

OFFICIAL STATEMENT

NEW ISSUE BOOK-ENTRY-ONLY

Rating: Moody's – "Aa2"
(See "MISCELLANEOUS-Rating")

In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the County, 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 in calculating the 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.)

\$8,260,000 SEVIER COUNTY, TENNESSEE General Obligation Refunding Bonds, Series 2021A

Dated: December 10, 2021.

Due: March 1 (as shown below)

The \$8,260,000 General Obligation Refunding Bonds, Series 2021A (the "Bonds") of Sevier County, Tennessee (the "County" or the "Issuer") are issuable in fully registered form in denominations of \$5,000 and authorized integral multiples thereof. The Bonds will be issued in book-entry-only form and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, as the nominee for DTC, principal and interest with respect to the Bonds shall be payable to Cede & Co., as nominee for DTC, which will, in turn, remit such principal and interest to the DTC participants for subsequent disbursements to the beneficial owners of the Bonds. Individual purchases of the Bonds will be made in book-entry-only form, in denominations of \$5,000 or integral multiples thereof and will bear interest at the annual rates as shown below. Interest on the Bonds is payable semi-annually from the date thereof commencing on March 1, 2022 and thereafter on each March 1 and September 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 shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal of, premium, if any, and interest on the Bonds, the full faith and credit of the County are irrevocably pledged.

The Bonds maturing on or after June 1, 2030 are subject to optional redemption prior to maturity on or after June 1, 2029 as described herein.

Due (March 1)	Amount	Interest Rate	Yield	CUSIP**	Due (March 1)	Amount	Interest Rate	Yield	CUSIP**
2022	\$1,940,000	5.00 %	0.18 %	8181895W8	2028	\$175,000	5.00 %	0.91 %	8181896C1
2023	1,755,000	5.00	0.25	8181895X6	2029	180,000	5.00	1.00	8181896D9
2024	1,420,000	5.00	0.32	8181895Y4	2030	185,000	4.00	1.11 c	8181896E7
2025	1,895,000	5.00	0.43	8181895Z1	2031	185,000	4.00	1.17 c	8181896F4
2026	165,000	5.00	0.57	8181896A5	2032	190,000	3.00	1.33 c	8181896G2
2027	170,000	5.00	0.71	8181896B3					

c = Yield to call on March 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, subject to the approval of the legality thereof by Owings, Wilson & Coleman, Knoxville, Tennessee, Bond Counsel, whose opinion will be delivered with the Bonds. Certain legal matters will be passed upon from the County by David W. Webb, Esq., counsel to the County. It is expected that the Bonds will be available for delivery through the facilities of DTC New York, New York, on or about December 10, 2020.

Cumberland Securities Company, Inc.
Municipal Advisor

November 15, 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, as herein after defined, the Disclosure Certificate, as herein after defined, and the security and sources of payment for the Bonds. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions and statutes, the Resolution, the Disclosure Certificate, and other documents are intended as summaries only and are qualified in their entirety by reference to such documents and laws, and references herein to the Bonds are qualified in their entirety to the forms thereof included in the Bond Resolution.

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

No dealer, broker, salesman, or other person has been authorized by the Issuer, the Municipal Advisor or the Underwriter, as herein after defined, to give any information or to make any representations other than those contained in this *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 MOODY'S Global Market Intelligence, a division of MOODY'S 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.

SEVIER COUNTY, TENNESSEE

COUNTY OFFICIALS

Larry Waters	<i>County Mayor</i>
Karen Cotter	<i>County Clerk</i>
Greg Patterson	<i>County Trustee</i>
Thomas King	<i>Assessor of Property</i>

BOARD OF COUNTY COMMISSIONERS

Ronnie W. Allen	Warren N. Hurst
Fred A. Atchley	Phil King
Mike Chambers	Michael Maddron
Ben C. Clabo	David "Buster" Norton
Gary Cole	Ray I. Ogle
Mary Davis	Frank Parton
Bryan Delius	Harold Pitner
Chuck Godfrey	Carroll Rauhuff
Aaron Foster	Tommy Watts
Greg Haggard	Keith Whaley
Dale Hill	Ronnie Whaley
Mike Hillard	Kent Woods
Todd Humble	

UNDERWRITER

Raymond James & Associates, Inc.
Memphis, Tennessee

BOND REGISTRATION AND PAYING AGENT

Regions Bank
Nashville, Tennessee

BOND COUNSEL

Owings, Wilson & Coleman
Knoxville, Tennessee

MUNICIPAL ADVISOR

Cumberland Securities Company, Inc.

TABLE OF CONTENTS

SUMMARY STATEMENT	i
SECURITIES OFFERED	
Authority and Purpose	1
Refunding Plan	1
Description of the Bonds	1
Security	2
Optional Redemption of the Bonds	2
Notice of Redemption.....	2
Payment of Bonds.....	3
BASIC DOCUMENTATION	
Registration Agent	4
Book-Entry-Only System	4
Discontinuance of Book-Entry-Only System.....	6
Disposition of Bond Proceeds	7
Discharge and Satisfaction of Bonds.....	7
Remedies of Bondholders.....	8
LEGAL MATTERS	
Litigation.....	10
Tax Matters	
<i>Federal</i>	10
<i>State Taxes</i>	11
Changes in Federal and State Law	12
Closing Certificates.....	12
Approval of Legal Proceedings	13
MISCELLANEOUS	
Rating.....	14
Competitive Public Sale	14
Municipal Advisor; Related Parties; Other	14
Additional Debt.....	15
Debt Limitations	16
Debt Record	16
Continuing Disclosure	16
<i>Five-Year Filing History</i>	16
<i>Content of Annual Report</i>	16
<i>Reporting of Significant Events</i>	17
<i>Termination of Reporting Obligation</i>	19
<i>Amendment; Waiver</i>	19
<i>Default</i>	19
Bondholder Risk	
<i>Covid-19</i>	19
<i>Climate Change</i>	22
<i>Cyber-Security</i>	22
Additional Information.....	22
CERTIFICATION OF ISSUER	24
APPENDIX A: LEGAL OPINION	

APPENDIX B: SUPPLEMENTAL INFORMATION STATEMENT

General Information

Location	B-1
General.....	B-1
Transportation.....	B-2
Education	B-2
Healthcare	B-3
Social and Demographic Data	B-4
Power Production.....	B-4
Tourism.....	B-5
Manufacturing and Commerce	B-12
<i>Major Employers</i>	B-13
Employment Information.....	B-14
Economic Data.....	B-15
Recent Developments	B-15

Debt Structure

Summary of Bonded Indebtedness	B-20
Indebtedness and Debt Ratios.....	B-21
Debt Service Requirements - General Debt Service Fund.....	B-23

Financial Operations

Basis of Accounting and Presentation	B-24
Fund Balances, Net Assets and Retained Earnings	B-24
Five-Year Summary of Revenues, Expenditures and Changes in Fund Balance – General Fund	B-25
Investment and Cash Management Practices.....	B-26
Real Property Assessment, Tax Levy and Collection Procedures	
<i>State Taxation of Property</i>	B-26
<i>County Taxation of Property</i>	B-27
<i>Assessment of Property</i>	B-27
<i>Periodic Reappraisal and Equalization</i>	B-28
<i>Valuation for Property Tax Purposes</i>	B-29
<i>Certified Tax Rate</i>	B-29
<i>Tax Freeze for the Elderly Homeowners</i>	B-30
<i>Tax Collection and Tax Lien</i>	B-30
<i>Assessed Valuations</i>	B-31
<i>Property Tax Rates and Collections</i>	B-31
<i>Ten Largest Taxpayers</i>	B-32
Sales Tax	B-32
Insurance	B-33
Pension Plans	B-33

APPENDIX C: GENERAL PURPOSE FINANCIAL STATEMENTS

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 IssuerSevier County, Tennessee (the “County” or “Issuer”). See the section entitled “Supplemental Information Statement” for more information.
- Securities Offered.....\$8,260,000 General Obligation Refunding Bonds, Series 2021A (the “Bonds”) of the County, dated December 10, 2021. The Bonds will mature each March 1 beginning March 1, 2022 through March 1, 2032, inclusive. See the section entitled “SECURITIES OFFERED – Authority and Purpose”.
- Security.....The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal and interest on the Bonds, the full faith and credit of the Issuer are irrevocably pledged.
- PurposeThe Bonds are being issued for the purpose of refunding, in whole or in part, certain Outstanding Debt, as defined herein, of the County and payment of the costs related to the issuance and sale of the Bonds. See the section entitled “SECURITIES OFFERED - Authority and Purpose” contained herein.
- Optional Redemption.....The Bonds maturing on or after March 1, 2030 are subject to optional redemption prior to maturity on or after March 1, 2029, at the redemption price of par plus accrued interest. See section entitled “SECURITIES OFFERED - Optional Redemption”.
- Tax Matters.....In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the County, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference in calculating the alternative minimum tax imposed on individuals. 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.)
- RatingMoody’s: “Aa2”. See the section entitled “MISCELLANEOUS - Rating” for more information.
- Underwriter.....Raymond James & Associates, Inc., Memphis, Tennessee.
- Municipal Advisor.....Cumberland Securities Company, Inc., See the section entitled “MISCELLANEOUS - Municipal Advisor; Related Parties; Other”, herein.
- Bond CounselOwings, Wilson & Coleman, 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 and Paying AgentRegions Bank, Nashville, Tennessee (the “Registration Agent”).
- GeneralThe Bonds are being issued in full compliance with applicable provisions of Title 9, Chapter 21, *Tennessee Code Annotated*, as supplemented and revised. See the section entitled SECURITIES OFFERED herein. The Bonds will be issued with CUSIP numbers and delivered through the facilities of the Depository Trust Company, New York, New York.

DisclosureIn accordance with Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 as amended, the County will provide the Municipal Securities Rulemaking Board (“MSRB”) through the operation of the Electronic Municipal Market Access system (“EMMA”) and the State Information Depository (“SID”), if any, annual financial statements and other pertinent credit or event information, including 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 County or this *Official Statement* contact Mr. Larry Waters, County Mayor, 125 Court Avenue, Sevierville, Tennessee 37862, (865)453-6136; or the County'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	\$20,483,149	\$22,063,871	\$25,172,479	\$28,673,099	\$30,980,046
Revenues	46,514,261	47,343,173	50,165,951	51,157,308	54,291,041
Expenditures	44,845,299	44,195,078	46,649,479	49,003,831	49,556,123
Revenues Over Expenditures:					
Insurance Recovery/Other	725	10,513	34,148	5,502	500
Proceeds for Sale of Capital Assets	-	-	-	197,9668	-
Transfers In	-	-	-	-	-
Transfers Out	(88,965)	(50,000)	(50,000)	(500,000)	-
Ending Fund Balance	<u>\$22,063,871</u>	<u>\$25,172,479</u>	<u>\$28,673,099</u>	<u>\$30,980,046</u>	<u>\$35,665,464</u>

Source: Comprehensive Annual Financial Reports of Sevier County, Tennessee.

\$8,260,000
SEVIER COUNTY, TENNESSEE
General Obligation Refunding Bonds, Series 2021A

SECURITIES OFFERED

AUTHORITY AND PURPOSE

This *Official Statement*, which includes the Summary Statement and appendices, is furnished in connection with the offering by Sevier County, Tennessee (the “County” or “Issuer”) of its \$8,260,000 General Obligation Refunding Bonds, Series 2021A (the “Bonds”).

The Bonds are authorized to be issued pursuant to the provisions of Title 9, Chapter 21, *Tennessee Code Annotated*, as supplemented and amended, and other applicable provisions of law and pursuant to the bond resolution (the “Resolution”) duly adopted by the County Commission of the County on October 18, 2021.

The Bonds are being issued for (i) the purpose of refunding, in whole or in part, certain Outstanding Debt, as defined below, of the County; and (ii) payment of the costs related to the issuance and sale of the Bonds. See the section entitled “SECURITIES OFFERED - Authority and Purpose” contained herein.

REFUNDING PLAN

The County is proposing to issue the Bonds to refund or prepay the County’s outstanding the (1) General Obligation Bonds, Series 2012, dated November 5, 2012, maturing April 1, 2022 and thereafter (the “Series 2012 Bonds”) and General Obligation Refunding Bonds, Series 2015, dated September 15, 2015 maturing June 1, 2022 and thereafter (the “Series 2015 Bonds”) (collectively, the “Outstanding Bonds”). The Outstanding Debt will be called for redemption within 30 days of the date of issuance.

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 Outstanding 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 initially dated and bear interest from December 10, 2021. Interest on the Bonds will be payable semi-annually on March 1 and September 1, commencing March 1, 2022. The Bonds are issuable in book-entry-only form in \$5,000 denominations or integral multiples thereof as shall be requested by each respective registered owner.

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

SECURITY

The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal of, premium, if any, and interest on the Bonds, the full faith and credit of the County are irrevocably pledged.

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

The Bonds will not be obligations of the State of Tennessee.

OPTIONAL REDEMPTION OF THE BONDS

The Bonds maturing on or after March 1, 2030 and thereafter are subject to optional redemption prior to maturity on or after March 1, 2029 in whole or in part at any time at a redemption price of par plus accrued interest.

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

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

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

NOTICE OF REDEMPTION

Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the County not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of

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

PAYMENT OF BONDS

The Bonds will bear interest from their dated date or from the most recent interest payment date to which interest has been paid or duly provided for, on the dates provided herein, such interest being computed upon the basis of a 360-day year of twelve 30-day months. Interest on each Bond shall be paid by check or draft of the Registration Agent to the person in whose name such Bond is registered at the close of business on the 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.

(The remainder of this page left blank intentionally.)

BASIC DOCUMENTATION

REGISTRATION AGENT

The Bond Registration and Paying Agent, Regions Bank, Nashville, Tennessee, its successor (the “Registration Agent”) or the County will make all interest payments with respect to the Bonds on each interest payment date directly to Cede & Co., as nominee of DTC, the registered owner as shown on the Bond registration records maintained by the Registration Agent, except as described in the following section entitled “Book-Entry-Only System”.

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

BOOK-ENTRY-ONLY SYSTEM

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

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

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

DTC and its Participants. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also

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

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

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

Notices. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may

wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

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

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

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

DISCONTINUANCE OF BOOK-ENTRY-ONLY SYSTEM

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

No Assurance Regarding DTC Practices. The foregoing information in this section concerning DTC and DTC's Book-Entry-Only System has been obtained from sources that the

County believes to be reliable, but the County, the Bond Counsel, the Registration Agent, the Municipal Advisor and the Underwriter do not take any responsibility for the accuracy thereof. So long as Cede & Co. is the registered owner of the Bonds as nominee of DTC, references herein to the holders or registered owners of the Bonds will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds. None of the County, the Bond Counsel, the Registration Agent, the Municipal Advisor or the Underwriter will have any responsibility or obligation to the Participants, DTC or the persons for whom they act with respect to (i) the accuracy of any records maintained by DTC or by any Direct or Indirect Participant of DTC, (ii) payments or the providing of notice to Direct Participants, the Indirect Participants or the Beneficial Owners or (iii) any other action taken by DTC or its partnership nominee as owner of the Bonds.

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

DISPOSITION OF BOND PROCEEDS

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

- (a) an amount, which together with investment earnings thereon and other legally available funds of the County, if any, will be sufficient to pay principal of, premium, if any, and interest on the Outstanding Bonds until and through the redemption date therefor shall be transferred to the paying agent for the Outstanding Bonds to be held to the earliest optional redemption date and used for the payment and retirement of the Outstanding Bonds; 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 County shall pay and discharge the indebtedness evidenced by any of the Bonds in any one or more of the following ways:

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

redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice); or

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

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

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

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

REMEDIES OF BONDHOLDERS

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

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

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

(The remainder of this page left blank intentionally.)

LEGAL MATTERS

LITIGATION

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

TAX MATTERS

Federal

General. Owings, Wilson & Coleman, Knoxville, Tennessee, is Bond Counsel for the Bonds. Their opinion under existing law, relying on certain statements by the County and assuming compliance by the County with certain covenants, is that interest on the Bonds:

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

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

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

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

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

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

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

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

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

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

State Taxes

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

CHANGES IN FEDERAL AND STATE TAX LAW

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

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

CLOSING CERTIFICATES

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

APPROVAL OF LEGAL PROCEEDINGS

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

(The remainder of this page left blank intentionally.)

MISCELLANEOUS

RATING

Moody's Investor Services, Inc. ("Moody's") has given the Bonds the rating of "Aa2".

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

The rating reflects only the views of Moody's and any explanation of the significance of such rating should be obtained from Moody's.

COMPETITIVE PUBLIC SALE

The Bonds were offered for sale at competitive public bidding on November 15, 2021. Details concerning the public sale were provided to potential bidders and others in the *Preliminary Official Statement* that was dated November 8, 2021.

The successful bidder for the Bonds was an account led by Raymond James & Associates, Inc., Memphis, Tennessee (the "Underwriters") who contracted with the County, subject to the conditions set forth in the Official Notice of Sale and Bid Form to purchase the Bonds at a purchase price of \$9,037,035.55 (consisting of the par amount of the Bonds, plus an original premium of \$803,208.76 and less an underwriter's discount of \$26,173.21) or 109.407210% of par plus accrued interest, if any, to the date of delivery.

MUNICIPAL ADVISOR; RELATED PARTIES; OTHER

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

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

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

Official Statements. Certain information relative to the location, economy and finances of the Issuer is found in the *Preliminary Official Statement*, in final form and the *Official Statement*, in final form. Except where otherwise indicated, all information contained in this *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 County and will be compensated and/or reimbursed for such distribution and other such services.

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

ADDITIONAL DEBT

The County has authorized not to exceed \$9,800,000 of debt for the construction of schools and other public improvements. Additionally, the County has ongoing needs that may or may not require the issuance of additional debt. The County will likely authorize \$20,000,000 of additional debt in 2022 for additional public improvements.

DEBT LIMITATIONS

Pursuant to Title 9, Chapter 21, Part 1 *Tennessee Code Annotated*, as amended, there is no limit on the amount of bonds that may be issued when the County uses the statutory authority granted therein to issue bonds. (see DEBT STRUCTURE - Indebtedness and Debt Ratios for additional information.)

DEBT RECORD

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

CONTINUING DISCLOSURE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

BONDHOLDER RISK

COVID-19. The worldwide spread of COVID-19, a respiratory illness caused by a novel strain of coronavirus, is a pandemic that has affected the entire world and is considered by the World Health Organization to be a Public Health Emergency of International Concern. The Governor of the State issued a state of emergency for the State in mid-March 2020 in response to

the COVID-19 pandemic. The spread of COVID-19 has led to quarantine and other "social distancing" measures throughout the United States, including the State of Tennessee. These measures have included, from to time, (i) the closure of nonessential businesses, (ii) recommendations and warnings to limit nonessential travel and promote telecommuting, (iii) the postponement or cancellation of or reduction of capacity at large-scale gatherings such as conventions, concerts and sporting events, (iv) limits on operations and customer capacity at commercial and retail establishments, and (v) the closure of school buildings. The Governor of the State lifted the state of emergency on April 27, 2021. However, the State and/or other local jurisdictions may issue future restrictions in response to the pandemic.

Multiple vaccines for the virus that causes COVID-19 were developed in late 2020. To date, three vaccines have been approved for distribution in the United States with each of these vaccines having an efficacy rate exceeding 65%. Multiple variants of the virus that causes COVID-19 have been documented in the United States and globally, but studies so far suggest that antibodies generated through vaccination with approved vaccines recognize these variants to varying extents. COVID-19 vaccines are currently available to all residents within the State, including the Issuer, who are over the age of 12.

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 due each year on October 1st and are delinquent on the last day of February of the following year, so all tax year 2021 taxes will be required to be paid without any penalty by February 28, 2022. The Issuer is in the process of sending out tax year 2021 tax bills. For tax year 2020 the Issuer has already collected over 95% of its billed property taxes for tax year 2020, which is comparable to prior years. Economic uncertainties resulting from the COVID-19 outbreak may result 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 budget for the 2022 fiscal year which started on July 1, 2021 anticipated an overall 16% increase in local revenues. Given the uncertainties as to when businesses, including tourism-related businesses, will be fully operational, these projections are uncertain and the ultimate

amount of revenues from sales and use taxes, hotel-motel taxes and other similar business taxes may be less or more than what has been projected in the Issuer’s adopted budget.

The Issuer’s second largest source of revenues is sales and use tax revenues. Such tax revenues are expected to comprise approximately 11% of the Issuer’s revenues in the current 2022 fiscal year that ends June 30, 2022. All sales and use tax revenues are collected by the State, and the Issuer does not typically receive notice from the State of the Issuer’s share of sales and use taxes collected for approximately 50 days after the close of each month.

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:

	2019 Revenues	2020 Revenues	% Increase or Decrease
Jan	\$ 1,245,951.02	\$ 1,802,833.36	44.7%
Feb	913,689.75	1,205,252.05	31.9%
Mar	912,677.50	1,051,560.08	15.2%
Apr	1,174,080.24	1,143,944.64	(2.57%)
May	1,135,012.81	919,407.55	(19.0%)
Jun	1,176,809.10	1,426,781.63	21.2%
Jul	1,458,051.98	1,819,677.76	24.8%
Aug	1,550,453.84	1,937,728.46	25.0%
Sep	1,322,267.34	1,904,807.29	44.1%
Oct	1,300,077.61	1,828,268.38	40.6%
Nov	1,422,963.44	1,895,560.70	33.2%
Dec	1,304,502.88	1,963,591.25	50.5%
	2020 Revenues	2021 Revenues	% Increase or Decrease
Jan	\$ 1,802,833.36	\$ 2,387,629.82	32.4%
Feb	1,205,252.05	1,884,342.73	56.3%
Mar	1,051,560.08	1,635,640.85	55.6%
Apr	1,143,944.64	2,380,945.38	108.1%
May	919,407.55	2,304,312.37	150.6%
June	1,426,781.63	2,251,421.85	57.8%
July	1,819,677.76	2,805,612.80	54.18%
August	1,937,728.46	3,019,618.87	55.83%
TOTAL	\$26,223,723.04	\$37,568,937.82	43.26%

The Issuer’s liquidity position remains strong. As of June 30, 2021, the Issuer had in excess of \$35 million in General Fund balance, which is approximately 60% of the Issuer’s general fund budget. The General Debt Service Fund had in excess \$35 million in cash reserves as of June 30, 2021. 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 County are detailed in APPENDIX B. Most of 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, had increased significantly in the initial months of the COVID-19 outbreak but a currently declining. 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 change 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.

CLIMATE CHANGE. Planning for climate change in the State and its impact on the County's operation is an unknown challenge. The State of Tennessee's climate is exceedingly variable and projections of future conditions range significantly. While projections in the State of Tennessee indicate rising average temperatures, precipitation projections are much less clear and often contradictory. Other potential impacts include changes in the length, intensity, and frequency of droughts and floods. The financial impact of the climate change is not yet known and therefore its future impact on the County cannot be quantified reliably at this time.

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

ADDITIONAL INFORMATION

Use of the words "shall," "must," or "will" in this *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 County 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 County has deemed this *Official Statement* as “final” as of its date within the meaning of Rule 15c2-12.

(The remainder of this page left blank intentionally.)

(The remainder of this page left blank intentionally.)

CERTIFICATION OF ISSUER

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

/s/ Larry Watters
County Mayor

ATTEST:

/s/ Karen Cotter
County Clerk

APPENDIX A

PROPOSED FORM OF LEGAL OPINION

December 10, 2021

Sevier County, Tennessee
Board of Commissioners
c/o Larry Waters, County Mayor
125 Court Avenue
Sevierville, TN 37862

In re: Sevier County, Tennessee
\$8,260,000 General Obligation Refunding Bonds, Series 2021A

Ladies and Gentlemen:

We have acted as bond counsel to Sevier County, Tennessee (the "Issuer") in connection with the issuance of \$8,260,000 General Obligation Refunding Bonds, Series 2021A, dated December 10, 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 Board of County Commissioners of the Issuer authorizing the Bonds has been duly and lawfully adopted, is in full force and effect and is a valid and binding agreement of the Issuer enforceable in accordance with its terms.
3. The Bonds constitute general obligations of the Issuer for the payment of which the Issuer has validly and irrevocably pledged its full faith and credit.
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 imposed on individuals and corporations; however, such interest is taken into account in

determining the adjusted current earnings of certain corporations for purposes of the alternative minimum tax on corporations. 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. 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,

Owings, Wilson & Coleman

APPENDIX B

SUPPLEMENTAL INFORMATION STATEMENT

All of the following information, estimates and expressions of opinion are subject to change without notice. Though collected from sources the County believes to be reliable, the County has made no independent verification of the information provided by non-County sources, and the County takes no responsibility for the completeness or accuracy thereof. Except as otherwise provided, the information herein is often in relation to dates and periods prior to the COVID-19 pandemic and the resulting measures instituted to mitigate it. As provided in the section of the Official Statement entitled "BONDHOLDER RISK – COVID 19," the economic and social impact of COVID-19 to the County is far-reaching, unprecedented and constantly evolving. Historical numbers, including but not limited to those regarding employment, presented herein cannot be relied upon as reflective of current conditions or predictive of future results, which may be materially different from the information presented herein. The delivery by the County of the information contained herein shall not, under any circumstances, create any implication that there has been no material change in the affairs of the County since the date of the Official Statement.

GENERAL INFORMATION

LOCATION

Sevier County (the "County") is located in the eastern portion of the State of Tennessee. The County is bordered to the north by Jefferson County and to the east by Cocke County. The state of North Carolina provides the County's southern border. Blount and Knox Counties make up the County's western border. The City of Sevierville serves as the County seat and is approximately 26 miles east of Knoxville. Incorporated towns within Sevier County include Gatlinburg, Sevierville, Pigeon Forge and Pittman Center.

Gatlinburg is the principal resort town and entrance for the Great Smoky Mountains National Park area. The Great Smoky Mountains National Park is located in the center of the eastern half of the United States, is readily accessible to 70% of the country's population and each year draws the largest attendance of any of the National Parks in the United States. Gatlinburg is surrounded by the Park on three sides.

GENERAL

The approximate land area of the County is 385,920 acres.

Sevierville was designated a Micropolitan Statistical Area (the "mSA") that had a population of 89,889 according to the 2010 US Census. An mSA is defined by the U.S. Census Bureau as a non-urban community that is anchored by a town of no more than 50,000 residents.

The County is also part of the Knoxville-Sevierville-Harriman 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 2010 Census estimated that Sevier County's population was 89,889 and the City of Sevierville was 14,807. The 2010 Census estimated that the City of Pigeon Forge in 2010 was 5,875.

[balance of page left blank]

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

Main Street Program. As of May 2021, there are 42 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 2020, accredited Tennessee Main Street communities generated \$79 million of public and private investment and nearly 158 new businesses. 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.

TRANSPORTATION

The County is served by U.S. Highways 411 and 441, and links the City to Interstates 40, 75, and 81 as well as state highways 35, 66, 71 and 321. The County has a trolley system that is the fifth largest mass transit system in the State of Tennessee. It originated in 1980 with only six trolleys, but the fleet has grown to 20-plus trolleys servicing approximately 50 miles of trolley routes.

The Gatlinburg-Pigeon Forge Airport, located ten miles from Gatlinburg, provides facilities for private planes. The airport has parking spaces for 125 aircraft, 45 hangars and a 5,500-foot runway. Construction of a new \$1.6 million terminal and a new \$2 million aircraft parking ramp was completed in 2009. The McGhee Tyson Airport, located 35 miles away in Knoxville, provides complete passenger and air freight services.

The Douglas Dam is about eight miles from Sevierville and part of the Tennessee River System. The Douglas Reservoir covers about 4,000 acres in the County. Channelization of the Tennessee River to a 9-foot minimum navigable depth from its junction with the Ohio River at Paducah, Kentucky to Knoxville, Tennessee gives the County the benefits of year round, low cost water transportation on the nation's 10,000 mile-inland waterway system. This system formed largely by the Mississippi River and its tributaries, effectively links the County with the Great Lakes to the north and the Gulf of Mexico to the south.

EDUCATION

The *Sevier County School System*, which serves all the cities in the County, is quite extensive serving its citizens with thirty schools. This system had a fall 2020 combined enrollment of over 14,662 students and about 1,004 teachers. Five private/parochial schools and a vocational school also serve the County.

Source: Tennessee Department of Education.

East Tennessee State University (the "ETSU") Sevierville Center. The Sevierville Center is a small campus on Highway 416 that offers fourteen undergraduate degrees and four graduate

degrees. ETSU was founded in 1911 in the northeast corner of Tennessee. Fall 2019 total enrollment was 14,273 students. ETSU's main campus is situated on a more than 350-acre campus located in nearby Johnson City. The main campus is adjacent to the 31-acre Veterans Administration facility that is home to the James H. Quillen College of Medicine. The Johnson City Medical Center Hospital (Mountain States Health Alliance) is located nearby. ETSU offers approximately 74 majors of study in its undergraduate program, 30 degree fields in its master's programs and doctorates in education, education administration, and biomedical sciences. In addition, the Quillen College of Medicine offers eight Doctor of Medicine degrees. Over 15,000 undergraduate, graduate and professional students attend ETSU. Extended regional campuses are located in Kingsport, Elizabethton and Greeneville.

Source: East Tennessee State University and TN Higher Education Commission.

Walters State Community College Sevier County Campus. The 67-acre Sevier County Campus in Sevierville consists of three buildings that provide academic credit classes during the day and evening and non-credit classes/training. Culinary Arts, Hospitality Management and Professional Entertainment courses are provided to address the special educational/training needs of the community.

Walters State Community College, a public two-year higher education institution founded in 1970, is located in Morristown, Tennessee. The college offers programs of study that lead to the Associate of Science, Associate of Arts, and Associate of Applied Science degrees. Fall 2019 enrollment was 6,327 students. There are four principal campuses in Hamblen, Sevier, Greene, and Claiborne counties. Walters State serves ten predominantly rural East Tennessee counties in the mountains and foothills of the Great Smokies and Clinch Mountains. The primary service area includes the counties of Claiborne, Cocke, Grainger, Greene, Hamblen, Hancock, Hawkins, Jefferson, Sevier, and Union.

Source: Walter State Community College and Tennessee Higher Education Commission.

The Tennessee College of Applied Technology at Morristown Sevierville Campus. The Tennessee College of Applied Technology at Morristown Sevierville (the "TCAT-MS") is part of a statewide system of 26 vocational-technical schools. The TCAT-MS meets a Tennessee mandate that no resident is more than 50 miles from a vocational-technical shop. The institution's primary purpose is to meet the occupational and technical training needs of the citizens including employees of existing and prospective businesses and industries in the region. The TCAT-MS serves the northeast region of the state including Greene, Cocke, Jefferson, Hancock, Hawkins, Claiborne, Grainger, Sevier and Hamblen Counties. The TCAT-MS main campus is located in Hamblen County. Fall 2018 enrollment was 1,313 students. There are three satellite campuses for Morristown: Tazewell, Claiborne County; Greeneville, Greene County; and Sevierville, Sevier County.

Source: Tennessee College of Applied Technology at Morristown and Tennessee Higher Education Commission.

HEALTHCARE

LeConte Medical Center, a 79-bed acute care hospital, opened in 2010 and is affiliated with Covenant Health. The facility offers o imaging services, 24-hour emergency care, family-centered maternity care, surgical services, and convenient physical therapy clinics, as well as a host of other services to the residents of Sevier County. LeConte Medical Center anchors a

campus that includes the Dolly Parton Center for Women's Services, Dr. Robert F. Thomas Professional Building and Thompson Cancer Survival Center for a combined investment of \$115 million. The hospital includes new features such as private patient rooms with mountain views, a new 10-bed intensive care step-down unit, a dedicated surgical suite and a sleep center. It also has an expanded emergency department capable of handling more than 50,000 patients a year as well as an on-site heliport. It was named one of the nation's 100 Top Hospitals by Thomson Reuters in 2011.

Covenant Health, headquartered in nearby Knoxville, has nine acute-care hospitals plus inpatient and outpatient cancer care, behavioral and rehabilitation centers, home health, outpatient surgery and diagnostic centers, physician offices and more. More than 10,000 people are employed by Covenant Health and its member organizations, with nearly 1,500 affiliated physicians. Covenant Health is a comprehensive health system established in 1996.

Source: Knoxville News Sentinel.

SOCIAL AND DEMOGRAPHIC DATA

The population of the County more than tripled since 1970. According to the 2010 Census, Sevier County's population had grown by 38,846 since 1990. This growth ranked the County as one of the fastest growing counties in Tennessee. This growth is depicted in the chart below:

1970.....	28,141 persons
1980.....	41,418 persons
1990.....	51,043 persons
2000.....	71,170 persons
2010.....	89,889 persons

Social and Economic Characteristics

	<u>National</u>	<u>Tennessee</u>	<u>Sevier County</u>	<u>Pigeon Forge</u>	<u>Sevierville</u>
Median Value Owner Occupied Housing	\$217,500	\$167,200	\$175,500	\$171,6000	\$217,500
% High School Graduates or Higher Persons 25 Years Old and Older	85.2%	87.5%	85.0%	76.5%	83.9%
% Persons with Income Below Poverty Level	10.5%	13.9%	12.9%	15.4%	20.4%
Median Household Income	\$62,843	\$53,320	\$49,610	\$45,660	\$43,233

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

POWER PRODUCTION

Douglas Dam. Douglas Dam is a hydroelectric dam on the French Broad River in Sevier County. The dam is operated by the Tennessee Valley Authority ("TVA"), which built the dam in world record time in the early 1940s to meet emergency energy demands at the height of

World War II. Douglas Dam is a straight reinforced concrete gravity-type dam 1705 feet (520 m) long and 202 feet (62 m) high, impounding the 28,420-acre (11,500 ha) Douglas Lake. The water used to generate power at Douglas is used again and again at the nine TVA hydroelectric plants located along the Tennessee River from Knoxville to Paducah, Kentucky. The generating capacity of Douglas's four units combined is 165,600 kilowatts of electricity. The dam was named for Douglas Bluff, a cliff overlooking the dam site prior to construction.

Source: Tennessee Valley Authority.

TOURISM

Sevier County has enjoyed a booming tourist industry. Tourism is the largest contributor to Sevier County's economy. On average, the daily expenditures in tourist spending in the County is over \$6.7 million per day, and the daily payroll from tourism is over \$1.7 million per day. The tourism industry about employs almost 25,000 jobs in the County. The County ranks third in the state for tourist spending dollars (about \$2.458 billion for 2018). The total tax generated by the Hospitality and Tourism Industry in Sevier County per year is about \$209 million. Each Sevier County household pays \$5,663.89 LESS in State and Local taxes as a result of taxes generated by the Hospitality and Tourism Industry. Sevier County ranks lowest in effective property tax rates (.35%) of all 95 counties in Tennessee as a result of the economic impact of tourism. The number of accommodations in the County continues to increase (approximately 50,000 overnight guests can be housed in hotels, condominiums, campgrounds, cabins, etc.).

Source: 2018 Economic Impact of Travel on Tennessee Counties Report.

The following is a breakdown of the activities of the average visitor to the County:

1. Shopping (87%)
2. Scenic Drives (80%)
3. Eating at Unique Restaurants (71%)
4. Smoky Mountains (69%)
5. Historic Sites (57%)
6. Live Music (41%)
7. Dollywood (35%)
8. Antique Shopping (30%)
9. Hiking / Biking (28%)
10. Art Galleries (26%)

The main tourist attraction in the area is the Great Smoky Mountains National Park. The National Park Service ranked the Great Smoky Mountains a top national park in visitor spending. The Smokies estimated nine million visitors spent almost double what was spent at Arizona's Grand Canyon, the next national park on the list.

While the National Park has long been a major attraction to the region, there are a number of tourism attractions in Sevier County to entertain visitors. Family-oriented attractions include museums, an aquarium, water parks, numerous music theaters, go-cart tracks, miniature golf, etc. In addition, more than 200 outlet stores in six malls have greatly expanded the economy, and reduced the seasonality that often affects other tourist destinations.

Gatlinburg

Tax Structure

State Sales Tax:	7.00%
Local Option Sales Tax:	2.75%
Amusement Tax:	2.00%
Lodging Tax:	3.00%
Restaurant Tax:	1.50%
Gross Receipts Tax:	1.25%

Gatlinburg tourism is a major contributor to Sevier County's economy, even though it only has a 2010 U.S. Census population of 3,944. Over 60,000 guests can be lodged every night in accommodations ranging from rustic cabins and chalets, modern motels and motor inns, high-rise hotels, bed & breakfast inns and camping. America's most visited national park is the Great Smoky Mountains.

Gatlinburg offers over 14,000 sleeping rooms including full-service and limited-service hotels and motels, condominiums, chalets, cabins and campgrounds. These accommodations are available with a variety of locations: from downtown overlooking the Little Pigeon River, to a mountaintop overlooking the Smoky Mountains to secluded natural surroundings.

Anakeesta. Anakeesta is an outdoor family theme park that is located on 70 acres at the summit of Anakeesta Mountain in Gatlinburg. The theme park includes scenic rides from downtown Gatlinburg to the summit of Anakessta Mountain via the Chondola ride and Ridge Rambler adventure trucks. The park features the Children's Treehouse Village Adventure, BearVenture play area, Dueling Ziplines, Rail Runner mountain coaster and the Treetop Skywalk. At more than 800' long the Treetop Skywalk is the longest tree-based bridge in North America with a spectacular series of suspension bridges hanging 50-60 feet in the air between trees. At the top are scenic views of Mt. LeConte, casual dining with a full-service bar and outdoor seating, and several other attractions. There is also a whimsical Treehouse Village Adventure and a Memorial Forest Walk about the November 2016 fire. The park includes an interactive Vista Gardens botanical walk that features 1,700 feet of walking trails. See "RECENT DEVELOPMENTS" for more information.

Source: Anakeesta.com.

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 Sevier County through the Great Smoky Mountain National Park. 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.

Ole Smoky Moonshine Holler. The Mellow Mushroom restaurant moved into Ole Smoky Moonshine Holler in 2011. Also located in the Plaza is The Ole Smoky Distillery, which sells legal moonshine and opened for business in 2010. They now have two facilities in Sevier County and distribute its moonshine to 49 states, Canada, Latin America and the Caribbean.

Gatlinburg Convention Center and W.L. Mills Auditorium. Built in 1989, the Gatlinburg Convention Center offers over 148,000 square feet of flexible meeting and exhibit space. The Great Hall provides 67,000 square feet of exhibit space, 50,400 square feet of which is free-span with a ceiling height of 30 feet. It can accommodate 6,000 people, 350 booths or be divided into three separate halls for smaller events. The Tennessee Ballroom provides 17,064 square feet with a ceiling height of 27 feet. The ballroom can accommodate 2,100 people in theater seating, 1,200 people in banquet round seating and can be divided into four separate sections for smaller events. The Gatlinburg Boardroom area is 38,200 square feet, including 16 meeting rooms, pre-function space, two private parlors and a special VIP/media suite. The W.L. Mills Auditorium adjoining the Convention Center provides 8,800 square feet with a ceiling height of 22 feet. It can accommodate 1,100 people in theater seating and 580 people in banquet round seating. The auditorium comes with a 925-square foot built-in stage.

Source: The City of Gatlinburg.

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 Coker County. 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 both the Tennessee and North Carolina sides of the park during 2018 reached over 11.4 million, which was a record attendance.

A news release from the park service says the spending supported 10,959 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).

In 2011 construction was complete on the \$3 million, 7,000 square-foot Oconoluftee Visitor Center near Cherokee, N.C. In 2008 construction was completed to build a \$4.5 million Twin Creeks Science and Education Center near Gatlinburg. These are the first new major buildings to be built in the Park since the Sugarlands Visitor Center opened in 1964 at the Gatlinburg entrance.

Source: National Park Service.

Nantahala Outdoor Center Great Outpost. The former Open Hearth Restaurant in Gatlinburg was redeveloped into the Nantahala Outdoor Center Great Outpost, a multimillion-

dollar, 18,000-square-foot development. Completed in the spring of 2010, the former mountain lodge-style building became one of the largest stores in Gatlinburg and the only LEED-certified retail locations in the Smokies. The Great Outpost has been registered for LEED certification from the U.S. Green Building Council, which rates buildings on cost-efficient and energy-saving building design and construction.

The new store is described as being experiential in nature with strong educational components as well as outdoor activities within the store, such as a 25-foot climbing wall. The Great Outpost offers outdoor activities in the national park including whitewater rafting, flatwater kayaking, fly-fishing, guided hiking, mountain biking, outdoor education programs and nature tours. Nantahala Outdoor Center, based in Bryson City, N.C., is a privately held, employee-owned company and one of the largest employers in Western North Carolina.

Ober Gatlinburg Ski Resort and Amusement Park. Ober Gatlinburg Ski Resort has 8 trails for skiing and snowboarding with rental equipment provided. The Snow Tubing Park opened in 2008 and features nine 400' lanes and a 50' vertical drop. There is an indoor ice arena for year-round skating. The Alpine Slide is a summer slide on one of two 1,800' tracks through woods and ski trails. The Amusement Park has many games, arcades and water rides to provide entertainment year round.

The Aerial Tramway provides transportation to Ober Gatlinburg at the top of Mt. Harrison in the Smoky Mountains. In 2007 a \$1 million project replaced the original cable cars Tramway that were originally built in 1973. The Tramway is the safer and more comfortable way to reach the Ski Resort than driving up the mountain road. The tramway has transported over 18 million passengers since opening, with service from downtown Gatlinburg available approximately every 20 minutes and the ride covering a distance of 2.1 miles to the resort.

Source: Ober Gatlinburg Ski Resort and Amusement Park.

Park Vista Hotel. The Park Vista, a Double Tree by Hilton Hotel located in Gatlinburg, is the largest hotel in Sevier County. The hotel has been a landmark in Gatlinburg since it was opened in 1976. The 16-story, 300-room hotel has a circular high-rise design overlooking the Smoky Mountains, two restaurants featuring indoor and outdoor dining and over 25,000 square feet of meeting and conference space. The hotel also includes a fitness center and an indoor pool.

Ripley's Aquarium of the Smokies. Since opening in 2000, the 1.4-million-gallon aquarium is home to more than 11,000 sea animals (over 350 species) and has had more than 10 million visitors. One highlight of the aquarium is a 345-foot-long underwater tunnel at the bottom of the shark tank for visitors to walk through.

Source: The Knoxville Sentinel.

SkyLift Park. The SkyLift Park, which has been operating since 1954, opened in 2019 the SkyBridge, the longest pedestrian suspension bridge in North America that also has sections of glass panels on the floor of the bridge. The SkyBridge is 700 feet long and is about 150 feet off the ground. The park features a chairlift ride, the notable SkyBridge, the SkyDeck observation area with room for concerts and weddings, and the SkyCenter with a gift shop, café and restaurant.

Pigeon Forge

Tax Structure

State Sales Tax:	7.00%
Local Option Sales Tax:	2.75%
Amusement Tax:	2.50%
Lodging Tax:	2.50%
Restaurant Tax:	1.00%
Gross Receipts Tax:	1.00%

The major portion of the commercial activity in Pigeon Forge is devoted to the tourism industry. Pigeon Forge has about a 2010 U.S. Census population of 5,875, yet visitors can boost the daily population to upwards of 50,000. The temporary population gain is the result of approximately 10,000 lodging units inside the city limits-hotels, motels, condominiums, cabins, log homes and campgrounds. The City is visited by more than 11,000,000 tourists a year.

Source: Pigeon Forge Development.

Beyond the Lens. Opened in 2019, the 30,000 square feet Beyond the Lens attraction has several pop culture experiences as well as virtual reality games, interactive touch screens for gaming and drawing, a kaleidoscopic telephoto lens tunnel and an escape room. The attraction also opened in Branson, Missouri and both sites represent \$25 million combined investment created 50 new jobs at each location.

Dollywood Entertainment Park. Dolly Parton's Dollywood theme park is located in Pigeon Forge and is the most popular private attraction in Tennessee. Beginning in 2014, for the next 10 years the park plans to invest \$300 million to include new attractions, resorts, and 2500 additional jobs. Dollywood sits on 125 acres and has more than 30 rides and is the 25th largest theme park in the United States. The Park has attendance of over 2.4 million visitors each year, and is Sevier County, Tennessee's largest seasonal employer with over 2,500 employees in the peak season from June through August. Dollywood's Splash Country Water Park is more serene than other parts of the park and should appeal to a slightly different demographic profile. Please see "RECENT DEVELOPMENTS" for information on construction of new projects.

Greenway. The Greenway is a series of connected, meandering hiking and biking trails, some running through heavily populated areas and others wandering into the countryside. The first phase of the Pigeon Forge Greenway was completed in 2006. A 75-acre park with \$2 million in trails and a pavilion is also being donated by a developer to the city to connect to the greenways.

LeConte Convention Center. The LeConte Center, a \$45 million, 232,000-square-foot multipurpose facility, opened in October of 2013. It is designed to attract trade shows, competitive events and assemblies such as church-organized youth rallies. It is located next to a 1,600-space parking lot and the Pigeon Forge Riverwalk, the City's greenway along the Little Pigeon River.

Source: Pigeon Forge Convention Center.

[balance of page left blank]

Music Road Entertainment Park. This Pigeon Forge-sponsored development is based upon the concept of an industrial park but is specifically designed for Pigeon Forge's industry: tourism and entertainment. The park currently is home to the Smoky Mountain Opry, Country Legends Grill, WonderWorks, and the Hatfield and McCoy Dinner Show. More than \$40 million of private investment has been attracted to the park since its creation in 1994, and the businesses within the park generate hundreds of thousands of dollars in tax revenues annually. The only remaining undeveloped tract in the park is currently optioned by the developers of WonderWorks.

Titanic Museum. The \$25 million dollar, 30,000 square-foot Titanic Museum is located on the Parkway. This will be second location for a Titanic Museum, the first being located in Branson, Mo. The museum opened in the Spring of 2010.

WonderWorks. WonderWorks in Pigeon Forge is Tennessee's only upside-down attraction and is an amusement park for the mind. This unique attraction that opened in the Summer of 2006 features over 100 interactive hands-on exhibits that is part science museum and part entertainment venue. Wonder Works is located on the Parkway in the former Music Mansion Theater. There are different theme zones, a "far-out gallery" of hands-on items, futuristic art, and two mini-theaters showing 3-D films. The Hoot N Holler dinner show, which seats about 300, is also located inside and was written by a Disney senior writer.

Sevierville

Tax Structure

State Sales Tax:	7.00%
Local Option Sales Tax:	2.75%
Amusement Tax:	2.00%
Lodging Tax:	3.00%
Restaurant Tax:	2.00%

Comfort Suites Interstate, Hampton Inn Interstate, LaQuinta Inn, Wilderness of the Smokies, Fairfield Inn & Suites by Marriott and Holiday Inn Express are some of the major hotel brands within the City. The City has about 14,807 residents for 2010, yet 13 million visitors come every year. The City is small with only 22 square miles, yet it is has almost 2,000 businesses.

Sevierville Convention Center. The \$59 million, 247,000-square-foot Sevierville Convention Center opened in 2007. The state-of-the-art Convention Center offers 108,000 square foot Exhibit Hall, 19,000 square foot Ball Room, pre-function space and show office, plus expansive outdoor areas for boat, car, RV, and equipment shows. The Convention Center is next door to two 18-hole golf courses and a 264-room hotel.

Source: Sevierville Convention Center.

Soaky Mountain Waterpark. Across the street from its sister park, Wilderness in the Smokies, the Soaky Mountain Waterpark is a 50-acre waterpark that finished construction in 2020. The park includes rides for every member of the family with a 35,000 square foot wave

pool and the world's first water coaster of its kind - Avalaunch, a ride that launches guests through a winding tube and into a 60-foot wall that makes it feel like riders are freefalling.

The project cost about \$90 million and will employ nearly 500 full and part-time workers. The park is expected to be a major contributor to the Sevier County economy, estimating 100,000 new visitors and an increase of overnight stays and should generate about \$400,000 annually in Tourism Development Zone Tax. Wilderness Resorts and Waterparks also owns and operates Wilderness Resort, Glacier Canyon Lodge, Soaky Mountain Waterpark and Wilderness on the Lake in Wisconsin Dells in Sevier County. Wilderness Resorts and Waterparks owns and operates Soaky Mountain and six other properties across the country.

Source: Knox News Sentinel.

Wilderness at the Smokies. Wilderness at the Smokies is an upscale waterpark resort including condos, hotels and nearby event center and golf course. There are 702 rooms total. The indoor waterpark is the first of its kind in the East Tennessee area and provides year round entertainment. The 3-acre outdoor waterpark was completed in the summer of 2009. The resort has also built a hotel that will serve the city's Sevierville Convention Center. The Convention Center hotel has 234 rooms and 468 rooms at the River Lodge. Construction of the hotel and indoor waterpark were completed in late 2008. See "RECENT DEVELOPMENTS" for information on an expansion.

Wilderness also built a 4-story, 160 condominium residence properties with views of golf courses, water park and the Smoky Mountains. Several perks of ownership of a residence include indoor and outdoor waterpark admission and the option of using them as rental units. Prices ranged from \$100,000 to \$500,000, and on the first day the units went up for sale over 70 percent of the condos were sold at almost \$41 million dollars. Construction was completed in the summer of 2009.

The Wilderness at the Smokies is the second-largest tourist investor in Sevier County, behind Dollywood. Wilderness Resorts and Waterparks also owns and operates Wilderness Resort, Glacier Canyon Lodge, Soaky Mountain Waterpark and Wilderness on the Lake in Wisconsin Dells in Sevier County.

Source: Wilderness Dells.

Sevier County

Tax Structure

State Sales Tax: 7.00%

Local Option Sales Tax: 2.75%

Lodging Tax: 3.00%

Douglas Reservoir. The Douglas Reservoir extends 43 miles upriver from the Douglas Dam through the foothills of the Great Smoky Mountains. It covers over 4,000 acres of the County before it travels through Jefferson, Sevier, Cocke and Hamblen Counties. It is located mostly in the north-eastern part of the County near Sevierville. Douglas and other TVA reservoirs built during World War II made a historic contribution, providing hydropower to drive the war effort. Under normal conditions, Douglas stores spring rainwater for release during the

dry summer and fall months to maintain adequate depth for navigation on the Tennessee River and to generate electricity. Set against the backdrop of the lush, green Smoky Mountain foothills, Douglas attracts two million recreation visitors a year. Picnicking, camping, boating, and fishing are all popular activities at the Reservoir.

Source: Tennessee Valley Authority.

Winterfest. A strategy for conquering the seasonality of the area has been the implementation of the annual Winterfest promotional. A combination of various special entertainment events and businesses extending their seasons, this festival was created by the cities of Sevierville, Gatlinburg and Pigeon Forge to increase tourist activity in the County from November through March. Winterfest puts on an elaborate winter lights display. All three Cities have switched all the incandescent lights to light-emitting diodes, or LEDS. The switch saved over 75 percent on the power bill from the last year only incandescent lights were used (in 2005).

Source: Knoxville News Sentinel.

MANUFACTURING AND COMMERCE

Although tourism is a vital component of the local economy in Sevier County, the industrial sector continues to grow and diversify. There are several industrial parks available to the City and County. *John L. Marshall Industrial Park* is located just 12 miles from Interstate 40 and contains 144 acres with 30 acres left for future development. Full utilities are on site. The County also has access to the *Hodsden-Hicks Industrial Park* within the Sevierville city limits, having 41 acres occupied with industries and the remaining 25 acres available. Full utilities are on site as well. The *Smith Thomas Industrial Park* within the Kodak city limits has over 40 acres available for new industries. Full utilities are on site as well. The *Interstate 40 Industrial Park*, located in Kodak, was completed in late 2014. The 115 acres are available to subdivide. Full utilities are on site.

In 2006 the City of Pigeon Forge created a Tourism Development Zone (the “TDZ”) to fund \$180 million in projects. Under state law, a TDZ is an area where a city builds an event center and can use special bonds to pay for improvements. The law allows cities to repay the bonds by collecting an increased portion of sales tax revenues in the district. The City is using the TDZ to fund the Events Center and surrounding infrastructure, improvements to City parking, the Jake Thomas Road Connector and more.

In 2004 the City of Sevierville created a Central Business Improvement District (the “CBID”) to fund \$202 million in projects. Under state law, a CBID are areas where a city builds an event center and can use special bonds to pay for improvements. The law allows cities to repay the bonds by collecting an increased portion of sales tax revenues in the district. The City is using the CBID to fund the Events Center and surrounding infrastructure, improvements to the city golf course, extension of the Veterans Boulevard and more. Every project proposed is either complete or under construction except for a parking garage, which is still under consideration. Please see the “RECENT DEVELOPMENTS” for more information.

[balance of page left blank]

The following is a list of the major employers in the County:

Major Employers in Sevier County

<u>Company</u>	<u>Product</u>	<u>Employees</u>
Dollywood ¹	Amusement Park	4,000
Sevier County Schools	School System	2,450
Collier Foods	Restaurant	860
Tanger Five Oaks Outlet	Retail	800
Charles Blalock & Sons ⁴	Asphalt & Concrete	800
Ole Smoky Moonshine	Distillery	700
Sevier County	Government	650
Wilderness at the Smokies	Hotel and Water Park	634
LeConte Medical Center	Hospital	546
Walmart	Retail	527
Fee Hedrick Family Entertainment	Entertainment	511
Wyndham Vacation ²	Collections	500
Family Inns of America	Hotels	475
Israel Enterprises	Restaurants	450
City of Pigeon Forge	Government	400
Stokely Hospitality	Restaurants, Catering & Resorts	400
Ripley's Aquarium	Aquarium	405
Diverse Concepts		361
Great Smoky Mtns National Park	National Park	345
Bass Pro Shop	Retail	336
City of Sevierville	Government	332
Ober Gatlinburg	Ski Resort & Amusement Park	307
Johnson Family of Restaurants	Restaurants	300
City of Gatlinburg	Government	252
Dixie Stampede	Dinner Theater	265
Blalock Lumber Co	Asphalt & concrete	250

¹ Employment figure is based on Operating season; it drops to around 300 during the off-season.

² Includes employment from both Knox and Sevier County locations.

Source: Tennessee Department of Economic & Community Development, City of Sevierville Audit, the City of Gatlinburg Audit - 2020.

[balance of page left blank]

EMPLOYMENT INFORMATION

Due to seasonal nature of the tourism and agriculture industries, unemployment rates for the County fluctuate greatly during the course of the year. For example, rates can range from 6.5% in February to 2.5% in May with a calander year.

For the month of May 2021, the unemployment rate for the Sevierville mSA and Sevier County stood at 3.8% with 53,916 persons employed out of a labor force of 56,032. As of May2021, the unemployment rate in the Knoxville-Sevierville-Harriman CSA stood at 4.0%, representing 533,637 persons employed out of a workforce of 555,607.

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%
Sevierville mSA & Sevier County	6.0%	4.9%	4.0%	3.5%	3.3%
Index vs. National	113	100	91	97	85
Index vs. State	107	104	105	100	97
Knoxville-Sevierville-Harriman 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 Labor and Workforce Development, Employment Security, CPS Labor Force Estimates Summary.

[balance of page left blank]

ECONOMIC DATA

Per Capita Personal Income

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
National	\$49,019	\$50,015	\$52,118	\$54,606	\$56,490
Tennessee	\$42,626	\$43,626	\$45,233	\$47,210	\$48,684
Sevierville mSA & Sevier County	\$36,048	\$37,000	\$38,352	\$40,024	\$41,136
Index vs. National	74	74	74	73	73
Index vs. State	85	85	85	85	84
Knoxville-Sevierville-Harriman CSA	\$39,829	\$40,664	\$42,124	\$44,131	\$45,296
Index vs. National	81	81	81	81	80
Index vs. State	93	93	93	93	93

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

RECENT DEVELOPMENTS

Gatlinburg

Anakeesta. In 2020 Anakeesta has started construction on expanding the outdoor, family theme park. The plans call for a new restaurant, expanding the Vista Garden area, building an iconic observation tower, that will be the tallest point in downtown Gatlinburg, and adding a family-friendly water feature. There will also be additional seating, a new Tennessee themed waterfall, additional fire pits, and a new musical stage. See below for more information on the SkyBridge.

Margaritaville Resort Gatlinburg. In June of 2018, the \$35 million Jimmy Buffett-inspired resort opened. The 133,000-square-foot resort sits on a four-acre river island in downtown Gatlinburg, just minutes from Great Smoky Mountains National Park and Anakeesta Outdoor Theme Park. The seven-story resort was designed by the Knoxville-based Ballard Design Group and is based on the tropical, "no worries" vibe crafted by the singer-songwriter. The resort features 163 rooms, the License to Chill Bar, Landshark Bar & Grill, the St. Somewhere Spa, 3,000 square feet of event space, indoor and outdoor pools, double-loop water slide, splash pad, hammocks and fire pits. There is also Jimmy's Hideaway, which is a secluded one-bedroom bungalow on the property with a private riverfront patio, fire pit and floating tub. Margaritaville Resort Gatlinburg has been named the country's Best New Hotel by USA TODAY's 10Best Readers' Choice travel awards. McManus' Knoxville-based Marlin Hospitality Group licenses the three Margaritaville properties in Tennessee, including Margaritaville Island Hotel and Margaritaville Island Inn in Pigeon Forge. There are 12 Margaritaville resorts and 20 more in development.

SkyLift Park. The SkyLift Park opened in the summer of 2019 the new SkyBridge. The 700-foot long bridge is the longest pedestrian suspension bridge in North America. The bridge is

about 150 feet off the ground and features glass panels on the floor of the bridge. Plans are to expand the current 23 acres of the park to almost 70 acres in the future.

Westgate Smoky Mountain Resort & Spa. The wildfires of November 28, 2016 heavily damaged the Westgate Smoky Mountain Resort & Spa. The fire destroyed or damaged 652 out of about 1,000 dwelling units and 65 out of 90 buildings. However, the original check-in building was undamaged, which includes the 60,000-square-foot Wild Bear Falls Indoor Water Park, grocery store, deli and ice cream shop, restaurant, fitness center and swimming pool. The resort reopened ten days after the fire with the remaining dwelling units booked.

Plans were announced at the reopening to include expansion with the reconstruction of the resort. The \$150 million construction (which is fully covered by insurance) rebuilt 800 lost units plus add another 100 dwelling units. Also, a new 50,000-square-foot indoor activity center that offers rope and rock climbing was built.

Pigeon Forge

Beyond the Lens. Opened in 2019, the 30,000 square feet Beyond the Lens tourist attraction. The attraction is about a \$13 million investment that created 50 new jobs. Beyond the Lens has several pop culture experiences as well as virtual reality games, interactive touch screens for gaming and drawing, a kaleidoscopic telephoto lens tunnel and an escape room.

Dollywood Entertainment Park. HeartSong Lodge and Resort will be a five-story, 302-room resort with a range of accommodations and amenities. Construction began in 2021. The new lodge is adjacent to DreamMore, which opened in 2015, allowing easy access to Dollywood and Dollywood's Splash Country.

At HeartSong, multi-generational families, couples and everyone in between will have opportunities for fun. The resort will house indoor and outdoor pools for all seasons, and the picturesque outdoor cove will include family gathering spaces, a communal fire pit and a screened-in porch.

With 26,000 square feet of flexible indoor and outdoor meeting space, the resort can accommodate gatherings for several hundred guests at the two-story HeartSong Event Center, outdoor meeting spaces and event lawn.

Since 2010, The Dollywood Company has invested more than \$220 million into its properties. Previous expansions included Dollywood's DreamMore Resort and Spa, roller coasters Lightning Rod and FireChaser Express, the \$37 million Dollywood addition called Wildwood Grove and TailSpin Racer at Dollywood's Splash Country.

From 2014-2024 the park plans to invest \$300 million to include new attractions, resorts, and 2,500 additional jobs. It's estimated that the new Dollywood investments will add \$150 million annually to the local economy. Additionally, more than \$7 million in state and local taxes will be generated by the company's 10-year investments. The approximately 2,500 jobs to be created are due to the addition of the resort, primarily in the hospitality and construction industries.

First constructed was the \$15 million family rollercoaster The FireChaser Express, which opened in March of 2014.

Next was the DreamMore, which is a 306-room resort that opened in the summer of 2015. It was built on 100 acres near the existing Splash Country. The resort has a variety of room sizes and suites available, along with more than 8,000 square feet of indoor meeting space with state-of-the-art technology. Outdoors, the property can accommodate groups as large as 500. The resort also includes a full-service farmhouse restaurant with indoor and outdoor seating, an indoor and outdoor pool, an amphitheater for outdoor entertainment. Guests will also be able to enjoy fire pits and hammocks and a full-service spa.

The \$22 million Lightning Rod roller coaster opened in the summer of 2016 and is the fastest wooden roller coaster in the world. The ride propels guests to top speeds of more than 70 miles an hour as has been labeled as one of the most anticipated thrill rides of 2016 by USA Today. It is the single-largest attraction investment in the park.

Dollywood's Splash Country opened a new water slide, the \$2.5 million TailSpain in the summer of 2017. The Drop Line, a 200-foot tall free fall ride, and Whistle Punk Chaser, a children's roller coaster, also opened in 2017, along with 250 other smaller renovations throughout the Park. The Backstage Restaurant was transformed into the Front Porch Café. The Blown Glass Shop was renovated and upgraded from its original 1980's construction. The total cost of the 2017 renovations and additions was \$8.5-\$9 million.

In May of 2019 Dollywood opened the \$37 million expansion called Wildwood Grove. The area was a previously undeveloped five-acre area of the park that has now been built to eleven themed attractions, with a restaurant, enclosed family roller coaster, a pendulum-style ride and an indoor play area. It was the park's largest expansion in its 33-year history.

Hollywood Wax Museum. Formerly located in the Ole Smoky Moonshine Holler in Gatlinburg, the Museum opened a newly constructed building on the Parkway in Pigeon Forge in 2012. The 22,000-square-foot facility includes two floors of celebrity displays and a facade with a 40-foot tall replica of King Kong and a Hollywood-style version of Mount Rushmore. The Museum is also located next to other attractions owned by the same company, the Castle of Chaos and Hannah's Maze of Mirrors.

LeConte Center. The \$45 million, 232,000-square-foot multipurpose event facility, the LeConte Center, opened in October of 2013. It is designed to attract trade shows, competitive events and assemblies such as church-organized youth rallies. It is located next to a 1,600-space parking lot and the Pigeon Forge Riverwalk, the City's greenway

The Island in Pigeon Forge. The 22-acre development, the Island in Pigeon Forge, is a retail and entertainment center that opened Phase One in 2013. It contains the 200-foot Great Smoky Mountain Wheel, the largest observation wheel in Tennessee, and a \$45 million event center containing numerous restaurants and shops. \$5 million were provided by the City of Pigeon Forge for infrastructure improvements, including a road connecting the Parkway.

Phase Two was opened late 2014 with 80 percent of the entire facility leased and with a \$2.7 million show fountain and a 132-room four-star hotel. A second location for the Ole Smoky Moonshine opened a 6,000-square-foot still, tasting bar and retail store in The Island in 2014. Also opened was Jimmy Buffett's Margaritaville restaurant and a 132-room hotel opened in 2014.

In 2015 Paula Deen's Family Kitchen and Paula Deen's The Bag Lady opened at the Island. The Family Kitchen is a full-service restaurant with 300 seating and has a 4,000-square-foot retail store. The Bag Lady restaurant offers sandwiches, salads and sweets.

Ripken Experience Pigeon Forge Youth Baseball Complex. Opened in 2016 and named for the Hall of Fame shortstop Cal Ripken, Jr., the Ripken Experience features six fields that borrow designs from well-known professional ballparks. The 2,749 square-foot facility cost \$22.5 million to build and is a tournament spot for 12-and-under baseball and amateur fast-pitch softball. A two-level clubhouse with more than 14,000 square feet offers spectacular views of the Great Smoky Mountains while overlooking each of the six fields on the complex.

Sevierville

Buc-ee. The travel center, Buc-ee, broke ground on the Dumplin Creek site in 2021. The Texas-based company is planning on building what could be the world's largest convenience store on the interchange of Highway 66 and I-40. The facility will be 74,000 square feet and have 120 gas pumps. Construction is expected to be completed in 2023 and will create 250 new jobs.

The Eastern Band of Cherokee Indians purchased the failed Dumplin Creek site in 2020. Dumplin Creek, a proposed \$150 million, 198-acre retail development project, was to anchor the north end of the "billion-dollar highway". Site work had begun, but financing failed to materialize to finish construction.

OTICS USA. Automotive parts manufacturer OTICS invested \$69.5 million to build a factory at the new Sevier County Interstate 40 Industrial Park in Sevierville, which created 117 jobs. The new facility makes engine components for Toyota and was operational in early 2017. The Japanese company opened a facility in Morristown in 2001, where it has expanded three times and now employees more than 250 people.

Soaky Mountain Waterpark. Wilderness Resorts and Waterparks in summer of 2020 completed the construction of a new waterpark near the Sevierville Convention Center and Wilderness at the Smokies Resort. The new 50-acre outdoor waterpark will feature a 35,000-square-foot wave pool capable of generating waves up to 6 feet high, a winding wave river spanning an area of 24,000 square feet, and multiple water slides. As the grand opening was postponed until 2021 due to global pandemic, only patrons of the Wilderness at the Smokies can attend until then. Wilderness Resorts and Waterparks also owns and operates Wilderness Resort, Glacier Canyon Lodge, Soaky Mountain Waterpark and Wilderness on the Lake in Wisconsin Dells.

Wilderness at the Smokies. In 2017, Wilderness at the Smokies completed a \$1.3 million expansion to its Lake Wilderness Outdoor Waterpark. The project includes a new children’s play attraction, VIP climate controlled cabanas, a new bar and snack shack and a new outdoor sound system. In 2013, construction was completed on an expansion to the park to include a “dry park” featuring a ropes course, laser tag, bowling and a black-light min-golf course. The multi-million-dollar Adventure Forest expansion (the amount remains undisclosed) increased the park from seven to fourteen acres. With this expansion, the Wilderness at the Smokies will be the second-largest tourist investor in Sevier County, behind Dollywood. Wilderness Resorts and Waterparks also owns and operates Wilderness Resort, Glacier Canyon Lodge, Soaky Mountain Waterpark and Wilderness on the Lake in Wisconsin Dells.

Source: Knoxville News Sentinel, The Ripken Experience, The Mountain Press, Wilderness Dells.

[balance of page left blank]

SEVIER COUNTY, TENNESSEE
SUMMARY OF BONDED INDEBTEDNESS

Unaudited

OBLIGATION	DUE DATE	TYPE	OUTSTANDING JUNE 30, 2021 ¹
\$6,900,000 Loan Agreement, Series VII-A-4 ^{2, 3, 7}	June 2025	Variable / Synthetic Fixed	\$ 2,470,000
\$63,945,000 Loan Agreement, Series VII-B-1 ^{2, 5, 7}	June 2032	Variable / Synthetic Fixed	43,315,000
\$14,504,000 Qualified School Construction Loan, Series 2010	Sept. 2027	Fixed	5,604,569
\$1,000,000 School Energy Efficiency Loan, Series 2011	June 2022	Fixed	91,703
\$9,950,000 General Obligation Bonds, Series 2012 ^{3, 6}	June 2032	Fixed	3,025,000
\$9,670,000 General Obligation Refunding Bonds, Series 2015 ³	June 2025	Fixed	5,920,000
\$9,750,000 General Obligation Bonds, Series 2016	June 2037	Fixed	8,830,000
\$4,480,000 General Obligation Bonds, Series 2017	June 2037	Fixed	4,085,000
\$4,135,000 General Obligation Refunding Bonds, Series 2018A ³	June 2024	Fixed	1,970,000
\$9,685,000 General Obligation Bonds, Series 2018B ⁴	June 2038	Fixed	9,685,000
\$9,925,000 General Obligation Bonds, Series 2019	June 2039	Fixed	9,925,000
\$10,000,000 General Obligation School Bonds, Series 2020A	June 2040	Fixed	10,000,000
\$6,290,000 General Obligation Refunding Bonds, Series 2020B ³	June 2032	Fixed	5,945,000
TOTAL BONDED DEBT			\$ 110,866,272
CURRENT ISSUE			
\$8,260,000 General Obligation Refunding Bonds, Series 2021A	June 2032	Fixed	\$ 8,260,000
\$9,800,000 General Obligation Bonds, Series 2021B	June 2041	Fixed	9,800,000
Less: Refunded Bonds - General Obligation Bonds, Series 2012	June 2032	Fixed	(3,025,000)
Less: Refunded Bonds - General Obligation Bonds, Series 2015	June 2025	Fixed	(5,920,000)
Less: Bonds Payable from Local Option Sales Tax Revenue			(57,880,361)
NET BONDED DEBT			\$ 62,100,911

NOTES:

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

² The County budgets to account for interest rate and/or basis risk.

³ Payable from revenues of the County property tax. All other issues payable from Local Option Sales Tax revenue.

⁴ \$8,685,000 of these Outstanding Bonds are payable from the Local Option Sales Tax Revenues.

⁵ \$10,145,000 of these Outstanding Bonds are payable from the Local Option Sales Tax Revenues.

⁶ \$525,000 of these Outstanding Bonds are payable from the Local Option Sales Tax Revenues.

⁷ During the fiscal year ending June 30, 2009, the County refunded its outstanding Series IV-A-2, Series IV-E-4, Series IV-H-3 and Series V-A-1 loans (the "Refunded Loans") with its Series VII-A-4 and VII-B-1 loans (the "Refunding Loans"). The County had previously entered into interest rate swap agreements on all or a portion of the Refunded Loans, and subsequent to the refunding of the Refunded Loans, the related interest rate swap agreements are now associated with the Refunding Loans. For more information, see the notes to the Financial Statements in the CAFR.

SEVIER COUNTY, 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.

	For the Fiscal Year Ended June 30					Unaudited 2021	After Issuance 2021
	2016	2017	2018	2019	2020		
INDEBTEDNESS							
TAX SUPPORTED							
General Obligation Bonds & Notes	\$73,015,000	\$68,435,000	\$68,810,000	\$62,865,000	\$57,460,000	\$52,975,000	\$62,100,911
TOTAL TAX SUPPORTED	73,015,000	68,435,000	68,810,000	62,865,000	57,460,000	52,975,000	62,100,911
REVENUE SUPPORTED							
School Bonds (Sales Tax Supported)	\$35,839,723	\$46,815,944	\$47,720,921	\$55,491,317	\$61,711,295	\$57,891,272	\$57,880,361
TOTAL REVENUE SUPPORTED	\$35,839,723	\$46,815,944	\$47,720,921	\$55,491,317	\$61,711,295	\$57,891,272	\$57,880,361
TOTAL DEBT	\$108,854,723	\$115,250,944	\$116,530,921	\$118,356,317	\$119,171,295	\$110,866,272	\$119,981,272
Less: Revenue Supported Debt	(\$35,839,723)	(\$46,815,944)	(\$47,720,921)	(\$55,491,317)	(\$61,711,295)	(\$57,891,272)	(\$57,880,361)
Less: Debt Service Fund	(25,577,383)	(27,130,618)	(29,343,594)	(32,488,498)	(35,692,887)	(35,692,887)	(35,692,887)
NET DIRECT DEBT	\$47,437,617	\$41,304,382	\$39,466,406	\$30,376,502	\$21,767,113	\$17,282,113	\$26,408,024
PROPERTY TAX BASE							
Estimated Actual Value	\$ 12,545,863,942	\$ 12,768,737,637	\$ 12,565,005,596	\$ 14,807,762,167	\$ 15,240,558,972	\$ 18,505,858,232	\$ 18,505,858,232
Appraised Value	12,545,863,942	12,768,737,637	10,846,112,830	12,782,060,303	13,155,650,505	13,455,609,520	13,455,609,520
Assessed Value	3,595,405,373	3,702,385,407	3,656,653,624	3,728,494,889	3,898,326,910	3,993,142,530	3,993,142,530

DEBT RATIOS	For the Fiscal Year Ended June 30					After Issuance
	2016	2017	2018	2019	2020	
TOTAL DEBT to Estimated Actual Value	0.87%	0.90%	0.93%	0.80%	0.78%	0.65%
TOTAL DEBT to Appraised Value	0.87%	0.90%	1.07%	0.93%	0.91%	0.89%
TOTAL DEBT to Assessed Value	3.03%	3.11%	3.19%	3.17%	3.06%	3.00%
NET DIRECT DEBT to Estimated Actual Value	0.38%	0.32%	0.31%	0.21%	0.14%	0.14%
NET DIRECT DEBT to Appraised Value	0.38%	0.32%	0.36%	0.24%	0.17%	0.20%
NET DIRECT DEBT to Assessed Value	1.32%	1.12%	1.08%	0.81%	0.56%	0.66%
PER CAPITA RATIOS						
POPULATION (1)	96,673	97,638	97,892	98,250	98,250	98,250
PER CAPITA PERSONAL INCOME	\$36,909	\$37,910	\$39,474	\$39,474	\$39,474	\$39,474
Estimated Actual Value to POPULATION	129,776	130,776	128,356	150,715	155,120	188,355
Assessed Value to POPULATION	37,191	37,920	37,354	37,949	39,678	40,643
Total Debt to POPULATION	1,126	1,180	1,190	1,205	1,213	1,221
Net Direct Debt to POPULATION	491	423	403	309	222	176
Total Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME	3.05%	3.11%	3.02%	3.05%	3.07%	3.09%
Net Direct Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME	1.33%	1.12%	1.02%	0.78%	0.56%	0.68%

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

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

SEVIER COUNTY, TENNESSEE
BONDED DEBT SERVICE REQUIREMENTS

F.Y. Ended 6/30	Existing Debt - As of June 30, 2021		Unaudited General Obligation ¹		Less: Bonds Refunded		General Obligation Refunding Bonds, Series 2021A		General Obligation Bonds, Series 2021B		% 2021B Principal Repaid		Total Bonded Debt Service Requirements		% All Principal Repaid	
	Principal	Interest ²	Principal	Interest ²	Principal	Interest ³	Principal	Interest ³	Principal	Interest ⁴	Principal	Interest ⁴	Principal	Interest ⁴	Principal	Interest ⁴
2022	\$ 9,446,730	\$ 4,156,469	\$ 13,603,199	\$ (1,965,000)	\$ (1,611,969)	\$ 91,238	\$ 1,940,000	\$ -	\$ 139,650	\$ 390,000	\$ 139,650	\$ 139,650	\$ 9,421,730	\$ 4,225,387	\$ 13,647,117	7.85%
2023	10,085,027	3,815,419	13,900,446	(1,970,000)	(154,219)	308,500	1,755,000	-	294,000	400,000	294,000	684,000	10,260,027	4,263,700	14,523,727	
2024	10,635,027	3,436,956	14,071,983	(1,585,000)	(113,106)	220,750	1,420,000	-	282,300	400,000	282,300	682,300	10,870,027	3,826,900	14,696,927	
2025	10,420,027	3,018,294	13,438,321	(2,025,000)	(77,944)	149,750	1,895,000	-	415,000	270,300	270,300	685,300	10,705,027	3,360,400	14,065,427	
2026	7,185,027	2,621,275	9,806,302	(200,000)	(30,600)	55,000	1,650,000	-	425,000	257,850	257,850	682,850	7,575,027	2,903,525	10,478,552	40.70%
2027	7,539,116	2,344,900	9,884,016	(200,000)	(26,600)	46,750	1,700,000	-	440,000	245,100	245,100	685,100	7,949,116	2,610,150	10,559,266	
2028	6,920,318	2,065,325	8,985,643	(200,000)	(22,600)	38,250	1,750,000	-	450,000	231,900	231,900	681,900	7,345,318	2,312,875	9,658,193	
2029	7,135,000	1,772,125	8,907,125	(200,000)	(18,350)	29,500	1,800,000	-	465,000	218,400	218,400	683,400	7,580,000	2,001,675	9,581,675	
2030	7,420,000	1,488,375	8,908,375	(200,000)	(14,100)	20,500	1,850,000	-	480,000	204,450	204,450	684,450	7,885,000	1,699,225	9,584,225	
2031	7,710,000	1,189,988	8,899,988	(200,000)	(9,600)	13,100	1,850,000	-	495,000	190,050	190,050	685,050	8,190,000	1,383,538	9,573,538	73.16%
2032	8,020,000	878,025	8,898,025	(200,000)	(4,800)	5,700	190,000	-	510,000	175,200	175,200	685,200	8,520,000	1,054,125	9,574,125	
2033	2,665,000	552,513	3,217,513	-	-	-	-	-	525,000	159,900	159,900	684,900	3,190,000	712,413	3,902,413	
2034	2,735,000	475,063	3,210,063	-	-	-	-	-	540,000	144,150	144,150	684,150	3,275,000	619,213	3,894,213	
2035	2,825,000	394,450	3,219,450	-	-	-	-	-	555,000	127,950	127,950	682,950	3,380,000	522,400	3,902,400	
2036	2,910,000	311,150	3,221,150	-	-	-	-	-	575,000	111,300	111,300	686,300	3,485,000	422,450	3,907,450	91.37%
2037	2,995,000	224,238	3,219,238	-	-	-	-	-	590,000	94,050	94,050	684,050	3,585,000	318,288	3,903,288	
2038	2,090,000	132,680	2,222,680	-	-	-	-	-	610,000	76,350	76,350	686,350	2,700,000	209,030	2,909,030	
2039	1,410,000	65,320	1,475,320	-	-	-	-	-	625,000	58,050	58,050	683,050	2,035,000	123,370	2,158,370	
2040	720,000	21,600	741,600	-	-	-	-	-	645,000	39,300	39,300	684,300	1,365,000	60,900	1,425,900	
2041	-	-	-	-	-	-	-	-	665,000	19,950	19,950	684,950	665,000	19,950	684,950	#####
	\$ 110,866,272	\$ 28,964,163	\$ 139,830,434	\$ (8,945,000)	\$ (633,888)	\$ 979,038	\$ 8,260,000	\$ -	\$ 3,340,200	\$ 9,800,000	\$ 3,340,200	\$ 13,140,200	\$ 119,981,272	\$ 32,649,513	\$ 152,630,784	

NOTES:

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

²The County budgets to account for interest rate and/or basis risk. For further information concerning Interest Rate SWAPs see the CAFR.

³ True Interest Cost of 0.88%.

⁴ Estimated Interest Rates. Estimated Average Coupon 3.00%.

FINANCIAL OPERATIONS

BASIS OF ACCOUNTING AND PRESENTATION

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

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

FUND BALANCES, NET ASSETS AND RETAINED EARNINGS

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

	<u>For the Fiscal Year Ended June 30</u>				
<u>Fund Type</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<i>Governmental Funds:</i>					
General	\$22,063,871	\$25,172,479	\$28,673,099	\$30,980,046	\$35,665,464
Highway/Public Works	2,984,932	5,548,857	7,448,583	7,470,280	7,683,981
General Debt Service	25,577,383	27,130,618	29,343,594	32,488,498	35,692,887
Capital Projects	4,619,656	4,420,949	3,882,791	3,547,543	3,634,122
Other Governmental	<u>1,016,588</u>	<u>1,353,627</u>	<u>1,468,424</u>	<u>2,101,720</u>	<u>2,908,969</u>
Total	<u>\$56,262,430</u>	<u>\$63,626,530</u>	<u>\$70,816,491</u>	<u>\$76,588,087</u>	<u>\$85,585,423</u>
<i>Proprietary Funds:</i>					
Public Utility Fund	\$19,046,758	\$19,106,543	\$18,796,858	\$20,636,336	\$21,023,865
Internal Service Net Assets	<u>852,037</u>	<u>1,648,220</u>	<u>1,899,591</u>	<u>865,830</u>	<u>866,639</u>
Total	<u>\$19,898,795</u>	<u>\$20,754,763</u>	<u>\$20,696,449</u>	<u>\$21,502,166</u>	<u>\$21,890,504</u>

Source: The County.

[balance of page left blank]

SEVIER COUNTY, 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	\$ 29,105,027	\$ 29,603,557	\$ 30,562,313	\$ 31,980,628	\$ 34,202,045
Licenses and Permits	753,885	1,026,427	990,105	983,358	1,086,346
Fines, forfeitures and penalties	432,962	371,559	381,844	359,555	313,853
Charges for current services	3,241,904	3,533,702	4,086,579	4,136,750	4,807,995
Other local revenues	162,443	83,093	319,397	99,774	100,341
Fees Recv'd from County Officials	6,848,381	6,948,038	7,089,876	7,255,410	7,267,184
State of Tennessee	3,863,787	3,570,933	3,573,636	3,921,310	3,764,327
Federal Government	1,204,763	1,410,727	2,261,234	1,641,434	1,929,261
Other Governments & Citizens Groups	901,109	795,137	900,967	779,089	819,689
Total Revenues	<u>\$ 46,514,261</u>	<u>\$ 47,343,173</u>	<u>\$ 50,165,951</u>	<u>\$ 51,157,308</u>	<u>\$ 54,291,041</u>
Expenditures:					
General Government	\$ 5,916,787	\$ 6,035,813	\$ 6,675,099	\$ 6,363,900	\$ 6,506,384
Finance	3,140,797	3,140,639	3,157,660	3,146,787	3,314,163
Administration of Justice	3,149,349	3,198,254	3,373,889	3,531,034	4,160,309
Public Safety	15,409,099	16,587,718	17,105,040	18,135,550	18,156,555
Public Health & Welfare	5,944,723	6,038,397	6,736,832	6,610,214	7,031,304
Social, Cultural & Recreational Services	1,791,563	1,810,100	1,833,821	1,931,562	1,924,948
Agricultural & Natural Resources	431,505	439,865	445,362	419,217	503,736
Other Operations	5,614,618	4,798,378	4,897,865	4,870,668	5,574,591
Highways	291,451	296,186	332,835	333,733	333,948
Debt Service	-	-	-	-	-
Capital Projects	3,155,407	1,849,728	2,091,076	3,661,166	2,050,185
Total Expenditures	<u>\$ 44,845,299</u>	<u>\$ 44,195,078</u>	<u>\$ 46,649,479</u>	<u>\$ 49,003,831</u>	<u>\$ 49,556,123</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 1,668,962	\$ 3,148,095	\$ 3,516,472	\$ 2,153,477	\$ 4,734,918
Other Sources and Uses:					
Note Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance Recovery	725	10,513	34,148	5,502	500
Proceeds from Sale of Capital Assets	-	-	-	197,968	-
Operating Transfers - In	-	-	-	-	-
Capitalized Lease Proceeds	-	-	-	-	-
Operating Transfers - Out	(88,965)	(50,000)	(50,000)	(50,000)	(50,000)
Total Other Sources & Uses	<u>\$ (88,240)</u>	<u>\$ (39,487)</u>	<u>\$ (15,852)</u>	<u>\$ 153,470</u>	<u>\$ (49,500)</u>
Net Change in Fund Balances	\$ 1,580,722	\$ 3,108,608	\$ 3,500,620	\$ 2,306,947	\$ 4,685,418
Fund Balance July 1	20,483,149	22,063,871	25,172,479	28,673,099	30,980,046
Prior Period Adjustment	-	-	-	-	-
Fund Balance June 30	<u><u>\$ 22,063,871</u></u>	<u><u>\$ 25,172,479</u></u>	<u><u>\$ 28,673,099</u></u>	<u><u>\$ 30,980,046</u></u>	<u><u>\$ 35,665,464</u></u>

Source: Comprehensive Annual Financial Reports for Sevier County, Tennessee.

INVESTMENT AND CASH MANAGEMENT PRACTICES

Investment of idle County operating funds is controlled by state statute and local policies and administered by the County Trustee. Generally, such policies limit investment instruments to direct U.S. Government obligations, those issued by U.S. Agencies or Certificates of Deposit. As required by prevailing statutes, all demand deposits or Certificates of Deposit are secured by similar grade collateral pledged at 110% of market value for amounts in excess of that guaranteed through federally sponsored insurance programs. 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.

County Taxation of Property

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

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

Assessment of Property

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

assessor's records the current classification and assessed value of all taxable property within the assessor's jurisdiction.

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

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

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

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

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

Periodic Reappraisal and Equalization

Tennessee law requires reappraisal in each county by a continuous six-year cycle comprised of an on-site review of each parcel of real property over a five-year period, or, upon approval of the State Board of Equalization, by a continuous four-year cycle comprised of an 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 the first Monday in October of each year. The county trustee of each county acts as the collector of all county property taxes and of all municipal property taxes when the municipality does not collect its own taxes.

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

[balance of page left blank]

Assessed Valuations. According to the Tax Aggregate Report and the County, property in the County reflected a ratio of appraised value to true market value of 1.00. The following table shows pertinent data for tax year 2021¹.

<u>Class</u>	<u>Estimated Assessed Valuation</u>	<u>Assessment Rate</u>	<u>Estimated Appraised Value</u>
Public Utilities	\$ 253,495	55%	\$ 460,900
Commercial and Industrial	1,753,363,700	40%	4,383,409,250
Personal Tangible Property	248,179,320	30%	827,264,400
Residential and Farm	<u>3,141,588,525</u>	25%	<u>12,566,354,100</u>
Total	<u>\$5,143,385,040</u>		<u>\$17,777,488,650</u>

The estimated assessed value of property in the County for the fiscal year ending June 30, 2022 (tax year 2021) is \$5,143,385,040 compared to \$3,993,142,530 for the fiscal year ending June 30, 2020 (tax year 2019). The estimated actual value of all taxable property for tax year 2021 is \$17,777,488,650 compared to \$18,505,858,232 for tax year 2020.

Source: 2021 Tax Aggregate Report of Tennessee and the County.

¹ The tax year coincides with the calendar year, therefore, tax year 2021 is actually fiscal year 2021-2022.

Property Tax Rates and Collections. The following table shows the property tax rates and collections of the County for tax years 2017 through 2021 as well as the aggregate uncollected balances for each fiscal year ending June 30, 2021.

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, 2021	
						Amount	Pct
2017	\$3,646,653,624	\$1.86	\$67,950,712	\$65,377,045	96.2%	\$ 44,555	0.07%
2018	3,702,767,170	1.86	68,822,045	66,511,417	96.6%	99,876	0.15%
2019	3,872,036,597	1.86	71,980,718	69,323,636	96.3%	548,796	0.76%
2020	3,993,142,530	1.86	73,808,861	71,472,180	96.8%	2,342,133	3.17%
2021	5,143,385,040	1.48	76,073,024	IN PROGRESS			

² The tax year coincides with the calendar year, therefore, tax year 2021 is actually fiscal year 2021-2022.

Source: Tax Aggregate Reports of Tennessee and the County.

[balance of page left blank]

Ten Largest Taxpayers. For the fiscal year ending June 30, 2021 (tax year 2020), the ten largest taxpayers in the County are as follows:

<u>Taxpayer</u>	<u>Business Type</u>	<u>Assessed Value</u>	<u>Taxes Levied</u>
1. Five Oaks Dev Group	Tanger Five Oaks Mall	\$ 30,655,440	\$ 570,191
2. Dollywood Co.	Amusement Park	15,378,840	286,046
3. Dollywood Co.	Dreammore Resort	12,194,960	226,826
5. Leconte Village LLC (The Island)	Retail	9,969,840	185,439
6. Ripley's Aquarium	Aquarium	7,870,120	146,384
7. Twin Islands Land Co LLC	Margaritaville Resort	7,828,240	145,605
4. Wilderness Tenn Venture#1	Wilderness Hotel	7,264,400	135,118
8. Strata Smokycross LLC	Apartments	6,372,520	118,529
9. Bass Pro Station LLC	Bass Pro Outdoor World	5,956,640	110,794
10. Wilderness Tenn Venture#2	Waterpark	<u>5,814,240</u>	<u>108,145</u>
TOTAL		<u>\$109,305,240</u>	<u>\$2,033,077</u>

Source: The County.

SALES TAX

Introduction. The residents of Sevier County, Tennessee, adopted on December 16, 1967 a county-wide 1% local sales tax under the provisions of Chapter 329 of the 1963 Public Acts of Tennessee which is known as the 1963 Local Option Revenue Act. This county-wide tax became effective February 1, 1968. On September 9, 1971, the voters approved an increase to 1-1/2% which went into effect in November 1971. On July 28, 1983, the residents of Sevier County voted to increase the sales tax from 1-1/2% to 2-1/4%. This change went into effect on September 1, 1983 and was maintained until the October 1, 1991. On August 20, 1991, the residents of Sevier County voted to increase the sales tax from 2-1/4% to 2-1/2% effective October 1, 1991.

Effective July 1, 2009 the sales tax was increased from 2.50% to 2.75% after the residents of the County voted to approve the increase. The new rate will apply to all taxable sales of tangible personal property and taxable services made on or after July 1, 2009 by sellers located in all areas of Sevier County, including the cities of Sevierville, Gatlinburg, Pigeon Forge and Pittman Center.

Source: Tennessee Department of Revenue

[balance of page left blank]

Revenues and Pledges. The following tabulation shows the historical results of the local sales tax collections for the last ten years ended June 30, 2011 through June 30, 2020.

2011.....	\$ 76,076,913
2012.....	\$ 80,512,240
2013.....	\$ 84,449,736
2014.....	\$ 87,691,410
2015.....	\$ 94,297,092
2016.....	\$105,530,524
2017.....	\$109,184,650
2018.....	\$113,625,384
2019.....	\$122,292,795
2020.....	\$120,392,119

One-half of the sales tax monies collected goes to the Sevier County Board of Education and the other half is divided between the General Fund of Sevier County, the City of Gatlinburg, the City of Pigeon Forge, the City of Sevierville and the City of Pittman Center.

A portion of local sales taxes collected in the TDZ are not allocated as described in the preceding paragraph but instead are diverted to the payment of debt service on the TDZ Bonds.

INSURANCE

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

The County has established a Self-Insurance Fund which is reflected as an expendable trust fund. This fund is used to account for transactions pertaining to the County's self-insured group medical plan. The County is self-insured to a limit of \$20,000 for single medical claims and \$357,453 for all medical claims in any plan year. Any amounts in excess of these limits are covered by a excess loss policy. Group life and accident insurance premiums paid to a private insurance company are also recorded in this fund.

PENSION PLANS

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

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

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

[balance of page left blank]

GENERAL PURPOSE FINANCIAL STATEMENTS

SEVIER COUNTY, TENNESSEE

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2021

The General Purpose Financial Statements are extracted from the Financial Statements with Report of Certified Public Accountants of Sevier County for the fiscal year ended June 30, 2021 which is available upon request from the County.

ANNUAL FINANCIAL REPORT
SEVIER COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2020



DIVISION OF LOCAL GOVERNMENT AUDIT



ANNUAL FINANCIAL REPORT
SEVIER COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2020

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

MARK TREECE, CPA, CGFM
Audit Manager

AMY SOSVILLE, CPA
Senior Auditor

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

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

SEVIER COUNTY, TENNESSEE TABLE OF CONTENTS

	Exhibit	Page(s)
Summary of Audit Findings		6
<u>INTRODUCTORY SECTION</u>		7
Sevier County Officials		8
<u>FINANCIAL SECTION</u>		9
Independent Auditor's Report		10-12
BASIC FINANCIAL STATEMENTS:		13
Government-wide Financial Statements:		
Statement of Net Position	A	14-16
Statement of Activities	B	17-18
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	19-21
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	22
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	23-24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	25-26
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	C-5	27-29
Highway/Public Works Fund	C-6	30-31
Proprietary Funds:		
Statement of Net Position	D-1	32-33
Statement of Revenues, Expenses, and Changes in Net Position	D-2	34-35
Statement of Cash Flows	D-3	36
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	E	37
Index and Notes to the Financial Statements		38-116
REQUIRED SUPPLEMENTARY INFORMATION:		117
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	F-1	118
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	F-2	119
Schedule of Contributions Based on Participation in the Teacher Retirement Plan of TCRS – Discretely Presented Sevier County School Department	F-3	120

	Exhibit	Page(s)
Schedule of Contributions Based on Participation in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Sevier County School Department	F-4	121
Schedule of Proportionate Share of the Net Pension Liability (Asset) in the Teacher Retirement Plan of TCRS – Discretely Presented Sevier County School Department	F-5	122
Schedule of Proportionate Share of the Net Pension Liability (Asset) in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Sevier County School Department	F-6	123
Schedule of Changes in the Total OPEB Liability and Related Ratios - Sevier County Plan	F-7	124
Schedule of Changes in the Total OPEB Liability and Related Ratios - Tennessee Plan - Medicare	F-8	125
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan - Discretely Presented Sevier County School Department	F-9	126
Schedule of Changes in the Total OPEB Liability and Related Ratios - Tennessee Plan - Medicare - Discretely Presented Sevier County School Department	F-10	127
Notes to the Required Supplementary Information		128
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		129
Nonmajor Governmental Funds:		130
Combining Balance Sheet	G-1	131-134
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	135-138
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
Courthouse and Jail Maintenance Fund	G-3	139
Law Library Fund	G-4	140
Solid Waste/Sanitation Fund	G-5	141
Special Purpose Fund	G-6	142
Drug Control Fund	G-7	143
Other Special Revenue Fund	G-8	144
Major Governmental Fund:		145
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	H	146
Proprietary Funds:		147
Combining Statement of Net Position - Internal Service Funds	I-1	148
Combining Statement of Revenues, Expenses, and Changes in Net Position - Internal Service Funds	I-2	149
Combining Statement of Cash Flows - Internal Service Funds	I-3	150
Fiduciary Funds:		151
Combining Statement of Fiduciary Assets and Liabilities	J-1	152
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	J-2	153-154
Component Unit:		
Discretely Presented Sevier County School Department:		155
Statement of Activities	K-1	156
Balance Sheet – Governmental Funds	K-2	157

	Exhibit	Page(s)
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	K-3	158
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	K-4	159
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	K-5	160
Combining Balance Sheet – Nonmajor Governmental Funds	K-6	161
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	K-7	162
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	K-8	163-165
School Federal Projects Fund	K-9	166
Central Cafeteria Fund	K-10	167
Miscellaneous Schedules:		168
Schedule of Changes in Long-term Bonds and Other Loans	L-1	169
Schedule of Long-term Debt Requirements by Year	L-2	170
Schedule of Transfers - Primary Government and Discretely Presented Sevier County School Department	L-3	171
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Sevier County School Department	L-4	172
Schedule of Detailed Revenues – All Governmental Fund Types	L-5	173-193
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Sevier County School Department	L-6	194-197
Schedule of Detailed Expenditures – All Governmental Fund Types	L-7	198-228
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Sevier County School Department	L-8	229-241
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balance – City Agency Fund	L-9	242
 <u>STATUTORY SECTION</u>	 <u>Table</u>	 243
Operating Information - Public Utility Fund:		
Schedule of Utility Rates	1	244
Schedule of Unaccounted for Water	2	245-246
 <u>SINGLE AUDIT SECTION</u>		 247
Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>		248-249
Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by Uniform Guidance		250-252
Schedule of Expenditures of Federal Awards and State Grants		253-255
Summary Schedule of Prior-year Findings		256
Schedule of Findings and Questioned Costs		257-259
Management's Corrective Action Plan		260-261
Best Practice		262

Summary of Audit Findings

Annual Financial Report
Sevier County, Tennessee
For the Year Ended June 30, 2020

Scope

We have audited the basic financial statements of Sevier County as of and for the year ended June 30, 2020.

Results

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

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

Finding

The following is a summary of the audit finding:

OFFICE OF COUNTY CLERK

- ◆ Time sheets for an employee did not always reflect actual time worked.
-

INTRODUCTORY SECTION

Sevier County Officials
June 30, 2020

Officials

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

Board of County Commissioners

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

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

Board of Education

Mark Strange, Chairman
John McClure
Mike Oakley

Charles Temple
Kevin Townsend

Audit Committee

Kent Woods, Chairman
Ronnie Whaley
Fred Atchley
Gary Cole

Warren Hurst
Ben Clabo
David Norton

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sevier County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sevier County, Tennessee, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Sevier County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Sevier County School Department (a discretely presented component unit), miscellaneous schedules and other information such as the introductory section and statutory section are presented for purposes of additional analysis

and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

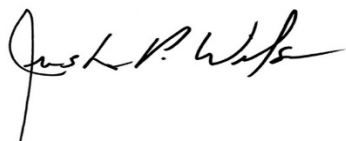
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Sevier County School Department (a discretely presented component unit), schedule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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2020, on our consideration of Sevier County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Sevier County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sevier County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 25, 2020

JPW/tg

BASIC FINANCIAL STATEMENTS

Exhibit A

Sevier County, Tennessee
Statement of Net Position
June 30, 2020

	Primary Government			Component
	Governmental	Business-type	Total	Unit
	Activities	Activities		Sevier County School Department
<u>ASSETS</u>				
Cash	\$ 1,642,265	\$ 200	\$ 1,642,465	\$ 6,419
Equity in Pooled Cash and Investments	82,737,042	2,799,132	85,536,174	50,332,694
Accounts Receivable	2,293,602	232,545	2,526,147	683,318
Allowance for Uncollectibles	(479,730)	(14,778)	(494,508)	0
Due from Other Governments	4,215,569	0	4,215,569	12,144,798
Due from Primary Government	0	0	0	474
Prepaid Items	187,142	1,985	189,127	0
Property Taxes Receivable	37,011,166	0	37,011,166	38,224,645
Allowance for Uncollectible Property Taxes	(656,463)	0	(656,463)	(677,985)
Net Pension Asset - Agent Plan	11,817,279	97,866	11,915,145	9,717,289
Net Pension Asset - Teacher Legacy Pension Plan	0	0	0	18,311,458
Net Pension Asset - Teacher Retirement Plan	0	0	0	596,056
Restricted Assets:				
Amounts Accumulated for Pension Benefits	0	0	0	500,731
Capital Assets :				
Assets Not Depreciated:				
Land	7,461,303	0	7,461,303	19,527,122
Construction in Progress	1,389,198	0	1,389,198	22,487,348
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	33,365,136	0	33,365,136	96,937,062
Infrastructure	55,533,075	17,870,782	73,403,857	3,743,671
Other Capital Assets	5,956,632	220,302	6,176,934	5,780,841
Total Assets	<u>\$ 242,473,216</u>	<u>\$ 21,208,034</u>	<u>\$ 263,681,250</u>	<u>\$ 278,315,941</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Accumulated Decrease in Fair Value of Hedging Derivatives	\$ 137,124	\$ 0	\$ 137,124	\$ 0
Deferred Amount on Refunding	545,474	0	545,474	0
Pension Changes in Assumptions	793,528	6,572	800,100	3,140,788
Pension Changes in Experience	0	0	0	916,253
Pension Changes in Proportion	0	0	0	491,100
Pension Contributions After Measurement Date	1,467,310	12,506	1,479,816	7,676,302
OPEB Change in Experience	32,206	221	32,427	5,616,353
OPEB Change in Assumptions	139,288	885	140,173	1,417,666
OPEB Changes in Proportion	0	0	0	3,268,011
OPEB Contributions After Measurement Date	116,507	734	117,241	1,458,347
Total Deferred Outflows of Resources	<u>\$ 3,231,437</u>	<u>\$ 20,918</u>	<u>\$ 3,252,355</u>	<u>\$ 23,984,820</u>

(Continued)

Exhibit A

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

	Primary Government			Component
	Governmental	Business-type	Total	Unit
	Activities	Activities		Sevier County School Department
<u>LIABILITIES</u>				
Accounts Payable	\$ 618,442	\$ 15,127	\$ 633,569	\$ 8,086
Accrued Payroll	302,565	1,711	304,276	0
Accrued Interest Payable	148,659	0	148,659	0
Payroll Deductions Payable	550,484	5,824	556,308	0
Due to Component Units	141	333	474	0
Derivative - Interest Rate Swap	1,773,636	0	1,773,636	0
Other Current Liabilities	719,586	0	719,586	5,932,744
Customer Deposits Payable	0	112,500	112,500	0
Noncurrent Liabilities:				
Due Within One Year - Debt	8,305,023	0	8,305,023	0
Due Within One Year - Other	900,000	0	900,000	0
Due in More Than One Year - Debt	114,386,946	0	114,386,946	0
Due in More Than One Year - Other	4,696,768	30,196	4,726,964	37,249,137
Total Liabilities	\$ 132,402,250	\$ 165,691	\$ 132,567,941	\$ 43,189,967
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 35,341,529	\$ 0	\$ 35,341,529	\$ 36,500,268
Pension Changes in Experience	2,677,862	22,177	2,700,039	13,491,050
Pension Changes in Investment Earnings	1,041,933	8,629	1,050,562	6,113,912
Pension Changes in Proportion	0	0	0	55,368
OPEB Changes in Experience	1,001,212	7,526	1,008,738	770,483
OPEB Changes in Assumptions	138,680	1,064	139,744	3,290,646
OPEB Changes in Proportion	0	0	0	2,868,305
Total Deferred Inflows of Resources	\$ 40,201,216	\$ 39,396	\$ 40,240,612	\$ 63,090,032

(Continued)

Exhibit A

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

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Sevier County School Department
<u>NET POSITION</u>				
Net Investment in Capital Assets	\$ 73,815,000	\$ 18,091,084	\$ 91,906,084	\$ 148,476,044
Restricted for:				
General Government	2,444,283	0	2,444,283	0
Administration of Justice	1,134,604	0	1,134,604	0
Public Safety	50,144	0	50,144	0
Highways	7,735,037	0	7,735,037	0
Debt Service	35,691,847	0	35,691,847	0
Capital Outlay	871,793	0	871,793	7,693,331
Education	0	0	0	2,099,387
Pensions	11,817,279	97,866	11,915,145	29,125,534
Unrestricted	(60,458,800)	2,834,915	(57,623,885)	8,626,466
Total Net Position	\$ 73,101,187	\$ 21,023,865	\$ 94,125,052	\$ 196,020,762

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

Exhibit B

Sevier County, Tennessee
Statement of Activities
For the Year Ended June 30, 2020

Functions/Programs	Net (Expense) Revenue and Changes in Net Position							
	Expenses	Program Revenues			Primary Government			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Sevier County School Department
Primary Government:								
Governmental Activities:								
General Government	\$ 13,876,977	\$ 2,421,202	\$ 110,821	\$ 0	\$ (11,344,954)	\$ 0	\$ (11,344,954)	\$ 0
Finance	3,279,845	4,800,980	0	0	1,521,135	0	1,521,135	0
Administration of Justice	4,306,569	2,099,977	354,092	0	(1,852,500)	0	(1,852,500)	0
Public Safety	18,695,334	2,275,057	1,313,321	5,672	(15,101,284)	0	(15,101,284)	0
Public Health and Welfare	12,132,877	3,850,289	1,067,873	50,159	(7,164,556)	0	(7,164,556)	0
Social, Cultural, and Recreational Services	2,606,236	20,269	154,245	0	(2,431,722)	0	(2,431,722)	0
Agriculture and Natural Resources	501,613	0	0	0	(501,613)	0	(501,613)	0
Highways	10,181,124	276,448	3,355,653	195,643	(6,353,380)	0	(6,353,380)	0
Education	12,165,039	1,330,066	0	0	(10,834,973)	0	(10,834,973)	0
Interest on Long-term Debt	3,525,915	0	0	0	(3,525,915)	0	(3,525,915)	0
Total Primary Government	\$ 81,271,529	\$ 17,074,288	\$ 6,356,005	\$ 251,474	\$ (57,589,762)	\$ 0	\$ (57,589,762)	\$ 0
Business-type Activities:								
Public Utility Fund	\$ 1,949,027	\$ 2,305,060	\$ 0	\$ 0	\$ 0	\$ 356,033	\$ 356,033	\$ 0
Total Business-type Activities	\$ 1,949,027	\$ 2,305,060	\$ 0	\$ 0	\$ 0	\$ 356,033	\$ 356,033	\$ 0
Total Primary Government	\$ 83,220,556	\$ 19,379,348	\$ 6,356,005	\$ 251,474	\$ (57,589,762)	\$ 356,033	\$ (57,233,729)	\$ 0
Component Units:								
Sevier County School Department	\$ 167,587,738	\$ 1,387,101	\$ 13,612,880	\$ 12,962,679	\$ 0	\$ 0	\$ 0	\$ (139,625,078)
Total Component Units	\$ 167,587,738	\$ 1,387,101	\$ 13,612,880	\$ 12,962,679	\$ 0	\$ 0	\$ 0	\$ (139,625,078)

(Continued)

Exhibit B

Sevier County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Sevier County School Department
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					\$ 21,163,089	\$ 0	\$ 21,163,089	\$ 37,035,323
Property Taxes Levied for Special Purposes					1,175,718	0	1,175,718	0
Property Taxes Levied for Highways					7,250,265	0	7,250,265	0
Property Taxes Levied for Debt Service					6,270,567	0	6,270,567	0
Local Option Sales Taxes					7,374,094	0	7,374,094	60,405,973
Other Local Taxes					327,352	0	327,352	300,422
Hotel/Motel Tax					3,921,826	0	3,921,826	3,917,858
Business Tax					3,252,288	0	3,252,288	0
Litigation Tax - Jail, Workhouse, or Courthouse					860,897	0	860,897	0
Mixed Drink Tax					0	0	0	729,808
Wholesale Beer Tax					619,818	0	619,818	0
Grants and Contributions Not Restricted to Specific Programs					10,247,982	0	10,247,982	50,386,597
Unrestricted Investment Income					2,306,281	0	2,306,281	21,567
Gain on Investments					0	0	0	15,506
Miscellaneous					56,438	0	56,438	104,410
Gain on Disposal of Property					62,357	0	62,357	0
Total General Revenues					\$ 64,888,972	\$ 0	\$ 64,888,972	\$ 152,917,464
Change in Fair Value of Investment Derivatives - Interest Rate Swap					\$ 230,010	\$ 0	\$ 230,010	\$ 0
Transfers - Capital Assets					(31,496)	31,496	0	0
Change in Net Position					\$ 7,497,724	\$ 387,529	\$ 7,885,253	\$ 13,292,386
Net Position, July 1, 2019					65,603,463	20,636,336	86,239,799	182,728,376
Net Position, June 30, 2020					\$ 73,101,187	\$ 21,023,865	\$ 94,125,052	\$ 196,020,762

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

Exhibit C-1

Sevier County, Tennessee
 Balance Sheet
 Governmental Funds
 June 30, 2020

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	General Debt Service	General Capital Projects	Funds Other Govern- mental Funds	
<u>ASSETS</u>						
Cash	\$ 33,709	\$ 0	\$ 0	\$ 0	\$ 2,876	\$ 36,585
Equity in Pooled Cash and Investments	33,280,500	7,693,244	35,496,470	3,626,611	2,640,217	82,737,042
Accounts Receivable	2,084,234	34,272	166,869	0	8,227	2,293,602
Allowance for Uncollectibles	(479,730)	0	0	0	0	(479,730)
Due from Other Governments	3,040,871	529,040	0	7,511	638,147	4,215,569
Due from Other Funds	2,876	0	0	0	72,865	75,741
Property Taxes Receivable	21,842,655	7,483,132	6,082,065	0	1,603,314	37,011,166
Allowance for Uncollectible Property Taxes	(387,420)	(132,728)	(111,205)	0	(25,110)	(656,463)
Prepaid Items	177,210	0	0	0	9,932	187,142
Total Assets	\$ 59,594,905	\$ 15,606,960	\$ 41,634,199	\$ 3,634,122	\$ 4,950,468	\$ 125,420,654
<u>LIABILITIES</u>						
Accounts Payable	\$ 245,445	\$ 222,992	\$ 0	\$ 0	\$ 130,409	\$ 598,846
Accrued Payroll	168,668	125,745	0	0	8,152	302,565
Payroll Deductions Payable	519,639	0	0	0	27,383	547,022
Future Compensation Payable	3,447	0	0	0	15	3,462
Due to Other Funds	72,865	41	0	0	2,876	75,782
Due to Component Units	141	0	0	0	0	141
Other Current Liabilities	100	0	0	0	0	100
Total Liabilities	\$ 1,010,305	\$ 348,778	\$ 0	\$ 0	\$ 168,835	\$ 1,527,918
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 20,857,296	\$ 7,145,555	\$ 5,793,693	\$ 0	\$ 1,544,985	\$ 35,341,529

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>						
Deferred Delinquent Property Taxes	\$ 498,216	\$ 170,685	\$ 147,619	\$ 0	\$ 27,679	\$ 844,199
Other Deferred/Unavailable Revenue	1,563,624	257,961	0	0	300,000	2,121,585
Total Deferred Inflows of Resources	<u>\$ 22,919,136</u>	<u>\$ 7,574,201</u>	<u>\$ 5,941,312</u>	<u>\$ 0</u>	<u>\$ 1,872,664</u>	<u>\$ 38,307,313</u>
<u>FUND BALANCES</u>						
Nonspendable:						
Prepaid Items	\$ 177,210	\$ 0	\$ 0	\$ 0	\$ 9,932	\$ 187,142
Restricted:						
Restricted for General Government	0	0	0	0	65,829	65,829
Restricted for Administration of Justice	0	0	0	0	1,134,604	1,134,604
Restricted for Public Safety	0	0	0	0	50,144	50,144
Restricted for Public Health and Welfare	0	0	0	1,776,476	0	1,776,476
Restricted for Social, Cultural, and Recreational Services	0	0	0	889,182	0	889,182
Restricted for Other Operations	2,378,454	0	0	0	0	2,378,454
Restricted for Highways/Public Works	0	7,306,391	0	0	0	7,306,391
Restricted for Capital Outlay	0	0	0	820,395	844,114	1,664,509
Restricted for Debt Service	0	0	35,692,887	0	0	35,692,887
Committed:						
Committed for Administration of Justice	0	0	0	0	99,287	99,287
Committed for Public Health and Welfare	0	0	0	0	572,188	572,188
Committed for Highways/Public Works	0	377,590	0	0	0	377,590
Committed for Capital Outlay	0	0	0	0	132,871	132,871
Committed for Capital Projects	0	0	0	148,069	0	148,069
Assigned:						
Assigned for General Government	2,556,000	0	0	0	0	2,556,000

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>FUND BALANCES (Cont.)</u>						
Unassigned	\$ 30,553,800	\$ 0	\$ 0	\$ 0	\$ 0	\$ 30,553,800
Total Fund Balances	\$ 35,665,464	\$ 7,683,981	\$ 35,692,887	\$ 3,634,122	\$ 2,908,969	\$ 85,585,423
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 59,594,905	\$ 15,606,960	\$ 41,634,199	\$ 3,634,122	\$ 4,950,468	\$ 125,420,654

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

Exhibit C-2

Sevier County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2020

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$	85,585,423
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	7,461,303	
Add: construction in progress		1,389,198	
Add: buildings and improvements net of accumulated depreciation		33,365,136	
Add: infrastructure net of accumulated depreciation		55,533,075	
Add: other capital assets net of accumulated depreciation		<u>5,956,632</u>	103,705,344
(2) Internal service funds are used by management to charge the cost of workers' compensation, employee health, dental, and vision benefits to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.			866,639
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: other loans payable	\$	(49,721,699)	
Less: bonds payable		(69,374,176)	
Add: deferred amount on refunding		545,474	
Less: unamortized premium on debt		(3,596,094)	
Less: OPEB Liability		(4,696,768)	
Less: judgment payable		(900,000)	
Less: accrued interest on bonds, notes, and other loans		(148,659)	
Less: fair value of derivative - interest rate swap		(1,773,636)	
Add: deferred amount for fair value of cash flow hedge derivative		<u>137,124</u>	(129,528,434)
(4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions/OPEB will be amortized and recognized as components of pension/OPEB expense in future years.			
Add: deferred outflows related to pensions	\$	2,260,838	
Less: deferred inflows related to pensions		(3,719,795)	
Add: deferred outflows related to OPEB		288,001	
Less: deferred inflows related to OPEB		<u>(1,139,892)</u>	(2,310,848)
(5) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			11,817,279
(6) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			<u>2,965,784</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>73,101,187</u></u>

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

Exhibit C-3

Sevier County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>						
Local Taxes	\$ 34,202,045	\$ 7,422,910	\$ 6,419,884	\$ 0	\$ 4,800,486	\$ 52,845,325
Licenses and Permits	1,086,346	0	0	0	0	1,086,346
Fines, Forfeitures, and Penalties	313,853	0	0	0	188,482	502,335
Charges for Current Services	4,807,995	0	0	0	37,718	4,845,713
Other Local Revenues	100,341	11,450	2,294,248	0	105,624	2,511,663
Fees Received From County Officials	7,267,184	0	0	0	0	7,267,184
State of Tennessee	3,764,327	3,492,805	0	0	202,567	7,459,699
Federal Government	1,929,261	0	0	300,446	100,922	2,330,629
Other Governments and Citizens Groups	819,689	273,908	7,131,970	0	0	8,225,567
Total Revenues	\$ 54,291,041	\$ 11,201,073	\$ 15,846,102	\$ 300,446	\$ 5,435,799	\$ 87,074,461
<u>Expenditures</u>						
Current:						
General Government	\$ 6,506,384	\$ 0	\$ 0	\$ 0	\$ 44,367	\$ 6,550,751
Finance	3,314,163	0	0	0	43,731	3,357,894
Administration of Justice	4,160,309	0	0	0	281,235	4,441,544
Public Safety	18,156,555	0	0	0	744,647	18,901,202
Public Health and Welfare	7,031,304	0	0	0	3,411,558	10,442,862
Social, Cultural, and Recreational Services	1,924,948	0	0	0	16,383	1,941,331
Agriculture and Natural Resources	503,736	0	0	0	0	503,736
Other Operations	5,574,591	0	0	0	194,731	5,769,322
Highways	333,948	11,055,312	0	0	0	11,389,260
Debt Service:						
Principal on Debt	0	0	8,350,023	0	0	8,350,023
Interest on Debt	0	0	3,701,047	0	0	3,701,047
Other Debt Service	0	0	705,578	186,871	0	892,449

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>						
Capital Projects	\$ 2,050,185	\$ 0	\$ 0	\$ 11,126,992	\$ 5,000	\$ 13,182,177
Total Expenditures	\$ 49,556,123	\$ 11,055,312	\$ 12,756,648	\$ 11,313,863	\$ 4,741,652	\$ 89,423,598
Excess (Deficiency) of Revenues Over Expenditures						
	\$ 4,734,918	\$ 145,761	\$ 3,089,454	\$ (11,013,417)	\$ 694,147	\$ (2,349,137)
<u>Other Financing Sources (Uses)</u>						
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 10,000,000	\$ 0	\$ 10,000,000
Refunding Debt Issued	0	0	6,290,000	0	0	6,290,000
Premiums on Debt Sold	0	0	949,935	1,099,996	0	2,049,931
Proceeds from Sale of Capital Assets	0	62,357	0	0	15,000	77,357
Insurance Recovery	500	5,583	0	0	48,102	54,185
Transfers In	0	0	0	0	67,336	67,336
Transfers Out	(50,000)	0	0	0	(17,336)	(67,336)
Payments to Refunded Debt Escrow Agent	0	0	(7,125,000)	0	0	(7,125,000)
Total Other Financing Sources (Uses)	\$ (49,500)	\$ 67,940	\$ 114,935	\$ 11,099,996	\$ 113,102	\$ 11,346,473
Net Change in Fund Balances						
Fund Balance, July 1, 2019	\$ 4,685,418	\$ 213,701	\$ 3,204,389	\$ 86,579	\$ 807,249	\$ 8,997,336
	30,980,046	7,470,280	32,488,498	3,547,543	2,101,720	76,588,087
Fund Balance, June 30, 2020						
	\$ 35,665,464	\$ 7,683,981	\$ 35,692,887	\$ 3,634,122	\$ 2,908,969	\$ 85,585,423

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

Exhibit C-4

Sevier County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2020

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ 8,997,336
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 8,928,748	
Less: current-year depreciation expense	<u>(8,793,479)</u>	135,269
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Add: assets donated and capitalized	\$ 5,672	
Less: assets donated to business-type activities	(31,496)	
Less: book value of assets disposed	<u>(64,384)</u>	(90,208)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2020	\$ 2,965,784	
Less: deferred delinquent property taxes and other deferred June 30, 2019	<u>(2,872,350)</u>	93,434
(4) The issuance of long-term debt (e.g., bonds, notes, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences.		
in the treatment of long-term debt and related items.		
Add: principal payments on other loans	\$ 4,819,996	
Add: principal payments on bonds	3,530,027	
Add: principal amount of bonds refunded	7,125,000	
Less: bond proceeds	(10,000,000)	
Less: refunding proceeds	(6,290,000)	
Less: change in premium on debt issuances	(1,771,449)	
Less: change in deferred amount on refunding debt	<u>(78,522)</u>	(2,664,948)

(Continued)

Exhibit C-4

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

(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued interest payable	\$	(24,828)	
Change in OPEB liability		(421,452)	
Change in judgment payable		(900,000)	
Change in net pension asset		2,249,490	
Change in deferred outflows related to pensions		(280,726)	
Change in deferred inflows related to pensions		(310,506)	
Change in deferred outflows related to OPEB		238,228	
Change in deferred inflows related to OPEB		245,816	\$ 796,022
(6) Internal service funds are used by management to charge the cost of workers' compensation, employee health, dental, and vision benefits to individual funds. The net revenue (expense) of certain activities of the internal service funds is reported with governmental activities in the statement of activities.			809
(7) For interest rate swap agreements that are classified as investment derivatives, the change in fair market value is reflected in changes in net position for governmental activities.			
Change in fair value of all derivatives	\$	87,509	
Change in deferred inflows related to derivatives		5,377	
Change in deferred outflows related to derivatives		137,124	230,010
Change in net position of governmental activities (Exhibit B)			<u>\$ 7,497,724</u>

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

Exhibit C-5

Sevier County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 34,202,045	\$ 30,067,925	\$ 32,192,989	\$ 2,009,056
Licenses and Permits	1,086,346	900,000	900,000	186,346
Fines, Forfeitures, and Penalties	313,853	353,159	353,159	(39,306)
Charges for Current Services	4,807,995	4,666,525	5,163,627	(355,632)
Other Local Revenues	100,341	61,500	63,944	36,397
Fees Received From County Officials	7,267,184	6,755,000	6,830,000	437,184
State of Tennessee	3,764,327	3,964,000	3,382,945	381,382
Federal Government	1,929,261	1,372,864	1,806,563	122,698
Other Governments and Citizens Groups	819,689	660,417	792,814	26,875
Total Revenues	\$ 54,291,041	\$ 48,801,390	\$ 51,486,041	\$ 2,805,000
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 515,135	\$ 583,795	\$ 583,795	\$ 68,660
Beer Board	3,478	11,250	11,250	7,772
Other Boards and Committees	916,898	921,782	931,782	14,884
County Mayor/Executive	933,143	962,114	962,114	28,971
Election Commission	605,594	684,826	687,826	82,232
Register of Deeds	626,668	639,202	639,202	12,534
Planning	293,470	341,071	341,071	47,601
Building	194,958	207,474	207,474	12,516
Geographical Information Systems	190,993	191,658	193,158	2,165
County Buildings	1,171,387	1,269,032	1,279,032	107,645
Other Facilities	317,685	324,000	324,000	6,315
Other General Administration	518,641	520,251	555,251	36,610
Preservation of Records	218,334	226,444	228,444	10,110
<u>Finance</u>				
Property Assessor's Office	1,211,314	1,292,233	1,292,233	80,919
Reappraisal Program	0	15,000	15,000	15,000
County Trustee's Office	682,855	691,178	694,178	11,323
County Clerk's Office	1,177,649	1,240,825	1,240,825	63,176
Data Processing	242,345	251,929	253,929	11,584
<u>Administration of Justice</u>				
Circuit Court	1,062,860	1,106,277	1,116,277	53,417
General Sessions Court	854,184	866,311	866,311	12,127
General Sessions Judge	544,091	621,608	593,893	49,802
Drug Court	0	50,000	0	0
Chancery Court	467,065	467,574	468,574	1,509
Juvenile Court	153,408	160,514	160,514	7,106
District Attorney General	189,918	202,720	202,720	12,802
Judicial Commissioners	306,675	330,331	332,331	25,656
Probation Services	520,074	0	637,152	117,078
Victim Assistance Programs	62,034	62,016	62,216	182
<u>Public Safety</u>				
Sheriff's Department	7,368,705	7,593,115	7,653,127	284,422
Drug Enforcement	276,418	298,029	302,379	25,961
Jail	7,294,443	6,958,375	7,541,375	246,932
Juvenile Services	460,372	495,295	495,295	34,923

(Continued)

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Safety (Cont.)</u>				
Fire Prevention and Control	\$ 1,118,240	\$ 1,090,518	\$ 1,121,088	\$ 2,848
Civil Defense	4,000	4,000	4,000	0
Rescue Squad	53,750	53,750	53,750	0
Other Emergency Management	396,311	204,911	420,961	24,650
County Coroner/Medical Examiner	381,845	267,049	405,299	23,454
Other Public Safety	802,471	847,882	847,882	45,411
<u>Public Health and Welfare</u>				
Local Health Center	62,177	136,205	136,205	74,028
Rabies and Animal Control	163,000	160,500	163,000	0
Ambulance/Emergency Medical Services	5,371,601	5,284,395	5,438,305	66,704
Maternal and Child Health Services	641,067	1,093,958	1,093,958	452,891
Alcohol and Drug Programs	194,181	134,833	203,433	9,252
Other Local Health Services	199,294	214,000	214,000	14,706
Appropriation to State	85,704	86,261	86,261	557
Other Local Welfare Services	11,488	29,500	29,500	18,012
Other Public Health and Welfare	302,792	348,960	348,960	46,168
<u>Social, Cultural, and Recreational Services</u>				
Senior Citizens Assistance	460,892	464,457	487,257	26,365
Libraries	1,369,533	1,433,055	1,445,180	75,647
Parks and Fair Boards	94,523	116,155	116,155	21,632
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	313,749	284,159	330,159	16,410
Forest Service	1,000	1,000	1,000	0
Soil Conservation	42,272	42,305	42,305	33
Storm Water Management	146,715	189,327	189,327	42,612
<u>Other Operations</u>				
Tourism	1,499,488	1,905,000	1,955,250	455,762
Veterans' Services	123,881	138,196	138,196	14,315
Contributions to Other Agencies	266,941	287,941	287,941	21,000
Employee Benefits	1,293,536	621,958	1,421,958	128,422
COVID-19 Grant #4	55,845	0	55,845	0
COVID-19 Grant A	32,747	0	32,747	0
Miscellaneous	2,302,153	2,299,872	2,329,872	27,719
<u>Highways</u>				
Litter and Trash Collection	294,191	316,651	327,651	33,460
Other Charges	39,757	28,250	39,900	143
<u>Capital Projects</u>				
Public Health and Welfare Projects	455,593	0	515,843	60,250
Other General Government Projects	1,594,592	1,829,500	2,129,614	535,022
Total Expenditures	\$ 49,556,123	\$ 49,500,777	\$ 53,285,530	\$ 3,729,407
Excess (Deficiency) of Revenues Over Expenditures	\$ 4,734,918	\$ (699,387)	\$ (1,799,489)	\$ 6,534,407
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 500	\$ 0	\$ 500	\$ 0
Transfers Out	(50,000)	0	(50,000)	0
Total Other Financing Sources	\$ (49,500)	\$ 0	\$ (49,500)	\$ 0

(Continued)

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Net Change in Fund Balance	\$ 4,685,418	\$ (699,387)	\$ (1,848,989)	\$ 6,534,407
Fund Balance, July 1, 2019	30,980,046	30,330,268	30,330,268	649,778
Fund Balance, June 30, 2020	\$ 35,665,464	\$ 29,630,881	\$ 28,481,279	\$ 7,184,185

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

Exhibit C-6

Sevier County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 7,422,910	\$ 0	\$ 7,422,910	\$ 7,035,000	\$ 7,035,000	\$ 387,910
Other Local Revenues	11,450	0	11,450	67,000	13,000	(1,550)
State of Tennessee	3,492,805	0	3,492,805	3,586,703	3,586,703	(93,898)
Other Governments and Citizens Groups	273,908	0	273,908	100,000	100,000	173,908
Total Revenues	\$ 11,201,073	\$ 0	\$ 11,201,073	\$ 10,788,703	\$ 10,734,703	\$ 466,370
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 295,381	\$ 0	\$ 295,381	\$ 313,981	\$ 315,675	\$ 20,294
Highway and Bridge Maintenance	7,776,262	0	7,776,262	7,553,342	8,944,696	1,168,434
Operation and Maintenance of Equipment	1,352,368	0	1,352,368	1,377,881	1,519,473	167,105
Quarry Operations	171,409	0	171,409	256,444	257,303	85,894
Other Charges	273,262	0	273,262	395,000	395,000	121,738
Employee Benefits	79,826	0	79,826	162,210	162,210	82,384
Capital Outlay	1,106,804	(224,082)	882,722	729,845	1,418,427	535,705
Total Expenditures	\$ 11,055,312	\$ (224,082)	\$ 10,831,230	\$ 10,788,703	\$ 13,012,784	\$ 2,181,554
Excess (Deficiency) of Revenues Over Expenditures	\$ 145,761	\$ 224,082	\$ 369,843	\$ 0	\$ (2,278,081)	\$ 2,647,924
<u>Other Financing Sources (Uses)</u>						
Proceeds from Sale of Capital Assets	\$ 62,357	\$ 0	\$ 62,357	\$ 0	\$ 54,000	\$ 8,357
Insurance Recovery	5,583	0	5,583	0	0	5,583
Total Other Financing Sources	\$ 67,940	\$ 0	\$ 67,940	\$ 0	\$ 54,000	\$ 13,940

(Continued)

Exhibit C-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Net Change in Fund Balance	\$ 213,701	\$ 224,082	\$ 437,783	\$ 0	\$ (2,224,081)	\$ 2,661,864
Fund Balance, July 1, 2019	7,470,280	(224,082)	7,246,198	4,448,583	4,448,583	2,797,615
Fund Balance, June 30, 2020	\$ 7,683,981	\$ 0	\$ 7,683,981	\$ 4,448,583	\$ 2,224,502	\$ 5,459,479

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

Exhibit D-1

Sevier County, Tennessee
Statement of Net Position
Proprietary Funds
June 30, 2020

	Business-type Activities - Enterprise Fund Public Utility Fund	Governmental Activities Internal Service Funds
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 200	\$ 1,605,680
Equity in Pooled Cash and Investments	2,799,132	0
Accounts Receivable	232,545	0
Allowance for Uncollectibles	(14,778)	0
Due from Other Funds	0	41
Prepaid Items	1,985	0
Total Current Assets	<u>\$ 3,019,084</u>	<u>\$ 1,605,721</u>
Noncurrent Assets:		
Net Pension Asset	\$ 97,866	\$ 0
Capital Assets:		
Assets Net of Accumulated Depreciation:		
Infrastructure	17,870,782	0
Other Capital Assets	220,302	0
Total Noncurrent Assets	<u>\$ 18,188,950</u>	<u>\$ 0</u>
Total Assets	<u>\$ 21,208,034</u>	<u>\$ 1,605,721</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred Outflows of Resources:		
Pension Changes in Assumptions	\$ 6,572	\$ 0
Pension Contributions After Measurement Date	12,506	0
OPEB Changes in Experience	221	0
OPEB Changes in Assumptions	885	0
OPEB Contributions After Measurement Date	734	0
Total Deferred Outflows of Resources	<u>\$ 20,918</u>	<u>\$ 0</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 21,228,952</u>	<u>\$ 1,605,721</u>
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts Payable	\$ 15,127	\$ 19,596
Accrued Payroll	1,711	0
Payroll Deductions Payable	5,824	0
Due to Component Units	333	0
Other Current Liabilities	0	719,486
Customer Deposits Payable	112,500	0
Total Current Liabilities	<u>\$ 135,495</u>	<u>\$ 739,082</u>

(Continued)

Exhibit D-1

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

	<u>Business-type Activities - Enterprise Fund Public Utility Fund</u>	<u>Governmental Activities Internal Service Funds</u>
<u>LIABILITIES (Cont.)</u>		
Noncurrent Liabilities:		
OPEB Liability	\$ 30,196	\$ 0
Total Noncurrent Liabilities	<u>\$ 30,196</u>	<u>\$ 0</u>
Total Liabilities	<u>\$ 165,691</u>	<u>\$ 739,082</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Inflows of Resources:		
Pension Changes in Experience	\$ 22,177	\$ 0
Pension Changes in Investment Earnings	8,629	0
OPEB Changes in Experience	7,526	0
OPEB Changes in Assumptions	1,064	0
Total Deferred Inflows of Resources	<u>\$ 39,396</u>	<u>\$ 0</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 18,091,084	\$ 0
Restricted for Pensions	97,866	0
Unrestricted	<u>2,834,915</u>	<u>866,639</u>
Total Net Position	<u>\$ 21,023,865</u>	<u>\$ 866,639</u>

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

Sevier County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2020

	Business-type Activities - Enterprise Fund Public Utility Fund	Governmental Activities Internal Service Funds
<u>Operating Revenues</u>		
Self-Insurance Premiums	\$ 0	\$ 9,079,960
Patient Charges	0	242,964
Water Sales	2,146,410	0
Water Tap Sales	142,850	0
Service Charges	15,800	0
Total Operating Revenues	<u>\$ 2,305,060</u>	<u>\$ 9,322,924</u>
<u>Operating Expenses</u>		
Handling Charges and Administrative Costs	\$ 0	\$ 609,015
Employee and Dependent Insurance	0	189,683
Disability and Life Insurance	0	135,705
Bank Charges	0	674
Excess Risk Insurance	0	705,397
Medical Claims	0	4,740,915
Other Self-Insured Claims	0	2,947,469
Supervisor/Director	68,854	0
Secretary(ies)	31,608	0
Educational Incentive	3,000	0
Longevity	2,250	0
Other Salaries and Wages	122,865	0
Social Security	13,356	0
Employee and Dependent Insurance	38,136	0
Employer Medicare	3,124	0
Advertising	117	0
Communication	3,428	0
Contracts with Other Public Agencies	867,256	0
Dues and Memberships	1,263	0
Maintenance and Repair Services - Equipment	116,845	0
Maintenance and Repair Services - Vehicles	120	0
Postal Charges	9,147	0
Travel	1,058	0
Other Contracted Services	15,683	0
Electricity	33,473	0
Gasoline	5,801	0
Office Supplies	7,211	0
Pipe	63,383	0
Uniforms	2,202	0
Water and Sewer	488	0
Other Supplies and Materials	69,475	5,290
Liability Insurance	459	0
Trustee's Commission	22,616	0
Vehicle and Equipment Insurance	1,537	0
Depreciation	444,272	0
Total Operating Expenses	<u>\$ 1,949,027</u>	<u>\$ 9,334,148</u>
Operating Income (Loss)	<u>\$ 356,033</u>	<u>\$ (11,224)</u>

(Continued)

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

	Business-type Activities - Enterprise Fund Public Utility Fund	Governmental Activities Internal Service Funds
<u>Nonoperating Revenues (Expenses)</u>		
Investment Income	\$ 0	\$ 12,033
Total Nonoperating Revenues (Expenses)	<u>\$ 0</u>	<u>\$ 12,033</u>
Income (Loss) Before Contributions	\$ 356,033	\$ 809
Capital Contributions - Primary Government	<u>31,496</u>	<u>0</u>
Change in Net Position	\$ 387,529	\$ 809
Net Position, July 1, 2019	<u>20,636,336</u>	<u>865,830</u>
Net Position, June 30, 2020	<u>\$ 21,023,865</u>	<u>\$ 866,639</u>

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

Exhibit D-3

Sevier County, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020

	Business-type Activities - Enterprise Fund Public Utility Fund	Governmental Activities Internal Service Funds
<u>Cash Flows from Operating Activities</u>		
Receipts for Self-Insurance Premiums	\$ 0	\$ 9,083,198
Receipts for Patient Charges	0	242,964
Receipts from Customers and Users	2,286,354	0
Receipts for Stop Loss Reimbursement	0	372,606
Receipts for Prescription Rebates	0	127,147
Payments to Insurers	0	(1,031,266)
Payments for Claims	0	(8,332,471)
Payments for Administrative Costs	0	(626,637)
Payments to Vendors	(1,220,993)	0
Payments to Employees	(305,384)	0
Net Cash Provided By (Used In) Operating Activities	<u>\$ 759,977</u>	<u>\$ (164,459)</u>
<u>Cash Flows from Investing Activities</u>		
Interest on Investments	\$ 0	\$ 12,033
Net Cash Provided By (Used In) Investing Activities	<u>\$ 0</u>	<u>\$ 12,033</u>
Increase (Decrease) in Cash	\$ 759,977	\$ (152,426)
Cash, July 1, 2019	<u>2,039,355</u>	<u>1,758,106</u>
Cash, June 30, 2020	<u>\$ 2,799,332</u>	<u>\$ 1,605,680</u>
<u>Reconciliation of Net Operating Income (Loss)</u>		
<u>to Net Cash Provided By (Used In) Operating Activities</u>		
Operating Income (Loss)	\$ 356,033	\$ (11,224)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:		
Depreciation	444,272	0
Changes in Net Pension Asset/Liability	(21,480)	0
Changes in Deferred Outflows for Pensions	1,661	0
Changes in Deferred Inflows for Pensions	3,587	0
Change in OPEB Liability	2,726	0
Changes in Deferred Outflows Related to OPEB	(1,500)	0
Changes in Deferred Inflows Related to OPEB	(1,790)	0
Changes in Current Assets and Liabilities:		
(Increase) Decrease in Due from Other Funds	(41,850)	3,238
Increase (Decrease) in Allowance for Uncollectibles	2,144	0
(Increase) Decrease in Prepaid Items	(1,985)	0
Increase (Decrease) in Accounts Payable	708	(12,139)
Increase (Decrease) in Current Liabilities	0	(144,334)
Increase (Decrease) in Accrued Payroll	(6,509)	0
Increase (Decrease) in Payroll Deductions	3,099	0
Increase (Decrease) in Due to Component Units	(139)	0
Increase (Decrease) in Customer Deposits Payable	21,000	0
Net Cash Provided By (Used In) Operating Activities	<u>\$ 759,977</u>	<u>\$ (164,459)</u>
<u>Reconciliation of Cash With the Statement of Net Position</u>		
Cash Per Net Position	\$ 200	\$ 1,605,680
Equity in Pooled Cash and Investments Per Net Position	<u>2,799,132</u>	<u>0</u>
Cash, June 30, 2020	<u>\$ 2,799,332</u>	<u>\$ 1,605,680</u>
<u>Schedule of Noncash Capital and Related Financing Activities</u>		
Contribution of Capital Assets from Government	\$ 31,496	\$ 0

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

Exhibit E

Sevier County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2020

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 4,935,014
Equity in Pooled Cash and Investments	50,828
Accounts Receivable	8,345
Due from Other Governments	<u>7,968,274</u>
Total Assets	<u>\$ 12,962,461</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 49
Accrued Payroll	496
Payroll Deductions Payable	106
Due to Other Taxing Units	7,968,274
Due to Litigants, Heirs, and Others	4,975,942
Due to Joint Ventures	<u>17,594</u>
Total Liabilities	<u>\$ 12,962,461</u>

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

SEVIER COUNTY, TENNESSEE
Index of Notes to the Financial Statements

Note	Page(s)
I. Summary of Significant Accounting Policies	
A. Reporting Entity	39
B. Government-wide and Fund Financial Statements	40
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	41
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	44
2. Receivables and Payables	45
3. Prepaid Items	46
4. Restricted Assets	47
5. Capital Assets	47
6. Deferred Outflows/Inflows of Resources	48
7. Compensated Absences	48
8. Long-term Debt and Long-term Obligations	49
9. Net Position and Fund Balance	49
E. Pension Plans	51
F. Other Postemployment Benefits (OPEB) Plans	52
II. Reconciliation of Government-wide and Fund Financial Statements	
A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position	52
B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities	53
III. Stewardship, Compliance, and Accountability	
Budgetary Information	53
IV. Detailed Notes on All Funds	
A. Deposits and Investments	54
B. Derivative Instruments	59
C. Capital Assets	67
D. Construction Commitments	70
E. Interfund Receivables, Payables, and Transfers	70
F. Operating Lease	71
G. Long-term Debt	72
H. Long-term Obligations	75
I. Pledges of Receivables and Future Revenues	77
J. On-Behalf Payments	77
V. Other Information	
A. Risk Management	78
B. Contingent Liabilities	80
C. Joint Ventures	80
D. Retirement Commitments	82
E. Other Postemployment Benefits (OPEB)	100
F. Purchasing Laws	115
G. Subsequent Event	116

SEVIER COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Sevier County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Sevier County:

A. Reporting Entity

Sevier County is a public municipal corporation governed by an elected 25-member board. As required by GAAP, these financial statements present Sevier County (the primary government) and its component units. Although required by GAAP, the financial statements of the Sevier County Emergency Communications District, the Sevier County Public Building Authority, and the Sevier County Fair Association, component units requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of their omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

The Sevier County School Department operates the public school system in the county, and the voters of Sevier County elect its board. The school department is fiscally dependent on the county because it may not issue debt, and its budget and property tax levy are subject to the county commission's approval. The school department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Sevier County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Sevier County, and the Sevier County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the county commission's approval. The financial statements of the Sevier County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

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

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

The Sevier County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the school department are included in this report as listed in the table of contents. Complete financial statements of the Sevier County Emergency Communications District, the Sevier County Public Building Authority, and the Sevier County Fair Association can be obtained from their respective administrative offices at the following addresses:

Administrative Offices:

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

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

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

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement

of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Sevier County School Department component unit only reports governmental activities in the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Sevier County issues all debt for the discretely presented Sevier County School Department. Net debt proceeds totaling \$10,913,125 were contributed by the county to the school department during the year ended June 30, 2020.

Separate financial statements are provided for governmental funds, proprietary funds (internal service and enterprise), and fiduciary funds. The internal service funds are reported with the governmental activities in the government-wide financial statements, and the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Sevier County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

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

Sevier County reports the following major governmental funds:

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

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

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

General Capital Projects Fund – This fund accounts for and reports the financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Sevier County reports the following major proprietary fund:

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

Additionally, Sevier County reports the following fund types:

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

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

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

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

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

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

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

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

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

1. Deposits and Investments

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

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Sevier County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. Sevier County and the school

department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost.

Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Investment Pool complied with accounting principles generally accepted in the United State of America.

Investments in the State Treasurer's Intermediate Term Investment Fund are reported at amortized cost using a floating net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Intermediate Term Investment Fund complied with accounting principles generally accepted in the United State of America. Sevier County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

All other investments are reported at fair value. Other than the pension stabilization trust discussed in Note IV.A., no investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

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

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

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

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

Most payables are disaggregated on the face of the financial statements. The balance in the account Other Current Liabilities totaling \$719,586 in the governmental activities Statement of Net Position for the primary government represents the remaining balance in the retirement clearing account of \$100 and self-insurance claims of \$719,486. The amount of other current liabilities reflected in the discretely presented school department's General Purpose Fund represents the remaining balance in the retirement and teachers' insurance clearing accounts.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as an expenditure when consumed rather than when

purchased. Prepaids are offset in the nonspendable fund balance account in governmental funds.

4. Restricted Assets

Restricted assets consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of the discretely presented Sevier County School Department's Teacher Retirement Plan. The purpose of this trust is to accumulate funds to provide stabilization (smoothing) of retirement costs to the school system in times of fluctuating investment returns and market downturns. These funds are held and invested by TCRS pursuant to an irrevocable agreement and may only be used for the benefit of the Sevier County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Sevier County School Department has not withdrawn any funds from the trust to pay pension cost. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

5. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental and business-type columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

Property, plant, equipment, and infrastructure of the primary government and the discretely presented school department are depreciated using the straight-line method over the following estimated useful lives:

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

6. Deferred Outflows/Inflows of Resources

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

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

7. Compensated Absences

Vacation leave benefits for Sevier County employees granted through the primary government and the discretely presented Sevier County School Department do not vest or accumulate and must be used within the year or lost. Therefore, no accrual or recording is required. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

8. Long-term Debt and Long-term Obligations

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

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

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds and other loans payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including other postemployment benefits and judgments payable, are recognized to the extent that the liabilities have matured (come due for payment) each period.

9. Net Position and Fund Balance

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

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

The government-wide Statement of Net Position, Governmental Activities, reports \$59,744,987 of restricted net position, of which \$3,578,887 is restricted by enabling legislation.

As of June 30, 2020, Sevier County had \$86,643,585 in outstanding debt for capital purposes for the discretely presented Sevier County School Department and other entities. The debt is a liability of Sevier County, but the capital assets acquired are reported in the financial statements of the school department and the other entities. Therefore, Sevier County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

These classifications may consist of the following:

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

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

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the county commission, the county's highest level of decision-making authority and the Board of Education, the school department's highest level of decision-

making authority, and shall remain binding unless removed in the same manner.

Assigned Fund Balance – includes amounts that are constrained by the county’s intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission makes assignments for the general government. The Board of Education makes assignments for the school department. Assigned fund balance in the primary government’s General Fund consists of amounts assigned for fund balance appropriated for use in the 2020-2021 budget (\$2,556,000). Assigned fund balance in the school department’s General Purpose School Fund consists primarily of amounts for encumbrances (\$3,789,063) and fund balance appropriated for use in the 2020-2021 year budget (\$8,894,055).

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

E. Pension Plans

Primary Government

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

Discretely Presented Sevier County School Department

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan and the Teacher Legacy Pension Plan in the Tennessee Consolidated Retirement System, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the

benefit terms of the Teacher Retirement Plan and the Teacher Legacy Pension Plan. Investments are reported at fair value.

F. Other Postemployment Benefit (OPEB) Plans

Primary Government

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

Discretely Presented Sevier County School Department

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Position

Primary Government

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

Discretely Presented Sevier County School Department

Exhibit K-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities

Primary Government

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

Discretely Presented Sevier County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

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

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

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

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

At June 30, 2020, the Sevier County School Department reported the following encumbrances:

<u>Funds</u>	<u>Amount</u>
School Department:	
Major Fund:	
General Purpose School	\$ 11,200,877
Nonmajor Fund:	
Central Cafeteria	31,763

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool, the State Treasurer's Intermediate Term Investment Fund, and in repurchase agreements. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the State Treasurer's Investment Pool are reported both by the pool and the county at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the Intermediate Term Investment Fund are reported both by the pool and the county at amortized cost using a floating net asset value. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

Other than the TCRS Stabilization Trust discussed below, the county had no pooled and nonpooled investments as of June 30, 2020.

TCRS Stabilization Trust

Legal Provisions. The Sevier County School Department is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The school department has placed funds into the irrevocable trust as authorized by statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member's funds are restricted for the payment of retirement benefits of that

member's employees. Trust funds are not subject to the claims of general creditors of the school department.

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

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

Investments are reported at fair value. 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 value of investments and interest and dividend income. Interest income is recognized when earned. 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 where fair value is measured using the Net Asset Value ("NAV") per share have no readily determinable fair value and have been determined to be calculated consistent with FASB principles for investment companies.

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

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

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

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

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

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

On June 30, 2020, the Sevier County School Department had the following investments held by the trust on its behalf.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 155,228
Developed Market International Equity	N/A	N/A	70,102
Emerging Market International Equity	N/A	N/A	20,029
U.S. Fixed Income	N/A	N/A	100,146
Real Estate	N/A	N/A	50,073
Short-term Securities	N/A	N/A	5,007
NAV- Private Equity and Strategic Lending	N/A	N/A	100,146
Total			\$ 500,731

Investment by Fair Value Level	Fair Value 6-30-20	Fair Value Measurements Using			NAV
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
U.S. Equity	\$ 155,228	\$ 155,228	\$ 0	\$ 0	0
Developed Market International Equity	70,102	70,102	0	0	0
Emerging Market International Equity	20,029	20,029	0	0	0
U.S. Fixed Income	100,146	0	100,146	0	0
Real Estate	50,073	0	0	50,073	0
Short-term Securities	5,007	0	5,007	0	0
Private Equity and Strategic Lending	100,146	0	0	0	100,146
Total	\$ 500,731	\$ 245,359	\$ 105,153	\$ 50,073	\$ 100,146

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

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

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

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

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

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

For further information concerning the school department’s investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2020/ag19091.pdf>.

B. Derivative Instruments

At June 30, 2020, Sevier County had the following derivative instruments outstanding:

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

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2020, classified by type, and the changes in fair value using a pay-fixed interest rate swap, receive a percentage of LIBOR pricing model (Level 2 inputs of the GAAP fair value hierarchy) of such derivative instruments for the year then ended, as reported in the 2020 financial statements, are as follows:

Type	Changes in Fair Value		Fair Value at June 30, 2020		6-30-20
	Classification	Amount	Classification	Amount	Notional Amount
Governmental Activities					
Pay-fixed interest rate swaps:					
\$3M Hybrid Swap:					
					\$ 3,000,000
Cash Flow Hedge Portion	Deferred Outflow	\$ (140,547)	Debt	\$ (137,124)	
Non-hedge Portion	Investment Earnings	147,215	Debt	(232,883)	
Total \$3M Hybrid Swap		<u>\$ 6,668</u>		<u>\$ (370,007)</u>	
\$4M Hybrid Swap:					
					\$ 0
Cash Flow Hedge Portion	Deferred Inflow	\$ (1,954)	Debt	\$ 0	
Non-hedge Portion	Investment Earnings	10,327	Debt	0	
Total \$4M Hybrid Swap		<u>\$ 8,373</u>		<u>\$ 0</u>	
\$13M Swap:					
					\$ 11,150,000
Investment Derivative	Investment Earnings	<u>\$ 4,495</u>	Debt	<u>\$ (1,212,566)</u>	
\$14.435M Swap:					
					\$ 1,580,000
Investment Derivative	Investment Earnings	<u>\$ 67,973</u>	Debt	<u>\$ (191,063)</u>	
Total		<u>\$ 87,509</u>		<u>\$ (1,773,636)</u>	

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

Derivative Swap Agreement Detail

\$3M Swap

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

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

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

Terms. Under the swap, the authority pays the counterparty a fixed payment of 4.44 percent and receives a variable payment computed as 63.4 percent of the five-year London Interbank Offered Rate (LIBOR). The swap had an original notional amount of \$3 million, and the original associated variable-rate bonds had a \$3 million principal amount. At no time will the notional amount on the interest rate swap agreement exceed the outstanding principal of the Series VII-A-4 Bonds. The bonds’ variable-rates have historically approximated the Securities Industry and Financial Markets Association Index™ (SIFMA). The swap agreement matures on June 1, 2025. As of June 30, 2020, rates were as follows:

	<u>Terms</u>	<u>Rate</u>
Interest rate swap:		
Fixed payment to counterparty	Fixed	4.440 %
Variable payment from counterparty	% of LIBOR	<u>-0.207</u>
Net interest rate swap payments		4.233 %
Variable-rate bond coupon payments		<u>0.481</u>
Synthetic interest rate on bonds		<u><u>4.714 %</u></u>

Fair value. As of June 30, 2020, the swap had a negative fair value of \$370,007. The negative fair value of the swap may be countered by reductions in total interest payments required under the variable-rate bond, creating lower synthetic rates. Because the rates on the government’s variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value model calculates future cash flows by projecting forward rates, and then discounts those cash flows at their present value.

Credit risk. As of June 30, 2020, the county was not exposed to credit risk because the swap had a negative fair value. However, if interest rates change and the fair value of the swap becomes positive, the county would be exposed to credit risk in the amount of the derivative’s fair value. The swap counterparty, Raymond James Financial Products (“RJFP” formerly Morgan Keegan Financial Products) was rated “Baa1/BBB+” by Moody’s and Standard and Poor’s, respectively, as of June 30, 2020, with its Credit Support Provider, Deutsche Bank, rated A3/BBB+/BBB+ by Moody’s, Standard and Poor’s, and Fitch, respectively.

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

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

Swap payments and associated debt. As of June 30, 2020, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Year Ending June 30	Variable Rate Bonds		Net Interest Rate Swap	
	Principal	Interest	Payment	Total
2021	\$ 530,000	\$ 14,425	\$ 126,996	\$ 671,421
2022	565,000	11,876	104,560	681,436
2023	600,000	9,160	80,642	689,802
2024	635,000	6,275	55,243	696,518
2025	670,000	3,221	28,362	701,583
Total	\$ 3,000,000	\$ 44,957	\$ 395,803	\$ 3,440,760

\$13M Swap

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

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

been refunded with a portion of the proceeds of the Series VII-B-1 bonds, and the interest rate swap is now associated with the Series VII-B-1 bonds.

Terms. Under the swap, the authority pays the counterparty a fixed payment of 3.97 percent and receives a variable payment computed as 67 percent of the five-year London Interbank Offered Rate (LIBOR). The swap had an original notional amount of \$13 million, and the original associated variable-rate bonds had a \$13 million principal amount. At no time will the notional amount on the interest rate swap agreement exceed the outstanding principal of the Series VII-B-1 Bonds. The bonds' variable-rates have historically approximated the Securities Industry and Financial Markets Association Index™ (SIFMA). The swap agreement matures on June 1, 2025. As of June 30, 2020, rates were as follows:

	<u>Terms</u>	<u>Rate</u>
Interest rate swap:		
Fixed payment to counterparty	Fixed	3.970 %
Variable payment from counterparty	% of LIBOR	<u>-0.219</u>
Net interest rate swap payments		3.751 %
Variable-rate bond coupon payments		<u>0.140</u>
Synthetic interest rate on bonds		<u><u>3.891 %</u></u>

Fair value. As of June 30, 2020, the swap had a negative fair value of \$1,212,566. The negative fair value of the swap may be countered by reductions in total interest payments required under the variable-rate bond, creating lower synthetic rates. Because the rates on the government's variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value model calculates future cash flows by projecting forward rates, and then discounts those cash flows at their present value.

Credit risk. As of June 30, 2020, the county was not exposed to credit risk because the swap had a negative fair value. However, if interest rates change and the fair value of the swap becomes positive, the county would be exposed to credit risk in the amount of the derivative's fair value. The swap counterparty, Raymond James Financial Products ("RJFP" formerly Morgan Keegan Financial Products) was rated "Baa1/BBB+" by Moody's and Standard and Poor's, respectively, as of June 30, 2020, with its Credit Support Provider, Deutsche Bank, rated A3/BBB+/BBB+ by Moody's, Standard and Poor's, and Fitch, respectively.

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

being below 67 percent of LIBOR, then the synthetic rate on the bonds will decrease.

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

Swap payments and associated debt. As of June 30, 2020, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Year Ending June 30	Variable Rate Bonds		Net Interest Rate Swap	
	Principal	Interest	Payment	Total
2021	\$ 1,950,000	\$ 15,610	\$ 418,286	\$ 2,383,896
2022	2,100,000	12,880	345,133	2,458,013
2023	2,250,000	9,940	266,353	2,526,293
2024	2,350,000	6,790	181,945	2,538,735
2025	2,500,000	3,500	93,786	2,597,286
Total	\$ 11,150,000	\$ 48,720	\$ 1,305,503	\$ 12,504,223

\$14.435M Swap

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

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

Terms. Under the swap, the authority pays the counterparty a fixed payment of 4.38 percent and receives a variable payment computed as 63.4 percent of the five-year London Interbank Offered Rate (LIBOR). The swap had an original notional amount of \$14.435 million, and the original associated variable-rate bonds had a \$14.435 million principal amount. At no time will the notional amount on interest rate swap agreement exceed the outstanding principal of the Series VII-B-1 Bonds. The bonds' variable-rates have historically approximated the Securities Industry and Financial Markets Association Index™ (SIFMA). The swap agreement matures on June 1, 2025. As of June 30, 2020, rates were as follows:

	<u>Terms</u>	<u>Rate</u>
Interest rate swap:		
Fixed payment to counterparty	Fixed	4.380 %
Variable payment from counterparty	% of LIBOR	<u>-0.207</u>
Net interest rate swap payments		4.173 %
Variable-rate bond coupon payments		<u>0.140</u>
		<u><u>4.313 %</u></u>

Fair value. As of June 30, 2020, the swap had a negative fair value of \$191,063. The negative fair value of the swap may be countered by reductions in total interest payments required under the variable-rate bond, creating lower synthetic rates. Because the rates on the government's variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value model calculates future cash flows by projecting forward rates, and then discounts those cash flows at their present value.

Credit risk. As of June 30, 2020, the county was not exposed to credit risk because the swap had a negative fair value. However, if interest rates change and the fair value of the swap becomes positive, the county would be exposed to credit risk in the amount of the derivative's fair value. The swap counterparty, Raymond James Financial Products ("RJFP" formerly Morgan Keegan Financial Products) was rated "Baa1/BBB+" Moody's and Standard and Poor's, respectively, as of June 30, 2020, with its Credit Support Provider, Deutsche Bank, rated A3/BBB+/BBB+ by Moody's, Standard and Poor's, and Fitch, respectively.

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

Termination risk. The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination

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

Swap payments and associated debt. As of June 30, 2020, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Year Ending June 30	Variable Rate Bonds		Net Interest Rate Swap		Total
	Principal	Interest	Payment		
2021	\$ 285,000	\$ 2,212	\$ 65,936	\$	353,148
2022	300,000	1,813	54,043		355,856
2023	315,000	1,393	41,523		357,916
2024	330,000	952	28,378		359,330
2025	350,000	490	14,606		365,096
Total	<u>\$ 1,580,000</u>	<u>\$ 6,860</u>	<u>\$ 204,486</u>	<u>\$</u>	<u>1,791,346</u>

C. Capital Assets

Capital assets activity for the year ended June 30, 2020, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-19	Increases	Decreases	Transfers Out	Balance 6-30-20
Capital Assets Not Depreciated:					
Land	\$ 6,413,189	\$ 1,048,114	\$ 0	\$ 0	\$ 7,461,303
Construction in Progress	1,389,198	31,496	0	(31,496)	1,389,198
Total Capital Assets Not Depreciated	<u>\$ 7,802,387</u>	<u>\$ 1,079,610</u>	<u>\$ 0</u>	<u>\$ (31,496)</u>	<u>\$ 8,850,501</u>
Capital Assets Depreciated:					
Buildings and Improvements	\$ 68,068,375	\$ 129,002	\$ 0	\$ 0	\$ 68,197,377
Infrastructure	191,200,455	5,727,240	0	0	196,927,695
Other Capital Assets	19,181,143	1,998,568	(919,499)	0	20,260,212
Total Capital Assets Depreciated	<u>\$ 278,449,973</u>	<u>\$ 7,854,810</u>	<u>\$ (919,499)</u>	<u>\$ 0</u>	<u>\$ 285,385,284</u>
Less Accumulated Depreciation For:					
Buildings and Improvements	\$ 32,738,142	\$ 2,094,099	\$ 0	\$ 0	\$ 34,832,241
Infrastructure	136,128,224	5,266,396	0	0	141,394,620
Other Capital Assets	13,725,711	1,432,984	(855,115)	0	14,303,580
Total Accumulated Depreciation	<u>\$ 182,592,077</u>	<u>\$ 8,793,479</u>	<u>\$ (855,115)</u>	<u>\$ 0</u>	<u>\$ 190,530,441</u>
Total Capital Assets Depreciated, Net	<u>\$ 95,857,896</u>	<u>\$ (938,669)</u>	<u>\$ (64,384)</u>	<u>\$ 0</u>	<u>\$ 94,854,843</u>
Governmental Activities Capital Assets, Net	<u>\$ 103,660,283</u>	<u>\$ 140,941</u>	<u>\$ (64,384)</u>	<u>\$ (31,496)</u>	<u>\$ 103,705,344</u>

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

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

Governmental Activities:

General Government	\$ 917,507
Finance	34,399
Administration of Justice	13,759
Public Safety	783,315
Public Health and Welfare	851,702
Social, Cultural, and Recreational Services	602,109
Agriculture and Natural Resources	9,466
Highways/Public Works	<u>5,581,222</u>

Total Depreciation Expense - Governmental Activities \$ 8,793,479

Business-Type Activities:

	Balance 7-1-19	Transfers In	Increase	Decreases	Balance 6-30-20
Capital Assets Not Depreciated:					
Construction in Progress	<u>\$ 1,600,720</u>	<u>\$ 31,496</u>	<u>\$ 0</u>	<u>\$ (1,632,216)</u>	<u>\$ 0</u>
Total Capital Assets Not Depreciated	<u>\$ 1,600,720</u>	<u>\$ 31,496</u>	<u>\$ 0</u>	<u>\$ (1,632,216)</u>	<u>\$ 0</u>
Capital Assets Depreciated:					
Infrastructure	\$ 20,551,547	\$ 0	\$ 1,632,216	\$ 0	\$ 22,183,763
Other Capital Assets	381,443	0	0	0	381,443
Total Capital Assets Depreciated	<u>\$ 20,932,990</u>	<u>\$ 0</u>	<u>\$ 1,632,216</u>	<u>\$ 0</u>	<u>\$ 22,565,206</u>
Less Accumulated Depreciation For:					
Infrastructure	\$ 3,883,996	\$ 0	\$ 428,985	\$ 0	\$ 4,312,981
Other Capital Assets	145,854	0	15,287	0	161,141
Total Accumulated Depreciation	<u>\$ 4,029,850</u>	<u>\$ 0</u>	<u>\$ 444,272</u>	<u>\$ 0</u>	<u>\$ 4,474,122</u>
Total Capital Assets Depreciated, Net	<u>\$ 16,903,140</u>	<u>\$ 0</u>	<u>\$ 1,187,944</u>	<u>\$ 0</u>	<u>\$ 18,091,084</u>
Governmental Activities Capital Assets, Net	<u>\$ 18,503,860</u>	<u>\$ 31,496</u>	<u>\$ 1,187,944</u>	<u>\$ (1,632,216)</u>	<u>\$ 18,091,084</u>

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

Depreciation expense totaling \$444,272 was charged to the Public Utility Fund.

Discretely Presented Sevier County School Department

Governmental Activities:

	Balance			Balance
	7-1-19	Increases	Decreases	6-30-20
Capital Assets Not Depreciated:				
Land	\$ 19,527,122	\$ 0	\$ 0	\$ 19,527,122
Construction in Progress	5,869,519	18,971,628	(2,353,799)	22,487,348
Total Capital Assets Not Depreciated	\$ 25,396,641	\$ 18,971,628	\$ (2,353,799)	\$ 42,014,470
Capital Assets Depreciated:				
Buildings and Improvements	\$ 168,568,568	\$ 2,376,138	\$ 0	\$ 170,944,706
Infrastructure	11,358,956	0	0	11,358,956
Other Capital Assets	22,834,349	729,540	(267,554)	23,296,335
Total Capital Assets Depreciated	\$ 202,761,873	\$ 3,105,678	\$ (267,554)	\$ 205,599,997
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 70,141,254	\$ 3,866,390	\$ 0	\$ 74,007,644
Infrastructure	7,140,211	475,074	0	7,615,285
Other Capital Assets	16,479,238	1,297,673	(261,417)	17,515,494
Total Accumulated Depreciation	\$ 93,760,703	\$ 5,639,137	\$ (261,417)	\$ 99,138,423
Total Capital Assets Depreciated, Net	\$ 109,001,170	\$ (2,533,459)	\$ (6,137)	\$ 106,461,574
Governmental Activities Capital Assets, Net	\$ 134,397,811	\$ 16,438,169	\$ (2,359,936)	\$ 148,476,044

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

Governmental Activities:

Instruction	\$ 3,552,815
Support Services	2,011,934
Operation of Non-instructional Services	<u>74,388</u>
 Total Depreciation Expense - Governmental Activities	 <u>\$ 5,639,137</u>

D. Construction Commitments

At June 30, 2020, the General Capital Projects Fund had uncompleted construction contracts of approximately \$77,850 for waterline projects. Funding has been provided for these future expenditures.

At June 30, 2020, the Sevier County School Department's General Purpose School Fund had uncompleted construction contracts of approximately \$9,437,771 for various projects, including \$2,840,901 for the construction of a new intermediate school, \$4,740,149 for a new junior high school, and \$1,856,721 for two other school projects. Funding has been received for these future expenditures.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2020, is as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 2,876
Nonmajor governmental	General	72,865
Internal Service	Highway/Public Works	41

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

Due to/from Primary Government and Component Unit:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Component Unit:		
School Department:	Primary Government:	
General Purpose School	General	\$ 141
"	Public Utility	333

Interfund Transfers:

Interfund transfers for the year ended June 30, 2020, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In Nonmajor Governmental Funds	Purpose
General Fund	\$ 50,000	Operations of Drug Court
Nonmajor governmental	<u>17,336</u>	Capital outlay
Total	<u>\$ 67,336</u>	

Discretely Presented Sevier County School Department

Transfer Out	Transfer In Nonmajor Governmental Funds	Purpose
General Purpose School Fund	\$ <u>1,000,000</u>	Cash Flow
Total	<u>\$ 1,000,000</u>	

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

F. Operating Lease

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

go directly to the PBA to pay off the debt used to finance the renovations. Once this debt has been paid off, the remaining lease payments will continue to be paid to the PBA for maintenance and additional renovations in the future.

G. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

General Obligation Bonds - Sevier County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other general obligation bonds and loans. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds outstanding were issued for original terms of up to 21 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2020, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements - Sevier County issues other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes, and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Other loans outstanding were issued for original terms of up to 24 years. There were no capital outlay notes outstanding at June 30, 2020. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All other loans included in long-term debt as of June 30, 2020, will be retired from the General Debt Service Fund

General obligation bonds and other loans outstanding as of June 30, 2020, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-20
General Obligation Bonds	.4 to 5.0 %	6-1-40	\$ 47,380,000	\$ 46,015,000
General Obligation Bonds - Refunding	.4 to 5.0	6-1-32	26,505,000	16,925,000
Qualified School Construction Bonds	4.84	8-1-27	14,504,000	6,434,176
Direct Borrowing and Direct Placement:				
Other Loans - Variable Rate	Variable	6-1-32	21,450,000	21,350,000
Other Loans - Variable Rate - Refunding	Variable	6-1-32	49,395,000	28,180,000
Energy Efficient Schools Initiative Loan	0	5-1-22	1,000,000	191,699

Sevier County has entered into loan agreements with the Sevier County Public Building Authority (PBA). The loan agreements provide for the PBA to make funds available for loan to Sevier County on an as-needed basis to finance various capital projects for the county and the discretely presented school department. In addition to interest, the county pays various other fees (trustee, letter of credit, debt remarketing, administrative, etc.) in connection with these loans. The following table summarizes the loan agreements outstanding at June 30, 2020, including interest rates and other loan fees:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-20	Interest Type	Interest Rate as of 6-30-20	Other Fees on Variable Rate Debt
Series VII-A-4 (Refunding)(1)	\$ 6,900,000	\$ 3,000,000	Variable	0.481 %	0.33 %
Series VII-B-1 (Refunding)(2)	42,495,000	25,180,000	Variable	0.140	0.79
Series VII-B-1	21,450,000	<u>21,350,000</u>	Variable	0.140	0.79
Total		<u>\$ 49,530,000</u>			

(1) This issue refunded another issue for which an outstanding interest rate swap agreement exists (Series IV-H-3).

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

The annual requirements to amortize all general obligation bonds and other loans outstanding as of June 30, 2020, including interest payments and other loan fees, are presented in the following tables.

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

June 30, 2020. Net interest rate swap payments, discussed in Note IV.B., are in addition to interest and other fee amounts reflected in the following tables.

Year Ending June 30	Bonds		
	Principal	Interest	Total
2021	\$ 4,460,027	\$ 2,685,106	\$ 7,145,133
2022	5,410,027	2,569,160	7,979,187
2023	5,840,027	2,425,360	8,265,387
2024	5,475,027	2,259,147	7,734,174
2025	5,390,027	2,098,485	7,488,512
2026-2030	17,579,041	6,608,385	24,187,426
2031-2035	15,095,000	2,819,288	17,914,288
2036-2040	10,125,000	754,990	10,879,990
Total	\$ 69,374,176	\$ 22,219,921	\$ 91,594,097

Year Ending June 30	Other Loans - Direct Placement			
	Principal	Interest	Other Fees	Total
2021	\$ 3,844,996	\$ 79,572	\$ 377,196	\$ 4,301,764
2022	4,036,703	72,522	350,059	4,459,284
2023	4,245,000	65,072	321,503	4,631,575
2024	5,160,000	57,083	290,740	5,507,823
2025	5,030,000	47,694	252,915	5,330,609
2026-2030	18,545,000	142,667	804,216	19,491,883
2031-2032	8,860,000	18,781	105,869	8,984,650
Total	\$ 49,721,699	\$ 483,391	\$ 2,502,498	\$ 52,707,588

There is \$35,692,887 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$772, based on the 2010 federal census. Total debt per capita, including bonds, other loans, and unamortized debt premiums totaled \$1,365, based on the 2010 federal census.

During the year, based on budgetary appropriations, the school department remitted \$7,131,970 to the primary government's General Debt Service Fund to be applied to the retirement of debt issued for the benefit of the school department.

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2020, was as follows:

Governmental Activities:

	Bonds	Other Loans - Direct Placement
Balance, July 1, 2019	\$ 63,739,203	\$ 54,541,695
Additions	16,290,000	0
Reductions	<u>(10,655,027)</u>	<u>(4,819,996)</u>
Balance, June 30, 2020	<u>\$ 69,374,176</u>	<u>\$ 49,721,699</u>
Balance Due Within One Year	<u>\$ 4,460,027</u>	<u>\$ 3,844,996</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2020	\$ 119,095,875
Less: Balance Due Within One Year - Debt	(8,305,023)
Add: Unamortized Premium on Debt	<u>3,596,094</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 114,386,946</u>

Current Refunding

On June 2, 2020, Sevier County refunded two general obligation bond issues with a separate general obligation bond issue. The county issued \$6,290,000 of general obligation refunding bonds to provide resources to call and redeem the refunded debt. Because of the refunding, total debt service payments over the next 12 years will be reduced by \$682,550 and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$612,599 was obtained.

H. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2020, was as follows:

Governmental Activities:

	Other Postemployment Benefits	Judgment Payable
Balance, July 1, 2019	\$ 4,275,316	\$ 0
Additions	591,508	900,000
Reductions	(170,056)	0
Balance, June 30, 2020	<u>\$ 4,696,768</u>	<u>\$ 900,000</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 900,000</u>

Analysis of Noncurrent Liabilities - Other Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2020	\$ 5,596,768
Less: Balance Due Within One Year - Other	<u>(900,000)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 4,696,768</u>

Other postemployment benefits will be paid from the employing funds, primarily the General and Highway/Public Works funds. The judgment payable represents a settlement on a Fair Labor Standards Act lawsuit and will be paid from the General Fund.

Sevier County Water Department (enterprise fund)

Changes in Long-term Obligations

Long-term obligations activity for the Public Utility Fund (enterprise fund) for the year ended June 30, 2020, was as follows:

Business-Type Activities:

	Other Postemployment Benefits
Balance, July 1, 2019	\$ 27,470
Additions	3,783
Reductions	(1,057)
Balance, June 30, 2020	<u>\$ 30,196</u>
Balance Due Within One Year	<u>\$ 0</u>

Other postemployment benefits will be paid from Public Utility Fund.

Discretely Presented Sevier County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented school department for the year ended June 30, 2020, was as follows:

Governmental Activities:

	<u>Other Postemployment Benefits</u>
Balance, July 1, 2019	\$ 35,229,917
Additions	6,602,202
Reductions	<u>(4,582,982)</u>
Balance, June 30, 2020	<u>\$ 37,249,137</u>
Balance Due Within One Year	<u><u>\$ 0</u></u>

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

I. Pledges of Receivables and Future Revenues

Local Option Sales Tax Revenues Pledged

In 2009, the citizens of Sevier County voted to increase the local option sales tax rate by .25 percent to pay for capital needs of the school department. The county pledged the additional sales tax collections generated from this increase to be used for educational capital outlay and debt service. For the current year, sales tax revenues generated by the increase were \$10,667,393.

J. On-Behalf Payments

Discretely Presented Sevier County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Sevier County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2020, were \$397,253 and \$93,793, respectively. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

The county has chosen to establish three self-insurance funds for risks associated with the employees’ health, dental, and vision plans for the primary government, and risks associated with workers’ compensation claims for both the primary government and the school department. The self-insurance funds are accounted for as internal service funds where assets are set aside for claim settlements. The county retains the risk of loss to a limit of \$150,000 for each employee in any plan year for health coverage. The county also retains the risk of loss to a limit of \$500,000 per occurrence and approximately \$1,663,683 for all claims in any plan year for workers’ compensation coverage. The county has obtained stop/loss commercial insurance policies to cover claims beyond these limits. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

All full-time employees of the primary government are eligible to participate in the health, dental, and vision programs. A premium charge is allocated to each fund that accounts for employees who are covered by the employee health insurance plan and/or the workers’ compensation plan. This charge is based on actuarial estimates of the amounts needed to pay prior- and current-year claims and to establish a reserve for catastrophic losses. That reserve was \$130,562 for health coverage, \$92,839 for dental and vision coverage and \$643,238 for workers’ compensation coverage at June 30, 2020. Liabilities of these funds are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. The self-insurance funds establish claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. Claims liabilities include specific, incremental claim adjustment expenditures/expenses, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

Employee Insurance - Health Fund

	Beginning of Fiscal Year Liability	Current Year Claims and Estimates	Payments	Balance at Fiscal Year End
2018-2019	\$ 617,938	\$ 6,819,898	\$ (6,751,609)	\$ 686,227
2019-2020	686,227	7,061,893	(7,136,226)	611,894

Current year claims and estimates are presented net of stop-loss recoveries (\$331,101) and contracted prescription drug rebates (\$127,147) for the 2019-20 year.

Employee Insurance - Dental and Vision Fund

	Beginning of Fiscal Year Liability	Current Year Claims and Estimates	Payments	Balance at Fiscal Year End
2018-2019	\$ 16,283	\$ 62,143	\$ (61,895)	\$ 16,531
2019-2020	16,531	36,815	(35,923)	17,423

Employee Insurance - Workers' Compensation Fund

	Beginning of Fiscal Year Liability	Current Year Claims and Estimates	Payments	Balance at Fiscal Year End
2018-2019	\$ 60,415	\$ 991,202	\$ (890,555)	\$ 161,062
2019-2020	161,062	589,676	(660,569)	90,169

Current year claims and estimates are presented net of stop-loss recoveries (\$41,505) for the 2019-20 year.

The discretely presented Sevier County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *Tennessee Code Annotated (TCA)*, all local educational agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

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

B. Contingent Liabilities

Sevier County is contingently liable for the Tennessee Department of Environment and Conservation's financial assurance requirements regarding landfill closure/postclosure care costs (\$1,768,899 at June 30, 2020). The county would be obligated for this amount in the event of default on closure/postclosure care costs by Sevier Solid Waste, Inc., a joint venture discussed in Note V.C.

The county is involved in several pending lawsuits. As discussed in Note V.G., Subsequent Events, Sevier County has recorded a noncurrent liability of \$900,000 for settlement of a Fair Labor Standards Act lawsuit. Based on letters from attorneys, management believes that the potential claims against the county not covered by insurance resulting from other pending litigation would not materially affect the county's financial statements.

C. Joint Ventures

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

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

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

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

Sevier County and the City of Gatlinburg jointly constructed a youth sports complex, Rocky Top Sports World. The Youth Sports Complex Advisory Board/Authority was created by an interlocal agreement between Sevier County and the City of Gatlinburg to oversee operations of the sports facility and to report to the Sevier County Commission and the City of Gatlinburg Commission. The board includes seven members, which include from the county: the county mayor, the director of schools, and one member nominated by the county commission; and from the city: the city manager and three members nominated by the city commission. Operations of the joint venture are split 70 percent (City of Gatlinburg) and 30 percent (Sevier County). Sevier County contributed \$195,000 for the operations for the 2019-2020 year. The City of Gatlinburg maintains financial transactions relating to the joint venture, and complete financial statements may be obtained from the City of Gatlinburg.

The Fourth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Fourth Judicial District; Sevier, Cocke, Grainger, and Jefferson counties; and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Sevier County made no contributions to the DTF for the year ended June 30, 2020, and does not have any equity interest in this joint venture.

The Sevier County Economic Development Council is a joint venture operated by Sevier County, the cities of Sevierville, Pigeon Forge, Gatlinburg, and various local private enterprises. The board is comprised of 12 members, two of whom represent Sevier County. The purpose is to coordinate the governmental and private sector activities in attracting businesses and industries to the Sevier County area. Sevier County contributed \$182,600 to the operations of the Economic Development Council for the 2019-20 year.

Sevier County Animal Shelter is a nonprofit public benefit organization created to operate and maintain a facility for the sheltering of animals within Sevier County. The corporation is governed by a board of directors which consists of the mayor of Sevier County and the city managers of Gatlinburg, Pigeon Forge, and Sevierville. The Sevier County mayor serves as the chairman of that board. Sevier County and the shelter have entered into a

memorandum of understanding which provides for the shelter to accept animals from the county and for the county to provide annual appropriations to the shelter at the discretion of the county commission. Sevier County has control over budgeting and financing the joint venture only to the extent of representation by the county mayor on the shelter board. The corporation receives financial support from each of these four government entities. Sevier County contributed \$255,500 to the operations of the Sevier County Animal Shelter for the 2019-2020 year.

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

Administrative Offices:

Sevier Solid Waste, Inc.
1855 Ridge Road
Pigeon Forge, TN 37863

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

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

Sevier County Economic Development Council
321 Court Avenue
Sevierville, TN 37862

Sevier County Animal Shelter
1040 Dolly Parton Parkway
Sevierville, TN 37862

D. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Sevier County and non-certified employees of the discretely presented Sevier County School Department are provided a defined benefit pension plan through the

Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 55.08 percent, the non-certified employees of the discretely presented school department comprise 44.92 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

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

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

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	550
Inactive Employees Entitled to But Not Yet Receiving Benefits	837
Active Employees	1,353
 Total	 <u><u>2,740</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Sevier County elected to make employer contributions at a rate higher than the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2020, the employer contribution for Sevier County was \$2,616,930 based on a rate of 6.0 percent of covered payroll. The minimum rate established by the Board of Trustees was 1.40 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Sevier County’s state shared taxes if required employer contributions are not remitted. The employer’s actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Sevier County’s net pension liability (asset) was measured as of June 30, 2019, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

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

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

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

The actuarial assumptions used in the June 30, 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.

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

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

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

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Sevier County

will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2018	\$ 137,070,352	\$ 154,939,862	\$ (17,869,510)
Changes for the Year:			
Service Cost	\$ 3,704,977	\$ 0	\$ 3,704,977
Interest	10,044,078	0	10,044,078
Differences Between Expected and Actual Experience	(1,184,277)	0	(1,184,277)
Contributions-Employer	0	2,750,184	(2,750,184)
Contributions-Employees	0	2,148,465	(2,148,465)
Net Investment Income	0	11,548,193	(11,548,193)
Benefit Payments, Including Refunds of Employee Contributions	(4,472,635)	(4,472,635)	0
Administrative Expense	0	(119,140)	119,140
Net Changes	\$ 8,092,143	\$ 11,855,067	\$ (3,762,924)
Balance, June 30, 2019	\$ 145,162,495	\$ 166,794,929	\$ (21,632,434)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	55.08%	\$ 79,955,502	\$ 91,870,647	\$ (11,915,145)
School Department	44.92%	65,206,993	74,924,282	(9,717,289)
Total		\$ 145,162,495	\$ 166,794,929	\$ (21,632,434)

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

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability (Asset)	\$ (2,804,570)	\$ (21,632,434)	\$ (37,329,362)

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

Pension Expense (Negative Pension Expense). For the year ended June 30, 2020, Sevier County recognized pension expense (negative pension expense) of (\$86,606).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 4,902,032
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	1,907,338
Changes in Assumptions	1,452,615	0
Contributions Subsequent to the Measurement Date of June 30, 2019 (1)	<u>2,616,930</u>	N/A
Total	<u>\$ 4,069,545</u>	<u>\$ 6,809,370</u>

- (1) 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.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 2,279,916	\$ 3,750,601
School Department	<u>1,789,629</u>	<u>3,058,769</u>
Total	<u>\$ 4,069,545</u>	<u>\$ 6,809,370</u>

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

Year Ending June 30	Amount
2021	\$ (1,594,066)
2022	(1,974,834)
2023	(895,668)
2024	(694,815)
2025	(197,380)
Thereafter	0

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

Payable to the Pension Plan

At June 30, 2020, Sevier County reported a payable of \$89,505 for the outstanding amount of contributions due to the pension plan at year end.

Discretely Presented Sevier County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Sevier County and non-certified employees of the discretely presented Sevier County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 55.08 percent and the non-certified employees of the discretely presented school department comprise 44.92 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Sevier County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher

Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except

in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2020, to the Teacher Retirement Plan were \$273,743, which is 2.03 percent of covered payroll. In addition, employer contributions of \$255,319 were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). At June 30, 2020, the school department reported a liability (asset) of (\$596,056) for its proportionate share of the net pension liability (asset). The net pension liability (asset) 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 department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2019, the school department's proportion was 1.055927 percent. The proportion measured as of June 30, 2018, was 1.069774 percent.

Pension Expense. For the year ended June 30, 2020, the school department recognized pension expense of \$186,391.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 24,715	\$ 104,055
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	25,200
Changes in Assumptions	20,710	0
Changes in Proportion of Net Pension Liability (Asset)	9,551	14,639
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	<u>273,743</u>	<u>N/A</u>
Total	<u>\$ 328,719</u>	<u>\$ 143,894</u>

The school department's employer contributions of \$273,743, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 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:

Year Ending June 30	Amount
2021	\$ (13,306)
2022	(17,162)
2023	(10,093)
2024	(6,490)
2025	(5,463)
Thereafter	(36,404)

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

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

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

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

The actuarial assumptions used in the June 30, 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.

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

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

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

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

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

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

Net Pension Liability (Asset) \$ 188,854 \$ (596,056) \$ (1,176,250)

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

Teacher Legacy Pension Plan

General Information About the Pension Plan

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

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

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Sevier County School Department for the year ended June 30, 2020, to the Teacher Legacy Pension Plan were \$6,265,445, which is 10.63 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liability (Assets). At June 30, 2020, the school department reported a liability (asset) of (\$18,311,458) for its proportionate share of the net pension liability (asset). The net pension liability (asset) 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 department's proportion of the net pension liability (asset) was based on the school department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2019, the school department's proportion was 1.780958 percent. The proportion measured at June 30, 2018, was 1.716947 percent.

Pension Expense. For the year ended June 30, 2020, the school department recognized pension expense of \$2,699,530.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>Resources</u>	<u>Resources</u>
Difference Between Expected and Actual Experience	\$ 891,538	\$ 11,185,002
Changes in Assumptions	2,467,563	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	5,231,936
Changes in Proportion of Net Pension Liability (Asset)	481,549	40,729
LEA's Contributions Subsequent to the Measurement Date of June 30, 2019	<u>6,265,445</u>	<u>N/A</u>
Total	<u>\$ 10,106,095</u>	<u>\$ 16,457,667</u>

The school department's employer contributions of \$6,265,445 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 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:

Year Ending June 30	Amount
2021	\$ (3,480,476)
2022	(5,074,734)
2023	(2,314,704)
2024	(1,747,103)
2025	0
Thereafter	0

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

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

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

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

The actuarial assumptions used in the June 30, 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.

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

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

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

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

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

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

Net Pension Liability (Asset) \$ 37,441,642 \$ (18,311,458) \$ (62,661,503)

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

2. Deferred Compensation

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state's 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$674,246 and teachers contributed \$389,754 to this deferred compensation pension plan.

E. Other Postemployment Benefits (OPEB)

Sevier County and the discretely presented Sevier County School Department provide OPEB benefits to its retirees under various OPEB plans. These include OPEB provided through a self-insured plan for the primary government and through state administered public entity risks pools for both the primary government and the discretely presented school department. For reporting purposes, the plans are all considered single employer defined benefit OPEB plans based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). The plans are funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

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

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

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

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

Employees Covered by Benefit Terms

At the valuation date of July 1, 2019, the following employees were covered by the benefit terms:

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

Total OPEB Liability

The plan’s total OPEB liability of \$3,972,000 was measured as of July 1, 2019, and was determined by an actuarial valuation as of July 1, 2019.

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

Salary Increases	2.50%
Discount Rate	3.13%
Healthcare Cost Trend Rates	5.50% for FY20, decreasing 0.50% per year to an ultimate rate of 5.00%
Retirees share of Benefit-related Cost	From \$203 to \$405 depending on coverage selected

The discount rate was based on the Fidelity Municipal GO AA 20-year yield curve rate as of June 30, 2019.

Mortality rates were based on RP-2014 Mortality Table fully generational, with base year 2006, projected using two-dimensional mortality improvement scale MP-2019.

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

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2018	<u>\$ 3,625,000</u>
Changes for the Year:	
Service Cost	\$ 194,000
Interest	135,000
Difference between Expected and Actual Experience	24,000
Changes in Assumption and Other Inputs	160,000
Benefit Payments	<u>(166,000)</u>
Net Changes	<u>\$ 347,000</u>
Balance June 30, 2019	<u><u>\$ 3,972,000</u></u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the county recognized OPEB expense of \$348,000. At June 30, 2020, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 19,000	\$ 188,000
Changes of Assumptions/Inputs	124,000	13,000
Benefit Payment Subsequent to the Measurement Date of June 30, 2019	<u>107,667</u>	<u>0</u>
Total	<u><u>\$ 250,667</u></u>	<u><u>\$ 201,000</u></u>

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

Year Ending June 30	Amount
2021	\$ (40,000)
2022	(40,000)
2023	2,000
2024	20,000
Thereafter	0

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

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	2.13%	3.13%	4.13%
Total OPEB Liability	\$ 4,327,000	\$ 3,972,000	\$ 3,648,000

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

<u>Healthcare Cost Trend Rate</u>	1% Decrease	Current Trend Rate	1% Increase
	4.5% to 4%	5.5% to 5%	6.5% to 6%
Total OPEB Liability	\$ 3,539,000	\$ 3,972,000	\$ 4,485,000

OPEB Provided through State Administered Public Entity Risk Pools

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

The county and school department’s total OPEB liability for each plan was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2019, actuarial valuation of each plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.20%
Salary Increases	Salary increases used in the July 1, 2018 TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.51%
Healthcare Cost Trend Rates	LEP: Based on the Getzen Model, with trend starting at 6.03% for pre-65 retirees in the 2019 calendar year, and gradually decreasing over a 10-year period to an ultimate trend rate of 4.5 percent. TNMs: The premium subsidies provided to retirees are assumed to remain unchanged for the entire projection; therefore, trend rates are not applicable
Retirees Share of Benefit Related Cost	Discussed under each plan

The discount rate was 3.51 percent, based on the average rating of AA/Aa as shown the Bond Buyer 20-Year Municipal GO AA index closest to but no not later than the measurement date.

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

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

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

Changes in Assumptions. The discount rate changed from 3.62 percent as of the beginning of the measurement period to 3.51 percent as of the measurement date of June 30, 2019. This change in assumption increased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 2020 plan year was revised from 6.75 percent to 6.03 percent.

Closed Tennessee Plan – Medicare (Primary Government)

Plan Description. Employees of Sevier County who were hired prior to July 1, 2015, are provided with post-65 retiree health insurance benefits through the closed Tennessee Plan-Medicare (TNM) administered by the Tennessee Department of Finance and Administration. All eligible post-65 retirees and disability participants of local governments, who choose coverage, participate in the TNM. The TNM also includes eligible retirees of the state, certain component units of the state, and local education agencies. However, the amounts reflected in this note disclosure pertain only to the Sevier County Primary Government. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

Benefits Provided. The state offers the TNM to help fill most of the coverage gaps created by Medicare for eligible post-65 retirees and disabled participants of local governments. Insurance coverage is the only postemployment benefit provided to retirees. The TNM does not include pharmacy. In accordance with TCA 8-27-209, benefits of the TNM are established and amended by cooperation of insurance committees created by TCA 8-27-201, 8-27-301 and 8-27-701. Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65, are Medicare eligible and also receive a benefit from the Tennessee Consolidated Retirement System (TCRS) may participate in this plan. All plan members receive the same plan benefits at the same premium rates. Participating employers determine their own policy related to subsidizing the retiree premiums. Sevier County provides a direct subsidy of between \$25 and \$50 for eligible retirees depending on years of service.

Employees Covered by Benefit Terms

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	30
Inactive Employees Entitled to But Not Yet Receiving Benefits	8
Active Employees	481
Total	<u><u>519</u></u>

In accordance with TCA 8-27-209, the state insurance committees established by TCA 8-27-201, 8-27-301 and 8-27-701 determine the required payments to the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. For the fiscal year ended June 30, 2020, the county paid \$9,573 for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2018	<u>\$ 677,786</u>
Changes for the Year:	
Service Cost	\$ 23,293
Interest	25,287
Difference between Expected and Actual Experience	15,292
Changes in Assumptions and Other Inputs	18,419
Benefit Payments	<u>(5,113)</u>
Net Changes	<u>\$ 77,178</u>
Balance June 30, 2019	<u><u>\$ 754,964</u></u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the county recognized negative OPEB expense of \$113,916. At June 30, 2020, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 13,427	\$ 820,738
Changes of Assumptions/Inputs	16,173	126,744
Net Difference Between Projected and Benefits paid after the measurement date of June 30, 2019	<u>9,573</u>	<u>0</u>
Total	<u>\$ 39,173</u>	<u>\$ 947,482</u>

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

Year Ending June 30	
2021	\$ (162,496)
2022	(162,496)
2023	(162,496)
2024	(162,496)
2025	(162,496)
Thereafter	(105,402)

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

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

<u>Discount Rate</u>	1% Decrease 2.51%	Current Discount Rate 3.51%	1% Increase 4.51%
Total OPEB Liability	\$ 882,481	\$ 754,964	\$ 650,134

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The premium subsidies provided to retirees in the TNM plan are assumed to remain unchanged for the entire projection period, therefore trend rates are not applicable to the plan calculations:

Closed Local Education (LEP) OPEB Plan (Discretely Presented School Department)

Plan Description. Employees of the Sevier County School Department who were hired prior to July 1, 2015, are provided with pre-65 retiree health insurance benefits through the closed Local Education Plan (LEP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired teachers, support staff, and disability participants of local education agencies, who choose coverage, participate in the LEP. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

Benefits Provided. The Sevier County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. Retirees must retire from the Sevier County School System and have a minimum of ten years of service with the system in order to qualify for health insurance benefits. The school department provides a direct subsidy ranging from \$251 to \$533 per month toward the cost of insurance for retirees based on years of service and insurance coverage selected. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' premiums based on years of service. Retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 25 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

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

	<u>School Department</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	122
Inactive Employees Entitled to But Not Yet Receiving Benefits	1
Active Employees	1,496
Total	<u><u>1,619</u></u>

A state insurance committee, created in accordance with TCA 8-27-301, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$1,448,131 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	Sevier County School Department 78.4469%	State of TN 21.5531%	Total OPEB Liability
Balance July 1, 2018	\$ 34,425,636	\$ 9,137,223	\$ 43,562,859
Changes for the Year:			
Service Cost	\$ 2,102,959	\$ 577,783	\$ 2,680,742
Interest	1,286,835	353,555	1,640,390
Changes in Benefit Terms	2,230,420	612,802	2,843,222
Difference between Expected and Actual Experience	(494,599)	(135,890)	(630,489)
Change in Proportion	(251,924)	251,924	0
Changes in Assumption and Other Inputs	(2,579,605)	(708,741)	(3,288,346)
Benefit Payments	(1,470,562)	(404,034)	(1,874,596)
Net Changes	<u>\$ 823,523</u>	<u>\$ 547,400</u>	<u>\$ 1,370,923</u>
Balance June 30, 2019	<u>\$ 35,249,159</u>	<u>\$ 9,684,623</u>	<u>\$ 44,933,782</u>

The Sevier County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Sevier County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employers long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$1,365,221 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Sevier County School Department's proportionate share of the collective OPEB liability was 78.4469 percent and the State of Tennessee's share was 21.5531 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the school department recognized OPEB expense of \$7,666,665, which includes expenses funded by nonemployer contributing entities. At June 30, 2020, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>Resources</u>	<u>Resources</u>
Difference Between Expected and Actual Experience	\$ 5,604,515	\$ 436,411
Changes of Assumptions/Inputs	1,073,858	3,063,420
Changes in Proportions	2,365,265	180,274
Benefits Paid After the Measurement Date of June 30, 2019	<u>1,448,131</u>	<u>0</u>
Total	<u>\$ 10,491,769</u>	<u>\$ 3,680,105</u>

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

<u>Year Ending June 30</u>	<u>School Department</u>
2021	\$ 681,229
2022	681,229
2023	681,229
2024	681,229
2025	681,229
Thereafter	1,957,389

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

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

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	2.51%	3.51%	4.51%

Proportionate Share of the Collective Total OPEB Liability	\$ 37,784,006	\$ 35,249,159	\$ 32,835,811
--	---------------	---------------	---------------

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

<u>Healthcare Cost Trend Rate</u>	1% Decrease	Curent Rates	1% Increase
	5.03 to 3.5%	6.03 to 4.5%	7.03 to 5.5%

Proportionate Share of the Collective Total OPEB Liability	\$ 31,532,876	\$ 35,249,159	\$ 39,609,746
--	---------------	---------------	---------------

Closed Tennessee Plan – Medicare (Discretely Presented School Department)

Plan Description. Employees of the Sevier County School Department, who were hired prior to July 1, 2015, are provided with post-65 retiree health insurance benefits through the closed Tennessee Plan – Medicare (TNM) administered by the Tennessee Department of Finance and Administration. All eligible post-65 retirees and disability participants of local education agencies, who choose coverage, participate in the TNM. The TNM also includes eligible retirees of the state, certain component units of the state, and certain local governmental entities. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015. The school department's total OPEB liability for the TNM Plan was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date.

Benefits Provided. The state offers the TNM to help fill most of the coverage gaps created by Medicare for eligible post-65 retired teachers, noncertified employees, and disabled participants of local education agencies. Insurance coverage is the only postemployment benefit provided to retirees. The TNM does not include pharmacy. In accordance with *TCA 8-27-209*, benefits of the TNM are established and amended by cooperation of insurance committees created by *TCA 8-27-201*, *8-27-301* and *8-27-701*. Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65, are Medicare eligible and also receives a benefit from the Tennessee Consolidated Retirement System may participate in this plan. All plan members receive the same plan benefits at the same premium rates. Participating employers determine their own policy related to subsidizing the retiree premiums. The Sevier County School Department provided a direct subsidy to retired noncertified employees of \$50 for eligible retirees with 30 or more years of service, \$37.50 for eligible retirees with 20-29 years of service, and \$25 for eligible retirees with from 10 to 20 years of service. The school department does not provide a direct subsidy to retired certified employees (teachers). The state, as a governmental nonemployer contributing entity contributes to the premiums of certain eligible retirees (teachers) of local education agencies based on years of service. The State of Tennessee provided a direct subsidy of \$50 for eligible retirees (teachers) with 30 or more years of service, \$37.50 for eligible retirees with 20-29 years of service, and \$25 for eligible retirees with less than 20 years of service.

Employees Covered by Benefit Terms

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

	<u>School Department</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	203
Inactive Employees Entitled to But Not Yet Receiving Benefits	150
Active Employees	1,631
Total	<u><u>1,984</u></u>

In accordance with *TCA* 8-27-209, the state insurance committees established by *TCA* 8-27-201, 8-27-301 and 8-27-701 determine the required payments to the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. For the fiscal year ended June 30, 2020, the school department paid \$10,216 to the TNM for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	<u>Sevier County School Department 35.8555%</u>	<u>State of TN 64.1445%</u>	<u>Total OPEB Liability</u>
Balance July 1, 2018	\$ 804,281	\$ 3,478,366	\$ 4,282,647
Changes for the Year:			
Service Cost	\$ 42,732	\$ 76,445	\$ 119,177
Interest	56,449	100,985	157,434
Difference between Expected and Actual Experience	13,429	24,024	37,453
Changes in Proportion	731,283	(731,283)	0
Changes in Assumption and Other Inputs	390,019	697,734	1,087,753
Benefit Payments	(38,215)	(68,365)	(106,580)
Net Changes	<u>\$ 1,195,697</u>	<u>\$ 99,540</u>	<u>\$ 1,295,237</u>
Balance June 30, 2019	<u>\$ 1,999,978</u>	<u>\$ 3,577,906</u>	<u>\$ 5,577,884</u>

The Sevier County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired teachers

participating in the TNM. The Sevier County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department is required by GASB State No. 75 to recognize revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department employees. The amount of the subsidy is equal to the nonemployer share of collective OPEB expenses. The school department recognized \$411,120 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Sevier County School Department's proportionate share of the collective OPEB liability for the TNM plan was 35.8555 percent and the State of Tennessee's share was 64.1445 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2020, the school department recognized OPEB expense of \$154,188, including the state's share of the OPEB expense.

At June 30, 2020, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>Resources</u>	<u>Resources</u>
Difference Between Expected and Actual Experience	\$ 11,838	\$ 334,072
Changes of Assumptions/Inputs	343,808	227,226
Changes in Proportion	902,746	2,688,031
Benefits Paid After the Measurement Date of June 30, 2019	<u>10,216</u>	<u>0</u>
Total	<u>\$ 1,268,608</u>	<u>\$ 3,249,329</u>

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

<u>Year Ending</u> <u>June 30</u>	<u>School</u> <u>Department</u>
2021	\$ (356,113)
2022	(356,113)
2023	(356,113)
2024	(356,113)
2025	(356,113)
Thereafter	(210,372)

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

Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Discount Rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the TNM, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate.

<u>Discount Rate</u>	1%	Current Discount Rate	1%
	Decrease		Increase
	2.51%	3.51%	4.51%

Proportionate Share of the Collective Total OPEB Liability	\$ 2,332,269	\$ 1,999,978	\$ 1,729,338
--	--------------	--------------	--------------

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The premium subsidies provided to retirees in the TNM plan are assumed to remain unchanged for the entire projection period, therefore trend rates are not applicable to the plan calculations.

F. Purchasing Laws

Office of County Mayor

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

Office of Road Superintendent

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

Office of Director of Schools

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

G. Subsequent Event

On October 19, 2020, the Sevier County Commission authorized the county mayor to sign an agreement in settlement of a lawsuit that alleged violations of the Fair Labor Standards Act. The county commission appropriated \$900,000 from the General Fund to provide funds for the settlement. As of the date of this report, the county is awaiting the judicial approval of the settlement agreement before any funds are disbursed to the plaintiffs in the case. A noncurrent liability has been recorded for this settlement in the governmental operations on the government-wide financial statements at June 30, 2020.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

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

	2014	2015	2016	2017	2018	2019
Total Pension Liability						
Service Cost	\$ 3,022,637	\$ 3,246,116	\$ 3,328,622	\$ 3,511,649	\$ 3,699,127	\$ 3,704,977
Interest	7,814,520	8,172,691	8,613,091	9,195,486	9,578,282	10,044,078
Differences Between Actual and Expected Experience	(3,084,680)	(2,192,897)	(620,095)	(2,311,389)	(2,619,893)	(1,184,277)
Changes in Assumptions	0	0	0	2,905,233	0	0
Benefit Payments, Including Refunds of Employee Contributions	(3,049,729)	(3,350,941)	(3,521,901)	(3,956,855)	(4,004,543)	(4,472,635)
Net Change in Total Pension Liability	\$ 4,702,748	\$ 5,874,969	\$ 7,799,717	\$ 9,344,124	\$ 6,652,973	\$ 8,092,143
Total Pension Liability, Beginning	102,695,821	107,398,569	113,273,538	121,073,255	130,417,379	137,070,352
Total Pension Liability, Ending (a)	\$ 107,398,569	\$ 113,273,538	\$ 121,073,255	\$ 130,417,379	\$ 137,070,352	\$ 145,162,495
Plan Fiduciary Net Position						
Contributions - Employer	\$ 3,540,475	\$ 3,595,625	\$ 3,785,512	\$ 3,226,703	\$ 2,874,211	\$ 2,750,184
Contributions - Employee	1,927,724	1,891,110	1,998,862	2,020,513	2,059,378	2,148,465
Net Investment Income	16,292,190	3,588,942	3,242,578	14,425,127	11,844,514	11,548,193
Benefit Payments, Including Refunds of Employee Contributions	(3,049,729)	(3,350,941)	(3,521,901)	(3,956,855)	(4,004,543)	(4,472,635)
Administrative Expense	(50,907)	(67,022)	(101,968)	(112,967)	(128,087)	(119,140)
Other	0	0	13,303	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 18,659,753	\$ 5,657,714	\$ 5,416,386	\$ 15,602,521	\$ 12,645,473	\$ 11,855,067
Plan Fiduciary Net Position, Beginning	96,958,015	115,617,768	121,275,482	126,691,868	142,294,389	154,939,862
Plan Fiduciary Net Position, Ending (b)	\$ 115,617,768	\$ 121,275,482	\$ 126,691,868	\$ 142,294,389	\$ 154,939,862	\$ 166,794,929
Net Pension Liability (Asset), Ending (a - b)	\$ (8,219,199)	\$ (8,001,944)	\$ (5,618,613)	\$ (11,877,010)	\$ (17,869,510)	\$ (21,632,434)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	107.65%	107.06%	104.64%	109.11%	113.04%	114.90%
Covered Payroll	\$ 37,874,771	\$ 37,806,451	\$ 39,805,584	\$ 40,333,745	\$ 41,221,415	\$ 42,310,397
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(21.70%)	(21.17%)	(14.12%)	(29.45%)	(43.35%)	(51.13%)

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

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

Exhibit F-2

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

	2014	2015	2016	2017	2018	2019	2020
Actuarially Determined Contribution	\$ 3,540,475	\$ 3,595,625	\$ 3,785,512	\$ 1,597,216	\$ 1,636,490	\$ 1,002,759	\$ 610,616
Less Contributions in Relation to the Actuarially Determined Contribution	(3,540,475)	(3,595,625)	(3,785,512)	(3,226,703)	(2,874,211)	(2,750,184)	(2,616,930)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (1,629,487)	\$ (1,237,721)	\$ (1,747,425)	\$ (2,006,314)
Covered Payroll	\$ 37,874,771	\$ 37,806,451	\$ 39,805,584	\$ 40,333,745	\$ 41,221,415	\$ 42,310,397	\$ 43,615,424
Contributions as a Percentage of Covered Payroll	9.35%	9.51%	9.51%	8.00%	6.97%	6.50%	6.00%

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

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

Exhibit F-3

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

	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 58,633	\$ 175,920	\$ 285,244	\$ 373,941	\$ 216,773	\$ 273,743
Less Contributions in Relation to the Contractually Required Contribution	(58,633)	(175,920)	(285,244)	(373,941)	(216,773)	(273,743)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 1,465,835	\$ 4,398,007	\$ 7,131,093	\$ 9,348,537	\$ 11,173,961	\$ 13,484,755
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%

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

Exhibit F-4

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

	2014	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 5,337,621	\$ 5,388,753	\$ 5,463,193	\$ 5,431,387	\$ 5,459,068	\$ 6,246,512	\$ 6,265,445
Less Contributions in Relation to the Contractually Required Contribution	(5,337,621)	(5,388,753)	(5,463,193)	(5,431,387)	(5,459,068)	(6,246,512)	(6,265,445)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 60,108,346	\$ 59,610,096	\$ 60,433,578	\$ 60,081,772	\$ 59,992,931	\$ 59,718,083	\$ 58,941,115
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.10%	10.46%	10.63%

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

Exhibit F-5

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

	2015	2016	2017	2018	2019
School Department's Proportion of the Net Pension Liability/Asset	0.705496%	0.999536%	1.086498%	1.069774%	1.055927%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (28,382)	\$ (104,055)	\$ (286,655)	\$ (485,172)	\$ (596,056)
Covered Payroll	\$ 1,465,835	\$ 4,398,007	\$ 7,131,093	\$ 9,348,537	\$ 11,173,961
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94%)	(2.37%)	(4.02%)	(5.19%)	(5.33%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%	126.97%	123.07%

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

Exhibit F-6

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

	2014	2015	2016	2017	2018	2019
School Department's Proportion of the Net Pension Liability/Asset	1.531426%	1.592362%	1.674153%	1.699648%	1.716947%	1.780958%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (248,850)	\$ 652,286	\$ 10,462,528	\$ (556,097)	\$ (6,041,791)	\$ (18,311,458)
Covered Payroll	\$ 60,108,346	\$ 59,610,096	\$ 60,433,578	\$ 60,081,772	\$ 59,992,931	\$ 59,718,083
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41%)	1.09%	17.31%	(0.93%)	(10.07%)	(30.66%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%

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

Exhibit F-7

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

	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 187,000	\$ 192,000	\$ 194,000
Interest	129,000	138,000	135,000
Differences Between Actual and Expected Experience	0	(340,000)	24,000
Changes in Assumptions or Other Inputs	0	(23,000)	160,000
Benefit Payments	(114,000)	(43,000)	(166,000)
Net Change in Total OPEB Liability	\$ 202,000	\$ (76,000)	\$ 347,000
Total OPEB Liability, Beginning	3,499,000	3,701,000	3,625,000
Total OPEB Liability, Ending	<u>\$ 3,701,000</u>	<u>\$ 3,625,000</u>	<u>\$ 3,972,000</u>
Covered Employee Payroll	\$ 20,552,000	\$ 22,983,000	\$ 22,983,000
Net OPEB Liability as a Percentage of Covered Employee Payroll	18.01%	15.77%	17.28%

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

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

Exhibit F-8

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

	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 86,278	\$ 73,984	\$ 23,293
Interest	52,607	61,775	25,287
Differences Between Actual and Expected Experience	0	(1,108,716)	15,292
Changes in Assumptions or Other Inputs	(187,235)	(6,516)	18,419
Benefit Payments	(3,450)	(8,013)	(5,113)
Net Change in Total OPEB Liability	\$ (51,800)	\$ (987,486)	\$ 77,178
Total OPEB Liability, Beginning	1,717,072	1,665,272	677,786
Total OPEB Liability, Ending	<u>\$ 1,665,272</u>	<u>\$ 677,786</u>	<u>\$ 754,964</u>
Covered Employee Payroll	N/A	N/A	N/A
Net OPEB Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A

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

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

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%

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

Exhibit F-9

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

	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 1,953,954	\$ 1,821,302	\$ 2,680,742
Interest	1,004,666	1,214,454	1,640,390
Changes in Benefit Terms	0	(1,642,336)	2,843,222
Differences Between Actual and Expected Experience	0	9,024,432	(630,489)
Changes in Assumptions or Other Inputs	(1,474,044)	1,729,134	(3,288,346)
Benefit Payments	(1,535,456)	(1,753,379)	(1,874,596)
Net Change in Total OPEB Liability	\$ (50,880)	\$ 10,393,607	\$ 1,370,923
Total OPEB Liability, Beginning	33,220,132	33,169,252	43,562,859
Total OPEB Liability, Ending	<u>\$ 33,169,252</u>	<u>\$ 43,562,859</u>	<u>\$ 44,933,782</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 9,859,129	\$ 9,137,223	\$ 9,684,622
Employer Proportionate Share of the Total OPEB Liability	23,310,123	34,425,636	35,249,160
Covered Employee Payroll	\$ 86,232,636	\$ 89,927,065	\$ 91,377,737
Net OPEB Liability as a Percentage of Covered Employee Payroll	27.03%	38.28%	38.58%

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

Note 2: Changes in assumptions.

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

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%

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

For the 2019 plan year - from 5.4% to 6.75%
 For the 2020 plan year - from 6.75% to 6.03%

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

Exhibit F-10

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

	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 329,389	\$ 270,476	\$ 119,177
Interest	278,853	320,568	157,434
Changes in Benefit Terms	0	(3,674,282)	0
Differences Between Actual and Expected Experience	0	(1,232,273)	37,453
Changes in Assumptions or Other Inputs	(907,091)	(38,353)	1,087,753
Benefit Payments	(179,100)	(195,477)	(106,580)
Net Change in Total OPEB Liability	\$ (477,949)	\$ (4,549,341)	\$ 1,295,237
Total OPEB Liability, Beginning	9,309,937	8,831,988	4,282,647
Total OPEB Liability, Ending	<u>\$ 8,831,988</u>	<u>\$ 4,282,647</u>	<u>\$ 5,577,884</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 3,856,108	\$ 3,478,383	\$ 3,577,905
Employer Proportionate Share of the Total OPEB Liability	4,975,880	804,264	1,999,979
Covered Employee Payroll	N/A	N/A	N/A
Net OPEB Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A

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

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

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%

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

SEVIER COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2020

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 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% 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%
Investment Rate of Return	7.25%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.25%

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

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

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

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

Exhibit G-1

Sevier County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2020

	Special Revenue Funds				
	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Special Purpose	Drug Control
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	1,186,963	13,470	289,408	1,080,998	50,144
Accounts Receivable	0	0	0	8,227	0
Due from Other Governments	0	0	600,000	0	0
Due from Other Funds	0	0	22,865	0	0
Property Taxes Receivable	0	0	0	1,603,314	0
Allowance for Uncollectible Property Taxes	0	0	0	(25,110)	0
Prepaid Items	0	0	9,130	0	0
Total Assets	<u>\$ 1,186,963</u>	<u>\$ 13,470</u>	<u>\$ 921,403</u>	<u>\$ 2,667,429</u>	<u>\$ 50,144</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 0	\$ 7,927	\$ 117,780	\$ 0
Accrued Payroll	0	0	7,474	0	0
Payroll Deductions Payable	0	0	24,669	0	0
Future Compensation Payable	0	0	15	0	0
Due to Other Funds	0	0	0	0	0
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 40,085</u>	<u>\$ 117,780</u>	<u>\$ 0</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 1,544,985	\$ 0
Deferred Delinquent Property Taxes	0	0	0	27,679	0

(Continued)

Exhibit G-1

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

	Special Revenue Funds				
	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Special Purpose	Drug Control
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>					
Other Deferred/Unavailable Revenue	\$ 0	\$ 0	\$ 300,000	\$ 0	\$ 0
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 300,000	\$ 1,572,664	\$ 0
<u>FUND BALANCES</u>					
Nonspendable:					
Prepaid Items	\$ 0	\$ 0	\$ 9,130	\$ 0	\$ 0
Restricted:					
Restricted for General Government	65,829	0	0	0	0
Restricted for Administration of Justice	1,121,134	13,470	0	0	0
Restricted for Public Safety	0	0	0	0	50,144
Restricted for Capital Outlay	0	0	0	844,114	0
Committed:					
Committed for Administration of Justice	0	0	0	0	0
Committed for Public Health and Welfare	0	0	572,188	0	0
Committed for Capital Outlay	0	0	0	132,871	0
Total Fund Balances	\$ 1,186,963	\$ 13,470	\$ 581,318	\$ 976,985	\$ 50,144
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,186,963	\$ 13,470	\$ 921,403	\$ 2,667,429	\$ 50,144

(Continued)

Exhibit G-1

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

<u>ASSETS</u>	<u>Special Revenue Funds</u> (Cont.)		
	<u>Other Special Revenue</u>	<u>Constitu - tional Officers - Fees</u>	<u>Total Nonmajor Governmental Funds</u>
Cash	\$ 0	\$ 2,876	\$ 2,876
Equity in Pooled Cash and Investments	19,234	0	2,640,217
Accounts Receivable	0	0	8,227
Due from Other Governments	38,147	0	638,147
Due from Other Funds	50,000	0	72,865
Property Taxes Receivable	0	0	1,603,314
Allowance for Uncollectible Property Taxes	0	0	(25,110)
Prepaid Items	802	0	9,932
Total Assets	<u>\$ 108,183</u>	<u>\$ 2,876</u>	<u>\$ 4,950,468</u>
 <u>LIABILITIES</u>			
Accounts Payable	\$ 4,702	\$ 0	\$ 130,409
Accrued Payroll	678	0	8,152
Payroll Deductions Payable	2,714	0	27,383
Future Compensation Payable	0	0	15
Due to Other Funds	0	2,876	2,876
Total Liabilities	<u>\$ 8,094</u>	<u>\$ 2,876</u>	<u>\$ 168,835</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 1,544,985
Deferred Delinquent Property Taxes	0	0	27,679

(Continued)

Exhibit G-1

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

DEFERRED INFLOWS OF RESOURCES (Cont.)

Other Deferred/Unavailable Revenue
 Total Deferred Inflows of Resources

Special Revenue Funds (Cont.)			Total Nonmajor Governmental Funds
Other Special Revenue	Constitu - tional Officers - Fees		
\$ 0	\$ 0	\$	300,000
\$ 0	\$ 0	\$	1,872,664

FUND BALANCES

Nonspendable:
 Prepaid Items
 Restricted:
 Restricted for General Government
 Restricted for Administration of Justice
 Restricted for Public Safety
 Restricted for Capital Outlay
 Committed:
 Committed for Administration of Justice
 Committed for Public Health and Welfare
 Committed for Capital Outlay
 Total Fund Balances

\$ 802	\$ 0	\$	9,932
0	0		65,829
0	0		1,134,604
0	0		50,144
0	0		844,114
99,287	0		99,287
0	0		572,188
0	0		132,871
\$ 100,089	\$ 0	\$	2,908,969

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

\$ 108,183	\$ 2,876	\$	4,950,468
------------	----------	----	-----------

Exhibit G-2

Sevier County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue Funds				
	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Special Purpose	Drug Control
<u>Revenues</u>					
Local Taxes	\$ 867,478	\$ 9,292	\$ 2,720,000	\$ 1,203,716	\$ 0
Fines, Forfeitures, and Penalties	0	0	0	0	144,701
Charges for Current Services	0	0	22,865	0	0
Other Local Revenues	0	0	97,087	8,537	0
State of Tennessee	0	0	73,809	0	0
Federal Government	0	0	0	68,300	0
Total Revenues	\$ 867,478	\$ 9,292	\$ 2,913,761	\$ 1,280,553	\$ 144,701
<u>Expenditures</u>					
Current:					
General Government	\$ 14,495	\$ 0	\$ 0	\$ 29,872	\$ 0
Finance	0	0	0	41,716	0
Administration of Justice	0	13,846	0	0	0
Public Safety	0	0	0	613,107	131,540
Public Health and Welfare	0	0	3,013,345	398,213	0
Social, Cultural, and Recreational Services	0	0	0	16,383	0
Other Operations	0	0	0	194,731	0
Capital Projects	5,000	0	0	0	0
Total Expenditures	\$ 19,495	\$ 13,846	\$ 3,013,345	\$ 1,294,022	\$ 131,540
Excess (Deficiency) of Revenues Over Expenditures	\$ 847,983	\$ (4,554)	\$ (99,584)	\$ (13,469)	\$ 13,161

(Continued)

Exhibit G-2

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

	Special Revenue Funds				
	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Special Purpose	Drug Control
<u>Other Financing Sources (Uses)</u>					
Proceeds from Sale of Capital Assets	\$ 0	\$ 0	\$ 0	\$ 15,000	\$ 0
Insurance Recovery	0	0	0	48,102	0
Transfers In	0	0	0	17,336	0
Transfers Out	0	0	0	0	(17,336)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 80,438</u>	<u>\$ (17,336)</u>
Net Change in Fund Balances	\$ 847,983	\$ (4,554)	\$ (99,584)	\$ 66,969	\$ (4,175)
Fund Balance, July 1, 2019	<u>338,980</u>	<u>18,024</u>	<u>680,902</u>	<u>910,016</u>	<u>54,319</u>
Fund Balance, June 30, 2020	<u>\$ 1,186,963</u>	<u>\$ 13,470</u>	<u>\$ 581,318</u>	<u>\$ 976,985</u>	<u>\$ 50,144</u>

(Continued)

Exhibit G-2

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

	Special Revenue Funds (Cont.)		Total Nonmajor Governmental Funds
	Other Special Revenue	Constitu - tional Officers - Fees	
<u>Revenues</u>			
Local Taxes	\$ 0	\$ 0	\$ 4,800,486
Fines, Forfeitures, and Penalties	43,781	0	188,482
Charges for Current Services	0	14,853	37,718
Other Local Revenues	0	0	105,624
State of Tennessee	128,758	0	202,567
Federal Government	32,622	0	100,922
Total Revenues	<u>\$ 205,161</u>	<u>\$ 14,853</u>	<u>\$ 5,435,799</u>
<u>Expenditures</u>			
Current:			
General Government	\$ 0	\$ 0	\$ 44,367
Finance	0	2,015	43,731
Administration of Justice	254,551	12,838	281,235
Public Safety	0	0	744,647
Public Health and Welfare	0	0	3,411,558
Social, Cultural, and Recreational Services	0	0	16,383
Other Operations	0	0	194,731
Capital Projects	0	0	5,000
Total Expenditures	<u>\$ 254,551</u>	<u>\$ 14,853</u>	<u>\$ 4,741,652</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (49,390)</u>	<u>\$ 0</u>	<u>\$ 694,147</u>

(Continued)

Exhibit G-2

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

	Special Revenue Funds (Cont.)		Total Nonmajor Governmental Funds
	Other Special Revenue	Constitu - tional Officers - Fees	
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Capital Assets	\$ 0	\$ 0	\$ 15,000
Insurance Recovery	0	0	48,102
Transfers In	50,000	0	67,336
Transfers Out	0	0	(17,336)
Total Other Financing Sources (Uses)	<u>\$ 50,000</u>	<u>\$ 0</u>	<u>\$ 113,102</u>
Net Change in Fund Balances	\$ 610	\$ 0	\$ 807,249
Fund Balance, July 1, 2019	<u>99,479</u>	<u>0</u>	<u>2,101,720</u>
Fund Balance, June 30, 2020	<u>\$ 100,089</u>	<u>\$ 0</u>	<u>\$ 2,908,969</u>

Exhibit G-3

Sevier County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Courthouse and Jail Maintenance Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 867,478	\$ 850,000	\$ 850,000	\$ 17,478
Total Revenues	\$ 867,478	\$ 850,000	\$ 850,000	\$ 17,478
<u>Expenditures</u>				
<u>General Government</u>				
County Buildings	\$ 14,495	\$ 850,000	\$ 845,000	\$ 830,505
<u>Capital Projects</u>				
Administration of Justice Projects	5,000	0	5,000	0
Total Expenditures	\$ 19,495	\$ 850,000	\$ 850,000	\$ 830,505
Excess (Deficiency) of Revenues Over Expenditures	\$ 847,983	\$ 0	\$ 0	\$ 847,983
Net Change in Fund Balance	\$ 847,983	\$ 0	\$ 0	\$ 847,983
Fund Balance, July 1, 2019	338,980	352,889	352,889	(13,909)
Fund Balance, June 30, 2020	\$ 1,186,963	\$ 352,889	\$ 352,889	\$ 834,074

Exhibit G-4

Sevier County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Law Library Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 9,292	\$ 10,000	\$ 10,000	\$ (708)
Total Revenues	\$ 9,292	\$ 10,000	\$ 10,000	\$ (708)
<u>Expenditures</u>				
<u>Administration of Justice</u>				
Other Administration of Justice	\$ 13,846	\$ 10,000	\$ 19,000	\$ 5,154
Total Expenditures	\$ 13,846	\$ 10,000	\$ 19,000	\$ 5,154
Excess (Deficiency) of Revenues Over Expenditures	\$ (4,554)	\$ 0	\$ (9,000)	\$ 4,446
Net Change in Fund Balance	\$ (4,554)	\$ 0	\$ (9,000)	\$ 4,446
Fund Balance, July 1, 2019	18,024	16,118	16,118	1,906
Fund Balance, June 30, 2020	\$ 13,470	\$ 16,118	\$ 7,118	\$ 6,352

Exhibit G-5

Sevier County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,720,000	\$ 2,520,000	\$ 2,720,000	\$ 0
Charges for Current Services	22,865	22,750	22,750	115
Other Local Revenues	97,087	88,321	88,321	8,766
State of Tennessee	73,809	60,000	60,000	13,809
Total Revenues	<u>\$ 2,913,761</u>	<u>\$ 2,691,071</u>	<u>\$ 2,891,071</u>	<u>\$ 22,690</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Management	\$ 3,013,345	\$ 2,691,071	\$ 3,101,271	\$ 87,926
Total Expenditures	<u>\$ 3,013,345</u>	<u>\$ 2,691,071</u>	<u>\$ 3,101,271</u>	<u>\$ 87,926</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (99,584)</u>	<u>\$ 0</u>	<u>\$ (210,200)</u>	<u>\$ 110,616</u>
Net Change in Fund Balance	\$ (99,584)	0	(210,200)	110,616
Fund Balance, July 1, 2019	<u>680,902</u>	<u>340,773</u>	<u>340,773</u>	<u>340,129</u>
Fund Balance, June 30, 2020	<u>\$ 581,318</u>	<u>\$ 340,773</u>	<u>\$ 130,573</u>	<u>\$ 450,745</u>

Exhibit G-6

Sevier County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Special Purpose Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,203,716	\$ 1,085,000	\$ 1,085,000	\$ 118,716
Other Local Revenues	8,537	0	0	8,537
Federal Government	68,300	0	68,300	0
Total Revenues	<u>\$ 1,280,553</u>	<u>\$ 1,085,000</u>	<u>\$ 1,153,300</u>	<u>\$ 127,253</u>
<u>Expenditures</u>				
<u>General Government</u>				
Election Commission	\$ 3,850	\$ 30,000	\$ 30,000	\$ 26,150
County Buildings	19,652	30,000	30,000	10,348
Other General Administration	6,370	10,000	10,000	3,630
<u>Finance</u>				
Data Processing	41,716	65,000	61,824	20,108
<u>Public Safety</u>				
Sheriff's Department	487,438	425,000	521,663	34,225
Jail	108,950	0	108,950	0
Other Public Safety	16,719	18,000	18,000	1,281
<u>Public Health and Welfare</u>				
Ambulance/Emergency Medical Services	343,611	331,000	357,700	14,089
Sanitation Management	38,148	90,000	90,000	51,852
Other Public Health and Welfare	16,454	16,032	16,454	0
<u>Social, Cultural, and Recreational Services</u>				
Libraries	16,383	20,000	20,000	3,617
<u>Other Operations</u>				
Other Charges	23,677	30,000	30,000	6,323
Miscellaneous	171,054	100,000	171,054	0
Total Expenditures	<u>\$ 1,294,022</u>	<u>\$ 1,165,032</u>	<u>\$ 1,465,645</u>	<u>\$ 171,623</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (13,469)</u>	<u>\$ (80,032)</u>	<u>\$ (312,345)</u>	<u>\$ 298,876</u>
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Capital Assets	\$ 15,000	\$ 0	\$ 15,000	\$ 0
Insurance Recovery	48,102	0	48,602	(500)
Transfers In	17,336	0	17,336	0
Total Other Financing Sources	<u>\$ 80,438</u>	<u>\$ 0</u>	<u>\$ 80,938</u>	<u>\$ (500)</u>
Net Change in Fund Balance	<u>\$ 66,969</u>	<u>\$ (80,032)</u>	<u>\$ (231,407)</u>	<u>\$ 298,376</u>
Fund Balance, July 1, 2019	<u>910,016</u>	<u>715,061</u>	<u>715,061</u>	<u>194,955</u>
Fund Balance, June 30, 2020	<u>\$ 976,985</u>	<u>\$ 635,029</u>	<u>\$ 483,654</u>	<u>\$ 493,331</u>

Exhibit G-7

Sevier County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 144,701	\$ 55,000	\$ 142,000	\$ 2,701
Total Revenues	\$ 144,701	\$ 55,000	\$ 142,000	\$ 2,701
<u>Expenditures</u>				
<u>Public Safety</u>				
Sheriff's Department	\$ 131,540	\$ 55,000	\$ 142,000	\$ 10,460
Total Expenditures	\$ 131,540	\$ 55,000	\$ 142,000	\$ 10,460
Excess (Deficiency) of Revenues Over Expenditures	\$ 13,161	\$ 0	\$ 0	\$ 13,161
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (17,336)	\$ 0	\$ (17,336)	\$ 0
Total Other Financing Sources	\$ (17,336)	\$ 0	\$ (17,336)	\$ 0
Net Change in Fund Balance	\$ (4,175)	\$ 0	\$ (17,336)	\$ 13,161
Fund Balance, July 1, 2019	54,319	68,168	68,168	(13,849)
Fund Balance, June 30, 2020	\$ 50,144	\$ 68,168	\$ 50,832	\$ (688)

Exhibit G-8

Sevier County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other Special Revenue Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 43,781	\$ 67,740	\$ 67,740	\$ (23,959)
State of Tennessee	128,758	70,000	70,000	58,758
Federal Government	32,622	45,000	45,000	(12,378)
Other Governments and Citizens Groups	0	50,000	0	0
Total Revenues	<u>\$ 205,161</u>	<u>\$ 232,740</u>	<u>\$ 182,740</u>	<u>\$ 22,421</u>
<u>Expenditures</u>				
<u>Administration of Justice</u>				
Drug Court	\$ 254,551	\$ 200,000	\$ 268,600	\$ 14,049
Total Expenditures	<u>\$ 254,551</u>	<u>\$ 200,000</u>	<u>\$ 268,600</u>	<u>\$ 14,049</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (49,390)</u>	<u>\$ 32,740</u>	<u>\$ (85,860)</u>	<u>\$ 36,470</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 50,000	\$ 0	\$ 50,000	\$ 0
Total Other Financing Sources	<u>\$ 50,000</u>	<u>\$ 0</u>	<u>\$ 50,000</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 610	\$ 32,740	\$ (35,860)	\$ 36,470
Fund Balance, July 1, 2019	<u>99,479</u>	<u>112,179</u>	<u>112,179</u>	<u>(12,700)</u>
Fund Balance, June 30, 2020	<u>\$ 100,089</u>	<u>\$ 144,919</u>	<u>\$ 76,319</u>	<u>\$ 23,770</u>

Major Governmental Fund

General Debt Service Fund

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

Exhibit H

Sevier County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual and Budget
 General Debt Service Fund
 For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 6,419,884	\$ 5,756,273	\$ 5,766,273	\$ 653,611
Other Local Revenues	2,294,248	1,000,000	1,000,000	1,294,248
Other Governments and Citizens Groups	7,131,970	7,056,880	7,056,880	75,090
Total Revenues	\$ 15,846,102	\$ 13,813,153	\$ 13,823,153	\$ 2,022,949
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 3,895,000	\$ 7,345,000	\$ 3,895,000	\$ 0
Education	4,455,023	1,005,023	4,455,023	0
<u>Interest on Debt</u>				
General Government	1,035,703	4,386,757	2,006,526	970,823
Education	2,665,344	703,154	2,665,344	0
<u>Other Debt Service</u>				
General Government	693,975	153,905	696,881	2,906
Education	11,603	11,603	11,603	0
Total Expenditures	\$ 12,756,648	\$ 13,605,442	\$ 13,730,377	\$ 973,729
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,089,454	\$ 207,711	\$ 92,776	\$ 2,996,678
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 6,290,000	\$ 0	\$ 6,290,000	\$ 0
Premiums on Debt Sold	949,935	0	949,935	0
Payments to Refunded Debt Escrow Agent	(7,125,000)	0	(7,125,000)	0
Total Other Financing Sources	\$ 114,935	\$ 0	\$ 114,935	\$ 0
Net Change in Fund Balance	\$ 3,204,389	\$ 207,711	\$ 207,711	\$ 2,996,678
Fund Balance, July 1, 2019	32,488,498	30,258,894	30,258,894	2,229,604
Fund Balance, June 30, 2020	\$ 35,692,887	\$ 30,466,605	\$ 30,466,605	\$ 5,226,282

Proprietary Funds

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

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

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

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

Exhibit I-1

Sevier County, Tennessee
Combining Statement of Net Position
Internal Service Funds
June 30, 2020

	<u>Internal Service Funds</u>			
	Employee Insurance - Health	Employee Insurance - Dental and Vision	Workers' Compensation	Total
<u>ASSETS</u>				
Current Assets:				
Cash	\$ 762,052	\$ 110,262	\$ 733,366	\$ 1,605,680
Due from Other Funds	0	0	41	41
Total Assets	<u>\$ 762,052</u>	<u>\$ 110,262</u>	<u>\$ 733,407</u>	<u>\$ 1,605,721</u>
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts Payable	\$ 19,596	\$ 0	\$ 0	\$ 19,596
Other Current Liabilities	611,894	17,423	90,169	719,486
Total Liabilities	<u>\$ 631,490</u>	<u>\$ 17,423</u>	<u>\$ 90,169</u>	<u>\$ 739,082</u>
<u>NET POSITION</u>				
Unrestricted	<u>\$ 130,562</u>	<u>\$ 92,839</u>	<u>\$ 643,238</u>	<u>\$ 866,639</u>
Total Net Position	<u>\$ 130,562</u>	<u>\$ 92,839</u>	<u>\$ 643,238</u>	<u>\$ 866,639</u>

Exhibit I-2

Sevier County, Tennessee
Combining Statement of Revenues, Expenses, and
Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2020

	Internal Service Funds			
	Employee Insurance - Health	Employee Insurance - Dental and Vision	Workers' Compensation	Total
<u>Operating Revenues</u>				
Self-insurance Premiums	\$ 8,189,665	\$ 213,272	\$ 677,023	\$ 9,079,960
Patient Charges	242,964	0	0	242,964
Total Operating Revenues	\$ 8,432,629	\$ 213,272	\$ 677,023	\$ 9,322,924
<u>Operating Expenses</u>				
Handling Charges and Administrative Costs	\$ 606,505	\$ 2,510	\$ 0	\$ 609,015
Employee and Dependent Insurance	0	189,683	0	189,683
Disability and Life Insurance	135,705	0	0	135,705
Bank Charges	481	193	0	674
Other Supplies and Materials	5,290	0	0	5,290
Excess Risk Insurance	705,397	0	0	705,397
Medical Claims	4,114,424	36,815	589,676	4,740,915
Other Self-insured Claims	2,947,469	0	0	2,947,469
Total Operating Expenses	\$ 8,515,271	\$ 229,201	\$ 589,676	\$ 9,334,148
Operating Income (Loss)	\$ (82,642)	\$ (15,929)	\$ 87,347	\$ (11,224)
<u>Nonoperating Revenues (Expenses)</u>				
Investment Income	\$ 1,370	\$ 181	\$ 10,482	\$ 12,033
Total Nonoperating Revenues (Expenses)	\$ 1,370	\$ 181	\$ 10,482	\$ 12,033
Change in Net Position	\$ (81,272)	\$ (15,748)	\$ 97,829	\$ 809
Net Position, July 1, 2019	211,834	108,587	545,409	865,830
Net Position, June 30, 2020	\$ 130,562	\$ 92,839	\$ 643,238	\$ 866,639

Exhibit I-3

Sevier County, Tennessee
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2020

	Internal Service Funds			
	Employee Insurance - Health	Employee Insurance - Dental and Vision	Workers' Compensation	Total
<u>Cash Flows from Operating Activities</u>				
Receipts for Self-Insurance Premiums	\$ 8,189,665	\$ 213,272	\$ 680,261	\$ 9,083,198
Receipts for Patient Charges	242,964	0	0	242,964
Receipts for Stop Loss Reimbursement	331,101	0	41,505	372,606
Receipts for Prescription Rebates	127,147	0	0	127,147
Payments to Insurers	(841,583)	(189,683)	0	(1,031,266)
Payments for Claims	(7,594,474)	(35,923)	(702,074)	(8,332,471)
Payments for Administrative Costs	(623,934)	(2,703)	0	(626,637)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (169,114)</u>	<u>\$ (15,037)</u>	<u>\$ 19,692</u>	<u>\$ (164,459)</u>
<u>Cash Flows from Investing Activities</u>				
Interest on Investments	\$ 1,370	\$ 181	\$ 10,482	\$ 12,033
Net Cash Provided By (Used In) Investing Activities	<u>\$ 1,370</u>	<u>\$ 181</u>	<u>\$ 10,482</u>	<u>\$ 12,033</u>
Increase (Decrease) in Cash	\$ (167,744)	\$ (14,856)	\$ 30,174	\$ (152,426)
Cash, July 1, 2019	929,796	125,118	703,192	1,758,106
Cash, June 30, 2020	<u>\$ 762,052</u>	<u>\$ 110,262</u>	<u>\$ 733,366</u>	<u>\$ 1,605,680</u>
<u>Reconciliation of Operating Income (Loss) to Net</u>				
<u>Cash Provided By (Used In) Operating Activities</u>				
Operating Income (Loss)	\$ (82,642)	\$ (15,929)	\$ 87,347	\$ (11,224)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:				
Changes in Assets and Liabilities:				
(Increase) Decrease in Due from Other Funds	0	0	3,238	3,238
Increase (Decrease) in Accounts Payable	(12,139)	0	0	(12,139)
Increase (Decrease) in Current Liabilities	(74,333)	892	(70,893)	(144,334)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (169,114)</u>	<u>\$ (15,037)</u>	<u>\$ 19,692</u>	<u>\$ (164,459)</u>

Fiduciary Funds

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

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

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

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

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

Exhibit J-1

Sevier County, Tennessee
 Combining Statement of Fiduciary Assets and Liabilities
 Fiduciary Funds
 June 30, 2020

	Agency Funds					Total
	Cities - Sales Tax	Constitu - tional Officers - Agency	Judicial District Drug	District Attorney General		
<u>ASSETS</u>						
Cash	\$ 0	\$ 4,934,914	\$ 100	\$ 0	\$ 4,935,014	
Equity in Pooled Cash and Investments	0	0	18,023	32,805	50,828	
Accounts Receivable	0	8,345	0	0	8,345	
Due from Other Governments	7,968,274	0	0	0	7,968,274	
Total Assets	<u>\$ 7,968,274</u>	<u>\$ 4,943,259</u>	<u>\$ 18,123</u>	<u>\$ 32,805</u>	<u>\$ 12,962,461</u>	
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 0	\$ 49	\$ 0	\$ 49	
Accrued Payroll	0	0	446	50	496	
Payroll Deductions Payable	0	0	34	72	106	
Due to Other Taxing Units	7,968,274	0	0	0	7,968,274	
Due to Litigants, Heirs, and Others	0	4,943,259	0	32,683	4,975,942	
Due to Joint Ventures	0	0	17,594	0	17,594	
Total Liabilities	<u>\$ 7,968,274</u>	<u>\$ 4,943,259</u>	<u>\$ 18,123</u>	<u>\$ 32,805</u>	<u>\$ 12,962,461</u>	

Exhibit J-2

Sevier County, Tennessee
Combining Statement of Changes in Assets
and Liabilities - All Agency Funds
For the Year Ended June 30, 2020

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 51,281,179	\$ 51,281,179	\$ 0
Due from Other Governments	8,607,417	7,968,274	8,607,417	7,968,274
Total Assets	\$ 8,607,417	\$ 59,249,453	\$ 59,888,596	\$ 7,968,274
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 8,607,417	\$ 59,249,453	\$ 59,888,596	\$ 7,968,274
Total Liabilities	\$ 8,607,417	\$ 59,249,453	\$ 59,888,596	\$ 7,968,274
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 3,487,330	\$ 27,834,305	\$ 26,386,721	\$ 4,934,914
Accounts Receivable	4,809	8,345	4,809	8,345
Total Assets	\$ 3,492,139	\$ 27,842,650	\$ 26,391,530	\$ 4,943,259
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 3,492,139	\$ 27,842,650	\$ 26,391,530	\$ 4,943,259
Total Liabilities	\$ 3,492,139	\$ 27,842,650	\$ 26,391,530	\$ 4,943,259
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Cash	\$ 100	\$ 0	\$ 0	\$ 100
Equity in Pooled Cash and Investments	47,821	82,420	112,218	18,023
Total Assets	\$ 47,921	\$ 82,420	\$ 112,218	\$ 18,123
<u>Liabilities</u>				
Accounts Payable	\$ 0	\$ 49	\$ 0	\$ 49
Accrued Payroll	2,178	446	2,178	446
Payroll Deductions Payable	167	34	167	34
Due to Joint Ventures	45,576	81,891	109,873	17,594
Total Liabilities	\$ 47,921	\$ 82,420	\$ 112,218	\$ 18,123

(Continued)

Exhibit J-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 27,832	\$ 25,039	\$ 20,066	\$ 32,805
Total Assets	\$ 27,832	\$ 25,039	\$ 20,066	\$ 32,805
<u>Liabilities</u>				
Accrued Payroll	\$ 990	\$ 50	\$ 990	\$ 50
Payroll Deductions Payable	75	72	75	72
Due to Litigant, Heirs, and Others	26,767	24,917	19,001	32,683
Total Liabilities	\$ 27,832	\$ 25,039	\$ 20,066	\$ 32,805
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 3,487,430	\$ 27,834,305	\$ 26,386,721	\$ 4,935,014
Equity in Pooled Cash and Investments	75,653	51,388,638	51,413,463	50,828
Accounts Receivable	4,809	8,345	4,809	8,345
Due from Other Governments	8,607,417	7,968,274	8,607,417	7,968,274
Total Assets	\$ 12,175,309	\$ 87,199,562	\$ 86,412,410	\$ 12,962,461
<u>Liabilities</u>				
Accounts Payable	\$ 0	\$ 49	\$ 0	\$ 49
Accrued Payroll	3,168	496	3,168	496
Payroll Deductions Payable	242	106	242	106
Due to Other Taxing Units	8,607,417	59,249,453	59,888,596	7,968,274
Due to Litigants, Heirs, and Others	3,518,906	27,867,567	26,410,531	4,975,942
Due to Joint Ventures	45,576	81,891	109,873	17,594
Total Liabilities	\$ 12,175,309	\$ 87,199,562	\$ 86,412,410	\$ 12,962,461

Sevier County School Department

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

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

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

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

Exhibit K-1

Sevier County, Tennessee
Statement of Activities
Discretely Presented Sevier County School Department
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:					
Instruction	\$ 106,344,736	\$ 134,395	\$ 6,201,904	\$ 11,573,738	\$ (88,434,699)
Support Services	51,341,130	29,645	361,472	1,388,941	(49,561,072)
Operation of Non-instructional Services	9,901,872	1,223,061	7,049,504	0	(1,629,307)
Total Governmental Activities	\$ 167,587,738	\$ 1,387,101	\$ 13,612,880	\$ 12,962,679	\$ (139,625,078)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 37,035,323
Local Option Sales Taxes					60,405,973
Other Local Taxes					300,422
Hotel/Motel Tax					3,917,858
Mixed Drink Tax					729,808
Grants and Contributions Not Restricted to Specific Programs					50,386,597
Unrestricted Investment Income					21,567
Gain on Investments					15,506
Miscellaneous					104,410
Total General Revenues					\$ 152,917,464
Change in Net Position					\$ 13,292,386
Net Position, July 1, 2019					182,728,376
Net Position, June 30, 2020					\$ 196,020,762

Exhibit K-2

Sevier County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Sevier County School Department
June 30, 2020

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 6,419	\$ 6,419
Equity in Pooled Cash and Investments	47,259,775	3,072,919	50,332,694
Accounts Receivable	683,318	0	683,318
Due from Other Governments	12,144,798	0	12,144,798
Due from Primary Government	474	0	474
Property Taxes Receivable	38,224,645	0	38,224,645
Allowance for Uncollectible Property Taxes	(677,985)	0	(677,985)
Restricted Assets	500,731	0	500,731
Total Assets	<u>\$ 98,135,756</u>	<u>\$ 3,079,338</u>	<u>\$ 101,215,094</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 8,086	\$ 0	\$ 8,086
Other Current Liabilities	5,932,744	0	5,932,744
Total Liabilities	<u>\$ 5,940,830</u>	<u>\$ 0</u>	<u>\$ 5,940,830</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 36,500,268	\$ 0	\$ 36,500,268
Deferred Delinquent Property Taxes	890,744	0	890,744
Other Deferred/Unavailable Revenue	7,181,583	0	7,181,583
Total Deferred Inflows of Resources	<u>\$ 44,572,595</u>	<u>\$ 0</u>	<u>\$ 44,572,595</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 20,049	\$ 2,079,338	\$ 2,099,387
Restricted for Capital Projects	7,693,331	0	7,693,331
Restricted for Hybrid Retirement Stabilization Funds	500,731	0	500,731
Committed:			
Committed for Education	5,053	1,000,000	1,005,053
Assigned:			
Assigned for Education	12,732,482	0	12,732,482
Unassigned	26,670,685	0	26,670,685
Total Fund Balances	<u>\$ 47,622,331</u>	<u>\$ 3,079,338</u>	<u>\$ 50,701,669</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 98,135,756</u>	<u>\$ 3,079,338</u>	<u>\$ 101,215,094</u>

Exhibit K-3

Sevier County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
Discretely Presented Sevier County School Department
June 30, 2020

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

Total fund balances - balance sheet - governmental funds (Exhibit K-2)		\$	50,701,669
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	19,527,122	
Add: construction in progress		22,487,348	
Add: buildings and improvements net of accumulated depreciation		96,937,062	
Add: infrastructure net of accumulated depreciation		3,743,671	
Add: other capital assets net of accumulated depreciation		<u>5,780,841</u>	148,476,044
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: net OPEB liability			(37,249,137)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions/OPEB will be amortized and recognized as components of pension/OPEB expense in future years.			
Add: deferred outflows of resources related to pensions	\$	12,224,443	
Less: deferred inflows of resources related to pensions		(19,660,330)	
Add: deferred outflows of resources related to OPEB		11,760,377	
Less: deferred inflows of resources related to OPEB		<u>(6,929,434)</u>	(2,604,944)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$	9,717,289	
Add: net pension asset - teacher legacy pension plan		18,311,458	
Add: net pension asset - teacher retirement plan		<u>596,056</u>	28,624,803
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			<u>8,072,327</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>196,020,762</u></u>

Exhibit K-4

Sevier County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Sevier County School Department
For the Year Ended June 30, 2020

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 102,332,866	\$ 0	\$ 102,332,866
Licenses and Permits	92,292	0	92,292
Charges for Current Services	147,664	1,223,061	1,370,725
Other Local Revenues	206,784	29,061	235,845
State of Tennessee	48,365,555	96,797	48,462,352
Federal Government	90,678	14,420,569	14,511,247
Other Governments and Citizens Groups	11,573,738	0	11,573,738
Total Revenues	<u>\$ 162,809,577</u>	<u>\$ 15,769,488</u>	<u>\$ 178,579,065</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 85,592,767	\$ 6,384,125	\$ 91,976,892
Support Services	49,326,026	1,213,006	50,539,032
Operation of Non-Instructional Services	1,835,891	7,705,289	9,541,180
Capital Outlay	21,304,082	0	21,304,082
Debt Service:			
Other Debt Service	7,131,970	0	7,131,970
Total Expenditures	<u>\$ 165,190,736</u>	<u>\$ 15,302,420</u>	<u>\$ 180,493,156</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (2,381,159)</u>	<u>\$ 467,068</u>	<u>\$ (1,914,091)</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 20,433	\$ 0	\$ 20,433
Transfers In	0	1,000,000	1,000,000
Transfers Out	(1,000,000)	0	(1,000,000)
Total Other Financing Sources (Uses)	<u>\$ (979,567)</u>	<u>\$ 1,000,000</u>	<u>\$ 20,433</u>
Net Change in Fund Balances	<u>\$ (3,360,726)</u>	<u>\$ 1,467,068</u>	<u>\$ (1,893,658)</u>
Fund Balance, July 1, 2019	<u>50,983,057</u>	<u>1,612,270</u>	<u>52,595,327</u>
Fund Balance, June 30, 2020	<u>\$ 47,622,331</u>	<u>\$ 3,079,338</u>	<u>\$ 50,701,669</u>

Exhibit K-5

Sevier County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Discretely Presented Sevier County School Department
For the Year Ended June 30, 2020

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

Net change in fund balances - total governmental funds (Exhibit K-4)		\$ (1,893,658)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 19,723,507	
Less: current-year depreciation expense	<u>(5,639,137)</u>	14,084,370
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Less: net book value of disposed assets		(6,137)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2020	\$ 8,072,327	
Less: deferred delinquent property taxes and other deferred June 30, 2019	<u>(7,073,343)</u>	998,984
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in OPEB liability	\$ (2,019,220)	
Change in net pension asset	13,872,505	
Change in deferred outflows related to pensions	(1,993,530)	
Change in deferred inflows related to pensions	(7,200,763)	
Change in deferred outflows related to OPEB	(1,358)	
Change in deferred inflows related to OPEB	<u>(2,548,807)</u>	<u>108,827</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 13,292,386</u>

Exhibit K-6

Sevier County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Sevier County School Department
June 30, 2020

	<u>Special Revenue Funds</u>		
	School Federal Projects	Central Cafeteria	Total Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 6,419	\$ 6,419
Equity in Pooled Cash and Investments	1,090,314	1,982,605	3,072,919
Total Assets	<u>\$ 1,090,314</u>	<u>\$ 1,989,024</u>	<u>\$ 3,079,338</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 90,314	\$ 1,989,024	\$ 2,079,338
Committed:			
Committed for Education	1,000,000	0	1,000,000
Total Fund Balances	<u>\$ 1,090,314</u>	<u>\$ 1,989,024</u>	<u>\$ 3,079,338</u>

Exhibit K-7

Sevier County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Sevier County School Department
For the Year Ended June 30, 2020

	<u>Special Revenue Funds</u>		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 1,223,061	\$ 1,223,061
Other Local Revenues	0	29,061	29,061
State of Tennessee	34,524	62,273	96,797
Federal Government	7,562,607	6,857,962	14,420,569
Total Revenues	<u>\$ 7,597,131</u>	<u>\$ 8,172,357</u>	<u>\$ 15,769,488</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 6,384,125	\$ 0	\$ 6,384,125
Support Services	1,213,006	0	1,213,006
Operation of Non-Instructional Services	0	7,705,289	7,705,289
Total Expenditures	<u>\$ 7,597,131</u>	<u>\$ 7,705,289</u>	<u>\$ 15,302,420</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 0</u>	<u>\$ 467,068</u>	<u>\$ 467,068</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 1,000,000	\$ 0	\$ 1,000,000
Total Other Financing Sources (Uses)	<u>\$ 1,000,000</u>	<u>\$ 0</u>	<u>\$ 1,000,000</u>
Net Change in Fund Balances	\$ 1,000,000	\$ 467,068	\$ 1,467,068
Fund Balance, July 1, 2019	90,314	1,521,956	1,612,270
Fund Balance, June 30, 2020	<u>\$ 1,090,314</u>	<u>\$ 1,989,024</u>	<u>\$ 3,079,338</u>

Exhibit K-8

Sevier County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Sevier County School Department
General Purpose School Fund
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 102,332,866	\$ 0	\$ 0	\$ 102,332,866	\$ 102,155,738	\$ 102,155,738	\$ 177,128
Licenses and Permits	92,292	0	0	92,292	110,000	85,000	7,292
Charges for Current Services	147,664	0	0	147,664	198,413	143,413	4,251
Other Local Revenues	206,784	0	0	206,784	81,700	1,407,179	(1,200,395)
State of Tennessee	48,365,555	0	0	48,365,555	48,339,293	49,225,239	(859,684)
Federal Government	90,678	0	0	90,678	0	118,367	(27,689)
Other Governments and Citizens Groups	11,573,738	0	0	11,573,738	655,692	11,573,738	0
Total Revenues	\$ 162,809,577	\$ 0	\$ 0	\$ 162,809,577	\$ 151,540,836	\$ 164,708,674	\$ (1,899,097)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 70,713,214	\$ (655,727)	\$ 768,869	\$ 70,826,356	\$ 73,046,292	\$ 73,509,009	\$ 2,682,653
Alternative Instruction Program	1,756,682	0	0	1,756,682	1,261,851	1,797,541	40,859
Special Education Program	10,194,906	0	24,465	10,219,371	11,207,869	10,785,133	565,762
Career and Technical Education Program	2,922,705	0	0	2,922,705	3,536,079	2,971,239	48,534
Student Body Education Program	777	0	0	777	5,000	18,873	18,096
COVID-19 Expenditures	4,483	0	0	4,483	0	7,465	2,982
<u>Support Services</u>							
Attendance	764,306	0	0	764,306	750,946	808,764	44,458
Health Services	1,792,051	0	911	1,792,962	1,976,891	1,869,391	76,429
Other Student Support	3,519,933	(50,000)	137,898	3,607,831	3,848,208	3,904,288	296,457
Regular Instruction Program	4,512,058	(958)	191	4,511,291	4,468,300	4,825,611	314,320
Alternative Instruction Program	35,053	0	0	35,053	35,766	35,766	713
Special Education Program	1,189,326	0	0	1,189,326	1,276,533	1,291,792	102,466
Career and Technical Education Program	95,000	0	0	95,000	202,926	111,966	16,966
Technology	1,555,717	(5,692)	1,605	1,551,630	2,806,676	1,825,120	273,490
Other Programs	491,046	0	0	491,046	0	491,046	0
Board of Education	5,920,064	0	0	5,920,064	6,736,703	6,727,351	807,287
Director of Schools	240,890	0	0	240,890	271,025	271,025	30,135

(Continued)

Exhibit K-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Office of the Principal	\$ 10,417,717	\$ 0	\$ 0	\$ 10,417,717	\$ 10,764,350	\$ 10,472,450	\$ 54,733
Fiscal Services	1,340,885	(746)	0	1,340,139	1,684,361	1,462,961	122,822
Operation of Plant	8,628,286	(55,066)	9,015	8,582,235	10,030,645	9,486,645	904,410
Maintenance of Plant	3,362,316	(292)	7,005	3,369,029	3,648,428	3,738,828	369,799
Transportation	5,409,247	(707)	370,139	5,778,679	6,518,831	6,155,982	377,303
COVID-19 Expenditures	52,131	0	6,708	58,839	0	120,119	61,280
<u>Operation of Non-Instructional Services</u>							
Food Service	1,223,305	0	0	1,223,305	1,801,315	1,354,109	130,804
Community Services	175,653	0	0	175,653	63,806	280,687	105,034
Early Childhood Education	249,160	0	0	249,160	762,928	261,008	11,848
COVID-19 Expenditures	187,773	0	96,240	284,013	0	387,868	103,855
<u>Capital Outlay</u>							
Regular Capital Outlay	21,304,082	(15,168,343)	9,777,831	15,913,570	6,986,310	42,383,635	26,470,065
<u>Principal on Debt</u>							
Education	0	0	0	0	4,455,023	0	0
<u>Interest on Debt</u>							
Education	0	0	0	0	2,601,859	0	0
<u>Other Debt Service</u>							
Education	7,131,970	0	0	7,131,970	0	7,131,971	1
Total Expenditures	\$ 165,190,736	\$ (15,937,531)	\$ 11,200,877	\$ 160,454,082	\$ 160,748,921	\$ 194,487,643	\$ 34,033,561
Excess (Deficiency) of Revenues							
Over Expenditures	\$ (2,381,159)	\$ 15,937,531	\$ (11,200,877)	\$ 2,355,495	\$ (9,208,085)	\$ (29,778,969)	\$ 32,134,464
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 20,433	\$ 0	\$ 0	\$ 20,433	\$ 0	\$ 20,433	\$ 0
Transfers Out	(1,000,000)	0	0	(1,000,000)	0	(1,000,000)	0
Total Other Financing Sources	\$ (979,567)	\$ 0	\$ 0	\$ (979,567)	\$ 0	\$ (979,567)	\$ 0

(Continued)

Exhibit K-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2019	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ (3,360,726)	\$ 15,937,531	\$ (11,200,877)	\$ 1,375,928	\$ (9,208,085)	\$ (30,758,536)	\$ 32,134,464
Fund Balance, July 1, 2019	50,983,057	(15,937,531)	0	35,045,526	40,049,775	40,049,775	(5,004,249)
Fund Balance, June 30, 2020	\$ 47,622,331	\$ 0	\$ (11,200,877)	\$ 36,421,454	\$ 30,841,690	\$ 9,291,239	\$ 27,130,215

Exhibit K-9

Sevier County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Sevier County School Department
School Federal Projects Fund
For the Year Ended June 30, 2020

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
State of Tennessee	\$ 34,524	\$ 0	\$ 34,524	\$ 0
Federal Government	7,562,607	7,665,936	8,816,668	(1,254,061)
Total Revenues	\$ 7,597,131	\$ 7,665,936	\$ 8,851,192	\$ (1,254,061)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 3,228,097	\$ 3,335,181	\$ 3,633,815	\$ 405,718
Special Education Program	2,938,515	3,111,415	3,251,497	312,982
Career and Technical Education Program	217,513	170,724	217,513	0
<u>Support Services</u>				
Health Services	21,504	48,189	47,006	25,502
Other Student Support	271,161	269,289	514,023	242,862
Regular Instruction Program	731,450	718,839	982,975	251,525
Special Education Program	181,377	3,126	187,729	6,352
Career and Technical Education Program	1,313	3,000	1,313	0
Transportation	6,201	6,173	15,321	9,120
<u>Capital Outlay</u>				
Regular Capital Outlay	0	0	90,314	90,314
Total Expenditures	\$ 7,597,131	\$ 7,665,936	\$ 8,941,506	\$ 1,344,375
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0	\$ (90,314)	\$ 90,314
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 0
Total Other Financing Sources	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 0
Net Change in Fund Balance	\$ 1,000,000	\$ 0	\$ 909,686	\$ 90,314
Fund Balance, July 1, 2019	90,314	90,314	90,314	0
Fund Balance, June 30, 2020	\$ 1,090,314	\$ 90,314	\$ 1,000,000	\$ 90,314

Exhibit K-10

Sevier County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Sevier County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2020

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 1,223,061	\$ 0	\$ 1,223,061	\$ 1,392,400	\$ 1,189,231	\$ 33,830
Other Local Revenues	29,061	0	29,061	11,577	20,577	8,484
State of Tennessee	62,273	0	62,273	61,899	62,274	(1)
Federal Government	6,857,962	0	6,857,962	5,355,307	6,995,624	(137,662)
Total Revenues	<u>\$ 8,172,357</u>	<u>\$ 0</u>	<u>\$ 8,172,357</u>	<u>\$ 6,821,183</u>	<u>\$ 8,267,706</u>	<u>\$ (95,349)</u>
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 7,705,289	\$ 31,763	\$ 7,737,052	\$ 6,821,183	\$ 8,267,706	\$ 530,654
Total Expenditures	<u>\$ 7,705,289</u>	<u>\$ 31,763</u>	<u>\$ 7,737,052</u>	<u>\$ 6,821,183</u>	<u>\$ 8,267,706</u>	<u>\$ 530,654</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 467,068	\$ (31,763)	\$ 435,305	\$ 0	\$ 0	\$ 435,305
Net Change in Fund Balance	\$ 467,068	\$ (31,763)	\$ 435,305	\$ 0	\$ 0	\$ 435,305
Fund Balance, July 1, 2019	1,521,956	0	1,521,956	1,188,554	1,188,554	333,402
Fund Balance, June 30, 2020	<u>\$ 1,989,024</u>	<u>\$ (31,763)</u>	<u>\$ 1,957,261</u>	<u>\$ 1,188,554</u>	<u>\$ 1,188,554</u>	<u>\$ 768,707</u>

MISCELLANEOUS SCHEDULES

Exhibit L-1

Sevier County, Tennessee
 Schedule of Changes in Long-term Bonds and Other Loans
 For the Year Ended June 30, 2020

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-19	Issued During Period	Bonds Refunded During Period	Paid and/or Matured During Period	Outstanding 6-30-20
<u>BONDS PAYABLE</u>									
<u>Payable through General Debt Service Fund</u>									
Qualified School Construction Bonds, Series 2010	\$ 14,504,000	4.84	%	10-7-10	8-1-27	\$ 7,339,203	\$ 0	\$ 905,027	\$ 6,434,176
General Obligation Bonds, Series 2011	5,500,000	2.9		12-12-11	6-2-20	5,200,000	0	5,125,000	75,000
General Obligation Bonds, Series 2012	3,540,000	.4 to 2.4		11-5-12	4-1-32	2,925,000	0	0	100,000
General Obligation Refunding Bonds, Series 2012	6,410,000	.4 to 2		11-5-12	4-1-23	1,000,000	0	0	275,000
General Obligation Bonds, Series 2013	6,800,000	2.53		10-15-13	6-2-20	2,050,000	0	2,000,000	50,000
General Obligation Refunding Bonds, Series 2015	9,670,000	2 to 4		9-15-15	6-1-25	8,280,000	0	0	1,040,000
General Obligation Bonds, Series 2016	9,750,000	2 to 2.5		8-19-16	6-1-37	9,750,000	0	0	455,000
General Obligation Bonds, Series 2017	4,480,000	2.25 to 4		5-25-17	6-30-37	4,480,000	0	0	195,000
General Obligation Refunding Bonds, Series 2018A	4,135,000	5.0		6-29-18	6-30-24	3,105,000	0	0	435,000
General Obligation Bonds, Series 2018B	9,685,000	3 to 4		6-29-18	6-30-38	9,685,000	0	0	0
General Obligation Bonds, Series 2019	9,925,000	3 to 5		2-28-19	6-1-39	9,925,000	0	0	0
General Obligation Bonds, Series 2020A	10,000,000	3 to 5		6-2-20	6-1-40	0	10,000,000	0	0
General Obligation Refunding Bonds, Series 2020B	6,290,000	3 to 5		6-2-20	6-1-32	0	6,290,000	0	0
Total Bonds Payable through General Debt Service Fund						\$ 63,739,203	\$ 16,290,000	\$ 7,125,000	\$ 3,530,027
									\$ 69,374,176
<u>OTHER LOANS PAYABLE</u>									
<u>Payable through General Debt Service Fund</u>									
Public Building Authority, Series VII-A-4 (Refunding)	6,900,000	(1)	Variable	08-28-08	6-1-25	\$ 3,320,000	\$ 0	\$ 0	\$ 320,000
Public Building Authority, Series VII-B-1 (Refunding Portion)	42,495,000	(1)	Variable	11-20-08	6-1-32	29,580,000	0	0	4,400,000
Public Building Authority, Series VII-B-1	21,450,000		Variable	11-20-08	6-1-32	21,350,000	0	0	0
Energy Efficient Schools Initiative Loan, Series 2011	1,000,000		0	6-1-12	5-1-22	291,695	0	0	99,996
Total Other Loans Payable through General Debt Service Fund						\$ 54,541,695	\$ 0	\$ 0	\$ 4,819,996
									\$ 49,721,699

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

Exhibit L-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2021	\$ 4,460,027	\$ 2,685,106	\$ 7,145,133
2022	5,410,027	2,569,160	7,979,187
2023	5,840,027	2,425,360	8,265,387
2024	5,475,027	2,259,147	7,734,174
2025	5,390,027	2,098,485	7,488,512
2026	3,870,027	1,954,179	5,824,206
2027	4,034,014	1,843,554	5,877,568
2028	3,130,000	1,041,902	4,171,902
2029	3,230,000	928,625	4,158,625
2030	3,315,000	840,125	4,155,125
2031	3,405,000	746,988	4,151,988
2032	3,465,000	650,275	4,115,275
2033	2,665,000	552,513	3,217,513
2034	2,735,000	475,062	3,210,062
2035	2,825,000	394,450	3,219,450
2036	2,910,000	311,150	3,221,150
2037	2,995,000	224,240	3,219,240
2038	2,090,000	132,680	2,222,680
2039	1,410,000	65,320	1,475,320
2040	720,000	21,600	741,600
Total	\$ 69,374,176	\$ 22,219,921	\$ 91,594,097

Year Ending June 30	Other Loans - Direct Placement			
	Principal	Interest	Other Fees	Total
2021	\$ 3,844,996	\$ 79,572	\$ 377,196	\$ 4,301,764
2022	4,036,703	72,522	350,059	4,459,284
2023	4,245,000	65,072	321,503	4,631,575
2024	5,160,000	57,083	290,740	5,507,823
2025	5,030,000	47,694	252,915	5,330,609
2026	3,315,000	38,367	216,275	3,569,642
2027	3,515,000	33,726	190,114	3,738,840
2028	3,705,000	28,805	162,374	3,896,179
2029	3,905,000	23,618	133,135	4,061,753
2030	4,105,000	18,151	102,318	4,225,469
2031	4,305,000	12,404	69,922	4,387,326
2032	4,555,000	6,377	35,947	4,597,324
Total	\$ 49,721,699	\$ 483,391	\$ 2,502,498	\$ 52,707,588

Exhibit L-3

Sevier County, Tennessee
Schedule of Transfers - Primary Government and Discretely Presented Sevier County School Department
For the Year Ended June 30, 2020

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Other Special Revenue	Operations of Drug Court	\$ 50,000
Drug Control Fund	Special Purpose	Capital Outlay	<u>17,336</u>
Total Transfers - Primary Government			<u>\$ 67,336</u>
<u>DISCRETELY PRESENTED SEVIER COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	School Federal Projects	Cash Flow	<u>\$ 1,000,000</u>
Total Transfers - Discretely Presented Sevier County School Department			<u>\$ 1,000,000</u>

Note: The county also transferred capital assets (non-cash) with a value of \$31,496 from the Governmental Activities to the Business-type Activities during the year.

Exhibit L-4

Sevier County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Sevier County School Department
For the Year Ended June 30, 2020

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 151,743 (1, 2)	\$ 400,000	Local Government Insurance Pool
Road Superintendent	Section 8-24-102, <i>TCA</i>	120,144 (2)	400,000	"
Director of Schools	State Board of Education and Sevier County Board of Education	163,426 (3, 4)	100,000	Cincinnati Insurance Company
Trustee	Section 8-24-102, <i>TCA</i>	105,440 (2, 5)	5,998,241	Cincinnati Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	105,440 (2, 5)	50,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	105,440 (2, 5)	400,000	Local Government Insurance Pool
Circuit Court Clerk	Section 8-24-102, <i>TCA</i>	105,440 (2, 5)	400,000	"
General Sessions and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i>	105,440 (2, 5)	400,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> , and Chancery Court Judge	104,440 (5, 6)	400,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	105,440 (2, 5)	400,000	"
Sheriff	Section 8-24-102, <i>TCA</i>	117,950 (7)	400,000	"
Employee Blanket Bonds - All County and School Employees: Public Employee Dishonesty			400,000	Local Government Insurance Pool

(1) Includes longevity pay of \$2,250.

(2) Includes salary supplement for County Officials Certificate Training Program (COCTP) certification of \$1,000.

(3) Includes a chief executive officer training supplement of \$1,000.

(4) Includes longevity pay of \$2,000.

(5) Includes supplemental pay of \$1,250.

(6) Does not include special commissioner fees of \$12,838.

(7) Includes a law enforcement training supplement of \$800, salary supplement of \$2,250, and a workhouse supplement of \$1,391.

Exhibit L-5

Sevier County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2020

	Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Special Purpose
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 20,367,916	\$ 0	\$ 0	\$ 0	\$ 1,131,538
Trustee's Collections - Prior Year	395,300	0	0	0	21,961
Circuit Clerk/Clerk and Master Collections - Prior Years	206,575	0	0	0	11,476
Interest and Penalty	89,177	0	0	0	4,959
Payments in-Lieu-of Taxes - T.V.A.	2,602	0	0	0	145
Payments in-Lieu-of Taxes - Local Utilities	314,639	0	0	0	17,480
Payments in-Lieu-of Taxes - Other	119,151	0	0	0	6,620
<u>County Local Option Taxes</u>					
Local Option Sales Tax	4,429,605	0	0	2,720,000	0
Hotel/Motel Tax	3,921,826	0	0	0	0
Litigation Tax - General	307,416	0	0	0	0
Litigation Tax - Special Purpose	0	0	9,292	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	860,897	0	0	0
Business Tax	3,252,288	0	0	0	0
Mixed Drink Tax	4,063	0	0	0	0
Other County Local Option Taxes	0	6,581	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	171,669	0	0	0	9,537
Wholesale Beer Tax	619,818	0	0	0	0
Total Local Taxes	\$ 34,202,045	\$ 867,478	\$ 9,292	\$ 2,720,000	\$ 1,203,716
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 527,759	\$ 0	\$ 0	\$ 0	0

(Continued)

Exhibit L-5

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

	Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Special Purpose
<u>Licenses and Permits (Cont.)</u>					
<u>Permits</u>					
Beer Permits	\$ 3,515	\$ 0	\$ 0	\$ 0	0
Building Permits	106,875	0	0	0	0
Other Permits	448,197	0	0	0	0
Total Licenses and Permits	<u>\$ 1,086,346</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 13,475	\$ 0	\$ 0	\$ 0	0
Officers Costs	23,820	0	0	0	0
Drug Control Fines	13,056	0	0	0	0
Drug Court Fees	0	0	0	0	0
Jail Fees	21,672	0	0	0	0
DUI Treatment Fines	11,138	0	0	0	0
Data Entry Fee - Circuit Court	8,875	0	0	0	0
Courtroom Security Fee	4,359	0	0	0	0
Victims Assistance Assessments	17,113	0	0	0	0
<u>General Sessions Court</u>					
Fines	20,171	0	0	0	0
Fines for Littering	337	0	0	0	0
Officers Costs	19,653	0	0	0	0
Game and Fish Fines	2,292	0	0	0	0
Drug Control Fines	7,699	0	0	0	0
Drug Court Fees	0	0	0	0	0
Jail Fees	41,105	0	0	0	0
DUI Treatment Fines	13,679	0	0	0	0

(Continued)

Exhibit L-5

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

	Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Special Purpose
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>General Sessions Court (Cont.)</u>					
Data Entry Fee - General Sessions Court	\$ 27,348	\$ 0	\$ 0	\$ 0	0
Courtroom Security Fee	15,402	0	0	0	0
Victims Assistance Assessments	35,643	0	0	0	0
<u>Juvenile Court</u>					
Fines	3,605	0	0	0	0
Officers Costs	1,024	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	4,874	0	0	0	0
Data Entry Fee - Chancery Court	7,363	0	0	0	0
<u>Other Courts - In-county</u>					
Drug Court Fees	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	150	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 313,853	\$ 0	\$ 0	\$ 0	0
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Patient Charges	\$ 3,678,669	\$ 0	\$ 0	\$ 0	0
Work Release Charges for Board	15,335	0	0	0	0
Health Department Collections	228,610	0	0	0	0
Other General Service Charges	1,919	0	0	22,865	0
<u>Fees</u>					
Copy Fees	15,277	0	0	0	0
Library Fees	20,269	0	0	0	0
Greenbelt Late Application Fee	100	0	0	0	0

(Continued)

Exhibit L-5

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

	Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Special Purpose
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Telephone Commissions	\$ 273,603	\$ 0	\$ 0	\$ 0	\$ 0
Vending Machine Collections	76,693	0	0	0	0
Tourism Fees	48,502	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0
Data Processing Fee - Register	87,258	0	0	0	0
Probation Fees	335,483	0	0	0	0
Data Processing Fee - Sheriff	5,957	0	0	0	0
Sexual Offender Registration Fee - Sheriff	7,000	0	0	0	0
<u>Education Charges</u>					
TBI Criminal Background Fee	13,320	0	0	0	0
Total Charges for Current Services	\$ 4,807,995	\$ 0	\$ 0	\$ 22,865	\$ 0
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	14,001	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0
Sale of Maps	20,135	0	0	0	0
Sale of Recycled Materials	0	0	0	97,087	0
E-Rate Funding	6,944	0	0	0	0
Miscellaneous Refunds	6,810	0	0	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0	0	8,537
Damages Recovered from Individuals	100	0	0	0	0
Contributions and Gifts	12,986	0	0	0	0

(Continued)

Exhibit L-5

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

	Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Special Purpose
<u>Other Local Revenues (Cont.)</u>					
<u>Other Local Revenues</u>					
Other Local Revenues	\$ 39,365	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Local Revenues	<u>\$ 100,341</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 97,087</u>	<u>\$ 8,537</u>
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 1,432,694	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	521,010	0	0	0	0
General Sessions Court Clerk	538,029	0	0	0	0
Clerk and Master	163,977	0	0	0	0
Juvenile Court Clerk	24,290	0	0	0	0
Register	1,149,683	0	0	0	0
Sheriff	69,315	0	0	0	0
Trustee	3,368,186	0	0	0	0
Total Fees Received From County Officials	<u>\$ 7,267,184</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0
Aging Programs	17,418	0	0	0	0
Solid Waste Grants	0	0	0	73,809	0
Other General Government Grants	9,945	0	0	0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	79,200	0	0	0	0
Other Public Safety Grants	8,987	0	0	0	0

(Continued)

Exhibit L-5

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

	Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Special Purpose
<u>State of Tennessee (Cont.)</u>					
<u>Health and Welfare Grants</u>					
Health Department Programs	\$ 1,917	\$ 0	\$ 0	\$ 0	0
Other Health and Welfare Grants	314,921	0	0	0	0
<u>Public Works Grants</u>					
State Aid Program	0	0	0	0	0
Litter Program	67,817	0	0	0	0
<u>Other State Revenues</u>					
Income Tax	201,485	0	0	0	0
Beer Tax	18,175	0	0	0	0
Alcoholic Beverage Tax	215,746	0	0	0	0
State Revenue Sharing - T.V.A.	659,855	0	0	0	0
State Revenue Sharing - Telecommunications	123,109	0	0	0	0
Contracted Prisoner Boarding	1,793,772	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0
Other State Grants	195,929	0	0	0	0
Other State Revenues	31,887	0	0	0	0
Total State of Tennessee	\$ 3,764,327	\$ 0	\$ 0	\$ 73,809	\$ 0
<u>Federal Government</u>					
<u>Federal Through State</u>					
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	0
Homeland Security Grants	11,401	0	0	0	27,800
Medicaid	147,826	0	0	0	0
Law Enforcement Grants	158,012	0	0	0	0

(Continued)

Exhibit L-5

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

	<u>Special Revenue Funds</u>				
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Special Purpose
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
COVID-19 Grant #1	\$ 97,315	\$ 0	\$ 0	\$ 0	0
COVID-19 Grant #3	8,838	0	0	0	0
COVID-19 Grant #4	55,845	0	0	0	0
COVID-19 Grant A	24,560	0	0	0	0
Other Federal through State	722,353	0	0	0	40,500
<u>Direct Federal Revenue</u>					
Tax Credit Bond Rebate	660,613	0	0	0	0
Other Direct Federal Revenue	42,498	0	0	0	0
Total Federal Government	<u>\$ 1,929,261</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 68,300</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 26,436	\$ 0	\$ 0	\$ 0	0
Paving and Maintenance	0	0	0	0	0
Contributions	791,518	0	0	0	0
Contracted Services	964	0	0	0	0
<u>Other</u>					
Other	771	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 819,689</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 54,291,041</u>	<u>\$ 867,478</u>	<u>\$ 9,292</u>	<u>\$ 2,913,761</u>	<u>\$ 1,280,553</u>

(Continued)

Exhibit L-5

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

	Special Revenue Funds				Debt Service Fund
	Drug Control	Other Special Revenue	Constitutional - Officers - Fees	Highway / Public Works	General Debt Service
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 0	\$ 0	\$ 0	\$ 6,977,860	\$ 6,034,957
Trustee's Collections - Prior Year	0	0	0	135,400	117,121
Circuit Clerk/Clerk and Master Collections - Prior Years	0	0	0	70,771	61,208
Interest and Penalty	0	0	0	30,563	26,431
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	891	771
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	107,793	93,227
Payments in-Lieu-of Taxes - Other	0	0	0	40,820	35,304
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	0	0
Hotel/Motel Tax	0	0	0	0	0
Litigation Tax - General	0	0	0	0	0
Litigation Tax - Special Purpose	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0
Business Tax	0	0	0	0	0
Mixed Drink Tax	0	0	0	0	0
Other County Local Option Taxes	0	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	0	0	58,812	50,865
Wholesale Beer Tax	0	0	0	0	0
Total Local Taxes	\$ 0	\$ 0	\$ 0	\$ 7,422,910	\$ 6,419,884
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit L-5

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

	Special Revenue Funds				Debt Service Fund
	Drug Control	Other Special Revenue	Constitutional - Officers - Fees	Highway / Public Works	General Debt Service
<u>Licenses and Permits (Cont.)</u>					
<u>Permits</u>					
Beer Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Building Permits	0	0	0	0	0
Other Permits	0	0	0	0	0
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	0	0	0	0	0
Drug Control Fines	13,457	0	0	0	0
Drug Court Fees	0	7,232	0	0	0
Jail Fees	0	0	0	0	0
DUI Treatment Fines	0	0	0	0	0
Data Entry Fee - Circuit Court	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0
Victims Assistance Assessments	0	0	0	0	0
<u>General Sessions Court</u>					
Fines	0	0	0	0	0
Fines for Littering	0	0	0	0	0
Officers Costs	0	0	0	0	0
Game and Fish Fines	0	0	0	0	0
Drug Control Fines	0	0	0	0	0
Drug Court Fees	0	9,227	0	0	0
Jail Fees	0	0	0	0	0
DUI Treatment Fines	0	0	0	0	0

(Continued)

Exhibit L-5

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

	Special Revenue Funds				Debt Service
	Drug Control	Other Special Revenue	Constitutional - Officers - Fees	Highway / Public Works	Fund General Debt Service
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>General Sessions Court (Cont.)</u>					
Data Entry Fee - General Sessions Court	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Courtroom Security Fee	0	0	0	0	0
Victims Assistance Assessments	0	0	0	0	0
<u>Juvenile Court</u>					
Fines	0	0	0	0	0
Officers Costs	0	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	0	0	0	0	0
Data Entry Fee - Chancery Court	0	0	0	0	0
<u>Other Courts - In-county</u>					
Drug Court Fees	0	27,322	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	131,244	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 144,701	\$ 43,781	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Patient Charges	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Work Release Charges for Board	0	0	0	0	0
Health Department Collections	0	0	0	0	0
Other General Service Charges	0	0	0	0	0
<u>Fees</u>					
Copy Fees	0	0	0	0	0
Library Fees	0	0	0	0	0
Greenbelt Late Application Fee	0	0	0	0	0

(Continued)

Exhibit L-5

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

	Special Revenue Funds				Debt Service Fund
	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Telephone Commissions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Vending Machine Collections	0	0	0	0	0
Tourism Fees	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	2,015	0	0
Special Commissioner Fees/Special Master Fees	0	0	12,838	0	0
Data Processing Fee - Register	0	0	0	0	0
Probation Fees	0	0	0	0	0
Data Processing Fee - Sheriff	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0
<u>Education Charges</u>					
TBI Criminal Background Fee	0	0	0	0	0
Total Charges for Current Services	\$ 0	\$ 0	\$ 14,853	\$ 0	\$ 0
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,294,248
Lease/Rentals	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	2,540	0
Sale of Maps	0	0	0	0	0
Sale of Recycled Materials	0	0	0	0	0
E-Rate Funding	0	0	0	0	0
Miscellaneous Refunds	0	0	0	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0	3,224	0
Damages Recovered from Individuals	0	0	0	5,686	0
Contributions and Gifts	0	0	0	0	0

(Continued)

Exhibit L-5

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

	Special Revenue Funds				Debt Service Fund
	Drug Control	Other Special Revenue	Constitutional - Officers - Fees	Highway / Public Works	General Debt Service
<u>Other Local Revenues (Cont.)</u>					
<u>Other Local Revenues</u>					
Other Local Revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Local Revenues	\$ 0	\$ 0	\$ 0	\$ 11,450	\$ 2,294,248
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	0	0	0	0	0
General Sessions Court Clerk	0	0	0	0	0
Clerk and Master	0	0	0	0	0
Juvenile Court Clerk	0	0	0	0	0
Register	0	0	0	0	0
Sheriff	0	0	0	0	0
Trustee	0	0	0	0	0
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Aging Programs	0	0	0	0	0
Solid Waste Grants	0	0	0	0	0
Other General Government Grants	0	0	0	0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	0
Other Public Safety Grants	0	0	0	0	0

(Continued)

Exhibit L-5

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

	Special Revenue Funds				Debt Service Fund
	Drug Control	Other Special Revenue	Constitutional - Officers - Fees	Highway / Public Works	General Debt Service
<u>State of Tennessee (Cont.)</u>					
<u>Health and Welfare Grants</u>					
Health Department Programs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Health and Welfare Grants	0	0	0	0	0
<u>Public Works Grants</u>					
State Aid Program	0	0	0	195,643	0
Litter Program	0	0	0	0	0
<u>Other State Revenues</u>					
Income Tax	0	0	0	0	0
Beer Tax	0	0	0	0	0
Alcoholic Beverage Tax	0	0	0	0	0
State Revenue Sharing - T.V.A.	0	0	0	0	0
State Revenue Sharing - Telecommunications	0	0	0	0	0
Contracted Prisoner Boarding	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	3,232,303	0
Petroleum Special Tax	0	0	0	64,859	0
Registrar's Salary Supplement	0	0	0	0	0
Other State Grants	0	128,758	0	0	0
Other State Revenues	0	0	0	0	0
Total State of Tennessee	\$ 0	\$ 128,758	\$ 0	\$ 3,492,805	\$ 0
<u>Federal Government</u>					
<u>Federal Through State</u>					
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	0	0	0	0	0
Medicaid	0	0	0	0	0
Law Enforcement Grants	0	0	0	0	0

(Continued)

Exhibit L-5

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

	Special Revenue Funds				Debt Service Fund
	Drug Control	Other Special Revenue	Constitutional - Officers - Fees	Highway / Public Works	General Debt Service
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
COVID-19 Grant #1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
COVID-19 Grant #3	0	0	0	0	0
COVID-19 Grant #4	0	0	0	0	0
COVID-19 Grant A	0	0	0	0	0
Other Federal through State	0	0	0	0	0
<u>Direct Federal Revenue</u>					
Tax Credit Bond Rebate	0	0	0	0	0
Other Direct Federal Revenue	0	32,622	0	0	0
Total Federal Government	\$ 0	\$ 32,622	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Paving and Maintenance	0	0	0	273,908	0
Contributions	0	0	0	0	7,131,970
Contracted Services	0	0	0	0	0
<u>Other</u>					
Other	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 273,908	\$ 7,131,970
Total	\$ 144,701	\$ 205,161	\$ 14,853	\$ 11,201,073	\$ 15,846,102

(Continued)

Exhibit L-5

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

	<u>Capital Projects Fund</u>	
	General Capital Projects	Total
<u>Local Taxes</u>		
<u>County Property Taxes</u>		
Current Property Tax	\$ 0	\$ 34,512,271
Trustee's Collections - Prior Year	0	669,782
Circuit Clerk/Clerk and Master Collections - Prior Years	0	350,030
Interest and Penalty	0	151,130
Payments in-Lieu-of Taxes - T.V.A.	0	4,409
Payments in-Lieu-of Taxes - Local Utilities	0	533,139
Payments in-Lieu-of Taxes - Other	0	201,895
<u>County Local Option Taxes</u>		
Local Option Sales Tax	0	7,149,605
Hotel/Motel Tax	0	3,921,826
Litigation Tax - General	0	307,416
Litigation Tax - Special Purpose	0	9,292
Litigation Tax - Jail, Workhouse, or Courthouse	0	860,897
Business Tax	0	3,252,288
Mixed Drink Tax	0	4,063
Other County Local Option Taxes	0	6,581
<u>Statutory Local Taxes</u>		
Bank Excise Tax	0	290,883
Wholesale Beer Tax	0	619,818
Total Local Taxes	<u>\$ 0</u>	<u>\$ 52,845,325</u>
<u>Licenses and Permits</u>		
<u>Licenses</u>		
Cable TV Franchise	\$ 0	\$ 527,759

(Continued)

Exhibit L-5

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

	<u>Capital Projects Fund</u>	
	General Capital Projects	Total
<u>Licenses and Permits (Cont.)</u>		
<u>Permits</u>		
Beer Permits	\$ 0	\$ 3,515
Building Permits	0	106,875
Other Permits	0	448,197
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 1,086,346</u>
<u>Fines, Forfeitures, and Penalties</u>		
<u>Circuit Court</u>		
Fines	\$ 0	\$ 13,475
Officers Costs	0	23,820
Drug Control Fines	0	26,513
Drug Court Fees	0	7,232
Jail Fees	0	21,672
DUI Treatment Fines	0	11,138
Data Entry Fee - Circuit Court	0	8,875
Courtroom Security Fee	0	4,359
Victims Assistance Assessments	0	17,113
<u>General Sessions Court</u>		
Fines	0	20,171
Fines for Littering	0	337
Officers Costs	0	19,653
Game and Fish Fines	0	2,292
Drug Control Fines	0	7,699
Drug Court Fees	0	9,227
Jail Fees	0	41,105
DUI Treatment Fines	0	13,679

(Continued)

Exhibit L-5

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

	<u>Capital Projects Fund</u>	
	General Capital Projects	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>		
<u>General Sessions Court (Cont.)</u>		
Data Entry Fee - General Sessions Court	\$ 0	\$ 27,348
Courtroom Security Fee	0	15,402
Victims Assistance Assessments	0	35,643
<u>Juvenile Court</u>		
Fines	0	3,605
Officers Costs	0	1,024
<u>Chancery Court</u>		
Officers Costs	0	4,874
Data Entry Fee - Chancery Court	0	7,363
<u>Other Courts - In-county</u>		
Drug Court Fees	0	27,322
<u>Other Fines, Forfeitures, and Penalties</u>		
Proceeds from Confiscated Property	0	131,394
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$ 502,335</u>
<u>Charges for Current Services</u>		
<u>General Service Charges</u>		
Patient Charges	\$ 0	\$ 3,678,669
Work Release Charges for Board	0	15,335
Health Department Collections	0	228,610
Other General Service Charges	0	24,784
<u>Fees</u>		
Copy Fees	0	15,277
Library Fees	0	20,269
Greenbelt Late Application Fee	0	100

(Continued)

Exhibit L-5

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

	<u>Capital Projects Fund</u>	
	General Capital Projects	Total
<u>Charges for Current Services (Cont.)</u>		
<u>Fees (Cont.)</u>		
Telephone Commissions	\$ 0	\$ 273,603
Vending Machine Collections	0	76,693
Tourism Fees	0	48,502
Constitutional Officers' Fees and Commissions	0	2,015
Special Commissioner Fees/Special Master Fees	0	12,838
Data Processing Fee - Register	0	87,258
Probation Fees	0	335,483
Data Processing Fee - Sheriff	0	5,957
Sexual Offender Registration Fee - Sheriff	0	7,000
<u>Education Charges</u>		
TBI Criminal Background Fee	0	13,320
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 4,845,713</u>
<u>Other Local Revenues</u>		
<u>Recurring Items</u>		
Investment Income	\$ 0	\$ 2,294,248
Lease/Rentals	0	14,001
Sale of Materials and Supplies	0	2,540
Sale of Maps	0	20,135
Sale of Recycled Materials	0	97,087
E-Rate Funding	0	6,944
Miscellaneous Refunds	0	6,810
<u>Nonrecurring Items</u>		
Sale of Equipment	0	11,761
Damages Recovered from Individuals	0	5,786
Contributions and Gifts	0	12,986

(Continued)

Exhibit L-5

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

	<u>Capital Projects Fund</u>	
	General Capital Projects	Total
<u>Other Local Revenues (Cont.)</u>		
<u>Other Local Revenues</u>		
Other Local Revenues	\$ 0	\$ 39,365
Total Other Local Revenues	<u>\$ 0</u>	<u>\$ 2,511,663</u>
<u>Fees Received From County Officials</u>		
<u>Fees In-Lieu-of Salary</u>		
County Clerk	\$ 0	\$ 1,432,694
Circuit Court Clerk	0	521,010
General Sessions Court Clerk	0	538,029
Clerk and Master	0	163,977
Juvenile Court Clerk	0	24,290
Register	0	1,149,683
Sheriff	0	69,315
Trustee	0	3,368,186
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 7,267,184</u>
<u>State of Tennessee</u>		
<u>General Government Grants</u>		
Juvenile Services Program	\$ 0	\$ 9,000
Aging Programs	0	17,418
Solid Waste Grants	0	73,809
Other General Government Grants	0	9,945
<u>Public Safety Grants</u>		
Law Enforcement Training Programs	0	79,200
Other Public Safety Grants	0	8,987

(Continued)

Exhibit L-5

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

	<u>Capital Projects Fund</u>	
	General Capital Projects	Total
<u>State of Tennessee (Cont.)</u>		
<u>Health and Welfare Grants</u>		
Health Department Programs	\$ 0	\$ 1,917
Other Health and Welfare Grants	0	314,921
<u>Public Works Grants</u>		
State Aid Program	0	195,643
Litter Program	0	67,817
<u>Other State Revenues</u>		
Income Tax	0	201,485
Beer Tax	0	18,175
Alcoholic Beverage Tax	0	215,746
State Revenue Sharing - T.V.A.	0	659,855
State Revenue Sharing - Telecommunications	0	123,109
Contracted Prisoner Boarding	0	1,793,772
Gasoline and Motor Fuel Tax	0	3,232,303
Petroleum Special Tax	0	64,859
Registrar's Salary Supplement	0	15,164
Other State Grants	0	324,687
Other State Revenues	0	31,887
Total State of Tennessee	<u>\$ 0</u>	<u>\$ 7,459,699</u>
<u>Federal Government</u>		
<u>Federal Through State</u>		
Community Development	\$ 300,446	\$ 300,446
Homeland Security Grants	0	39,201
Medicaid	0	147,826
Law Enforcement Grants	0	158,012

(Continued)

Exhibit L-5

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

	<u>Capital Projects Fund</u>	
	General Capital Projects	Total
<u>Federal Government (Cont.)</u>		
<u>Federal Through State (Cont.)</u>		
COVID-19 Grant #1	\$ 0	\$ 97,315
COVID-19 Grant #3	0	8,838
COVID-19 Grant #4	0	55,845
COVID-19 Grant A	0	24,560
Other Federal through State	0	762,853
<u>Direct Federal Revenue</u>		
Tax Credit Bond Rebate	0	660,613
Other Direct Federal Revenue	0	75,120
Total Federal Government	<u>\$ 300,446</u>	<u>\$ 2,330,629</u>
<u>Other Governments and Citizens Groups</u>		
<u>Other Governments</u>		
Prisoner Board	\$ 0	\$ 26,436
Paving and Maintenance	0	273,908
Contributions	0	7,923,488
Contracted Services	0	964
<u>Other</u>		
Other	0	771
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 8,225,567</u>
Total	<u>\$ 300,446</u>	<u>\$ 87,074,461</u>

Exhibit L-6

Sevier County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Sevier County School Department
For the Year Ended June 30, 2020

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 35,624,987	\$ 0	\$ 0	\$ 35,624,987
Trustee's Collections - Prior Year	691,658	0	0	691,658
Circuit Clerk/Clerk and Master Collections - Prior Years	361,508	0	0	361,508
Interest and Penalty	156,089	0	0	156,089
Payments in-Lieu-of Taxes - T.V.A.	4,554	0	0	4,554
Payments in-Lieu-of Taxes - Local Utilities	550,620	0	0	550,620
Payments in-Lieu-of Taxes - Other	192,273	0	0	192,273
<u>County Local Option Taxes</u>				
Local Option Sales Tax	59,803,089	0	0	59,803,089
Hotel/Motel Tax	3,917,858	0	0	3,917,858
Mixed Drink Tax	729,808	0	0	729,808
<u>Statutory Local Taxes</u>				
Bank Excise Tax	300,422	0	0	300,422
Total Local Taxes	<u>\$ 102,332,866</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 102,332,866</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 92,292	\$ 0	\$ 0	\$ 92,292
Total Licenses and Permits	<u>\$ 92,292</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 92,292</u>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Lunch Payments - Children	\$ 0	\$ 0	\$ 836,177	\$ 836,177
Lunch Payments - Adults	0	0	92,679	92,679

(Continued)

Exhibit L-6

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Charges for Current Services (Cont.)</u>				
<u>Education Charges (Cont.)</u>				
Income from Breakfast	\$ 0	\$ 0	\$ 221,580	\$ 221,580
A la Carte Sales	0	0	72,625	72,625
Receipts from Individual Schools	147,664	0	0	147,664
Total Charges for Current Services	<u>\$ 147,664</u>	<u>\$ 0</u>	<u>\$ 1,223,061</u>	<u>\$ 1,370,725</u>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 15,506	\$ 0	\$ 21,567	\$ 37,073
Lease/Rentals	15,760	0	0	15,760
Sale of Materials and Supplies	616	0	0	616
Miscellaneous Refunds	66,650	0	2,500	69,150
<u>Nonrecurring Items</u>				
Sale of Equipment	14,989	0	0	14,989
Damages Recovered from Individuals	4,819	0	0	4,819
Contributions and Gifts	77,244	0	4,994	82,238
<u>Other Local Revenues</u>				
Other Local Revenues	11,200	0	0	11,200
Total Other Local Revenues	<u>\$ 206,784</u>	<u>\$ 0</u>	<u>\$ 29,061</u>	<u>\$ 235,845</u>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 491,046	\$ 0	\$ 0	\$ 491,046
<u>State Education Funds</u>				
Basic Education Program	45,052,599	0	0	45,052,599

(Continued)

Exhibit L-6

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>State of Tennessee (Cont.)</u>				
<u>State Education Funds (Cont.)</u>				
School Food Service	\$ 0	\$ 0	\$ 61,589	\$ 61,589
Driver Education	59,069	0	0	59,069
Other State Education Funds	1,827,890	0	0	1,827,890
Career Ladder Program	217,330	0	0	217,330
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	714,843	0	0	714,843
Other State Grants	2,778	34,524	684	37,986
Total State of Tennessee	<u>\$ 48,365,555</u>	<u>\$ 34,524</u>	<u>\$ 62,273</u>	<u>\$ 48,462,352</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,658,079	\$ 2,658,079
USDA - Commodities	0	0	483,448	483,448
Breakfast	0	0	1,128,857	1,128,857
USDA - Other	0	0	2,587,578	2,587,578
Vocational Education - Basic Grants to States	0	260,340	0	260,340
Title I Grants to Local Education Agencies	0	3,490,959	0	3,490,959
Special Education - Grants to States	34,911	3,021,484	0	3,056,395
Special Education Preschool Grants	5,577	98,408	0	103,985
English Language Acquisition Grants	0	153,176	0	153,176
21st Century Community Learning Centers	34,738	0	0	34,738
Eisenhower Professional Development State Grants	0	382,986	0	382,986
COVID-19 Grant #1	15,452	0	0	15,452
Other Federal through State	0	155,254	0	155,254
Total Federal Government	<u>\$ 90,678</u>	<u>\$ 7,562,607</u>	<u>\$ 6,857,962</u>	<u>\$ 14,511,247</u>

(Continued)

Exhibit L-6

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

	<u>Special Revenue Funds</u>			Total
	General Purpose School	School Federal Projects	Central Cafeteria	
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 11,573,738	\$ 0	\$ 0	\$ 11,573,738
Total Other Governments and Citizens Groups	\$ 11,573,738	\$ 0	\$ 0	\$ 11,573,738
 Total	 \$ 162,809,577	 \$ 7,597,131	 \$ 8,172,357	 \$ 178,579,065

Exhibit L-7

Sevier County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2020

General Fund

General Government

County Commission

Educational Incentive - Other County Employees	\$	1,000	
Board and Committee Members Fees		148,860	
Social Security		6,951	
Pensions		6,675	
Employee and Dependent Insurance		254,365	
Unemployment Compensation		81	
Employer Medicare		1,626	
Advertising		640	
Audit Services		46,308	
Dues and Memberships		13,677	
Legal Services		3,412	
Travel		13,384	
Other Contracted Services		6,740	
Office Supplies		11,416	
Total County Commission			\$ 515,135

Beer Board

Board and Committee Members Fees	\$	1,500	
Social Security		64	
Pensions		33	
Employee and Dependent Insurance		547	
Employer Medicare		15	
Advertising		119	
Legal Services		1,200	
Total Beer Board			3,478

Other Boards and Committees

County Official/Administrative Officer	\$	54,077	
Assistant(s)		111,888	
Dispatchers/Radio Operators		429,546	
Educational Incentive - Other County Employees		16,000	
Longevity Pay		7,500	
Other Salaries and Wages		42,747	
Social Security		38,408	
Pensions		37,575	
Employee and Dependent Insurance		137,058	
Employer Medicare		8,982	
Advertising		491	
Communication		2,657	
Data Processing Services		1,196	
Dues and Memberships		1,000	
Maintenance and Repair Services - Office Equipment		157	
Travel		387	
Gasoline		982	
Office Supplies		7,546	
Uniforms		2,863	
Other Supplies and Materials		9,297	
In Service/Staff Development		6,541	
Total Other Boards and Committees			916,898

(Continued)

Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive

County Official/Administrative Officer	\$	148,493	
Assistant(s)		83,064	
Accountants/Bookkeepers		230,665	
Secretary(ies)		30,592	
Clerical Personnel		48,229	
Educational Incentive - Other County Employees		3,000	
Longevity Pay		8,750	
Other Salaries and Wages		131,814	
Social Security		38,808	
Pensions		38,997	
Employee and Dependent Insurance		119,090	
Employer Medicare		9,287	
Advertising		1,478	
Communication		3,090	
Dues and Memberships		6,010	
Maintenance and Repair Services - Office Equipment		2,704	
Maintenance and Repair Services - Vehicles		110	
Postal Charges		4,480	
Travel		9,671	
Gasoline		1,894	
Library Books/Media		120	
Office Supplies		12,797	
Total County Mayor/Executive			\$ 933,143

Election Commission

County Official/Administrative Officer	\$	83,023
Deputy(ies)		162,303
Clerical Personnel		30,036
Longevity Pay		5,500
Election Commission		24,925
Election Workers		53,278
Social Security		19,700
Pensions		16,726
Employee and Dependent Insurance		37,920
Unemployment Compensation		31
Employer Medicare		4,607
Advertising		9,137
Communication		6,536
Dues and Memberships		1,375
Legal Services		6,472
Maintenance and Repair Services - Buildings		660
Maintenance and Repair Services - Office Equipment		20
Postal Charges		10,123
Travel		334
Other Contracted Services		44,568
Electricity		6,085
Natural Gas		1,544

(Continued)

Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Office Supplies	\$	71,489	
Water and Sewer		945	
Liability Insurance		8,257	
Total Election Commission			\$ 605,594

Register of Deeds

County Official/Administrative Officer	\$	103,190	
Deputy(ies)		53,679	
Accountants/Bookkeepers		36,345	
Clerical Personnel		231,771	
Educational Incentive - Other County Employees		3,000	
Longevity Pay		11,250	
Social Security		25,330	
Pensions		26,206	
Employee and Dependent Insurance		89,760	
Employer Medicare		5,924	
Communication		514	
Dues and Memberships		1,134	
Maintenance and Repair Services - Office Equipment		3,123	
Postal Charges		908	
Travel		1,430	
Other Contracted Services		15,548	
Office Supplies		11,401	
Other Supplies and Materials		6,155	
Total Register of Deeds			626,668

Planning

County Official/Administrative Officer	\$	64,096	
Assistant(s)		34,877	
Supervisor/Director		41,501	
Longevity Pay		2,750	
Other Salaries and Wages		42,213	
Board and Committee Members Fees		13,500	
Social Security		10,538	
Pensions		11,297	
Employee and Dependent Insurance		49,649	
Employer Medicare		2,465	
Advertising		965	
Communication		3,153	
Dues and Memberships		692	
Postal Charges		30	
Travel		506	
Electricity		3,638	
Office Supplies		11,283	
Water and Sewer		317	
Total Planning			293,470

(Continued)

Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

Building

County Official/Administrative Officer	\$	54,307	
Assistant(s)		38,420	
Secretary(ies)		33,953	
Longevity Pay		1,750	
Social Security		7,276	
Pensions		7,619	
Employee and Dependent Insurance		30,900	
Employer Medicare		1,702	
Communication		1,845	
Dues and Memberships		940	
Postal Charges		148	
Other Contracted Services		667	
Electricity		2,304	
Gasoline		4,269	
Office Supplies		3,341	
Water and Sewer		201	
Other Supplies and Materials		4,619	
Refunds		697	
Total Building			\$ 194,958

Geographical Information Systems

Supervisor/Director	\$	48,376	
Educational Incentive - Other County Employees		1,000	
Longevity Pay		1,000	
Other Salaries and Wages		33,201	
Social Security		4,500	
Pensions		4,977	
Employee and Dependent Insurance		24,480	
Employer Medicare		1,052	
Communication		1,013	
Dues and Memberships		125	
Maintenance and Repair Services - Office Equipment		5,214	
Postal Charges		110	
Travel		4,368	
Other Contracted Services		50,000	
Electricity		2,304	
Office Supplies		9,072	
Water and Sewer		201	
Total Geographical Information Systems			190,993

County Buildings

County Official/Administrative Officer	\$	48,021	
Supervisor/Director		8,160	
Custodial Personnel		362,713	
Longevity Pay		9,000	
Social Security		24,216	
Pensions		24,735	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Employee and Dependent Insurance	\$	110,150	
Unemployment Compensation		739	
Employer Medicare		5,663	
Advertising		122	
Communication		74,160	
Maintenance and Repair Services - Buildings		205,909	
Maintenance and Repair Services - Vehicles		500	
Pest Control		4,060	
Travel		568	
Electricity		195,175	
Gasoline		3,968	
Natural Gas		47,800	
Office Supplies		80	
Uniforms		3,671	
Water and Sewer		14,283	
Other Supplies and Materials		27,694	
Total County Buildings			\$ 1,171,387

Other Facilities

Advertising	\$	687	
Communication		3,576	
Maintenance and Repair Services - Buildings		8,370	
Other Contracted Services		5,124	
Electricity		230,910	
Natural Gas		61,326	
Water and Sewer		7,567	
Other Supplies and Materials		125	
Total Other Facilities			317,685

Other General Administration

Mechanic(s)	\$	208,340	
Longevity Pay		7,500	
Social Security		12,226	
Pensions		12,449	
Employee and Dependent Insurance		55,680	
Employer Medicare		2,859	
Communication		3,785	
Maintenance and Repair Services - Vehicles		132,016	
Electricity		6,872	
Gasoline		2,046	
Lubricants		14,218	
Natural Gas		2,514	
Tires and Tubes		52,498	
Water and Sewer		270	
Other Supplies and Materials		5,368	
Total Other General Administration			518,641

(Continued)

Exhibit L-7

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

General Fund (Cont.)

General Government (Cont.)

Preservation of Records

County Official/Administrative Officer	\$	51,897	
Assistant(s)		68,024	
Longevity Pay		2,250	
Social Security		6,582	
Pensions		7,275	
Employee and Dependent Insurance		36,720	
Employer Medicare		1,539	
Communication		578	
Maintenance and Repair Services - Office Equipment		1,775	
Postal Charges		112	
Travel		769	
Other Contracted Services		25,742	
Electricity		4,091	
Office Supplies		3,408	
Other Supplies and Materials		7,572	
Total Preservation of Records			\$ 218,334

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	103,190	
Deputy(ies)		139,216	
Clerical Personnel		204,850	
Educational Incentive - Other County Employees		1,000	
Longevity Pay		15,250	
Other Salaries and Wages		248,685	
Board and Committee Members Fees		3,870	
Social Security		42,484	
Pensions		40,123	
Employee and Dependent Insurance		124,452	
Unemployment Compensation		825	
Employer Medicare		9,936	
Advertising		216	
Audit Services		74,497	
Communication		6,737	
Dues and Memberships		2,587	
Maintenance and Repair Services - Office Equipment		11,054	
Maintenance and Repair Services - Vehicles		220	
Postal Charges		14,412	
Travel		3,533	
Other Contracted Services		127,410	
Electricity		2,183	
Gasoline		8,614	
Office Supplies		6,220	
Water and Sewer		190	
Data Processing Equipment		19,560	
Total Property Assessor's Office			1,211,314

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office

County Official/Administrative Officer	\$	103,190	
Deputy(ies)		41,857	
Accountants/Bookkeepers		45,441	
Clerical Personnel		228,632	
Educational Incentive - Other County Employees		1,000	
Longevity Pay		8,500	
Social Security		24,579	
Pensions		25,267	
Employee and Dependent Insurance		83,340	
Employer Medicare		5,748	
Advertising		540	
Audit Services		14,710	
Communication		888	
Dues and Memberships		1,554	
Maintenance and Repair Services - Office Equipment		183	
Postal Charges		58,051	
Travel		1,845	
Other Contracted Services		26,269	
Office Supplies		11,261	
Total County Trustee's Office			\$ 682,855

County Clerk's Office

County Official/Administrative Officer	\$	103,190	
Deputy(ies)		49,172	
Accountants/Bookkeepers		43,233	
Clerical Personnel		567,147	
Educational Incentive - Other County Employees		4,000	
Longevity Pay		19,250	
Social Security		43,103	
Pensions		46,544	
Employee and Dependent Insurance		177,068	
Employer Medicare		10,080	
Communication		9,142	
Dues and Memberships		1,099	
Legal Services		200	
Postal Charges		30,739	
Travel		1,485	
Other Contracted Services		7,071	
Data Processing Supplies		16,791	
Office Supplies		25,266	
Other Capital Outlay		23,069	
Total County Clerk's Office			1,177,649

Data Processing

County Official/Administrative Officer	\$	62,000
Assistant(s)		87,608
Educational Incentive - Other County Employees		1,000

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Finance (Cont.)

Data Processing (Cont.)

Longevity Pay	\$	1,750	
Social Security		8,496	
Pensions		9,073	
Employee and Dependent Insurance		36,720	
Employer Medicare		1,987	
Communication		5,378	
Maintenance and Repair Services - Vehicles		40	
Travel		746	
Data Processing Supplies		25,079	
Gasoline		373	
Office Supplies		5	
Other Supplies and Materials		1,491	
In Service/Staff Development		599	
Total Data Processing			\$ 242,345

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	103,190	
Deputy(ies)		41,357	
Accountants/Bookkeepers		39,132	
Clerical Personnel		523,642	
Educational Incentive - Other County Employees		1,000	
Longevity Pay		12,500	
Other Salaries and Wages		1,855	
Jury and Witness Expense		21,551	
Social Security		41,382	
Pensions		41,406	
Employee and Dependent Insurance		155,892	
Employer Medicare		9,678	
Communication		3,280	
Contracts with Other Public Agencies		691	
Dues and Memberships		1,514	
Legal Services		200	
Maintenance and Repair Services - Office Equipment		7,806	
Postal Charges		8,495	
Travel		2,008	
Other Contracted Services		19,217	
Office Supplies		27,064	
Total Circuit Court			1,062,860

General Sessions Court

County Official/Administrative Officer	\$	103,190
Deputy(ies)		54,768
Accountants/Bookkeepers		36,869
Clerical Personnel		321,184
Educational Incentive - Other County Employees		1,000
Longevity Pay		13,250

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Other Salaries and Wages	\$	79,355	
Social Security		35,705	
Pensions		35,443	
Employee and Dependent Insurance		99,572	
Employer Medicare		8,350	
Communication		4,671	
Contracts with Other Public Agencies		6,396	
Dues and Memberships		1,019	
Maintenance and Repair Services - Office Equipment		4,597	
Postal Charges		4,476	
Travel		579	
Other Contracted Services		19,638	
Office Supplies		24,122	
Total General Sessions Court			\$ 854,184

General Sessions Judge

Judge(s)	\$	349,809	
Secretary(ies)		38,734	
Longevity Pay		3,000	
Other Salaries and Wages		29,766	
Social Security		20,575	
Pensions		24,576	
Employee and Dependent Insurance		42,780	
Employer Medicare		5,943	
Communication		2,517	
Dues and Memberships		5,379	
Travel		9,759	
Other Contracted Services		4,152	
Library Books/Media		3,162	
Office Supplies		3,939	
Total General Sessions Judge			544,091

Chancery Court

County Official/Administrative Officer	\$	103,190	
Deputy(ies)		37,099	
Clerical Personnel		146,789	
Longevity Pay		9,250	
Other Salaries and Wages		43,266	
Social Security		20,558	
Pensions		20,271	
Employee and Dependent Insurance		46,740	
Employer Medicare		4,808	
Communication		2,846	
Dues and Memberships		724	
Maintenance and Repair Services - Office Equipment		12,087	
Postal Charges		3,453	
Library Books/Media		7,862	
Office Supplies		8,122	
Total Chancery Court			467,065

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court

Deputy(ies)	\$	38,252	
Clerical Personnel		71,914	
Longevity Pay		2,250	
Social Security		6,511	
Pensions		6,695	
Employee and Dependent Insurance		17,460	
Employer Medicare		1,523	
Postal Charges		2,439	
Travel		300	
Other Contracted Services		2,056	
Office Supplies		4,008	
Total Juvenile Court			\$ 153,408

District Attorney General

Assistant(s)	\$	67,384	
Supervisor/Director		74,104	
Social Security		8,320	
Pensions		7,380	
Employee and Dependent Insurance		23,380	
Employer Medicare		1,946	
Dues and Memberships		409	
Postal Charges		495	
Travel		4,337	
Office Supplies		2,163	
Total District Attorney General			189,918

Judicial Commissioners

County Official/Administrative Officer	\$	161,222	
Supervisor/Director		52,190	
Longevity Pay		2,000	
Social Security		12,368	
Pensions		8,703	
Employee and Dependent Insurance		53,460	
Unemployment Compensation		1,925	
Employer Medicare		2,893	
Advertising		147	
Communication		515	
Travel		574	
Library Books/Media		699	
Office Supplies		9,379	
In Service/Staff Development		600	
Total Judicial Commissioners			306,675

Probation Services

County Official/Administrative Officer	\$	41,520	
Assistant(s)		31,313	
Other Salaries and Wages		165,284	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Probation Services (Cont.)

Social Security	\$	13,723	
Pensions		5,969	
Employee and Dependent Insurance		40,365	
Employer Medicare		3,210	
Communication		3,777	
Legal Services		600	
Maintenance and Repair Services - Office Equipment		119	
Postal Charges		560	
Rentals		40,100	
Travel		5,243	
Other Contracted Services		36,940	
Electricity		3,421	
Natural Gas		2,872	
Office Supplies		8,604	
Water and Sewer		1,545	
Other Supplies and Materials		114,864	
Refunds		45	
Total Probation Services			\$ 520,074

Victim Assistance Programs

Clerical Personnel	\$	41,103	
Longevity Pay		250	
Social Security		2,189	
Pensions		2,462	
Employee and Dependent Insurance		12,240	
Employer Medicare		512	
Communication		924	
Postal Charges		990	
Travel		584	
Office Supplies		780	
Total Victim Assistance Programs			62,034

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	114,900	
Assistant(s)		69,196	
Supervisor/Director		149,742	
Deputy(ies)		2,862,157	
Investigator(s)		742,543	
Accountants/Bookkeepers		30,036	
Dispatchers/Radio Operators		366,532	
Guards		323,447	
Secretary(ies)		155,167	
Longevity Pay		69,000	
Other Salaries and Wages		93,494	
In-service Training		76,800	
Social Security		296,449	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Pensions	\$	276,435	
Employee and Dependent Insurance		850,094	
Unemployment Compensation		3,002	
Employer Medicare		69,331	
Other Fringe Benefits		3,500	
Communication		49,779	
Contracts with Other Public Agencies		11,735	
Contributions		88,694	
Data Processing Services		28,704	
Dues and Memberships		3,325	
Legal Services		6,075	
Licenses		454	
Maintenance and Repair Services - Equipment		38,746	
Maintenance and Repair Services - Office Equipment		4,135	
Travel		9,994	
Other Contracted Services		56,400	
Electricity		25,988	
Gasoline		247,235	
Law Enforcement Supplies		74,779	
Natural Gas		3,720	
Water and Sewer		7,692	
Other Supplies and Materials		73,197	
In Service/Staff Development		46,053	
Other Charges		15,175	
Other Equipment		25,000	
Total Sheriff's Department			\$ 7,368,705

Drug Enforcement

Longevity Pay	\$	3,000	
Other Salaries and Wages		181,317	
Social Security		10,460	
Pensions		11,066	
Employee and Dependent Insurance		40,791	
Employer Medicare		2,446	
Other Fringe Benefits		1,500	
Other Supplies and Materials		25,838	
Total Drug Enforcement			276,418

Jail

Assistant(s)	\$	83,053	
Supervisor/Director		39,428	
Guards		2,759,182	
Cafeteria Personnel		153,794	
Longevity Pay		30,250	
Other Salaries and Wages		19,322	
In-service Training		24,000	
Social Security		181,169	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Pensions	\$	157,441	
Employee and Dependent Insurance		599,823	
Unemployment Compensation		12,523	
Employer Medicare		42,370	
Other Fringe Benefits		500	
Advertising		223	
Communication		7,159	
Contracts with Other Public Agencies		15,890	
Contracts with Private Agencies		8,888	
Data Processing Services		11,226	
Legal Services		6,476	
Maintenance and Repair Services - Buildings		65,082	
Maintenance and Repair Services - Equipment		41,359	
Maintenance and Repair Services - Office Equipment		19,570	
Medical and Dental Services		1,818,091	
Postal Charges		4,522	
Rentals		3,460	
Transportation - Other than Students		21,335	
Electricity		159,283	
Food Supplies		503,648	
Law Enforcement Supplies		37,551	
Natural Gas		58,486	
Office Supplies		29,224	
Water and Sewer		112,208	
Other Supplies and Materials		266,104	
In Service/Staff Development		1,803	
Total Jail			\$ 7,294,443

Juvenile Services

Supervisor/Director	\$	62,817	
Youth Service Officer(s)		170,845	
Secretary(ies)		33,976	
Longevity Pay		6,250	
Social Security		15,576	
Pensions		16,311	
Employee and Dependent Insurance		55,500	
Employer Medicare		3,643	
Communication		1,516	
Contributions		78,388	
Dues and Memberships		999	
Postal Charges		733	
Travel		3,842	
Other Contracted Services		3,744	
Office Supplies		6,232	
Total Juvenile Services			460,372

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control

Supervisor/Director	\$	58,605	
Educational Incentive - Other County Employees		1,000	
In-service Training		800	
Social Security		3,508	
Pensions		3,548	
Employee and Dependent Insurance		9,180	
Employer Medicare		820	
Communication		2,477	
Contributions		961,250	
Dues and Memberships		112	
Maintenance and Repair Services - Vehicles		2,991	
Travel		1,766	
Gasoline		1,781	
Office Supplies		5,972	
Uniforms		8,261	
Other Supplies and Materials		6,169	
Other Capital Outlay		50,000	
Total Fire Prevention and Control			\$ 1,118,240

Civil Defense

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

Rescue Squad

Contributions	\$	53,750	
Total Rescue Squad			53,750

Other Emergency Management

County Official/Administrative Officer	\$	59,464	
Assistant(s)		44,687	
Longevity Pay		500	
Other Salaries and Wages		20,578	
Social Security		7,376	
Pensions		6,232	
Employee and Dependent Insurance		18,180	
Employer Medicare		1,725	
Advertising		261	
Communication		4,544	
Dues and Memberships		200	
Maintenance and Repair Services - Equipment		243	
Maintenance and Repair Services - Vehicles		40	
Postal Charges		16	
Travel		1,888	
Other Contracted Services		2,025	
Electricity		631	
Gasoline		3,390	
Office Supplies		4,532	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

Other Supplies and Materials	\$	9,319	
In Service/Staff Development		1,618	
Other Capital Outlay		208,862	
Total Other Emergency Management			\$ 396,311

County Coroner/Medical Examiner

Medical Personnel	\$	36,932	
Other Salaries and Wages		23,127	
Social Security		3,640	
Pensions		2,199	
Employee and Dependent Insurance		6,420	
Employer Medicare		851	
Communication		748	
Postal Charges		29	
Travel		726	
Other Contracted Services		297,911	
Gasoline		2,168	
Office Supplies		368	
Other Supplies and Materials		6,434	
In Service/Staff Development		292	
Total County Coroner/Medical Examiner			381,845

Other Public Safety

County Official/Administrative Officer	\$	57,200	
Assistant(s)		48,281	
Sergeant(s)		156,014	
Medical Personnel		13,608	
Guards		248,875	
Secretary(ies)		33,012	
Educational Incentive - Other County Employees		1,000	
Longevity Pay		6,000	
In-service Training		3,564	
Social Security		33,986	
Pensions		28,338	
Employee and Dependent Insurance		75,175	
Unemployment Compensation		4,906	
Employer Medicare		7,948	
Other Fringe Benefits		4,445	
Advertising		201	
Communication		6,046	
Contracts with Private Agencies		11,000	
Data Processing Services		4,300	
Dues and Memberships		220	
Maintenance and Repair Services - Buildings		5,349	
Maintenance and Repair Services - Equipment		2,070	
Maintenance and Repair Services - Office Equipment		2,990	
Maintenance and Repair Services - Vehicles		40	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Public Safety (Cont.)

Medical and Dental Services	\$	14,253	
Rentals		843	
Travel		1,215	
Electricity		13,717	
Gasoline		1,093	
Natural Gas		2,171	
Office Supplies		4,953	
Water and Sewer		2,391	
Other Supplies and Materials		3,354	
In Service/Staff Development		3,913	
Total Other Public Safety			\$ 802,471

Public Health and Welfare

Local Health Center

Advertising	\$	221	
Communication		10,219	
Contracts with Government Agencies		30,416	
Maintenance and Repair Services - Buildings		8,995	
Pest Control		772	
Postal Charges		356	
Office Supplies		912	
Other Supplies and Materials		5,778	
Liability Insurance		500	
Other Charges		1,600	
Office Equipment		2,408	
Total Local Health Center			62,177

Rabies and Animal Control

Contributions	\$	163,000	
Total Rabies and Animal Control			163,000

Ambulance/Emergency Medical Services

County Official/Administrative Officer	\$	73,821	
Assistant(s)		54,475	
Medical Personnel		2,716,225	
Clerical Personnel		144,247	
Educational Incentive - Other County Employees		2,000	
Longevity Pay		44,000	
Other Salaries and Wages		444,269	
Social Security		204,639	
Pensions		172,071	
Employee and Dependent Insurance		477,065	
Unemployment Compensation		1,388	
Employer Medicare		47,859	
Advertising		140	
Communication		20,550	
Contracts with Private Agencies		204,880	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Contributions	\$	100,000	
Legal Services		51,059	
Licenses		4,500	
Maintenance and Repair Services - Buildings		5,576	
Maintenance and Repair Services - Equipment		1,385	
Maintenance and Repair Services - Office Equipment		1,074	
Maintenance and Repair Services - Vehicles		2,394	
Postal Charges		2,774	
Travel		713	
Tuition		4,414	
Other Contracted Services		178,806	
Custodial Supplies		6,828	
Drugs and Medical Supplies		131,821	
Gasoline		91,311	
Office Supplies		9,348	
Uniforms		26,934	
Utilities		43,034	
Other Supplies and Materials		48,108	
Refunds		14,983	
Motor Vehicles		38,910	
Total Ambulance/Emergency Medical Services			\$ 5,371,601

Maternal and Child Health Services

Medical Personnel	\$	39,658	
Clerical Personnel		415,868	
Longevity Pay		5,250	
Social Security		26,343	
Pensions		24,029	
Employee and Dependent Insurance		117,215	
Employer Medicare		6,161	
Transportation - Other than Students		6,238	
Other Supplies and Materials		305	
Total Maternal and Child Health Services			641,067

Alcohol and Drug Programs

Supervisor/Director	\$	51,102	
Longevity Pay		250	
Other Salaries and Wages		309	
Social Security		2,832	
Pensions		3,057	
Employee and Dependent Insurance		12,240	
Employer Medicare		662	
Advertising		48,557	
Communication		518	
Printing, Stationery, and Forms		4,944	
Travel		2,310	
Other Contracted Services		46,087	
Office Supplies		21,313	
Total Alcohol and Drug Programs			194,181

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services

Contributions	\$	156,958	
Other Charges		42,336	
Total Other Local Health Services			\$ 199,294

Appropriation to State

Contributions	\$	84,658	
Other Supplies and Materials		1,046	
Total Appropriation to State			85,704

Other Local Welfare Services

Contributions	\$	5,388	
Pauper Burials		6,100	
Total Other Local Welfare Services			11,488

Other Public Health and Welfare

Supervisor/Director	\$	54,077	
Secretary(ies)		26,095	
Longevity Pay		3,250	
Other Salaries and Wages		118,744	
Social Security		11,840	
Pensions		11,133	
Employee and Dependent Insurance		33,640	
Employer Medicare		2,769	
Advertising		151	
Communication		3,100	
Dues and Memberships		250	
Maintenance and Repair Services - Office Equipment		2,764	
Travel		16,825	
Other Contracted Services		1,980	
Electricity		3,638	
Office Supplies		8,769	
Water and Sewer		317	
Refunds		3,450	
Total Other Public Health and Welfare			302,792

Social, Cultural, and Recreational Services

Senior Citizens Assistance

County Official/Administrative Officer	\$	45,756	
Supervisor/Director		38,000	
Dispatchers/Radio Operators		22,239	
Secretary(ies)		81,572	
Cafeteria Personnel		22,886	
Maintenance Personnel		26,095	
Longevity Pay		2,500	
Social Security		13,542	
Pensions		13,797	
Employee and Dependent Insurance		64,648	

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Senior Citizens Assistance (Cont.)

Unemployment Compensation	\$	562	
Employer Medicare		3,167	
Advertising		7,584	
Communication		1,207	
Maintenance and Repair Services - Buildings		8,445	
Other Contracted Services		7,314	
Electricity		46,465	
Natural Gas		5,652	
Office Supplies		2,301	
Water and Sewer		5,180	
Other Supplies and Materials		21,411	
In Service/Staff Development		569	
Other Capital Outlay		20,000	
Total Senior Citizens Assistance			\$ 460,892

Libraries

County Official/Administrative Officer	\$	66,841
Assistant(s)		315,775
Supervisor/Director		216,988
Accountants/Bookkeepers		33,033
Custodial Personnel		24,858
Longevity Pay		9,750
Other Salaries and Wages		122,239
Social Security		46,590
Pensions		37,336
Employee and Dependent Insurance		132,750
Unemployment Compensation		1,513
Employer Medicare		10,896
Advertising		463
Communication		16,425
Dues and Memberships		4,830
Janitorial Services		11,816
Maintenance and Repair Services - Buildings		19,900
Maintenance and Repair Services - Equipment		20,815
Postal Charges		677
Printing, Stationery, and Forms		1,354
Travel		7,668
Tuition		10,277
Other Contracted Services		36,049
Data Processing Supplies		840
Duplicating Supplies		1,579
Electricity		63,013
Equipment and Machinery Parts		31,001
Instructional Supplies and Materials		15,170
Library Books/Media		57,289
Office Supplies		35,385
Periodicals		1,698

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Utilities	\$	3,424	
Water and Sewer		10,942	
Other Supplies and Materials		259	
Refunds		90	
Total Libraries			\$ 1,369,533

Parks and Fair Boards

Maintenance Personnel	\$	13,956	
Social Security		865	
Employer Medicare		202	
Contributions		79,500	
Total Parks and Fair Boards			94,523

Agriculture and Natural Resources

Agricultural Extension Service

Assistant(s)	\$	64,955	
Longevity Pay		2,250	
Other Salaries and Wages		172,815	
Social Security		39,729	
Pensions		4,002	
Employee and Dependent Insurance		11,040	
Employer Medicare		912	
Communication		4,936	
Contributions		3,000	
Postal Charges		1,500	
Travel		1,410	
Electricity		3,091	
Water and Sewer		1,210	
Other Supplies and Materials		2,899	
Total Agricultural Extension Service			313,749

Forest Service

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

Soil Conservation

Clerical Personnel	\$	31,796	
Longevity Pay		250	
Social Security		1,927	
Pensions		1,908	
Employee and Dependent Insurance		5,940	
Employer Medicare		451	
Total Soil Conservation			42,272

Storm Water Management

County Official/Administrative Officer	\$	55,125	
Secretary(ies)		1,484	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Storm Water Management (Cont.)

Longevity Pay	\$	1,750	
Other Salaries and Wages		45,274	
Social Security		6,259	
Pensions		6,083	
Employee and Dependent Insurance		12,840	
Employer Medicare		1,464	
Advertising		342	
Communication		1,029	
Contracts with Government Agencies		667	
Legal Services		425	
Travel		6,499	
Electricity		2,911	
Office Supplies		3,309	
Water and Sewer		254	
Refunds		1,000	
Total Storm Water Management			\$ 146,715

Other Operations

Tourism

County Official/Administrative Officer	\$	48,858	
Longevity Pay		750	
Social Security		2,975	
Pensions		2,954	
Employee and Dependent Insurance		6,420	
Employer Medicare		696	
Advertising		64,627	
Contracts with Private Agencies		996,825	
Contributions		332,600	
Dues and Memberships		1,720	
Postal Charges		253	
Travel		2,198	
Other Contracted Services		34,086	
Office Supplies		1,328	
Other Supplies and Materials		3,198	
Total Tourism			1,499,488

Veterans' Services

Supervisor/Director	\$	39,195	
Secretary(ies)		33,646	
Longevity Pay		2,000	
Social Security		4,256	
Pensions		4,459	
Employee and Dependent Insurance		15,450	
Employer Medicare		995	
Communication		4,487	
Contributions		10,000	
Dues and Memberships		50	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Postal Charges	\$	191	
Travel		2,481	
Other Contracted Services		1,773	
Gasoline		776	
Office Supplies		2,517	
Other Supplies and Materials		1,605	
Total Veterans' Services			\$ 123,881

Contributions to Other Agencies

Contracts with Other Public Agencies	\$	40,000	
Contributions		226,941	
Total Contributions to Other Agencies			266,941

Employee Benefits

Pensions	\$	2,438	
Employee and Dependent Insurance		993,969	
Unemployment Compensation		295	
Communication		4,223	
Maintenance and Repair Services - Office Equipment		992	
Office Supplies		9,142	
Workers' Compensation Insurance		279,659	
Other Charges		2,818	
Total Employee Benefits			1,293,536

COVID-19 Grant #4

Other Equipment	\$	55,845	
Total COVID-19 Grant #4			55,845

COVID-19 Grant A

Other Supplies and Materials	\$	32,747	
Total COVID-19 Grant A			32,747

Miscellaneous

Advertising	\$	2,492	
Contributions		45,000	
Legal Services		4,714	
Legal Notices, Recording, and Court Costs		24	
Maintenance and Repair Services - Office Equipment		3,975	
Postal Charges		1,624	
Other Contracted Services		33,186	
Other Supplies and Materials		14,940	
Building and Contents Insurance		120,393	
Excess Risk Insurance		11,392	
Liability Insurance		459,235	
Refunds		14,215	
Trustee's Commission		807,499	
Vehicle and Equipment Insurance		122,498	

(Continued)

Exhibit L-7

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous (Cont.)

Other Charges	\$	353	
Other Debt Service		660,613	
Total Miscellaneous			\$ 2,302,153

Highways

Litter and Trash Collection

Deputy(ies)	\$	186,954	
Longevity Pay		5,500	
In-service Training		3,200	
Social Security		11,522	
Pensions		11,470	
Employee and Dependent Insurance		42,322	
Employer Medicare		2,695	
Communication		2,164	
Maintenance and Repair Services - Vehicles		184	
Other Contracted Services		21,158	
Electricity		2,093	
Water and Sewer		318	
Other Supplies and Materials		4,611	
Total Litter and Trash Collection			294,191

Other Charges

Contracts with Private Agencies	\$	4,125	
Other Contracted Services		35,632	
Total Other Charges			39,757

Capital Projects

Public Health and Welfare Projects

Other Contracted Services	\$	455,593	
Total Public Health and Welfare Projects			455,593

Other General Government Projects

Contracts with Private Agencies	\$	2,042	
Other Charges		4,500	
Land		1,035,630	
Other Capital Outlay		552,420	
Total Other General Government Projects			1,594,592

Total General Fund \$ 49,556,123

Courthouse and Jail Maintenance Fund

General Government

County Buildings

Maintenance and Repair Services - Buildings	\$	5,728	
Trustee's Commission		8,767	
Total County Buildings			\$ 14,495

(Continued)

Exhibit L-7

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

Courthouse and Jail Maintenance Fund (Cont.)

Capital Projects

Administration of Justice Projects

Other Capital Outlay	\$ 5,000	
Total Administration of Justice Projects		\$ 5,000

Total Courthouse and Jail Maintenance Fund \$ 19,495

Law Library Fund

Administration of Justice

Other Administration of Justice

Library Books/Media	\$ 13,752	
Trustee's Commission	94	
Total Other Administration of Justice		\$ 13,846

Total Law Library Fund 13,846

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$ 53,951	
Laborers	930,522	
Longevity Pay	20,750	
Social Security	58,855	
Pensions	55,695	
Employee and Dependent Insurance	210,700	
Unemployment Compensation	441	
Employer Medicare	13,765	
Advertising	68	
Communication	7,989	
Contracts with Government Agencies	1,179,684	
Contributions	75,949	
Maintenance and Repair Services - Buildings	3,403	
Maintenance and Repair Services - Equipment	26,841	
Maintenance and Repair Services - Vehicles	99,531	
Rentals	9,000	
Travel	175	
Other Contracted Services	7,055	
Electricity	35,680	
Gasoline	76,448	
Lubricants	10,819	
Natural Gas	24,421	
Tires and Tubes	59,432	
Uniforms	10,196	
Water and Sewer	3,518	
Other Supplies and Materials	32,792	
Liability Insurance	2,500	
Trustee's Commission	971	
Solid Waste Equipment	2,194	
Total Sanitation Management		\$ 3,013,345

Total Solid Waste/Sanitation Fund 3,013,345

(Continued)

Exhibit L-7

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

Special Purpose Fund

General Government

Election Commission

Other Equipment	\$ 3,850	
Total Election Commission		\$ 3,850

County Buildings

Maintenance and Repair Services - Buildings	\$ 19,652	
Total County Buildings		19,652

Other General Administration

Maintenance Equipment	\$ 6,370	
Total Other General Administration		6,370

Finance

Data Processing

Data Processing Equipment	\$ 24,991	
Other Capital Outlay	16,725	
Total Data Processing		41,716

Public Safety

Sheriff's Department

Motor Vehicles	\$ 415,438	
Other Equipment	72,000	
Total Sheriff's Department		487,438

Jail

Other Equipment	\$ 108,950	
Total Jail		108,950

Other Public Safety

Other Capital Outlay	\$ 16,719	
Total Other Public Safety		16,719

Public Health and Welfare

Ambulance/Emergency Medical Services

Motor Vehicles	\$ 296,686	
Other Equipment	46,925	
Total Ambulance/Emergency Medical Services		343,611

Sanitation Management

Solid Waste Equipment	\$ 31,098	
Other Construction	7,050	
Total Sanitation Management		38,148

Other Public Health and Welfare

Other Capital Outlay	\$ 16,454	
Total Other Public Health and Welfare		16,454

(Continued)

Exhibit L-7

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

Special Purpose Fund (Cont.)

Social, Cultural, and Recreational Services

Libraries

Administration Equipment	\$ 16,383	
Total Libraries		\$ 16,383

Other Operations

Other Charges

Trustee's Commission	\$ 23,677	
Total Other Charges		23,677

Miscellaneous

Motor Vehicles	\$ 171,054	
Total Miscellaneous		<u>171,054</u>

Total Special Purpose Fund \$ 1,294,022

Drug Control Fund

Public Safety

Sheriff's Department

Confidential Drug Enforcement Payments	\$ 37,000	
Trustee's Commission	1,474	
Motor Vehicles	93,066	
Total Sheriff's Department		<u>\$ 131,540</u>

Total Drug Control Fund 131,540

Other Special Revenue Fund

Administration of Justice

Drug Court

Supervisor/Director	\$ 51,645
Social Workers	55,844
Other Salaries and Wages	17,469
Social Security	6,297
Pensions	5,488
Employee and Dependent Insurance	16,980
Employer Medicare	1,473
Advertising	2,691
Communication	9,239
Dues and Memberships	360
Licenses	1,010
Maintenance and Repair Services - Buildings	62
Maintenance and Repair Services - Office Equipment	3,176
Medical and Dental Services	6,383
Pest Control	749
Postal Charges	46
Rentals	3,000
Travel	10,461
Drug Treatment	2,420
Other Contracted Services	3,200

(Continued)

Exhibit L-7

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

Other Special Revenue Fund (Cont.)

Administration of Justice (Cont.)

Drug Court (Cont.)

Electricity	\$	6,598	
Gasoline		2,053	
Office Supplies		31,966	
Propane Gas		1,896	
Utilities		909	
Liability Insurance		7,418	
Trustee's Commission		431	
Vehicle and Equipment Insurance		5,287	
Total Drug Court			\$ 254,551

Total Other Special Revenue Fund \$ 254,551

Constitutional Officers - Fees Fund

Finance

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	2,015	
Total County Clerk's Office			\$ 2,015

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	12,838	
Total Chancery Court			12,838

Total Constitutional Officers - Fees Fund 14,853

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	120,144	
Accountants/Bookkeepers		63,571	
Secretary(ies)		22,370	
Social Security		11,982	
Pensions		12,277	
Employee and Dependent Insurance		21,540	
Employer Medicare		2,802	
Data Processing Services		10,842	
Dues and Memberships		5,340	
Engineering Services		2,425	
Legal Services		1,050	
Legal Notices, Recording, and Court Costs		6,465	
Postal Charges		1,148	
Printing, Stationery, and Forms		1,148	
Travel		2,702	
Office Supplies		2,804	
Other Charges		6,771	
Total Administration			\$ 295,381

(Continued)

Exhibit L-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance

Foremen	\$	503,488	
Equipment Operators		423,129	
Equipment Operators - Light		287,521	
Truck Drivers		391,687	
Laborers		210,371	
Social Security		104,773	
Pensions		105,010	
Employee and Dependent Insurance		374,155	
Employer Medicare		24,503	
Rentals		10,195	
Other Contracted Services		333,939	
Asphalt		4,739,443	
Concrete		39,054	
Crushed Stone		56,203	
Fertilizer, Lime, and Seed		11,284	
General Construction Materials		457	
Pipe - Metal		94,229	
Road Signs		39,365	
Salt		20,441	
Small Tools		2,993	
Wood Products		2,191	
Other Supplies and Materials		777	
Other Charges		1,054	
Total Highway and Bridge Maintenance			\$ 7,776,262

Operation and Maintenance of Equipment

Foremen	\$	153,392
Mechanic(s)		192,501
Laborers		78,702
Social Security		24,732
Pensions		24,716
Employee and Dependent Insurance		85,560
Employer Medicare		5,784
Maintenance and Repair Services - Equipment		15,421
Towing Services		325
Other Contracted Services		406
Diesel Fuel		112,923
Electricity		11,650
Equipment and Machinery Parts		355,138
Garage Supplies		80,861
Gasoline		65,281
Lubricants		43,160
Natural Gas		2,292
Office Supplies		4,206
Propane Gas		1,407
Small Tools		18,253
Tires and Tubes		63,031

(Continued)

Exhibit L-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Water and Sewer	\$	9,308	
Other Supplies and Materials		3,166	
Other Charges		153	
Total Operation and Maintenance of Equipment			\$ 1,352,368

Quarry Operations

Foremen	\$	37,131	
Equipment Operators		30,685	
Laborers		25,662	
Social Security		5,242	
Pensions		5,608	
Employee and Dependent Insurance		23,175	
Employer Medicare		1,226	
Engineering Services		275	
Explosive and Drilling Services		25,458	
Electricity		16,367	
Other Charges		580	
Total Quarry Operations			171,409

Other Charges

Communication	\$	21,543	
Liability Insurance		20,546	
Trustee's Commission		179,361	
Vehicle and Equipment Insurance		51,812	
Total Other Charges			273,262

Employee Benefits

Employee and Dependent Insurance	\$	20,800	
Medical and Dental Services		3,490	
Workers' Compensation Insurance		55,536	
Total Employee Benefits			79,826

Capital Outlay

Highway Equipment	\$	533,035	
Land		136,270	
Motor Vehicles		246,000	
Right-of-Way		2,000	
State Aid Projects		179,274	
Other Equipment		10,225	
Total Capital Outlay			1,106,804

Total Highway/Public Works Fund \$ 11,055,312

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	1,265,000	
Principal on Other Loans		2,630,000	
Total General Government			\$ 3,895,000

(Continued)

Exhibit L-7

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

General Debt Service Fund (Cont.)

Principal on Debt (Cont.)

Education

Principal on Bonds	\$ 2,265,027	
Principal on Other Loans	2,189,996	
Total Education		\$ 4,455,023

Interest on Debt

General Government

Interest on Bonds	\$ 521,245	
Interest on Other Loans	514,458	
Total General Government		1,035,703

Education

Interest on Bonds	\$ 1,854,942	
Interest on Other Loans	810,402	
Total Education		2,665,344

Other Debt Service

General Government

Fiscal Agent Charges	\$ 429,111	
Trustee's Commission	150,518	
Underwriter's Discount	48,004	
Other Debt Issuance Charges	66,342	
Total General Government		693,975

Education

Fiscal Agent Charges	\$ 11,603	
Total Education		11,603

Total General Debt Service Fund \$ 12,756,648

General Capital Projects Fund

Other Debt Service

Education

Underwriter's Discount	\$ 87,469	
Other Debt Issuance Charges	99,402	
Total Education		\$ 186,871

Capital Projects

Social, Cultural, and Recreation Projects

Architects	\$ 102,918	
Other Contracted Services	4,900	
Total Social, Cultural, and Recreation Projects		107,818

Public Utility Projects

Other Contracted Services	\$ 106,049	
Total Public Utility Projects		106,049

(Continued)

Exhibit L-7

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

General Capital Projects Fund (Cont.)

Capital Projects (Cont.)

Education Capital Projects

Contributions

\$ 10,913,125

\$ 10,913,125

Total Education Capital Projects

Total General Capital Projects Fund

\$ 11,313,863

Total Governmental Funds - Primary Government

\$ 89,423,598

Exhibit L-8

Sevier County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Sevier County School Department
For the Year Ended June 30, 2020

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	46,774,855	
Career Ladder Program		179,225	
Career Ladder Extended Contracts		21,000	
Homebound Teachers		40,500	
Educational Assistants		1,433,897	
Other Salaries and Wages		177,627	
Certified Substitute Teachers		26,040	
Non-certified Substitute Teachers		587,397	
Social Security		2,850,331	
Pensions		4,682,918	
Life Insurance		21,487	
Medical Insurance		7,176,419	
Dental Insurance		105,023	
Employer Medicare		676,340	
Retirement - Hybrid Stabilization		23	
Other Fringe Benefits		162,552	
Maintenance and Repair Services - Equipment		39,733	
Tuition		88,090	
Other Contracted Services		410,000	
Instructional Supplies and Materials		1,520,246	
Textbooks - Bound		1,409,095	
Software		297,631	
Fee Waivers		43,068	
Other Charges		257,290	
Regular Instruction Equipment		1,732,427	
Total Regular Instruction Program			\$ 70,713,214

Alternative Instruction Program

Teachers	\$	1,192,418	
Career Ladder Program		3,000	
Clerical Personnel		26,400	
Educational Assistants		81,189	
Social Security		72,627	
Pensions		117,713	
Life Insurance		595	
Medical Insurance		212,104	
Dental Insurance		2,982	
Employer Medicare		18,074	
Other Fringe Benefits		4,507	
Tuition		9,847	
Instructional Supplies and Materials		13,852	
Software		1,374	
Total Alternative Instruction Program			1,756,682

Special Education Program

Teachers	\$	5,208,984	
----------	----	-----------	--

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Career Ladder Program	\$	20,600	
Educational Assistants		408,878	
Speech Pathologist		529,729	
Other Salaries and Wages		95,973	
Certified Substitute Teachers		2,080	
Non-certified Substitute Teachers		113,600	
Social Security		517,098	
Pensions		707,494	
Life Insurance		6,237	
Medical Insurance		1,629,016	
Dental Insurance		29,170	
Employer Medicare		123,969	
Other Fringe Benefits		47,181	
Contracts with Private Agencies		580,302	
Maintenance and Repair Services - Equipment		375	
Tuition		9,136	
Other Contracted Services		4,988	
Instructional Supplies and Materials		114,658	
Other Supplies and Materials		499	
Special Education Equipment		44,939	
Total Special Education Program			\$ 10,194,906

Career and Technical Education Program

Teachers	\$	2,117,757	
Career Ladder Program		8,000	
Certified Substitute Teachers		80	
Non-certified Substitute Teachers		30,080	
Social Security		128,227	
Pensions		212,354	
Life Insurance		921	
Medical Insurance		272,565	
Dental Insurance		4,628	
Employer Medicare		29,666	
Other Fringe Benefits		6,971	
Maintenance and Repair Services - Equipment		6,702	
Other Contracted Services		4,510	
Instructional Supplies and Materials		72,375	
Other Supplies and Materials		4,183	
Fee Waivers		3,000	
Other Charges		1,038	
Vocational Instruction Equipment		19,648	
Total Career and Technical Education Program			2,922,705

Student Body Education Program

Other Charges	\$	777	
Total Student Body Education Program			777

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

COVID-19 Expenditures

Non-certified Substitute Teachers	\$	1,360	
Social Security		84	
Employer Medicare		20	
Other Supplies and Materials		3,019	
Total COVID-19 Expenditures			\$ 4,483

Support Services

Attendance

Supervisor/Director	\$	163,567	
Career Ladder Program		3,450	
Social Workers		160,425	
Clerical Personnel		62,160	
Other Salaries and Wages		137,259	
Social Security		28,323	
Pensions		45,837	
Life Insurance		150	
Medical Insurance		69,095	
Dental Insurance		770	
Employer Medicare		7,003	
Other Fringe Benefits		1,131	
Travel		1,309	
Software		77,443	
Other Supplies and Materials		2,664	
In Service/Staff Development		958	
Attendance Equipment		2,762	
Total Attendance			764,306

Health Services

Supervisor/Director	\$	76,738	
Medical Personnel		1,270,705	
Other Salaries and Wages		34,920	
Social Security		82,184	
Pensions		110,084	
Life Insurance		184	
Medical Insurance		73,005	
Dental Insurance		1,120	
Employer Medicare		19,497	
Other Fringe Benefits		1,392	
Maintenance and Repair Services - Equipment		25,792	
Travel		4,359	
Other Contracted Services		20,212	
Drugs and Medical Supplies		19,392	
Other Supplies and Materials		29,051	
In Service/Staff Development		4,976	
Health Equipment		18,440	
Total Health Services			1,792,051

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support

Career Ladder Program	\$	7,000	
Guidance Personnel		2,002,164	
Psychological Personnel		415,000	
Clerical Personnel		41,451	
Social Security		139,855	
Pensions		227,985	
Life Insurance		937	
Medical Insurance		294,519	
Dental Insurance		5,065	
Employer Medicare		33,980	
Other Fringe Benefits		7,088	
Evaluation and Testing		272,599	
Travel		2,432	
Other Supplies and Materials		6,363	
Other Equipment		63,495	
Total Other Student Support			\$ 3,519,933

Regular Instruction Program

Supervisor/Director	\$	804,339	
Career Ladder Program		16,750	
Librarians		1,290,848	
Materials Supervisor		99,406	
Education Media Personnel		395,961	
Clerical Personnel		212,484	
Other Salaries and Wages		398,099	
Social Security		182,540	
Pensions		287,684	
Life Insurance		1,368	
Medical Insurance		439,690	
Dental Insurance		7,378	
Employer Medicare		44,741	
Other Fringe Benefits		10,353	
Travel		32,540	
Other Contracted Services		18,872	
Library Books/Media		157,036	
Periodicals		1,201	
Other Supplies and Materials		23,542	
In Service/Staff Development		84,090	
Other Charges		347	
Other Equipment		2,789	
Total Regular Instruction Program			4,512,058

Alternative Instruction Program

Supervisor/Director	\$	34,269	
Employer Medicare		497	
Travel		287	
Total Alternative Instruction Program			35,053

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program

Supervisor/Director	\$	224,441	
Career Ladder Program		7,000	
Medical Personnel		151,289	
Clerical Personnel		84,850	
Other Salaries and Wages		420,250	
Social Security		45,811	
Pensions		79,843	
Life Insurance		276	
Medical Insurance		100,045	
Dental Insurance		1,400	
Employer Medicare		12,363	
Other Fringe Benefits		2,088	
Travel		10,651	
Other Contracted Services		25,555	
Other Supplies and Materials		7,725	
In Service/Staff Development		15,739	
Total Special Education Program			\$ 1,189,326

Career and Technical Education Program

Supervisor/Director	\$	34,269	
Career Ladder Program		1,000	
Secretary(ies)		42,735	
Social Security		2,512	
Pensions		2,530	
Life Insurance		23	
Medical Insurance		6,922	
Dental Insurance		140	
Employer Medicare		1,113	
Other Fringe Benefits		268	
Travel		622	
Other Supplies and Materials		1,316	
In Service/Staff Development		1,361	
Other Charges		189	
Total Career and Technical Education Program			95,000

Technology

Supervisor/Director	\$	195,516	
Career Ladder Program		1,000	
Instructional Computer Personnel		236,349	
Other Salaries and Wages		254,148	
Social Security		41,213	
Pensions		61,115	
Life Insurance		230	
Medical Insurance		84,046	
Dental Insurance		1,260	
Employer Medicare		9,638	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Technology (Cont.)

Other Fringe Benefits	\$	1,740	
Maintenance and Repair Services - Equipment		90,742	
Internet Connectivity		240,943	
Travel		2,219	
Other Contracted Services		202,708	
Cabling		1,914	
Software		69,722	
Other Supplies and Materials		8,638	
In Service/Staff Development		9,505	
Other Equipment		43,071	
Total Technology			\$ 1,555,717

Other Programs

On-behalf Payments to OPEB	\$	491,046	
Total Other Programs			491,046

Board of Education

Secretary to Board	\$	1,300	
Other Salaries and Wages		1,737,420	
Board and Committee Members Fees		27,000	
Social Security		76,845	
Pensions		102,123	
Life Insurance		272	
Medical Insurance		816,001	
Dental Insurance		1,107	
Unemployment Compensation		9,548	
Employer Medicare		25,502	
Other Fringe Benefits		1,185	
Audit Services		40,850	
Dues and Memberships		20,576	
Legal Services		104,762	
Travel		14,107	
Liability Insurance		417,075	
Trustee's Commission		1,659,670	
Workers' Compensation Insurance		672,594	
In Service/Staff Development		7,377	
Other Charges		184,750	
Total Board of Education			5,920,064

Director of Schools

County Official/Administrative Officer	\$	160,426	
Career Ladder Program		1,000	
Social Security		8,371	
Pensions		17,160	
Life Insurance		23	
Medical Insurance		9,504	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Dental Insurance	\$	770	
Employer Medicare		2,324	
Other Fringe Benefits		174	
Communication		24,818	
Postal Charges		14,207	
Other Contracted Services		232	
In Service/Staff Development		1,881	
Total Director of Schools			\$ 240,890

Office of the Principal

Principals	\$	2,786,219	
Career Ladder Program		39,500	
Assistant Principals		2,672,382	
Clerical Personnel		2,411,015	
Other Salaries and Wages		25,000	
Social Security		465,172	
Pensions		726,260	
Life Insurance		3,198	
Medical Insurance		1,051,495	
Dental Insurance		17,108	
Employer Medicare		109,535	
Other Fringe Benefits		24,197	
Communication		81,383	
Other Contracted Services		5,253	
Total Office of the Principal			10,417,717

Fiscal Services

Supervisor/Director	\$	115,506	
Accountants/Bookkeepers		530,680	
Purchasing Personnel		72,437	
Secretary(ies)		62,526	
Other Salaries and Wages		110,029	
Social Security		52,457	
Pensions		62,628	
Life Insurance		336	
Medical Insurance		107,217	
Dental Insurance		2,184	
Employer Medicare		12,410	
Other Fringe Benefits		2,540	
Data Processing Services		162,479	
Travel		99	
Other Contracted Services		11,945	
Office Supplies		14,502	
In Service/Staff Development		15,935	
Other Charges		2,219	
Administration Equipment		2,756	
Total Fiscal Services			1,340,885

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant

Guards	\$	86,080	
Custodial Personnel		2,442,928	
Other Salaries and Wages		34,269	
Social Security		149,161	
Pensions		147,080	
Life Insurance		2,117	
Medical Insurance		555,720	
Dental Insurance		7,370	
Employer Medicare		35,490	
Other Fringe Benefits		16,016	
Janitorial Services		763,240	
Other Contracted Services		143,944	
Custodial Supplies		263,421	
Electricity		2,811,283	
Natural Gas		276,504	
Water and Sewer		334,850	
Other Supplies and Materials		7,844	
Building and Contents Insurance		548,718	
Plant Operation Equipment		2,251	
Total Operation of Plant			\$ 8,628,286

Maintenance of Plant

Supervisor/Director	\$	148,518	
Secretary(ies)		79,100	
Maintenance Personnel		1,756,546	
Social Security		116,499	
Pensions		114,173	
Life Insurance		1,024	
Medical Insurance		315,067	
Dental Insurance		3,024	
Employer Medicare		27,689	
Other Fringe Benefits		7,743	
Communication		8,940	
Laundry Service		4,489	
Maintenance and Repair Services - Buildings		37,704	
Maintenance and Repair Services - Equipment		56,395	
Maintenance and Repair Services - Vehicles		17,678	
Other Contracted Services		135,384	
Equipment and Machinery Parts		44,087	
Uniforms		10,587	
Other Supplies and Materials		450,139	
In Service/Staff Development		2,160	
Maintenance Equipment		25,370	
Total Maintenance of Plant			3,362,316

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation

Supervisor/Director	\$	75,195	
Mechanic(s)		485,410	
Bus Drivers		2,229,388	
Clerical Personnel		46,140	
Other Salaries and Wages		79,898	
Social Security		163,699	
Pensions		181,704	
Life Insurance		2,015	
Medical Insurance		504,085	
Dental Insurance		7,154	
Employer Medicare		39,740	
Other Fringe Benefits		15,242	
Communication		9,594	
Laundry Service		8,962	
Travel		758	
Other Contracted Services		178,398	
Diesel Fuel		205,343	
Garage Supplies		36,710	
Gasoline		122,418	
Lubricants		14,628	
Natural Gas		1,829	
Tires and Tubes		93,936	
Uniforms		4,454	
Vehicle Parts		294,012	
Vehicle and Equipment Insurance		146,500	
Other Charges		9,035	
Transportation Equipment		453,000	
Total Transportation			\$ 5,409,247

COVID-19 Expenditures

Unemployment Compensation	\$	15,452	
Travel		846	
Other Contracted Services		22,001	
Other Supplies and Materials		13,416	
In Service/Staff Development		416	
Total COVID-19 Expenditures			52,131

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	56,789	
Clerical Personnel		229,349	
Social Security		16,354	
Pensions		18,841	
Life Insurance		115	
Medical Insurance		882,424	
Dental Insurance		700	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Employer Medicare	\$	4,056	
Other Fringe Benefits		870	
Food Supplies		13,807	
Total Food Service			\$ 1,223,305

Community Services

Other Salaries and Wages	\$	135,953	
Social Security		8,057	
Pensions		13,517	
Life Insurance		23	
Medical Insurance		6,480	
Dental Insurance		140	
Employer Medicare		1,884	
Other Fringe Benefits		174	
Other Contracted Services		182	
Instructional Supplies and Materials		1,485	
In Service/Staff Development		586	
Other Charges		7,172	
Total Community Services			175,653

Early Childhood Education

Teachers	\$	61,155	
Educational Assistants		117,390	
Social Security		10,379	
Pensions		12,781	
Life Insurance		185	
Medical Insurance		42,598	
Dental Insurance		798	
Employer Medicare		2,427	
Other Fringe Benefits		1,424	
In Service/Staff Development		23	
Total Early Childhood Education			249,160

COVID-19 Expenditures

Other Supplies and Materials	\$	187,773	
Total COVID-19 Expenditures			187,773

Capital Outlay

Regular Capital Outlay

Architects	\$	291,513	
Engineering Services		140,536	
Building Improvements		20,872,033	
Total Regular Capital Outlay			21,304,082

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$ 7,131,970	
Total Education		\$ 7,131,970

Total General Purpose School Fund \$ 165,190,736

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 1,939,902	
Educational Assistants	199,307	
Other Salaries and Wages	86,578	
Social Security	126,828	
Pensions	204,310	
Life Insurance	1,102	
Medical Insurance	326,486	
Dental Insurance	6,216	
Unemployment Compensation	6,500	
Employer Medicare	30,353	
Other Fringe Benefits	8,335	
Instructional Supplies and Materials	156,181	
Regular Instruction Equipment	135,999	
Total Regular Instruction Program		\$ 3,228,097

Special Education Program

Educational Assistants	\$ 2,736,810	
Speech Pathologist	2,305	
Social Security	143	
Pensions	245	
Medical Insurance	193,563	
Employer Medicare	33	
Special Education Equipment	5,416	
Total Special Education Program		2,938,515

Career and Technical Education Program

Maintenance and Repair Services - Equipment	\$ 486	
Instructional Supplies and Materials	13,369	
Vocational Instruction Equipment	203,658	
Total Career and Technical Education Program		217,513

Support Services

Health Services

Medical Personnel	\$ 3,780	
Other Salaries and Wages	14,630	
Social Security	1,141	
Pensions	1,686	
Employer Medicare	267	
Total Health Services		21,504

(Continued)

Exhibit L-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support

Other Salaries and Wages	\$	88,654	
Social Security		5,202	
Pensions		7,759	
Life Insurance		46	
Medical Insurance		22,541	
Dental Insurance		140	
Employer Medicare		1,217	
Other Fringe Benefits		348	
Travel		22,510	
Other Supplies and Materials		70,044	
In Service/Staff Development		20,656	
Other Equipment		32,044	
Total Other Student Support			\$ 271,161

Regular Instruction Program

Supervisor/Director	\$	101,276	
Secretary(ies)		47,520	
Clerical Personnel		360	
Other Salaries and Wages		285,881	
Non-certified Substitute Teachers		21,880	
Social Security		26,729	
Pensions		43,718	
Life Insurance		138	
Medical Insurance		49,871	
Dental Insurance		700	
Employer Medicare		6,251	
Other Fringe Benefits		1,044	
Consultants		40,001	
Travel		3,758	
Other Supplies and Materials		4,079	
In Service/Staff Development		93,573	
Other Charges		450	
Other Equipment		4,221	
Total Regular Instruction Program			731,450

Special Education Program

Other Supplies and Materials	\$	10,248	
In Service/Staff Development		171,129	
Total Special Education Program			181,377

Career and Technical Education Program

Travel	\$	588	
In Service/Staff Development		725	
Total Career and Technical Education Program			1,313

(Continued)

Exhibit L-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Transportation

Bus Drivers	\$	3,340	
Social Security		207	
Pensions		191	
Employer Medicare		48	
Diesel Fuel		2,415	
Total Transportation			\$ 6,201

Total School Federal Projects Fund \$ 7,597,131

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	2,871,228	
Social Security		161,421	
Pensions		162,116	
Life Insurance		3,351	
Medical Insurance		42,000	
Dental Insurance		12,908	
Employer Medicare		38,531	
Other Fringe Benefits		25,352	
Communication		14,359	
Maintenance and Repair Services - Equipment		43,503	
Transportation - Other than Students		29,171	
Travel		604	
Other Contracted Services		80,780	
Food Preparation Supplies		235,412	
Food Supplies		3,391,006	
USDA - Commodities		483,448	
Other Supplies and Materials		13,874	
In Service/Staff Development		5,995	
Other Charges		684	
Food Service Equipment		89,546	
Total Food Service			\$ 7,705,289

Total Central Cafeteria Fund 7,705,289

Total Governmental Funds - Sevier County School Department \$ 180,493,156

Exhibit L-9

Sevier County, Tennessee
Schedule of Detailed Receipts, Disbursements, and Changes
in Cash Balance - City Agency Fund
For the Year Ended June 30, 2020

	<u>Cities - Sales Tax Fund</u>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 51,195,074
Other Statutory Local Taxes	86,105
Total Cash Receipts	<u>\$ 51,281,179</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 50,768,367
Trustee's Commission	512,812
Total Cash Disbursements	<u>\$ 51,281,179</u>
Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ 0
Cash Balance, July 1, 2019	<u>0</u>
Cash Balance, June 30, 2020	<u><u>\$ 0</u></u>

STATUTORY SECTION

This part of Sevier County’s annual financial report presents detailed information required by state statute for the Sevier County Public Utility Fund. This information is presented solely for the purposes of statutory compliance and additional analysis and is not a required part of the financial statements. This information is unaudited. It has not been subjected to any auditing procedures.

	Table(s)	Page(s)
Demographic and Economic Information:		
These schedules offer water rates and water loss reports required by state statute to help the reader understand how well the utility is performing.	1-2	244-246

Source: Sevier County Public Utility Management.

Table 1

Sevier County, Tennessee
Schedule of Utility Rates
Public Utility Fund
June 30, 2020

<u>Utility Rates in Effect</u>	<u>Residential</u>	
<u>Residential Rates</u>		
First 1,500 gallons	\$ 28.50	minimum charge
Over 1,500 gallons	13.50	per 1,000 gallons
<u>Commercial Rates</u>		
Base Rate	\$ 38.50	minimum charge
Each 1,000 gallons of usage	15.00	per 1,000 gallons
Number of Customers	2,085	

Table 2a

Sevier County, Tennessee
 Schedule of Unaccounted for Water
 Public Utility Fund
 For the Year Ended June 30, 2020

**AWWA Free Water Audit Software:
Reporting Worksheet**

WAS v5.0
 American Water Works Association.
 Copyright © 2014, All Rights Reserved.

[?](#) Click to access definition

[+](#) Click to add a comment

Water Audit Report for: Sevier County Water

Reporting Year: 2020 7/2019 - 6/2020

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: MILLION GALLONS (US) PER YEAR

To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and all grades below it.

Master Meter and Supply Error Adjustments

WATER SUPPLIED	Pcnt:	Value:
Volume from own sources: <input type="text" value="n/a"/> MG/Yr	<input type="radio"/>	<input type="text" value=""/>
Water imported: <input type="text" value="166.827"/> MG/Yr	<input type="radio"/>	<input type="text" value=""/>
Water exported: <input type="text" value="n/a"/> MG/Yr	<input type="radio"/>	<input type="text" value=""/>
WATER SUPPLIED: 166.827 MG/Yr		

Enter negative % or value for under-registration
Enter positive % or value for over-registration

AUTHORIZED CONSUMPTION

Billed metered: <input type="text" value="9"/> MG/Yr	<input type="radio"/>	<input type="text" value="102.778"/>
Billed unmetered: <input type="text" value="n/a"/> MG/Yr	<input type="radio"/>	<input type="text" value="0.000"/>
Unbilled metered: <input type="text" value="8"/> MG/Yr	<input type="radio"/>	<input type="text" value="3.500"/>
Unbilled unmetered: <input type="text" value="8"/> MG/Yr	<input type="radio"/>	<input type="text" value="2.085"/>
AUTHORIZED CONSUMPTION: 108.363 MG/Yr		

Default option selected for Unbilled unmetered - a grading of 5 is applied but not displayed

WATER LOSSES (Water Supplied - Authorized Consumption) **58.464** MG/Yr

Apparent Losses

Unauthorized consumption: <input type="text" value="0.417"/> MG/Yr	<input type="radio"/>	<input type="text" value="1.25%"/>
Customer metering inaccuracies: <input type="text" value="10"/> MG/Yr	<input type="radio"/>	<input type="text" value="0.40%"/>
Systematic data handling errors: <input type="text" value="0.257"/> MG/Yr	<input type="radio"/>	<input type="text" value="0.25%"/>
Apparent Losses: 1.101 MG/Yr		

Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed
Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: MG/Yr

WATER LOSSES: 58.464 MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains: <input type="text" value="8"/> miles	<input type="radio"/>	<input type="text" value="110.0"/>
Number of active AND inactive service connections: <input type="text" value="8"/>	<input type="radio"/>	<input type="text" value="2,085"/>
Service connection density: <input type="text" value="19"/> conn./mile main	<input type="radio"/>	<input type="text" value=""/>
Are customer meters typically located at the curbstops or property line? <input type="text" value="Yes"/>	<input type="radio"/>	<input type="text" value=""/>
Average length of customer service line: <input type="text" value="8"/> (length of service line, beyond the property boundary, that is the responsibility of the utility)	<input type="radio"/>	<input type="text" value=""/>
Average length of customer service line has been set to zero and a data grading score of 10 has been applied		
Average operating pressure: <input type="text" value="8"/> psi	<input type="radio"/>	<input type="text" value="85.0"/>

COST DATA

Total annual cost of operating water system: <input type="text" value="10"/> \$/Year	<input type="radio"/>	<input type="text" value="\$1,967,094"/>
Customer retail unit cost (applied to Apparent Losses): <input type="text" value="10"/> \$/1000 gallons (US)	<input type="radio"/>	<input type="text" value="\$13.50"/>
Variable production cost (applied to Real Losses): <input type="text" value="10"/> \$/Million gallons	<input type="radio"/>	<input type="text" value="\$5,259.67"/>

Use Customer Retail Unit Cost to value real losses

WATER AUDIT DATA VALIDITY SCORE:

*** YOUR SCORE IS: 91 out of 100 ***

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

- 1: Unauthorized consumption
- 2: Systematic data handling errors
- 3: Unbilled metered

245

Table 2b

Sevier County, Tennessee
 Schedule of Unaccounted for Water
 Public Utility Fund
 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: Sevier County Water		
Reporting Year: 2020 7/2019 - 6/2020		
*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 91 out of 100 ***		
System Attributes:		
	Apparent Losses:	1.101 MG/Yr
	+ Real Losses:	57.363 MG/Yr
	= Water Losses:	58.464 MG/Yr
	? Unavoidable Annual Real Losses (UARL):	28.17 MG/Yr
	Annual cost of Apparent Losses:	\$14,861
	Annual cost of Real Losses:	\$301,710
		Valued at Variable Production Cost Return to Reporting Worksheet to change this assumption
Performance Indicators:		
Financial:	Non-revenue water as percent by volume of Water Supplied:	38.4%
	Non-revenue water as percent by cost of operating system:	17.6% Real Losses valued at Variable Production Cost
Operational Efficiency:	Apparent Losses per service connection per day:	1.45 gallons/connection/day
	Real Losses per service connection per day:	N/A gallons/connection/day
	Real Losses per length of main per day*:	1,428.71 gallons/mile/day
	Real Losses per service connection per day per psi pressure:	N/A gallons/connection/day/psi
	From Above, Real Losses = Current Annual Real Losses (CARL):	57.36 million gallons/year
	? Infrastructure Leakage Index (ILI) [CARL/UARL]:	2.04
* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline		

SINGLE AUDIT SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sevier County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Sevier County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated November 25, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Sevier County's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Sevier County's internal control. Accordingly, we do not express an opinion on the effectiveness of Sevier County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be a significant deficiency: 2020-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sevier County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

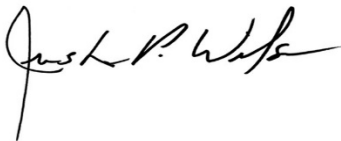
Sevier County's Response to the Finding

Sevier County's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Sevier County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sevier County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 25, 2020

JPW/tg



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Sevier County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Sevier County's major federal programs for the year ended June 30, 2020. Sevier County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Sevier County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes

examining, on a test basis, evidence about Sevier County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Sevier County's compliance.

Opinion on Each Major Federal Program

In our opinion, Sevier County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of Sevier County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Sevier County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Sevier County's internal control over compliance.

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

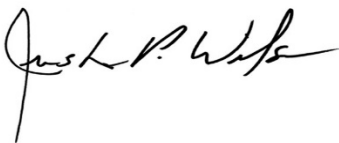
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sevier County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Sevier County's basic financial statements. We issued our report thereon dated November 25, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 25, 2020

JPW/tg

Sevier County, Tennessee, and the Sevier County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2)
For the Year-Ended June 30, 2020

Federal/Pass-Through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Amount Passed-through to Subrecipients	Expenditures
U.S. Department of Agriculture:				
Passed-through State Department of Education:				
Child Nutrition Cluster: (4)				
School Breakfast Program	10.553	N/A	\$ 0	\$ 1,128,857 (5)
COVID 19 - School Breakfast Program	10.553	N/A	0	973,498 (5)
National School Lunch Program	10.555	N/A	0	2,700,398 (5)
COVID 19 - National School Lunch Program	10.555	N/A	0	1,548,746 (5)
Fresh Fruit and Vegetable Program	10.582	N/A	0	23,015
Passed-through State Department of Agriculture:				
Child Nutrition Cluster: (4)				
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	0	483,448 (5)
Passed-through State Department of Health:				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-20-63965	0	120,135
Total U.S. Department of Agriculture				<u>\$ 6,978,097</u>
U.S. Department of Housing and Urban Development:				
Passed-through State Department of Economic and Community Development:				
Community Development Block Grants/State's Program	14.228	(3)	0	\$ 50,159
Total U.S. Department of Housing and Urban Development				<u>\$ 50,159</u>
U.S. Department of the Interior:				
Direct Program:				
Payments in Lieu of Taxes	15.226	N/A	0	\$ 351,066
Total U.S. Department of the Interior				<u>\$ 351,066</u>
U.S. Department of Justice:				
Direct Programs:				
Drug Court Discretionary Grant Program	16.585	N/A	0	\$ 32,622
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	0	4,549 (5)
Comprehensive Opioid Abuse Site-Based Program	16.838	N/A	0	15,247
Passed-through State Department of Finance and Administration:				
Crime Victim Assistance	16.575	(6)	0	124,532
Edward Byrne Memorial Justice Assistance Grant Program	16.738	37220/37221	81,721	158,012 (5) (9)
Total U.S. Department of Justice				<u>\$ 334,962</u>
U.S. Department of Labor:				
Passed-through State Department of Labor:				
COVID 19 - Unemployment Insurance	17.225	N/A	0	\$ 24,290
Total U.S. Department of Labor				<u>\$ 24,290</u>
U.S. Department of Transportation:				
Passed-through State Department of Transportation:				
Highway Safety Cluster: (4)				
State and Community Highway Safety	20.600	(7)	0	\$ 25,077
Total U.S. Department of Transportation				<u>\$ 25,077</u>
U.S. Department of Education:				
Passed-through State Department of Education:				
Title 1 Grants to Local Educational Agencies	84.010	N/A	0	\$ 3,490,959
Special Education Cluster: (4)				
Special Education - Grants to States	84.027	N/A	0	3,061,972
Special Education - Preschool Grants	84.173	N/A	0	98,408
Career and Technical Education - Basic Grants to States	84.048	N/A	0	260,340
Twenty-first Century Community Learning Centers	84.287	N/A	0	34,738
English Language Acquisition Grants	84.365	N/A	0	153,176
Improving Teacher Quality State Grants	84.367	N/A	0	382,986
Student Support and Academic Enrichment Program	84.424	N/A	0	146,623
Total U.S. Department of Education				<u>\$ 7,629,202</u>

(Continued)

Sevier County, Tennessee, and the Sevier County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (Cont.)

Federal/Pass-Through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Amount Passed-through to Subrecipients	Expenditures
U.S. Election Assistance Commission:				
Passed-through Tennessee Secretary of State:				
COVID 19 - Supplemental Election Security Grant (Noncash Assistance)	90.404	30501-03020-78	\$ 0	\$ 55,845 (5)
Help America Vote Act Election Security Grant	90.404	(3)	0	1,680 (5)
Total U.S. Election Assistance Commission				<u>\$ 57,525</u>
U.S. Department of Health and Human Services:				
Direct Program:				
COVID 19 - Provider Relief Fund	93.498	N/A	0	\$ 97,315
Passed-through East Tennessee Human Resource Agency, Inc.:				
Aging Cluster: (4)				
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	(3)	0	60,841
Passed-through State Department of Health:				
Injury Prevention and Control Research and State and Community Based Programs				
Family Planning - Services	93.136	GG-20-63965	0	763
Improving the Health of Americans Through Prevention and Management of Diabetes and Heart Disease and Stroke	93.217	GG-20-63965	0	27,233
Diabetes and Heart Disease and Stroke	93.426	GG-20-62364	0	24,562
Medicaid Cluster: (4)				
Medical Assistance Program	93.778	GG-20-63965	0	32,401
Maternal and Child Health Services Block Grant to the States	93.994	GG-20-63965	0	38,149
Passed-through State Department of Education:				
CCDF Cluster: (4)				
Child Care and Development Block Grant	93.575	(3)	0	8,631
Passed-through State Department of Mental Health and Substance Abuse:				
Opioid STR	93.788	(3)	0	129,163
Block Grants for Prevention and Treatment of Substance Abuse	93.959	(3)	0	62,681
Total U.S. Department of Health and Human Services				<u>\$ 481,739</u>
U.S. Department of Homeland Security:				
Passed-through State Department of Military:				
Hazard Mitigation Grant	97.039	(3)	0	\$ 79,064
Emergency Management Performance Grants	97.042	(3)	0	40,500
Homeland Security Grant Program	97.067	(8)	0	39,201
COVID-19 Disaster Relief Program - PPE	97.036	(3)	0	24,560
Total U.S. Department of Homeland Security				<u>\$ 183,325</u>
Total Expenditures of Federal Grants				<u>\$ 16,115,442</u>
<u>State Grants</u>				
Juvenile Justice - State Commission on Children and Youth	N/A	(3)		\$ 9,000
Aging Program - State Office on Aging	N/A	(3)		17,418
Litter Program - State Department of Transportation	N/A	(3)		67,817
Waste Tire Grant - State Department of Environment and Conservation	N/A	(3)		73,809
Health Department Program - State Department of Health	N/A	(3)		314,921
Hybrid Lifeline Grant - State Department of Health	N/A	(3)		1,869
Drug Court Discretionary Grant Program - State Department of Mental Health	N/A	(3)		128,758
Law Enforcement Training - State Department of Safety	N/A	(3)		79,200
COVID 19 - PPE - State Department of Military	N/A	(3)		8,187
2019 Library Technology Training Grant - Tennessee Secretary of State	N/A	(3)		8,181
Help America Vote Act Grant - Tennessee Secretary of State	N/A	(3)		84
Rebuild and Recover Disaster Grant - Tennessee Housing Development Agency	N/A	(3)		195,929
Breakfast After Bell - State Department of Education	N/A	(3)		2,288
Family Resource Center - State Department of Education	N/A	(3)		29,612
Coordinated School Health - State Department of Education	N/A	(3)		100,000
Driver's Education - State Department of Education	N/A	(3)		59,069
Lottery for Education - State Department of Education	N/A	(3)		77,631
Read to Be Ready Summer Literacy - State Department of Education	N/A	(3)		34,524
School Safety - State Department of Education	N/A	(3)		170,030
FastTrack Infrastructure Grant - State Department of Economic and Community Development	N/A	(3)		1,388,941
Total State Grants				<u>\$ 2,767,268</u>

(Continued)

Sevier County, Tennessee, and the Sevier County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (Cont.)

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Sevier County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) Information not available.
- (4) Child Nutrition Cluster total \$6,834,947; Highway Safety Cluster total \$25,077; Special Education Cluster total \$3,160,380; Aging Cluster total \$60,841; Medicaid Cluster total \$32,401; CCDF Cluster total \$8,631.
- (5) Total for CFDA No. 10.553, \$2,102,355; CFDA No. 10.555, \$4,732,592; CFDA No. 16.738, \$162,561; CFDA No. 90.404, \$57,525.
- (6) 26761 VOCA: \$42,043; 39098 VOCA: \$82,489.
- (7) Z-19-THS380: \$2,248; Z-19-THS250: \$11,473; Z-20-THS229: \$11,356.
- (8) 25758-4 2017 HSGP: \$3,371; 29426-1 2018 HSGP: \$27,800; 33055-1 2019 HSGP: \$8,030.

(9) SUBRECIPIENTS			
Program Title	Federal CFDA Number	Amount Provided to Subrecipient	Subrecipient
Edward Byrne Memorial Justice Assistance Grant Program	16.738	\$81,721	Boys & Girls Club of the Smoky Mountains

Sevier County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2020

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Sevier County, Tennessee, for the year ended June 30, 2020.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
-------------	-------------	----------------	------------------	-------------	----------------

OFFICE OF COUNTY MAYOR

2019	255	2019-001	The Internal Revenue Service assessed the county interest and penalty totaling \$43,734.34	N/A	Corrected
------	-----	----------	--	-----	-----------

Prior-year Federal Awards Findings

There were no prior-year federal award findings to report.

SEVIER COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

- | | |
|---|------------|
| 1. Our report on the financial statements of Sevier County is unmodified. | NO |
| 2. Internal Control Over Financial Reporting: | |
| * Material weakness identified? | NO |
| * Significant deficiency identified? | YES |
| 3. Noncompliance material to the financial statements noted? | NO |

Federal Awards:

- | | |
|---|---|
| 4. Internal Control Over Major Federal Programs: | |
| * Material weakness identified? | NO |
| * Significant deficiency identified? | NONE REPORTED |
| 5. Type of report auditor issued on compliance for major programs. | UNMODIFIED |
| 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | NO |
| 7. Identification of Major Federal Programs: | |
| * CFDA Numbers: 10.553 and 10.555 | Nutrition Cluster: School Breakfast Program and National School Lunch Program |
| 8. Dollar threshold used to distinguish between Type A and Type B Programs. | \$750,000 |
| 9. Auditee qualified as low-risk auditee? | YES |

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

A finding and recommendation, as a result of our audit, are presented below. We reviewed this finding and recommendation with management to provide an opportunity for their response. A written response is paraphrased and presented following each finding and recommendation. Management's corrective action plans, whether related to the financial statements or federal awards, are presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

OFFICE OF COUNTY CLERK

FINDING 2020-001

TIME SHEETS FOR AN EMPLOYEE DID NOT ALWAYS REFLECT ACTUAL TIME WORKED

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

We were made aware of an issue related to an employee of the County Clerk's Office whose time sheets did not reflect the actual hours worked. When questioned about the matter, the county clerk admitted that the employee is occasionally absent from work for longer than her allotted lunch hour. The employee's time sheets only reflect a one-hour lunch break without any reflection of additional time absent from the office. The employee does have compensatory and vacation time balances to use; however, no reduction of those balances was reflected. The failure to properly document time and leave could lead to inaccurate time records and improper payments for time worked. Sound business practices dictate that time and attendance records should be accurately maintained for all employees. This deficiency is the result of management's failure to ensure that the time records accurately reflect the actual times worked.

RECOMMENDATION

Employee time sheets should reflect actual time worked. Any hours not worked should be properly accounted for and deducted from employees' leave balances or deducted from employees' pay when leave balances are insufficient.

MANAGEMENT'S RESPONSE – COUNTY CLERK

I concur with the finding and have taken corrective action to account for time used.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and recommendations, as a result of our audit of federal awards of Sevier County, Tennessee, for the year ended June 30, 2020.

Sevier County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2020

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Management's corrective action plans for all financial statement findings and federal award findings are presented in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted.

Finding Number	Title of Finding	Corrective Action Plan Page Number
-------------------	------------------	---------------------------------------

OFFICE OF COUNTY CLERK

2020-001	Time Sheets for an Employee did not Always Reflect Actual Time Worked	261
----------	--	-----

Sevier County Court House
Office: 865.453.5502
Fax: 865.774.3954



125 Court Avenue
Suite 202E
Sevierville, TN 37862

Karen Cotter, County Clerk

CORRECTIVE ACTION PLAN

FINDING: TIME SHEETS FOR AN EMPLOYEE DID NOT ALWAYS REFLECT ACTUAL TIME WORKED

RESPONSE AND CORRECTIVE ACTION PLAN PREPARED BY:
KAREN COTTER, COUNTY CLERK

PERSON RESPONSIBLE FOR IMPLEMENTING THE CORRECTIVE ACTION:
KAREN COTTER, COUNTY CLERK

ANTICIPATED COMPLETION DATE OF CORRECTIVE ACTION:
ACTION WAS TAKEN IMMEDIATELY: OCTOBER 14, 2020

REPEAT FINDING:
NO

PLANNED CORRECTIVE ACTION:

TO COMPARE HAND-WRITTEN TIME SHEET WITH TIME RECORDED FROM TIME CLOCK TO REFLECT ACTUAL TIME WORKED. MAKE SURE ALL COMP TIME, VACATION, AND SICK HOURS ARE REPORTED CORRECTLY.

SIGNATURE: Karen Cotter

NOVEMBER 4, 2020

BEST PRACTICE

Accounting literature describes a best practice as a recommended policy, procedure, or technique that aids management in improving financial performance. Historically, a best practice has consistently shown superior results over conventional methods.

The Division of Local Government Audit strongly believes that the item noted below is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Sevier County.

SEVIER COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING

Sevier County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the county commission resulting in decentralization and some duplication of effort. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Sevier County. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.