)	(19,057,210)	(16,819,775)	(16,771,041)	(15,772,694)	(15,281,830)	(15,855,707)	(17,110,489)	(13,475,763)
Issuance of Debt	0	1,240,328	18,180,000	0	0	0	0	0	0	0
Proceeds from Refunding Debt	0	0	23,780,000	0	4,547,000	9,855,000	0	0	14,945,470	14,759,414
Bond Premium	0	0	3,837,634	0	174,356	143,315	0	0	0	0
Payments to Refunding Agent	0	0	(26,629,645)	0	(4,704,198)	(9,830,000)	0	0	(14,660,000)	(14,505,000)
Capitalized Leases	0	0	0	0	0	0	0	0	0	918,996
Total Other Financing Sources (Uses)	<u>1,871,299</u>	<u>2,902,134</u>	<u>20,779,171</u>	<u>1,323,795</u>	<u>1,337,800</u>	<u>1,360,629</u>	<u>1,472,437</u>	<u>1,449,365</u>	<u>1,696,577</u>	<u>2,556,290</u>
Net Change in Fund Balance	<u>\$ 298,991</u>	<u>\$ (10,791,399)</u>	<u>\$ 20,454,323</u>	<u>\$ 2,753,115</u>	<u>\$ (8,467,665)</u>	<u>\$ 2,377,014</u>	<u>\$ 2,181,883</u>	<u>\$ (3,344,576)</u>	<u>\$ (6,561,130)</u>	<u>\$ (8,278,069)</u>
Debt Service as a Percentage of Noncapital Expenditures	8.1%	7.7%	7.8%	8.1%	16.0%	8.2%	8.5%	8.8%	9.3%	8.7%

CITY OF MARYVILLE, TENNESSEE

SCHEDULE 5

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Fiscal Year Ending June 30	Tax Year	Real Property		Tangible Personal Property Assessed	Public Utility Assessment	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage Actual Value
		Residential Farms Property	Commercial Industrial Property						
2020	2019	\$ 517,995,225	\$ 393,696,200	\$ 152,095,050	\$ 16,214,147	\$ 1,080,000,622	\$ 2.27	\$ 3,592,684,938	30%
2019	2018	441,566,375	340,800,840	152,102,696	14,946,947	949,416,858	2.27	3,199,820,399	30%
2018	2017	428,198,775	328,658,200	158,555,413	14,147,729	929,560,117	2.27	3,126,467,520	30%
2017	2016	416,388,736	319,121,165	166,087,390	14,466,417	916,063,708	2.17	3,043,285,066	30%
2016	2015	409,908,365	314,787,910	161,624,066	14,543,396	900,863,737	2.17	2,991,792,660	30%
2015	2014	438,743,017	257,898,885	134,813,754	12,917,003	844,372,659	2.17	2,872,583,920	29%
2014	2013	434,148,698	253,448,120	111,166,000	11,811,906	810,574,724	2.17	2,754,845,589	29%
2013	2012	430,141,700	242,692,240	110,828,787	10,499,920	794,162,647	2.17	2,715,817,453	29%
2012	2011	428,509,175	243,905,680	112,439,268	10,063,941	794,918,064	2.17	2,716,896,534	29%
2011	2010	389,601,275	221,918,360	112,177,658	9,772,822	733,470,115	2.17	2,504,895,294	29%

SOURCE: City of Maryville Recorder's Office
Blount County, Tennessee Trustee's Office

CITY OF MARYVILLE, TENNESSEE

SCHEDULE 6

DIRECT AND OVERLAPPING PROPERTY TAX RATES
(Rate per \$100 of Assessed Value)

Last Ten Calendar Years

<u>Tax Year</u>	<u>Direct Tax Rate</u>	<u>Overlapping Tax Rate - Blount County</u>
2019	\$ 2.27	\$ 2.47
2018	2.27	2.47
2017	2.27	2.47
2016	2.17	2.47
2015	2.17	2.47
2014	2.17	2.15
2013	2.17	2.15
2012	2.17	2.15
2011	2.17	2.15
2010	2.17	2.04

SOURCE: City of Maryville Recorder's Office
Blount County, Tennessee Trustee's Office

NOTE: The Direct Tax Rate does not have components.

CITY OF MARYVILLE, TENNESSEE

SCHEDULE 7

PRINCIPAL TAXPAYERS

June 30, 2020

Taxpayer	Fiscal Year 2020			Fiscal Year 2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Denso Manufacturing Tennessee, Inc.	\$ 130,023,794	1	12.2%	\$ 114,392,027	1	14.6%
Bridgeway Properties 1, LLC	18,581,848	2	1.7%	0		0.0%
Wal-Mart Stores, Inc.	10,181,570	3	1.0%	0		0.0%
Camellia Trace at Mountain View LLC	8,475,933	4	0.8%	6,576,374	6	0.8%
Atmos Energy Corp.	8,452,545	5	0.8%	7,822,340	3	1.0%
Foothills Mall Equities LLC	8,275,601	6	0.8%	6,364,334	8	0.8%
CBL & Associates	7,950,923	7	0.7%	3,521,612	9	0.5%
Mountainside Independent Life	5,523,671	8	0.5%	9,692,535	2	1.2%
Standard Aero Alliance, Inc.	5,280,385	9	0.5%	6,918,440	4	0.9%
Presbyterian Homes of Tennessee, Inc.	4,889,240	10	0.5%	0		0.0%
Ruby Tuesday, Inc.	0		0.0%	6,478,417	7	0.8%
Key Safety Systems, Inc.	0		0.0%	6,843,995	5	0.9%
Belk Department Stores LP	0		0.0%	2,832,634	10	0.4%
Totals	\$ 207,635,510		19.52%	\$ 171,442,708		21.93%
Total Assessed Value All Property (Excluding Public Utilities)	\$ 1,063,786,475			\$ 781,887,005		

SOURCE: City Recorder's Tax Collection Records

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 8
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Original Taxes Levied	Adjusted Taxes Levied (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2020	\$ 24,516,163	\$ 24,169,830	\$ 23,762,886	98.3%	\$ 0	\$ 23,762,886	98.3%
2019	21,551,868	21,549,848	21,136,908	98.1%	370,081	21,506,989	99.8%
2018	21,101,120	21,267,832	20,915,814	98.3%	388,346	21,304,160	100.2%
2017	19,984,494	19,878,488	19,515,541	98.2%	293,828	19,809,369	99.7%
2016	19,512,874	19,412,101	19,131,633	98.6%	273,464	19,405,097	100.0%
2015	18,317,635	18,366,342	17,894,734	97.4%	459,351	18,354,085	99.9%
2014	17,590,314	17,613,067	17,153,249	97.4%	456,134	17,609,383	100.0%
2013	17,318,644	17,292,193	16,729,203	96.7%	556,304	17,285,507	100.0%
2012	17,245,918	17,189,622	16,598,526	96.6%	575,659	17,174,185	99.9%
2011	17,185,410	17,164,448	16,562,996	96.5%	581,785	17,144,781	99.9%

(1) Adjusted for pickups and releases

SOURCE: City Recorder's office

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 9
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Outlay Notes	Capital Lease Obligations	Total	General Obligation Bonds	General Revenue Bonds	Capital Outlay Notes	Total			
2020	\$ 56,648,195	\$ 8,164,475	\$ 9,013,819	\$ 73,826,489	\$ 12,783,226	\$ 32,398,680	\$ 1,383,372	\$ 46,565,278	\$ 120,391,767	9.18%	\$ 4,108
2019	59,632,029	9,502,544	9,838,477	78,973,050	15,152,324	32,833,020	1,494,288	49,479,632	128,452,682	10.11%	4,336
2018	62,325,384	9,472,510	10,624,139	82,422,033	17,518,009	33,267,360	1,602,936	52,388,305	134,810,338	11.5%	4,677
2017	45,094,964	10,855,650	11,370,955	67,321,569	13,325,816	33,095,447	1,709,376	48,130,639	115,452,208	10.1%	3,989
2016	47,080,073	12,468,749	12,094,078	71,642,900	14,910,755	33,813,742	1,813,644	50,538,141	122,181,041	11.0%	4,258
2015	47,505,053	15,301,848	20,593,645	83,400,546	12,239,311	38,394,133	1,915,788	52,549,232	135,949,778	12.6%	4,776
2014	49,057,562	16,864,946	21,254,792	87,177,300	13,606,641	39,075,340	2,015,856	54,697,837	141,875,137	13.6%	5,025
2013	50,732,789	18,408,045	21,897,651	91,038,485	14,923,971	39,741,547	2,113,884	56,779,402	147,817,887	14.7%	5,281
2012	52,433,016	19,936,144	22,502,345	94,871,505	18,209,061	40,392,755	2,209,920	60,811,736	155,683,241	15.6%	5,610
2011	53,502,182	21,444,243	23,393,996	98,340,421	19,756,132	41,028,962	2,304,000	63,089,094	161,429,515	17.6%	5,862

NOTES: Personal Income data can be found on Schedule 14.

Population data can be found on Schedule 14.

CITY OF MARYVILLE, TENNESSEE

SCHEDULE 10

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Calendar Years

Fiscal Year Ending June 30,	General Obligation Debt	Less Amounts Available in Debt Service Fund	Net General Obligation Debt	Percentage of Assessed Taxable Value of Property	Per Capita
2020	\$ 73,517,928	\$ 2,324,829	\$ 71,193,099	6.6%	\$ 2,349
2019	74,784,353	1,405,156	73,379,197	7.7%	2,477
2018	79,843,393	836,938	79,006,455	8.5%	2,741
2017	58,420,780	107,343	58,313,437	6.4%	2,015
2016	61,990,828	243,669	61,747,159	6.8%	2,151
2015	59,744,364	8,025,226	51,719,138	6.1%	1,817
2014	62,664,203	8,010,894	54,653,309	6.7%	1,936
2013	65,656,760	8,009,035	57,647,725	7.3%	2,059
2012	70,642,077	8,489,676	62,152,401	7.8%	2,239
2011	73,258,314	9,087,727	64,170,587	8.8%	2,330

NOTES: Actual Taxable Value of Property data can be found on Schedule 5.

Population data can be found on Schedule 14.

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 11
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2020

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Direct Debt			
General Obligation Bonds	\$ 56,648,195		
Capital Outlay Notes	8,164,475		
Capital Leases	<u>9,013,819</u>		
Total Direct Debt	73,826,489	100%	\$ 73,826,489
Overlapping Debt			
Blount County General Government	157,756,814	27%	<u>42,499,686</u>
Total Direct and Overlapping Debt			<u>\$ 116,326,175</u>

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding indebtedness of those overlapping governments that is borne by the residents and businesses of the City of Maryville. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore, responsible for repaying the debt of each overlapping government.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using the taxable assessed property values. Applicable percentages were estimated by determining the portion of Blount County, Tennessee's taxable assessed value within the City's boundaries and dividing it by Blount County, Tennessee's total taxable assessed value.

General obligation debt repaid from resources provided by business-type activities is excluded.

SOURCE: Blount County, Tennessee Government

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 12
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

<u>Legal Debt Margin Calculation for 2020</u>	
Assessed Value	\$ <u>1,080,000,622</u>
Debt Limit (15% of Assessed Value)	\$ <u>162,000,093</u>
Net Debt Applicable to Limit	
General Obligation Debt	73,826,489
Less: Amount Set Aside for Repayment of General Obligation Debt	<u>2,324,828</u>
Net Debt Applicable to Limit	<u>71,501,661</u>
Legal Debt Margin	\$ <u><u>90,498,432</u></u>

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt Limit	\$ 162,000,093	\$ 142,412,529	\$ 139,434,018	\$ 137,409,556	\$ 135,129,561	\$ 126,655,899	\$ 121,586,209	\$ 121,365,352	\$ 119,124,397	\$ 117,278,585
Total Net Debt Applicable to Limit	<u>71,501,661</u>	<u>77,567,894</u>	<u>81,585,095</u>	<u>67,214,226</u>	<u>71,399,231</u>	<u>72,708,957</u>	<u>76,030,406</u>	<u>77,471,668</u>	<u>80,153,813</u>	<u>83,655,512</u>
Legal Debt Margin	<u>\$ 90,498,432</u>	<u>\$ 64,844,635</u>	<u>\$ 57,848,923</u>	<u>\$ 70,195,330</u>	<u>\$ 63,730,330</u>	<u>\$ 53,946,942</u>	<u>\$ 45,555,803</u>	<u>\$ 43,893,684</u>	<u>\$ 38,970,584</u>	<u>\$ 33,623,073</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	44.1%	54.5%	58.5%	51.1%	52.8%	57.4%	62.5%	63.8%	67.3%	71.3%

NOTES: By private act of the State of Tennessee General Assembly enacted June 2004, the Charter of the City of Maryville was amended to authorize the issuance of debt up to an amount that will not exceed ten percent (10%) of the total assessed value of property of the incorporated area.

By private act of the State of Tennessee General Assembly effective April 2008, the charter of the City of Maryville was amended to authorize the issuance of debt up to an amount that will not exceed fifteen percent (15%) of the total assessed value of the incorporated area. Fiscal years subsequent to 2007 are calculated using a debt limit of fifteen percent (15%) of total assessed value of property while prior years are disclosed using ten percent (10%).

CITY OF MARYVILLE, TENNESSEE

SCHEDULE 13

PLEDGED – REVENUE COVERAGE

Last Ten Fiscal Years

Fiscal Year Ending June 30	Electric Revenue Debt						Water and Sewer Revenue Debt					
	Operating Revenues	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage	Operating Revenues	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2020	\$ 66,843,344	\$ 59,842,914	\$ 7,000,430	\$ 817,000	\$ 161,674	\$ 7.15	\$ 20,122,257	\$ 9,413,145	\$ 10,709,112	\$ 1,739,916	\$ 1,466,021	\$ 3.34
2019	69,547,202	63,655,534	5,891,668	791,000	214,605	5.86	17,221,608	9,300,223	7,921,385	1,760,648	1,522,321	2.41
2018	68,350,330	63,003,781	5,346,549	758,000	130,247	6.02	15,626,835	8,645,539	6,981,296	1,328,440 (1)	1,689,510	2.31
2017	69,302,827	63,814,002	5,488,825	746,000	161,977	6.05	15,069,949	8,471,859	6,598,090	1,563,268	1,951,870	1.88
2016	65,751,838	60,897,937	4,853,901	705,000 (1)	223,662	5.23	15,212,193	7,506,696	7,705,497	1,462,144 (1)	2,066,870	2.18
2015	66,049,665	61,279,772	4,769,893	675,000	248,388	5.17	14,832,003	7,539,137	7,292,866	1,415,068	2,129,656	2.06
2014	65,274,058	60,181,720	5,092,338	650,000	272,189	5.52	14,905,009	7,487,914	7,417,095	1,373,028	2,188,809	2.08
2013	63,992,291	58,315,043	5,677,248	1,890,000	343,326	2.54	14,297,661	7,050,424	7,247,237	2,081,036	2,282,524	1.66
2012	63,093,546	57,022,200	6,071,346	840,000	376,942	4.99	13,820,345	7,209,488	6,610,857	1,379,080	2,338,369	1.78
2011	65,112,057	60,952,804	4,159,253	805,000	402,473	3.44	12,959,720	6,549,100	6,410,620	1,250,000	2,331,823	1.79

NOTES: Operating expenses do not include interest, depreciation, amortization expenses or in-lieu-of taxes paid to other City funds.

(1) Does not include debt retired from bond refunding issues.

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 14
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Fiscal Year Ended June 30,	(1) Population	(2) Personal Income	(3) Per Capita Income	(4) Median Age	(5) School Enrollment	(6) Unemployment Rate
2020	30,302	\$ 1,355,347,856	\$ 44,728	39.1	5,377	9.3%
2019	29,742	1,304,216,442	43,851	39.1	5,379	2.8%
2018	29,192	1,227,465,216	42,048	39.1	5,346	2.6%
2017	28,765	1,185,808,360	41,224	39.1	5,225	2.9%
2016	28,703	1,125,903,878	39,226	39.1	5,101	3.7%
2015	28,464	1,089,658,848	38,282	39.1	5,038	5.1%
2014	28,233	1,030,250,403	36,491	39.1	5,091	5.6%
2013	27,992	993,184,152	35,481	39.1	4,962	6.7%
2012	27,753	977,849,202	35,234	39.1	4,930	6.9%
2011	27,536	926,806,688	33,658	39.1	4,910	8.0%

SOURCES: (1) 2011 Special Census Certification from the Dept of Economic & Community Development
2012-2019 U.S. Census Bureau Estimate (updated)
2020 Estimated based prior year's growth

(2) Calculation based upon Population and Per Capita Income

(3) 2011-2018 Bureau of Economic Analysis - Blount County (updated)
2019-2020 Estimated based on prior year's growth

(4) 2011-2020 2010 US Census Bureau City of Maryville

(5) City of Maryville Schools

(6) Bureau of Labor Statistics – All Figures Reflect Blount County (May - Not Seasonally Adjusted)

CITY OF MARYVILLE, TENNESSEE

SCHEDULE 15

PRINCIPAL EMPLOYERS

June 30, 2020

Employer	2020			2011		
	Employees	Rank	Percentage Of Total City/County Employment	Employees	Rank	Percentage Of Total City/County Employment
Denso Manufacturing Tennessee, Inc. ⁽¹⁾	5,350	1	9.36%	2,700	1	4.76%
Clayton Homes ⁽¹⁾	4,883	2	8.55%	2,542	2	4.48%
Blount Memorial Hospital, Inc. ⁽¹⁾	2,647	3	4.63%	2,256	3	3.98%
McGhee Tyson ANG Base ⁽¹⁾	1,728	4	3.02%	-	-	-
Blount County School System ⁽¹⁾	1,701	5	2.98%	1,500	4	2.64%
Newell Rubbermaid ⁽¹⁾ Sanford Brands	1,000	6	1.75%	350	12	0.62%
Arconic ⁽¹⁾ formerly Alcoa, Inc.	898	7	1.57%	1,218	6	2.15%
Blount County Government ⁽¹⁾	774	8	1.35%	630	8	1.11%
Maryville City Schools ⁽²⁾	708	9	1.24%	660	7	1.16%
Walmart Super Center ⁽²⁾	610	10	1.07%	559	10	0.99%
Accenture Hospitality Service ⁽¹⁾	541	11	0.95%	-	-	-
TeamHealth Alcoa Billing Center ⁽¹⁾	451	12	0.79%	-	-	-
Ruby Tuesday ⁽¹⁾	475	13	0.83%	1,242	5	2.19%
Massey Group ⁽²⁾	405	14	0.71%	-	-	-
Maryville College ⁽¹⁾	380	15	0.67%	253	17	0.45%
Reinhart Food Service ⁽¹⁾ Formerly IJ Co.	344	16	0.60%	483	11	0.85%
City of Maryville ⁽²⁾	321	17	0.56%	308	13	0.54%
Standard Aero Inc. ⁽¹⁾	335	18	0.59%	270	15	0.48%
Rockford Manufacturing ⁽²⁾	300	19	0.53%	300	14	0.53%
City of Alcoa ⁽²⁾	275	20	0.48%	257	16	0.45%
K12 ⁽¹⁾	265	21	0.46%	-	-	-
Alcoa City Schools ⁽²⁾	344	22	0.60%	208	19	0.37%
Peninsula Hospital ⁽¹⁾ A Division of Covenant Health	317	23	0.55%	-	-	-
	<u>25,052</u>		<u>43.85%</u>	<u>15,736</u>		<u>27.73%</u>
Total Blount County Employment 2020 (as of 05/20) (4)	57,128					
Total Blount County Employment 2011 (as of 05/11) (4)	56,747					

SOURCES:

- (1) The Knoxville News Sentinel "Book of Lists"
- (2) 2020 Responses from Employer
- (3) City of Maryville Comprehensive Annual Financial Report June 30, 2011
- (4) U.S. Bureau of Labor Statistics

CITY OF MARYVILLE, TENNESSEE

SCHEDULE 16

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY DEPARTMENT

Last Ten Fiscal Years

	<u>Actual 2020</u>	<u>Actual 2019</u>	<u>Actual 2018</u>	<u>Actual 2017</u>	<u>Actual 2016</u>	<u>Actual 2015</u>	<u>Actual 2014</u>	<u>Actual 2013</u>	<u>Actual 2012</u>	<u>Actual 2011</u>
General Government										
Administration	3.05	3.66	3.66	3.66	3.66	3.66	3.66	3.84	4.05	4.05
Judicial/Legal	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Human Resources	1.83	1.83	2.44	2.44	2.44	2.44	2.44	2.44	2.44	2.44
Finance	5.00	4.43	3.93	3.93	3.93	3.58	3.58	3.58	3.58	3.58
Purchasing	0.00	0.00	0.00	0.00	0.00	0.35	0.35	0.35	0.35	0.35
Police	60.67	58.50	55.50	55.50	51.50	51.50	51.50	51.50	51.50	51.50
Animal Control	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Fire	36.50	36.50	36.50	36.50	36.50	36.50	36.50	36.50	36.50	36.50
Public Services Administration	2.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Development Services	10.17	9.38	9.38	9.38	9.38	8.38	8.38	7.38	7.38	7.38
Engineering	3.40	3.20	3.20	3.20	3.20	3.20	3.20	3.20	4.20	4.20
Central Traffic Operations	3.00	3.00	2.00	2.00	1.00	1.00	1.00	1.00	0.00	0.00
SWM - Residential Collection	10.91	10.09	9.95	9.72	9.46	11.46	11.46	11.46	11.46	11.46
SWM - Commercial Collection	4.89	5.37	5.83	5.51	4.44	4.44	4.44	4.44	4.44	4.44
SWM - Brush Collection	6.80	7.44	7.12	7.67	9.00	8.00	8.00	8.00	8.00	8.00
Public Works - Street Maintenance	14.50	10.75	10.75	10.75	11.00	11.00	11.00	11.00	11.05	11.05
Public Works - Grounds Maintenance	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50
GIS Management	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00
Stormwater – Engineering	3.00	3.70	3.70	3.35	3.70	3.70	3.70	3.70	3.70	3.70
Stormwater – Construction	3.00	7.15	7.15	7.15	6.90	6.90	6.90	6.90	6.85	6.85
Computer Information Systems	5.00	5.00	5.00	5.00	5.00	5.00	5.00	6.00	6.00	6.00
Fleet Maintenance	7.05	7.05	7.05	7.05	6.05	6.05	6.05	6.05	6.05	6.05
Operations Center	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total General Government	<u>200.88</u>	<u>196.55</u>	<u>192.66</u>	<u>192.31</u>	<u>186.66</u>	<u>185.66</u>	<u>185.66</u>	<u>185.84</u>	<u>186.05</u>	<u>186.05</u>

CITY OF MARYVILLE, TENNESSEE

SCHEDULE 16

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY DEPARTMENT (Continued)

Last Ten Fiscal Years

	<u>Actual 2020</u>	<u>Actual 2019</u>	<u>Actual 2018</u>	<u>Actual 2017</u>	<u>Actual 2016</u>	<u>Actual 2015</u>	<u>Actual 2014</u>	<u>Actual 2013</u>	<u>Actual 2012</u>	<u>Actual 2011</u>
Electric Division										
Administration	3.80	4.25	4.30	4.48	4.05	4.05	4.25	4.15	4.05	4.05
Finance and Accounting	18.95	19.62	19.12	19.62	19.62	19.62	24.62	24.62	24.62	24.62
Metering (1)	4.40	4.05	4.05	4.05	4.05	4.05	0.00	0.00	0.00	0.00
Transmission and Distribution	34.18	31.20	31.20	30.80	32.95	32.95	33.00	33.00	33.00	33.00
Total Electric Division	<u>61.33</u>	<u>59.12</u>	<u>58.67</u>	<u>58.95</u>	<u>60.67</u>	<u>60.67</u>	<u>61.87</u>	<u>61.77</u>	<u>61.67</u>	<u>61.67</u>
Water Quality Control										
Administration	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.43	3.43
Engineering	11.33	12.47	12.83	12.36	11.77	11.52	11.22	11.14	8.05	8.05
Water Plant Operations	7.97	7.92	7.40	7.40	7.45	7.40	7.60	7.60	7.35	7.35
Wastewater Treatment Plant	17.95	16.4	16.60	16.20	15.70	15.70	15.50	15.50	15.60	15.60
Water Construction	23.54	23.54	23.84	23.79	22.75	23.05	22.15	22.15	21.85	21.85
Total Water Quality Control	<u>60.79</u>	<u>60.33</u>	<u>60.67</u>	<u>59.75</u>	<u>57.67</u>	<u>57.67</u>	<u>56.47</u>	<u>56.39</u>	<u>56.28</u>	<u>56.28</u>
Total General Government and Utilities	<u>323.00</u>	<u>316.00</u>	<u>312.00</u>	<u>311.01</u>	<u>305.00</u>	<u>304.00</u>	<u>304.00</u>	<u>304.00</u>	<u>304.00</u>	<u>304.00</u>

(1) Metering Department Established July 2014

SOURCE: City of Maryville Budget Office

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 17
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program General Government	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
City Tax Clerk										
Tax Parcels	\$ 14,428	\$ 14,396	\$ 14,199	\$ 13,996	\$ 13,797	\$ 13,719	\$ 13,781	\$ 13,772	\$ 13,684	\$ 13,569
Real Property Values	3,563,204,671	3,172,644,132	3,112,319,791	3,043,285,066	2,959,438,597	2,398,303,300	2,369,311,100	2,335,816,600	2,322,445,000	2,298,129,400
Assessed Values	1,063,786,475	934,469,911	915,412,388	916,063,708	884,656,859	831,205,765	798,595,753	786,956,027	784,238,454	781,887,005
Delinquent Taxes	175,804	178,758	217,856	257,676	236,950	263,599	281,498	343,328	382,630	402,128
Business Licenses	1,593	1,615	1,492	1,331	1,308	1,087	1,628	1,181	1,179	1,300
Electric										
Number of Miles of Line and Distribution Circuits	405	404	403	400	397	395	388	387	387	386
Peak System Demand (kW)	158,648	154,440	155,091	162,177	153,192	155,937	149,326	149,020	126,199	153,455
Number of Meters in Service (Total)	23,210	23,010	22,732	22,547	23,338	22,149	22,031	21,958	21,715	21,381
Total Annual Power Usage	786,921	818,829	808,959	799,016	789,231	786,444	768,666	738,538	562,000	654,569
Wastewater										
Number of Customers	14,818	14,551	14,241	13,973	13,711	13,498	13,385	13,242	13,039	13,022
Average Daily Treatment (1,000 of Gallons)	12,720	12,331	8,909	9,344	9,843	8,853	9,700	10,321	9,352	8,801
Permitted Capacity (1,000 of Gallons)	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000
Maximum Day Treatment (1,000 of Gallons)	40,000	39,100	37,700	29,200	36,500	18,600	32,500	33,900	32,600	42,451
Water										
Number of Customers	16,482	16,283	16,080	15,833	15,617	15,448	15,353	15,244	15,140	14,844
Average Daily Consumption (1,000 of Gallons Sold)	3,407	3,365	3,291	3,365	3,315	3,122	3,167	3,205	3,325	3,295
Permitted Capacity (1,000 of Gallons)	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Maximum Day Treatment (1,000 of Gallons)	5,859	5,697	5,995	5,672	5,745	5,346	5,645	6,114	6,282	6,188
Codes Department										
Building Permits	2,920	3,147	3,314	3,103	2,091	2,017	1,297	1,605	1,136	965
Total Construction Value	91,634,080	63,089,758	118,282,789	83,663,200	78,522,852	81,424,658	32,318,640	42,607,839	29,614,358	32,369,296
Police Department										
Citations	2,025	2,229	1,911	2,401	1,678	1,432	1,932	2,431	2,408	2,054
Burglaries	53	56	70	103	103	114	129	170	193	140
Total Arrests	1,003	1,114	1,013	1,112	921	1,037	1,229	1,429	1,467	1,407
DUI Arrests	59	65	76	93	78	81	87	157	130	81
Domestic Violence Victims	148	158	149	102	113	94	115	150	163	172
Incident Reports	2,044	2,119	2,183	2,409	2,101	1,952	2,191	2,481	2,772	2,572
Calls for Service	39,334	39,632	38,674	28,723	32,358	27,285	25,719	30,634	31,144	29,177
Fire Department										
Calls for Service	4,337	4,804	4,706	4,478	4,052	3,900	3,910	3,730	3,505	3,607
Fire Educational Programs	326	302	292	284	311	262	388	132	69	89
Company Inspections	814	319	348	325	362	492	387	156	832	980
Fire Hydrants	1,902	1,972	1,882	1,873	1,841	1,853	1,853	1,820	1,870	1,822

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 17
OPERATING INDICATORS BY FUNCTION/PROGRAM (Continued)
Last Ten Fiscal Years

Function/Program General Government	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Animal Control										
Animal Control Complaints	\$ 1,425	\$ 1,445	\$ 1,691	\$ 1,507	\$ 2,058	\$ 1,655	\$ 1,683	\$ 2,588	\$ 2,197	\$ 1,975
Animal Impoundments	413	545	491	465	496	503	591	515	613	645
Animal Board Days	3,319	5,894	2,671	2,585	2,572	2,954	1,444	2,906	2,581	2,684
Animals Returned to Owners	92	110	130	105	96	106	107	91	106	85
Animals Adopted	123	231	177	192	201	216	254	182	200	100
Animals Euthanized	0	0	0	0	0	1	11	21	137	352
Parks and Recreation										
Maryville City Park Acreage	79	79	79	79	79	76	76	76	76	76
Youth Basketball Participants	655	607	639	587	586	567	625	650	675	725
Youth Soccer Participants	556	989	985	1,125	1,100	1,090	1,200	1,285	1,300	1,245
Adult Softball Teams	35	66	74	88	83	107	75	80	80	95
Adult Basketball Teams	10	10	10	10	12	11	15	16	18	20
Adult Volleyball Teams	16	23	26	26	32	38	41	36	30	34
Flag Football	210	225	255	227	217	197	0	0	0	0
Senior Center Membership	830	830	600	800	750	680	625	600	580	590
Public Works Street and Grounds Department										
Miles of City Streets	176	174	174	173	171	169	169	169	169	169
Greenbelt and Extensions Acreage	87	87	87	87	87	87	87	87	87	87
Solid Waste Management Department										
Residential – Avg Tons Collected per Res	0.65	0.68	0.66	0.62	0.53	0.84	0.61	0.59	0.63	0.71
Commercial – Avg Tons Collected Daily	36.84	36.82	37.35	37.29	42.33	40.10	35.92	35.48	36.47	37.59
Brush – Average Tons Collected Daily	30.97	27.37	34.68	30.30	27.84	23.10	23.71	24.58	23.53	21.10
Landfill – Total Tonnage From Landfills	25,874	24,546	26,237	25,664	24,597	22,818	22,880	22,754	23,381	22,146
Fleet Maintenance Dept										
Number of Fleet Vehicle and Attachments	400	396	395	376	378	377	387	385	382	387
Schools										
Total Enrollment	5,377	5,379	5,346	5,225	5,101	5,038	5,091	4,962	4,930	4,910
Resident	5,001	5,020	5,003	4,899	4,813	4,756	4,845	4,727	4,720	4,705
Tuition	376	359	343	326	288	282	246	235	210	205
Number of Regular Instruction Teachers	333	331	330	329	328	323	326	326	320	323

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 18
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	Fiscal Year Ending									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government										
City Municipal Building	1	1	1	1	1	1	1	1	1	1
Cars	2	2	2	4	4	4	4	6	6	7
Sport Utility Vehicles	2	3	2	0	0	0	0	0	0	0
Utilities										
Operation Center (Public Works and Utilities)	1	1	1	1	1	1	1	1	1	1
Water Plants	1	1	1	1	1	1	1	1	1	1
Water Tanks/Storage Tanks	7	7	7	7	7	7	7	7	7	7
Water Booster Stations	5	5	5	5	5	5	5	5	5	5
Wastewater Treatment Plants	1	1	1	1	1	1	1	1	1	1
Sewage Pump/Lift Stations	20	20	20	21	22	22	22	22	21	21
Electric Substations	8	8	8	8	8	8	8	7	7	7
Cars	1	1	1	1	1	1	1	2	2	2
ATV	1	1	1	1	0	0	0	0	0	0
Sport Utility Vehicles	7	7	8	6	6	7	6	6	7	7
Trucks	36	35	36	35	33	35	35	33	33	33
Heavy Equipment	26	26	29	26	29	23	25	26	23	24
Other Equipment	53	51	50	47	49	47	47	45	46	48
Storage Sheds – Home Avenue	4	4	4	4	4	4	4	3	3	3
Storage Sheds – Best Street	8	8	8	8	5	5	5	5	5	5
Fuel System	1	1	1	1	1	1	1	1	1	1
Wash Bay	1	1	1	1	1	1	1	1	1	1
Warehouses	4	4	4	4	4	2	2	2	2	2
Public Safety										
Police Department/Police Substations	1	1	1	1	1	1	1	1	1	1
Patrol Cars/Cars	60	60	59	52	51	53	59	57	56	56
Sport Utility Vehicles	12	12	10	10	10	8	9	9	10	10
Trucks	3	2	2	2	2	2	1	1	0	1
Vans	1	1	1	1	1	1	1	1	1	1
Mobile Command Unit	1	1	1	1	1	1	1	1	1	1
ATV	1	1	1	1	1	1	1	1	1	1
Motorcycles	6	6	6	5	5	5	5	5	5	5
Other	4	2	2	2	2	2	2	0	0	0

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 18
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM (Continued)
Last Ten Fiscal Years

Function/Program	Fiscal Year Ending									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Public Safety (Continued)										
Animal Control										
Building-Shelter	1	1	1	1	1	1	1	1	1	1
Pickup Trucks	3	3	3	3	3	3	3	3	5	5
Fire Department										
Fire Halls	3	3	3	3	3	3	3	3	3	3
Cars	2	3	3	2	2	2	3	3	2	2
Sport Utility Vehicles	3	3	3	5	4	4	3	3	2	2
Trucks	4	3	3	3	3	2	3	3	3	2
ATV	1	1	1	1	1	1	1	1	1	1
Emergency One Vehicles	1	1	1	1	2	2	2	2	2	2
Fire Engines/Ladder Trucks/Pumpers	4	4	4	4	4	4	4	4	4	4
Life Safety Bus	0	0	0	1	1	1	1	1	1	1
Antique Fire Truck	1	1	1	1	1	1	1	1	1	1
Other Equipment	3	3	3	3	3	3	3	3	3	3
Public Services										
Public Service Administration										
Sport Utility Vehicles	1	0	0	0	0	0	0	0	0	0
Codes Enforcement										
Sport Utility Vehicles	4	4	3	2	2	2	2	2	2	2
Cars	1	1	3	3	3	3	3	3	3	3
Trucks	2	2	1	1	1	1	1	1	1	1
Engineering										
Sports Utility Vehicles	3	3	3	3	3	2	2	2	2	2
Public Works Street and Grounds Departments										
Salt Storage Building	1	1	1	1	1	1	1	1	1	1
Bridges	32	31	31	31	31	31	31	31	31	31
City Streets	800	792	790	790	775	769	766	766	766	766
Sports Utility Vehicles	0	0	0	0	2	2	2	1	1	1
Trucks	14	15	14	14	12	12	12	12	11	12
Heavy Equipment	13	12	13	9	12	12	13	14	13	13
Other Equipment	46	48	48	48	48	47	48	48	49	50
Stormwater:										
Pickup Trucks	2	2	2	3	3	3	3	3	3	3
SUV	1	1	1	0	0	0	0	0	0	0
Heavy Equipment	2	2	2	2	2	3	1	1	1	1
Other	1	1	1	1	1	1	0	0	0	0

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 18
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM (Continued)
Last Ten Fiscal Years

Function/Program	Fiscal Year Ending									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Public Safety (Continued)										
Solid Waste Management (Residential, Commercial and Brush)										
Sport Utility Vehicle	1	1	1	1	1	1	1	1	1	1
Trucks	4	4	4	4	4	4	4	4	4	4
Heavy Equipment	20	19	17	17	17	20	21	21	20	20
Other Equipment	17	17	17	17	17	21	20	21	21	21
Social, Cultural and Recreational Services										
Pools	1	1	1	1	1	1	1	1	1	1
Concession Stands	3	3	3	3	3	3	3	3	3	3
Greenbelt	1	1	1	1	1	1	1	1	1	1
Parks	7	7	7	7	7	7	7	7	7	7
Other General Government										
Industrial Development Parks	4	4	4	4	4	4	4	4	4	4
Parking Garages	3	3	3	3	2	2	2	2	2	2
Commercial Buildings	0	0	1	1	1	1	1	1	1	1
Fleet Maintenance										
Fleet Maintenance Building	1	1	1	1	1	1	1	1	1	1
Trucks	2	2	2	2	2	2	2	2	2	2
Other Equipment	1	1	1	1	1	1	1	1	1	1
Maryville City Schools										
Central Office	1	1	1	1	1	1	1	1	1	1
Elementary Schools	3	3	3	3	3	3	3	3	4	4
Middle Schools	1	1	1	1	1	1	1	1	1	1
Intermediate Schools	2	2	2	2	2	2	2	2	1	1
High Schools	1	1	1	1	1	1	1	1	1	1
Bus	8	8	6	6	6	6	6	6	6	6
Vans	11	11	10	11	11	11	10	10	10	10
Trucks	4	4	6	6	7	7	7	8	8	7
Other Equipment	5	5	5	5	4	3	5	5	6	6

SOURCE: City of Maryville Department Records
Maryville City School Fleet Inventory

COMPLIANCE SECTION

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

For the Year Ended June 30, 2020

Federal Grantor/Pass-through Grantor Program	CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
Federal Awards				
U.S. Department of Agriculture				
Passed through the Tennessee Department of Agriculture:				
National School Lunch Program - Non-Cash Assistance-Commodities	10.555	N/A	\$ 0	\$ 130,851
Commodities - Warehousing Rebate	10.555	N/A	0	5,721
Total CFDA Number 10.555			<u>0</u>	<u>136,572</u>
Passed through the Tennessee Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	N/A	0	185,717
COVID-19 School Breakfast Program	10.553	N/A	0	104,089
Total School Breakfast Program			<u>0</u>	<u>289,806</u>
National School Lunch Program	10.555	N/A	0	541,877
COVID-19 National School Lunch Program	10.555	N/A	0	164,649
Total National School Lunch Program			<u>0</u>	<u>706,526</u>
Total Child Nutrition Cluster			<u>0</u>	<u>1,132,904</u>
Total U.S. Department of Agriculture			<u>0</u>	<u>1,132,904</u>
U.S. Department of Education				
Passed through the Tennessee Department of Education:				
Title I Grants to Local Educational Agencies	84.010	N/A	0	581,989
Special Education Cluster:				
Special Education - Grants to States	84.027	N/A	0	1,105,620
Special Education - Preschool Grants	84.173	N/A	0	44,729
Total Special Education Cluster			<u>0</u>	<u>1,150,349</u>
Career and Technical Education - Basic Grants to States	84.048	N/A	0	181,179
Total Passed through the Tennessee Department of Education			<u>0</u>	<u>1,913,517</u>
Passed through the Tennessee Department of Human Services:				
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	34570-54920	0	178,907
English Language Acquisition State Grants	84.365	N/A	0	15,886
Supporting Effective Instruction State Grants	84.367	N/A	0	105,370
Student Support and Academic Enrichment Program	84.424	N/A	0	48,264
Total Pass through the Tennessee Department of Human Services			<u>0</u>	<u>348,427</u>
Total U.S. Department of Education			<u>0</u>	<u>2,261,944</u>
U.S. Department of Justice				
U.S. Department of Justice Direct Assistance:				
Bulletproof Vest Partnership Program (2017)	16.607	N/A	0	1,850
Bulletproof Vest Partnership Program (2019)	16.607	N/A	0	740
Total U.S. Department of Justice			<u>0</u>	<u>2,590</u>
U.S. Department of Transportation				
Passed through the Tennessee Department of Transportation:				
Highway Planning and Construction	20.205	150172	0	123,831
Highway Planning and Construction	20.205	150200	0	34,690
Highway Planning and Construction	20.205	180082	0	67,637
Total CFDA Number 20.205			<u>0</u>	<u>226,158</u>
Alcohol Open Container Requirements	20.607	Z19THS176	0	10,301
Alcohol Open Container Requirements	20.607	Z20THS154	0	20,195
Total CFDA Number 20.607			<u>0</u>	<u>30,496</u>
Total U.S. Department of Transportation			<u>0</u>	<u>256,654</u>
Total Federal Awards			<u>0</u>	<u>3,654,092</u>

The accompanying notes to the schedule of expenditures of federal and state financial assistance are an integral part of this schedule.

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE (Continued)
For the Year Ended June 30, 2020

Federal Grantor/Pass-through Grantor Program	CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
State Financial Assistance				
Tennessee Department of Agriculture				
USDA Child Nutrition State Matching		N/A	0	18,405
Tennessee Department of Education				
Coordinated School Health Project		N/A	0	100,000
Early Childhood Education		N/A	0	166,513
Family Resource Center Program		N/A	0	30,212
Safe Schools		N/A	0	90,550
Total Tennessee Department of Education			0	387,275
Total State Financial Assistance			0	405,680
Total Federal Awards and State Financial Assistance			\$ 0	\$ 4,059,772

The accompanying notes to the schedule of expenditures of federal and state financial assistance are an integral part of this schedule.

CITY OF MARYVILLE, TENNESSEE

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**

For the Year Ended June 30, 2020

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance (the "Schedule") includes the federal and state grant activity of City of Maryville (the "City") and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, they are not intended to and do not present the financial position, changes in net position, or cash flows of the City.

Federal Financial Assistance. The Single Audit Act Amendments of 1996 (Public Law 104-156) and Uniform Guidance define federal financial assistance as grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations or other assistance. Federal financial assistance does not include direct federal cash assistance to individuals.

Direct Payments. Assistance received directly from the Federal government is classified as direct payments on the Schedule.

Pass-through Payments. Assistance received in a pass-through relationship from entities other than the Federal government is classified as pass-through payments on the Schedule.

Major Programs. The Single Audit Act Amendments of 1996 and Uniform Guidance establish the criteria to be used in defining major programs. Major programs for the City were defined using a risk-based approach in accordance with Uniform Guidance.

Catalog of Federal Domestic Assistance. The Catalog of Federal Domestic Assistance (CFDA) is a government-wide compendium of individual federal programs. Each program included in the catalog is assigned a five-digit program identification number (CFDA Number), which is reflected in the Schedule.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Any negative amounts shown in the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 - NON-CASH ASSISTANCE

The Maryville City Schools is the recipient of certain federal awards that do result in cash receipts or disbursements, including distributions of U.S. Department of Agriculture (USDA) Food Commodities, which are valued based on an USDA price list obtained from the Tennessee Department of Agriculture.

NOTE 4 - INDIRECT COST RATE

The City has elected not to use the 10% de minimis indirect rate as allowed under Uniform Guidance.

NOTE 5 - CONTINGENCIES

The federal and state awards received by the government are subject to audit and adjustment. If any expenditures are disallowed by the grantor agencies as a result of such an audit, the grantor agency could make a claim for reimbursement.



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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*

Honorable Mayor, Members of City Council,
and City Manager of City of Maryville
Maryville, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, budgetary comparisons for the general fund and general purpose school fund, and the aggregate remaining fund information of City of Maryville, Tennessee (the "City"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 26, 2020.

Internal Control Over Financial Reporting

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



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Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Maryville's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 City of Maryville's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Maryville's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pugh & Company, P.C.

Certified Public Accountants
Knoxville, Tennessee
October 26, 2020



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REPORT FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

Honorable Mayor, Members of City Council,
and City Manager of City of Maryville
Maryville, Tennessee

Report on Compliance for Each Major Federal Program

We have audited City of Maryville's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2020. The City'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 federal statutes, regulations, contracts, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City'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 the City'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 the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City 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, 2020.



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Report on Internal Control Over Compliance

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

Pugh & Company, P.C.

Certified Public Accountants
Knoxville, Tennessee
October 26, 2020

CITY OF MARYVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None reported
- Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None reported

Type of auditors' report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) Yes X No

Major federal programs for the City of Maryville, Tennessee for the fiscal year ended June 30, 2020 are:

<u>Program Name</u>	<u>CFDA#</u>
Title I Grants to Local Education Agencies	84.010
Highway Planning and Construction	20.205

Dollar threshold used to distinguish between Type A & Type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes No

CITY OF MARYVILLE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended June 30, 2020

Section II - Financial Statement Findings

Current Year Audit Findings: None

Section III - Federal Award Findings

Current Year Audit Findings: None

CITY OF MARYVILLE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2020

The status of prior year findings for the year ended June 30, 2019:

Financial Statement Findings

Prior Year Finding Number	Finding Title	Status/ Current Year Finding Number
2019-001	Segregation of Duties – Maryville City Schools	Corrected