

CITY OF MARYVILLE, TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2019

Prepared By:

Mike Swift
City Director of Financial Services

CITY OF MARYVILLE, TENNESSEE

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INTRODUCTORY SECTION



October 30, 2019

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

We are pleased to present the comprehensive annual report for the fiscal year ended June 30, 2019.

This report was prepared in accordance with the Maryville City Charter and state statutes. It provides detailed information as to how the City receives, spends and accounts for its revenues, along with key indicators of financial strength. The City is responsible for the accuracy of the data and for the fairness and completeness of the presentation. We believe this document contains all information necessary to gain an understanding of the City's financial activities in fiscal year 2019. We encourage readers to consider this transmittal letter in conjunction with the financial statements and Management's Discussion and Analysis ("MD&A"). The MD&A is a narrative introduction, overview and analysis of the financial statements.

Demographics

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

With an estimated population of 29,625 residents in 2019, the City population has grown by approximately 7.9% in the last decade. The statistical section of this report contains more detailed demographic information.

Governmental Structure

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

The City provides traditional government services, including police and fire protection, codes enforcement, street maintenance and refuse collection. In addition, the City provides water distribution services to 16,283 customers and wastewater collection services to 14,551 customers. Electric service is provided to another 23,010 customers. The service areas for Water, Wastewater and Electric utilities extend beyond the municipal boundaries of the City. The City also participates in inter-governmental agreements to fund a public library, parks & recreation commission and fine arts activities.

Maryville City Schools currently serves 5,379 students in seven schools. The Schools are funded in part by annual transfers from the General Fund. In FY 2019, the City contributed \$9,222,500 to fund school operations. In addition, principal and interest for school related debt is paid from the City's Debt Service Fund.

Economic Condition and Outlook

The economic indicators for the City of Maryville and the region are very positive and there has been significant growth. Unemployment rates continue to decline and most major employers in the City and Blount County are considered stable. Below is a summation of these conditions:

- Denso Manufacturing Tennessee, Inc. (Denso) began a \$400 million project, which included the opening of a new warehouse in May 2017, in addition to a significant expansion of manufacturing capacity that brought over 500 new jobs. In October 2017, Denso also announced a \$1 billion expansion to build a new facility and equipment to provide electronics for autonomous vehicles resulting in an additional 1,000 new jobs. This new facility was completed in the fall of 2018 and equipment will continue to be added through 2021.
- There has been a significant increase in retail including the opening of Rural King in the spring of 2018 and the completion of a new retail center with Home Goods, Kirklands and several other stores opening in the fall of 2018. A new Food City is currently under construction and scheduled to open in fall of 2019.
- The City and Blount County benefit from a stable employer base. Denso Manufacturing Tennessee, Inc., the largest employer in Blount County and the City with 5,000 full time employees, has been a leading source of jobs since 1988. The County's third largest employer, Blount Memorial Hospital, with 2,470 full time employees, is also located primarily within the City of Maryville. The County's employment is not heavily concentrated by a single employer with the largest 23 employers representing 36.15% of all employment.
- For May 2019, the unemployment rate for Blount County was 2.8% and 3.3% statewide, according to the U.S. Bureau of Labor Statistics. The unemployment rate for the City has increased 0.2% since May 2018.
- The assessed property value of \$949.4 million reflects an increase of \$19.8 million from the previous year. Assessed Real Property, including both residential and commercial/industrial categories, increased by \$25.5 million or 3.4% to \$782.4 million. Assessed value of Personal Property decreased by \$6.5 million or -4.1%, to \$152.1 million and the assessment for Public Utilities increased by 5.6% to \$14.9 million.
- Total General Fund Revenues increased by \$1,798,849, or 4.4%, to \$42,647,235 from FY 2018 to FY 2019. Of this increase, \$834,893 was attributed to local sales tax and \$230,265 was from property taxes.

Long-term Financial Planning

Long-term planning includes both our operations and capital needs. As part of our budget process for FY 2020 we prepared a five year operating forecast for the general fund, debt service fund and utility funds. We also maintain a six year capital projects forecast to establish priorities within realistic funding availability.

Major Initiatives

Maryville City Schools

Maryville City Schools had two significant projects in FY 2019. Listed below are highlights:

1. Elementary Expansion Projects
 - a. Foothills Elementary, serving students on the west side of the city, was expanded to allow for a total capacity of 704 students, an increase of 132. This project included seven new classrooms and greater capacity for dining in the cafeteria.
 - b. John Sevier Elementary, on the east end of the city limits, was expanded to include seven new classrooms, a cafeteria enlargement, as well as student and staff bathrooms for the school. This school will now have a capacity of 704, allowing an additional 154 students to attend.

The total cost of these two projects, which were substantially completed during FY 2019, was \$5.2 million dollars.

2. HVAC System Replacement - Staged to coincide with the Foothills Elementary expansion project, the school district spent \$1,159,900 to replace the schools' 24-year-old HVAC system throughout the building. This project was started in FY 2019 and finished in early FY 2020.

General Government

The City of Maryville has the following significant infrastructure projects in 2019:

1. Broadway Avenue and Harper Street #1 Garage Renovations - These structures are 19 and 31 years old respectfully and were in need of extensive repair. These projects started in FY 2018 and construction was completed in FY 2019 at a total cost of \$2,112,280.
2. Extension of Robert C. Jackson Drive from 321 to Morganton Road - This project is an important step in planned economic development along the corridor with industrial development to the north and residential to the south. This project started in fiscal year 2018 is projected to be completed in November 2019. The estimated total cost of the development is \$12,072,606.

Water and Wastewater System Improvements

The Water and Sewer Department completed a number of water and wastewater projects in FY 2019. The largest completed project was a multi-year project to extend sanitary sewer west on 411S to Clover Hill Rd and 129 intersection valued at \$2,226,672. The project included a new sewer lift station on Clover Hill Rd, replacing a smaller station near Rambling Acres.

Electric System Improvements

The Electric Department started a major project to replace a substation at an estimated cost of \$8 million. The land has been purchased for \$1.7 million and constructions is expected to be completed in the fall of 2020.

Financial Information

Internal Controls

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

Budgetary Controls

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

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

management of the adopted budget is delegated by the City Manager to the Department of Financial Services.

Other Information

Independent Audit

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

Awards


The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Maryville for its comprehensive annual financial report for the fiscal year ended June 30, 2018. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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


Acknowledgements

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

Respectfully submitted,



Greg S. McClain
City Manager



Michael A. Swift
Director of Financial Services



Government Finance Officers Association

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

Presented to

**City of Maryville
Tennessee**

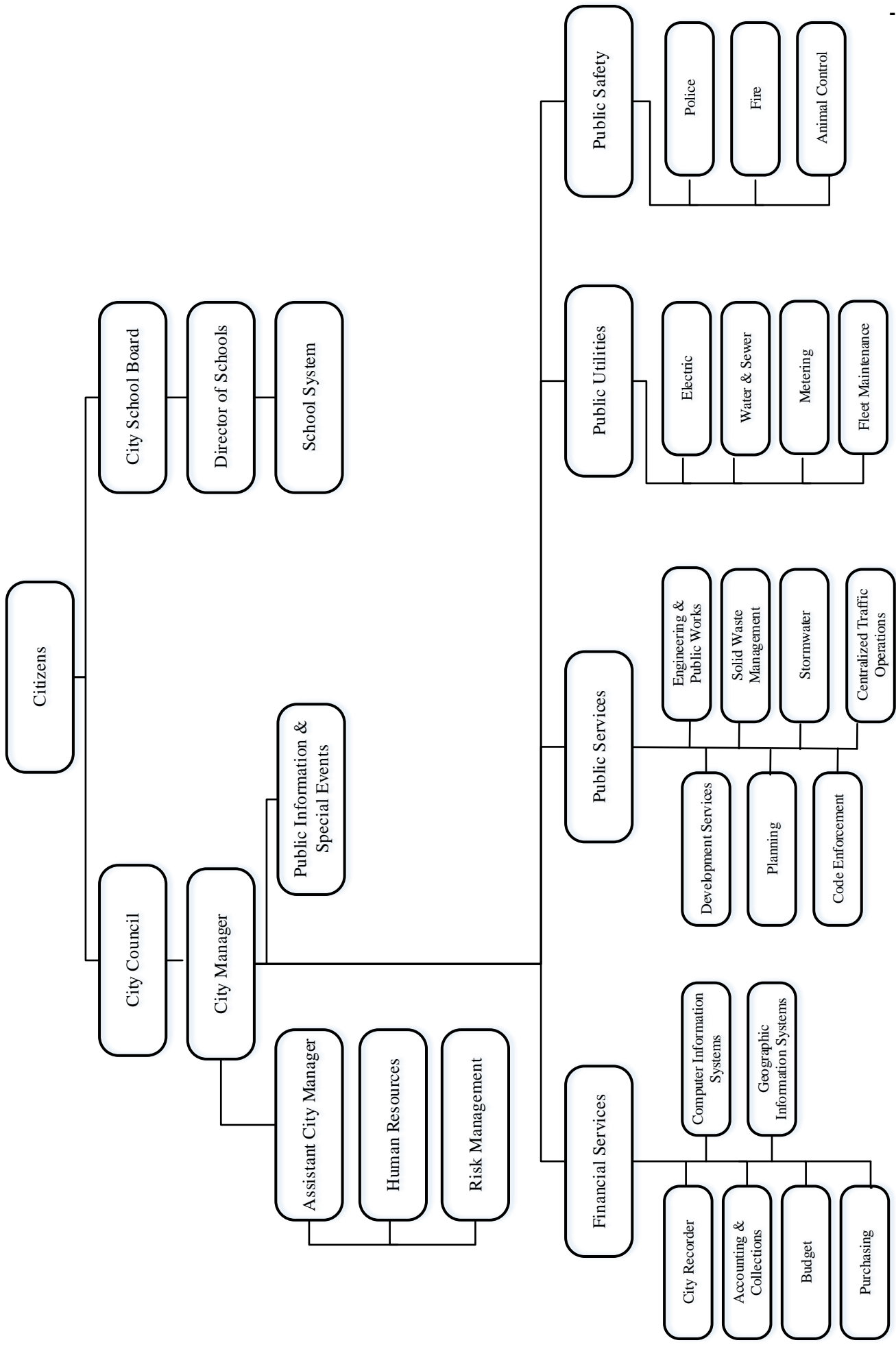
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

City of Maryville, Tennessee
Organization Chart as of 6/30/19



CITY OF MARYVILLE, TENNESSEE
PRINCIPAL ELECTED AND APPOINTED OFFICIALS
June 30, 2019

I. City Council

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

II. City School Board

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

III. City Administration

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

IV. City School Administration

A. Dr. Mike Winstead	Director of Maryville City Schools
B. Amy Vagnier	Assistant Director of Maryville City Schools

V. Judicial/Legal Services

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

(1) Per contractual agreement

FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, budgetary comparisons for the general fund and general purpose school fund, and the aggregate remaining fund information of City of Maryville, Tennessee (the "City") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and the general purpose school fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.



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TSCPA
Members of the Tennessee Society
Of Certified Public Accountants

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages x - xvii and the required supplementary information on pages 52 - 61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The information included in the supplementary information section as listed in the table of contents and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Maryville's internal control over financial reporting and compliance.

Pugh & Company, P.C.

Certified Public Accountants
Knoxville, Tennessee
October 30, 2019



MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Maryville's Comprehensive Annual Financial Report presents an overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and the notes to the financial statements.

Financial Highlights

- The City's net position at June 30, 2019 is \$197,318,042, an increase of \$9,150,457 over prior year. Of this amount, \$22,281,849 is the unrestricted net position.
- As of June 30, 2019, the City's governmental funds reported combined ending fund balances of \$33,884,999, a decrease of \$10,791,399 compared to prior year. Of this decrease, \$11.3 million is in capital projects funds from the use of prior year bond proceeds primarily for road and school construction projects. The other governmental funds had a net increase of \$0.5 million.
- The City's General Fund reported total fund balance of \$12,851,280 at June 30, 2019, an increase of \$1,433,921. This fund balance is 30.1% of total general fund revenue.
- At June 30, 2019, the City's General Purpose School Fund reported a fund balance of \$5,694,035, a decrease of \$1,327,558 from last fiscal year. This decrease was for planned capital projects. Fund balance is 12.7% of total revenue. Tennessee State Law requires schools to maintain a minimum fund balance of 3% of total revenue (TCA 49-3-352).

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

Governmental Funds

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

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

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

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

Proprietary Funds

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

Notes to the Financial Statements

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

Government-Wide Financial Analysis

As noted earlier, over time, net position may serve as a useful indicator of a government's financial position. The City's net position is \$197,318,042 at the close of the most recent fiscal year. Compared to the prior year the City's net position increased \$9,150,457, or 4.9%, of which governmental activities provided \$4,475,660 and business activities provided \$4,674,797.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Assets:						
Current and Other Assets	\$ 74,458,723	\$ 75,271,299	\$ 20,783,732	\$ 23,039,154	\$ 95,242,455	\$ 98,310,453
Pension Asset	2,587,641	0	48,718	0	2,636,359	0
Capital Assets, Net	150,870,085	139,899,067	147,417,679	144,493,103	298,287,764	284,392,170
Total Assets	<u>227,916,449</u>	<u>215,170,366</u>	<u>168,250,129</u>	<u>167,532,257</u>	<u>396,166,578</u>	<u>382,702,623</u>
Deferred Outflows of Resources:						
Pension and OPEB Deferrals	11,022,744	8,975,980	1,105,888	1,370,708	12,128,632	10,346,688
Deferred Charges on Refunding	1,054,967	1,328,985	1,236,499	1,328,985	2,291,466	2,657,970
Total Deferred Outflows of Resources	<u>12,077,711</u>	<u>10,304,965</u>	<u>2,342,387</u>	<u>2,699,693</u>	<u>14,420,098</u>	<u>13,004,658</u>
Liabilities:						
Long-term Liabilities	81,663,714	84,495,958	51,405,261	54,022,091	133,068,975	138,518,049
Pension and OPEB Liabilities	25,722,944	23,470,633	2,572,143	3,812,697	28,295,087	27,283,330
Other Liabilities	11,952,255	5,252,686	6,999,854	8,419,407	18,952,109	13,672,093
Total Liabilities	<u>119,338,913</u>	<u>113,219,277</u>	<u>60,977,258</u>	<u>66,254,195</u>	<u>180,316,171</u>	<u>179,473,472</u>
Deferred Inflows of Resources:						
Deferred Revenue	24,069,317	21,208,138	0	0	24,069,317	21,208,138
Pension and OPEB Deferrals	7,335,198	6,259,912	1,547,948	585,242	8,883,146	6,845,154
Total Deferred Inflows of Resources	<u>31,404,515</u>	<u>27,468,050</u>	<u>1,547,948</u>	<u>585,242</u>	<u>32,952,463</u>	<u>28,053,292</u>
Net Position:						
Net Investment in Capital Assets	71,483,311	73,965,855	97,938,048	92,104,798	169,421,359	166,070,653
Restricted	5,566,116	3,009,455	48,718	0	5,614,834	3,009,455
Unrestricted	12,201,305	7,799,762	10,080,544	11,287,715	22,281,849	19,087,477
Total Net Position	<u>\$ 89,250,732</u>	<u>\$ 84,775,072</u>	<u>\$ 108,067,310</u>	<u>\$ 103,392,513</u>	<u>\$ 197,318,042</u>	<u>\$ 188,167,585</u>

The increase in current and other assets is primarily due to the positive changes in net position as noted above and the pension plans having \$2.6 million in net assets as of June 30, 2019.

Long -Term Liabilities decreased primarily due to normal principal payments. Pension and OPEB liabilities increased because the OPEB liability increased as of June 30, 2019, partially offset by a decrease in the pension liability. The increase in Other Liabilities resulted primarily from construction on road and school projects in June not paid until July.

The largest portion of the City's net position (86%) at June 30, 2019 reflects its investment in capital assets (e.g. land, buildings, machinery and equipment), less any related outstanding debt used to acquire these assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not easily or quickly available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are not planned to be used to liquidate these liabilities. Governmental Activities experienced a decrease of 3% year over year for Net Investment in Capital Assets. Business-Type Activities experienced an increase of 6% year over year for Net Investment in Capital Assets. An additional portion of the City's net position (3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is \$22,281,849. Of this, \$12,201,305 is in the Governmental Activities and \$10,080,544 is available for Business-Type Activities.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues:						
Charges for Services	\$ 6,578,084	\$ 6,735,169	\$ 86,768,810	\$ 83,977,165	\$ 93,346,894	\$ 90,712,334
Operating Grants and Contributions	26,575,918	26,409,258	0	0	26,575,918	26,409,258
Capital Grants and Contributions	860,253	245,384	935,824	1,133,017	1,796,077	1,378,401
General Revenues:						
Sales Tax	22,021,237	20,523,896	0	0	22,021,237	20,523,896
State Income and Excise Taxes	516,585	518,860	0	0	516,585	518,860
Property Taxes	33,058,491	32,569,527	0	0	33,058,491	32,569,527
Business Taxes	883,417	1,110,325	0	0	883,417	1,110,325
Miscellaneous Taxes	4,264,484	3,347,492	0	0	4,264,484	3,347,492
In-Lieu of Taxes	1,056,460	678,084	0	0	1,056,460	678,084
Investment Earnings	1,290,491	578,827	313,959	147,834	1,604,450	726,661
Miscellaneous Revenues	2,033,435	1,441,770	8,400	8,400	2,041,835	1,450,170
Loss on Disposal of Capital Assets	(425,987)	80,315	(555,802)	20,800	(981,789)	101,115
Total Revenues	98,712,868	94,238,907	87,471,191	85,287,216	186,184,059	179,526,123
Expenses						
General Government	4,720,098	3,823,685	0	0	4,720,098	3,823,685
Public Safety	10,963,016	10,493,698	0	0	10,963,016	10,493,698
Public Services	12,479,719	11,571,522	0	0	12,479,719	11,571,522
Culture and Recreation	1,828,743	2,680,773	0	0	1,828,743	2,680,773
Economic Development	1,226,860	17,949	0	0	1,226,860	17,949
Education	61,992,125	54,951,576	0	0	61,992,125	54,951,576
Interest on Long-Term Debt	2,664,542	2,449,595	0	0	2,664,542	2,449,595
Other Debt Service	23,911	262,275	0	0	23,911	262,275
Electric	0	0	66,498,463	65,661,883	66,498,463	65,661,883
Water and Sewer	0	0	14,636,125	14,258,214	14,636,125	14,258,214
Total Expenses	95,899,014	86,251,073	81,134,588	79,920,097	177,033,602	166,171,170
Change in Net Position Before Transfers	2,813,854	7,987,834	6,336,603	5,367,119	9,150,457	13,354,953
Transfers-In Lieu of Tax Payments	1,661,806	1,611,182	(1,661,806)	(1,611,182)	0	0
Change in Net Position	4,475,660	9,599,016	4,674,797	3,755,937	9,150,457	13,354,953
Net Position at Beginning of Year	84,775,072	89,147,583	103,392,513	101,289,815	188,167,585	190,437,398
Prior Period Adjustment	0	(13,971,527)	0	(1,653,239)	0	(15,624,766)
Net Position at End of Year	\$ 89,250,732	\$ 84,775,072	\$ 108,067,310	\$ 103,392,513	\$ 197,318,042	\$ 188,167,585

Analysis of Change in Position

Governmental Activities

- Governmental activities increased the City's governmental net assets by \$4,475,660.
- Revenue increased by 4.7%, or \$4,473,961. The City's largest revenue category, property taxes, increased by \$488,964, or 1.5%. Sales taxes increased by \$1,497,341 year over year, an increase of 7.3%.
- Expenses increased by 11.2%, or \$9,647,941, due primarily to an increase in Education of \$7,040,549 and inflation.

Business-Type Activities

- Business-type activities increased the City's business-type net position by \$4,674,797.
- The Electric Utility, the largest business-type activity of the City with FY 2019 operating revenues of \$69,547,202 and operating expenses of \$66,295,604, experienced increased revenues and expenses. Purchased Power expense for the utility decreased by \$182,071, or 0.3% year over year. Purchased Power expense as a percent of Charges for Service decreased from 83.6% in FY 2018 to 81.9% in FY 2019. These changes resulted from a rate increase effective October 1, 2018, inflation and a small decrease in power usage compared to the prior year.
- The Water and Sewer Fund concluded FY 2019 with a change in net position of \$2,561,504 compared to \$2,066,786 in the previous year. Total revenues increased \$1,594,773 to \$17,221,608 while operating expenses increased by \$1,085,110 to \$13,277,454. There was a rate increase effective January 1, 2019.

Financial Analysis of the Government's Funds

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

Governmental Funds

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

The General Fund is the chief operating fund of the City. As of June 30, 2019, unassigned fund balance of the General Fund was \$12,851,280. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total revenue. Unassigned fund balance represents 30.1% of total general fund revenue.

The General Purpose School Fund is the primary operating fund for the Maryville City Schools. As of June 30, 2019, the assigned fund balance of the General Purpose School Fund was \$5,631,831. Assigned fund balance represents 12.5% of total general purpose school fund revenue. The City's contribution from General Fund for operating support of the schools was \$9,222,500.

The Debt Service Fund is used to pay principal and interest for debt issued for City and School-related projects, not including self-supporting debt issued for capital improvements of the Water & Wastewater and Electric Utilities. In FY 2019, the primary revenue to the Debt Service Fund was contributions from Maryville College related to payment of debt issued for construction of the Civic Arts Center. In addition, the General Fund transferred \$6,034,611 to the Debt Service Fund for debt payments. The assigned fund balance of the Debt Service Fund as of June 30, 2019, was \$1,405,156, an increase of \$836,938 from the prior year.

The Capital Projects Fund is used to account for capital projects of the City. On June 1, 2018 the City issued general obligation bonds primarily for roads and parking garage improvements in the capital projects fund of \$14,300,000. Fund balance decreased in FY 2019 by \$7,353,172 due primarily to spending bond proceeds. The remainder of the bond proceeds will be spent in FY 2020.

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

Proprietary Funds

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

Net position of the Electric Utility as of June 30, 2019 was \$45,077,338, an increase of \$2,113,293 from the prior year. Operating income for the utility increased from \$2,859,230 in FY 2018 to \$3,251,598 in FY 2019. Charges for services increased 1.6% and purchased power costs decreased by 0.3% year over year.

Net position of the Water and Sewer Department as of June 30, 2019, was \$62,989,972, an increase of \$2,561,504 from the prior year. Operating income for the utility increased from \$3,434,491 in FY 2018 to \$3,944,154 for FY 2019. Capital Contributions (Non-Cash item) decreased from \$1,133,017 for FY 2018 to \$935,824 in FY 2019.

General Fund Budgetary Highlights

The final budget increased the original appropriation by \$1,400,000 to \$44,045,725. Revenue growth in sales tax (\$800,000), Interest Income (\$250,000) and various other revenues provided the opportunity to increase the budget by \$1,400,000. This amount was used primarily to provide an increase in the transfer to the Capital Projects Fund of \$822,600 for purchase of land for a future park and increased costs for road construction and the remainder for economic development incentives for a major expansion by a large manufacturing company.

Capital Asset and Debt Administration

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Land	\$ 8,124,507	\$ 7,238,567	\$ 2,032,108	\$ 2,027,302	\$ 10,156,615	\$ 9,265,869
Right-of-Way/Easements	509,420	509,420	0	0	509,420	509,420
Construction in Progress	14,984,214	4,249,036	3,683,175	2,931,044	18,667,389	7,180,080
Buildings	102,775,124	102,786,874	0	0	102,775,124	102,786,874
Improvements	35,963,210	30,934,058	0	0	35,963,210	30,934,058
Infrastructure	24,730,023	23,706,631	0	0	24,730,023	23,706,631
Machinery, Equipment & Vehicles	23,720,869	23,788,463	0	0	23,720,869	23,788,463
Capital Lease Property	24,466,663	23,075,000	0	0	24,466,663	23,075,000
Electric Plant	0	0	81,595,009	79,535,483	81,595,009	79,535,483
Water & Wastewater Plant	0	0	148,056,095	142,225,679	148,056,095	142,225,679
Total Capital Assets	235,274,030	216,288,049	235,366,387	226,719,508	470,640,417	443,007,557
Less: Accumulated Depreciation	84,403,945	76,388,982	87,948,708	82,226,405	172,352,653	158,615,387
Net Capital Assets	<u>\$ 150,870,085</u>	<u>\$ 139,899,067</u>	<u>\$ 147,417,679</u>	<u>\$ 144,493,103</u>	<u>\$ 298,287,764</u>	<u>\$ 284,392,170</u>
Net Capital Assets - Beginning	\$ 139,899,067	\$ 138,885,628	\$ 144,493,103	\$ 141,265,442	\$ 284,392,170	\$ 280,151,070
Increase/(Decrease) in Net Capital Assets	10,971,018	1,013,439	2,924,576	3,227,661	13,895,594	4,241,100
Net Capital Assets - Ending	<u>\$ 150,870,085</u>	<u>\$ 139,899,067</u>	<u>\$ 147,417,679</u>	<u>\$ 144,493,103</u>	<u>\$ 298,287,764</u>	<u>\$ 284,392,170</u>

Capital Assets

The City's investment in capital assets for its governmental and business type activities as of June 30, 2019, amounts to \$298,287,764 net of accumulated depreciation, an increase of 4.9%, or \$13,895,594, year over year.

Total capital assets in the Governmental Activities category increased by \$18,985,981 while accumulated depreciation also increased by \$8,014,963, thereby resulting in an increase in net capital assets of \$10,971,018. Increases in FY 2019 include:

- Robert C Jackson Extension \$5.4 million (to be complete in FY 2020).
- Other Road Construction \$1.0 million.
- Parking Garage Renovations \$1.8 million.
- School Expansions and Improvements \$8.4 million.
- Equipment Purchases \$1.8 million.

In the Business-Type Activities, there is an increase in Electric Plant assets of \$2,059,526. Water & Wastewater Plant assets increased by \$5,830,416, which includes contributed capital.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
General Obligation/Rev Bonds	\$ 55,690,000	\$ 57,882,000	\$ 45,985,000	\$ 48,428,000	\$ 101,675,000	\$ 106,310,000
TN State School Bond						
Authority Loan	9,502,544	9,472,510	0	0	9,502,544	9,472,510
TN State Revolving Fund Loans	0	0	1,494,288	1,602,936	1,494,288	1,602,936
Capital Lease Obligation	9,838,477	10,624,139	0	0	9,838,477	10,624,139
Premium on Bonds	3,942,029	4,443,384	2,000,344	2,357,369	5,942,373	6,800,753
Total Debt Payable	78,973,050	82,422,033	49,479,632	52,388,305	128,452,682	134,810,338
Compensated Absences	2,690,664	2,073,925	1,925,629	1,633,785	4,616,293	3,707,710
OPEB Liability	25,722,944	22,092,381	2,572,143	3,266,015	28,295,087	25,358,396
Total Long Term Obligations	\$ 107,386,658	\$ 106,588,339	\$ 53,977,404	\$ 57,288,105	\$ 161,364,062	\$ 163,876,444

As of June 30, 2019, the City governmental activities had total debt outstanding of \$75,301,021, comprised of general obligation debt backed by its full faith and credit pledge excluding original issue premium. In addition, the City is obligated for another \$47,478,289 in revenue debt issued for the Water & Wastewater and Electric utilities, excluding original issue premium. These revenue bonds, while carrying the credit support of the City's general obligation pledge, are repaid from net revenues of the appropriate utility.

The City has a six year capital plan. Based on the current plan, the governmental activities are not expected to require any new debt issuance. In the business activities, the Electric Utility has started building a new substation that is expected to require up to \$5 million in new debt and the Water and Sewer Utility is planning a major renovation of the sewer treatment process the is expected to require the issuance of up to \$7 million of new debt.

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

The Charter of the City of Maryville limits the issuance of general obligation debt up to an amount that will not exceed fifteen percent (15%) of the total assessed value of the incorporated area. The current debt limitation for the City is \$142,412,529 compared to the City's outstanding debt net of fund balance held in the Debt Service Fund of \$77,567,895. The legal debt margin is \$64,844,634.

The net OPEB Liability is the actuarial accrued liability less the amount funded in a trust fund which is the net amount for which the City would be obligated. The City has not established a trust fund for the OPEB Liability. The annual change in the net OPEB obligation is equivalent to the annual OPEB cost, which is the OPEB expense for the year on the accrual basis of accounting, less estimated retiree claims currently paid by the City on a pay-as-you-go basis. The City's net OPEB obligation, including Schools, at June 30, 2019 was \$28,295,087.

The FY 2020 Adopted Budget

- The FY 2020 Adopted Budget includes a five year projection for the general fund and debt service fund and a six year projection for each capital fund. These projections include \$2,000,000 per year for capital projects and \$1,500,000 for equipment replacement with a balanced budget and no use of bond funding for governmental funds.
- The General Fund Appropriation Budget is \$47,442,674, an increase of \$3,396,949, or 7.7%, from the amended FY 2019 Budget of \$44,045,725.
- The adopted property tax rate of \$2.27 per \$100 of assessed valuation is the same as the prior year. For a residence valued at \$150,000, City property taxes for FY 2020 remain \$851, or \$71 per month. This is a reappraisal year and the recertified tax rate is \$2.0587.
- To provide additional dollars for Stormwater Projects, positions that previously were partially fund by the Stormwater Fund have been moved to the General Fund.
- The FY 2020 Budget funds 323 full-time positions city-wide (general government services and utilities), an increase of 7 position from the previous year, which consist of 2 Police Officers, 1 Deputy Building Official, 1 GIS Data Manager, 1 Electric Distribution Engineer, 2 Electric Line Workers
- A cost of living increase has been provided for all employees of 3.0% and step raises for eligible employees. City and employee funding of employee medical expenses were both increased 8% over the prior year effective July 1, 2019.
- The General Funds support for the School's operating budget was increased by \$200,000 to \$9,455,000.
- Capital Projects include completion of the extension of Robert C Jackson Drive and a new intersection on highway 411 expected to be completed in November 2019. This budget provides \$2,000,000 for new projects including technology enhancements, improvements to Sandy Springs Park and replacement of two greenway bridges.
- Water & Sewer capital projects totaling \$5,047,345 are scheduled for FY 2020 to focus primarily on system rehabilitation/relocation, sewer system extensions, equipment replacement and plant improvements.
- The capital plan for the Electric System includes ongoing system rehabilitation and maintenance, substation upgrades, development projects, equipment replacement, overhead and underground construction and the replacement of the Big Springs Substation. The FY 2020 capital budget for the Electric Department is \$8,751,851.

BASIC FINANCIAL STATEMENTS

CITY OF MARYVILLE, TENNESSEE
STATEMENT OF NET POSITION
June 30, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 43,735,393	\$ 13,124,548	\$ 56,859,941
Receivables			
Taxes, Net	24,622,033	0	24,622,033
Accounts, Net	588,237	5,393,348	5,981,585
Internal Balances	94,418	(94,418)	0
Due from Other Governments	5,096,661	0	5,096,661
Inventories	259,777	1,996,888	2,256,665
Net Pension Asset	2,587,641	48,718	2,636,359
TCRS Stabilization Trust	62,204	0	62,204
Other Assets	0	363,366	363,366
Capital Assets			
Nondepreciable	23,618,141	5,715,283	29,333,424
Depreciable, Net of Accumulated Depreciation	127,251,944	141,702,396	268,954,340
Total Capital Assets, Net of Depreciation	<u>150,870,085</u>	<u>147,417,679</u>	<u>298,287,764</u>
Total Assets	<u>227,916,449</u>	<u>168,250,129</u>	<u>396,166,578</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Bond Refunding Costs	1,054,967	1,236,499	2,291,466
Deferred Pension Outflows	7,615,831	1,105,888	8,721,719
Deferred Other-Postemployment Benefits Outflows	3,406,913	0	3,406,913
Total Deferred Outflows of Resources	<u>12,077,711</u>	<u>2,342,387</u>	<u>14,420,098</u>
LIABILITIES			
Accounts Payable	5,153,967	5,915,478	11,069,445
Accrued Liabilities	6,623,246	949,055	7,572,301
Accrued Interest Payable	175,042	135,321	310,363
Other Post-Employment Benefit Liability	25,722,944	2,572,143	28,295,087
Long-Term Liabilities			
Due Within One Year	6,247,498	3,692,992	9,940,490
Due in More Than One Year	75,416,216	47,712,269	123,128,485
Total Liabilities	<u>119,338,913</u>	<u>60,977,258</u>	<u>180,316,171</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue	24,069,317	0	24,069,317
Deferred Pension Inflows	5,732,863	796,601	6,529,464
Deferred Other-Postemployment Benefits Inflows	1,602,335	751,347	2,353,682
Total Deferred Inflows of Resources	<u>31,404,515</u>	<u>1,547,948</u>	<u>32,952,463</u>
NET POSITION			
Net Investment in Capital Assets	71,483,311	97,938,048	169,421,359
Restricted for			
Special Revenue			
General Purpose School Fund	62,204	0	62,204
State Street Aid	1,293,853	0	1,293,853
Maryville City Schools Cafeteria	731,346	0	731,346
Special Projects	17,429	0	17,429
Stormwater	500,732	0	500,732
Drug	200,621	0	200,621
GIS	172,290	0	172,290
Pensions	2,587,641	48,718	2,636,359
Unrestricted	12,201,305	10,080,544	22,281,849
Total Net Position	<u>\$ 89,250,732</u>	<u>\$ 108,067,310</u>	<u>\$ 197,318,042</u>

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

CITY OF MARYVILLE, TENNESSEE
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
General Government	\$ 4,720,098	\$ 613,437	\$ 2,350	\$ 0	\$ (4,104,311)	\$ 0	\$ (4,104,311)
Public Safety	10,963,016	532,278	29,981	3,233	(10,397,524)	0	(10,397,524)
Public Services	12,479,719	2,246,719	0	857,020	(9,375,980)	0	(9,375,980)
Culture and Recreation	1,828,743	0	0	0	(1,828,743)	0	(1,828,743)
Economic Development	1,226,860	0	0	0	(1,226,860)	0	(1,226,860)
Education	61,992,125	3,185,650	26,543,587	0	(32,262,888)	0	(32,262,888)
Debt Service:							
Interest on Long-Term Debt	2,664,542	0	0	0	(2,664,542)	0	(2,664,542)
Other Debt Service	23,911	0	0	0	(23,911)	0	(23,911)
Total Governmental Activities	95,899,014	6,578,084	26,575,918	860,253	(61,884,759)	0	(61,884,759)
Business-Type Activities							
Electric	66,498,463	69,547,202	0	0	0	3,048,739	3,048,739
Water and Sewer	14,636,125	17,221,608	0	935,824	0	3,521,307	3,521,307
Total Business-Type Activities	81,134,588	86,768,810	0	935,824	0	6,570,046	6,570,046
Total Government	\$ 177,033,602	\$ 93,346,894	\$ 26,575,918	\$ 1,796,077	(61,884,759)	6,570,046	(55,314,713)
General Revenues:							
Sales Tax					22,021,237	0	22,021,237
State Income Taxes and Excise Taxes					516,585	0	516,585
Property Taxes					33,058,491	0	33,058,491
Business Taxes					883,417	0	883,417
Miscellaneous Taxes					4,264,484	0	4,264,484
In-Lieu-of Taxes					1,056,460	0	1,056,460
Interest Income					1,290,491	313,959	1,604,450
Miscellaneous					2,033,435	8,400	2,041,835
Loss on Disposal of Capital Assets					(425,987)	(555,802)	(981,789)
Transfers - In-Lieu-of-Tax Payments					1,661,806	(1,661,806)	0
Total General Revenues and Transfers					66,360,419	(1,895,249)	64,465,170
Change in Net Position					4,475,660	4,674,797	9,150,457
Net Position - Beginning					84,775,072	103,392,513	188,167,585
Net Position - Ending					\$ 89,250,732	\$ 108,067,310	\$ 197,318,042

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

CITY OF MARYVILLE, TENNESSEE

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2019

	<u>General</u>	<u>General Purpose School</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and Cash Equivalents	\$ 10,533,084	\$ 9,297,611	\$ 1,405,156	\$ 11,156,301	\$ 6,420,972	\$ 38,813,124
Receivables:						
Taxes, Net of Allowance for Doubtful Accounts	24,622,033	0	0	0	0	24,622,033
Accounts	279,218	33,392	0	0	184,212	496,822
Due from Other Governments	3,655,760	905,013	0	0	535,888	5,096,661
Inventories	0	0	0	0	50,426	50,426
TCRS Stabilization Trust	0	62,204	0	0	0	62,204
Due from Other Funds	69,502	1,499,595	0	0	283,975	1,853,072
Total Assets	<u><u>\$ 39,159,597</u></u>	<u><u>\$ 11,797,815</u></u>	<u><u>\$ 1,405,156</u></u>	<u><u>\$ 11,156,301</u></u>	<u><u>\$ 7,475,473</u></u>	<u><u>\$ 70,994,342</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ 269,882	\$ 36,453	\$ 0	\$ 2,884,236	\$ 999,489	\$ 4,190,060
Due to Other Funds	1,484,714	0	0	0	281,304	1,766,018
Accrued Payroll	0	4,471,218	0	0	377,323	4,848,541
Other Liabilities	23,703	1,596,109	0	0	154,894	1,774,706
Total Liabilities	<u><u>1,778,299</u></u>	<u><u>6,103,780</u></u>	<u><u>0</u></u>	<u><u>2,884,236</u></u>	<u><u>1,813,010</u></u>	<u><u>12,579,325</u></u>
Deferred Inflow of Resources						
Deferred Revenue	<u><u>24,530,018</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>24,530,018</u></u>
Fund Balances						
Nonspendable	0	0	0	0	50,426	50,426
Restricted	0	62,204	0	0	2,916,271	2,978,475
Assigned	0	5,631,831	1,405,156	8,272,065	2,695,766	18,004,818
Unassigned	<u><u>12,851,280</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>12,851,280</u></u>
Total Fund Balances	<u><u>12,851,280</u></u>	<u><u>5,694,035</u></u>	<u><u>1,405,156</u></u>	<u><u>8,272,065</u></u>	<u><u>5,662,463</u></u>	<u><u>33,884,999</u></u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u><u>\$ 39,159,597</u></u>	<u><u>\$ 11,797,815</u></u>	<u><u>\$ 1,405,156</u></u>	<u><u>\$ 11,156,301</u></u>	<u><u>\$ 7,475,473</u></u>	<u><u>\$ 70,994,342</u></u>

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

CITY OF MARYVILLE, TENNESSEE
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
June 30, 2019

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

Ending Fund Balance - Governmental Funds	\$	33,884,999
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Capital Assets	\$ 235,274,030	
Less: Accumulated Depreciation	<u>(84,403,945)</u>	
		150,870,085

Revenues, including property taxes that have been deferred in the balance sheet of the governmental funds because they were not available to pay current liabilities of the period are recognized as revenue in the statement of activities and, therefore, are not included in the statement of net position.		460,700
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Long-Term Debt	\$ (65,192,544)	
Unamortized Bond Premium	(3,942,029)	
Capital Lease Obligations	(9,838,477)	
Accrued Interest on Long-Term Debt	(175,042)	
Compensated Absences	<u>(2,690,664)</u>	
		(81,838,756)

Internal service funds are used by management to charge certain costs (e.g., certain employee benefits, insurance, maintenance, and use of equipment) to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.		4,266,494
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Net pension assets and liabilities of the City's agent multiple-employer plans are not current financial resources and therefore are not reported in the governmental funds.		2,587,641
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Other post-employment benefits liabilities are not current financial resources and therefore are not reported in the governmental funds.		(25,722,944)
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Amounts reported as deferred outflows of unamortized amounts on refundings, deferred outflows related to other post-employment benefits, and deferred outflows related to pensions increase the amount of net position reported in the statement of net position, but are not reported as assets in the funds. Similarly, deferred inflows related to pensions and other postemployment benefits decrease the amount of net position reported in the statement of net position, but are not reported as liabilities in the funds.

Deferred Outflows of Resources Related to Deferred Bond Refunding Costs	\$ 1,054,967	
Deferred Outflows of Resources Related to Pensions	7,615,831	
Deferred Outflows of Resources Related to Other Post-employment Benefits	3,406,913	
Deferred Inflows of Resources Related to Pensions	(5,732,863)	
Deferred Inflows of Resources Related to Other Post-employment Benefits	<u>(1,602,335)</u>	
		4,742,513

Net Position of Governmental Activities	\$	<u>89,250,732</u>
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The accompanying notes are an integral part of these financial statements.

CITY OF MARYVILLE, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

	General	General Purpose School	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes:						
Property Taxes	\$ 21,565,238	\$ 11,441,084	\$ 0	\$ 0	\$ 0	\$ 33,006,322
Local Option Sales Taxes	11,118,988	8,465,821	0	0	0	19,584,809
Other Taxes	4,302,057	440,011	0	0	0	4,742,068
Licenses, Permits and Fees	32,509	2,896	0	0	0	35,405
Intergovernmental:						
State Taxes	3,295,769	155,436	0	0	964,102	4,415,307
Federal Grants	0	0	0	0	2,514,474	2,514,474
State Grants	0	601,933	0	0	0	601,933
U.S.D.A. Revenues	0	0	0	0	1,102,080	1,102,080
Other State Revenues	0	22,825,334	0	0	0	22,825,334
Other Local Revenues	0	0	0	0	445,961	445,961
Charges for Services	1,426,653	618,595	0	0	3,953,898	5,999,146
Fines, Forfeitures and Court Costs	65,317	0	0	0	2,803	68,120
Interest Income	515,998	214,863	245,309	277,355	36,966	1,290,491
Miscellaneous Revenue	324,706	277,633	1,096,600	390,176	412,653	2,501,768
Total Revenues	42,647,235	45,043,606	1,341,909	667,531	9,432,937	99,133,218
Expenditures:						
Current:						
General Government	1,719,462	0	0	0	436,779	2,156,241
Public Safety	9,695,338	0	0	0	81,758	9,777,096
Public Service	7,878,382	0	0	0	2,086,191	9,964,573
Culture and Recreation	1,658,881	0	0	0	5,572	1,664,453
Economic Development	1,076,860	0	0	0	150,000	1,226,860
Nondepartmental Costs	1,834,223	0	0	0	0	1,834,223
Education	0	53,153,501	0	0	5,442,649	58,596,150
Debt Service:						
Principal Retirement	0	0	3,402,289	0	0	3,402,289
Interest and Fiscal Fees	0	0	2,511,738	0	0	2,511,738
Payments under Capital Leases	113,133	0	1,096,600	0	0	1,209,733
Capital Outlay	16,835	1,315,241	0	9,531,803	9,619,516	20,483,395
Total Expenditures	23,993,114	54,468,742	7,010,627	9,531,803	17,822,465	112,826,751
Net Change in Fund Balance Before Other Financing Sources (Uses)	18,654,121	(9,425,136)	(5,668,718)	(8,864,272)	(8,389,528)	(13,693,533)
Other Financing Sources (Uses):						
Transfers In	1,661,806	9,222,500	6,236,936	1,511,100	3,045,019	21,677,361
Transfers Out	(18,882,006)	(1,124,922)	0	0	(8,627)	(20,015,555)
Issuance of Loan Proceeds	0	0	0	0	1,240,328	1,240,328
Total Other Financing Sources (Uses)	(17,220,200)	8,097,578	6,236,936	1,511,100	4,276,720	2,902,134
Net Change in Fund Balances	1,433,921	(1,327,558)	568,218	(7,353,172)	(4,112,808)	(10,791,399)
Fund Balances, July 1st	11,417,359	7,021,593	836,938	15,625,237	9,775,271	44,676,398
Fund Balances, June 30th	\$ 12,851,280	\$ 5,694,035	\$ 1,405,156	\$ 8,272,065	\$ 5,662,463	\$ 33,884,999

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

CITY OF MARYVILLE, TENNESSEE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2019

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

Net Change in Fund Balances – Total Governmental Funds	\$	(10,791,399)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Assets Purchased	\$	21,005,005	
Loss on Disposal of Assets		(425,987)	
Depreciation Expense		<u>(9,672,865)</u>	
Net Change in Capital Assets			10,906,153

Revenues, including property taxes, in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

52,167

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Add: Principal Payments on Debt	\$	3,402,294	
Add: Payment of Capital Leases		785,662	
Less: Note Proceeds		<u>(1,240,328)</u>	
			2,947,628

Expenses reported in the statement of activities include amortization of the deferred amount on debt refunding (\$274,018). In addition, the amortization of bond premium results in reduction of expenses (\$501,354). These amounts do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

227,336

Internal service funds are used by management to charge certain costs (e.g., certain employee benefits, insurance, maintenance, and use or equipment) to individual funds. The net revenue (expense) amounts of the internal service funds are reported with governmental activities.

703,004

Certain assets, liabilities, deferred inflows, and deferred outflows accounted for using the economic resources focus and the accrual basis of accounting are reported in the Statement of Net Position but are not reported in the fund financial statements, which include only items that are accounted for using current financial resources measurement and modified accrual basis of accounting. These amounts do not provide or require the use of current financial resources and, therefore, are not reflected in the revenues and expenditures of governmental funds.

Change in Assets and Deferred Outflows			
Net Pension Asset	\$	3,699,046	
Deferred Pension Outflows		(404,813)	
Deferred Other Post-employment Benefits Outflows		<u>2,451,577</u>	
			5,745,810
Change in Liabilities and Deferred Inflows			
Accrued Interest	\$	7,549	
Other Post-Employment Benefit Liability		(3,630,563)	
Compensated Absences		(616,739)	
Deferred Pension Inflows		239,714	
Deferred Other Post-Employment Benefits Inflows		<u>(1,315,000)</u>	
			<u>(5,315,039)</u>

Change in Net Position of Governmental Activities	\$	<u><u>4,475,660</u></u>
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The accompanying notes are an integral part of these financial statements.

CITY OF MARYVILLE, TENNESSEE
STATEMENT OF REVENUES EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Taxes:				
Property Taxes	\$ 21,647,426	\$ 21,747,426	\$ 21,565,238	\$ (182,188)
Interest and Penalties on Property Tax	123,000	123,000	230,594	107,594
In Lieu of Taxes	854,534	854,534	878,241	23,707
Local Sales Tax	10,200,000	11,000,000	11,118,988	118,988
City Beer Tax	1,251,000	1,251,000	1,253,360	2,360
City Liquor Tax	352,000	352,000	371,692	19,692
Gross Receipts Tax	815,058	915,058	930,404	15,346
Franchise Taxes	623,000	623,000	621,625	(1,375)
Hotel/Motel Taxes	14,500	14,500	16,141	1,641
Total Taxes	35,880,518	36,880,518	36,986,283	105,765
Intergovernmental:				
State Mixed Drink Tax	110,000	110,000	155,436	45,436
State Beer Tax	13,000	13,000	12,747	(253)
State Income Tax	327,913	437,913	446,581	8,668
State Sales Tax	2,331,916	2,391,916	2,436,428	44,512
State Transportation Tax	55,000	55,000	54,675	(325)
State Excise Tax	55,000	55,000	70,004	15,004
State Street Maintenance Contract	100,000	100,000	119,898	19,898
Total Intergovernmental	2,992,829	3,162,829	3,295,769	132,940
Charges for Services:				
Code Enforcement Services	450,000	450,000	389,761	(60,239)
Planning Services	17,219	17,219	18,152	933
Public Works Sales	70,000	70,000	131,650	61,650
Engineering Services	22,000	22,000	44,534	22,534
Public Safety	62,000	62,000	83,813	21,813
Animal Control Services	18,000	18,000	19,420	1,420
Solid Waste Management Services	628,000	628,000	636,821	8,821
Rent	96,567	96,567	102,502	5,935
Total Charges for Services	1,363,786	1,363,786	1,426,653	62,867
Fines, Forfeitures and Court Costs:				
Fines and Costs	56,805	56,805	52,093	(4,712)
Clerk's Fees	10,000	10,000	13,224	3,224
Licenses	27,000	27,000	32,509	5,509
Total Fines, Forfeitures and Court Costs	93,805	93,805	97,826	4,021
Interest Income	250,000	480,000	515,998	35,998
Other Revenues	350,985	350,985	324,706	(26,279)
Total Revenues	40,931,923	42,331,923	42,647,235	315,312

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

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

GENERAL FUND

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Expenditures				
General Government				
Administration				
City Manager's Office				
Salaries	411,827	411,341	408,991	2,350
Fringe Benefits	105,142	105,301	101,323	3,978
Operating Expenses	95,144	94,909	54,691	40,218
Materials and Supplies	9,575	10,137	7,212	2,925
Total City Manager's Office	<u>621,688</u>	<u>621,688</u>	<u>572,217</u>	<u>46,546</u>
Legislative				
Salaries	1,800	1,800	1,800	0
Fringe Benefits	1,091	682	150	532
Operating Expense	49,463	54,678	43,160	11,518
Materials and Supplies	3,025	3,087	2,495	592
Intergovernmental Services	118,809	113,810	113,809	1
Economic Development	366,729	1,126,860	1,076,860	50,000
Total Legislative	<u>540,917</u>	<u>1,300,917</u>	<u>1,238,274</u>	<u>62,643</u>
Judicial/Legal				
Salaries	72,458	72,456	61,790	10,666
Fringe Benefits	43,997	43,999	28,388	15,611
Operating Expenses	104,480	104,480	94,535	9,945
Total Judicial/Legal	<u>220,935</u>	<u>220,935</u>	<u>184,713</u>	<u>36,222</u>
Human Resources				
Salaries	157,124	156,908	155,805	1,103
Fringe Benefits	69,800	69,897	63,191	6,706
Operating Expenses	55,078	54,867	22,910	31,957
Materials and Supplies	4,090	4,420	3,101	1,319
Total Human Resources	<u>286,092</u>	<u>286,092</u>	<u>245,007</u>	<u>41,085</u>
Total Administration	<u>1,669,632</u>	<u>2,429,632</u>	<u>2,240,211</u>	<u>186,496</u>
Finance				
Salaries	348,172	340,407	313,887	26,520
Fringe Benefits	117,241	123,455	115,603	7,852
Operating Expenses	169,518	144,686	121,194	23,492
Materials and Supplies	6,755	8,055	5,427	2,628
Total Finance	<u>641,686</u>	<u>616,603</u>	<u>556,111</u>	<u>60,492</u>
Total General Government	<u>2,311,318</u>	<u>3,046,235</u>	<u>2,796,322</u>	<u>246,988</u>

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

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

GENERAL FUND

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (Continued)				
Public Safety				
Police Department				
Salaries	3,594,433	3,421,248	3,409,093	12,155
Fringe Benefits	1,472,365	1,422,014	1,351,275	70,739
Operating Expenses	660,124	656,393	523,134	133,259
Materials and Supplies	266,577	294,344	257,065	37,279
Intergovernmental Services	171,900	171,900	171,900	0
Total Police Department	<u>6,165,399</u>	<u>5,965,899</u>	<u>5,712,467</u>	<u>253,432</u>
Animal Control				
Salaries	173,354	177,423	177,423	0
Fringe Benefits	61,487	61,802	61,801	1
Operating Expenses	37,800	43,449	41,692	1,757
Materials and Supplies	10,550	7,418	6,186	1,232
Total Animal Control	<u>283,191</u>	<u>290,092</u>	<u>287,102</u>	<u>2,990</u>
Fire Department				
Salaries	2,487,085	2,361,472	2,300,360	61,112
Fringe Benefits	994,555	994,699	954,953	39,746
Operating Expenses	376,481	417,988	368,553	49,435
Materials and Supplies	70,235	69,198	62,380	6,818
Intergovernmental Services	17,106	17,106	9,523	7,583
Total Fire Department	<u>3,945,462</u>	<u>3,860,463</u>	<u>3,695,769</u>	<u>164,694</u>
Total Public Safety	<u>10,394,052</u>	<u>10,116,454</u>	<u>9,695,338</u>	<u>421,116</u>
Public Services				
Development				
Development Services				
Salaries	675,960	642,683	640,096	2,587
Fringe Benefits	228,187	243,398	234,551	8,847
Operating Expenses	95,130	95,580	53,464	42,116
Materials an Supplies	20,260	22,876	19,600	3,276
Total Development	<u>1,019,537</u>	<u>1,004,537</u>	<u>947,711</u>	<u>56,826</u>
Engineering & Public Works				
Public Works				
Engineering				
Salaries	216,253	220,203	218,057	2,146
Fringe Benefits	81,382	81,798	81,050	748
Operating Expenses	88,952	83,105	25,070	58,035
Materials Supplies	13,232	8,268	5,905	2,363
Total Engineering	<u>399,819</u>	<u>393,374</u>	<u>330,082</u>	<u>63,292</u>

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

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

GENERAL FUND

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Expenditures (Continued)				
Engineering & Public Works				
Solid Waste - Residential				
Salaries	491,797	490,510	490,510	0
Fringe Benefits	200,656	194,370	194,370	0
Operating Expenses	188,189	182,847	158,364	24,483
Materials and Supplies	50,605	61,890	57,461	4,429
Total Solid Waste - Residential	931,247	929,617	900,705	28,912
Solid Waste - Commercial				
Salaries	298,063	280,723	261,047	19,676
Fringe Benefits	133,479	134,588	122,883	11,705
Operating Expenses	69,585	74,700	72,982	1,718
Materials and Supplies	38,515	39,958	38,449	1,509
Total Solid Waste - Commercial	539,642	529,969	495,361	34,608
Solid Waste - Brush				
Salaries	350,228	350,214	337,982	12,232
Fringe Benefits	182,602	168,619	168,619	0
Operating Expenses	95,892	100,108	98,506	1,602
Materials and Supplies	48,715	50,485	49,131	1,354
Total Solid Waste - Brush	677,437	669,426	654,238	15,188
Solid Waste - Landfill				
Operating Expenses	1,304,847	1,304,847	1,287,078	17,769
Street Maintenance				
Salaries	545,577	529,181	521,303	7,878
Fringe Benefits	267,572	281,522	272,311	9,211
Operating Expenses	144,573	144,766	135,911	8,855
Materials and Supplies	190,635	192,888	161,795	31,093
Total Street Maintenance	1,148,357	1,148,357	1,091,320	57,037
Ground Maintenance				
Salaries	618,830	586,356	553,682	32,674
Fringe Benefits	288,772	289,774	258,663	31,111
Operating Expenses	132,049	174,622	163,713	10,909
Materials and Supplies	40,645	48,858	45,781	3,077
Total Ground Maintenance	1,080,296	1,099,610	1,021,839	77,771
Street Lighting				
Operating Expenses	850,000	960,000	958,257	1,743
Central Traffic Operations				
Salaries	146,068	136,439	103,390	33,049
Fringe Benefits	83,870	84,635	46,998	37,637
Operating Expenses	60,876	60,120	36,219	23,901
Materials and Supplies	9,080	18,657	5,184	13,473
Total Central Traffic Operations	299,894	299,851	191,791	108,060
Total Engineering & Public Works	7,231,539	7,335,051	6,930,671	404,380
Total Public Services	8,251,076	8,339,588	7,878,382	461,206

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

CITY OF MARYVILLE, TENNESSEE
STATEMENT OF REVENUES EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
GENERAL FUND
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Expenditures (Continued):				
Culture and Recreation:				
Library:				
Blount County Library	851,944	877,026	877,026	0
Parks and Recreation:				
Operating Expenses	42,445	42,445	32,445	10,000
Management Contract	749,410	749,410	749,410	0
Total Parks and Recreation	791,855	791,855	781,855	10,000
Total Culture and Recreation	1,643,799	1,668,881	1,658,881	10,000
Non-Departmental Costs				
Operating Expenses	105,782	110,155	94,329	15,826
Liability Insurance	207,162	198,066	177,885	20,181
Property Insurance	107,721	116,817	116,577	240
IT Services	555,041	555,041	555,041	0
Facility Operations	885,521	885,521	885,521	0
Fiber Maintenance	4,372	0	2,667	(2,667)
Employee Relations	2,342	2,342	2,203	139
Total Non-Departmental Costs	1,867,941	1,867,942	1,834,223	33,719
Debt Service				
Payments under Capital Lease	113,133	113,133	113,133	0
Capital Outlay				
Public Safety	0	0	10,350	(10,350)
Public Works	0	6,486	6,485	1
	0	6,486	16,835	(10,349)
Total Expenditures	24,581,319	25,158,719	23,993,114	1,162,680
Excess Revenues Over Expenditures	16,350,604	17,173,204	18,654,121	(847,368)
Other Financing Sources (Uses)				
Transfers In	1,713,802	1,713,802	1,661,806	(51,996)
Transfers Out	(18,064,406)	(18,887,006)	(18,882,006)	5,000
Total Other Financing Sources (Uses)	(16,350,604)	(17,173,204)	(17,220,200)	(46,996)
Net Change in Fund Balance	0	0	1,433,921	(1,433,921)
Fund Balance, July 1st	11,417,359	11,417,359	11,417,359	0
Fund Balance, June 30th	\$ 11,417,359	\$ 11,417,359	\$ 12,851,280	\$ (1,433,921)

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

CITY OF MARYVILLE, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL PURPOSE SCHOOL FUND - SPECIAL REVENUE FUND
For the Year Ended June 30, 2019

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues				
Taxes	\$ 19,639,414	\$ 20,214,414	\$ 20,346,916	\$ 132,502
Licenses, Permits and Fees	2,800	2,800	2,896	96
Charges for Services	582,500	582,500	618,595	36,095
Intergovernmental	23,594,963	23,605,032	23,582,703	(22,329)
Interest Income	133,000	204,000	214,863	10,863
Miscellaneous Revenues	356,000	356,000	277,633	(78,367)
Total Revenues	44,308,677	44,964,746	45,043,606	78,860
Expenditures				
Instruction				
Regular Instruction Program	29,301,804	30,318,587	30,123,784	194,803
Special Education Program	5,869,022	5,451,227	5,439,589	11,638
Vocational Education Program	1,282,726	1,330,428	1,329,228	1,200
Alternative School Program	533,123	522,059	522,052	7
Early Childhood Education Program	249,743	249,215	248,320	895
Student Support - Health Services	130,098	131,581	131,549	32
Student Support - Guidance Services	1,299,172	1,460,189	1,459,894	295
Regular Instruction Support	1,995,769	1,613,090	1,612,719	371
Special Education Support	457,238	491,372	490,381	991
Technology	520,967	658,949	657,967	982
Board of Education	1,202,039	1,470,167	1,479,207	(9,040)
Office of the Superintendent of Schools	433,489	472,153	470,924	1,229
Office of the Principal - School Administration	3,440,983	3,472,375	3,467,947	4,428
Fiscal Services	277,064	316,755	301,764	14,991
Human Resources (Personnel)	300,320	310,795	309,782	1,013
Operation of Plant	2,568,280	2,531,528	2,529,865	1,663
Maintenance of Plant	983,038	1,047,240	1,045,727	1,513
Transportation	1,203,209	1,394,308	1,393,354	954
Other Support Services	0	121	121	0
Community Services	126,422	139,333	139,327	6
Capital Outlay				
Regular Capital Outlay	1,756,671	2,440,164	1,315,241	1,124,923
Total Expenditures	53,931,177	55,821,636	54,468,742	1,352,894
Net Change in Fund Balance Before				
Other Financing Sources (Uses)	(9,622,500)	(10,856,890)	(9,425,136)	1,431,754
Other Financing Sources (Uses)				
Transfers In	9,222,500	9,222,500	9,222,500	0
Transfers Out	0	0	(1,124,922)	(1,124,922)
Other Financing Sources (Uses) Total	9,222,500	9,222,500	8,097,578	(1,124,922)
Net Change in Fund Balance	(400,000)	(1,634,390)	(1,327,558)	306,832
Fund Balance, July 1st	7,021,593	7,021,593	7,021,593	0
Fund Balance, June 30th	\$ 6,621,593	\$ 5,387,203	\$ 5,694,035	\$ 306,832

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

CITY OF MARYVILLE, TENNESSEE

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

June 30, 2019

	Business-type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
	Major Funds			
	Electric Department	Water and Sewer Department	Total	
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 6,375,158	\$ 6,749,390	\$ 13,124,548	\$ 4,922,270
Receivables:				
Accounts (Net of Allowance for Uncollectibles)	4,010,192	1,225,496	5,235,688	0
Rentals	157,661	0	157,661	0
Due From Other Funds	49,414	199,832	249,246	7,363
Other	0	0	0	91,415
Inventory of Materials and Supplies	1,334,998	661,890	1,996,888	209,351
Total Current Assets	11,927,423	8,836,608	20,764,031	5,230,399
Capital Assets				
Land and Land Rights	438,294	1,593,814	2,032,108	0
Construction in Progress	2,684,545	998,630	3,683,175	0
Plant in Service	81,595,009	148,056,095	229,651,104	0
Building and Improvements	0	0	0	873,125
Data Processing Equipment	0	0	0	231,060
Software	0	0	0	7,000
Fleet Maintenance Equipment	0	0	0	393,759
	84,717,848	150,648,539	235,366,387	1,504,944
Less: Accumulated Depreciation and Amortization	37,221,346	50,727,362	87,948,708	1,154,660
Net Capital Assets	47,496,502	99,921,177	147,417,679	350,284
Other Noncurrent Assets				
Other Noncurrent Assets	20,854	52,306	73,160	0
Net Pension Asset	25,677	23,041	48,718	
Energy Service Loans	290,206	0	290,206	0
Total Other Noncurrent Assets	336,737	75,347	412,084	0
Total Noncurrent Assets	47,833,239	99,996,524	147,829,763	350,284
	59,760,662	108,833,132	168,593,794	5,580,683
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Pension Outflows	582,798	523,090	1,105,888	0
Deferred Bond Refunding Costs	37,087	1,199,412	1,236,499	0
Total Deferred Outflows of Resources	619,885	1,722,502	2,342,387	0

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

CITY OF MARYVILLE, TENNESSEE
STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS
June 30, 2019

	Business-type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
	Major Funds		Total	
	Electric Department	Water and Sewer Department		
LIABILITIES				
Current Liabilities				
Accounts Payable	5,569,537	345,995	5,915,532	963,905
Due to Other Funds	250,277	93,387	343,664	0
Accrued Compensated Absences	388,368	390,683	779,051	0
Customer Deposits	399,350	73,735	473,085	0
Other Accrued Liabilities	201,342	119,690	321,032	0
Current Portion of Long-Term Debt	863,094	2,050,847	2,913,941	0
Total Current Liabilities	7,671,968	3,074,337	10,746,305	963,905
Noncurrent Liabilities				
Bonds Payable	4,667,690	40,403,713	45,071,403	0
Loan Payable - Tennessee Revolving Loan Fund	0	1,494,288	1,494,288	0
Accrued Compensated Absences	619,597	526,981	1,146,578	0
Advances from TVA for Energy Service Loans	290,206	0	290,206	0
Other Post-Employment Benefit Liability	1,264,518	1,307,625	2,572,143	0
Total Noncurrent Liabilities	6,842,011	43,732,607	50,574,618	0
Total Liabilities	14,513,979	46,806,944	61,320,923	963,905
DEFERRED INFLOWS OF RESOURCES				
Deferred Pension Inflows	419,853	376,748	796,601	0
Deferred OPEB Inflows	369,377	381,970	751,347	0
Total Deferred Inflows of Resources	789,230	758,718	1,547,948	0
NET POSITION				
Net Investment in Capital Assets	41,965,718	55,972,330	97,938,048	350,284
Restricted: Pensions	25,677	23,041	48,718	0
Unrestricted Position	3,085,943	6,994,601	10,080,544	4,266,494
Total Net Position	\$ 45,077,338	\$ 62,989,972	\$ 108,067,310	\$ 4,616,778

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

CITY OF MARYVILLE, TENNESSEE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2019

	Business-type Activities-Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Funds			
	Electric Department	Water and Sewer Department	Total	
OPERATING REVENUES				
Charges for Services	\$ 68,401,074	\$ 15,403,233	\$ 83,804,307	\$ 15,613,643
Rent from Property	503,080	130,819	633,899	0
Other Revenue	643,048	1,687,556	2,330,604	128,453
Total Operating Revenues	69,547,202	17,221,608	86,768,810	15,742,096
OPERATING EXPENSES				
Purchased Power	56,056,488	0	56,056,488	0
Electric Operations	3,456,620	0	3,456,620	0
Water and Sewer Operations	0	6,258,121	6,258,121	0
Customer Accounts Expense	1,065,516	1,276,467	2,341,983	0
Administrative and General Expense	2,440,806	1,765,635	4,206,441	0
Sales Expense	116,777	0	116,777	0
Depreciation and Amortization	2,640,070	3,977,231	6,617,301	57,261
Taxes	519,327	0	519,327	0
Information Technology Operating Expenses	0	0	0	1,083,389
Fleet Maintenance Operating Expenses	0	0	0	717,145
Facilities Operating and Maintenance Expenses	0	0	0	1,394,878
Self-Insurance Operating Expenses	0	0	0	11,786,419
Total Operating Expenses	66,295,604	13,277,454	79,573,058	15,039,092
OPERATING INCOME	3,251,598	3,944,154	7,195,752	703,004
NON-OPERATING REVENUES (EXPENSES)				
Interest Income	163,645	150,314	313,959	0
Amortization	11,747	(135,706)	(123,959)	0
Rent from Non-Utility Property	8,400	0	8,400	0
Gain (Loss) on Capital Assets	0	(555,802)	(555,802)	0
Interest Expense	(214,605)	(1,222,966)	(1,437,571)	0
Total Non-Operating Revenues (Expenses)	(30,813)	(1,764,160)	(1,794,973)	0
CHANGE IN NET POSITION BEFORE CONTRIBUTIONS AND TRANSFERS	3,220,785	2,179,994	5,400,779	703,004
CONTRIBUTIONS AND TRANSFERS				
Capital Contributions	0	935,824	935,824	0
Payments in Lieu of Taxes	(1,107,492)	(554,314)	(1,661,806)	0
Total Contributions and Transfers	(1,107,492)	381,510	(725,982)	0
CHANGE IN NET POSITION	2,113,293	2,561,504	4,674,797	703,004
NET POSTION, July 1st	42,964,045	60,428,468	103,392,513	3,913,774
NET POSITION, June 30th	\$ 45,077,338	\$ 62,989,972	\$ 108,067,310	\$ 4,616,778

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

CITY OF MARYVILLE, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2019

	Business-type Activities-Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Funds			
	Electric Department	Water and Sewer Department	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Collections from Customers	\$ 69,326,810	\$ 17,225,313	\$ 86,552,123	\$ 1,635,613
Receipts from Other Funds	0	0	0	17,784,047
Other Receipts	0	0	0	128,484
Payments to Employees	(4,508,694)	(4,260,652)	(8,769,346)	(833,477)
Payments to Other Suppliers of Goods and Services	(59,054,190)	(5,685,074)	(64,739,264)	(14,055,980)
Taxes	(519,327)	0	(519,327)	0
Net Cash Flows Provided By (Used in) Operating Activities	<u>5,244,599</u>	<u>7,279,587</u>	<u>12,524,186</u>	<u>4,658,687</u>
CASH FLOWS FROM NONCAPITAL FINANCING NONCAPITAL FINANCING ACTIVITIES				
Transfers to City of Maryville - In Lieu of Taxes	(1,107,492)	(554,314)	(1,661,806)	0
Net Cash Provided By (Used In) Non Capital Non Capital Financing Activities	<u>(1,107,492)</u>	<u>(554,314)</u>	<u>(1,661,806)</u>	<u>0</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(5,149,398)	(4,953,329)	(10,102,727)	(122,157)
Utility Plant Removal Costs, Net of Salvage	32,404	(337,610)	(305,206)	0
Proceeds from Sale of Capital Assets	0	74,450	74,450	0
Principal Paid on Long-Term Debt	(791,000)	(1,760,648)	(2,551,648)	0
Interest Paid on Long-Term Debt	(211,302)	(1,533,897)	(1,745,199)	0
Energy Service Advances Repaid to TVA	(135,361)	0	(135,361)	0
Energy Service Loans Collected from Customers	135,361	0	135,361	0
Capital Contributions	0	935,824	935,824	0
Net Cash Flows Provided By (Used In) Capital and Related Financing Activities	<u>(6,119,296)</u>	<u>(7,575,210)</u>	<u>(13,694,506)</u>	<u>(122,157)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	163,645	150,314	313,959	0
Rent from Investment Property	8,400	0	8,400	0
Net Cash Flows Provided By (Used In) Investing Activities	<u>172,045</u>	<u>150,314</u>	<u>322,359</u>	<u>0</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(1,810,144)</u>	<u>(699,623)</u>	<u>(2,509,767)</u>	<u>4,536,530</u>
CASH & CASH EQUIVALENTS - July 1st	<u>8,185,302</u>	<u>7,449,013</u>	<u>15,634,315</u>	<u>385,740</u>
CASH & CASH EQUIVALENTS - June 30th	\$ 6,375,158	\$ 6,749,390	\$ 13,124,548	\$ 4,922,270

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

CITY OF MARYVILLE, TENNESSEE
STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2019

	Business-Type Activities-Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Funds		Total	
	Electric Department	Water and Sewer Department		
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 3,251,598	\$ 3,944,154	\$ 7,195,752	\$ 703,004
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used In) Operating Activities				
Add (Deduct) Non-Cash Items				
Depreciation and Amortization	2,907,250	3,977,231	6,884,481	57,261
Changes in Assets and Liabilities				
Accounts Receivable	(282,816)	115,637	(167,179)	74,096
Rentals Receivable	18,645	0	18,645	
Inventories	(97,394)	(72,438)	(169,832)	(30,139)
Accounts Payable	(600,804)	(765,682)	(1,366,486)	122,546
Accrued Compensated Absences	146,004	145,839	291,843	0
Accrued Post-Employment Benefit Obligation/Deferrals	35,549	67,763	103,312	0
Net Pension Obligation/Deferrals	(127,905)	(98,917)	(226,822)	0
Other Accrued Liabilities	(65,362)	(5,965)	(71,327)	0
Customer Deposits	(21,950)	(8,050)	(30,000)	0
Due from Other Funds	65,729	(103,882)	(38,153)	3,731,919
Due to Other Funds	16,055	83,897	99,952	0
NET CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 5,244,599	\$ 7,279,587	\$ 12,524,186	\$ 4,658,687

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

CITY OF MARYVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) REPORTING ENTITY

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

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

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

(B) GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

(C) BASIS OF PRESENTATION

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

Governmental Fund Types

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

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

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

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

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

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

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

Proprietary Fund Types

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(C) BASIS OF PRESENTATION

Proprietary Fund Types (Continued)

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

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

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

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

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

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

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

(D) MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

For the Electric Department at June 30, 2019, unrecorded unbilled revenue was estimated to be \$2,648,743.

For the Water and Sewer Department at June 30, 2019, unrecorded unbilled revenue was estimated to be \$551,089.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

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

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

City Employees - Employees earn vacation and sick leave in varying amounts in accordance with administrative policies and can carry over leave based on years of service. An employee who retires may have one-half of accrued sick leave credited toward additional service for retirement purposes.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Estimates - The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses/expenditures, and the disclosure of contingent assets and liabilities at the date of the basic financial statements. Actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

(A) BUDGETARY INFORMATION

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

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

(B) SUPPLEMENTAL APPROPRIATIONS

The following revisions were made to the original fiscal 2019 budgeted expenditures and other financing uses by additional appropriations for the following major governmental funds:

Fund	Original Budget	Revisions	Final Budget
General Fund	\$ 42,645,725	\$ 1,400,000	\$ 44,045,725
General Purpose School Fund	\$ 53,931,177	\$ 1,890,459	\$ 55,821,636
Debt Service Fund	\$ 7,281,211	\$ 123,648	\$ 7,404,859

NOTE 3 - DEPOSITS AND INVESTMENTS

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

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

Included in Cash and Cash equivalents at June 30, 2019 were balances in the State Treasurer's Local Government Investment Pool (LGIP) in the amount of \$50,266,535. Deposits with the LGIP are not subject to categorization and are reported at amortized cost using a table net asset value. The LGIP is not registered with the SEC as an investment company. However, the LGIP has a policy that it will operate in a manner consistent with the SEC's Rule 2a-7. SEC Rule 2a-7 allows SEC registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the State Treasurer to administer the LGIP under the same terms and conditions, including collateral requirements, as required for other funds invested by the Treasurer. The reported value of the pool is the same as the fair value of the pool shares. There are no minimum or maximum dollar limits on the size of withdrawal transactions. In most cases, a withdrawal will be honored the same day it is requested. However, withdrawals of \$5,000,000 or more will be honored the next working day after request.

NOTE 4 - PROPERTY TAX

The City's property tax is levied each September 1st on the assessed value as listed by the County Assessor and is payable by each November 30th. Beginning December 1st, interest and penalty is accrued on unpaid property taxes. The City's tax rate for the year ended June 30, 2019, was \$2.27 per \$100 of assessed value.

Property taxes levied for 2018 and prior years, but uncollected as of June 30, 2019, are recorded as receivables, net of estimated amounts uncollectible based upon collections in prior years. The Allowance for Uncollectible Property Taxes as of June 30, 2019 is \$113,331. The taxes collected during the fiscal year ended June 30, 2019, and those taxes expected to be collected in the subsequent sixty (60) days, are recognized as revenues in the fiscal year ended June 30, 2019. The remainder of net property taxes receivable are recorded as deferred revenue.

Property taxes levied for the fiscal year ending June 30, 2020 are recorded as receivables and deferred revenue.

NOTE 5 - INTERFUND BALANCES AND TRANSFERS

As of June 30, 2019, interfund receivables and payables were as follows:

	Due From Other Funds	Due to Other Funds	Total Balances
Governmental Activities			
General Fund	\$ 69,502	\$ (1,484,714)	\$ (1,415,212)
General Purpose School Fund	1,499,595	0	1,499,595
Nonmajor Funds	291,339	(281,304)	10,035
Total Governmental Activities	<u>\$ 1,860,436</u>	<u>\$ (1,766,018)</u>	<u>\$ 94,418</u>
Business-Type Activities			
Electric Department	\$ 49,414	\$ (250,277)	\$ (200,863)
Water and Sewer Department	199,832	(93,387)	106,445
Total Business-type Activities	<u>\$ 199,832</u>	<u>\$ (93,387)</u>	<u>\$ (94,418)</u>

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

NOTE 5 - INTERFUND BALANCES AND TRANSFERS (Continued)

Transfers during the year are as follows:

Transfers From:	Transfers to:					Total
	General Fund	Debt Service Fund	General Purpose Schools	Capital Projects Fund	Nonmajor Governmental Funds	
General Fund	\$ 0	\$ 6,034,611	\$ 9,222,500	\$ 1,511,100	\$ 2,113,795	\$ 18,882,006
General Purpose Schools Fund	0	193,698	0	0	931,224	1,124,922
Electric Department Fund	1,107,492	8,627	0	0	0	1,116,119
Water and Sewer Department Fund	554,314	0	0	0	0	554,314
Total	<u>\$ 1,661,806</u>	<u>\$ 6,236,936</u>	<u>\$ 9,222,500</u>	<u>\$ 1,511,100</u>	<u>\$ 3,045,019</u>	<u>\$ 21,677,361</u>

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

NOTE 6 - CAPITAL ASSETS

A summary of Capital Asset Activity, for the government-wide financial statements, for the fiscal year ended June 30, 2019 is as follows:

	Balance July 01, 2018	Increases	Decreases	Transfers	Balance June 30, 2019
Governmental Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 7,238,567	\$ 885,940	\$ 0	\$ 0	\$ 8,124,507
Rights-of-Way/Easements	509,420	0	0	0	509,420
Construction in Progress	4,249,036	17,928,326	(7,193,148)	0	14,984,214
Total Capital Assets, Not Being Depreciated	<u>11,997,023</u>	<u>18,814,266</u>	<u>(7,193,148)</u>	<u>0</u>	<u>23,618,141</u>
Capital Assets, Being Depreciated:					
Buildings	102,786,874	0	(11,750)	0	102,775,124
Improvements	30,934,058	5,522,181	(208,302)	(284,727)	35,963,210
Infrastructure	23,706,631	756,677	(18,012)	284,727	24,730,023
Capital Lease:					
Buildings (Civic Arts Center)	23,075,000	0	0	0	23,075,000
Communications Equipment	1,391,663	0	0	0	1,391,663
Equipment and Vehicles	22,396,800	3,226,911	(1,902,842)	0	23,720,869
Total Capital Assets, Being Depreciated	<u>204,291,026</u>	<u>9,505,769</u>	<u>(2,140,906)</u>	<u>0</u>	<u>211,655,889</u>
Less Accumulated Depreciation for:					
Buildings	(33,617,159)	(4,166,047)	0	0	(37,783,206)
Improvements	(8,755,692)	(1,062,694)	0	0	(9,818,386)
Infrastructure	(12,607,370)	(803,708)	10,096	0	(13,400,982)
Capital Lease	(8,473,198)	(1,013,219)	0	0	(9,486,417)
Equipment and Vehicles	(12,935,563)	(2,684,458)	1,705,067	0	(13,914,954)
Total Accumulated Depreciation	<u>(76,388,982)</u>	<u>(9,730,126)</u>	<u>1,715,163</u>	<u>0</u>	<u>(84,403,945)</u>
Total Capital Assets, Being Depreciated, Net	<u>127,902,044</u>	<u>(224,357)</u>	<u>(425,743)</u>	<u>0</u>	<u>127,251,944</u>
Governmental Activities Capital Assets, Net	<u>\$ 139,899,067</u>	<u>\$ 18,589,909</u>	<u>\$ (7,618,891)</u>	<u>\$ 0</u>	<u>\$ 150,870,085</u>

NOTE 6 - CAPITAL ASSETS (Continued)

	Balance July 01, 2018	Increases	Decreases	Transfers	Balance June 30, 2019
Business-Type Activities					
Capital Assets, Not Being Depreciated:					
Land and Land Rights	\$ 2,027,302	\$ 4,806	\$ 0	\$ 0	\$ 2,032,108
Construction in Progress	2,931,044	7,293,042	(6,540,911)	0	3,683,175
Total Capital Assets, Not Being Depreciated	<u>4,958,346</u>	<u>7,297,848</u>	<u>(6,540,911)</u>	<u>0</u>	<u>5,715,283</u>
Capital Assets, Being Depreciated:					
Electric Plant in Service:					
Transmission	5,948,032	185,606	(7,607)	0	6,126,031
Distribution	64,155,804	2,456,221	(640,247)	0	65,971,778
General	9,574,530	352,541	(429,871)	0	9,497,200
Water Plant in Service	47,374,970	935,110	(146,439)	(2,898,619)	45,265,022
Sewer Plant in Service	95,112,176	5,593,617	(813,339)	2,898,619	102,791,073
Total Capital Assets, Being Depreciated	<u>222,165,512</u>	<u>9,523,095</u>	<u>(2,037,503)</u>	<u>0</u>	<u>229,651,104</u>
Less Accumulated Depreciation for:					
Electric Plant in Service:					
Transmission	(2,781,079)	(151,299)	7,607	0	(2,924,771)
Distribution	(26,548,549)	(2,271,074)	603,703	0	(28,215,920)
General	(5,852,484)	(484,877)	256,706	0	(6,080,655)
Water Plant in Service	(19,469,605)	(1,368,027)	97,940	1,379,989	(19,359,703)
Sewer Plant in Service	(27,979,038)	(2,577,827)	569,195	(1,379,989)	(31,367,659)
Total Accumulated Depreciation	<u>(82,630,755)</u>	<u>(6,853,104)</u>	<u>1,535,151</u>	<u>0</u>	<u>(87,948,708)</u>
Total Capital Assets, Being Depreciated, Net	<u>139,534,757</u>	<u>2,669,991</u>	<u>(502,352)</u>	<u>0</u>	<u>141,702,396</u>
Business-Type Activities Capital Assets, Net	<u>\$ 144,493,103</u>	<u>\$ 9,967,839</u>	<u>\$ (7,043,263)</u>	<u>\$ 0</u>	<u>\$ 147,417,679</u>

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

General Government	\$ 1,640,972
Public Safety	1,178,916
Public Works	2,402,493
Culture and Recreation	164,290
Education	4,343,455
	<u>\$ 9,730,126</u>

NOTE 7 - DEBT AND LONG-TERM LIABILITIES

(A) BONDS AND NOTES PAYABLE

General Obligation Bonds. The City issues general obligation bonds to provide for the acquisition and construction of major roads, capital facilities and equipment. General obligation bonds have been issued for general government activities, business-type activities and to refund previously issued general obligation bonds. These bonds are generally issued as serial bonds with level debt service payments over 20 to 22 years except refunding bonds are generally issued matching the maturities of the bonds being refunded. General obligation bonds outstanding at June 30, 2019 were as follows:

	Governmental Activities	Business-type Activities	Total
\$2,500,000 - 2010 General Obligation Public Improvement, due in annual installments of \$155,000 to \$205,000 through June 1, 2025; interest at 2.0% to 3.50%.	\$ 0	\$ 1,130,000	\$ 1,130,000
\$9,855,000 - 2015 General Obligation Refunding, due in annual installments of \$1,010,000 to \$2,280,000 through June 1, 2030; interest at 3.0%.	9,855,000	0	9,855,000
\$3,350,000 - 2016A General Obligation Refunding, due in annual installments of \$150,000 to \$450,000 through June 1, 2029; interest at 1.5% to 4.0%.	2,900,000	0	2,900,000
\$6,175,000 - 2016B General Obligation Refunding, due in annual installments of \$30,000 to \$1,160,000 through June 1, 2024; interest at 2.0% to 3.0%.	975,000	3,805,000	4,780,000
\$27,795,000 - 2017A General Obligation Refunding, due in annual installments of \$325,000 to \$2,260,000 through June 1, 2030; interest at 2.25% to 5.0%.	23,780,000	3,690,000	27,470,000
\$24,000,000 - 2018A General Obligation Public Improvement, due in annual installments starting in 2021 of \$780,000 to \$1,620,000 through June 1, 2040; interest at 3.0% to 5.0%.	18,180,000	5,820,000	24,000,000
Total General Obligation Bonds	\$ 55,690,000	\$ 14,445,000	\$ 70,135,000

Revenue Bonds. The City issues revenue bonds to provide funds for the acquisition and construction of major capital facilities and to refund previously issued revenue bonds. These bonds are generally issued as serial bonds with varying amounts of principal maturing each year. Revenue bonds outstanding at June 30, 2019 were as follows:

	Governmental Activities	Business-type Activities	Total
\$31,800,000 - 2017B Water and Sewer Revenue and Tax Refunding, due in annual installments of \$260,000 to \$2,440,000 through June 1, 2038; interest at 2.25% to 5.0%.	\$ 0	\$ 31,540,000	\$ 31,540,000

The Water and Sewer Fund annual total revenue of approximately \$15 million is pledged to pay principal and interest on these bonds which will be \$1,346,719 for the year ending June 30, 2020.

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

(A) BONDS AND NOTES PAYABLE (Continued)

Notes Payable (Direct Borrowings) - The City has entered loan agreements with the State of Tennessee for school capital projects and a sewer system capital project at favorable interest rates. The notes payable outstanding at June 30, 2019 were as follows:

	Governmental Activities	Business-type Activities	Total
\$18,720,000 - Tennessee State School Bond Authority Note, due in monthly installments of \$97,342 to \$110,118 through July 1, 2026; interest at 1.515%.	\$ 8,304,406	\$ 0	\$ 8,304,406
\$1,240,328 - Tennessee School Energy Efficiency Note, due in monthly installments of \$15,456 through April 1, 2026; interest at 1.5%.	1,198,138	0	1,198,138
\$2,304,000 - Tennessee Revolving Fund loan, due in monthly installments for twenty years through June 30, 2031 with interest at 2.09%	0	1,494,288	1,494,288
Total Notes Payable	\$ 9,502,544	\$ 1,494,288	\$ 10,996,832
Total Debt Payable	\$ 65,192,544	\$ 47,479,288	\$ 112,671,832

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

On September 4, 2018, the City entered an Energy Efficient Schools Initiative Loan Agreement with the Energy Efficient Schools Council of the State of Tennessee for \$1,240,328 for a term of seven years at 1.5%. The loan provides that the first payment is due sixty days after the project is completed. Monthly payments will be \$15,564 for eighty-four months beginning May 1, 2019. Events of default include failure to make payments when due and filing for bankruptcy. Upon default, the lender may take any action at law or in equity to collect the amounts then due and may declare the unpaid principal and interest to be immediately due and payable.

The following is a summary of debt transactions of the City for the fiscal year ended June 30, 2019:

	Debt Payable July 1, 2018	Debt Issued	Debt Retired	Debt Payable June 30, 2019
General Obligation Bonds	\$ 74,510,000	\$ 0	\$ 4,375,000	\$ 70,135,000
Revenue Bonds	31,800,000	0	260,000	31,540,000
Tennessee State School Bond Authority	9,472,510	0	1,168,104	8,304,406
Tennessee Revolving Loan Fund	1,602,936	0	108,648	1,494,288
Tennessee School Energy Efficiency Loan	0	1,240,328	42,190	1,198,138
Total Debt Payable	\$ 117,385,446	\$ 1,240,328	\$ 5,953,942	\$ 112,671,832

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

(A) BONDS AND NOTES PAYABLE (Continued)

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

Fiscal Years Ending June 30,	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 3,942,069	\$ 2,400,917	\$ 2,556,916	\$ 1,653,592	\$ 6,498,985	\$ 4,054,509
2021	4,686,629	2,275,737	2,907,220	1,549,996	7,593,849	3,825,733
2022	4,301,236	2,112,150	2,357,572	1,429,474	6,658,808	3,541,624
2023	4,442,880	1,974,296	2,110,972	1,326,071	6,553,852	3,300,367
2024	4,583,571	1,828,965	2,250,432	1,235,001	6,834,003	3,063,966
2025 - 2029	19,591,159	6,030,526	11,660,788	4,713,166	31,251,947	10,743,692
2030 - 2034	16,445,000	2,629,213	12,100,388	2,858,692	28,545,388	5,487,905
2035 - 2039	5,965,000	797,044	11,150,000	960,325	17,115,000	1,757,369
2040 - 2044	1,235,000	43,225	385,000	13,475	1,620,000	56,700
Totals	\$ 65,192,544	\$ 20,092,073	\$ 47,479,288	\$ 15,739,792	\$ 112,671,832	\$ 35,831,865

(B) CAPITALIZED LEASE OBLIGATIONS

Civic Arts Center

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

Maryville College committed to provide the first \$18,000,000 of the rental payments, of which 71.43% or \$12,857,400 applies to the City's rental payments. As of June 30, 2019, Maryville College has paid \$10,636,965 on the City's rental payments, with the balance of \$2,220,435 to be applied to the City's rental payments for the next two years.

Communications Equipment

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

Changes in capital lease obligations for the year end June 30, 2019 were:

	Balance July 1, 2018	New Leases	Lease Payments	Balance June 30, 2019
Civic Center	\$ 10,310,000	\$ 0	\$ 685,000	\$ 9,625,000
Communications Equipment	314,139	0	100,662	213,477
Total	\$ 10,624,139	\$ 0	\$ 785,662	\$ 9,838,477

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

(B) CAPITALIZED LEASE OBLIGATIONS

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

Fiscal Years Ending June 30,	Governmental Activities	
	Principal	Interest
2020	\$ 824,658	\$ 399,525
2021	863,819	373,765
2022	775,000	346,800
2023	810,000	323,550
2024	845,000	291,150
2025 - 2029	4,905,000	918,075
2030	815,000	40,750
Totals	\$ 9,838,477	\$ 2,693,615

(C) TOTAL LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2019:

	Balance July 01, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
Governmental Activities					
Debt Payable:					
General Obligation Bonds	\$ 57,882,000	\$ 0	\$ 2,192,000	\$ 55,690,000	\$ 2,604,000
Notes Payable	9,472,510	1,240,328	1,210,294	9,502,544	1,338,069
Premium on Bond Issuance	4,443,384	0	501,355	3,942,029	379,833
Total Debt Payable	71,797,894	1,240,328	3,903,649	69,134,573	4,321,902
Other Liabilities:					
Capital Lease Obligations	10,624,139	0	785,662	9,838,477	824,658
Compensated Absences	2,073,925	1,676,100	1,059,361	2,690,664	1,100,938
Total Other Liabilities	12,698,064	1,676,100	1,845,023	12,529,141	1,925,596
Total Liabilities	\$ 84,495,958	\$ 2,916,428	\$ 5,748,672	\$ 81,663,714	\$ 6,247,498
Business-Type Activities					
Debt Payable:					
General Obligation Bonds	\$ 16,628,000	\$ 0	\$ 2,183,000	\$ 14,445,000	\$ 2,186,000
Revenue Bonds	31,800,000	0	260,000	31,540,000	260,000
Notes Payable	1,602,936	0	108,648	1,494,288	110,916
Premium on Bond Issuance	2,357,369	0	357,025	2,000,344	357,025
Total Debt Payable	52,388,305	0	2,908,673	49,479,632	2,913,941
Other Liabilities:					
Compensated Absences	1,633,785	1,652,072	1,360,228	1,925,629	779,051
Total Liabilities	\$ 54,022,090	\$ 1,652,072	\$ 4,268,901	\$ 51,405,261	\$ 3,692,992

NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM

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

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

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

The following information is provided to support the balances as of June 30, 2019 in the total column on the Statement of Net Position on page 1 of the financial statements.

	Public Employee Retirement Plan	Teachers Legacy Plan	Teachers Retirement Plan	All Plans
Net Pension Asset	\$ 171,178	\$ 2,349,428	\$ 115,753	\$ 2,636,359
Pension Deferred Outflows	\$ 3,917,804	\$ 4,736,272	\$ 67,643	\$ 8,721,719
Pension Deferred Inflows	\$ 2,799,018	\$ 3,697,784	\$ 32,662	\$ 6,529,464

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

Contributions

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. By law, employer contributions are required to be paid. The TCRS may intercept the City's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (ADC) and member contributions are expected to finance the cost of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

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

Actuarial Assumptions. The 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 4.0%
Investment rate of return	7.25%, net of pension plan investment expenses, including inflation
Cost of living adjustment	2.25%

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

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

NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

Net Pension Liability (Asset) (Continued)

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

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

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

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

(A) PUBLIC EMPLOYEES RETIREMENT PLAN

General Information about the Pension Plan

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

Benefits Provided. Tennessee Code Annotated Title 8, Chapters 34 – 37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with 10 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with ten years of service credit. Service related disability benefits are provided regardless of length of service. Ten years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10% and include projected service credits. A variety of death benefits are available under various eligibility criteria.

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

NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

(A) PUBLIC EMPLOYEES RETIREMENT PLAN (Continued)

General Information about the Pension Plan (Continued)

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	275
Inactive Employees Entitled to, but not yet Receiving Benefits	374
Active Employees	401
Total	<u>1,050</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 5% of salary, the City makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2019, employer contributions for the City were \$2,302,073 based on a rate of 11.25% of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the City's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (ADC) and member contributions are expected to finance the cost of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Position Liability (Asset) (a) - (b)
<u>Balances at June 30, 2017</u>	<u>\$ 92,877,434</u>	<u>\$ 90,952,500</u>	<u>\$ 1,924,934</u>
Changes for the Year:			
Service Cost	1,755,534	0	1,755,534
Interest	6,731,724	0	6,731,724
Difference between Expected and Actual Experience	(1,270,990)	0	(1,270,990)
Changes of Assumptions	0	0	0
Contributions - Employer	0	2,215,967	(2,215,967)
Contributions - Employees	0	984,220	(984,220)
Net Investment Income	0	7,477,847	(7,477,847)
Benefit Payments - Including Refunds of Employee Contributions	(3,563,207)	(3,563,207)	0
Administrative Expenses	0	(38,403)	38,403
Other Changes	0	(1,327,251)	1,327,251
Net Changes	<u>3,653,061</u>	<u>5,749,173</u>	<u>(2,096,112)</u>
<u>Balances at June 30, 2018</u>	<u>\$ 96,530,495</u>	<u>\$ 96,701,673</u>	<u>\$ (171,178)</u>

Other Changes. The Recreation and Parks Commission of Maryville, Alcoa, and Blount County (the Commission) had previously participated in the Public Employee Retirement Plan administered by TCRS through the City's employer account. Through various agreements the Commission has established its own TCRS employer account and the City has notified TCRS to transfer \$2,488,782 to the Commission's employer account. In September 2017, TCRS transferred \$1,327,251 of the \$2,488,782 plan fiduciary net position allocated to the Commission provided for in the asset transfer resolution. The remaining \$1,161,531 will be transferred by TCRS to the Commission's account.

NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

(A) PUBLIC EMPLOYEES RETIREMENT PLAN (Continued)

General Information about the Pension Plan (Continued)

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability (Asset) 2018	\$ 12,995,005	\$ (171,178)	\$ (11,127,010)

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

Pension Expense. For the year ended June 30, 2019, the City recognized pension expense of \$1,484,893.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 307,678	\$ 2,373,960
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	425,058
Changes of Assumptions	1,308,053	0
Contributions Subsequent to the Measurement Date of June 30, 2018	2,302,073	0
Total	\$ 3,917,804	\$ 2,799,018

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2018," will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

<u>For the Years ended June 30,</u>	
2020	\$ 337,200
2021	(175,242)
2022	(901,756)
2023	(443,489)

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

Payable to the Pension Plan

At June 30, 2019, the City reported no outstanding amount of contributions to the pension plan, including employee contributions, required at the year ended June 30, 2019.

NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

(B) TEACHERS LEGACY PLAN

General Information about the Pension Plan

Plan Description. Teachers employed by the Maryville City Schools with membership in the Tennessee Consolidated Retirement System (TCRS) before July 1, 2014 are provided with pensions through the Teacher Legacy Pension Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by Local Education Agencies (LEAs) after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan.

Benefits Provided. Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available at age 55 and vested. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service-related disability eligibility. The service related and non-service-related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10% and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3%, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A 1% COLA is granted if the CPI change is between one-half percent and 1%. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5% of salary. The LEAs make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by Maryville City Schools for the year ended June 30, 2019 to the Teacher Legacy Pension Plan were \$2,141,131 which is 10.46% of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). At June 30, 2019, the Maryville City Schools reported a liability (asset) of \$(2,349,428) for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. Maryville City Schools' proportion of the net pension liability was based on Maryville City Schools' share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2018, Maryville City Schools' proportion was 0.667657%. The proportion measured as of June 30, 2017 was 0.673848%.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2019, Maryville City Schools recognized pension expense (negative pension expense) of (\$504,492).

NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

(B) TEACHERS LEGACY PLAN (Continued)

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

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, Maryville City Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources shown below:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 474,899	\$ 3,169,563
Changes of Assumptions	1,387,583	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	511,333
Changes in Proportion of Net Pension Liability (Asset)	452,659	16,888
LEAs Contributions Subsequent to the Measurement Date of June 30, 2018	2,421,131	0
Total	<u>\$ 4,736,272</u>	<u>\$ 3,697,784</u>

Maryville City Schools' employer contributions of \$2,421,131 reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>For the Years ended June 30,</u>	
2020	\$ 652,363
2021	(582,253)
2022	(1,231,323)
2023	(221,430)

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Maryville City Schools' Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 18,110,865</u>	<u>\$ (2,349,428)</u>	<u>\$ (19,277,469)</u>

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

NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

(C) TEACHERS RETIREMENT PLAN

Payable to the Pension Plan

At June 30, 2019, Maryville City Schools' reported no payables for the outstanding amount of contributions to the pension plan, including employee contributions, required at the year ended June 30, 2019.

General Information about the Pension Plan

Plan Description. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan.

Benefits Provided. Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Retirement Plan are eligible to retire at age 65 with 5 years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available at age 60 and vested or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10% and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3%, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A 1% COLA is granted if the CPI change is between one-half percent and 1%. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5% of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than 4%, except for in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2019 to the Teacher Retirement Plan were \$109,550, which is 4% of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). At June 30, 2019, Maryville City Schools reported a liability (asset) of (\$115,753) for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018, and the total pension asset used to calculate the net pension asset was determined by an actuarial value as of that date. Maryville City Schools' proportion of the net pension asset was based on Maryville City Schools' share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2018, Maryville City Schools' proportion was 0.255229%. The proportion measured as of June 30, 2017 was 0.175774%.

Pension Expense. For the year ended June 30, 2019, Maryville City Schools' recognized a pension expense of \$37,701.

NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

(C) TEACHERS RETIREMENT PLAN (Continued)

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

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, Maryville City Schools' reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 6,556	\$ 4,611
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	6,539
Changes of Assumptions	5,461	0
Changes in Proportion of Net Pension Liability (Asset)	0	21,512
LEAs Contributions Subsequent to the Measurement Date of June 30, 2018	55,626	0
Total	<u>\$ 67,643</u>	<u>\$ 32,662</u>

Maryville City Schools employer contributions of \$109,550, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension liability (asset) in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>For the Years ended June 30,</u>	
2019	\$ (2,677)
2020	(2,885)
2021	(3,871)
2022	(2,108)
2023	(1,237)
Thereafter	(7,867)

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Maryville City Schools' Proportionate Share of the Net Pension Liability (Asset)	\$ 17,896	\$ (115,753)	\$ (214,221)

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

Payable to the Pension Plan

At June 30, 2019, Maryville City Schools' reported no payable for the outstanding amount of contributions to the pension plan, including employee contributions, required at the year ended June 30, 2019.

NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

(C) TEACHERS RETIREMENT PLAN (Continued)

TCRS Stabilization Trust

Legal Provisions. The Maryville City Schools is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The Maryville City Schools 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 Maryville City Schools.

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

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

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

Level 1: Unadjusted quoted prices for identical assets or liabilities in active markets that can be accessed at the measurement date.

Level 2: Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; assets or liabilities that have a bid-ask spread price in an inactive dealer market, brokered market and principal-to-principal market; and Level 1 assets or liabilities that are adjusted.

Level 3: Valuations derived from valuation techniques in which significant inputs are unobservable

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

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

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

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

NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

(C) TEACHERS RETIREMENT PLAN (Continued)

TCRS Stabilization Trust (Continued)

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

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

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

At June 30, 2019, the Maryville City Schools had the following investments held by the trust on its behalf.

	Weighted Average Maturity (Days)	Maturities	Fair Value
Investments at Fair Value			
U.S. Equity	N/A	N/A	\$ 19,283
Developed Market International Equity	N/A	N/A	8,709
Emerging Market International Equity	N/A	N/A	2,488
U.S. Fixed Income	N/A	N/A	12,441
Real Estate	N/A	N/A	6,220
Short-Term Securities	N/A	N/A	622
Investments at Amortized Cost using the NAV			
Private Equity and Strategic Lending	N/A	N/A	12,441
Total			\$ 62,204

	Carrying Amount	Fair Value Measurements Using				Amortized Cost (NAV)
		Quoted Prices in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
Investments at Fair Value						
U.S. Equity	\$ 19,283	\$ 19,283	\$ 0	\$ 0	\$ 0	0
Developed Market International Equity	8,709	8,709	0	0	0	0
Emerging Market International Equity	2,488	2,488	0	0	0	0
U.S. Fixed Income	12,441	0	12,441	0	0	0
Real Estate	6,220	0	0	6,220	0	0
Short-Term Securities	622	622	622	0	0	0
Private Equity and Strategic Lending	12,441	0	0	0	0	12,441
Total	\$ 62,204	\$ 31,102	\$ 13,063	\$ 6,220	\$ 12,441	

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.

NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

(C) TEACHERS RETIREMENT PLAN (Continued)

TCRS Stabilization Trust (Continued)

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Maryville City Schools 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. Maryville City Schools 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. Maryville City Schools 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 Maryville City Schools 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 Maryville City Schools to pay retirement benefits of the School Department employees.

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

(D) DEFINED CONTRIBUTION PLAN - MARYVILLE CITY SCHOOLS

Maryville City Schools contributes to the Higher Education and Teacher Hybrid Plan, a defined contribution pension plan under section 401(k) of the Internal Revenue Code, for teachers with membership in the Tennessee Consolidated Retirement System after June 30, 2014. This plan is a component of the defined benefit plan reported in Part (C) of this Note. Benefit terms, including contribution requirements, for the Plan are established by Tennessee Code Annotated Title 8, Chapters 34-37 and may be amended by the Tennessee General Assembly. For each employee in the pension plan the Maryville City Schools is required to contribute 5% of annual salary to an individual employee account. Employees have a 2% contribution, with an opt-out feature. For the year ended June 30, 2019 the Maryville City Schools recognized pension expense of \$176,457. Employees are immediately vested on all contributions and earnings on those contributions.

The Maryville City Schools reported no payable for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2019.

(E) CITY OF MARYVILLE UTILITIES RETIREMENT PROGRAM

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

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

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

Total pension expense in 2019 was \$174,591. As of June 30, 2019, there are 26 participants in the Plan.

NOTE 8 - EMPLOYEES' RETIREMENT SYSTEM (Continued)

(F) DEFERRED COMPENSATION PLAN

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

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

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

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

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

	School Retirees	City Retirees	Total
Liability at June 30, 2018	\$ 16,822,843	\$ 8,535,553	\$ 25,358,396
Changes for the Year			
Service Cost	1,311,427	238,621	1,550,048
Interest	627,797	314,319	942,116
Experience Losses (Gains)	(198,055)	(1,751,552)	(1,949,607)
Changes in Assumptions	3,893,615	(473,352)	3,420,263
Benefits Paid	(887,097)	(139,032)	(1,026,129)
Net Changes	4,747,687	(1,810,996)	2,936,691
Liability at June 30, 2019	\$ 21,570,530	\$ 6,724,557	\$ 28,295,087

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

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

The salary increases assumption used in the January 1, 2019 valuation were based on the results of an actuarial experience study for period July 1, 2015 – June 30, 2016. The discount rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2018 and changed from 3.67% for the prior year. Health cost trend rates were changed from 8.00% grading uniformly to an ultimate rate of 5.00% over 12 years. Mortality, withdrawal, retirement and disability rates are based upon the Tennessee Consolidated Retirement System and were updated to current decrement studies completed for the State of Tennessee. The participation rate assumption for City Retirees was lowered from 95% to 75% based upon an experience study performed for the City of Maryville.

For the year ended June 30, 2019, the City recognized OPEB expense of:

School Retiree Plan	\$ 2,370,301
City Retiree Plan	226,917
Total	\$ 2,597,218

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

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

At June 30, 2019 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	School Retiree Plan	City Retiree Plan	Total
Deferred Outflows of Resources			
Change in Assumptions - July 1, 2018	\$ 3,406,913	\$ 0	\$ 3,406,913
Deferred Inflows of Resources			
Experience Losses (Gains) - July 1, 2017	\$ 216,074	\$ 57,250	\$ 273,324
Experience Losses (Gains) - July 1, 2018	173,298	1,501,330	1,674,628
Change in Assumptions - July 1, 2018	0	405,730	405,730
Total	\$ 389,372	\$ 1,964,310	\$ 2,353,682

Contributions between the measurement date January 1, 2019 and the disclosure date June 30, 2019 are reported as a deferred outflow of resources and will be recognized as a reduction (increase) in net OPEB liability in the subsequent measurement period.

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

Year Ended June 30,	School Retiree Plan	City Retiree Plan	Total
2020	\$ 431,077	\$ (326,023)	\$ 105,054
2021	431,077	(326,023)	105,054
2022	431,077	(326,023)	105,054
2023	431,077	(326,023)	105,054
2024	431,077	(326,023)	105,054
Thereafter	862,156	(334,195)	527,961

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

Plan Description and Benefits

CITY RETIREES

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

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

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

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

Plan Description and Benefits (Continued)

CITY RETIREES (Continued)

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

	1% Decrease (2.64%)	Current Discount Rate (3.64%)	1% Increase (4.64%)
Total OPEB Liability	\$ <u>7,118,505</u>	\$ <u>6,724,557</u>	\$ <u>6,336,984</u>

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

	1% Decrease (6.50%)	Healthcare Cost Trend Rate (7.50%)	1% Increase (8.50%)
Total OPEB Liability	\$ <u>6,072,574</u>	\$ <u>6,724,557</u>	\$ <u>7,486,853</u>

SCHOOL RETIREES

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

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

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

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

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

Plan Description and Benefits (Continued)

SCHOOL RETIREES (Continued)

Sensitivity of the Total OPEB Liability to Changes in Discount Rate. The following presents the total OPEB liability of the School, as well as what the School's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.67%) or 1 percentage-point higher (4.67%) than the current discount rate:

	1% Decrease (2.67%)	Current Discount Rate (3.67%)	1% Increase (4.67%)
Total OPEB Liability	\$ <u>23,035,283</u>	\$ <u>21,570,530</u>	\$ <u>20,178,966</u>

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

	1% Decrease (6.50%)	Healthcare Cost Trend Rate (7.50%)	1% Increase (8.50%)
Total OPEB Liability	\$ <u>19,274,079</u>	\$ <u>21,570,530</u>	\$ <u>24,289,699</u>

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

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

NOTE 11 - SELF-INSURANCE

(A) WORKMEN'S COMPENSATION

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

The self-insurance plan is augmented by coverage with the Tennessee Municipal League (TML) Risk Management Pool, whereby coverage is extended for claims over \$400,000 per occurrence and \$400,000 aggregate.

(B) EMPLOYEE'S BENEFITS - MEDICAL PLAN

The City is self-insured for employee medical benefits. The Maryville Schools separately determine their employee benefits and premiums and accordingly are recorded in a separate internal service fund.

The self-insurance plans are augmented by coverage with Sun Life of Canada, whereby coverage is extended for claims exceeding \$160,000 per employee which limits the exposure to large individual claims.

NOTE 11 - SELF-INSURANCE (Continued)

(C) CLAIMS LIABILITIES

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

	Fiscal Year	Liability - Beginning	Claims and Changes in Estimates	Fiscal Year Claim Payments	Liability - Ending
Employee Medical					
Self-Insurance/Dental Insurance	2016-2017	\$ 0	\$ 10,676,444	\$ 10,160,400	\$ 516,044
	2017-2018	516,044	10,748,262	10,766,874	497,432
	2018-2019	497,432	10,514,436	10,521,739	490,129
Retiree Medical Self-Insurance	2016-2017	\$ 0	\$ 839,137	\$ 810,137	\$ 29,000
	2017-2018	29,000	605,112	625,127	8,985
	2018-2019	8,985	1,026,129	977,573	57,541
Workmen's Compensation					
Self-Insurance	2016-2017	\$ 0	\$ 471,472	\$ 286,472	\$ 185,000
	2017-2018	185,000	159,073	215,698	128,375
	2018-2019	128,375	243,854	209,014	163,215

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

NOTE 12 - CONSTRUCTION CONTRACTS

As of June 30, 2019, the City of Maryville, Tennessee had the following commitments with respect to unfinished construction-in-progress:

Project Name	Total Contract or Estimated Amount	Costs Incurred Through June 30, 2019	Estimated Cost to Complete
Robert C. Jackson Extension	\$ 11,732,606	\$ 6,899,715	\$ 4,832,891
SIA Road-Denso-Clydesdale	478,552	0	478,552
SIA Road-RCJ Widening	407,772	0	407,772
Greenway Bridge Replacement	170,000	442	169,558
Intersection Improvements at 1717 W. Broadway Avenue	1,260,000	381,197	878,803
John Sevier Tennis Court Replacement	326,603	286,603	40,000
Elementary Schools Expansion	5,294,581	5,045,728	248,853
FHE-HVAC	1,108,300	795,517	312,783
	<u>\$ 20,778,414</u>	<u>\$ 13,409,202</u>	<u>\$ 7,369,212</u>

NOTE 13 - JOINT VENTURES

In order to pool resources and share the costs, risks and rewards of providing services for the benefit of the general public, the City of Maryville, Tennessee participates (has an on-going financial interest and financial responsibility) in the following joint ventures.

(A) EMERGENCY COMMUNICATIONS DISTRICT OF BLOUNT COUNTY

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

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

For the fiscal year ended June 30, 2019, the City of Maryville, Tennessee contributed \$171,900 to the Blount County Emergency Communications District. Summary financial information, as required by generally accepted accounting principles, for the fiscal year ended June 30, 2018, the most recent fiscal year available, is presented below:

Operating Revenues	\$ 1,496,841
Operating Expenses	<u>2,154,079</u>
Operating Income (Loss)	(657,238)
Non-Operating Revenues	<u>1,172,529</u>
Change in Net Position	515,291
Net Position - July, 1 2017	<u>3,925,085</u>
Net Position - June 30, 2018	<u>\$ 4,440,376</u>
 Total Assets	 \$ <u>5,674,383</u>
Deferred Outflows of Resources	\$ <u>45,588</u>
Total Liabilities	\$ <u>1,263,319</u>
Deferred Inflows of Resources	\$ <u>16,276</u>
Net Position	<u>\$ 4,440,376</u>

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

(B) RECREATION AND PARKS COMMISSION

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

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

NOTE 13 - JOINT VENTURES (Continued)

(B) RECREATION AND PARKS COMMISSION (Continued)

For the fiscal year ended June 30, 2019, the City of Maryville, Tennessee contributed \$781,855 to the Recreation and Parks Commission to fund operations. Summary financial information, as required by accounting principles generally accepted in the United States of America, for the fiscal year ended June 30, 2018, is presented below:

Revenues	\$ 2,963,708
Expenditures	<u>2,858,030</u>
Change in Net Position	105,678
Net Position - July, 1 2017	<u>1,539,443</u>
Net Position - June 30, 2018	<u>\$ 1,645,121</u>
 Total Assets	 <u>\$ 1,799,788</u>
Deferred Outflows of Resources	<u>\$ 100,298</u>
Total Liabilities	<u>\$ 48,482</u>
Deferred Inflows of Resources	<u>\$ 254,965</u>
Net Position	<u>\$ 1,645,121</u>

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

(C) BLOUNT COUNTY CABLE TELEVISION AUTHORITY

The City of Maryville, Blount County, and the City of Alcoa, Tennessee jointly regulate the operation of cable television through the Blount County Cable Television Authority. The Authority is composed of nine (9) appointed members. The Authority funds its budget through the collection of cable television franchise fees from companies under its jurisdiction. After payment of the Authority's expenses, the residual of those collections is remitted to the County and the two Cities based on point of collection.

Summary financial information, as required by accounting principles generally accepted in the United States of America, for the fiscal year ended June 30, 2018 is presented below:

Revenues	\$ 1,050,448
Expenditures	<u>25,075</u>
Excess of Revenue Over Expenditures Before	
Franchise Fee Distributions	1,025,373
Franchise Fee Distributions to County and Cities	<u>1,024,141</u>
Change in Net Position	1,232
Net Position - July, 1 2018	<u>17,680</u>
Net Position - June 30, 2019	<u>\$ 18,912</u>
 Total Assets	 <u>\$ 265,172</u>
Total Liabilities	<u>\$ 246,260</u>
Net Position	<u>\$ 18,912</u>

No joint venture debt was reported on the financial statements of the Authority as of June 30, 2018.

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

NOTE 13 - JOINT VENTURES (Continued)

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

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

For the fiscal year ended June 30, 2019, the City of Maryville contributed \$1,269,764 to the Industrial Development Board of Blount County and the Cities of Alcoa and Maryville, Tennessee (inclusive of payments for the development and operation of three (3) industrial parks as more fully described in Note 14).

Summary financial information, as required by accounting principles generally accepted in the United States of America, for the fiscal year ended June 30, 2018, the most recent fiscal year available, is presented below:

Revenues	\$ 3,927,663
Expenditures	<u>8,558,439</u>
Change in Net Position	(4,630,776)
Net Position - July, 1 2017	<u>41,827,941</u>
Net Position - June 30, 2018	<u>\$ 37,197,165</u>
 Total Assets	 <u>\$ 69,862,000</u>
Total Liabilities	<u>\$ 32,664,239</u>
Deferred Inflows of Resources	<u>\$ 596</u>
Net Position	<u>\$ 37,197,165</u>

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

NOTE 14 - JOINT DEVELOPMENT OF INDUSTRIAL PARKS

(A) PARTNERSHIP PARK NORTH - PARTNERSHIP PARK SOUTH

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

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

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

NOTE 14 - JOINT DEVELOPMENT OF INDUSTRIAL PARKS

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

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

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

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

NOTE 15 - RISK FINANCING ACTIVITIES

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

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

NOTE 16 - PENDING LITIGATION

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

NOTE 17 - SUBSEQUENT EVENTS

The date to which events occurring after June 30, 2019, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosures is October 30, 2019, which is the date on which the financial statements were issued.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

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

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

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

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

CITY OF MARYVILLE, TENNESSEE
SCHEDULES OF CONTRIBUTIONS
PUBLIC EMPLOYEE PENSION PLAN OF TCRS

Fiscal Years Ended June 30

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$ 2,302,073	\$ 2,215,967	\$ 2,176,824	\$ 2,145,243	\$ 2,030,190	\$ 1,995,417
Contributions in Relation to the Actuarially Determined Contribution	<u>2,302,073</u>	<u>2,215,967</u>	<u>2,176,824</u>	<u>2,145,243</u>	<u>2,030,190</u>	<u>1,995,417</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 20,458,870	\$ 19,679,977	\$ 19,332,367	\$ 18,030,107	\$ 18,030,107	\$ 17,291,306
Contributions as a Percentage of Covered Payroll	11.25%	11.26%	11.26%	11.90%	11.26%	11.54%

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

Notes:

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

Methods and Assumptions Used to Determine Contribution Rates:

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

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

CITY OF MARYVILLE, TENNESSEE

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

Fiscal Years Ended June 30

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

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 2,421,131	\$ 2,122,828	\$ 2,153,345	\$ 2,089,867	\$ 2,078,187	\$ 2,020,967
Contribution in Relation to the Contractually Required Contribution	<u>2,421,131</u>	<u>2,122,828</u>	<u>2,153,345</u>	<u>2,089,867</u>	<u>2,078,187</u>	<u>2,020,967</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Maryville City Schools' Covered Payroll	\$ 23,146,566	\$ 23,379,049	\$ 23,742,683	\$ 23,117,988	\$ 22,998,822	\$ 22,758,632
Contributions as a percentage of Maryville City Schools' Covered Payroll	10.46%	9.08%	9.07%	9.04%	9.04%	8.88%

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

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

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

Fiscal Years Ended June 30

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

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

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

Fiscal Years Ended June 30

	<u>2019*</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 55,626	\$ 36,372	\$ 46,147	\$ 18,688	\$ 5,240
Contribution in Relation to the Contractually Required Contribution	<u>55,626</u>	<u>89,216</u>	<u>46,147</u>	<u>29,862</u>	<u>8,384</u>
Contribution Deficiency (Excess)	<u><u>0</u></u>	<u><u>(52,844)</u></u>	<u><u>0</u></u>	<u><u>(11,174)</u></u>	<u><u>(3,144)</u></u>
Maryville City Schools' Covered Payroll	\$ 2,867,327	\$ 2,230,393	\$ 1,170,625	\$ 746,552	\$ 209,611
Contributions as a percentage of Maryville City Schools' Covered Payroll	1.94%	4.00%	3.94%	4.00%	4.00%

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

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

* In FY 2019 the Maryville City Schools placed the actuarially determined contribution rate of 1.94% of covered payroll into the pension plan and placed 2.06% of covered payroll into the Pension Stabilization Reserve Trust.

CITY OF MARYVILLE, TENNESSEE

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

Fiscal Year Ended June 30

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

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

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

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

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

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

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

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

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

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

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

OTHER SUPPLEMENTARY INFORMATION

CITY OF MARYVILLE, TENNESSEE
COMBINING BALANCE SHEET
Non-Major Governmental Funds
June 30, 2019

Special Revenue Funds							
	State Street Aid	Maryville City Schools Cafeteria	Federal Projects	Special Projects	Maryville City Schools Continuing Care Program	Local Grant	Stormwater
ASSETS							
Cash and Cash Equivalents	\$ 1,594,632	\$ 1,026,165	\$ 0	\$ 185,225	\$ 480,786	\$ 531,816	\$ 446,238
Accounts Receivable	0	0	0	0	5,336	30,000	57,146
Due From Other Governments	85,278	3,553	67,522	0	0	379,535	0
Inventories	0	50,426	0	0	0	0	0
Due From Other Funds	0	0	261,391	0	0	0	22,584
Total Assets	\$ 1,679,910	\$ 1,080,144	\$ 328,913	\$ 185,225	\$ 486,122	\$ 941,351	\$ 525,968
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts Payable	\$ 386,057	\$ 0	\$ 0	\$ 9	\$ 65	\$ 0	\$ 25,236
Due to Other Funds	0	105,365	0	0	175,939	0	0
Accrued Payroll	0	131,058	245,754	0	511	0	0
Other Liabilities	0	61,949	83,159	0	9,786	0	0
Total Liabilities	386,057	298,372	328,913	9	186,301	0	25,236
Fund Balances							
Nonspendable	0	50,426	0	0	0	0	0
Restricted	1,293,853	731,346	0	17,429	0	0	500,732
Assigned	0	0	0	167,787	299,821	941,351	0
Total Fund Balances	1,293,853	781,772	0	185,216	299,821	941,351	500,732
Total Liabilities and Fund Balances	\$ 1,679,910	\$ 1,080,144	\$ 328,913	\$ 185,225	\$ 486,122	\$ 941,351	\$ 525,968

CITY OF MARYVILLE, TENNESSEE
COMBINING BALANCE SHEET (Continued)
Non-Major Governmental Funds
June 30, 2019

	Special Revenue Funds		Total Special Revenue Funds	Capital Project Funds		Total Capital Project Funds	Total Non-Major Governmental Funds
	Drug	GIS		School Construction	Equipment Replacement		
ASSETS							
Cash and Cash Equivalents	\$ 207,964	\$ 80,603	\$ 4,553,429	\$ 700,581	\$ 1,166,962	\$ 1,867,543	\$ 6,420,972
Accounts Receivable	0	91,730	184,212	0	0	0	184,212
Due from Other Governments	0	0	535,888	0	0	0	535,888
Inventories	0	0	50,426	0	0	0	50,426
Due from Other Funds	0	0	283,975	0	0	0	283,975
Total Assets	\$ 207,964	\$ 172,333	\$ 5,607,930	\$ 700,581	\$ 1,166,962	\$ 1,867,543	\$ 7,475,473
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts Payable	\$ 7,343	\$ 43	\$ 418,753	\$ 434,997	\$ 145,739	\$ 580,736	\$ 999,489
Due to Other Funds	0	0	281,304	0	0	0	281,304
Accrued Payroll	0	0	377,323	0	0	0	377,323
Other Liabilities	0	0	154,894	0	0	0	154,894
Total Liabilities	7,343	43	1,232,274	434,997	145,739	580,736	1,813,010
Fund Balances							
Nonspendable	0	0	50,426	0	0	0	50,426
Restricted	200,621	172,290	2,916,271	0	0	0	2,916,271
Assigned	0	0	1,408,959	265,584	1,021,223	1,286,807	2,695,766
Total Fund Balances	200,621	172,290	4,375,656	265,584	1,021,223	1,286,807	5,662,463
Total Liabilities and Fund Balances	\$ 207,964	\$ 172,333	\$ 5,607,930	\$ 700,581	\$ 1,166,962	\$ 1,867,543	\$ 7,475,473

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

Non-Major Governmental Funds

For the Year Ended June 30, 2019

	Special Revenue Funds						
	State Street Aid	Maryville City Schools Cafeteria	Federal Projects	Special Projects	Maryville City Schools Continuing Care Program	Local Grant	Stormwater
Revenues							
Intergovernmental							
State Taxes	\$ 964,102	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Grants	0	0	2,014,240	0	0	500,234	0
U.S.D.A. Revenue	0	1,102,080	0	0	0	0	0
Other	0	18,432	0	0	0	0	0
Charges for Services	0	1,386,615	0	0	1,083,573	0	1,433,715
Fines, Forfeitures and Court Costs	0	0	0	0	0	0	0
Interest Income	0	24,367	0	0	12,599	0	0
Miscellaneous	0	0	0	3,656	0	0	0
Total Revenues	964,102	2,531,494	2,014,240	3,656	1,096,172	500,234	1,433,715
Expenditures							
Current							
General Government	0	0	0	0	0	0	0
Public Safety	0	0	0	0	0	36,446	0
Public Works	870,568	0	0	0	0	0	1,215,623
Culture and Recreation	0	0	0	5,572	0	0	0
Economic Development	0	0	0	150,000	0	0	0
Education	0	2,315,747	2,014,240	0	1,112,662	0	0
Capital Outlay	434,722	253,724	0	0	0	579,672	259,198
Total Expenditures	1,305,290	2,569,471	2,014,240	155,572	1,112,662	616,118	1,474,821
Net Change in Fund Balance Before							
Other Financing Sources (Uses)	(341,188)	(37,977)	0	(151,916)	(16,490)	(115,884)	(41,106)
Other Financing Sources (Uses)							
Transfers In	0	0	0	0	0	498,795	115,000
Transfers Out	0	0	0	0	0	0	0
Issuance of Loan Proceeds	0	0	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0	498,795	115,000
Net Change in Fund Balance	(341,188)	(37,977)	0	(151,916)	(16,490)	382,911	73,894
Fund Balance, July 1st	1,635,041	819,749	0	337,132	316,311	558,440	426,838
Fund Balance, June 30th	\$ 1,293,853	\$ 781,772	\$ 0	\$ 185,216	\$ 299,821	\$ 941,351	\$ 500,732

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

Non-Major Governmental Funds

For the Year Ended June 30, 2019

	Special Revenue Funds			Capital Project Funds			Total Non-Major Governmental Funds
	Drug	GIS	Total Special Revenue Funds	School Construction	Equipment Replacement	Total Capital Project Fund	
Revenues							
Intergovernmental							
State Taxes	\$ 0	\$ 0	\$ 964,102	\$ 0	\$ 0	\$ 0	\$ 964,102
Federal Grants	0	0	2,514,474	0	0	0	2,514,474
U.S.D.A. Revenue	0	0	1,102,080	0	0	0	1,102,080
Other	0	427,529	445,961	0	0	0	445,961
Charges for Services	32,430	17,565	3,953,898	0	0	0	3,953,898
Fines, Forfeitures and Court Costs	2,803	0	2,803	0	0	0	2,803
Interest Income	0	0	36,966	0	0	0	36,966
Miscellaneous	51,501	0	55,157	0	357,496	357,496	412,653
Total Revenues	86,734	445,094	9,075,441	0	357,496	9,432,937	9,432,937
Expenditures							
Current							
General Government	0	427,528	427,528	0	9,251	9,251	436,779
Public Safety	45,312	0	81,758	0	0	0	81,758
Public Works	0	0	2,086,191	0	0	0	2,086,191
Culture and Recreation	0	0	5,572	0	0	0	5,572
Economic Development	0	0	150,000	0	0	0	150,000
Education	0	0	5,442,649	0	0	0	5,442,649
Capital Outlay	88,987	0	1,616,303	6,231,834	1,771,379	8,003,213	9,619,516
Total Expenditures	134,299	427,528	9,810,001	6,231,834	1,780,630	8,012,464	17,822,465
Net Change in Fund Balances Before							
Other Financing Sources (Uses)	(47,565)	17,566	(734,560)	(6,231,834)	(1,423,134)	(7,654,968)	(8,389,528)
Other Financing Sources (Uses)							
Transfers In	0	0	613,795	931,224	1,500,000	2,431,224	3,045,019
Transfers Out	0	0	0	(8,627)	0	(8,627)	(8,627)
Issuance of Loan Proceeds	0	0	0	1,240,328	0	1,240,328	1,240,328
Total Other Financing Sources (Uses)	0	0	613,795	2,162,925	1,500,000	3,662,925	4,276,720
Net Change in Fund Balance	(47,565)	17,566	(120,765)	(4,068,909)	76,866	(3,992,043)	(4,112,808)
Fund Balance, July 1st	248,186	154,724	4,496,421	4,334,493	944,357	5,278,850	9,775,271
Fund Balance, June 30th	\$ 200,621	\$ 172,290	\$ 4,375,656	\$ 265,584	\$ 1,021,223	\$ 1,286,807	\$ 5,662,463

INTERNAL SERVICE FUNDS

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

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

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

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

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

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

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

CITY OF MARYVILLE, TENNESSEE
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

June 30, 2019

	City Employee Medical Self- Insurance Fund	Schools Employee Medical Self- Insurance Fund	City Retiree Medical Self- Insurance Fund	School Retiree Medical Self- Insurance Fund	Self-Insured Workmen's Compensation Fund	Information Technology Systems Fund	Fleet Maintenance Fund	Facilities Management Fund	Total Internal Service Funds
ASSETS									
Current Assets									
Cash	\$ 1,062,964	\$ 1,211,726	\$ 266,199	\$ 198,926	\$ 824,294	\$ 221,154	\$ 204,369	\$ 932,638	\$ 4,922,270
Accounts Receivable	2,201	89,214	0	0	0	0	0	0	91,415
Parts, Supplies, and Fuel									
Inventories	0	0	0	0	0	0	209,351	0	209,351
Due From Other Funds	0	0	0	0	0	0	7,363	0	7,363
Total Current Assets	1,065,165	1,300,940	266,199	198,926	824,294	221,154	421,083	932,638	5,230,399
Capital Assets									
Building and Improvements	0	0	0	0	0	0	873,125	0	873,125
Data Processing Equipment	0	0	0	0	0	231,060	0	0	231,060
Software	0	0	0	0	0	7,000	0	0	7,000
Fleet Maintenance Equipment	0	0	0	0	0	0	393,759	0	393,759
	0	0	0	0	0	238,060	1,266,884	0	1,504,944
Less: Accumulated Depreciation and Amortization	0	0	0	0	0	221,394	933,266	0	1,154,660
Net Capital Assets	0	0	0	0	0	16,666	333,618	0	350,284
Total Assets	1,065,165	1,300,940	266,199	198,926	824,294	237,820	754,701	932,638	5,580,683
LIABILITIES AND NET POSITION									
Current Liabilities									
Accounts Payable	221,695	359,849	6,629	50,912	163,215	12,723	23,362	125,520	963,905
Total Current Liabilities	221,695	359,849	6,629	50,912	163,215	12,723	23,362	125,520	963,905
Net Position									
Investment in Capital Assets	0	0	0	0	0	16,666	333,618	0	350,284
Unrestricted	843,470	941,091	259,570	148,014	661,079	208,431	397,721	807,118	4,266,494
Total Net Position	\$ 843,470	\$ 941,091	\$ 259,570	\$ 148,014	\$ 661,079	\$ 225,097	\$ 731,339	\$ 807,118	\$ 4,616,778

CITY OF MARYVILLE, TENNESSEE

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2019

	City Employee Medical Self- Insurance Fund	Schools Employee Medical Self- Insurance Fund	City Retiree Medical Self- Insurance Fund	School Retiree Medical Self- Insurance Fund	Self-Insured Workmen's Compensation Fund	Information Technology Systems Fund	Fleet Maintenance Fund	Facilities Management Fund	Total Internal Service Funds
OPERATING REVENUES									
Insurance Charges	\$ 4,472,220	\$ 6,185,273	\$ 197,622	\$ 860,339	\$ 372,491	\$ 0	\$ 0	\$ 0	\$ 12,087,945
Facilities Charges	0	0	0	0	0	0	0	1,543,114	1,543,114
Data Processing Charges	0	0	0	0	0	1,099,444	0	0	1,099,444
Equipment Repair Charges	0	0	0	0	0	0	883,140	0	883,140
Miscellaneous	457	0	0	0	0	21,969	106,027	0	128,453
Total Operating Revenues	4,472,677	6,185,273	197,622	860,339	372,491	1,121,413	989,167	1,543,114	15,742,096
OPERATING EXPENSES									
Salaries and Related Costs	0	0	0	0	0	513,940	558,512	78,263	1,150,715
Other Services	0	0	0	0	0	502,099	11,368	460,247	973,714
Supplies and Parts	0	0	0	0	0	55,930	52,022	19,406	127,358
Training	0	0	0	0	0	5,303	4,476	0	9,779
Inventory Adjustments	0	0	0	0	0	0	(12,409)	0	(12,409)
Building and Office Rental	0	0	0	0	0	0	56,660	0	56,660
Insurance	0	0	0	0	0	706	11,122	20,231	32,059
Software Licenses and Minor Equipment	0	0	0	0	0	0	6,050	0	6,050
Depreciation	0	0	0	0	0	8,139	49,122	0	57,261
Utilities	0	0	0	0	0	0	0	400,200	400,200
Communications	0	0	0	0	0	3,388	0	35,275	38,663
Repair and Maintenance	0	0	0	0	0	165	13,830	304,374	318,369
Insurance Claims Premiums and Administrative Expenses	4,136,309	6,378,127	139,032	887,097	245,854	0	0	0	11,786,419
Other	0	0	0	0	0	1,858	15,514	76,882	94,254
Total Operating Expenses	4,136,309	6,378,127	139,032	887,097	245,854	1,091,528	766,267	1,394,878	15,039,092
CHANGE IN NET POSITION	336,368	(192,854)	58,590	(26,758)	126,637	29,885	222,900	148,236	703,004
NET POSITION - July 1st	507,102	1,133,945	200,980	174,772	534,442	195,212	508,439	658,882	3,913,774
NET POSITION - June 30th	\$ 843,470	\$ 941,091	\$ 259,570	\$ 148,014	\$ 661,079	\$ 225,097	\$ 731,339	\$ 807,118	\$ 4,616,778

CITY OF MARYVILLE, TENNESSEE
COMBINING CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2019

	City Employee Medical Self- Insurance Fund	Schools Employee Medical Self- Insurance Fund	City Retiree Medical Self- Insurance Fund	School Retiree Medical Self- Insurance Fund	Self-Insured Workmen's Compensation Fund	Information Technology Systems Fund	Fleet Maintenance Fund	Facilities Management Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES									
Insurance Premiums/Reimbursements Collected	\$ 602,186	\$ 860,668	\$ 56,804	\$ 115,955	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,635,613
Collections from Various City Departments	4,249,743	6,750,175	348,428	943,069	1,035,308	1,315,745	922,837	2,218,742	17,784,047
Other	457	0	0	0	0	22,000	106,027	0	128,484
Payments to Other Suppliers of Goods and Services	(4,175,162)	(6,399,117)	(139,033)	(860,098)	(211,014)	(722,855)	(313,109)	(1,235,592)	(14,055,980)
Payments to Employees for Services	0	0	0	0	0	(371,736)	(411,229)	(50,512)	(833,477)
Net Cash Provided By (Used In) Operating Activities	<u>677,224</u>	<u>1,211,726</u>	<u>266,199</u>	<u>198,926</u>	<u>824,294</u>	<u>243,154</u>	<u>304,526</u>	<u>932,638</u>	<u>4,658,687</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES									
Acquisition of Capital Assets	0	0	0	0	0	(22,000)	(100,157)	0	(122,157)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	677,224	1,211,726	266,199	198,926	824,294	221,154	204,369	932,638	4,536,530
CASH AND CASH EQUIVALENTS - July 1st	<u>385,740</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>385,740</u>
CASH AND CASH EQUIVALENTS - June 30th	<u>\$ 1,062,964</u>	<u>\$ 1,211,726</u>	<u>\$ 266,199</u>	<u>\$ 198,926</u>	<u>\$ 824,294</u>	<u>\$ 221,154</u>	<u>\$ 204,369</u>	<u>\$ 932,638</u>	<u>\$ 4,922,270</u>

CITY OF MARYVILLE, TENNESSEE
COMBINING CASH FLOWS (Continued)
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2019

	City Employee Medical Self- Insurance Fund	Schools Employee Medical Self- Insurance Fund	City Retiree Medical Self- Insurance Fund	School Retiree Medical Self- Insurance Fund	Self-Insured Workmen's Compensation Fund	Information Technology Systems Fund	Fleet Maintenance Fund	Facilities Management Fund	Total Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPEARTING ACTIVITIES									
Operating Income (loss)	\$ 336,368	\$ (192,854)	\$ 58,590	\$ (26,758)	\$ 126,637	\$ 29,885	\$ 222,900	\$ 148,236	\$ 703,004
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Expenses:									
Add Non-Cash Expenses:									
Depreciation	0	0	0	0	0	8,139	49,122	0	57,261
Changes in Assets and Liabilities:									
Accounts Receivable	54,462	(1,922)	0	21,556	0	0	0	0	74,096
Due from Other Funds	325,248	1,427,492	207,609	177,128	662,816	216,301	39,697	675,628	3,731,919
Inventories	0	0	0	0	0	0	(30,139)	0	(30,139)
Accounts Payable	(38,854)	(20,990)	0	27,000	34,841	(11,171)	22,946	108,774	122,546
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 677,224	\$ 1,211,726	\$ 266,199	\$ 198,926	\$ 824,294	\$ 243,154	\$ 304,526	\$ 932,638	\$ 4,658,687

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt not being accounted for in the Enterprise Funds.

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

DEBT SERVICE FUND

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues				
Maryville College	\$ 1,096,600	\$ 1,096,600	\$ 1,096,600	\$ 0
Interest Earned	10,000	10,000	245,309	235,309
Total Revenues	<u>1,106,600</u>	<u>1,106,600</u>	<u>1,341,909</u>	<u>235,309</u>
Expenditures				
Debt Service				
Principal Retirement	3,360,104	3,472,200	3,402,289	69,911
Interest and Fiscal Fees	2,824,507	2,836,059	2,511,738	324,321
Payments Under Capital Leases	1,096,600	1,096,600	1,096,600	0
Total Expenditures	<u>7,281,211</u>	<u>7,404,859</u>	<u>7,010,627</u>	<u>394,232</u>
Net Change in Fund Balance Before Other Financing Sources (Uses)	<u>(6,174,611)</u>	<u>(6,298,259)</u>	<u>(5,668,718)</u>	<u>629,541</u>
Other Financing Sources (Uses)				
Transfers In	6,174,611	6,298,259	6,236,936	(61,323)
Net Change in Fund Balance	0	0	568,218	568,218
Fund Balance, July 1st	<u>836,938</u>	<u>836,938</u>	<u>836,938</u>	<u>0</u>
Fund Balance, June 30th	<u>\$ 836,938</u>	<u>\$ 836,938</u>	<u>\$ 1,405,156</u>	<u>\$ 568,218</u>

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

State Street Aid Fund - The State Street Aid Fund is used to account for the State gasoline tax. Proceeds of this tax must be expended for the improvement and maintenance of City streets.

Maryville City Schools Cafeteria Fund - The Maryville City Schools Cafeteria Fund is used to account for the operations of all cafeterias in the Maryville City School System. Revenues are provided primarily by the sale of meals (breakfasts, lunches, and a la carte items) and reimbursements from the United States Department of Agriculture (USDA).

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

Special Projects Fund - The Special Projects Fund is used to account for the revenues and expenditures associated with the Sanitation Santa Program, economic development activities, and community events.

Maryville City Schools Continuing Care Program Fund - The Maryville City Schools Continuing Care Program Fund is used to account for the revenues (primarily fees) and expenditures of the before- and after-school programs at the three (3) City of Maryville elementary schools and two (2) City of Maryville middle schools.

Local Grant Fund - The Local Grant Fund is used to account for the proceeds of federal and state grants and the related expenditures therefrom.

Drug Fund - The Drug Fund is used to account for revenues (primarily drug related fines) which must be expended on drug-enforcement operations of the City.

Geographic Information System (GIS) Fund - The Geographic Information System Fund is used to account for the revenues (primarily intergovernmental funding) and expenditures associated with the development and maintenance of a geographic information system.

Stormwater Fund - The Storm Water Fund is used to account for the revenues (primarily fees assessed to property owners) and expenditures associated with the City's Storm Water System. Prior to July 1, 2016, the Stormwater Fund was classified as an Enterprise Fund.

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
STATE STREET AID – SPECIAL REVENUE FUND
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues				
Intergovernmental – State Gasoline Tax	\$ 954,571	\$ 954,571	\$ 964,102	\$ 9,531
Expenditures				
Salaries	30,000	16,372	16,372	0
Fringe Benefits	1,175	1,312	1,284	28
Operating Expenses	850,000	837,973	814,182	23,791
Materials and Supplies	61,500	48,153	38,730	9,423
Capital Outlay	250,000	438,864	434,722	4,142
Total Expenditures	1,192,675	1,342,674	1,305,290	37,384
Net Change in Fund Balance	(238,104)	(388,103)	(341,188)	46,915
Fund Balance, July 1st	1,635,041	1,635,041	1,635,041	0
Fund Balance, June 30th	\$ 1,396,937	\$ 1,246,938	\$ 1,293,853	\$ 46,915

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MARYVILLE CITY SCHOOLS CAFETERIA - SPECIAL REVENUE FUND
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues				
U.S.D.A. Revenue	\$ 1,068,027	\$ 1,068,027	\$ 1,102,080	\$ 34,053
State Revenues	18,980	18,980	18,432	(548)
Charges for Services	1,298,583	1,298,583	1,386,615	88,032
Interest Income	4,500	4,500	24,367	19,867
Total Revenues	<u>2,390,090</u>	<u>2,390,090</u>	<u>2,531,494</u>	<u>141,404</u>
Expenditures				
Food	1,086,027	1,094,147	1,082,518	11,629
Salaries	869,563	860,997	860,603	394
Fringe Benefits	279,065	280,461	274,931	5,530
Operating Expenses	50,435	43,881	40,873	3,008
Materials and Supplies	75,000	56,880	56,822	58
Capital Outlay	30,000	253,724	253,724	0
Total Expenditures	<u>2,390,090</u>	<u>2,590,090</u>	<u>2,569,471</u>	<u>20,619</u>
Net Change in Fund Balance	0	(200,000)	(37,977)	162,023
Fund Balance, July 1st	<u>819,749</u>	<u>819,749</u>	<u>819,749</u>	<u>0</u>
Fund Balance, June 30th	<u>\$ 819,749</u>	<u>\$ 619,749</u>	<u>\$ 781,772</u>	<u>\$ 162,023</u>

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FEDERAL PROJECTS - SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,967,758	\$ 2,024,599	\$ 2,014,240	\$ (10,359)
Expenditures				
Regular Instruction	820,716	822,317	814,768	7,549
Regular Instruction Support	8,140	9,289	9,289	0
Special Education Instruction	797,904	811,437	808,627	2,810
Special Education Support	291,956	296,437	296,437	0
Vocational Education Instruction	28,955	48,669	48,669	0
Vocational Education Support	20,087	36,450	36,450	0
Total Expenditures	<u>1,967,758</u>	<u>2,024,599</u>	<u>2,014,240</u>	<u>10,359</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance, July 1st	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30th	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SPECIAL PROJECTS – SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2019

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Contributions	\$ 3,500	\$ 2,350	\$ (1,150)
Sponsorship Revenue	<u>7,000</u>	<u>1,306</u>	<u>(5,694)</u>
Total Revenues	<u>10,500</u>	<u>3,656</u>	<u>(6,844)</u>
Expenditures			
Economic Development	150,000	150,000	0
Community Events	48,900	5,018	43,882
Community Support	<u>3,500</u>	<u>554</u>	<u>2,946</u>
Total Expenditures	<u>202,400</u>	<u>155,572</u>	<u>46,828</u>
Net Change in Fund Balance	(191,900)	(151,916)	39,984
Fund Balance, July 1st	<u>337,132</u>	<u>337,132</u>	<u>0</u>
Fund Balance, June 30th	<u>\$ 145,232</u>	<u>\$ 185,216</u>	<u>\$ 39,984</u>

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
MARYVILLE CITY SCHOOLS CONTINUING CARE PROGRAM - SPECIAL REVENUE FUND
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues				
Community Service Fees	\$ 1,005,260	\$ 1,106,663	\$ 1,083,573	\$ (23,090)
Interest	6,000	6,000	12,599	6,599
Total Revenues	<u>1,011,260</u>	<u>1,112,663</u>	<u>1,096,172</u>	<u>(16,491)</u>
Expenditures				
Salaries and Related Costs	617,663	627,490	627,489	1
Materials and Supplies	115,000	115,000	115,003	(3)
Other Expenditures	<u>278,597</u>	<u>370,173</u>	<u>370,170</u>	<u>3</u>
Total Expenditures	<u>1,011,260</u>	<u>1,112,663</u>	<u>1,112,662</u>	<u>1</u>
Net Change in Fund Balance	0	0	(16,490)	(16,490)
Fund Balance, July 1st	<u>316,311</u>	<u>316,311</u>	<u>316,311</u>	<u>0</u>
Fund Balance, June 30th	<u>\$ 316,311</u>	<u>\$ 316,311</u>	<u>\$ 299,821</u>	<u>\$ (16,490)</u>

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

LOCAL GRANT – SPECIAL REVENUE FUND

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues				
Intergovernmental - Other Federal, State, and Local Grants	\$ 5,844,452	\$ 5,892,452	\$ 500,234	\$ (5,392,218)
Expenditures				
Public Safety	17,807	50,807	29,981	20,826
Police Safety Equipment	17,270	17,270	6,465	10,805
Advance Traffic Management System	2,453,726	2,453,726	19,590	2,434,136
Foothills Mall Drive Extension	3,774,525	3,774,525	560,082	3,214,443
TDOT Amerine Improvements	191,972	191,972	0	191,972
Knoxville Regional TPO Norfolk Greenway Trail	176,357	176,357	0	176,357
FEMA Assistance to Firefighters	55,000	55,000	0	55,000
JAG Equipment Grant	0	15,000	0	15,000
Total Expenditures	6,686,657	6,734,657	616,118	6,118,539
Net Change in Fund Balance Before Other Financing Sources (Uses)	(842,205)	(842,205)	(115,884)	726,321
Other Financing Sources (Uses)				
Transfers in	503,795	503,795	498,795	(5,000)
Net Change in Fund Balance	(338,410)	(338,410)	382,911	721,321
Fund Balance, July 1st	558,440	558,440	558,440	0
Fund Balance, June 30th	\$ 220,030	\$ 220,030	\$ 941,351	\$ 721,321

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

DRUG FUND - SPECIAL REVENUE FUND

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues				
Drug-related Fines	\$ 5,000	\$ 5,000	\$ 2,803	\$ (2,197)
Impound and Wrecker Fees	33,000	33,000	32,430	(570)
Sale of Equipment	20,000	20,000	14,799	(5,201)
Contributions	0	0	2,629	2,629
Miscellaneous	0	0	34,073	34,073
Total Revenues	<u>58,000</u>	<u>58,000</u>	<u>86,734</u>	<u>28,734</u>
Expenditures				
Operating Expenses	81,173	81,403	36,460	44,943
Materials and Supplies	28,000	44,987	8,852	36,135
Capital Outlay	140,000	122,783	88,987	33,796
Total Expenditures	<u>249,173</u>	<u>249,173</u>	<u>134,299</u>	<u>114,874</u>
Net Change in Fund Balance	(191,173)	(191,173)	(47,565)	143,608
Fund Balance, July 1st	<u>248,186</u>	<u>248,186</u>	<u>248,186</u>	<u>0</u>
Fund Balance, June 30th	<u>\$ 57,013</u>	<u>\$ 57,013</u>	<u>\$ 200,621</u>	<u>\$ 143,608</u>

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GEOGRAPHIC INFORMATION SYSTEMS – SPECIAL REVENUE FUND
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues				
Intergovernmental Funding	\$ 435,076	\$ 435,076	\$ 427,529	\$ (7,547)
Data Sales	7,000	7,000	17,565	10,565
Total Revenues	<u>442,076</u>	<u>442,076</u>	<u>445,094</u>	<u>3,018</u>
Expenditures				
Salaries	147,368	148,576	148,296	280
Fringe Benefits	65,018	65,110	64,222	888
Operating Expenses	194,560	190,587	185,800	4,787
Materials and Supplies	5,242	7,915	7,045	870
Insurance	2,534	2,534	1,116	1,418
IT Services	16,042	16,042	16,042	0
Building and Office	5,007	5,007	5,007	0
Total Expenditures	<u>435,771</u>	<u>435,771</u>	<u>427,528</u>	<u>8,243</u>
Net Change in Fund Balance	6,305	6,305	17,566	11,261
Fund Balance, July 1st	<u>154,724</u>	<u>154,724</u>	<u>154,724</u>	<u>0</u>
Fund Balance, June 30th	<u>\$ 161,029</u>	<u>\$ 161,029</u>	<u>\$ 172,290</u>	<u>\$ 11,261</u>

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

STORMWATER – SPECIAL REVENUE FUND

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues				
Residential Fees	\$ 457,275	\$ 457,275	\$ 474,772	\$ 17,497
Commercial Fees	942,820	942,820	951,629	8,809
Customer Forfeited Discounts	7,000	7,000	7,314	314
Total Revenues	<u>1,407,095</u>	<u>1,407,095</u>	<u>1,433,715</u>	<u>26,620</u>
Expenditures				
Engineering				
Salaries	296,822	297,400	293,535	3,865
Fringe Benefits	113,634	112,488	112,050	438
Operating Expense	123,075	127,111	109,825	17,286
Materials and Supplies	17,767	16,191	14,488	1,703
Capital Outlay	315,000	313,108	259,198	53,910
Total Engineering	<u>866,298</u>	<u>866,298</u>	<u>789,096</u>	<u>77,202</u>
Construction				
Salaries	415,414	415,387	393,826	21,561
Fringe Benefits	203,757	201,750	195,925	5,825
Operating Expense	104,231	106,215	83,882	22,333
Materials and Supplies	16,125	16,175	12,092	4,083
Total Construction	<u>739,527</u>	<u>739,527</u>	<u>685,725</u>	<u>53,802</u>
Total Expenditures	<u>1,605,825</u>	<u>1,605,825</u>	<u>1,474,821</u>	<u>131,004</u>
Net Change in Fund Balance				
Before Other Financing Sources (Uses)	(198,730)	(198,730)	(41,106)	157,624
Other Financing Sources (Uses)				
Transfers In	115,000	115,000	115,000	0
Net Change in Fund Balance	(83,730)	(83,730)	73,894	157,624
Fund Balance, July 1st	<u>426,838</u>	<u>426,838</u>	<u>426,838</u>	<u>0</u>
Fund Balance, June 30th	<u>\$ 343,108</u>	<u>\$ 343,108</u>	<u>\$ 500,732</u>	<u>\$ 157,624</u>

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
WATER AND SEWER DEPARTMENT

CITY OF MARYVILLE UTILITIES - ENTERPRISE FUND

For the Year Ended June 30, 2019

DIRECT OPERATING EXPENSES

Water Expenses

Salaries	\$ 426,761
Fringe Benefits	167,301
Operating Expenses	411,753
Materials and Supplies	121,102
Insurance	13,544
Information Technology Services	36,094
Total Water Expenses	<u>1,176,555</u>

Waste Water Treatment Expenses

Salaries	1,119,354
Fringe Benefits	438,441
Operating Expenses	1,478,751
Materials and Supplies	256,486
Insurance	44,052
Information Technology Services	57,483
Building Maintenance	22,953
Total Waste Water Treatment Expenses	<u>3,417,520</u>

Water and Waste Water System

Salaries	881,025
Fringe Benefits	355,006
Operating Expenses	312,449
Materials and Supplies	115,566
Total Water and Waste Water System	<u>1,664,046</u>

Total Direct Operating Expenses

6,258,121

CUSTOMER ACCOUNTING AND COLLECTION

Customer Records and Expenses	1,257,467
Uncollectible Accounts	19,000
Total Customer Accounting and Collection	<u>1,276,467</u>

ADMINISTRATIVE AND GENERAL EXPENSES

Salaries	762,304
Fringe Benefits	225,145
Operating Expenses	355,762
Materials and Supplies	38,296
Insurance	45,730
Information Technology Services	155,604
Building Maintenance	182,794
Total Administrative and General Expenses	<u>1,765,635</u>

OTHER OPERATING EXPENSES

Depreciation	3,977,231
Total Operating Expenses	<u><u>\$ 13,277,454</u></u>

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
June 30, 2019

	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding July 1, 2018	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding June 30, 2019
Governmental Activities									
Notes Payable									
<u>Payable through Debt Service Fund</u>									
Tennessee State School Bond Authority Note	\$ 18,720,000	1.515 %	12/17/2009	7/1/2026	\$ 9,472,510	\$ 0	\$ 1,168,104	\$ 0	\$ 8,304,406
Tennessee School Energy Efficiency Note	1,240,328	1.5 %	4/1/2019	4/1/2026	0	1,240,328	42,190	0	1,198,138
Total Notes Payable through Debt Service Fund					<u>9,472,510</u>	<u>1,240,328</u>	<u>1,210,294</u>	<u>0</u>	<u>9,502,544</u>
Bonds Payable									
<u>Payable through Debt Service Fund</u>									
2009A General Obligation Refunding	\$ 11,540,000	3.0 to 3.125 %	9/1/2009	6/1/2019	180,000	0	180,000	0	0
2009C General Obligation Refunding	2,065,000	1.25 to 4.5 %	12/1/2009	6/1/2019	1,640,000	0	1,640,000	0	0
2015 General Obligation Refunding	9,855,000	3.00 %	5/27/2015	6/1/2030	9,855,000	0	0	0	9,855,000
2016A General Obligation Refunding	3,350,000	1.5 to 4.0 %	2/1/2016	6/1/2029	3,050,000	0	150,000	0	2,900,000
2016B General Obligation Refunding	1,197,000	2.0 to 3.0 %	5/25/2016	6/1/2024	1,197,000	0	222,000	0	975,000
2017A General Obligation Refunding	23,780,000	2.25 to 5.0 %	12/1/2017	6/1/2030	23,780,000	0	0	0	23,780,000
2018A General Obligation Public Improvement	18,180,000	3.0 to 5 %	6/1/2018	6/1/2040	18,180,000	0	0	0	18,180,000
Total Bonds Payable through Debt Service Fund					<u>57,882,000</u>	<u>0</u>	<u>2,192,000</u>	<u>0</u>	<u>55,690,000</u>
Total Governmental Activities					<u>\$ 67,354,510</u>	<u>\$ 1,240,328</u>	<u>\$ 3,402,294</u>	<u>\$ 0</u>	<u>\$ 65,192,544</u>
Business-Type Activities									
Notes Payable									
<u>Payable through Water and Sewer Department Fund</u>									
Tennessee Revolving Fund Loan	\$ 2,034,000	2.09 %	10/26/2009	6/30/2031	\$ 1,602,936	\$ 0	\$ 108,648	\$ 0	\$ 1,494,288
Bonds Payable									
<u>Payable through Water and Sewer Department Fund</u>									
2009B General Obligation Refunding	\$ 4,810,000	4.0 to 5.0 %	9/1/2009	6/1/2019	\$ 825,000	\$ 0	\$ 825,000	\$ 0	\$ 0
2016B General Obligation Refunding	2,780,000	2.0 to 3.0 %	5/25/2016	6/1/2024	2,734,000	0	242,000	0	2,492,000
2017A General Obligation Refunding	4,015,000	2.25 to 5.0 %	12/1/2017	6/1/2030	4,015,000	0	325,000	0	3,690,000
2017B Water and Sewer Revenue and Tax Refunding	31,800,000	2.25 to 5.0 %	12/1/2017	6/1/2038	31,800,000	0	260,000	0	31,540,000
2018A General Obligation Public Improvement	2,910,000	3.0 to 5.0 %	6/1/2018	6/1/2040	2,910,000	0	0	0	2,910,000
Total Bonds Payable through Water and Sewer Department Fund					<u>\$ 42,284,000</u>	<u>\$ 0</u>	<u>\$ 1,652,000</u>	<u>\$ 0</u>	<u>\$ 40,632,000</u>
<u>Payable through Electric Department Fund</u>									
2010 General Obligation Public Improvement	\$ 2,500,000	2.0 to 3.5 %	6/30/2010	6/1/2025	\$ 1,295,000	\$ 0	\$ 165,000	\$ 0	\$ 1,130,000
2016B General Obligation Refunding	2,780,000	2.0 to 3.0 %	5/25/2016	6/1/2024	1,939,000	0	626,000	0	1,313,000
2018A General Obligation Public Improvement	2,910,000	3.0 to 5.0 %	6/1/2018	6/1/2040	2,910,000	0	0	0	2,910,000
Total Bonds Payable through Electric Department Fund					<u>6,144,000</u>	<u>0</u>	<u>791,000</u>	<u>0</u>	<u>5,353,000</u>
Total Business-Type Activities					<u>\$ 50,030,936</u>	<u>\$ 0</u>	<u>\$ 2,551,648</u>	<u>\$ 0</u>	<u>\$ 47,479,288</u>

CITY OF MARYVILLE, TENNESSEE

SCHEDULE OF BOND AND INTEREST REQUIREMENTS BY FISCAL YEAR

June 30, 2019

Fiscal Year	Total Requirements	Total		2009 Qualified School		2010 General Obligation	
		Bond	Interest	Bond	Interest	Bond	Interest
2020	\$ 10,553,495	\$ 6,498,985	\$ 4,054,510	\$ 1,168,104	\$ 283,608	\$ 170,000	\$ 38,000
2021	11,419,582	7,593,849	3,825,733	1,168,104	283,608	180,000	32,688
2022	10,200,432	6,658,808	3,541,624	1,168,104	283,608	185,000	26,838
2023	9,854,220	6,553,852	3,300,368	1,168,104	283,608	190,000	20,825
2024	9,897,970	6,834,003	3,063,967	1,168,104	283,608	200,000	14,175
2025	9,735,920	6,929,219	2,806,701	1,168,104	283,608	205,000	7,175
2026	9,469,114	6,915,376	2,553,738	1,295,782	283,608	0	0
2027	7,724,115	5,703,100	2,021,015	0	0	0	0
2028	7,673,015	5,910,764	1,762,251	0	0	0	0
2029	7,393,477	5,793,488	1,599,989	0	0	0	0
2030	7,704,552	6,261,260	1,443,292	0	0	0	0
2031	6,695,840	5,439,128	1,256,712	0	0	0	0
2032	6,571,150	5,475,000	1,096,150	0	0	0	0
2033	6,666,900	5,735,000	931,900	0	0	0	0
2034	6,394,850	5,635,000	759,850	0	0	0	0
2035	4,590,800	4,000,000	590,800	0	0	0	0
2036	4,214,063	3,745,000	469,063	0	0	0	0
2037	4,183,125	3,830,000	353,125	0	0	0	0
2038	4,199,525	3,965,000	234,525	0	0	0	0
2039	1,684,856	1,575,000	109,856	0	0	0	0
2040	1,676,700	1,620,000	56,700	0	0	0	0
Totals	\$ 148,503,697	\$ 112,671,832	\$ 35,831,865	\$ 8,304,406	\$ 1,985,256	\$ 1,130,000	\$ 139,700

CITY OF MARYVILLE, TENNESSEE

SCHEDULE OF BOND AND INTEREST REQUIREMENTS BY FISCAL YEAR (Continued)

June 30, 2019

Fiscal Year	2011 State Revolving Fund		2015 General Obligation		2016 General Obligation		2016 General Obligation	
	Bond	Interest	Bond	Interest	Bond	Interest	Bond	Interest
2020	\$ 110,916	\$ 29,736	\$ 0	\$ 295,650	\$ 150,000	\$ 64,150	\$ 1,120,000	\$ 118,400
2021	113,220	27,432	0	295,650	150,000	59,650	1,160,000	84,800
2022	115,572	25,080	0	295,650	150,000	53,650	510,000	50,000
2023	117,972	22,680	0	295,650	150,000	51,400	530,000	39,800
2024	120,432	20,220	0	295,650	160,000	48,400	280,000	29,200
2025	122,940	17,712	0	295,650	450,000	45,200	280,000	23,600
2026	125,496	15,156	0	295,650	450,000	36,200	290,000	18,000
2027	128,100	12,552	0	295,650	450,000	27,200	305,000	12,200
2028	130,764	9,888	0	295,650	450,000	18,200	305,000	6,100
2029	133,488	7,164	130,000	295,650	340,000	8,075	0	0
2030	136,260	4,392	750,000	291,750	0	0	0	0
2031	139,128	1,562	2,075,000	269,250	0	0	0	0
2032	0	0	2,150,000	207,000	0	0	0	0
2033	0	0	2,300,000	142,500	0	0	0	0
2034	0	0	2,090,000	73,500	0	0	0	0
2035	0	0	360,000	10,800	0	0	0	0
2036	0	0	0	0	0	0	0	0
2037	0	0	0	0	0	0	0	0
2038	0	0	0	0	0	0	0	0
2039	0	0	0	0	0	0	0	0
2040	0	0	0	0	0	0	0	0
Totals	\$ 1,494,288	\$ 193,574	\$ 9,855,000	\$ 3,951,300	\$ 2,900,000	\$ 412,125	\$ 4,780,000	\$ 382,100

CITY OF MARYVILLE, TENNESSEE

SCHEDULE OF BOND AND INTEREST REQUIREMENTS BY FISCAL YEAR (Continued)

June 30, 2019

Fiscal Year	2017 General Obligation		2017 General Obligation		2018 General Obligation Bonds		2018 ESSI Schools Loan	
	Bond	Interest	Bond	Interest	Bond	Interest	Bond	Interest
2020	\$ 3,350,000	\$ 1,212,094	\$ 260,000	\$ 1,086,719	\$ 0	\$ 909,350	\$ 169,965	\$ 16,803
2021	3,605,000	1,044,594	265,000	1,073,719	780,000	909,350	172,525	14,243
2022	3,265,000	864,344	270,000	1,060,469	820,000	870,350	175,132	11,636
2023	2,040,000	701,094	1,320,000	1,046,969	860,000	829,350	177,776	8,992
2024	2,390,000	599,094	1,430,000	980,969	905,000	786,350	180,467	6,301
2025	2,075,000	479,594	1,495,000	909,469	950,000	741,100	183,175	3,593
2026	2,060,000	375,844	1,560,000	834,719	995,000	693,600	139,098	961
2027	2,100,000	272,844	1,675,000	756,719	1,045,000	643,850	0	0
2028	2,140,000	167,844	1,785,000	672,969	1,100,000	591,600	0	0
2029	2,185,000	119,694	1,855,000	632,806	1,150,000	536,600	0	0
2030	2,260,000	67,800	1,915,000	588,750	1,200,000	490,600	0	0
2031	0	0	1,990,000	531,300	1,235,000	454,600	0	0
2032	0	0	2,055,000	471,600	1,270,000	417,550	0	0
2033	0	0	2,125,000	409,950	1,310,000	379,450	0	0
2034	0	0	2,190,000	346,200	1,355,000	340,150	0	0
2035	0	0	2,250,000	280,500	1,390,000	299,500	0	0
2036	0	0	2,310,000	213,000	1,435,000	256,063	0	0
2037	0	0	2,350,000	143,700	1,480,000	209,425	0	0
2038	0	0	2,440,000	73,200	1,525,000	161,325	0	0
2039	0	0	0	0	1,575,000	109,856	0	0
2040	0	0	0	0	1,620,000	56,700	0	0
Totals	\$ 27,470,000	\$ 5,904,838	\$ 31,540,000	\$ 12,113,725	\$ 24,000,000	\$ 10,686,719	\$ 1,198,138	\$ 62,529

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF INSURANCE IN FORCE
June 30, 2019

<u>COVERAGE</u>	<u>COVERAGE PERIOD</u>	<u>HAZARD INSURED AGAINST</u>		<u>AMOUNT OF COVERAGE</u>
Buildings and Personal Property	07/01/2018 to 07/01/2019	Property Damage	\$ 21,862,262	Municipal Center including Fire Station
			1,567,232	Fire Stations
			224,355	Animal Shelter
			6,513,801	Parking Garages
			598,537	Commercial Building
			8,646,221	Operation Center
			2,284,222	Fleet Maintenance Building
			295,000	Fuel System
			32,845	Wash Bay
			18,011,148	Water Treatment Plant
			62,124,806	Wastewater Treatment Plant
			243,939	Wastewater Maintenance Building
			14,114,301	Sewer Pump/Lift Stations
			18,617,825	Electric Substations
			10,748,257	Water Tanks
			2,071,065	Booster Pump Stations
			2,755,339	Utility Warehouses
			788,380	Storage Sheds Home Avenue
			488,472	Storage Sheds Best Street
			1,617,501	Pool
			520,660	Concession Stands
			1,540,883	Parks
			1,100,000	Data Processing Equipment
			1,965,734	Mobile Equipment
Crime	07/01/2018 to 07/01/2019	Employee Dishonesty	150,000	Per Occurrence
		Forgery or Alteration	150,000	Per Occurrence
		Theft, Destruction or Disappearance	150,000	Per Occurrence
		Computer Fraud	150,000	Per Occurrence
Finance Director's Bond	12/01/2018 to 12/01/2019	Crime	835,000	
Liability	12/31/2018 to 12/31/2019	Errors or Omissions	1,000,000	Per Occurrence (\$10,000 Deductible)
General and Personal Injury Liability	12/31/2018 to 12/31/2019	Bodily Injury or Personal Injury	300,000	Per Person
		Property Damage	700,000	Per Occurrence
		Other Losses	100,000	Per Occurrence
		Catastrophic Medical Expenses	1,000,000	Per Occurrence
		Medical Payments	500,000	Per Person
			1,000,000	Per Occurrence
			1,000	Per Person
			10,000	Per Accident
		Fire Damage	100,000	Per Occurrence
		Impounded Property	100,000	Per Occurrence
		Non-Monetary Defense	100,000	Per Occurrence

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF INSURANCE IN FORCE (Continued)
June 30, 2019

<u>COVERAGE</u>	<u>COVERAGE PERIOD</u>	<u>HAZARD INSURED AGAINST</u>	<u>AMOUNT OF COVERAGE</u>	
Automobile Liability and Physical Damage	12/31/2018 to 12/31/2019	Bodily Injury	\$ 300,000	Per Person
			700,000	Per Occurrence
		Property Damage	100,000	Per Occurrence
		Other Losses	1,000,000	Per Occurrence
		Catastrophic Medical	500,000	Per Person
		Expenses	1,000,000	Per Occurrence
		Medical Payments	1,000	Per Person
			10,000	Per Accident
		Uninsured Motorists	300,000	Per Occurrence for Bodily Injury
			100,000	Per Occurrence for Property Damage
		Collision/ Comprehensive Damages		Various Coverages Depending on Value of Vehicle
Employer's Liability and Workmen's Compensation	11/01/2018 to 11/01/2019	Employee Bodily Injury by Accident	300,000	Per Occurrence
		Employee Bodily Injury by Disease	300,000	Per Employee
			700,000	Policy Limit

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF INSURANCE IN FORCE
GENERAL PURPOSE SCHOOL FUND - SPECIAL REVENUE FUND

June 30, 2019

<u>Coverage</u>	<u>Coverage Period</u>	<u>Hazard Insured Against</u>	<u>Amount of Coverage</u>			
General and Personal Injury Liability	07/01/2018 to 07/01/2019	Bodily Injury or Personal Injury, Property Damage	\$ 1,000,000	Per Occurrence		
		Other Losses/Errors or Omissions	1,000,000	Per Occurrence		
		Medical Payments	5,000	Per Person		
			100,000	Per Accident		
Automobile Liability and Physical Damage	07/01/2018 to 07/01/2019	Bodily Injury or Personal Injury, Property Damage	1,000,000	Per Occurrence		
		Other Losses	1,000,000	Per Occurrence		
		Medical Payments	5,000	Per Person		
			100,000	Per Accident		
		Uninsured Motorists Collision/ Comprehensive Damages	1,000,000	Per Occurrence		
			Actual cash value (Less \$500 deductible)			
Buildings and Personal Property	07/01/2018 to 07/01/2019	Property Damage	See statement of values			
				Building & Contents		
			Foothills Elementary	\$	16,183,910	
			John Sevier Elementary		15,378,678	
			Fort Craig Elementary		7,513,851	
			Sam Houston Elementary		9,097,662	
			Montgomery Ridge Intermediate		21,159,471	
			Coulter Grove Intermediate		27,304,856	
			Maryville Junior High		21,909,351	
			Maryville High, including Stadium and Central Office		43,985,331	
			Culinary Arts Building		1,450,000	
			Other Buildings and Property		<u>2,768,914</u>	
		Totals			\$	<u>166,751,754</u>

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF INSURANCE IN FORCE (Continued)
GENERAL PURPOSE SCHOOL FUND - SPECIAL REVENUE FUND

June 30, 2019

<u>Coverage</u>	<u>Coverage Period</u>	<u>Hazard Insured Against</u>	<u>Amount of Coverage</u>	
Student Athletic and Intramural Injuries	08/01/2018 to 08/01/2019	Athlete Bodily Injury	\$500,000	per person
Employer's Liability and Workmen's Compensation	07/01/2018 to 07/01/2019	Employee Bodily Injury	\$1,000,000 \$1,000,000 \$1,000,000	per person per occurrence policy limit
Cyber Liability	07/01/2018 to 07/01/2019	Cyber Liability	\$1,000,000	Each and every loss (\$1,000 deductible), with Breach Mitigation limited to \$100,000)

CITY OF MARYVILLE, TENNESSEE

SCHEDULE OF UTILITY RATES

June 30, 2019

The basic utility rates in force as of June 30, 2019 are as follows:

ELECTRIC SERVICE

I. Residential Rates:

Customer Charge: \$10.86 Per Month
Energy Charge: 9.491 Cents Per kWh

II. General Power Rates:

Usage Under 50 KW and/or KWH Usage Under 15,000:

Customer Charge: \$16.37 Per Month
Energy Charge: 10.495 Cents Per KWH

Usage Over 50 KW but Not More than 1,000 KW and/or KWH Usage Equal to or Greater than 15,000:

Customer Charge: \$54.53 Per Delivery Point Per Month
Demand Charge: First 50 KW - No Charge Over 50 KW - \$13.94 per KW
Energy Charge: First 15,000 KWH - 10.678 cents per KWH Over 15,000 KWH - 6.449 Cents Per KWH

Usage Over 1,000 KW:

Customer Charge: \$163.66 Per Delivery Point Per Month
Demand Charge: First 1,000 kW - \$14.21 per KW Additional KW - \$15.69 per KW
Energy Charge: 6.440 Cents Per KWH

Usage Over 5,000 KW but Not More than 15,000 KW:

Various demand and energy charges in effect depending upon several factors including on peak and off peak usage.

III. Customers served as of June 30, 2019 are as follows:

Residential	18,768
General Power	2,948
Street and Athletic	107
Outdoor Lighting	<u>1,187</u>
Total Customers	<u>23,010</u>

IV. Units of Power Purchased and Sold:

Kilowatt - Hours Purchased	818,829,615
Kilowatt - Hours Sold	805,010,988
Line Losses	13,818,627

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF UTILITY RATES (Continued)
June 30, 2019

The basic utility rates in force as of June 30, 2019 are as follows:

WATER SERVICE

<u>Rates per Gallons for All Water Used:</u>	<u>Inside City</u>	<u>Outside City</u>
First 1,500 gallons or less	\$ 10.05 min. bill	\$ 15.08 min. bill
Next 3,500 gallons per thousand gallons	3.57	5.36
Next 5,000 gallons per thousand gallons	3.22	4.83
Next 20,000 gallons per thousand gallons	3.09	4.64
Next 20,000 gallons per thousand gallons	2.95	4.43
Additional gallons per thousand gallons	2.80	4.21

PRIVATE FIRE SPRINKLER LINE SERVICE

<u>Line Size</u>	<u>Monthly Charge</u>
5/8"	\$ 5.02
1"	7.15
2"	12.24
4"	19.53
6"	29.26
8"	43.94
10"	62.58
12"	98.88

WATER TAP FEES

<u>Line Size</u>	
5/8"	\$ 545
1"	975
2"	4,200

Above 2" – fee based on estimate of costs to install.

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF UTILITY RATES (Continued)
June 30, 2019

The basic utility rates in force as of June 30, 2019 are as follows:

SEWAGE SERVICE

<u>Location</u>	<u>Charge per 1,000 Gallons of Metered Water</u>	<u>Customer Charge</u>
Inside City (Residential)	\$ 4.37	\$ 11.82
Outside City (Residential)	6.54	17.73
Inside City (Non-residential)	5.01	11.82
Outside City (Non-residential)	7.52	17.73

SEWER TAP FEES

City Installs Sewer Tap	\$ 879.00
Customer Exposes Existing Tap	148.00
Sewer Line Extension Charge	At Cost
Sewer Line Extension Surcharged within Westwood	3,272.00

CUSTOMERS SERVED AS OF June 30, 2019

Water service	16,283
Sewer service	14,551


CITY OF MARYVILLE, TENNESSEE

AWWA WATER AUDIT REPORTING WORKSHEET

For the Year Ended June 30, 2019

AWWA Free Water Audit Software: Reporting Worksheet				WAS v5.0 American Water Works Association. Copyright © 2014. All Rights Reserved.
<div style="display: flex; justify-content: space-between;"> Click to access definition Click to add a comment </div>		Water Audit Report for: City of Maryville (TN0000438) Reporting Year: 2019 7/2018 - 6/2019		
Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades				
All volumes to be entered as: MILLION GALLONS (US) PER YEAR				
To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and all grades below it.				
WATER SUPPLIED		Master Meter and Supply Error Adjustments		
<----- Enter grading in column 'E' and 'J' ----->		Pcnt: Value:		
Volume from own sources:	<input type="text" value="9"/> <input type="text" value="1,483.127"/> MG/Yr	<input type="text" value="9"/> <input type="text" value="-0.94%"/> <input type="text" value=""/> MG/Yr	<input type="text" value=""/> MG/Yr	
Water imported:	<input type="text" value="10"/> <input type="text" value="0.000"/> MG/Yr	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> MG/Yr	<input type="text" value=""/> MG/Yr	
Water exported:	<input type="text" value="10"/> <input type="text" value="0.000"/> MG/Yr	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> MG/Yr	<input type="text" value=""/> MG/Yr	
WATER SUPPLIED:		1,497.201 MG/Yr		
AUTHORIZED CONSUMPTION		Click here: <input type="text" value=""/> for help using option buttons below		
Billed metered:	<input type="text" value="9"/> <input type="text" value="1,228.255"/> MG/Yr	Pcnt: Value:		
Billed unmetered:	<input type="text" value="10"/> <input type="text" value="0.000"/> MG/Yr	<input type="text" value=""/> <input type="text" value="21.489"/> MG/Yr		
Unbilled metered:	<input type="text" value="7"/> <input type="text" value="7.064"/> MG/Yr	Use buttons to select percentage of water supplied OR value		
Unbilled unmetered:	<input type="text" value="7"/> <input type="text" value="21.489"/> MG/Yr	Pcnt: Value:		
Unbilled Unmetered volume entered is greater than the recommended default value		<input type="text" value="0.25%"/> <input type="text" value=""/> MG/Yr		
AUTHORIZED CONSUMPTION:		1,256.808 MG/Yr		
WATER LOSSES (Water Supplied - Authorized Consumption)		240.393 MG/Yr		
Apparent Losses		Unauthorized consumption: <input type="text" value=""/> <input type="text" value="3.743"/> MG/Yr		
Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed				
Customer metering inaccuracies:	<input type="text" value="8"/> <input type="text" value="-4.186"/> MG/Yr	<input type="text" value=""/> <input type="text" value=""/> MG/Yr		
Systematic data handling errors:	<input type="text" value=""/> <input type="text" value="3.071"/> MG/Yr	<input type="text" value=""/> <input type="text" value=""/> MG/Yr		
Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed				
Apparent Losses:		2.628 MG/Yr		
Real Losses (Current Annual Real Losses or CARL)		Real Losses = Water Losses - Apparent Losses: <input type="text" value=""/> <input type="text" value="237.765"/> MG/Yr		
WATER LOSSES:		240.393 MG/Yr		
NON-REVENUE WATER		NON-REVENUE WATER: <input type="text" value=""/> <input type="text" value="268.945"/> MG/Yr		
= Water Losses + Unbilled Metered + Unbilled Unmetered				
SYSTEM DATA				
Length of mains:	<input type="text" value="9"/> <input type="text" value="305.8"/> miles	Are customer meters typically located at the curbstop or property line? <input type="text" value="Yes"/>		
Number of active AND inactive service connections:	<input type="text" value="9"/> <input type="text" value="16,761"/>	(length of service line, beyond the property boundary, that is the responsibility of the utility)		
Service connection density:	<input type="text" value=""/> <input type="text" value="55"/> conn./mile main	Average length of customer service line: <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="7"/> <input type="text" value="90.0"/> psi	Average length of customer service line has been set to zero and a data grading score of 10 has been applied		
COST DATA				
Total annual cost of operating water system:	<input type="text" value="10"/> <input type="text" value="\$6,384,771"/> \$/Year	Customer retail unit cost (applied to Apparent Losses): <input type="text" value="8"/> <input type="text" value="\$7.55"/> \$/1000 gallons (US)		
Variable production cost (applied to Real Losses):	<input type="text" value="9"/> <input type="text" value="\$825.58"/> \$/Million gallons	u		
WATER AUDIT DATA VALIDITY SCORE:				
*** YOUR SCORE IS: 83 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:				
<div style="border: 1px solid red; padding: 2px;">1: Volume from own sources</div> <div style="border: 1px solid red; padding: 2px;">2: Unauthorized consumption</div> <div style="border: 1px solid red; padding: 2px;">3: Systematic data handling errors</div>				

CITY OF MARYVILLE, TENNESSEE
AWWA WATER AUDIT PERFORMANCE INDICATORS
For the Year Ended June 30, 2019



AWWA Free Water Audit Software:
System Attributes and Performance Indicators

WAS v5.0
 American Water Works Association.
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Water Audit Report for: City of Maryville (TN0000438)

Reporting Year: 2019 7/2018 - 6/2019

*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 83 out of 100 ***

System Attributes:

Apparent Losses:	+	Real Losses:	=	

2.628 MG/Yr
237.765 MG/Yr
240.393 MG/Yr

? Unavoidable Annual Real Losses (UARL): 136.94 MG/Yr

Annual cost of Apparent Losses: \$19,840
 Annual cost of Real Losses: \$196,294

Valued at **Variable Production Cost**
 Return to Reporting Worksheet to change this assumption

Performance Indicators:

Financial:

Operational Efficiency:

{	Non-revenue water as percent by volume of Water Supplied:	18.0%	
	Non-revenue water as percent by cost of operating system:	3.8%	Real Losses valued at Variable Production Cost

{	Apparent Losses per service connection per day:	0.43	gallons/connection/day
	Real Losses per service connection per day:	38.86	gallons/connection/day
	Real Losses per length of main per day*:	N/A	
	Real Losses per service connection per day per psi pressure:	0.43	gallons/connection/day/psi

From Above, Real Losses = Current Annual Real Losses (CARL): 237.77 million gallons/year

? Infrastructure Leakage Index (ILI) [CARL/UARL]: 1.74

* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline

OTHER INFORMATION SECTION

CITY OF MARYVILLE, TENNESSEE

STATISTICAL SECTION

June 30, 2019

This part of the City of Maryville's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

CONTENTS

SCHEDULES

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

1 through 4

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source.

5 through 8

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

9 through 13

Demographic And Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

14 through 15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

16 through 18

CITY OF MARYVILLE, TENNESSEE

SCHEDULE 1

NET POSITION BY COMPONENT
(Prepared Using the Accrual Basis of Accounting)

Last Ten Fiscal Years

June 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 71,483,311	\$ 73,758,266	\$ 71,564,059	\$ 63,845,926	\$ 51,401,298	\$ 48,939,854	\$ 47,699,337	\$ 46,793,585	\$ 41,656,069	\$ 38,205,393
Restricted	5,566,116	3,009,455	4,685,615	3,544,719	10,093,572	10,845,846	11,628,825	12,221,859	14,363,014	14,381,014
Unrestricted (Deficit)	<u>12,201,305</u>	<u>7,812,694</u>	<u>12,910,841</u>	<u>10,672,192</u>	<u>10,465,838</u>	<u>14,236,827</u>	<u>12,442,670</u>	<u>16,175,991</u>	<u>16,524,153</u>	<u>15,382,798</u>
Total Governmental Activities Net Position	<u>\$ 89,250,732</u>	<u>\$ 84,580,415</u>	<u>\$ 89,160,515</u>	<u>\$ 78,062,837</u>	<u>\$ 71,960,708</u>	<u>\$ 74,022,527</u>	<u>\$ 71,770,832</u>	<u>\$ 75,191,435</u>	<u>\$ 72,543,236</u>	<u>\$ 67,969,205</u>
BUSINESS-TYPE ACTIVITIES										
Net Investment in Capital Assets	\$ 97,938,048	\$ 92,104,798	\$ 93,134,803	\$ 88,750,325	\$ 83,526,202	\$ 78,694,922	\$ 75,990,684	\$ 72,042,808	\$ 71,888,457	\$ 69,637,184
Restricted	48,718	0	0	0	0	0	0	0	0	0
Unrestricted	<u>10,080,544</u>	<u>11,287,715</u>	<u>8,155,012</u>	<u>11,734,933</u>	<u>12,147,535</u>	<u>14,842,884</u>	<u>13,961,757</u>	<u>13,479,959</u>	<u>9,399,720</u>	<u>3,289,802</u>
Total Business-Type Activities Net Position	<u>\$ 108,067,310</u>	<u>\$ 103,392,513</u>	<u>\$ 101,289,815</u>	<u>\$ 100,485,258</u>	<u>\$ 95,673,737</u>	<u>\$ 93,537,806</u>	<u>\$ 89,952,441</u>	<u>\$ 85,522,767</u>	<u>\$ 81,288,177</u>	<u>\$ 72,926,986</u>
PRIMARY GOVERNMENT										
Net Investment in Capital Assets	\$ 169,421,359	\$ 165,863,064	\$ 164,698,862	\$ 152,596,251	\$ 134,927,500	\$ 127,634,776	\$ 123,690,021	\$ 118,836,393	\$ 113,544,526	\$ 107,842,577
Restricted	5,614,834	20,092,043	4,685,615	3,544,719	10,093,572	10,845,846	11,628,825	12,221,859	14,363,014	14,381,014
Unrestricted (Deficit)	<u>22,281,849</u>	<u>2,225,410</u>	<u>21,065,853</u>	<u>22,407,125</u>	<u>22,613,373</u>	<u>29,079,711</u>	<u>26,404,427</u>	<u>29,655,950</u>	<u>25,923,873</u>	<u>18,672,600</u>
Total Primary Government Net Position	<u>\$ 197,318,042</u>	<u>\$ 188,180,517</u>	<u>\$ 190,450,330</u>	<u>\$ 178,548,095</u>	<u>\$ 167,634,445</u>	<u>\$ 167,560,333</u>	<u>\$ 161,723,273</u>	<u>\$ 160,714,202</u>	<u>\$ 153,831,413</u>	<u>\$ 140,896,191</u>

CITY OF MARYVILLE, TENNESSEE

SCHEDULE 2

**CHANGES IN NET POSITION
(Prepared Using the Accrual Basis of Accounting)**

Last Ten Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
EXPENSES										
Governmental Activities										
General Government	\$ 4,720,098	\$ 3,823,685	\$ 5,312,390	\$ 6,370,371	\$ 4,819,297	\$ 4,560,452	\$ 3,667,968	\$ 3,354,656	\$ 1,732,507	\$ 2,612,508
Public Safety	10,963,016	10,493,698	9,729,248	9,548,584	8,724,154	8,978,334	8,683,688	8,639,299	9,754,968	8,800,812
Public Works	12,479,719	11,571,522	9,423,214	7,746,805	7,114,555	6,914,370	7,537,465	7,086,762	6,012,197	5,837,835
Culture and Recreation	1,828,743	2,680,773	2,521,646	2,468,577	3,312,723	3,136,157	3,086,470	3,097,756	2,950,743	3,297,321
Economic Development	1,226,860	17,949	74,282	30,037	18,059	18,193	132,076	109,695	342,968	1,340,465
Nondepartmental	0	0	0	0	0	0	0	0	994,254	1,068,209
Education	61,992,125	54,951,576	54,521,274	51,022,934	49,261,478	50,848,054	49,452,178	46,929,595	45,788,418	46,459,245
Debt Service:										
Interest on Long-Term Debt	2,664,542	2,449,595	2,327,868	2,623,253	2,567,148	2,493,886	2,595,494	2,707,454	2,187,347	2,918,472
Other Debt Service	23,911	262,275	200,596	119,407	200,463	25,841	28,221	253,795	289,682	191,141
Total Governmental Activities Expenses	<u>95,899,014</u>	<u>86,251,073</u>	<u>84,110,518</u>	<u>79,929,968</u>	<u>76,017,877</u>	<u>76,975,287</u>	<u>75,183,560</u>	<u>72,179,012</u>	<u>70,053,084</u>	<u>72,526,008</u>
Business-Type Activities										
Electric	66,498,463	65,661,883	66,296,844	63,536,304	63,780,518	62,625,738	60,756,997	59,416,054	61,371,556	54,402,893
Water and Sewer	14,636,125	14,258,214	14,039,792	13,107,255	13,027,635	13,008,449	12,596,332	12,762,305	11,562,664	13,711,949
Stormwater Utility	0	0	0	1,179,276	1,039,904	1,090,652	994,488	929,436	917,136	1,018,169
Total Business-Type Activities Expenses	<u>81,134,588</u>	<u>79,920,097</u>	<u>80,336,636</u>	<u>77,822,835</u>	<u>77,848,057</u>	<u>76,724,839</u>	<u>74,347,817</u>	<u>73,107,795</u>	<u>73,851,356</u>	<u>69,133,011</u>
Total Primary Government Expenses	<u>\$ 177,033,602</u>	<u>\$ 166,171,170</u>	<u>\$ 164,447,154</u>	<u>\$ 157,752,803</u>	<u>\$ 153,865,934</u>	<u>\$ 153,700,126</u>	<u>\$ 149,531,377</u>	<u>\$ 145,286,807</u>	<u>\$ 143,904,440</u>	<u>\$ 141,659,019</u>
PROGRAM REVENUES										
Governmental Activities										
Charges for Services										
General Government	\$ 613,437	\$ 516,415	\$ 484,047	\$ 347,595	\$ 426,606	\$ 327,895	\$ 304,949	\$ 203,508	\$ 253,572	\$ 205,119
Public Safety	532,278	763,426	626,255	451,403	469,264	347,345	308,521	270,586	224,966	231,534
Public Works	2,246,719	2,271,749	1,999,886	514,347	494,520	470,509	487,230	488,718	455,006	460,943
Culture and Recreation	0	0	0	0	771,617	768,879	605,653	836,447	775,595	749,983
Economic Development	0	0	42,300	42,300	42,300	42,300	42,300	42,300	167,300	42,362
Education	3,185,650	3,183,579	3,016,330	2,890,608	2,596,645	2,565,628	2,544,574	2,683,913	2,655,600	2,630,855
Operating Grants and Contributions	26,575,918	26,409,258	24,582,044	23,155,848	22,873,038	23,187,037	21,916,241	21,851,552	22,862,220	22,288,846
Capital Grants and Contributions	860,253	245,384	1,760,883	879,601	594,673	149,271	381,615	89,963	791,634	749,836
Total Governmental Activities Program Revenues	<u>34,014,255</u>	<u>33,389,811</u>	<u>32,511,745</u>	<u>28,281,702</u>	<u>28,268,663</u>	<u>27,858,864</u>	<u>26,591,083</u>	<u>26,466,987</u>	<u>28,185,893</u>	<u>27,359,478</u>

CITY OF MARYVILLE, TENNESSEE

SCHEDULE 2

CHANGES IN NET POSITION (Continued)
(Prepared Using the Accrual Basis of Accounting)

Last Ten Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
PROGRAM REVENUES (Continued)										
Business-Type Activities										
Charges for Services										
Electric	69,547,202	68,350,330	69,302,827	65,751,838	66,049,665	65,274,058	63,992,291	63,093,546	65,112,057	55,543,033
Water and Sewer	17,221,608	15,626,835	15,069,949	15,212,193	14,832,003	14,905,009	14,297,661	13,820,345	12,959,720	11,336,312
Stormwater Utility	0	0	0	1,396,201	1,387,354	1,392,046	1,387,612	1,375,446	1,368,969	1,353,127
Operating Grants and Contributions	0	0	0	121,903	0	0	0	0	0	0
Capital Grants and Contributions	935,824	1,133,017	1,139,691	1,352,422	541,280	157,413	491,035	375,028	3,926,340	173,428
Total Business-Type										
Activities Program Revenues	<u>87,704,634</u>	<u>85,110,182</u>	<u>85,512,467</u>	<u>83,834,557</u>	<u>82,810,302</u>	<u>81,728,526</u>	<u>80,168,599</u>	<u>78,664,365</u>	<u>83,367,086</u>	<u>68,405,900</u>
Total Primary Government										
Program Revenues	<u>\$ 121,718,889</u>	<u>\$ 118,499,993</u>	<u>\$ 118,024,212</u>	<u>\$ 112,116,259</u>	<u>\$ 111,078,965</u>	<u>\$ 109,587,390</u>	<u>\$ 106,759,682</u>	<u>\$ 105,131,352</u>	<u>\$ 111,552,979</u>	<u>\$ 95,765,378</u>
NET (EXPENSE) REVENUE										
Governmental Activities	\$ (61,884,759)	\$ (52,861,262)	\$ (51,598,773)	\$ (51,648,266)	\$ (47,749,214)	\$ (49,116,312)	\$ (48,592,477)	\$ (45,712,025)	\$ (41,867,191)	\$ (45,166,530)
Business-Type Activities	<u>6,570,046</u>	<u>5,190,085</u>	<u>5,175,831</u>	<u>6,011,722</u>	<u>4,962,245</u>	<u>5,003,687</u>	<u>5,820,782</u>	<u>5,556,570</u>	<u>9,515,730</u>	<u>(727,111)</u>
Total Primary Government										
Net Expenses	<u>\$ (55,314,713)</u>	<u>\$ (47,671,177)</u>	<u>\$ (46,422,942)</u>	<u>\$ (45,636,544)</u>	<u>\$ (42,786,969)</u>	<u>\$ (44,112,625)</u>	<u>\$ (42,771,695)</u>	<u>\$ (40,155,455)</u>	<u>\$ (32,351,461)</u>	<u>\$ (45,166,530)</u>
GENERAL REVENUES AND OTHER										
CHANGES IN NET POSITION										
Governmental Activities										
General Revenues										
Sales Taxes	\$ 22,021,237	\$ 20,523,896	\$ 19,663,897	\$ 18,682,970	\$ 18,258,885	\$ 15,207,831	\$ 11,792,592	\$ 11,840,020	\$ 10,913,074	\$ 10,580,764
State income and Excise taxes	516,585	518,860	723,926	686,015	537,456	536,887	313,332	322,009	299,275	570,146
Property Taxes	33,058,491	32,569,527	30,943,255	29,963,302	28,462,845	27,561,747	26,535,715	25,791,890	26,178,362	24,087,480
Business Taxes	883,417	1,110,325	1,026,201	1,008,162	1,044,938	782,339	912,011	802,555	723,497	680,872
Miscellaneous Taxes	4,264,484	3,347,492	3,110,172	3,051,698	3,005,430	3,025,884	5,550,803	5,483,319	5,100,621	5,152,442
In-lieu-of Taxes	1,056,460	678,084	661,155	923,008	1,036,489	852,795	538,093	638,248	620,312	449,801
Interest Income	1,290,491	482,027	135,861	267,939	256,400	217,444	179,293	174,339	217,446	278,708
Miscellaneous	2,033,433	1,538,570	1,642,146	1,761,861	1,817,076	1,681,975	1,544,033	1,766,779	994,638	887,083
Gain (Loss) on Deletion of										
Capital Assets	(425,987)	80,315	145,167	84,798	48,583	28,668	18,730	129,958	11,117	14,682
Transfers	<u>1,661,806</u>	<u>1,611,182</u>	<u>1,623,795</u>	<u>1,320,642</u>	<u>1,192,314</u>	<u>1,472,437</u>	<u>1,449,365</u>	<u>1,411,107</u>	<u>1,382,880</u>	<u>1,258,383</u>
Total Governmental Activities	<u>66,360,417</u>	<u>62,460,278</u>	<u>59,675,575</u>	<u>57,750,395</u>	<u>55,660,416</u>	<u>51,368,007</u>	<u>48,833,967</u>	<u>48,360,224</u>	<u>46,441,222</u>	<u>43,960,361</u>

CITY OF MARYVILLE, TENNESSEE

SCHEDULE 2

CHANGES IN NET POSITION (Continued)
(Prepared Using the Accrual Basis of Accounting)

Last Ten Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
GENERAL REVENUES AND OTHER										
CHANGES IN NET POSITION (Continued)										
Business-Type Activities										
General Revenues										
Interest Income	313,959	147,834	72,772	36,548	14,813	14,732	21,838	21,157	77,879	223,887
Miscellaneous	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400
Gain (Loss) on Deletion of Capital Assets	(555,802)	20,800	192,225	75,493	69,101	30,983	28,019	59,570	142,062	0
Transfers	<u>(1,661,806)</u>	<u>(1,611,182)</u>	<u>(1,623,795)</u>	<u>(1,320,642)</u>	<u>(1,192,314)</u>	<u>(1,472,437)</u>	<u>(1,449,365)</u>	<u>(1,411,107)</u>	<u>(1,382,880)</u>	<u>(1,258,383)</u>
Total Business-Type Activities	<u>(1,895,249)</u>	<u>(1,434,148)</u>	<u>(1,350,398)</u>	<u>(1,200,201)</u>	<u>(1,100,000)</u>	<u>(1,418,322)</u>	<u>(1,391,108)</u>	<u>(1,321,980)</u>	<u>(1,154,539)</u>	<u>(1,026,096)</u>
Total Primary Government	<u>\$ 64,465,168</u>	<u>\$ 61,026,130</u>	<u>\$ 58,325,177</u>	<u>\$ 56,550,194</u>	<u>\$ 54,560,416</u>	<u>\$ 49,949,685</u>	<u>\$ 47,442,859</u>	<u>\$ 47,038,244</u>	<u>\$ 45,286,683</u>	<u>\$ 42,934,265</u>
CHANGE IN NET POSITION										
Governmental Activities	\$ 4,475,658	\$ 9,599,016	\$ 8,076,802	\$ 6,102,129	\$ 7,911,202	\$ 2,251,695	\$ 241,490	\$ 2,648,199	\$ 4,574,031	\$ (1,206,169)
Business-Type Activities	<u>4,674,797</u>	<u>3,755,937</u>	<u>3,825,433</u>	<u>4,811,521</u>	<u>3,862,245</u>	<u>3,585,365</u>	<u>4,429,674</u>	<u>4,234,590</u>	<u>8,361,191</u>	<u>(1,753,207)</u>
Total Primary Government	<u>\$ 9,150,455</u>	<u>\$ 13,354,953</u>	<u>\$ 11,902,235</u>	<u>\$ 10,913,650</u>	<u>\$ 11,773,447</u>	<u>\$ 5,837,060</u>	<u>\$ 4,671,164</u>	<u>\$ 6,882,789</u>	<u>\$ 12,935,222</u>	<u>\$ (1,206,169)</u>

CITY OF MARYVILLE, TENNESSEE

SCHEDULE 3

FUND BALANCES, GOVERNMENTAL FUNDS
(Prepared Using the Modified Accrual Basis of Accounting)

Last Ten Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
FUND BALANCE UNDER GASB 54										
GENERAL FUND										
Nonspendable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,156	
Assigned	0	0	158,694	378,850	896,783	1,550,055	680,255	127,077	118,256	
Unassigned	<u>12,851,280</u>	<u>11,417,360</u>	<u>10,384,423</u>	<u>8,126,757</u>	<u>7,823,581</u>	<u>6,244,744</u>	<u>6,316,252</u>	<u>6,451,351</u>	<u>5,946,711</u>	
Total General Fund	<u>\$ 12,851,280</u>	<u>\$ 11,417,360</u>	<u>\$ 10,543,117</u>	<u>\$ 8,505,607</u>	<u>\$ 8,720,364</u>	<u>\$ 7,794,799</u>	<u>\$ 6,996,507</u>	<u>\$ 6,578,428</u>	<u>\$ 6,069,123</u>	
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable	\$ 50,426	\$ 50,426	\$ 49,434	\$ 34,118	\$ 49,596	\$ 63,644	\$ 67,631	\$ 54,288	\$ 106,917	
Restricted	2,978,475	18,442,744	2,777,298	1,934,318	2,086,536	2,240,767	2,723,852	3,485,940	10,811,986	
Committed	0	842,733	991,224	1,030,194	895,136	906,264	806,398	860,476	703,049	
Assigned	<u>18,004,818</u>	<u>13,936,028</u>	<u>9,873,935</u>	<u>9,498,743</u>	<u>17,719,013</u>	<u>16,088,157</u>	<u>14,317,360</u>	<u>17,277,192</u>	<u>17,126,379</u>	
Total All Other Governmental Funds	<u>\$ 21,033,719</u>	<u>\$ 33,271,931</u>	<u>\$ 13,691,891</u>	<u>\$ 12,497,373</u>	<u>\$ 20,750,281</u>	<u>\$ 19,298,832</u>	<u>\$ 17,915,241</u>	<u>\$ 21,677,896</u>	<u>\$ 28,748,331</u>	
FUND BALANCE PRIOR TO IMPLEMENTATION OF GASB 54										
GENERAL FUND										
Reserved										\$ 0
Unreserved										<u>5,110,799</u>
Total General Fund										<u>\$ 5,110,799</u>
ALL OTHER GOVERNMENTAL FUNDS										
Reserved										\$ 10,951,736
Unreserved, Reported In										
Debt Service										0
Special Revenue Fund										6,318,812
Capital Projects Funds										<u>20,714,176</u>
Total All Other Governmental Funds										<u>\$ 37,984,724</u>

CITY OF MARYVILLE, TENNESSEE

SCHEDULE 4

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
(Prepared Using the Modified Accrual Basis of Accounting)**

Last Ten Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
REVENUES										
Taxes	\$ 57,333,199	\$ 54,944,752	\$ 52,147,791	\$ 50,658,135	\$ 49,019,402	\$ 44,893,872	\$ 41,880,615	\$ 41,632,978	\$ 40,986,052	\$ 38,408,400
Licenses, Permits and Fees	35,405	294,213	268,763	263,930	327,361	312,295	308,447	298,488	227,477	233,752
Intergovernmental	31,905,089	30,809,590	29,221,117	27,587,224	26,710,097	26,843,658	25,264,170	25,204,039	26,513,613	25,968,083
Charges for Services	5,999,146	6,040,830	5,600,307	3,801,497	4,187,186	3,884,772	3,776,626	3,934,332	3,351,150	3,284,720
Fines, Forfeitures and Costs	68,120	84,253	64,085	57,116	60,113	104,753	82,907	102,139	70,200	95,408
Interest Income	1,290,491	547,303	135,861	267,939	256,400	217,444	179,293	174,339	217,446	278,708
Miscellaneous	2,501,768	1,809,943	3,190,720	2,139,324	2,183,150	1,748,640	2,027,098	2,080,057	1,850,856	1,701,932
Total Revenues	<u>99,133,218</u>	<u>94,530,884</u>	<u>90,628,644</u>	<u>84,775,165</u>	<u>82,743,709</u>	<u>78,005,434</u>	<u>73,519,156</u>	<u>73,426,372</u>	<u>73,216,794</u>	<u>69,971,003</u>
EXPENDITURES										
General Government	2,156,241	2,409,696	3,161,490	4,887,120	3,700,705	2,677,974	2,392,810	2,157,334	2,344,875	2,346,579
Public Safety	9,777,096	9,551,554	9,313,491	9,121,138	8,589,950	8,278,238	7,964,174	7,893,768	9,095,291	8,127,543
Public Service	9,964,573	9,760,053	8,700,343	6,777,231	6,292,611	6,171,951	5,825,440	6,208,726	6,471,955	5,556,931
Culture and Recreation	1,664,453	1,687,812	1,543,358	1,512,185	2,363,093	2,186,943	2,150,213	2,174,705	2,028,355	2,813,232
Economic Development	1,226,860	17,949	74,282	53,618	8,954	10,463	124,865	98,621	331,338	1,319,880
Nondepartmental	1,834,223	1,748,847	1,416,055	1,534,431	1,292,612	1,018,871	1,014,323	978,445	994,254	1,068,209
Education	58,596,150	56,274,524	52,906,926	51,591,873	50,269,984	48,195,673	47,336,155	45,524,948	44,411,976	45,365,948
Debt Service										
Principal Retirement	3,402,289	3,268,099	3,428,099	3,203,099	3,138,099	3,073,104	3,083,099	3,033,099	3,257,255	1,931,954
Interest and Fiscal Fees	2,511,738	2,357,688	2,036,032	2,190,162	2,119,402	2,049,671	2,141,044	2,549,725	2,448,736	2,646,425
Payments Under										
Capital Lease	1,209,733	1,194,233	1,193,133	9,024,136	1,254,316	1,265,876	1,237,920	1,105,423	548,169	600,706
Capital Outlay	<u>20,483,395</u>	<u>6,586,269</u>	<u>5,441,431</u>	<u>4,670,159</u>	<u>2,691,341</u>	<u>2,357,425</u>	<u>5,058,928</u>	<u>9,911,160</u>	<u>12,112,193</u>	<u>5,353,809</u>
Total Expenditures	<u>112,826,751</u>	<u>94,856,724</u>	<u>89,214,640</u>	<u>94,565,152</u>	<u>81,721,067</u>	<u>77,286,189</u>	<u>78,328,971</u>	<u>81,635,954</u>	<u>84,044,397</u>	<u>77,131,216</u>
Excess (Deficiency) of Revenue Over Expenditures Before Financing Sources (Uses)	<u>(13,693,533)</u>	<u>(325,840)</u>	<u>1,414,004</u>	<u>(9,789,987)</u>	<u>1,022,642</u>	<u>719,245</u>	<u>(4,809,815)</u>	<u>(8,209,582)</u>	<u>(10,827,603)</u>	<u>(7,160,213)</u>

CITY OF MARYVILLE, TENNESSEE

SCHEDULE 4

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (Continued)

(Prepared Using the Modified Accrual Basis of Accounting)

Last Ten Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
OTHER FINANCING SOURCES (USES)										
Transfers In	21,677,361	20,668,392	18,143,570	18,091,683	16,965,008	16,754,267	17,305,072	18,521,596	14,858,643	16,894,743
Transfers Out	(20,015,555)	(19,057,210)	(16,819,775)	(16,771,041)	(15,772,694)	(15,281,830)	(15,855,707)	(17,110,489)	(13,475,763)	(15,636,360)
Issuance of Debt	1,240,328	18,180,000	0	0	0	0	0	0	0	18,720,000
Proceeds from										
Refunding Debt	0	23,780,000	0	4,547,000	9,855,000	0	0	14,945,470	14,759,414	26,233,673
Bond Premium	0	3,837,634	0	174,356	143,315	0	0	0	0	0
Payments to Refunding										
Agent	0	(26,629,645)	0	(4,704,198)	(9,830,000)	0	0	(14,660,000)	(14,505,000)	(25,897,365)
Capitalized Leases	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>918,996</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>2,902,134</u>	<u>20,779,171</u>	<u>1,323,795</u>	<u>1,337,800</u>	<u>1,360,629</u>	<u>1,472,437</u>	<u>1,449,365</u>	<u>1,696,577</u>	<u>2,556,290</u>	<u>20,314,691</u>
Net Change in Fund Balance	<u>\$ (10,791,399)</u>	<u>\$ 20,454,323</u>	<u>\$ 2,753,115</u>	<u>\$ (8,467,665)</u>	<u>\$ 2,377,014</u>	<u>\$ 2,181,883</u>	<u>\$ (3,344,576)</u>	<u>\$ (6,561,130)</u>	<u>\$ (8,278,069)</u>	<u>\$ 13,133,841</u>
Debt Service as a Percentage of Noncapital Expenditures	7.7%	7.8%	8.1%	16.0%	8.2%	8.5%	8.8%	9.3%	8.7%	7.2%

CITY OF MARYVILLE, TENNESSEE

SCHEDULE 5

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Fiscal Year Ending June 30	Tax Year	Real Property		Tangible Personal Property Assessed	Public Utility Assessment	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage Actual Value
		Residential Farms Property	Commercial Industrial Property						
2019	2018	\$ 441,566,375	\$ 340,800,840	\$ 152,102,696	\$ 14,946,947	\$ 949,416,858	\$ 2.27	\$ 3,199,820,399	30%
2018	2017	428,198,775	328,658,200	158,555,413	14,147,729	929,560,117	2.27	3,126,467,520	30%
2017	2016	416,388,736	319,121,165	166,087,390	14,466,417	916,063,708	2.17	3,043,285,066	30%
2016	2015	409,908,365	314,787,910	161,624,066	14,543,396	900,863,737	2.17	2,991,792,660	30%
2015	2014	438,743,017	257,898,885	134,813,754	12,917,003	844,372,659	2.17	2,872,583,920	29%
2014	2013	434,148,698	253,448,120	111,166,000	11,811,906	810,574,724	2.17	2,754,845,589	29%
2013	2012	430,141,700	242,692,240	110,828,787	10,499,920	794,162,647	2.17	2,715,817,453	29%
2012	2011	428,509,175	243,905,680	112,439,268	10,063,941	794,918,064	2.17	2,716,896,534	29%
2011	2010	389,601,275	221,918,360	112,177,658	9,772,822	733,470,115	2.17	2,504,895,294	29%
2010	2009	389,176,075	222,126,120	111,504,825	8,364,243	731,171,263	2.30	2,498,910,065	29%

SOURCE: City of Maryville Recorder's Office
Blount County, Tennessee Trustee's Office

CITY OF MARYVILLE, TENNESSEE

SCHEDULE 6

DIRECT AND OVERLAPPING PROPERTY TAX RATES
(Rate per \$100 of Assessed Value)

Last Ten Calendar Years

Tax Year	Direct Tax Rate	Overlapping Tax Rate - Blount County
2018	\$ 2.27	\$ 2.47
2017	2.27	2.47
2016	2.17	2.47
2015	2.17	2.47
2014	2.17	2.15
2013	2.17	2.15
2012	2.17	2.15
2011	2.17	2.15
2010	2.17	2.04
2009	2.30	2.23

SOURCE: City of Maryville Recorder's Office
Blount County, Tennessee Trustee's Office

NOTE: The Direct Tax Rate does not have components.

CITY OF MARYVILLE, TENNESSEE

SCHEDULE 7

PRINCIPAL TAXPAYERS

June 30, 2019

Taxpayer	Fiscal Year 2019			Fiscal Year 2010		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Denso Manufacturing Tennessee, Inc.	\$ 157,692,828	1	16.9%	\$ 94,973,298	1	12.9%
Bridgeway Properties 1, LLC	8,982,385	2	1.0%	0		0.0%
Wal-Mart Stores, Inc.	7,972,067	3	0.9%	6,155,623	6	0.8%
Camellia Trace at Mountain View LLC	7,516,780	4	0.8%	4,993,320	7	0.7%
Atmos Energy Corp.	7,509,098	5	0.8%	0		0.0%
Foothills Mall Equities LLC	5,350,693	6	0.6%	4,683,783	8	0.6%
CBL & Associates	5,183,585	7	0.6%	7,279,040	4	1.0%
Mountainside Independent Life	5,031,480	8	0.5%	0		0.0%
Standard Aero Alliance, Inc.	4,629,373	9	0.5%	10,085,924	2	1.4%
Presbyterian Homes of Tennessee, Inc.	3,520,775	10	0.4%	7,507,560	3	1.0%
Ruby Tuesday, Inc.	0		0.0%	6,188,801	5	0.8%
Key Safety Systems, Inc.	0		0.0%	3,344,974	9	0.5%
Belk Department Stores LP	0		0.0%	3,142,339	10	0.4%
Totals	\$ 213,389,064		22.84%	\$ 148,354,662		20.23%
Total Assessed Value All Property (Excluding Public Utilities)	\$ 934,469,911			\$ 733,470,115		

SOURCE: City Recorder's Tax Collection Records

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 8
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Original Taxes Levied	Adjusted Taxes Levied (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2019	\$ 21,551,868	\$ 21,549,848	\$ 21,136,908	98.1%	\$ 0	\$ 21,136,908	98.1%
2018	21,101,120	21,267,832	20,915,814	98.3%	388,346	21,304,160	100.2%
2017	19,984,494	19,878,488	19,515,541	98.2%	293,828	19,809,369	99.7%
2016	19,512,874	19,412,101	19,131,633	98.6%	273,464	19,405,097	100.0%
2015	18,317,635	18,366,342	17,894,734	97.4%	459,351	18,354,085	99.9%
2014	17,590,314	17,613,067	17,153,249	97.4%	456,134	17,609,383	100.0%
2013	17,318,644	17,292,193	16,729,203	96.7%	556,304	17,285,507	100.0%
2012	17,245,918	17,189,622	16,598,526	96.6%	575,659	17,174,185	99.9%
2011	17,185,410	17,164,448	16,562,996	96.5%	581,785	17,144,781	99.9%
2010	16,870,232	16,875,560	16,068,988	95.2%	777,381	16,846,369	99.8%

(1) Adjusted for pickups and releases

SOURCE: City Recorder's office

CITY OF MARYVILLE, TENNESSEE

SCHEDULE 9

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Outlay Notes	Capital Lease Obligations	Total	General Obligation Bonds	General Revenue Bonds	Capital Outlay Notes	Total			
2019	\$ 59,632,029	\$ 9,502,544	\$ 9,838,477	\$ 78,973,050	\$ 15,152,324	\$ 32,833,020	\$ 1,494,288	\$ 49,479,632	\$ 128,452,682	10.11%	\$ 4,336
2018	62,325,384	9,472,510	10,624,139	82,422,033	17,518,009	33,267,360	1,602,936	52,388,305	134,810,338	11.5%	4,677
2017	45,094,964	10,855,650	11,370,955	67,321,569	13,325,816	33,095,447	1,709,376	48,130,639	115,452,208	10.1%	3,989
2016	47,080,073	12,468,749	12,094,078	71,642,900	14,910,755	33,813,742	1,813,644	50,538,141	122,181,041	11.0%	4,258
2015	47,505,053	15,301,848	20,593,645	83,400,546	12,239,311	38,394,133	1,915,788	52,549,232	135,949,778	12.6%	4,776
2014	49,057,562	16,864,946	21,254,792	87,177,300	13,606,641	39,075,340	2,015,856	54,697,837	141,875,137	13.6%	5,025
2013	50,732,789	18,408,045	21,897,651	91,038,485	14,923,971	39,741,547	2,113,884	56,779,402	147,817,887	14.7%	5,281
2012	52,433,016	19,936,144	22,502,345	94,871,505	18,209,061	40,392,755	2,209,920	60,811,736	155,683,241	15.6%	5,610
2011	53,502,182	21,444,243	23,393,996	98,340,421	19,756,132	41,028,962	2,304,000	63,089,094	161,429,515	17.6%	5,862
2010	54,833,006	23,216,498	22,965,000	101,014,504	21,248,460	41,650,170	260,142	63,158,772	164,173,276	18.8%	5,978

NOTES: Personal Income data can be found on Schedule 14.

Population data can be found on Schedule 14.

CITY OF MARYVILLE, TENNESSEE

SCHEDULE 10

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Calendar Years

Fiscal Year Ending June 30,	General Obligation Debt	Less Amounts Available in Debt Service Fund	Net General Obligation Debt	Percentage of Assessed Taxable Value of Property	Per Capita
2019	\$ 74,784,353	\$ 1,405,156	\$ 73,379,197	7.7%	\$ 2,477
2018	79,843,393	836,938	79,006,455	8.5%	2,741
2017	58,420,780	107,343	58,313,437	6.4%	2,015
2016	61,990,828	243,669	61,747,159	6.8%	2,151
2015	59,744,364	8,025,226	51,719,138	6.1%	1,817
2014	62,664,203	8,010,894	54,653,309	6.7%	1,936
2013	65,656,760	8,009,035	57,647,725	7.3%	2,059
2012	70,642,077	8,489,676	62,152,401	7.8%	2,239
2011	73,258,314	9,087,727	64,170,587	8.8%	2,330
2010	76,081,466	10,842,203	65,239,263	8.9%	2,375

NOTES: Actual Taxable Value of Property data can be found on Schedule 5.

Population data can be found on Schedule 14.

CITY OF MARYVILLE, TENNESSEE

SCHEDULE 11

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2019

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes:			
Direct Debt			
General Obligation Bonds	\$ 59,632,029		
Capital Outlay Notes	9,502,544		
Capital Leases	<u>9,838,477</u>		
Total Direct Debt	78,973,050	100.00%	\$ 78,973,050
Overlapping Debt			
Blount County General Government	158,109,435	27%	<u>42,594,682</u>
Total Direct and Overlapping Debt			<u><u>\$ 121,567,732</u></u>

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding indebtedness of those overlapping governments that is borne by the residents and businesses of the City of Maryville. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore, responsible for repaying the debt of each overlapping government.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using the taxable assessed property values. Applicable percentages were estimated by determining the portion of Blount County, Tennessee's taxable assessed value within the City's boundaries and dividing it by Blount County, Tennessee's total taxable assessed value.

General obligation debt repaid from resources provided by business-type activities is excluded.

SOURCE: Blount County, Tennessee Government

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 12
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

Legal Debt Margin Calculation for 2019	
Assessed Value	\$ <u>949,416,858</u>
Debt Limit (15% of Assessed Value)	\$ <u>142,412,529</u>
Net Debt Applicable to Limit	
General Obligation Debt	78,973,050
Less: Amount Set Aside for Repayment of General Obligation Debt	<u>1,405,156</u>
Net Debt Applicable to Limit	<u>77,567,894</u>
Legal Debt Margin	\$ <u>64,844,635</u>

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Debt Limit	\$ 142,412,529	\$ 139,434,018	\$ 137,409,556	\$ 135,129,561	\$ 126,655,899	\$ 121,586,209	\$ 121,365,352	\$ 119,124,397	\$ 117,278,585	\$ 109,953,951
Total Net Debt Applicable to Limit	<u>77,567,894</u>	<u>81,585,095</u>	<u>67,214,226</u>	<u>71,399,231</u>	<u>72,708,957</u>	<u>76,030,406</u>	<u>77,471,668</u>	<u>80,153,813</u>	<u>83,655,512</u>	<u>85,224,295</u>
Legal Debt Margin	<u>\$ 64,844,635</u>	<u>\$ 57,848,923</u>	<u>\$ 70,195,330</u>	<u>\$ 63,730,330</u>	<u>\$ 53,946,942</u>	<u>\$ 45,555,803</u>	<u>\$ 43,893,684</u>	<u>\$ 38,970,584</u>	<u>\$ 33,623,073</u>	<u>\$ 24,729,656</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	54.5%	58.5%	51.1%	52.8%	57.4%	62.5%	63.8%	67.3%	71.3%	77.5%

NOTES: By private act of the State of Tennessee General Assembly enacted June 2004, the Charter of the City of Maryville was amended to authorize the issuance of debt up to an amount that will not exceed ten percent (10%) of the total assessed value of property of the incorporated area.

By private act of the State of Tennessee General Assembly effective April 2008, the charter of the City of Maryville was amended to authorize the issuance of debt up to an amount that will not exceed fifteen percent (15%) of the total assessed value of the incorporated area. Fiscal years subsequent to 2007 are calculated using a debt limit of fifteen percent (15%) of total assessed value of property while prior years are disclosed using ten percent (10%).

CITY OF MARYVILLE, TENNESSEE

SCHEDULE 13

PLEDGED – REVENUE COVERAGE

Last Ten Fiscal Years

Fiscal Year Ending June 30	Electric Revenue Debt						Water and Sewer Revenue Debt					
	Operating Revenues	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage	Operating Revenues	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2019	\$ 69,547,202	\$ 63,655,534	\$ 5,891,668	\$ 791,000	\$ 214,605	5.86	\$ 17,221,608	9,300,223	\$ 7,921,385	\$ 1,760,648	\$ 1,522,321	2.41
2018	68,350,330	63,003,781	5,346,549	758,000	130,247	6.02	15,626,835	8,645,539	6,981,296	1,328,440 (1)	1,689,510	2.31
2017	69,302,827	63,814,002	5,488,825	746,000	161,977	6.05	15,069,949	8,471,859	6,598,090	1,563,268	1,951,870	1.88
2016	65,751,838	60,897,937	4,853,901	705,000 (1)	223,662	5.23	15,212,193	7,506,696	7,705,497	1,462,144 (1)	2,066,870	2.18
2015	66,049,665	61,279,772	4,769,893	675,000	248,388	5.17	14,832,003	7,539,137	7,292,866	1,415,068	2,129,656	2.06
2014	65,274,058	60,181,720	5,092,338	650,000	272,189	5.52	14,905,009	7,487,914	7,417,095	1,373,028	2,188,809	2.08
2013	63,992,291	58,315,043	5,677,248	1,890,000	343,326	2.54	14,297,661	7,050,424	7,247,237	2,081,036	2,282,524	1.66
2012	63,093,546	57,022,200	6,071,346	840,000	376,942	4.99	13,820,345	7,209,488	6,610,857	1,379,080	2,338,369	1.78
2011	65,112,057	60,952,804	4,159,253	805,000	402,473	3.44	12,959,720	6,549,100	6,410,620	1,250,000	2,331,823	1.79
2010	55,543,033	51,818,933	3,724,100	660,000	339,990	3.72	11,336,312	6,951,773	4,384,539	785,000 (1)	2,282,149	1.43

NOTES: Operating expenses do not include interest, depreciation, amortization expenses or in-lieu-of taxes paid to other City funds.

(1) Does not include debt retired from bond refunding issues.

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 14
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Fiscal Year Ended June 30,	(1) Population	(2) Personal Income	(3) Per Capita Income	(4) Median Age	(5) School Enrollment	(6) Unemployment Rate
2019	29,625	\$ 1,270,586,625	\$ 42,889	39.1	5,379	2.8%
2018	29,192	1,227,465,216	42,048	39.1	5,346	2.6%
2017	28,765	1,185,808,360	41,224	39.1	5,225	2.9%
2016	28,703	1,125,903,878	39,226	39.1	5,101	3.7%
2015	28,464	1,089,658,848	38,282	39.1	5,038	5.1%
2014	28,233	1,030,250,403	36,491	39.1	5,091	5.6%
2013	27,992	993,184,152	35,481	39.1	4,962	6.7%
2012	27,753	977,849,202	35,234	39.1	4,930	6.9%
2011	27,536	926,806,688	33,658	39.1	4,910	8.0%
2010	27,465	875,941,245	31,893	39.1	4,974	8.7%

- SOURCES:** (1) 2010 - U.S. Census Bureau, 2010 Census
2011 Special Census Certification from the Dept of Economic & Community Development
2012-2018 U.S. Census Bureau Estimate (updated)
2019 Estimated based prior year's growth
- (2) Calculation based upon Population and Per Capita Income
- (3) 2010-2017 Bureau of Economic Analysis - Blount County (updated)
2018-2019 Estimated based on prior year's growth
- (4) 2010-2019 2010 US Census Bureau City of Maryville
- (5) City of Maryville Schools
- (6) Bureau of Labor Statistics – All Figures Reflect Blount County (May - Not Seasonally Adjusted)

CITY OF MARYVILLE, TENNESSEE

SCHEDULE 15

PRINCIPAL EMPLOYERS

June 30, 2019

Employer	2019			2010 (3)		
	Employees	Rank	Percentage Of Total City/County Employment	Employees	Rank	Percentage Of Total City/County Employment
Denso Manufacturing Tennessee, Inc. ⁽¹⁾	5,000	1	7.94%	2,500	2	4.30%
Clayton Homes ⁽¹⁾	3,188	2	5.06%	2,511	1	4.32%
Blount Memorial Hospital, Inc. ⁽¹⁾	2,470	3	3.92%	2,198	3	3.78%
Blount County School System ⁽¹⁾	1,728	4	2.75%	-	-	-
McGhee Tyson ANG Base ⁽¹⁾	1,701	5	2.70%	1,600	4	2.75%
Newell_Rubbermaid ⁽¹⁾ Sanford Brands	1,100	6	1.75%	300	14	-
Arconic ⁽¹⁾	995	7	1.58%	1,368	5	-
Blount County Government ⁽¹⁾	764	8	1.21%	745	7	1.28%
Maryville City Schools ⁽²⁾	702	9	1.12%	658	8	1.13%
Walmart Super Center ⁽²⁾	606	10	0.96%	603	9	-
Accenture Hospitality Service ⁽¹⁾	541	11	0.86%	-	-	-
Ruby Tuesday ⁽¹⁾	451	12	0.72%	-	-	-
TeamHealth Alcoa Billing Center ⁽¹⁾	425	13	0.68%	1,301	6	2.24%
Massey Group ⁽²⁾	400	14	0.64%	-	-	-
Reinhart Food Service ⁽¹⁾ Formerly IJ Co.	384	15	0.61%	-	-	0.00%
City of Maryville ⁽²⁾	344	16	0.55%	483	12	0.83%
K 12 ⁽¹⁾	316	17	0.50%	336	13	0.58%
Rockford Manufacturing ⁽¹⁾	305	18	0.48%	-	-	-
City of Alcoa ⁽²⁾	300	19	0.48%	300	15	-
Maryville College ⁽¹⁾	279	20	0.44%	284	16	-
Alcoa City Schools ⁽²⁾	265	21	0.42%	-	-	-
Peninsula Hospital ⁽¹⁾ division of Covenant Health	253	22	0.40%	227	17	-
Standard Aero, Inc. ⁽¹⁾	242	23	0.38%	-	-	-
	<u>22,758</u>		<u>36.15%</u>	<u>15,414</u>		<u>26.53%</u>
Total Blount County Employment 2019 (as of 05/19) (4)	62,950					
Total Blount County Employment 2009 (as of 05/10) (4)	58,100					

SOURCES:

- (1) The Knoxville News Sentinel "Book of Lists"
- (2) 2019 Responses from Employer
- (3) City of Maryville Comprehensive Annual Financial Report June 30, 2010
- (4) U.S. Bureau of Labor Statistics

CITY OF MARYVILLE, TENNESSEE

SCHEDULE 16

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY DEPARTMENT

Last Ten Fiscal Years

	<u>Actual 2019</u>	<u>Actual 2018</u>	<u>Actual 2017</u>	<u>Actual 2016</u>	<u>Actual 2015</u>	<u>Actual 2014</u>	<u>Actual 2013</u>	<u>Actual 2012</u>	<u>Actual 2011</u>	<u>Actual 2010</u>
General Government										
Administration	3.66	3.66	3.66	3.66	3.66	3.66	3.84	4.05	4.05	3.47
Judicial/Legal	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Human Resources	1.83	2.44	2.44	2.44	2.44	2.44	2.44	2.44	2.44	2.25
Finance	4.43	3.93	3.93	3.93	3.58	3.58	3.58	3.58	3.58	4.08
Purchasing	0.00	0.00	0.00	0.00	0.35	0.35	0.35	0.35	0.35	0.35
Police	58.50	55.50	55.50	51.50	51.50	51.50	51.50	51.50	51.50	54.50
Animal Control	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Fire	36.50	36.50	36.50	36.50	36.50	36.50	36.50	36.50	36.50	41.50
Development Services	9.38	9.38	9.38	9.38	8.38	8.38	7.38	7.38	7.38	9.38
Engineering	3.20	3.20	3.20	3.20	3.20	3.20	3.20	4.20	4.20	4.25
Central Traffic Operations	3.00	2.00	2.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00
SWM - Residential Collection	10.09	9.95	9.72	9.46	11.46	11.46	11.46	11.46	11.46	11.89
SWM - Commercial Collection	5.37	5.83	5.51	4.44	4.44	4.44	4.44	4.44	4.44	4.87
SWM - Brush Collection	7.44	7.12	7.67	9.00	8.00	8.00	8.00	8.00	8.00	8.44
Public Works - Street Maintenance	10.75	10.75	10.75	11.00	11.00	11.00	11.00	11.05	11.05	12.35
Public Works - Grounds Maintenance	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	14.75
GIS Management	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00
Stormwater Utility – Engineering	3.70	3.70	3.35	3.70	3.70	3.70	3.70	3.70	3.70	3.65
Stormwater Utility – Construction	7.15	7.15	7.15	6.90	6.90	6.90	6.90	6.85	6.85	7.75
Computer Information Systems	5.00	5.00	5.00	5.00	5.00	5.00	6.00	6.00	6.00	7.00
Fleet Maintenance	7.05	7.05	7.05	6.05	6.05	6.05	6.05	6.05	6.05	7.15
Operations Center	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>
Total General Government	<u>196.55</u>	<u>192.66</u>	<u>192.31</u>	<u>186.66</u>	<u>185.66</u>	<u>185.66</u>	<u>185.84</u>	<u>186.05</u>	<u>186.05</u>	<u>203.63</u>

CITY OF MARYVILLE, TENNESSEE

SCHEDULE 16

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY DEPARTMENT (Continued)

Last Ten Fiscal Years

	<u>Actual 2019</u>	<u>Actual 2018</u>	<u>Actual 2017</u>	<u>Actual 2016</u>	<u>Actual 2015</u>	<u>Actual 2014</u>	<u>Actual 2013</u>	<u>Actual 2012</u>	<u>Actual 2011</u>	<u>Actual 2010</u>
Electric Division										
Administration	12.47	4.30	4.48	4.05	4.05	4.25	4.15	4.05	4.05	4.08
Finance and Accounting	7.92	19.12	19.62	19.62	19.62	24.62	24.62	24.62	24.62	27.92
Metering (1)	16.40	4.05	4.05	4.05	4.05	0.00	0.00	0.00	0.00	0.00
Transmission and Distribution	23.54	31.20	30.80	32.95	32.95	33.00	33.00	33.00	33.00	32.60
Total Electric Division	<u>60.33</u>	<u>58.67</u>	<u>58.95</u>	<u>60.67</u>	<u>60.67</u>	<u>61.87</u>	<u>61.77</u>	<u>61.67</u>	<u>61.67</u>	<u>64.60</u>
Water Quality Control										
Administration	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.43	3.43	4.52
Engineering	4.25	12.83	12.36	11.77	11.52	11.22	11.14	8.05	8.05	11.40
Water Plant Operations	19.62	7.40	7.40	7.45	7.40	7.60	7.60	7.35	7.35	7.30
Wastewater Treatment Plan	4.05	16.60	16.20	15.70	15.70	15.50	15.50	15.60	15.60	18.55
Water Construction	31.20	23.84	23.79	22.75	23.05	22.15	22.15	21.85	21.85	26.00
Total Water Quality Control	<u>59.12</u>	<u>60.67</u>	<u>59.75</u>	<u>57.67</u>	<u>57.67</u>	<u>56.47</u>	<u>56.39</u>	<u>56.28</u>	<u>56.28</u>	<u>67.77</u>
Total General Government and Utilities	<u>316.00</u>	<u>312.00</u>	<u>311.01</u>	<u>305.00</u>	<u>304.00</u>	<u>304.00</u>	<u>304.00</u>	<u>304.00</u>	<u>304.00</u>	<u>336.00</u>

(1) Metering Department Established July 2014

SOURCE: City of Maryville Budget Office

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 17
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program General Government	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
City Tax Clerk										
Tax Parcels	\$ 14,396	\$ 14,199	\$ 13,996	\$ 13,797	\$ 13,719	\$ 13,781	\$ 13,772	\$ 13,684	\$ 13,569	\$ 13,535
Real Property Values	3,172,644,132	3,112,319,791	3,043,285,066	2,959,438,597	2,398,303,300	2,369,311,100	2,335,816,600	2,322,445,000	2,298,129,400	2,112,019,600
Assessed Values	934,469,911	915,412,388	916,063,708	884,656,859	831,205,765	798,595,753	786,956,027	784,238,454	781,887,005	738,191,690
Delinquent Taxes	178,758	217,856	257,676	236,950	263,599	281,498	343,328	382,630	402,128	382,934
Business Licenses	1,615	1,492	1,331	1,308	1,087	1,628	1,181	1,179	1,300	1,167
Electric										
Number of Miles of Line and Distribution Circuits	404	403	400	397	395	388	387	387	386	386
Peak System Demand (kW)	154,440	155,091	162,177	153,192	155,937	149,326	149,020	126,199	153,455	147,069
Number of Meters in Service (Total)	23,010	22,732	22,547	23,338	22,149	22,031	21,958	21,715	21,381	21,427
Total Annual Power Usage	818,829	808,959	799,016	789,231	786,444	768,666	738,538	562,000	654,569	718,678
Wastewater										
Number of Customers	14,551	14,241	13,973	13,711	13,498	13,385	13,242	13,039	13,022	12,812
Average Daily Treatment (1,000 of Gallons)	12,331	8,909	9,344	9,843	8,853	9,700	10,321	9,352	8,801	9,992
Permitted Capacity (1,000 of Gallons)	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	12,000
Maximum Day Treatment (1,000 of Gallons)	39,100	37,700	29,200	36,500	18,600	32,500	33,900	32,600	42,451	31,883
Water										
Number of Customers	16,283	16,080	15,833	15,617	15,448	15,353	15,244	15,140	14,844	14,460
Average Daily Consumption (1,000 of Gallons Sold)	3,365	3,291	3,365	3,315	3,122	3,167	3,205	3,325	3,295	2,972
Permitted Capacity (1,000 of Gallons)	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Maximum Day Treatment (1,000 of Gallons)	5,697	5,995	5,672	5,745	5,346	5,645	6,114	6,282	6,188	5,881
Codes Department										
Building Permits	3,147	3,314	3,103	2,091	2,017	1,297	1,605	1,136	965	1,093
Total Construction Value	63,089,758	118,282,789	83,663,200	78,522,852	81,424,658	32,318,640	42,607,839	29,614,358	32,369,296	25,316,738
Police Department										
Citations	2,229	1,911	2,401	1,678	1,432	1,932	2,431	2,408	2,054	2,067
Burglaries	56	70	103	103	114	129	170	193	140	145
Total Arrests	1,114	1,013	1,112	921	1,037	1,229	1,429	1,467	1,407	1,638
DUI Arrests	65	76	93	78	81	87	157	130	81	156
Domestic Violence Victims	158	149	102	113	94	115	150	163	172	138
Incident Reports	2,119	2,183	2,409	2,101	1,952	2,191	2,481	2,772	2,572	2,471
Calls for Service	39,632	38,674	28,723	32,358	27,285	25,719	30,634	31,144	29,177	31,189
Fire Department										
Calls for Service	4,804	4,706	4,478	4,052	3,900	3,910		3,505	3,607	3,489
Fire Educational Programs	302	292	284	311	262	388	132	69	89	129
Company Inspections	319	348	325	362	492	387	156	832	980	1,468
Fire Hydrants	1,972	1,882	1,873	1,841	1,853	1,853	1,820	1,870	1,822	1,809

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 17
OPERATING INDICATORS BY FUNCTION/PROGRAM (Continued)
Last Ten Fiscal Years

Function/Program General Government	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Animal Control										
Animal Control Complaints	1,445	1,691	1,507	2,058	1,655	1,683	2,588	2,197	1,975	1,700
Animal Impoundments	545	491	465	496	503	591	515	613	645	626
Animal Board Days	5,894	2,671	2,585	2,572	2,954	1,444	2,906	2,581	2,684	2,629
Animals Returned to Owners	110	130	105	96	106	107	91	106	85	107
Animals Adopted	231	177	192	201	216	254	182	200	100	89
Animals Euthanized	0	0	0	0	1	11	21	137	352	364
Parks and Recreation										
Maryville City Park Acreage	79	79	79	79	76	76	76	76	76	76
Youth Basketball Participants	607	639	587	586	567	625	650	675	725	710
Youth Soccer Participants	989	985	1,125	1,100	1,090	1,200	1,285	1,300	1,245	1,215
Adult Softball Teams	66	74	88	83	107	75	80	80	95	130
Adult Basketball Teams	10	10	10	12	11	15	16	18	20	16
Adult Volleyball Teams	23	26	26	32	38	41	36	30	34	32
Flag Football	225	255	227	217	197	-	-	-	-	-
Senior Center Membership	830	600	800	750	680	625	600	580	590	547
Public Works Street and Grounds Department										
Miles of City Streets	174	174	173	171	169	169	169	169	169	169
Greenbelt and Extensions Acreage	87	87	87	87	87	87	87	87	87	87
Solid Waste Management Department										
Residential – Avg Tons Collected per Res	0.68	0.66	0.62	0.53	0.84	0.61	0.59	0.63	0.71	0.72
Commercial – Avg Tons Collected Daily	36.82	37.35	37.29	42.33	40.10	35.92	35.48	36.47	37.59	41.69
Brush – Average Tons Collected Daily	27.37	34.68	30.30	27.84	23.10	23.71	24.58	23.53	21.10	25.22
Landfill – Total Tonnage From Landfills	24,546	26,237	25,664	24,597	22,818	22,880	22,754	23,381	22,146	24,288
Fleet Maintenance Dept										
Number of Fleet Vehicle and Attachments	396	395	376	378	377	387	385	382	387	391
Schools										
Total Enrollment	5,379	5,346	5,225	5,101	5,038	5,091	4,962	4,930	4,910	4,974
Resident	5,020	5,003	4,899	4,813	4,756	4,845	4,727	4,720	4,705	4,764
Tuition	359	343	326	288	282	246	235	210	205	210
Number of Regular Instruction Teachers	331	330	329	328	323	326	326	320	323	318

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 18
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	Fiscal Year Ending									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government										
City Municipal Building	1	1	1	1	1	1	1	1	1	1
Cars	2	2	4	4	4	4	6	6	7	8
Sport Utility Vehicles	3	2	0	0	0	0	0	0	0	0
Utilities										
Operation Center (Public Works and Utilities)	1	1	1	1	1	1	1	1	1	1
Water Plants	1	1	1	1	1	1	1	1	1	1
Water Tanks/Storage Tanks	7	7	7	7	7	7	7	7	7	7
Water Booster Stations	5	5	5	5	5	5	5	5	5	5
Wastewater Treatment Plants	1	1	1	1	1	1	1	1	1	1
Sewage Pump/Lift Stations	20	20	21	22	22	22	22	21	21	20
Electric Substations	8	8	8	8	8	8	7	7	7	7
Cars	1	1	1	1	1	1	2	2	2	3
ATV	1	1	1	0	0	0	0	0	0	0
Sport Utility Vehicles	7	8	6	6	7	6	6	7	7	8
Trucks	35	36	35	33	35	35	33	33	33	35
Heavy Equipment	26	29	26	29	23	25	26	23	24	22
Other Equipment	51	50	47	49	47	47	45	46	48	48
Storage Sheds – Home Avenue	4	4	4	4	4	4	3	3	3	3
Storage Sheds – Best Street	8	8	8	5	5	5	5	5	5	5
Fuel System	1	1	1	1	1	1	1	1	1	1
Wash Bay	1	1	1	1	1	1	1	1	1	1
Warehouses	4	4	4	4	2	2	2	2	2	2
Public Safety										
Police Department/Police Substations	1	1	1	1	1	1	1	1	1	1
Patrol Cars/Cars	60	59	52	51	53	59	57	56	56	56
Sport Utility Vehicles	12	10	10	10	8	9	9	10	10	10
Trucks	2	2	2	2	2	1	1	0	1	1
Vans	1	1	1	1	1	1	1	1	1	1
Mobile Command Unit	1	1	1	1	1	1	1	1	1	1
ATV	1	1	1	1	1	1	1	1	1	1
Motorcycles	6	6	5	5	5	5	5	5	5	5
Other	2	2	2	2	2	2	0	0	0	0

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 18
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM (Continued)
Last Ten Fiscal Years

Function/Program	Fiscal Year Ending									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Public Safety (Continued)										
Animal Control										
Building-Shelter	1	1	1	1	1	1	1	1	1	1
Pickup Trucks	3	3	3	3	3	3	3	5	5	5
Fire Department										
Fire Halls	3	3	3	3	3	3	3	3	3	3
Cars	3	3	2	2	2	3	3	2	2	2
Sport Utility Vehicles	3	3	5	4	4	3	3	2	2	2
Trucks	3	3	3	3	2	3	3	3	2	2
ATV	1	1	1	1	1	1	1	1	1	1
Emergency One Vehicles	1	1	1	2	2	2	2	2	2	2
Fire Engines/Ladder Trucks/Pumpers	4	4	4	4	4	4	4	4	4	4
Life Safety Bus	0	0	1	1	1	1	1	1	1	1
Antique Fire Truck	1	1	1	1	1	1	1	1	1	1
Other Equipment	3	3	3	3	3	3	3	3	3	3
Public Services										
Codes Enforcement										
Sport Utility Vehicles	4	3	2	2	2	2	2	2	2	2
Cars	1	3	3	3	3	3	3	3	3	3
Trucks	2	1	1	1	1	1	1	1	1	1
Engineering										
Sports Utility Vehicles	3	3	3	3	2	2	2	2	2	2
Public Works Street and Grounds Departments										
Salt Storage Building	1	1	1	1	1	1	1	1	1	1
Bridges	31	31	31	31	31	31	31	31	31	30
City Streets	792	790	790	775	769	766	766	766	766	766
Sports Utility Vehicles	0	0	0	2	2	2	1	1	1	1
Trucks	15	14	14	12	12	12	12	11	12	12
Heavy Equipment	12	13	9	12	12	13	14	13	13	13
Other Equipment	48	48	48	48	47	48	48	49	50	51
Stormwater:										
Pickup Trucks	2	2	3	3	3	3	3	3	3	3
SUV	1	1	0	0	0	0	0	0	0	0
Heavy Equipment	2	2	2	2	3	1	1	1	1	1
Other	1	1	1	1	1	0	0	0	0	0

CITY OF MARYVILLE, TENNESSEE
SCHEDULE 18
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM (Continued)
Last Ten Fiscal Years

Function/Program	Fiscal Year Ending									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Public Safety (Continued)										
Solid Waste Management (Residential, Commercial and Brush)										
Sport Utility Vehicle	1	1	1	1	1	1	1	1	1	1
Trucks	4	4	4	4	4	4	4	4	4	4
Heavy Equipment	19	17	17	17	20	21	21	20	20	20
Other Equipment	17	17	17	17	21	20	21	21	21	21
Social, Cultural and Recreational Services										
Pools	1	1	1	1	1	1	1	1	1	1
Concession Stands	3	3	3	3	3	3	3	3	3	3
Greenbelt	1	1	1	1	1	1	1	1	1	1
Parks	7	7	7	7	7	7	7	7	7	7
Other General Government										
Industrial Development Parks	4	4	4	4	4	4	4	4	4	4
Parking Garages	3	3	3	2	2	2	2	2	2	2
Commercial Buildings	0	1	1	1	1	1	1	1	1	1
Fleet Maintenance										
Fleet Maintenance Building	1	1	1	1	1	1	1	1	1	1
Trucks	2	2	2	2	2	2	2	2	2	2
Other Equipment	1	1	1	1	1	1	1	1	1	1
Maryville City Schools										
Central Office	1	1	1	1	1	1	1	1	1	1
Elementary Schools	3	3	3	3	3	3	3	4	4	4
Middle Schools	1	1	1	1	1	1	1	1	1	1
Intermediate Schools	2	2	2	2	2	2	2	1	1	1
High Schools	1	1	1	1	1	1	1	1	1	1
Bus	8	6	6	6	6	6	6	6	6	6
Vans	11	10	11	11	11	10	10	10	10	10
Trucks	4	6	6	7	7	7	8	8	7	7
Other Equipment	5	5	5	4	3	5	5	6	6	6

SOURCE: City of Maryville Department Records
Maryville City School Fleet Inventory

COMPLIANCE SECTION

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2019

Federal Grantor/Pass-through Grantor Program	CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
Federal Awards				
U.S. Department of Agriculture				
Passed through the Tennessee Department of Agriculture:				
National School Lunch Program - Non-Cash Assistance-Commodities	10.555	N/A	\$ 0	\$ 149,398
Passed through the Tennessee Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	N/A	0	263,312
National School Lunch Program	10.555	N/A	0	689,369
Total Child Nutrition Cluster			0	1,102,079
Total U.S. Department of Agriculture			0	1,102,079
U.S. Department of Education				
Passed through the Tennessee Department of Education:				
Title I Grants to Local Educational Agencies	84.010	N/A	0	656,669
Special Education Cluster:				
Special Education - Grants to States	84.027	N/A	0	1,071,241
Special Education - Preschool Grants	84.173	N/A	0	33,823
Total Special Education Cluster			0	1,105,064
Career and Technical Education - Basic Grants to States	84.048	N/A	0	85,119
Student Support and Academic Enrichment Program	84.424	N/A	0	1,200
Passed through the Tennessee Department of Human Services:				
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	34570-54919	0	105,493
English Language Acquisition State Grants	84.365	N/A	0	17,810
Supporting Effective Instruction State Grants	84.367	N/A	0	108,819
Student Support and Academic Enrichment Program	84.424	N/A	0	39,559
Total U.S. Department of Education			0	2,119,733
U.S. Department of Health and Human Services				
Passed through the Tennessee Department of Human Services				
Child Care Development Block Grant	93.575	N/A	0	2,219
Total U.S. Department of Health and Human Services			0	2,219
U.S. Department of Justice				
U.S. Department of Justice Direct Assistance:				
Bulletproof Vest Partnership Program	16.607	N/A	0	3,233
Total U.S. Department of Justice			0	3,233
U.S. Department of Transportation				
Passed through the Tennessee Department of Transportation:				
Highway Planning and Construction	20.205	150172	0	19,057
Highway Planning and Construction	20.205	150200	0	447,963
Total CFDA Number 20.205			0	467,020
Alcohol Open Container Requirements	20.607	Z19THS176	0	20,238
National Priority Safety Programs	20.616	Z18THS193	0	9,744
Total U.S. Department of Transportation			0	497,002
Total Federal Awards			\$ 0	\$ 3,724,266

The accompanying notes to the schedule of expenditures of federal and state financial assistance are an integral part of this schedule.

CITY OF MARYVILLE, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE (Continued)
For the Year Ended June 30, 2019

Federal Grantor/Pass-through Grantor Program	CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
State Financial Assistance				
Tennessee Department of Economic and Community Development				
Work Based Learning Grant		N/A	\$ 0	\$ 23,541
Tennessee Department of Education				
Coordinated School Health Project		N/A	0	100,000
Early Childhood Education		N/A	0	172,657
Family Resource Center Program		N/A	0	29,612
Safe Schools		N/A	0	45,860
School Safety		N/A	0	114,660
Total Tennessee Department of Education			0	462,789
Tennessee Department of Human Services				
Read to Be Ready Summer Literacy Grant		N/A	0	8,876
Total State Financial Assistance			0	495,206
Total Federal Awards and State Financial Assistance			\$ 0	\$ 4,219,472

The accompanying notes to the schedule of expenditures of federal and state financial assistance are an integral part of this schedule.

CITY OF MARYVILLE, TENNESSEE

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

For the Year Ended June 30, 2019

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance (the "Schedule") includes the federal and state grant activity of City of Maryville (the "City") and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, they are not intended to and do not present the financial position, changes in net position, or cash flows of the City.

Federal Financial Assistance. The Single Audit Act Amendments of 1996 (Public Law 104-156) and Uniform Guidance define federal financial assistance as grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations or other assistance. Federal financial assistance does not include direct federal cash assistance to individuals.

Direct Payments. Assistance received directly from the Federal government is classified as direct payments on the Schedule.

Pass-through Payments. Assistance received in a pass-through relationship from entities other than the Federal government is classified as pass-through payments on the Schedule.

Major Programs. The Single Audit Act Amendments of 1996 and Uniform Guidance establish the criteria to be used in defining major programs. Major programs for the City were defined using a risk-based approach in accordance with Uniform Guidance.

Catalog of Federal Domestic Assistance. The Catalog of Federal Domestic Assistance (CFDA) is a government-wide compendium of individual federal programs. Each program included in the catalog is assigned a five-digit program identification number (CFDA Number), which is reflected in the Schedule.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Any negative amounts shown in the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 - NON-CASH ASSISTANCE

The Maryville City Schools is the recipient of certain federal awards that do result in cash receipts or disbursements, including distributions of U.S. Department of Agriculture (USDA) Food Commodities, which are valued based on an USDA price list obtained from the Tennessee Department of Agriculture.

NOTE 4 - INDIRECT COST RATE

The City has elected not to use the 10% de minimis indirect rate as allowed under Uniform Guidance.

NOTE 5 - CONTINGENCIES

The federal and state awards received by the government are subject to audit and adjustment. If any expenditures are disallowed by the grantor agencies as a result of such an audit, the grantor agency could make a claim for reimbursement.



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, budgetary comparisons for the general fund and general purpose school fund, and the aggregate remaining fund information of City of Maryville, Tennessee (the "City"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 30, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Maryville's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Maryville's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Maryville's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2019-001 that we consider to be significant deficiencies.



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Compliance and Other Matters

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

City of Maryville's Response to Findings

The City of Maryville's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs and the Management's Corrective Action Plan. The City of Maryville's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of Maryville's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Maryville's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pugh & Company, P.C.

Certified Public Accountants
Knoxville, Tennessee
October 30, 2019



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REPORT FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited City of Maryville's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2019. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, contracts, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.



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Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

Pugh & Company, P.C.

Certified Public Accountants
Knoxville, Tennessee
October 30, 2019

CITY OF MARYVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2019

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☒ Yes ☐ None reported
- Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Type of auditors' report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) ☐ Yes ☒ No

Major federal programs for the City of Maryville, Tennessee for the fiscal year ended June 30, 2019 are:

Program Name	CFDA#
Special Education Cluster	84.027 / 84.173

Dollar threshold used to distinguish between Type A & Type B programs: \$750,000

Auditee qualified as low-risk auditee? ☒ Yes ☐ No

CITY OF MARYVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended June 30, 2019

Section II - Financial Statement Findings

Current Year Audit Findings:

2019-001 Segregation of Duties – Maryville City Schools

Criteria or Specific Requirement - Segregation of duties is an internal control intended to prevent or decrease the occurrence of misstatement and increase accountability. Proper segregation of duties should be evident in order to ensure that no single employee has control over all phases of a transaction.

Condition - Proper segregation of duties is necessary to prevent a situation where one person handles a transaction from beginning to end and reduce the risk of misstatement and increase accountability.

Cause and Effect - The lack of proper segregation of duties is due to the limited number of employees available to delegate all accounting functions. As a result of the lack of proper segregation of duties, misstatements could occur without being detected.

Recommendations - While a lack of segregation of accounting duties is not uncommon, management and the Board should evaluate the cost and benefits of employing additional accounting personnel to allow proper segregation of duties. In areas where duties cannot be redistributed, closer supervision and/or review of transactions may be required in order to achieve better control.

Management's Response - Management recognizes the benefits of proper segregation of duties. Management will continue to evaluate better ways to monitor transactions and will segregate duties to the extent possible.

Section III - Federal Award Findings

Current Year Audit Findings: None

CITY OF MARYVILLE
SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended June 30, 2019

There were no findings reported in the prior year.



Director of Schools

Mike Winstead, Ph.D.

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Assistant Director of Schools

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MANAGEMENT'S CORRECTIVE ACTION PLAN

For the Year Ended June 30, 2019

2019-001: Segregation of Duties: Maryville City Schools

Contact Person Responsible for Corrective Action: Dr. Mike Winstead, Director of Schools

Corrective Action Planned: We concur with the facts of the finding and will continue to evaluate the segregation of various duties to the extent possible.

Anticipate Completion Date: Management will implement the corrective actions during FY 2020.

Signature: Mike Winstead

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