



ANNUAL FINANCIAL REPORT

Jefferson County, Tennessee

For the Year Ended June 30, 2021

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
JEFFERSON COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2021

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

MARK TREECE, CPA, CGFM
Audit Manager

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

JEFFERSON COUNTY, TENNESSEE

TABLE OF CONTENTS

	Exhibit	Page(s)
Summary of Audit Findings		6
<u>INTRODUCTORY SECTION</u>		7
Jefferson County Officials		8-9
<u>FINANCIAL SECTION</u>		10
Independent Auditor's Report		11-14
BASIC FINANCIAL STATEMENTS:		15
Government-wide Financial Statements:		
Statement of Net Position	A	16-18
Statement of Activities	B	19-20
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	21-26
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	27
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	28-31
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	32-33
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	C-5	34-37
Other Special Revenue Fund	C-6	38
Highway/Public Works Fund	C-7	39
Proprietary Funds:		
Statement of Net Position	D-1	40-41
Statement of Revenues, Expenses, and Changes in Net Position	D-2	42-43
Statement of Cash Flows	D-3	44-45
Fiduciary Funds:		
Statement of Net Position	E-1	46
Statement of Changes in Net Position	E-2	47
Index and Notes to the Financial Statements		48-159
REQUIRED SUPPLEMENTARY INFORMATION:		160
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Legacy Pension Plan of TCRS – Primary Government	F-1	161
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Hybrid Retirement Plan of TCRS – Primary Government	F-2	162

	Exhibit	Page(s)
Schedule of Contributions Based on Participation in the Public Employee Legacy Pension Plan of TCRS – Primary Government	F-3	163
Schedule of Contributions Based on Participation in the Public Employee Hybrid Retirement Plan of TCRS – Primary Government	F-4	164
Schedule of Contributions Based on Participation in the Teacher Retirement Plan of TCRS – Discretely Presented Jefferson County School Department	F-5	165
Schedule of Contributions Based on Participation in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Jefferson County School Department	F-6	166
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Retirement Plan of TCRS – Discretely Presented Jefferson County School Department	F-7	167
Schedule of Proportionate Share of the Net Pension Liability (Asset) in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Jefferson County School Department	F-8	168
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Government Plan - Primary Government	F-9	169
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan - Discretely Presented Jefferson County School Department	F-10	170
Notes to the Required Supplemental Information		171
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		172
Nonmajor Governmental Funds:		173-174
Combining Balance Sheet	G-1	175-178
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	179-182
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
Courthouse and Jail Maintenance Fund	G-3	183
Law Library Fund	G-4	184
Solid Waste/Sanitation Fund	G-5	185
Drug Control Fund	G-6	186
General Capital Projects Fund	G-7	187
Major Governmental Fund:		188
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	H	189
Fiduciary Funds:		190
Combining Statement of Net Position – Custodial Funds	I-1	191
Combining Statement of Changes in Net Position – Custodial Funds	I-2	192
Component Unit:		
Discretely Presented Jefferson County School Department:		193
Statement of Activities	J-1	194
Balance Sheet – Governmental Funds	J-2	195
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	J-3	196
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	J-4	197

	Exhibit	Page(s)
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	J-5	198
Combining Balance Sheet – Nonmajor Governmental Funds	J-6	199-200
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	J-7	201-202
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	J-8	203-204
School Federal Projects Fund	J-9	205
Central Cafeteria Fund	J-10	206
Proprietary Fund:		
Statement of Net Position	J-11	207
Statement of Revenues, Expenses, and Changes in Net Position	J-12	208
Statement of Cash Flows	J-13	209
Miscellaneous Schedules:		210
Schedule of Changes in Long-term Other Loans and Bonds	K-1	211
Schedule of Long-term Debt Requirements by Year	K-2	212
Schedule of Transfers – Primary Government and Discretely Presented Jefferson County School Department	K-3	213
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Jefferson County School Department	K-4	214
Schedule of Detailed Revenues – All Governmental Fund Types	K-5	215-228
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Jefferson County School Department	K-6	229-232
Schedule of Detailed Expenditures – All Governmental Fund Types	K-7	233-256
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Jefferson County School Department	K-8	257-270
Schedule of Detailed Additions, Deductions, and Changes in Net Position – City Custodial Funds	K-9	271
<u>SINGLE AUDIT SECTION</u>		272
Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		273-274
Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by Uniform Guidance		275-277
Schedule of Expenditures of Federal Awards and State Grants		278-279
Summary Schedule of Prior-year Findings		280
Schedule of Findings and Questioned Costs		281-285
Management's Corrective Action Plan		286-291

Summary of Audit Findings

Annual Financial Report
Jefferson County, Tennessee
For the Year Ended June 30, 2021

Scope

We have audited the basic financial statements of Jefferson County as of and for the year ended June 30, 2021.

Results

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

Our audit resulted in four findings and recommendations, which we have reviewed with Jefferson County management. The detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

Findings

The following are summaries of the audit findings:

JEFFERSON COUNTY

- ◆ The Solid Waste Disposal Fund had a deficit in total net position and in unrestricted net position.
- ◆ Jefferson County has a material recurring audit finding.

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The School Federal Projects Fund had a deficit in unrestricted fund balance at June 30, 2021.

OFFICE OF SHERIFF

- ◆ Excess payments were inadvertently made to inmates from the work release program resulting in a cash shortage of \$1,223.



INTRODUCTORY SECTION

Jefferson County Officials

June 30, 2021

Officials

Mark Potts, County Mayor
Charles Tipton, Road Superintendent
Dr. Shane Johnston, Director of Schools
Jennifer Hall, Trustee
Susan Gass, Assessor of Property
Frank Herndon, County Clerk
Kevin Poe, Circuit and General Sessions Courts Clerk
Nancy Humbard, Clerk and Master
Ed Stiner, Register of Deeds
Jeff Coffey, Sheriff
Langdon Potts, Finance Director

Board of County Commissioners

Mark Potts, County Mayor, Chairperson	Edna Shurden Langley
Randy Bales	Paul Lowe
Gregory Byrd	Jimmy Dale Patterson
Robert Blevins	Michael Phagan
Jimmy Carmichael	Marcus Reed
Ronny Coleman	John Neal Scarlett
Terry Dockery	Tim Seals
Steve Douglas	Sammy Solomon
Gene Eslinger	Heidi Thomas
Katy Fox Huffaker	Anthony Walker
Todd Kesterson	Jim Snodgrass

Board of Education

Anne Marie Potts, Chairperson	Bill Jarnigan
Randall Bradley	Robbie Pinkerton
Danny Martin	Maurice Solomon
Nancy Zander	

Highway Commission

Aaron Loy, Chairman	Joel Smith
Wayne Elmore	John Turner
Brenda Morgan	Jim Woods
Joe Simpson	

Jefferson County Officials (Cont.)

Financial Management Committee

Katy Fox Huffaker, Chairperson
Randy Bales
Terry Dockery
Dr. Shane Johnston, Director of Schools

Edna Shurden Langley
Mark Potts, County Mayor
Charles Tipton, Road Superintendent

Audit Committee

Garry Jett, Chairperson
Phyllis Best
Katy Fox Huffaker

John Neal Scarlett

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jefferson County, Tennessee, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Jefferson County Nursing Home, a discretely presented component unit. We also did not audit the financial statements of the Internal School Fund, a special revenue fund of the discretely presented Jefferson County School Department, which represent 1.36 percent, 1.82 percent, and 3.59 percent, respectively, of the assets, net position, and revenues of the discretely presented Jefferson County School Department. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Jefferson County Nursing Home and the Internal School Fund of the Jefferson County School Department, is based solely on the reports of the other auditors. We were unable to determine Jefferson County Nursing Home's percentages of the assets, net position, and revenues of the aggregate discretely presented component units because the Jefferson County Emergency Communications District, a component unit requiring discrete presentation, was not included in the county's financial statements. We conducted our audit in accordance with auditing

standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jefferson County, Tennessee, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Other Special Revenue, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note V.B., Jefferson County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. GASB 84 defines what is meant by fiduciary activities. It establishes the four types of fiduciary funds for reporting purposes. In addition, GASB 84 changes the title of "Agency" Funds to "Custodial" Funds and requires that Custodial Funds, unlike Agency Funds, should present fund net position. Our opinion is not modified with respect to this matter.

Emphasis of Matter

We draw attention to Note I.D.10., to the financial statements, which describes a restatement to the beginning Custodial Funds net position totaling \$1,797,825 on the Statement of Changes in Net Position – Fiduciary Funds and a restatement to the discretely presented Jefferson County School Department's beginning net position totaling \$1,235,023 on the Government-wide Statement of Activities. These restatements were necessary because of the

transitional requirements of GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Jefferson County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Jefferson County School Department (a discretely presented component unit), miscellaneous schedules, and other information such as the introductory section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2022, on our consideration of Jefferson County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Jefferson County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jefferson County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 28, 2022

JEM/tg

BASIC FINANCIAL STATEMENTS

Exhibit A

Jefferson County, Tennessee
Statement of Net Position
June 30, 2021

	Primary Government			Component Units	
	Governmental	Business-type	Total	Jefferson	Jefferson
	Activities	Activities		County School Department	County Nursing Home
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 85,829	\$ 25	\$ 85,854	\$ 1,463,898	\$ 3,207,617
Equity in Pooled Cash and Investments	45,099,526	2,690,988	47,790,514	16,647,351	0
Inventories	0	0	0	0	53,031
Accounts Receivable	1,944,224	220,356	2,164,580	48,067	1,684,100
Allowance for Uncollectibles	(607,568)	(5,000)	(612,568)	0	(300,000)
Due from Other Governments	1,423,377	0	1,423,377	2,868,689	0
Due from Component Units	13,285,000	0	13,285,000	0	0
Internal Balances	866,970	(866,970)	0	0	0
Property Taxes Receivable	19,255,544	0	19,255,544	11,284,929	0
Allowance for Uncollectible Property Taxes	(670,072)	0	(670,072)	(385,566)	0
Prepaid Expenses	0	0	0	27,572	19,370
Estimated Third-Party Payor Settlements	0	0	0	0	98,685
Restricted Assets:					
Amounts Accumulated for Pension Benefits	228,937	9,863	238,800	503,468	178,254
Other Restricted Assets	0	0	0	0	11,813
Cash held by Jefferson County for Capital Project	0	0	0	0	8,505,161
Net Pension Asset - Public Employee Legacy Pension Plan	2,489,376	81,497	2,570,873	1,314,619	821,343
Net Pension Asset - Public Employee Hybrid Retirement Plan	34,240	1,464	35,704	12,723	87,072
Net Pension Asset - Teacher Retirement Plan	0	0	0	263,098	0
Net Pension Asset - Teacher Legacy Pension Plan	0	0	0	5,151,291	0
Capital Assets:					
Assets Not Depreciated:					
Land	1,672,777	510,430	2,183,207	1,492,550	299,101
Construction in Progress	53,062	0	53,062	312,011	673,385
Assets Net of Accumulated Depreciation:					
Landfill Facilities and Development	0	1,718,359	1,718,359	0	0
Buildings and Improvements	16,430,568	109,830	16,540,398	62,122,355	5,899,025
Machinery and Equipment	3,926,964	1,388,865	5,315,829	668,255	284,527
Other Capital Assets	0	0	0	2,153,507	21,662
Infrastructure	76,649,665	0	76,649,665	0	0
Total Assets	\$ 182,168,419	\$ 5,859,707	\$ 188,028,126	\$ 105,948,817	\$ 21,544,146

(Continued)

Exhibit A

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

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Jefferson County School Department	Jefferson County Nursing Home
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Deferred Charge on Refunding	\$ 78,622	\$ 0	\$ 78,622	\$ 0	\$ 0
Pension Changes in Experience	183,363	6,198	189,561	299,388	103,583
Pension Changes in Assumptions	308,020	10,084	318,104	638,884	101,628
Pension Changes in Proportion	0	0	0	104,531	0
Pension Changes in Investment Earnings	345,302	11,341	356,643	1,353,709	121,897
Pension Contributions After Measurement Date	1,050,263	35,091	1,085,354	2,935,321	491,204
OPEB Changes in Experience	0	0	0	298,859	0
OPEB Changes in Assumptions	119,791	4,851	124,642	1,227,759	35,090
OPEB Changes in Proportion	0	0	0	137,641	0
OPEB Contributions After Measurement Date	14,306	579	14,885	675,729	4,192
Total Deferred Outflows of Resources	\$ 2,099,667	\$ 68,144	\$ 2,167,811	\$ 7,671,821	\$ 857,594
<u>LIABILITIES</u>					
Accounts Payable	\$ 226,928	\$ 2,259	\$ 229,187	\$ 183,728	\$ 187,771
Accrued Payroll	85,085	21,032	106,117	36,179	147,958
Payroll Deductions Payable	259,661	2,928	262,589	2,220,334	99,728
Accrued Leave - Current	0	0	0	0	160,042
Claims and Judgments Payable	61,524	0	61,524	100	0
Accrued Interest Payable	184,931	0	184,931	0	26,451
Due to Primary Government	0	0	0	0	13,285,000
Due to the State of Tennessee	23,362	155	23,517	0	0
Due to Other Governments	5,292,508	0	5,292,508	0	0
Other Current Liabilities	0	0	0	0	13,597
Noncurrent Liabilities:					
Due Within One Year - Debt	4,709,628	0	4,709,628	0	0
Due Within One Year - Other	372,891	127,605	500,496	268,370	236,237
Due in More Than One Year - Debt	61,760,390	0	61,760,390	0	0
Due in More Than One Year - Other	966,245	7,599,131	8,565,376	12,655,327	0
Total Liabilities	\$ 73,943,153	\$ 7,753,110	\$ 81,696,263	\$ 15,364,038	\$ 14,156,784

(Continued)

Exhibit A

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

	Primary Government			Component Units	
	Governmental	Business-type	Total	Jefferson	Jefferson
	Activities	Activities		County	County
				School	Nursing
				Department	Home
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 18,259,650	\$ 0	\$ 18,259,650	\$ 10,717,620	\$ 0
Deferred Credit on Refunding	218,683	0	218,683	0	0
Pension Changes in Experience	429,171	14,050	443,221	2,769,223	141,600
Pension Changes in Proportion	0	0	0	40,524	0
OPEB Changes in Experience	262,400	10,627	273,027	3,967,053	76,868
OPEB Changes in Proportion	0	0	0	809,427	0
OPEB Changes in Assumptions	22,967	930	23,897	1,004,627	6,727
Total Deferred Inflows of Resources	<u>\$ 19,192,871</u>	<u>\$ 25,607</u>	<u>\$ 19,218,478</u>	<u>\$ 19,308,474</u>	<u>\$ 225,195</u>
<u>NET POSITION</u>					
Net Investment in Capital Assets	\$ 94,197,975	\$ 3,727,484	\$ 97,925,459	\$ 66,748,678	\$ 2,393,161
Restricted for:					
General Government	1,184,743	0	1,184,743	0	0
Finance	74,544	0	74,544	0	0
Administration of Justice	558,109	0	558,109	0	0
Public Safety	153,729	0	153,729	0	0
Public Health and Welfare	286,498	0	286,498	0	0
Social, Cultural, and Recreational Services	76,912	0	76,912	0	0
Highway/Public Works	4,939,810	0	4,939,810	0	0
Debt Service	30,268	0	30,268	0	0
Education	0	0	0	3,549,162	0
Capital Projects	302,782	0	302,782	0	0
Other Purposes	0	0	0	0	11,813
Pensions	2,752,553	92,824	2,845,377	7,245,199	1,086,669
Unrestricted	<u>(13,425,861)</u>	<u>(5,671,174)</u>	<u>(19,097,035)</u>	<u>1,405,087</u>	<u>4,528,118</u>
Total Net Position	<u>\$ 91,132,062</u>	<u>\$ (1,850,866)</u>	<u>\$ 89,281,196</u>	<u>\$ 78,948,126</u>	<u>\$ 8,019,761</u>

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

Exhibit B

Jefferson County, Tennessee
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Net (Expense) Revenue and Changes in Net Position							Component Units	
	Expenses	Program Revenues			Primary Government			Jefferson	Jefferson
		Charges for	Operating	Capital	Governmental	Business-type	Total	County	County
		Services	Grants and	Grants and	Activities	Activities		School	Nursing
			Contributions	Contributions				Department	Home
Primary Government:									
Governmental Activities:									
General Government	\$ 4,364,355	\$ 1,126,203	\$ 440,697	\$ 0	\$ (2,797,455)	\$ 0	\$ (2,797,455)	\$ 0	\$ 0
Finance	3,056,820	2,552,882	750	0	(503,188)	0	(503,188)	0	0
Administration of Justice	2,352,243	1,040,441	46,917	0	(1,264,885)	0	(1,264,885)	0	0
Public Safety	8,966,289	1,092,048	841,442	0	(7,032,799)	0	(7,032,799)	0	0
Public Health and Welfare	8,986,777	4,906,143	391,069	635,048	(3,054,517)	0	(3,054,517)	0	0
Social, Cultural, and									
Recreational Services	783,099	53,362	83,387	0	(646,350)	0	(646,350)	0	0
Agriculture and Natural									
Resources	162,270	0	0	0	(162,270)	0	(162,270)	0	0
Highways	5,880,533	86,411	2,442,321	1,191,653	(2,160,148)	0	(2,160,148)	0	0
Education	187,500	0	0	0	(187,500)	0	(187,500)	0	0
Interest on Long-term Debt	2,804,237	0	0	0	(2,804,237)	0	(2,804,237)	0	0
Total Governmental Activities	\$ 37,544,123	\$ 10,857,490	\$ 4,246,583	\$ 1,826,701	\$ (20,613,349)	\$ 0	\$ (20,613,349)	\$ 0	\$ 0
Business-type Activities:									
Solid Waste Disposal	\$ 4,377,398	\$ 2,268,736	\$ 22,690	\$ 0	\$ 0	\$ (2,085,972)	\$ (2,085,972)	\$ 0	\$ 0
Total Primary Government	\$ 41,921,521	\$ 13,126,226	\$ 4,269,273	\$ 1,826,701	\$ (20,613,349)	\$ (2,085,972)	\$ (22,699,321)	\$ 0	\$ 0
Component Units:									
Jefferson County School Department	\$ 68,445,302	\$ 644,895	\$ 13,743,009	\$ 231,500	\$ 0	\$ 0	\$ 0	\$ (53,825,898)	\$ 0
Jefferson County Nursing Home	14,206,596	13,879,578	0	1,102,340	0	0	0	0	775,322
Total Component Units	\$ 82,651,898	\$ 14,524,473	\$ 13,743,009	\$ 1,333,840	\$ 0	\$ 0	\$ 0	\$ (53,825,898)	\$ 775,322

(Continued)

Exhibit B

Jefferson County, Tennessee
Statement of Activities (Cont.)

					Net (Expense) Revenue and Changes in Net Position				
								Component Units	
								Jefferson	Jefferson
								County	County
								School	Nursing
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Department	Home
General Revenues:									
Taxes:									
Property Taxes Levied for General Purposes					\$ 16,813,285	\$ 0	\$ 16,813,285	\$ 11,086,424	\$ 0
Property Taxes Levied for Debt Service					2,803,732	0	2,803,732	0	0
Local Option Sales Taxes					3,927,345	0	3,927,345	7,561,455	0
Hotel/Motel Tax					574,854	0	574,854	0	0
Wheel Tax					2,480,623	0	2,480,623	0	0
Litigation Tax - General					95,798	0	95,798	0	0
Litigation Tax - Special Purpose					10,346	0	10,346	0	0
Litigation Tax - Jail, Workhouse, or Courthouse					161,367	0	161,367	0	0
Business Tax					544,244	0	544,244	0	0
Mixed Drink Tax					0	0	0	41,852	0
Adequate Facilities Tax					1,290,998	0	1,290,998	0	0
Wholesale Beer Tax					195,269	0	195,269	0	0
Grants and Contributions Not Restricted to Specific Programs					2,464,397	0	2,464,397	41,767,598	1,239,737
Unrestricted Investment Income					348,800	0	348,800	6,700	1,768
Gain on Investments					37,465	1,602	39,067	81,573	0
Gain on Disposal of Property					0	19,818	19,818	103	0
Miscellaneous					32,364	2,820	35,184	93,398	0
Total General Revenues					\$ 31,780,887	\$ 24,240	\$ 31,805,127	\$ 60,639,103	\$ 1,241,505
Change in Net Position									
Net Position, July 1, 2020					\$ 11,167,538	\$ (2,061,732)	\$ 9,105,806	\$ 6,813,205	\$ 2,016,827
Restatement - See Note I.D.10					79,964,524	210,866	80,175,390	70,899,898	6,002,934
					0	0	0	1,235,023	0
Net Position, June 30, 2021					\$ 91,132,062	\$ (1,850,866)	\$ 89,281,196	\$ 78,948,126	\$ 8,019,761

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

Exhibit C-1

Jefferson County, Tennessee
 Balance Sheet
 Governmental Funds
 June 30, 2021

	Major Funds				
	General	Other General Government Fund	Other Special Revenue	Highway / Public Works	General Debt Service
<u>ASSETS</u>					
Cash	\$ 26,110	\$ 0	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	12,869,594	5,292,508	8,494,757	4,622,123	12,717,588
Accounts Receivable	1,894,227	0	6,173	9,464	18,275
Allowance for Uncollectibles	(607,568)	0	0	0	0
Due from Other Governments	602,372	0	0	439,678	381,327
Due from Other Funds	3,221	0	0	0	1,150,550
Property Taxes Receivable	12,133,636	0	0	2,510,407	2,115,846
Allowance for Uncollectible Property Taxes	(419,363)	0	0	(86,765)	(84,491)
Restricted Assets	228,937	0	0	0	0
Total Assets	<u>\$ 26,731,166</u>	<u>\$ 5,292,508</u>	<u>\$ 8,500,930</u>	<u>\$ 7,494,907</u>	<u>\$ 16,299,095</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 197,177	\$ 0	\$ 0	\$ 15,212	\$ 0
Accrued Payroll	1,679	0	0	64,405	0
Payroll Deductions Payable	215,191	0	0	37,074	0
Claims and Judgments Payable	61,524	0	0	0	0
Due to Other Funds	0	0	0	0	0
Due to State of Tennessee	22,917	0	0	85	0
Due to Other Governments	0	5,292,508	0	0	0
Total Liabilities	<u>\$ 498,488</u>	<u>\$ 5,292,508</u>	<u>\$ 0</u>	<u>\$ 116,776</u>	<u>\$ 0</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 11,511,518	\$ 0	\$ 0	\$ 2,381,693	\$ 1,984,745

(Continued)

Exhibit C-1

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

	Major Funds				
	General	Other General Government Fund	Other Special Revenue	Highway / Public Works	General Debt Service
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>					
Deferred Delinquent Property Taxes	\$ 131,670	\$ 0	\$ 0	\$ 27,242	\$ 30,268
Other Deferred/Unavailable Revenue	1,070,644	0	0	219,839	190,664
Total Deferred Inflows of Resources	<u>\$ 12,713,832</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,628,774</u>	<u>\$ 2,205,677</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 1,118,625	\$ 0	\$ 0	\$ 0	\$ 0
Restricted for Finance	16,475	0	0	0	0
Restricted for Administration of Justice	547,455	0	0	0	0
Restricted for Public Safety	101,393	0	0	0	0
Restricted for Public Health and Welfare	6,670	0	0	0	0
Restricted for Social, Cultural, and Recreational Services	76,912	0	0	0	0
Restricted for Highways/Public Works	0	0	0	4,749,357	0
Restricted for Capital Projects	13,337	0	0	0	0
Restricted for Hybrid Retirement Stabilization Funds	228,937	0	0	0	0
Committed:					
Committed for General Government	1,158,612	0	0	0	0
Committed for Public Health and Welfare	795,000	0	0	0	0
Committed for Other Operations	0	0	8,500,930	0	0
Committed for Debt Service	0	0	0	0	14,093,418
Committed for Capital Projects	1,396,508	0	0	0	0
Assigned:					
Assigned for General Government	5,169	0	0	0	0
Assigned for Finance	8,065	0	0	0	0
Assigned for Administration of Justice	5,867	0	0	0	0

(Continued)

Exhibit C-1

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

	Major Funds				
	General	Other General Government Fund	Other Special Revenue	Highway / Public Works	General Debt Service
<u>FUND BALANCES (Cont.)</u>					
Assigned (Cont.):					
Assigned for Public Safety	\$ 48,233	\$ 0	\$ 0	\$ 0	\$ 0
Assigned for Public Health and Welfare	126,568	0	0	0	0
Assigned for Social, Cultural, and Recreational Services	395	0	0	0	0
Assigned for Other Operations	212,393	0	0	0	0
Unassigned	7,652,232	0	0	0	0
Total Fund Balances	<u>\$ 13,518,846</u>	<u>\$ 0</u>	<u>\$ 8,500,930</u>	<u>\$ 4,749,357</u>	<u>\$ 14,093,418</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 26,731,166</u>	<u>\$ 5,292,508</u>	<u>\$ 8,500,930</u>	<u>\$ 7,494,907</u>	<u>\$ 16,299,095</u>

(Continued)

Exhibit C-1

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 59,719	\$	85,829
Equity in Pooled Cash and Investments	1,047,053		45,043,623
Accounts Receivable	16,085		1,944,224
Allowance for Uncollectibles	0		(607,568)
Due from Other Governments	0		1,423,377
Due from Other Funds	0		1,153,771
Property Taxes Receivable	2,495,655		19,255,544
Allowance for Uncollectible Property Taxes	(79,453)		(670,072)
Restricted Assets	0		228,937
Total Assets	<u>\$ 3,539,059</u>	<u>\$</u>	<u>67,857,665</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 5,725	\$	218,114
Accrued Payroll	19,001		85,085
Payroll Deductions Payable	7,396		259,661
Claims and Judgments Payable	0		61,524
Due to Other Funds	286,801		286,801
Due to State of Tennessee	360		23,362
Due to Other Governments	0		5,292,508
Total Liabilities	<u>\$ 319,283</u>	<u>\$</u>	<u>6,227,055</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 2,381,694	\$	18,259,650

(Continued)

Exhibit C-1

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>			
Deferred Delinquent Property Taxes	\$ 22,702	\$	211,882
Other Deferred/Unavailable Revenue	0		1,481,147
Total Deferred Inflows of Resources	<u>\$ 2,404,396</u>	<u>\$</u>	<u>19,952,679</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for General Government	\$ 66,118	\$	1,184,743
Restricted for Finance	58,069		74,544
Restricted for Administration of Justice	10,654		558,109
Restricted for Public Safety	52,336		153,729
Restricted for Public Health and Welfare	283,153		289,823
Restricted for Social, Cultural, and Recreational Services	0		76,912
Restricted for Highways/Public Works	0		4,749,357
Restricted for Capital Projects	286,418		299,755
Restricted for Hybrid Retirement Stabilization Funds	0		228,937
Committed:			
Committed for General Government	0		1,158,612
Committed for Public Health and Welfare	58,632		853,632
Committed for Other Operations	0		8,500,930
Committed for Debt Service	0		14,093,418
Committed for Capital Projects	0		1,396,508
Assigned:			
Assigned for General Government	0		5,169
Assigned for Finance	0		8,065
Assigned for Administration of Justice	0		5,867

(Continued)

Exhibit C-1

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

FUND BALANCES (Cont.)

Assigned (Cont.):

Assigned for Public Safety
Assigned for Public Health and Welfare
Assigned for Social, Cultural, and Recreational Services
Assigned for Other Operations
Unassigned
Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

Nonmajor Funds		Other Govern- mental Funds	Total Governmental Funds
\$	0	\$	48,233
			126,568
			395
			212,393
			7,652,232
\$	815,380	\$	41,677,931
\$	3,539,059	\$	67,857,665

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

Exhibit C-2

Jefferson County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2021

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 41,677,931
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,672,777	
Add: construction in progress	53,062	
Add: buildings and improvements net of accumulated depreciation	16,430,568	
Add: machinery and equipment net of accumulated depreciation	3,926,964	
Add: infrastructure net of accumulated depreciation	<u>76,649,665</u>	98,733,036
(2) An internal service fund is used by management to charge the cost of employee dental and vision programs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		47,089
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other loans payable	\$ (9,131,504)	
Less: bonds payable	(54,170,000)	
Add: bonds to be paid by nursing home for the primary government	13,285,000	
Add: deferred charge on refunding	78,622	
Less: deferred credit on refunding	(218,683)	
Less: unamortized premium on debt	(3,168,514)	
Less: accrued interest on bonds and other loans	(184,931)	
Less: compensated absences payable	(532,702)	
Less: other postemployment benefits liability	<u>(806,434)</u>	(54,849,146)
(4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions/OPEB will be amortized and recognized as components of pension/OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 1,886,948	
Less: deferred inflows of resources related to pensions	(429,171)	
Add: deferred outflows of resources related to OPEB	134,097	
Less: deferred inflows of resources related to OPEB	<u>(285,367)</u>	1,306,507
(5) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - public employee legacy pension plan	\$ 2,489,376	
Add: net pension asset - public employee hybrid retirement plan	<u>34,240</u>	2,523,616
(6) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>1,693,029</u>
Net position of governmental activities (Exhibit A)		<u>\$ 91,132,062</u>

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

Exhibit C-3

Jefferson County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	Major Funds				
	General	Other Special Revenue	Highway / Public Works	General Debt Service	Nursing Home Projects
<u>Revenues</u>					
Local Taxes	\$ 15,690,111	\$ 0	\$ 2,557,545	\$ 8,648,997	\$ 0
Licenses and Permits	648,755	0	0	0	0
Fines, Forfeitures, and Penalties	317,348	0	0	0	0
Charges for Current Services	3,947,814	0	82,536	0	0
Other Local Revenues	796,830	814,180	0	819,872	0
Fees Received From County Officials	2,419,901	0	0	0	0
State of Tennessee	2,655,405	0	3,599,593	0	0
Federal Government	1,563,443	0	0	674,417	0
Other Governments and Citizens Groups	155,866	0	0	0	0
Total Revenues	\$ 28,195,473	\$ 814,180	\$ 6,239,674	\$ 10,143,286	\$ 0
<u>Expenditures</u>					
Current:					
General Government	\$ 2,856,336	\$ 0	\$ 0	\$ 0	\$ 0
Finance	2,348,876	8,172	0	0	0
Administration of Justice	1,933,578	0	0	0	0
Public Safety	8,350,453	0	0	0	0
Public Health and Welfare	5,572,120	0	0	0	8,505,162
Social, Cultural, and Recreational Services	695,444	0	0	0	0
Agriculture and Natural Resources	156,292	0	0	0	0
Other Operations	2,059,873	0	0	0	0
Highways	0	0	5,115,437	0	0
Debt Service:					
Principal on Debt	0	0	0	4,628,988	0
Interest on Debt	0	0	0	2,885,899	0
Other Debt Service	0	0	0	404,493	147,226

(Continued)

Exhibit C-3

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

	Major Funds				
	General	Other Special Revenue	Highway / Public Works	General Debt Service	Nursing Home Projects
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 187,500	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 24,160,472	\$ 8,172	\$ 5,115,437	\$ 7,919,380	\$ 8,652,388
Excess (Deficiency) of Revenues Over Expenditures	\$ 4,035,001	\$ 806,008	\$ 1,124,237	\$ 2,223,906	\$ (8,652,388)
<u>Other Financing Sources (Uses)</u>					
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,750,000
Refunding Debt Issued	0	0	0	11,885,000	0
Premiums on Debt Sold	0	0	0	587,992	902,388
Insurance Recovery	111,509	0	8,627	0	0
Transfers In	0	0	0	483,854	0
Transfers Out	(1,199,364)	0	0	0	0
Payments to Refunded Debt Escrow Agent	0	0	0	(12,210,821)	0
Total Other Financing Sources (Uses)	\$ (1,087,855)	\$ 0	\$ 8,627	\$ 746,025	\$ 8,652,388
Net Change in Fund Balances	\$ 2,947,146	\$ 806,008	\$ 1,132,864	\$ 2,969,931	\$ 0
Fund Balance, July 1, 2020	10,571,700	7,694,922	3,616,493	11,123,487	0
Fund Balance, June 30, 2021	\$ 13,518,846	\$ 8,500,930	\$ 4,749,357	\$ 14,093,418	\$ 0

(Continued)

Exhibit C-3

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
<hr/>			
<u>Revenues</u>			
Local Taxes	\$ 2,172,718	\$	29,069,371
Licenses and Permits	0		648,755
Fines, Forfeitures, and Penalties	22,858		340,206
Charges for Current Services	619,396		4,649,746
Other Local Revenues	10,638		2,441,520
Fees Received From County Officials	0		2,419,901
State of Tennessee	0		6,254,998
Federal Government	433,766		2,671,626
Other Governments and Citizens Groups	0		155,866
Total Revenues	<u>\$ 3,259,376</u>	<u>\$</u>	<u>48,651,989</u>
 <u>Expenditures</u>			
Current:			
General Government	\$ 559	\$	2,856,895
Finance	715,830		3,072,878
Administration of Justice	1,950		1,935,528
Public Safety	37,618		8,388,071
Public Health and Welfare	1,936,040		16,013,322
Social, Cultural, and Recreational Services	0		695,444
Agriculture and Natural Resources	0		156,292
Other Operations	426,685		2,486,558
Highways	0		5,115,437
Debt Service:			
Principal on Debt	0		4,628,988
Interest on Debt	0		2,885,899
Other Debt Service	0		551,719

(Continued)

Exhibit C-3

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
<u>Expenditures (Cont.)</u>			
Capital Projects	\$ 808,658	\$	996,158
Total Expenditures	\$ 3,927,340	\$	49,783,189
Excess (Deficiency) of Revenues Over Expenditures	\$ (667,964)	\$	(1,131,200)
<u>Other Financing Sources (Uses)</u>			
Bonds Issued	\$ 0	\$	7,750,000
Refunding Debt Issued	0		11,885,000
Premiums on Debt Sold	0		1,490,380
Insurance Recovery	0		120,136
Transfers In	715,510		1,199,364
Transfers Out	0		(1,199,364)
Payments to Refunded Debt Escrow Agent	0		(12,210,821)
Total Other Financing Sources (Uses)	\$ 715,510	\$	9,034,695
Net Change in Fund Balances	\$ 47,546	\$	7,903,495
Fund Balance, July 1, 2020	767,834		33,774,436
Fund Balance, June 30, 2021	\$ 815,380	\$	41,677,931

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

Jefferson County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2021

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ 7,903,495
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 1,971,116	
Less: current-year depreciation expense	<u>(2,765,790)</u>	(794,674)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase (decrease) net position.		
Add: assets donated and capitalized	\$ 108,160	
Less: book value of capital assets disposed	<u>(74,250)</u>	33,910
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2021	\$ 1,693,029	
Less: deferred delinquent property taxes and other deferred June 30, 2020	<u>(1,591,653)</u>	101,376
(4) The issuance of long-term debt (e.g., bonds, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.		
Less: change in unamortized premium on debt issues	\$ (839,782)	
Add: principal payments on bonds	2,840,000	
Add: principal payments on other loans	1,788,988	
Less: bonds issued	(7,750,000)	
Less: refunding debt issued	(11,885,000)	
Add: bond principal refunded	12,200,000	
Add: change in amount due from nursing home to retire county issued debt	7,405,000	
Less: change in deferred amounts on refunding debt	<u>(9,406)</u>	3,749,800
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 3,010	
Change in compensated absences payable	(110,124)	
Change in net OPEB liability	(89,216)	
Change in net pension asset/liability	(343,118)	
Change in deferred outflows related to pensions	25,012	
Change in deferred inflows related to pensions	631,167	
Change in deferred outflows related to OPEB	36,235	
Change in deferred inflows related to OPEB	<u>10,961</u>	163,927

(Continued)

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

(6) Internal service funds are used by management to charge the cost of employee dental and vision benefits to individual funds. The net revenue (expense) of certain activities of the internal service fund is reported with governmental activities in the statement of activities.	\$ 9,704
Change in net position of governmental activities (Exhibit B)	\$ 11,167,538

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

Exhibit C-5

Jefferson County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2021

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 15,690,111	\$ 0	\$ 0	\$ 15,690,111	\$ 13,791,345	\$ 13,791,345	\$ 1,898,766
Licenses and Permits	648,755	0	0	648,755	373,000	373,000	275,755
Fines, Forfeitures, and Penalties	317,348	0	0	317,348	419,650	419,650	(102,302)
Charges for Current Services	3,947,814	0	0	3,947,814	3,431,608	3,445,908	501,906
Other Local Revenues	796,830	0	0	796,830	649,640	689,940	106,890
Fees Received From County Officials	2,419,901	0	0	2,419,901	1,818,000	1,995,376	424,525
State of Tennessee	2,655,405	0	0	2,655,405	1,897,752	3,227,732	(572,327)
Federal Government	1,563,443	0	0	1,563,443	1,533,224	1,605,657	(42,214)
Other Governments and Citizens Groups	155,866	0	0	155,866	266,042	278,042	(122,176)
Total Revenues	\$ 28,195,473	\$ 0	\$ 0	\$ 28,195,473	\$ 24,180,261	\$ 25,826,650	\$ 2,368,823
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 272,454	\$ 0	\$ 0	\$ 272,454	\$ 237,016	\$ 293,016	\$ 20,562
Board of Equalization	1,000	0	0	1,000	2,000	2,000	1,000
County Mayor/Executive	377,148	(1,957)	485	375,676	264,119	419,102	43,426
Election Commission	352,529	(333)	287	352,483	397,999	401,042	48,559
Register of Deeds	358,528	0	0	358,528	333,509	360,606	2,078
Codes Compliance	127,857	0	0	127,857	131,768	134,668	6,811
County Buildings	987,363	0	3,979	991,342	973,458	1,004,670	13,328
Other Facilities	375,002	0	0	375,002	391,201	394,814	19,812
Preservation of Records	4,455	0	0	4,455	10,500	10,500	6,045
<u>Finance</u>							
Accounting and Budgeting	758,168	0	0	758,168	749,216	771,304	13,136
Property Assessor's Office	508,734	0	0	508,734	528,660	539,187	30,453
County Trustee's Office	78,850	(683)	0	78,167	78,679	78,679	512
County Clerk's Office	348,530	(146)	0	348,384	196,477	383,353	34,969
Data Processing	65,779	0	0	65,779	50,156	85,577	19,798
Other Finance	588,815	0	0	588,815	549,998	622,579	33,764

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice</u>							
Circuit Court	\$ 890,766	\$ 0	\$ 0	\$ 890,766	\$ 855,243	\$ 902,354	\$ 11,588
General Sessions Court	381,356	(67)	0	381,289	400,040	404,012	22,723
Drug Court	27,283	0	0	27,283	30,150	30,150	2,867
Chancery Court	239,045	0	0	239,045	245,281	248,240	9,195
Juvenile Court	305,518	0	0	305,518	281,842	323,546	18,028
Other Administration of Justice	13,300	0	0	13,300	8,500	15,000	1,700
Victim Assistance Programs	76,310	0	0	76,310	99,711	101,049	24,739
<u>Public Safety</u>							
Sheriff's Department	4,292,991	(868)	18,839	4,310,962	4,148,504	4,602,568	291,606
Wheel Tax Officer	15,981	0	0	15,981	17,389	17,843	1,862
Administration of the Sexual Offender Registry	12,498	0	0	12,498	15,000	15,000	2,502
Jail	3,052,978	(612)	7,220	3,059,586	2,920,380	3,070,834	11,248
Workhouse	216,084	0	0	216,084	374,858	337,216	121,132
Inspection and Regulation	79,836	(855)	0	78,981	76,720	84,136	5,155
Public Safety Grants Program	9,333	0	0	9,333	16,000	16,000	6,667
Other Public Safety	670,752	0	0	670,752	636,766	670,752	0
<u>Public Health and Welfare</u>							
Local Health Center	280,155	0	0	280,155	339,282	347,538	67,383
Rabies and Animal Control	109,071	(655)	1,050	109,466	127,186	127,129	17,663
Ambulance/Emergency Medical Services	4,971,585	(8,056)	4,033	4,967,562	4,991,699	5,163,581	196,019
Sanitation Education/Information	68,363	0	1,903	70,266	70,593	71,905	1,639
Other Public Health and Welfare	142,946	(85)	0	142,861	131,343	146,532	3,671
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	200,280	0	0	200,280	213,041	217,645	17,365
Libraries	495,164	(2,593)	394	492,965	454,235	506,100	13,135
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	115,460	0	0	115,460	122,343	122,343	6,883
Soil Conservation	40,832	0	0	40,832	41,259	42,173	1,341

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Other Operations</u>							
Tourism	\$ 328,435	\$ 0	\$ 489	\$ 328,924	\$ 310,000	\$ 337,455	\$ 8,531
Veterans' Services	42,526	(842)	0	41,684	42,561	43,726	2,042
Contributions to Other Agencies	1,050,313	0	0	1,050,313	1,096,564	1,096,564	46,251
COVID-19 Grant #1	0	0	0	0	757,352	0	0
COVID-19 Grant #3	487,604	0	15,974	503,578	0	516,744	13,166
COVID-19 Grant #4	61,418	0	0	61,418	0	497,894	436,476
COVID-19 Grant #6	43,902	0	0	43,902	0	49,082	5,180
COVID-19 Grant #7	7,230	0	0	7,230	0	15,640	8,410
COVID-19 Grant #8	4,490	0	0	4,490	0	4,490	0
COVID-19 Grant #9	2,236	0	0	2,236	0	2,627	391
COVID-19 Grant #10	26,626	0	0	26,626	0	32,398	5,772
COVID-19 Grant A	2,060	0	0	2,060	0	2,060	0
COVID-19 Grant B	3,033	0	0	3,033	0	3,033	0
<u>Capital Projects</u>							
Education Capital Projects	187,500	0	0	187,500	0	187,500	0
Total Expenditures	\$ 24,160,472	\$ (17,752)	\$ 54,653	\$ 24,197,373	\$ 23,718,598	\$ 25,873,956	\$ 1,676,583
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 4,035,001	\$ 17,752	\$ (54,653)	\$ 3,998,100	\$ 461,663	\$ (47,306)	\$ 4,045,406
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 111,509	\$ 0	\$ 0	\$ 111,509	\$ 0	\$ 109,326	\$ 2,183
Transfers Out	(1,199,364)	0	0	(1,199,364)	(591,663)	(1,199,364)	0
Total Other Financing Sources	\$ (1,087,855)	\$ 0	\$ 0	\$ (1,087,855)	\$ (591,663)	\$ (1,090,038)	\$ 2,183

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ 2,947,146	\$ 17,752	\$ (54,653)	\$ 2,910,245	\$ (130,000)	\$ (1,137,344)	\$ 4,047,589
Fund Balance, July 1, 2020	10,571,700	(17,752)	0	10,553,948	9,572,784	9,572,784	981,164
Fund Balance, June 30, 2021	\$ 13,518,846	\$ 0	\$ (54,653)	\$ 13,464,193	\$ 9,442,784	\$ 8,435,440	\$ 5,028,753

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

Exhibit C-6

Jefferson County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other Special Revenue Fund
For the Year Ended June 30, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 814,180	\$ 756,000	\$ 756,000	\$ 58,180
Total Revenues	\$ 814,180	\$ 756,000	\$ 756,000	\$ 58,180
<u>Expenditures</u>				
<u>Finance</u>				
Other Finance	\$ 8,172	\$ 9,500	\$ 9,500	\$ 1,328
Total Expenditures	\$ 8,172	\$ 9,500	\$ 9,500	\$ 1,328
Excess (Deficiency) of Revenues Over Expenditures	\$ 806,008	\$ 746,500	\$ 746,500	\$ 59,508
Net Change in Fund Balance	\$ 806,008	\$ 746,500	\$ 746,500	\$ 59,508
Fund Balance, July 1, 2020	7,694,922	0	0	7,694,922
Fund Balance, June 30, 2021	\$ 8,500,930	\$ 746,500	\$ 746,500	\$ 7,754,430

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

Exhibit C-7

Jefferson County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2021

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,557,545	\$ 0	\$ 0	\$ 2,557,545	\$ 2,446,705	\$ 2,446,705	\$ 110,840
Charges for Current Services	82,536	0	0	82,536	55,000	55,000	27,536
State of Tennessee	3,599,593	0	0	3,599,593	1,982,308	2,548,087	1,051,506
Federal Government	0	0	0	0	61,858	61,858	(61,858)
Total Revenues	\$ 6,239,674	\$ 0	\$ 0	\$ 6,239,674	\$ 4,545,871	\$ 5,111,650	\$ 1,128,024
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 289,013	\$ 0	\$ 752	\$ 289,765	\$ 286,768	\$ 292,957	\$ 3,192
Highway and Bridge Maintenance	2,278,241	(206)	19,096	2,297,131	2,404,855	2,668,629	371,498
Operation and Maintenance of Equipment	963,449	(500)	0	962,949	1,047,331	1,100,288	137,339
Quarry Operations	724,435	(220)	0	724,215	811,850	789,554	65,339
Asphalt Plant Operations	30,810	0	0	30,810	32,600	33,410	2,600
Other Charges	110,334	0	0	110,334	110,050	116,050	5,716
Employee Benefits	131,294	0	0	131,294	131,294	131,294	0
Capital Outlay	587,861	0	0	587,861	91,662	760,323	172,462
Total Expenditures	\$ 5,115,437	\$ (926)	\$ 19,848	\$ 5,134,359	\$ 4,916,410	\$ 5,892,505	\$ 758,146
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,124,237	\$ 926	\$ (19,848)	\$ 1,105,315	\$ (370,539)	\$ (780,855)	\$ 1,886,170
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 8,627	\$ 0	\$ 0	\$ 8,627	\$ 0	\$ 6,459	\$ 2,168
Total Other Financing Sources	\$ 8,627	\$ 0	\$ 0	\$ 8,627	\$ 0	\$ 6,459	\$ 2,168
Net Change in Fund Balance	\$ 1,132,864	\$ 926	\$ (19,848)	\$ 1,113,942	\$ (370,539)	\$ (774,396)	\$ 1,888,338
Fund Balance, July 1, 2020	3,616,493	(926)	0	3,615,567	3,616,493	3,616,493	(926)
Fund Balance, June 30, 2021	\$ 4,749,357	\$ 0	\$ (19,848)	\$ 4,729,509	\$ 3,245,954	\$ 2,842,097	\$ 1,887,412

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

Exhibit D-1

Jefferson County, Tennessee
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-type Activities - Major Enterprise Fund	Governmental Activities - Internal Service Fund
	Solid Waste Disposal Fund	Employee Insurance - Dental and Vision Fund
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 25	\$ 0
Equity in Pooled Cash and Investments	2,690,988	55,903
Accounts Receivable	220,356	0
Allowance for Uncollectibles	(5,000)	0
Due from Other Funds	89,180	0
Total Current Assets	<u>\$ 2,995,549</u>	<u>\$ 55,903</u>
Noncurrent Assets:		
Restricted Assets	\$ 9,863	\$ 0
Net Pension Asset	82,961	0
Capital Assets:		
Assets Not Depreciated:		
Land	510,430	0
Assets Net of Accumulated Depreciation:		
Landfill Facilities and Development	1,718,359	0
Buildings and Improvements	109,830	0
Machinery and Equipment	1,388,865	0
Total Noncurrent Assets	<u>\$ 3,820,308</u>	<u>\$ 0</u>
Total Assets	<u>\$ 6,815,857</u>	<u>\$ 55,903</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension Changes in Experience	\$ 6,198	\$ 0
Pension Changes in Assumptions	10,084	0
Pension Changes in Investment Earnings	11,341	0
Pension Contributions After Measurement Date	35,091	0
OPEB Changes in Assumptions	4,851	0
OPEB Contributions After Measurement Date	579	0
Total Deferred Outflows of Resources	<u>\$ 68,144</u>	<u>\$ 0</u>
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts Payable	\$ 2,259	\$ 8,814
Accrued Payroll	21,032	0
Payroll Deductions Payable	2,928	0

(Continued)

Exhibit D-1

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

	Business-type Activities - Major Enterprise Fund	Governmental Activities - Internal Service Fund
	Solid Waste Disposal Fund	Employee Insurance - Dental and Vision Fund
<u>LIABILITIES (Cont.)</u>		
Current Liabilities (Cont.):		
Due to Other Funds	\$ 956,150	\$ 0
Due to State of Tennessee	155	0
Current Portion of Long-term Liabilities - Other	127,605	0
Total Current Liabilities	<u>\$ 1,110,129</u>	<u>\$ 8,814</u>
Noncurrent Liabilities:		
Due in More Than One Year - Other	\$ 7,599,131	\$ 0
Total Noncurrent Liabilities	<u>\$ 7,599,131</u>	<u>\$ 0</u>
Total Liabilities	<u>\$ 8,709,260</u>	<u>\$ 8,814</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Pension Changes in Experience	\$ 14,050	\$ 0
OPEB Changes in Experience	10,627	0
OPEB Changes in Assumptions	930	0
Total Deferred Inflows of Resources	<u>\$ 25,607</u>	<u>\$ 0</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 3,727,484	\$ 0
Net Position - Restricted for Pensions	92,824	0
Unrestricted	<u>(5,671,174)</u>	<u>47,089</u>
Total Net Position	<u>\$ (1,850,866)</u>	<u>\$ 47,089</u>

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

Exhibit D-2

Jefferson County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	Business-type Activities - Major Enterprise Fund	Governmental Activities - Internal Service Fund
	Solid Waste Disposal Fund	Employee Insurance - Dental and Vision Fund
<u>Operating Revenues</u>		
Tipping Fees	\$ 939,275	\$ 0
Commercial and Industrial Waste Collection Charges	972,376	0
Sale of Recycled Materials	306,290	0
Miscellaneous Refunds	50,795	0
State of Tennessee	22,690	0
Self-Insurance Premiums/Contributions	0	174,989
Total Operating Revenues	\$ 2,291,426	\$ 174,989
<u>Operating Expenses</u>		
<u>Cost of Sales and Services</u>		
Supervisor/Director	\$ 34,846	\$ 0
Accountants/Bookkeepers	40,425	0
Part-time Personnel	24,102	0
Longevity Pay	7,850	0
Overtime	52,563	0
Laborers	346,860	0
Board and Committee Members Fees	4,420	0
Social Security	30,670	0
Pensions	31,396	0
Life Insurance	854	0
Medical Insurance	107,182	0
Dental Insurance	1,235	0
Unemployment Compensation	1,175	0
Employer Medicare	7,173	0
Engineering Services	54,305	0
Evaluation and Testing	37,310	0
Janitorial Services	937	0
Maintenance Agreements	1,602	0
Maintenance and Repair Services - Equipment	45,573	0
Postal Charges	90	0
Rentals	5,962	0
Travel	1,228	0
Contracts for Development Costs	65,133	0
Other Contracted Services	58,505	0
Crushed Stone	22,428	0
Diesel Fuel	129,458	0
Gasoline	11,796	0
Lubricants	17,385	0

(Continued)

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

	Business-type Activities - Major Enterprise Fund	Governmental Activities - Internal Service Fund
	Solid Waste Disposal Fund	Employee Insurance - Dental and Vision Fund
<u>Operating Expenses (Cont.)</u>		
<u>Cost of Sales and Services (Cont.)</u>		
Office Supplies	\$ 2,352	\$ 0
Small Tools	3,986	0
Tires and Tubes	4,432	0
Uniforms	5,686	0
Utilities	12,295	0
Other Supplies and Materials	9,503	0
Building and Contents Insurance	1,199	0
Liability Insurance	2,336	0
Trustee's Commission	18,526	0
Vehicle and Equipment Insurance	6,707	0
Workers' Compensation Insurance	31,641	0
Depreciation	247,435	0
Surcharge	24,157	0
Landfill Closure/Postclosure Care Costs	2,817,402	0
Other Charges	14,476	0
Office Equipment	1,865	0
Solid Waste Equipment	20,175	0
Handling Charges and Administrative Costs	0	17,128
Other Self-Insured Claims	0	148,157
Total Operating Expenses	\$ 4,366,636	\$ 165,285
Operating Income (Loss)	\$ (2,075,210)	\$ 9,704
<u>Nonoperating Revenues (Expenses)</u>		
Gain on Disposal of Property	\$ 19,818	\$ 0
Insurance Recovery	2,820	0
Gain on Investments	1,602	0
Interest on Internal Loan	(10,762)	0
Total Nonoperating Revenues (Expenses)	\$ 13,478	\$ 0
Change in Net Position	\$ (2,061,732)	\$ 9,704
Net Position, July 1, 2020	210,866	37,385
Net Position, June 30, 2021	\$ (1,850,866)	\$ 47,089

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

Jefferson County, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	Business-type Activities - Major Enterprise Fund	Governmental Activities - Internal Service Fund Employee Insurance - Dental and Vision Fund
<u>Cash Flows from Operating Activities</u>		
Receipts from Customers and Users	\$ 1,947,821	\$ 0
Receipts from Recycled Materials	306,290	0
Receipts from Other State Revenues	22,690	0
Receipts for Self-Insurance Premiums	0	174,989
Payments to Employees and Board Members	(503,501)	0
Payments for Fringe Benefits	(193,650)	0
Payments to Suppliers	(747,973)	0
Payments to Others	(288,619)	0
Payments for Claims	0	(145,207)
Payments for Administrative Costs	0	(17,128)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 543,058</u>	<u>\$ 12,654</u>
<u>Cash Flows from Capital and Related Financing Activities</u>		
Acquisition and Construction of Capital Assets	\$ (489,656)	\$ 0
Receipts from Sale of Property	148,833	0
Insurance Recovery	2,820	0
Principal Paid on Internal Loan	(160,001)	0
Interest Paid on Internal Loan	(10,762)	0
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (508,766)</u>	<u>\$ 0</u>
<u>Cash Flows from Investment Activities</u>		
Deposits to Pension Stabilization Trust	\$ (1,364)	\$ 0
Net Cash Provided By (Used In) Investment Activities	<u>\$ (1,364)</u>	<u>\$ 0</u>
Increase (Decrease) in Cash	\$ 32,928	\$ 12,654
Cash, July 1, 2020	<u>2,658,085</u>	<u>43,249</u>
Cash, June 30, 2021	<u><u>\$ 2,691,013</u></u>	<u><u>\$ 55,903</u></u>

(Continued)

Jefferson County, Tennessee
Statement of Cash Flows
Proprietary Funds (Cont.)

	Business-type Activities - Major Enterprise Fund	Governmental Activities - Internal Service Fund
	Solid Waste Disposal Fund	Employee Insurance - Dental and Vision Fund
<u>Reconciliation of Net Operating Income (Loss)</u>		
<u>to Net Cash Provided By (Used In) Operating Activities</u>		
Operating Income (Loss)	\$ (2,075,210)	\$ 9,704
Adjustments to Reconcile Net Operating Income (Loss)		
to Net Cash Provided By (Used In) Operating Activities:		
Depreciation	247,435	0
Changes in Deferred Outflows for Pensions	(1,976)	0
Changes in Deferred Inflows for Pensions	(19,515)	0
Changes in Deferred Outflows for OPEB	(1,253)	0
Changes in Deferred Inflows for OPEB	(1,092)	0
Changes in Assets and Liabilities:		
(Increase) Decrease in Net Pension Asset/Liability	8,445	0
(Increase) Decrease in Accounts Receivable	(81,912)	0
(Increase) Decrease in Due from Other Funds	67,288	0
Increase (Decrease) in Operating Accounts Payable	(25,915)	0
Increase (Decrease) in Claims Payable	0	2,950
Increase (Decrease) in Accrued Payroll	4,836	0
Increase (Decrease) in Payroll Deductions Payable	743	0
Increase (Decrease) in Contracts Payable	(399,546)	0
Increase (Decrease) in Due to State of Tennessee	(83)	0
Increase (Decrease) in Landfill Closure/Postclosure Care Cost	2,817,402	0
Increase (Decrease) in Compensated Absences	1,365	0
Increase (Decrease) in OPEB Liability	2,046	0
Net Cash Provided By (Used In) Operating Activities	<u>\$ 543,058</u>	<u>\$ 12,654</u>
<u>Reconciliation of Cash With Statement of Net Position</u>		
Cash Per Net Position	\$ 25	\$ 0
Equity in Pooled Cash and Investments Per Net Position	<u>2,690,988</u>	<u>55,903</u>
Cash, June 30, 2021	<u>\$ 2,691,013</u>	<u>\$ 55,903</u>
<u>Schedule of Noncash Investing Activities</u>		
Gain on Investments of Pension Stabilization Reserve Trust	\$ 1,602	\$ 0

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

Exhibit E-1

Jefferson County, Tennessee
Statement of Net Position
Fiduciary Funds
June 30, 2021

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,792,068
Equity in Pooled Cash and Investments	8,183
Accounts Receivable	67,099
Due from Other Governments	1,287,027
Property Taxes Receivable	1,490,505
Allowance for Uncollectible Taxes	(78,119)
Cash Shortage	<u>1,223</u>
Total Assets	<u>\$ 4,567,986</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	<u>\$ 1,301,781</u>
Total Liabilities	<u>\$ 1,301,781</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Current Property Taxes	<u>\$ 1,405,815</u>
Total Deferred Inflows of Resources	<u>\$ 1,405,815</u>
<u>NET POSITION</u>	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 1,860,390</u>
Total Net Position	<u><u>\$ 1,860,390</u></u>

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

Jefferson County, Tennessee
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2021

Custodial
Funds

ADDITIONS

Sales Tax Collections for Other Governments	\$ 6,996,222
Property Tax Collections for Other Governments	1,486,103
Fines/Fees and Other Collections	9,320,114
Total Additions	<u>\$ 17,802,439</u>

DEDUCTIONS

Payment of Sales Tax Collections to Other Governments	\$ 6,996,222
Payment of Property Tax Collections to Other Governments	1,486,103
Payments to State	7,912,004
Payments to Individuals and Others	1,345,545
Total Deductions	<u>\$ 17,739,874</u>

Net Increase (Decrease) in Fiduciary in Net Position	\$ 62,565
Net Position, July 1, 2020	0
Restatement - See Note I.D.10	<u>1,797,825</u>
Net Position, June 30, 2021	<u><u>\$ 1,860,390</u></u>

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

JEFFERSON COUNTY, TENNESSEE

Index of Notes to the Financial Statements

Note	Page(s)
I. Summary of Significant Accounting Policies	
A. Reporting Entity	50
B. Government-wide and Fund Financial Statements	51
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	52
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	56
2. Receivables and Payables	57
3. Restricted Assets	58
4. Capital Assets	58
5. Deferred Outflows/Inflows of Resources	59
6. Compensated Absences	60
7. Long-term Debt and Long-term Obligations	60
8. Net Position and Fund Balance	61
9. Minimum Fund Balance Policy	63
10. Restatements	63
E. Pension Plans	64
F. Other Postemployment Benefit (OPEB) Plans	64
II. Reconciliation of Government-wide and Fund Financial Statements	
A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position	65
B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities	65
III. Stewardship, Compliance, and Accountability	
A. Budgetary Information	65
B. Net Position Deficit/Fund Deficit	66
C. Cash Shortage	67
IV. Detailed Notes on All Funds	
A. Deposits and Investments	67
B. Capital Assets	72
C. Construction Commitments	75
D. Interfund Receivables, Payables, and Transfers	75
E. Long-term Debt	77
F. Long-term Obligations	80
G. Pledges of Future Revenues	82
H. On-Behalf Payments	83
I. Internal Financing	83

(Continued)

JEFFERSON COUNTY, TENNESSEE
Index of Notes to the Financial Statements (Cont.)

Note	Page(s)
V. Other Information	
A. Risk Management	85
B. Accounting Changes	86
C. Risk Financing Activities	87
D. Contingent Liabilities	87
E. Landfill Closure/Postclosure Care Costs	87
F. Joint Ventures	88
G. Jointly Governed Organizations	89
H. Retirement Commitments	
1. Tennessee Consolidated Retirement System (TCRS)	90
2. Deferred Compensation	114
I. Other Postemployment Benefits (OPEB)	115
J. Termination Benefits	124
K. Office of Central Accounting, Budgeting, and Purchasing	124
L. Purchasing Law	125
M. Subsequent Events	125
VI. Other Notes - Discretely Presented Jefferson County Nursing Home	125

JEFFERSON COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

The Jefferson County Nursing Home provides nursing care to the citizens of Jefferson County, and the Jefferson County Commission appoints its governing body. Patient charges provide the majority of the revenues for the entity. Before the issuance of debt instruments, the entity must obtain the county commission's approval.

The Jefferson County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Jefferson County, and the Jefferson County Commission appoints its governing body. The district is funded primarily

through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the county commission's approval. The financial statements of the Jefferson County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

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

Administrative Offices:

Jefferson County Nursing Home
914 Industrial Park Road
Dandridge, TN 37725

Jefferson County Emergency
Communications District
P.O. Box 705
Jefferson City, TN 37760

Related Organization – The Jefferson County Industrial Development Board is a related organization of Jefferson County. The county mayor nominates, and the Jefferson County Commission confirms the board members, but the county's accountability for the organization does not extend beyond making these appointments.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Jefferson County School Department component unit only reports governmental activities in the government-wide financial statements.

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

Jefferson County issues all debt for the discretely presented Jefferson County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 2021. During the year, Jefferson County issued general obligation bonds of \$7,750,000 for the benefit of the Jefferson County Nursing Home and general obligation refunding bonds of \$5,535,000 for benefit of the nursing home. The nursing home is reimbursing the county for principal and interest requirements on that debt.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary funds financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

Proprietary and fiduciary funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category includes custodial funds.

Jefferson County reports the following major governmental funds:

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

Other General Government Fund – This special revenue fund accounts for proceeds received from the American Rescue Plan.

Other Special Revenue Fund – This special revenue fund accounts for the county's share of revenues generated under the joint venture hospital lease.

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

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

Nursing Home Projects Fund – This capital projects fund is used to account for debt issued on behalf of the Jefferson County Nursing Home.

Jefferson County reports the following major proprietary fund:

Solid Waste Disposal Fund – This fund accounts for the county's solid waste landfill operations.

Additionally, Jefferson County reports the following fund types:

Internal Service Fund – The Employee Insurance - Dental and Vision Fund is used to account for the county's self-insured dental and vision programs. Premiums charged to the various county funds and employee payroll deductions are placed in this fund for the payment of claims of county employees.

Custodial Funds – These funds account for amounts collected in a custodial capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Jefferson County, the cities property taxes collected by the county trustee and forwarded to the towns of Dandridge and New Market and the city of Baneberry.

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

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

Additionally, the Jefferson County School Department reports the following fund types:

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

Capital Projects Fund – This Education Capital Projects fund is used to account for financial resources to be used in the acquisition or construction of capital assets.

Internal Service Fund – The Employee Insurance - Dental and Vision Fund is used to account for the school department's self-insured dental and vision programs. Premiums charged to the various school department funds and employee payroll deductions are placed in this fund for the payment of claims of school department employees.

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. The current year (FY 21) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY 20) are presented in this report. We do not believe using the prior year balances will affect the independent auditor's opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found at <https://www.comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has two proprietary funds, an enterprise fund, and an internal service fund. Operating revenues and expenses generally result from providing services in connection with the funds' principal ongoing operations. The principal operating revenue of the enterprise fund is tipping fees. Operating expenses of the enterprise fund include various expenses associated with the operation of the county's landfill. The principal operating revenues of the county's and the school department's internal service funds are charges for services. Operating expenses for the internal service funds include administrative expenses and employee benefits.

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

1. Deposits and Investments

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

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Jefferson County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. Jefferson County and the school department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost.

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

Investments in the State Treasurer's Intermediate Term Investment Fund are reported at amortized cost using a floating net asset value.

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

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

2. Receivables and Payables

Activity between funds for unremitted current collections at the end of the fiscal year is referred to as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

All ambulance, property taxes, and solid waste receivables are shown with an allowance for uncollectibles. The ambulance and solid waste receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 1.77 percent of total taxes levied.

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

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-

end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

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

Most payables are disaggregated on the face of the financial statements. The balance in Due to other Governments totaling \$5,292,508 in the governmental activities Statement of Net Position for the primary government represents American Rescue Plan Act funds received in advance. Claims and Judgments payable totaling \$61,524 is discussed in Note V.C. Risk Financing Activities.

3. Restricted Assets

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

4. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental and the business-type columns in the government-wide financial statements. Capital assets are defined by

the government as assets with an initial, individual cost of \$10,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of the enterprise fund is included as part of the capitalized value of the assets constructed.

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

<u>Assets</u>	<u>Years</u>
Landfill Facilities and Development	5 - 40
Buildings and Improvements	15 - 40
Machinery and Equipment	3 - 15
Other Capital Assets	5 - 25
Infrastructure	99

5. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so

will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, the deferred credit on refunding, pension changes in experience, pension changes in proportion, OPEB changes in experience, OPEB changes in proportion, OPEB changes in assumptions, and various receivables for revenues which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Compensated Absences

It is the county's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since Jefferson County does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements for the county. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

It is the school department's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick pay are accrued when incurred in the government-wide financial statements. A liability for vacation and sick pay is reported in the governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements. The school department offers teachers a financial incentive for accumulated sick leave. This incentive is available to all teachers who leave the school department in good standing with at least ten consecutive years of service. The incentive amount is \$25 for each accumulated day of sick leave. During the 2020-21 year, 16 employees received this incentive. The financial statements of this report reflect expenditures of \$50,888 in the General Purpose School Fund for the accumulated sick leave incentive payments.

7. Long-term Debt and Long-term Obligations

In the government-wide financial statements and the proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type Statement of Net Position. Debt premiums and discounts are deferred and are amortized over the life of the debt using the straight-line method. Debt issuance

costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

8. Net Position and Fund Balance

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

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

As of June 30, 2021, Jefferson County had \$45,621,504 in outstanding debt for capital purposes of the discretely presented Jefferson County

School Department. This debt is a liability of Jefferson County, but the capital assets acquired are reported in the financial statements of the school department. Therefore, Jefferson County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets. Jefferson County also had \$13,285,000 in outstanding debt for capital purposes of the discretely presented Jefferson County Nursing Home at June 30, 2021. The liability for that debt is offset by a receivable, Due from Component Unit, since the nursing home is repaying the county for principal and interest requirements on the debt. Therefore, the nursing home debt has not reduced net position of the primary government.

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

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

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization

arrangements). The county commission or the finance director makes assignments for the general government. The Board of Education makes assignments for the school department. Assigned fund balance in the primary government's General Fund consists of amounts assigned for encumbrances (\$54,653), sheriff's vehicles (\$22,321), ambulance purchase (\$119,583), fund balance appropriated for use in 2021-2022 budget (\$195,784) and various assignments for smaller amounts totaling (\$14,349). Assigned fund balance in the school department's General Purpose School Fund consists of amounts assigned for encumbrances (\$507,064), student safety (\$129,960), STEM Summer Funds (\$36,586), the Jefferson County High School field (\$30,000) and various assignments for smaller amounts totaling (\$9,357).

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

9. Minimum Fund Balance Policy

To provide management with appropriate guidelines and direction to assist in making sound decisions related to managing the fund balance of certain governmental funds, the following minimum fund balance policy exists:

General Fund – 15 percent of the subsequent year's appropriations in unassigned fund balance.

General Debt Service Fund – 50 percent of the subsequent year's debt service requirement.

10. Restatements

Due to the implementation of GASB Statement 84, a special revenue fund (Internal School Fund) is reflected in the financial statements of the discretely presented Jefferson County School Department. A restatement of \$1,235,023 has been presented to reflect the beginning balance of this fund.

In prior years, the custodial funds had no measurement focus. However, due to the implementation of GASB Statement 84, these funds have been restated by \$1,797,825 using the economic resources measurement focus and the accrual basis of accounting.

E. Pension Plans

Primary Government

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Jefferson County's participation in the Public Employee Legacy Pension Plan and the Public Employee Hybrid Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Jefferson County's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Legacy Pension Plan and the Public Employee Hybrid 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 Legacy Pension Plan and the Public Employee Hybrid Retirement Plan of TCRS. Investments are reported at fair value.

Discretely Presented Jefferson County School Department

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

F. Other Postemployment Benefit (OPEB) Plans

Primary Government

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

Discretely Presented Jefferson County School Department

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by the discretely presented Jefferson County School Department. For this purpose,

the school department recognizes benefit payments when due and payable in accordance with benefit terms. The school department's OPEB plan is not administered through a trust.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Jefferson County School Department

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

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

Primary Government

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

Discretely Presented Jefferson County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except for the Constitutional Officers - Fees Fund and the school department's Internal School Fund (special revenue funds), which are not budgeted, the Other

General Government Fund (special revenue fund) which had no expenditures during the year, and certain capital project funds, which adopt project length budgets. All annual appropriations lapse at fiscal year-end.

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

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

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

At June 30, 2021, Jefferson County and Jefferson County School Department reported the following encumbrances:

<u>Funds</u>	<u>Amount</u>
Primary Government:	
Major Funds:	
General	\$ 54,653
Highway/Public Works	19,848
Nonmajor Governmental Funds	4,130
School Department:	
Major Fund:	
General Purpose School	507,064

B. Net Position Deficit/Fund Deficit

The county's Solid Waste Disposal Fund had a deficit of \$5,671,174 in unrestricted net position and a deficit of \$1,850,866 in total net position at June 30, 2021. Further details related to liabilities recorded in this fund are disclosed in Note V.E. Landfill Closure/Postclosure Care Costs.

The school department's School Federal Projects Fund (a nonmajor governmental fund) reported a deficit unassigned fund balance of \$34,528 at

June 30, 2021. This deficit is expected to be liquidated upon receiving reimbursement from federal grant funds.

B. Cash Shortage

The Office of Sheriff had a cash shortage of approximately \$1,223 as of June 30, 2021, caused by excess payments made from the work release program. Details of this cash shortage are discussed in the Schedule of Findings and Questioned Costs section of this report.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

In addition, counties may invest in FDIC insured certificates of deposit. The deposit is first made in a bank or savings and loan association, selected by the

government entity, with a branch in the state of Tennessee that is authorized to accept county deposits (the depository bank). The depository bank then arranges for the transfer of the moneys into one or more federally insured banks or savings and loan associations, wherever located (secondary depositories), for the account of the county. In turn, the depository bank receives funds from customers of the secondary depositories equal to or greater than the amount initially invested by the county. The balance of county funds with each secondary depository must not exceed FDIC insurance limits so that all funds are fully insured. Under this program, the trustee must provide the depository bank with a listing of all banks and savings and loan associations holding county funds under the same federal employer identification number (FEIN). To prevent deposits from exceeding FDIC coverage, the depository bank is prohibited from using any of those listed banks or savings and loan associations as secondary depositories. The use of this program must be approved by the county investment committee or finance committee as appropriate for the specific county. Further, the investment committee or finance committee must establish policies and procedures for the investments, including the establishment of controls to ensure that full FDIC insurance coverage is obtained. Service providers used by depositories must be approved by the state treasurer upon concurrence by the commissioner of financial institutions and finance and administration. There are currently only two eligible programs that have been approved by the state treasurer: the Certificate of Deposit Account Registry Service (CDARS) and the Insured Cash Sweep (ICS), which operate through IntraFi Network, LLC.

Investments

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

that is administered by the state treasurer. Investments in the Intermediate Term Investment Fund are reported both by the pool and the county at amortized cost using a floating net asset value. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

Investment Balances. As of June 30, 2021, Jefferson County had the following investment carried at amortized cost using a Stable Net Asset Value. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Jefferson County and the discretely presented Jefferson County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturities	Amortized Cost
State Treasurer's Investment Pool	1 to 68 days	\$ 213,894

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Jefferson County has no investment policy that would further limit its investment choices. As of June 30, 2021, Jefferson County's investment in the State Treasurer's Investment Pool was unrated.

Further information concerning the legal provisions, investment policies, investment types, and credit risks for the State Treasurer's Investment Pool and the State Treasurer's Intermediate Term Investment Fund can be obtained by reviewing the State of Tennessee Annual Comprehensive Financial Report at <https://www.tn.gov/finance/rd-doa/fa-accfin-ar.html>.

TCRS Stabilization Trust

Legal Provisions. Jefferson County and the Jefferson County School Department are members of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The county and school department have

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

The trust is authorized to make investments as directed by the TCRS Board of Trustees. The county and Jefferson County School Department may not impose any restrictions on investments placed by the trust on their behalf. It is the intent of the plan trustees to allocate these funds in the future to offset pension costs.

On June 30, 2021, Jefferson County's Public Employee Hybrid Retirement Plan had the following investments held by the trust on its behalf. These funds are recognized as restricted assets in the General and Solid Waste Disposal funds of the county and the General Purpose School Fund of the school department.

Primary Government:

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 74,028
Developed Market International Equity	N/A	N/A	33,432
Emerging Market International Equity	N/A	N/A	9,552
U.S. Fixed Income	N/A	N/A	47,760
Real Estate	N/A	N/A	23,880
Short-term Securities	N/A	N/A	2,388
NAV - Private Equity and Strategic Lending	N/A	N/A	<u>47,760</u>
Total			<u><u>\$ 238,800</u></u>

Discretely Presented Jefferson County School Department:

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 23,032
Developed Market International Equity	N/A	N/A	10,401
Emerging Market International Equity	N/A	N/A	2,972
U.S. Fixed Income	N/A	N/A	14,859
Real Estate	N/A	N/A	7,430
Short-term Securities	N/A	N/A	743
NAV - Private Equity and Strategic Lending	N/A	N/A	<u>14,859</u>
Total			<u><u>\$ 74,296</u></u>

At June 30, 2021, the discretely presented Jefferson County School Department's Teacher Retirement Plan had the following investments held by the trust on its behalf.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 133,043
Developed Market International Equity	N/A	N/A	60,084
Emerging Market International Equity	N/A	N/A	17,167
U.S. Fixed Income	N/A	N/A	85,834
Real Estate	N/A	N/A	42,918
Short-term Securities	N/A	N/A	4,292
NAV - Private Equity and Strategic Lending	N/A	N/A	<u>85,834</u>
Total			<u><u>\$ 429,172</u></u>

For further information concerning the legal provisions, investment policies, investment types, and credit risks of the county and school department's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2020/ag20045.pdf>.

B. Capital Assets

Capital assets activity for the year ended June 30, 2021, was as follows:

Primary Government**Governmental Activities:**

	Balance				Balance
	7-1-20	Increases	Decreases		6-30-21
Capital Assets Not Depreciated:					
Land	\$ 1,672,777	\$ 0	\$ 0	\$	1,672,777
Construction in Progress	308,661	53,062	(308,661)		53,062
Total Capital Assets Not Depreciated	<u>\$ 1,981,438</u>	<u>\$ 53,062</u>	<u>\$ (308,661)</u>	<u>\$</u>	<u>1,725,839</u>
Capital Assets Depreciated:					
Buildings and Improvements	\$ 25,561,560	\$ 530,662	\$ 0	\$	26,092,222
Machinery and Equipment	11,741,473	1,027,392	(492,812)		12,276,053
Infrastructure	120,132,285	776,821	0		120,909,106
Total Capital Assets Depreciated	<u>\$ 157,435,318</u>	<u>\$ 2,334,875</u>	<u>\$ (492,812)</u>	<u>\$</u>	<u>159,277,381</u>
Less Accumulated Depreciation For:					
Buildings and Improvements	\$ 8,887,970	\$ 773,684	\$ 0	\$	9,661,654
Machinery and Equipment	8,003,954	763,697	(418,562)		8,349,089
Infrastructure	43,031,032	1,228,409	0		44,259,441
Total Accumulated Depreciation	<u>\$ 59,922,956</u>	<u>\$ 2,765,790</u>	<u>\$ (418,562)</u>	<u>\$</u>	<u>62,270,184</u>
Total Capital Assets Depreciated, Net	<u>\$ 97,512,362</u>	<u>\$ (430,915)</u>	<u>\$ (74,250)</u>	<u>\$</u>	<u>97,007,197</u>
Governmental Activities Capital Assets, Net	<u>\$ 99,493,800</u>	<u>\$ (377,853)</u>	<u>\$ (382,911)</u>	<u>\$</u>	<u>98,733,036</u>

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

Governmental Activities:

General Government	\$ 119,794
Finance	21,450
Administration of Justice	433,960
Public Safety	319,751
Public Health and Welfare	526,581
Social, Cultural, and Recreational Services	5,527
Agriculture and Natural Resources	8,181
Highways/Public Works	<u>1,330,546</u>

Total Depreciation Expense - Governmental Activities	<u><u>\$ 2,765,790</u></u>
---	----------------------------

Business-type Activities:

	Balance 7-1-20	Increases	Decreases	Balance 6-30-21
Capital Assets Not Depreciated:				
Land	\$ 510,430	\$ 0	\$ 0	\$ 510,430
Construction in Progress	<u>1,406,613</u>	<u>277,464</u>	<u>(1,684,077)</u>	<u>0</u>
Total Capital Assets Not Depreciated	<u>\$ 1,917,043</u>	<u>\$ 277,464</u>	<u>\$ (1,684,077)</u>	<u>\$ 510,430</u>
Capital Assets Depreciated:				
Landfill Facilities and Development	\$ 142,024	\$ 1,684,077	\$ 0	\$ 1,826,101
Buildings and Improvements	659,215	0	0	659,215
*Machinery and Equipment	<u>4,529,237</u>	<u>244,176</u>	<u>(161,750)</u>	<u>4,611,663</u>
Total Capital Assets Depreciated	<u>\$ 5,330,476</u>	<u>\$ 1,928,253</u>	<u>\$ (161,750)</u>	<u>\$ 7,096,979</u>
Less Accumulated Depreciation For:				
Landfill Facilities and Development	\$ 99,853	\$ 7,889	\$ 0	\$ 107,742
Buildings and Improvements	542,166	7,219	0	549,385
*Machinery and Equipment	<u>2,991,222</u>	<u>264,311</u>	<u>(32,735)</u>	<u>3,222,798</u>
Total Accumulated Depreciation	<u>\$ 3,633,241</u>	<u>\$ 279,419</u>	<u>\$ (32,735)</u>	<u>\$ 3,879,925</u>
Total Capital Assets Depreciated, Net	<u>\$ 1,697,235</u>	<u>\$ 1,648,834</u>	<u>\$ (129,015)</u>	<u>\$ 3,217,054</u>
Business-type Activities Capital Assets, Net	<u><u>\$ 3,614,278</u></u>	<u><u>\$ 1,926,298</u></u>	<u><u>\$ (1,813,092)</u></u>	<u><u>\$ 3,727,484</u></u>

*Increase in capital assets depreciated and accumulated depreciation in machinery and equipment include \$31,984 for assets transferred from the highway department.

Depreciation expense totaling \$247,435 was charged to the Solid Waste Disposal Fund.

Discretely Presented Jefferson County School Department

Governmental Activities:

	Balance 7-1-20	Increases	Decreases	Balance 6-30-21
Capital Assets Not Depreciated:				
Land	\$ 1,492,550	\$ 0	\$ 0	\$ 1,492,550
Construction in Progress	0	312,011	0	312,011
Total Capital Assets Not Depreciated	<u>\$ 1,492,550</u>	<u>\$ 312,011</u>	<u>\$ 0</u>	<u>\$ 1,804,561</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 99,829,506	\$ 396,978	\$ 0	\$ 100,226,484
Machinery and Equipment	3,293,655	59,263	(7,635)	3,345,283
Other Capital Assets	6,310,616	237,499	(98,398)	6,449,717
Total Capital Assets Depreciated	<u>\$ 109,433,777</u>	<u>\$ 693,740</u>	<u>\$ (106,033)</u>	<u>\$ 110,021,484</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 35,760,281	\$ 2,343,848	\$ 0	\$ 38,104,129
Machinery and Equipment	2,536,306	146,448	(5,726)	2,677,028
Other Capital Assets	4,012,222	382,386	(98,398)	4,296,210
Total Accumulated Depreciation	<u>\$ 42,308,809</u>	<u>\$ 2,872,682</u>	<u>\$ (104,124)</u>	<u>\$ 45,077,367</u>
Total Capital Assets Depreciated, Net	<u>\$ 67,124,968</u>	<u>\$ (2,178,942)</u>	<u>\$ (1,909)</u>	<u>\$ 64,944,117</u>
Governmental Activities Capital Assets, Net	<u>\$ 68,617,518</u>	<u>\$ (1,866,931)</u>	<u>\$ (1,909)</u>	<u>\$ 66,748,678</u>

Depreciation expense was charged to functions of the discretely presented school department as follows:

Governmental Activities:

Instruction	\$ 2,731,976
Support Services	74,119
Operation of Non-instructional Services	<u>66,587</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 2,872,682</u></u>

C. Construction Commitments

At June 30, 2021, the Jefferson County School Department's General Purpose School Fund had an uncompleted construction contract of approximately \$213,480 for security upgrades at various schools. Funding has been received for these future expenditures.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2021, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 3,221
General Debt Service	Solid Waste Disposal (enterprise)	956,150
"	Nonmajor governmental	194,400
Solid Waste Disposal (enterprise)	Nonmajor governmental	89,180
Discretely Presented School Department:		
Nonmajor governmental	General Purpose School	323

The amount due to the General Debt Service Fund from the General Capital Projects Fund (nonmajor governmental fund) and Solid Waste Disposal Fund totaling \$194,400 and \$956,150, respectively, represents the balances of interfund loans. The amount of loans expected to be liquidated within one year is \$273,911. The amount of the loans not expected to be liquidated within one year is \$876,639. See note IV.I. for further details about these internal loans.

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

Due to/from Primary Government and Component Units:

The government-wide Statement of Net Position reports \$13,285,000 as due from the discretely presented Jefferson County Nursing Home to the governmental activities of the primary government. This amount represents general obligation debt issued by the county, which is being retired by the nursing home. See Note VI.E. for further information about this debt.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2021, consisted of the following amounts:

Primary Government:

Transfers Out	Transfers In	
	General Debt Service Fund	Nonmajor Governmental Funds
General Fund	\$ 483,854	\$ 715,510
Total	<u>\$ 483,854</u>	<u>\$ 715,510</u>

Transfers to the General Debt Service Fund represent interest rebates for the QSCB bond. Transfers from the General Fund to the nonmajor governmental funds represent funding for capital expenditures.

Discretely Presented Jefferson County School Department:

Transfers Out	Transfers In	
	General Purpose School Fund	Nonmajor Governmental Funds
General Purpose School Fund	\$ 0	\$ 1,250,000
Nonmajor governmental funds	<u>106,363</u>	<u>0</u>
Total	<u>\$ 106,363</u>	<u>\$ 1,250,000</u>

Transfers to the nonmajor governmental funds from the General Purpose School Fund were for cash flow purposes. Transfers from the nonmajor governmental funds to the General Purpose School Fund were to cover indirect costs related to federal programs.

E. Long-term Debt

Primary Government

General Obligation Bonds and Other Loans

Jefferson County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government, the discretely presented school department, and the discretely presented Jefferson County Nursing Home. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds outstanding were issued for original terms of up to 30 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2021, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements - Jefferson County issues other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, other loans were issued to refund other debt. Other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Other loans outstanding were issued for original terms of up to 18 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All other loans included in long-term debt as of June 30, 2021, will be retired from the General Debt Service Fund.

General obligation bonds and other loans outstanding as of June 30, 2021, for governmental activities are as follows:

Type	Interest Rate		Final Maturity	Original Amount of Issue	Balance 6-30-21
General Obligation Bonds	3%	%	6-1-50	\$ 7,750,000	\$ 7,750,000
General Obligation Refunding Bonds	1 to 5		6-1-37	35,835,000	30,420,000
General Obligation - Recovery Zone Economic Development Bonds	3.69		6-1-40	16,000,000	16,000,000
Direct Borrowing and Direct Placement:					
Other Loans - Refunding	Variable		6-1-26	13,305,000	4,395,000
Other Loans - Qualified School Construction Bonds	0	(1)	8-1-27	10,595,000	4,094,073
Other Loans - Energy Efficient Schools Initiative	2.5		3-1-24	2,506,325	642,431

- (1) Interest rate of approximately 4.85 percent is offset by a federal interest subsidy resulting in a net interest rate of zero percent.

In prior years, Jefferson County entered into loan agreements with the Blount County Public Building Authority. The following table summarizes those loan agreements outstanding as of June 30, 2021:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-21	Interest Type	Interest Rates as of 6-30-21	Other Fees on Variable Rate Debt
<u>Blount County Public Building Authority</u>					
Local Government Public Improvement Bond -					
Refunding (E-3-D)	\$ 13,305,000	\$ 4,395,000	Variable	0.62%	0.30%

The variable rate Blount County Public Building Authority loan is repayable at an interest rate that is a tax-exempt variable rate determined monthly by the remarketing agent. In addition, the county pays various other fees (trustee, debt remarketing, administrative, etc.) in connection with the variable rate loan.

The annual requirements to amortize all general obligation bonds and other loans outstanding as of June 30, 2021, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2022	\$ 2,865,000	\$ 2,234,355	\$ 5,099,355
2023	3,070,000	2,109,390	5,179,390
2024	1,605,000	1,968,041	3,573,041
2025	1,770,000	1,907,091	3,677,091
2026	1,840,000	1,840,442	3,680,442
2027-2031	10,790,000	8,074,406	18,864,406
2032-2036	11,125,000	6,745,853	17,870,853
2037-2041	17,855,000	3,422,457	21,277,457
2042-2046	1,700,000	388,500	2,088,500
2047-2050	1,550,000	118,050	1,668,050
Total	\$ 54,170,000	\$ 28,808,585	\$ 82,978,585

Year Ending June 30	Other Loans - Direct Placement			
	Principal	Interest	Other Fees	Total
2022	\$ 1,844,628	\$ 560,108	\$ 21,779	\$ 2,426,515
2023	1,900,400	548,521	18,888	2,467,809
2024	1,895,739	536,490	15,846	2,448,075
2025	1,766,112	524,105	12,653	2,302,870
2026	936,112	515,358	9,308	1,460,778
2027-2028	788,513	564,231	10,598	1,363,342
Total	\$ 9,131,504	\$ 3,248,813	\$ 89,072	\$ 12,469,389

There is \$14,093,418 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$991, based on the 2020 federal census. Total debt per capita, including bonds, other loans, and unamortized debt premiums, totaled \$1,216 based on the 2020 federal census.

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2021, was as follows:

Governmental Activities:

	Bonds	Other Loans - Direct Placement
Balance, July 1, 2020	\$ 49,575,000	\$ 10,920,492
Additions	19,635,000	0
Reductions	(15,040,000)	(1,788,988)
Balance, June 30, 2021	\$ 54,170,000	\$ 9,131,504
Balance Due Within One Year	\$ 2,865,000	\$ 1,844,628

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2021	\$ 63,301,504
Less: Balance Due Within One Year - Debt	(4,709,628)
Add: Unamortized Premium on Debt	<u>3,168,514</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 61,760,390</u>

Current Refundings

On June 4, 2021, Jefferson County refunded its outstanding series 2015 general obligation bond issue. The county issued \$6,350,000 of general obligation refunding bonds to provide resources to retire the refunded bonds, and as a result, the liability has been removed from the county's long-term debt. Because of the refunding, total debt service payments over the next 15 years will be reduced by \$951,634, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$836,190 was obtained.

On June 25, 2021, Jefferson County refunded its outstanding series 2014 and series 2016 general obligation bond issues. The county issued \$5,535,000 of general obligation refunding bonds to provide resources to retire the refunded bonds, and as a result, the liability has been removed from the county's long-term debt. Because of the refunding, total debt service payments over the next 16 years will be reduced by \$493,901, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$435,417 was obtained.

F. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2021, was as follows:

Governmental Activities:	Other	
	Postemployment Benefits	Compensated Absences
Balance, July 1, 2020	\$ 717,218	\$ 422,578
Additions	163,652	524,958
Reductions	(74,436)	(414,834)
Balance, June 30, 2021	<u>\$ 806,434</u>	<u>\$ 532,702</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 372,891</u>

Analysis of Other Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2021	\$ 1,339,136
Less: Balance Due Within One Year - Other	<u>(372,891)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 966,245</u>

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

Solid Waste Disposal Fund (enterprise fund)**Changes in Long-term Obligations**

Long-term obligations activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2021, was as follows:

Business-type Activities:

	Compensated Absences	Other Post- Employment Benefits	Closure/ Postclosure Care Costs
Balance, July 1, 2020	\$ 12,810	\$ 30,613	\$ 4,862,500
Additions	15,598	6,547	2,933,759
Reductions	(14,233)	(4,501)	(116,357)
Balance, June 30, 2021	<u>\$ 14,175</u>	<u>\$ 32,659</u>	<u>\$ 7,679,902</u>
Balance Due Within One Year	<u>\$ 3,491</u>	<u>\$ 0</u>	<u>\$ 124,114</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2021	\$ 7,726,736
Less: Balance Due Within One Year - Other	<u>(127,605)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 7,599,131</u>

Discretely Presented Jefferson County School Department**Changes in Long-term Obligations**

Long-term obligations activity for the discretely presented Jefferson County School Department for the year ended June 30, 2021, was as follows:

Governmental Activities:

	Compensated Absences	Termination Benefits
Balance, July 1, 2020	\$ 663,939	\$ 143,535
Additions	265,166	147,122
Reductions	(181,836)	(150,710)
Balance, June 30, 2021	<u>\$ 747,269</u>	<u>\$ 139,947</u>
Balance Due Within One Year	<u>\$ 171,485</u>	<u>\$ 96,885</u>

	Other Postemployment Benefits
Balance, July 1, 2020	\$ 10,182,615
Additions	2,423,764
Reductions	(569,898)
Balance, June 30, 2021	<u>\$ 12,036,481</u>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2021	\$ 12,923,697
Less: Balance Due Within One Year - Other	<u>(268,370)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 12,655,327</u>

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds. Termination benefits will be paid by the General Purpose School Fund.

G. Pledges of Future Revenues

In August 2008, the citizens of Jefferson County voted to increase the local option sales tax from 2.25 to 2.75 percent. The county pledged all additional sales tax collections generated from the half-cent increase in the unincorporated areas of the county and half of the additional sales tax collections in the cities within the county to be used for the reduction and retirement of school indebtedness. Jefferson County had outstanding debt for school purposes of \$45,621,504 at June 30, 2021. That debt carries the general obligation pledge of the government in addition to the specific pledge of the

one-half cent sales tax revenue. Revenues generated by the one-half cent sales tax increase amounted to \$2,015,099 for the year.

H. On-Behalf Payments – Discretely Presented Jefferson County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Jefferson County School Department. These payments are made by the state to the Local Education Group Insurance Plan. The plan is administered by the State of Tennessee and reported in the state's Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2021, were \$239,153. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

I. Internal Financing

In-lieu-of issuing debt with financial institutions, Jefferson County chose to internally finance various projects with idle cash of the General Debt Service Fund. The balances of those internal loans are reflected as Due from Other Funds in the General Debt Service Fund and as Due to Other Funds in the borrowing funds. The following table summarizes internal financing activity during the year.

Internally Reported Interfund Notes Receivable/Payable

	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date
<u>Due to General Debt Service</u>				
<u>Fund from Solid Waste</u>				
<u>Disposal Fund</u>				

Capital Outlay
Note - Series 2017
(Landfill Equipment) \$ 710,200 1.00 % 12-15-17 6-01-24 (1)

Capital Outlay
Note - Series 2019
(Landfill Cell) \$ 850,000 1.00 % 5-8-20 6-01-23

Due to General Debt Service
Fund from General Capital Projects
Fund

Capital Outlay
Note - Series 2019
(EMS Equipment) \$ 400,000 1.00 % 11-15-19 6-01-23

(1) The original issue was scheduled to be liquidated on 6-01-21; however, the county commission passed a resolution to extend the maturity date until 6-01-24.

	Outstanding 7-1-20	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-21
--	-----------------------	----------------------------	--	------------------------

Due to General Debt Service
Fund from Solid Waste
Disposal Fund

Capital Outlay
Note - Series 2017
(Landfill Equipment) \$ 266,151 \$ 0 \$ (65,001) \$ 201,150

Capital Outlay
Note - Series 2019
(Landfill Cell) 850,000 0 (95,000) 755,000

Due to General Debt Service
Fund from General Capital Projects
Fund

Capital Outlay
Note - Series 2019
(EMS Equipment) 294,400 0 (100,000) 194,400

Total \$ 1,410,551 \$ 0 \$ (260,001) \$ 1,150,550

V. OTHER INFORMATION

A. Risk Management

Jefferson County and the discretely presented Jefferson County School Department are exposed to risks related to general liability, property, casualty, and workers' compensation. The county and the school department decided it was more economically feasible to join public entity risk pools as opposed to purchasing commercial insurance for these risks. The county and the school department joined the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The county and the school department pay annual premiums to the TN-RMT for their general liability, property, casualty, and workers' compensation coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

Jefferson County joined the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, *Tennessee Code Annotated (TCA)*, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Annual Comprehensive Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

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

Jefferson County and the discretely presented school department have chosen to establish Employee Insurance - Dental and Vision funds for risks associated with the employees' dental and vision plans. The Employee Insurance - Dental and Vision funds are accounted for as internal service funds where assets are set aside for claim settlements. The maximum liability is \$1,200 per employee per year for dental coverage only and \$1,500 per employee per year for dental and vision coverage. All full-time employees of Jefferson County and the school department are eligible to participate. A premium charge is allocated to each fund that accounts for full-time employees. This charge is based on estimates of the amounts needed to pay claims. Liabilities of the fund are reported when

it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. The Employee Insurance - Dental and Vision funds established claims liabilities based on estimates of claims that have been incurred but not reported. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

Employee Insurance - Dental and Vision Funds

	Beginning of Fiscal Year Liability	Current-Year Claims and Estimates	Payments	Balance at Fiscal Year-end
<u>Primary Government</u>				
2019-2020	\$ 3,549	\$ 131,378	\$ 129,063	\$ 5,864
2020-2021	5,864	148,157	145,207	8,814
<u>Discretely Presented School Department</u>				
2019-2020	21,319	430,650	428,241	23,728
2020-2021	23,728	479,520	481,045	22,203

B. Accounting Changes

GASB Statement No. 84, *Fiduciary Activities* establishes additional guidance for the identification, accounting, and reporting of fiduciary activities. The statement clarifies the four types of fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

GASB Statement No. 90, *Majority Equity Interest* modifies previous guidance and provides guidance for the measurement and reporting of majority equity interest in a legally separate organization. This statement also provides guidance for reporting a component unit if a government acquires a 100 percent equity interest in that component unit.

Paragraphs 4 and 5 of GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* became effective during the year. Paragraph 4 establishes certain component unit criteria for a legally separate entity by the primary government in the absence of a governing board. Paragraph 5 clarifies that the financial benefit burden in paragraph 7 of GASB Statement 84 is applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through certain trusts.

C. Risk Financing Activities

Jefferson County and several other counties, cities, and local government entities were members of the Local Government Insurance Cooperative (LOGIC) for workers' compensation insurance for one or more policy years in 1996-97, 1997-98, and 1999-2000. LOGIC obtained excess coverage insurance from Reliance Insurance Company for claims that exceeded specific amounts. Reliance Insurance Company is now insolvent and is being liquidated in the State of Pennsylvania. The insolvency of Reliance Insurance Company has left the LOGIC members exposed to significant claim liabilities for their policy years. The LOGIC board of directors has assessed its members certain amounts for each member's share of outstanding claims unpaid by Reliance Insurance Company. As of June 30, 2021, Jefferson County has an outstanding assessment of \$61,524, which was due June 30, 2012. Jefferson County has recorded a liability for this amount in the General Fund. However, Jefferson County disputes the claim and has not yet paid the assessment.

D. Contingent Liabilities

The county has received various federal and state grants and other assistance for specific purposes that are subject to review and audit by grantor agencies. Such audits could result in reimbursements to the grantor agencies for expenditures disallowed under the terms of the grants. County management is not aware of any potential disallowances and believes that reimbursements, if any, would not be material.

Jefferson County and the discretely presented Jefferson County School Department are involved in several pending lawsuits. Management, based on estimates from their attorneys, believes that the potential claims against the county and the school department not covered by insurance, resulting from such litigation, would not materially affect the financial statements of the primary government or the school department.

E. Landfill Closure/Postclosure Care Costs

Jefferson County has active permits on file with the State Department of Environment and Conservation for two sanitary landfills and a demolition landfill. The county has provided financial assurances for estimated closure and postclosure liabilities as required by the State of Tennessee. These financial assurances are on file with the Department of Environment and Conservation.

State and federal laws and regulations require Jefferson County to place a final cover on its sanitary landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the Solid Waste Disposal Fund reports a portion of these closure and postclosure care costs as an

operating expense in each period based on landfill capacity used as of each balance sheet date. The \$7,679,902 reported as landfill closure and postclosure care liability at June 30, 2021, represents the cumulative amount reported to date based on the use of 53 percent of the estimated capacity of the operating Patterson Landfill site (\$7,051,576) and postclosure care costs for the Highway 92 landfill site, which closed in 1993 (\$628,326). The amounts reported as closure/postclosure liability at June 30, 2021, are based on what it would cost to perform all closure and postclosure care costs in 2021. The county will recognize the remaining estimated costs of closure and postclosure as the remaining estimated capacity is filled. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The liability for closure/postclosure care costs increased by \$2,817,402 during the year. This increase is primarily due to revised cost estimates provided in an amended closure plan approved by the state Department of Environment and Conservation. The county expects to close the Patterson Landfill site in the year 2032.

F. Joint Ventures

Primary Government

The county, along with Jefferson City, participated in the operation of Jefferson Memorial Hospital, a health facility. Effective April 1, 1997, the county and city entered into an agreement to lease the hospital, including all assets and all outstanding liabilities, to a nonprofit corporation, Jefferson Memorial Hospital, Inc. (JMH, Inc.), of which obligations are guaranteed by St. Mary's Health Systems, Inc. Effective October 1, 2011, this lease was assigned by St. Mary's Health Systems, Inc., to Jefferson County HMA, LLC, of which, obligations are guaranteed by Knoxville HMA Holdings, LLC. The county and the city created a seven-member oversight board comprising the hospital's chief of staff, three appointees from the county, and three from the city. The board is responsible for administration of the lease and the hospital in the event of lease termination. The county reflects its share of any net revenues from the lease in the Other Special Revenue Fund. Currently, the county receives \$70,834 per month from the lease.

The Fourth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Fourth Judicial District: Sevier, Jefferson, Grainger, and Cocke counties and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Jefferson County made no contributions to the DTF for the year ended June 30, 2021, and does not have any equity interest in this joint venture. Complete

financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

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

Discretely Presented School Department

The discretely presented school department participates in the Northeast Tennessee Cooperative (NETCO). The cooperative was established through a contractual agreement between the Boards of Education of Jefferson County and various other counties and cities in the upper East Tennessee area. The cooperative was authorized through Chapter 49 of *Tennessee Code Annotated* and was established to obtain lower prices for food supplies, materials, equipment, and services by combining the purchasing requirements of each member's school food service systems. The cooperative has contracted with a coordinating district (Johnson City School System) and a service provider to provide this service. NETCO is governed by a representative committee, including one representative from each of the member districts and an executive council, consisting of the chair, vice chair, secretary, treasurer, and a member-at-large from the representative committee.

Complete financial statements for NETCO can be obtained from its administrative office at the following address:

Administrative Office:

Northeast Tennessee Cooperative
100 East Maple Street
P.O. Box 1517
Johnson City, TN 37605

G. Jointly Governed Organizations

The East Tennessee Regional Agribusiness Marketing Authority was established through Title 64 of *Tennessee Code Annotated*, and includes the counties of Claiborne, Cocke, Grainger, Greene, Hamblen, Hancock, Hawkins, Jefferson, Johnson, Sullivan, Unicoi, and Washington. The purpose of the authority is to establish and operate a market for agricultural products of the region through a food distribution center. The authority is governed by a Board of Directors consisting of the county mayors of each county or the county mayor's designee and one nonvoting member representing the Tennessee Department of Agriculture and the University of Tennessee's Agriculture Extension Service. An executive committee, consisting of the chairman, vice-

chairman, secretary, and treasurer of the Board of Directors, along with the center manager, as an ex officio member, is in charge of the daily operations of the center. The county does not have any ongoing financial interest or responsibility beyond its initial investment.

In October 2012, amended and restated formation documents were filed with the Secretary of State's Office for the Jefferson Health Care Foundation (formerly the Jefferson Memorial Foundation, Inc.). Previously, St. Mary's Health System, which leased hospital operations from the county and Jefferson City, was the sole member of the foundation and provided oversight of certain funds held to benefit community health programs in the city and county. The hospital is jointly owned by the county and Jefferson City as discussed in Note V.F. With the change in the formation documents, the county and city became the sole members of the foundation. A board, with three members appointed by the county and three members appointed by the city, now oversees the foundation funds.

H. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Jefferson County and the discretely presented Jefferson County Nursing Home with membership in the TCRS prior to July 1, 2016, as well as non-certified employees of the discretely presented Jefferson County School Department with membership in TCRS prior to July 1, 2017, are provided a defined benefit pension plan through the Public Employee Legacy Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The Public Employee Legacy Pension Plan is closed to new membership. The primary government employees comprise 54.62 percent, the non-certified employees of the discretely presented school department comprise 27.93 percent, and employees of the discretely presented Jefferson County Nursing Home comprise 17.45 percent of the plan based on contribution data. Employees of Jefferson County and the discretely presented Jefferson County Nursing Home with membership in the TCRS after July 1, 2016, as well as non-certified employees of the discretely presented Jefferson County School Department with membership in TCRS after July 1, 2017, are provided with pensions through a legally separate plan, referred to as the Public Employee Hybrid Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 26.35 percent, the non-certified employees of the discretely presented school department comprise 9.39 percent, and employees of the discretely presented Jefferson County Nursing Home comprise

64.26 percent of the hybrid plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Public Employee Legacy Pension Plan

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

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

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	508
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	539
Active Employees	518
Total	<u><u>1,565</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees are noncontributory. Jefferson County elected to make employer contributions at a rate higher than the minimum rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2021, the employer contribution for Jefferson County was \$1,870,975 based on a rate of 10.28 percent of covered payroll. The minimum rate

established by the Board of Trustees was 7.94 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Jefferson County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Jefferson County's net pension liability (asset) was measured as of June 30, 2020, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2020, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

allocation percentage and by adding expected inflation of 2.5 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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

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

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2019	\$ 83,473,352	\$ 88,977,690	\$ (5,504,338)
Changes for the Year:			
Service Cost	\$ 1,496,045	\$ 0	\$ 1,496,045
Interest	6,023,348	0	6,023,348
Differences Between Expected and Actual Experience	(334,154)	0	(334,154)
Contributions-Employer	0	2,064,452	(2,064,452)
Contributions-Employees	0	0	0
Net Investment Income	0	4,369,738	(4,369,738)
Benefit Payments, Including Refunds of Employee Contributions	(3,777,434)	(3,777,434)	0
Administrative Expense	0	(46,554)	46,554
Other changes	0	100	(100)
Net Changes	\$ 3,407,805	\$ 2,610,302	\$ 797,503
Balance, June 30, 2020	\$ 86,881,157	\$ 91,587,992	\$ (4,706,835)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	54.62%	\$ 47,454,488	\$ 50,025,361	\$ (2,570,873)
School Department	27.93%	24,265,907	25,580,526	(1,314,619)
Nursing Home	17.45%	15,160,762	15,982,105	(821,343)
Total		\$ 86,881,157	\$ 91,587,992	\$ (4,706,835)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Jefferson County calculated using the discount rate of 7.25 percent, as well as what the net pension liability (asset) would be if it were

calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Jefferson County	6.25%	7.25%	8.25%

Net Pension Liability (Asset) \$ 6,436,205 \$ (4,706,835) \$ (14,000,873)

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

Pension Expense. For the year ended June 30, 2021, Jefferson County recognized pension expense of \$1,419,376.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, Jefferson County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 309,886	\$ 811,463
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	646,078	0
Changes in Assumptions	582,395	0
Contributions Subsequent to the Measurement Date of June 30, 2020 (1)	1,870,975	N/A
Total	\$ 3,409,334	\$ 811,463

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2020,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 1,850,385	\$ 443,221
School Department	942,089	226,642
Nursing Home	616,860	141,600
Total	<u>\$ 3,409,334</u>	<u>\$ 811,463</u>

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

Year Ending June 30	Amount
2022	\$ (227,172)
2023	348,500
2024	268,923
2025	336,645
2026	0
Thereafter	0

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

Payable to the Pension Plan

At June 30, 2021, Jefferson County reported a payable of \$3,276 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2021.

Public Employee Hybrid Retirement Plan

Plan Description. As previously noted, Employees of Jefferson County and the discretely presented Jefferson County Nursing Home with membership in the TCRS after July 1, 2016, as well as non-certified employees of the discretely presented Jefferson County School Department with membership in TCRS after July 1, 2017, are provided with pensions through a legally separate plan, referred to as the Public

Employee Hybrid Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 26.35 percent, the non-certified employees of the discretely presented school department comprise 9.39 percent, and employees of the discretely presented Jefferson County Nursing Home comprise 64.26 percent of the hybrid plan based on contribution data.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80 in which the member's age and service credits total 80. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

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

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	2
Inactive Employees Entitled to But Not Yet Receiving Benefits	192
Active Employees	246
Total	<u>440</u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Jefferson County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation and statutory provisions. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of Jefferson County if the required employer contributions are not remitted. The actuarial determined rate of employer contributions for the year was 3.33 percent of covered payroll. Employer contributions for the year ended June 30, 2021, to the Retirement Plan were \$250,259. In addition, employer contributions of \$138,103 were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). Jefferson County's net pension liability (asset) was measured at June 30, 2020, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2020, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total	Plan	Net Pension
	Pension	Fiduciary	Liability
	Liability	Net Position	(Asset)
	(a)	(b)	(a)-(b)
Balance, July 1, 2019	\$ 568,582	\$ 674,402	\$ (105,820)
Changes for the Year:			
Service Cost	\$ 344,085	\$ 0	\$ 344,085
Interest	65,447	0	65,447
Differences Between Expected and Actual Experience	18,835	0	18,835
Contributions-Employer	0	119,927	(119,927)
Contributions-Employees	0	316,162	(316,162)
Net Investment Income	0	43,245	(43,245)
Benefit Payments, Including Refunds of Employee Contributions	(19,890)	(19,890)	0
Administrative Expense	0	(21,288)	21,288
Net Changes	\$ 408,477	\$ 438,156	\$ (29,679)
Balance, June 30, 2020	\$ 977,059	\$ 1,112,558	\$ (135,499)

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

		Total	Plan	Net
		Pension	Fiduciary	Pension
		Liability	Net	Liability
			Position	(Asset)
Primary Government	26.35%	\$ 257,455	\$ 293,159	\$ (35,704)
School Department	9.39%	91,746	104,469	(12,723)
Nursing Home	64.26%	627,858	714,930	(87,072)
Total		\$ 977,059	\$ 1,112,558	\$ (135,499)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Jefferson County calculated using the discount rate of 7.25 percent, as well as what the net pension liability (asset) would be if it were

calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability (Asset)	\$ 99,024	\$ (135,499)	\$ (308,071)

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

Pension Expense. For the year ended June 30, 2021, Jefferson County recognized pension expense of \$67,004.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, Jefferson County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 77,043	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	14,250	0
Contributions Subsequent to the Measurement Date of June 30, 2020 (1)	250,259	N/A
Total	\$ 341,552	\$ 0

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2020,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 99,277	\$ 0
School Department	40,823	0
Nursing Home	201,452	0
Total	\$ 341,552	\$ 0

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

Year Ending June 30	Amount
2022	\$ 15,556
2023	15,799
2024	16,243
2025	16,441
2026	12,448
Thereafter	14,806

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

Discretely Presented Jefferson County School Department

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

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

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

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

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

in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2021, to the Teacher Retirement Plan were \$140,643, which is 2.02 percent of covered payroll. In addition, employer contributions of \$135,463 were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). At June 30, 2021, the school department reported a liability (asset) of (\$263,098) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2020, the school department's proportion was .462677 percent. The proportion as of June 30, 2019, was .466367 percent.

Pension Expense. For the year ended June 30, 2021, the school department recognized pension expense of \$104,528.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 9,774	\$ 65,932
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	21,433	0
Changes in Assumptions	8,250	0
Changes in Proportion of Net Pension Liability (Asset)	3,786	23,384
LEA's Contributions Subsequent to the Measurement Date of June 30, 2020	140,643	N/A
Total	\$ 183,886	\$ 89,316

The school department's employer contributions of \$140,643, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2022	\$ (4,010)
2023	(913)
2024	666
2025	1,116
2026	(6,143)
Thereafter	(36,789)

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

Actuarial Assumptions. The total pension liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2020, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

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

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

Net Pension Liability (Asset) \$ 204,646 \$ (263,098) \$ (607,883)

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

Teacher Legacy Pension Plan

General Information About the Pension Plan

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

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

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Jefferson County School Department for the year ended June 30, 2021, to the Teacher Legacy Pension Plan were \$2,250,002, which is 10.27 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liability (Assets). At June 30, 2021, the school department reported a liability (asset) of (\$5,151,291) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2020, the school department's proportion was .675514 percent. The proportion measured at June 30, 2019, was .700971 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2021, the school department recognized pension expense (negative pension expense) of (\$16,983).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 195,829	\$ 2,476,649
Changes in Assumptions	467,971	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,150,488	0
Changes in Proportion of Net Pension Liability (Asset)	100,745	17,140
LEA's Contributions Subsequent to the Measurement Date of June 30, 2020	2,250,002	N/A
Total	<u>\$ 4,165,035</u>	<u>\$ 2,493,789</u>

The school department's employer contributions of \$2,250,002 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2022	\$ (1,229,676)
2023	(167,447)
2024	56,251
2025	762,116
2026	0
Thereafter	0

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

Actuarial Assumptions. The total pension liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2020, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

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

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

Net Pension Liability (Asset) \$ 16,020,402 \$ (5,151,291) \$ (22,707,599)

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

2. Deferred Compensation

Jefferson County offers its employees an optional deferred compensation plan established pursuant to IRC Section 457. The discretely presented Jefferson County School Department offers its employees an optional deferred compensation plan established pursuant to IRC Section 403(b). All costs of administering and funding these programs are the responsibility of plan participants. The Section 457 and Section 403(b) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 457 and 403(b) establish participation, contribution, and withdrawal provisions for the plans.

Teachers hired by the school department after July 1, 2014, employees of the primary government hired after July 1, 2016, and non-certified employees of the school department hired after July 1, 2017, are required to participate in hybrid pension plans consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion, which is placed into the state's 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the employers contribute five percent of each eligible employee's salary into their deferred compensation plan. In addition, employees are required to contribute a minimum of two percent of their salaries into these deferred compensation plans, unless they opt out of the employee portion. During the year, the primary government and its employees contributed \$179,818 and \$45,211, respectively, and the school department and its employees contributed \$77,258 and \$54,778, respectively, to the 401(k) portion of the hybrid retirement plan. The school department contributed \$332,459 and teachers contributed \$224,289 to the 401(k) portion of the teacher retirement plan.

I. Other Postemployment Benefits (OPEB)

Jefferson County primary government, the discretely presented Jefferson County Nursing Home, and the discretely presented Jefferson County School Department provide OPEB benefits to their retirees through state administered public entity risk pools. For reporting purposes, the plans are considered single employer defined benefit OPEB plans based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). The plans are funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

OPEB Provided through State Administered Public Entity Risk Pools

Retirees of the primary government and the discretely presented Jefferson County Nursing Home are provided healthcare under the Local Government Plan (LGP) until they reach Medicare eligibility. Likewise, the school department provides healthcare benefits to its employees under the closed Local Education Plan (LEP) until they reach Medicare eligibility. The certified retirees of Jefferson County School Department may then join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare. However, the school department does not provide any subsidy (direct or indirect) to this plan and therefore does not recognize any OPEB liability associated with the TNM.

The total OPEB liability for each plan was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2020, actuarial valuation of each plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.1%
Salary Increases	Salary increases used in the July 1, 2020 TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	2.21%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 9.02% for for pre-65 retirees in the 2021 calendar year, and decreasing annually over a 10 year period to an ultimate trend rate of 4.5%
Retirees Share of Benefit Related Cost	Discussed under each plan

The discount rate was 2.21 percent, based on an average rating of AA/Aa as shown the Bond Buyer 20-Year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2020, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2020, valuations were the same as those employed in the July 1, 2019, Pension Actuarial Valuation of the TCRS. These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016, post-retirement tables are Blue Collar and adjusted with a 2 percent load for males and a -3 percent load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load.

Changes in Assumptions. The discount rate changed from 3.51 percent as of the beginning of the measurement period to 2.21 percent as of the measurement date of June 30, 2019. This change in assumption increased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 2021 plan year was revised from 6.03 percent to 9.02 percent. The assumed long term inflation rate was changed from 2.2 percent to 2.1 percent.

Local Government OPEB Plan (Primary Government and Discretely Presented Jefferson County Nursing Home)

Plan Description. Employees of the primary government and the Jefferson County Nursing Home are provided with pre-65 retiree health insurance benefits through the Local Government Plan (LGP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired employees and disability participants of local governments, who choose coverage, participate in the LGP.

Benefits Provided. Jefferson County offers the LGP to provide health insurance coverage to eligible pre-65 retirees and disabled participants. With the exception of a small group of grandfathered individuals, retirees are required to discontinue coverage under the LGP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees.

An insurance committee created in accordance with *Tennessee Code Annotated (TCA) 8-27-701* establishes and amends the benefit terms of the LGP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LGP, receive the same plan benefits as active employees, at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. The primary government and the Jefferson County Nursing Home do not provide a direct subsidy for retirees and are subject only to the implicit subsidy.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2020, the following employees were covered by the benefit terms:

	<u>Primary Government</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	2
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	428
Total	<u><u>430</u></u>

Employees of Jefferson County primary government comprise 78.03 percent of the plan and employees of the discretely presented Jefferson County Nursing Home comprise 21.97 percent of the plan. An insurance committee, created in accordance with *TCA 8-27-701*, establishes the required payments to the LGP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal year ended June 30, 2021, the county paid \$19,077 to the LGP for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	Primary Government 78.0312%	Jefferson County Nursing Home 21.9688%	Total
Balance July 1, 2019	\$ 747,831	\$ 201,171	\$ 949,002
Changes for the Year:			
Service Cost	\$ 71,073	\$ 20,010	\$ 91,083
Interest	28,031	7,892	35,923
Difference between Expected and Actual Experience	(45,520)	(12,816)	(58,336)
Changes in Assumption and Other Inputs	71,185	20,041	91,226
Change in Proportion	(7,313)	7,313	0
Benefit Payments	(26,194)	(7,374)	(33,568)
Net Changes	\$ 91,262	\$ 35,066	\$ 126,328
Balance June 30, 2020	\$ 839,093	\$ 236,237	\$ 1,075,330

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, the plan recognized OPEB expense of \$84,510. At June 30, 2021, the plan reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Primary Government:	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 273,027
Changes of Assumptions/Inputs	124,642	23,897
Benefits Paid After the Measurement Date of June 30, 2020	14,885	0
Total	\$ 139,527	\$ 296,924

Jefferson County Nursing Home:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 76,868
Changes of Assumptions/Inputs	35,090	6,727
Benefits Paid After the Measurement Date of June 30, 2020	4,192	0
Total	<u>\$ 39,282</u>	<u>\$ 83,595</u>

The amount shown above for “Benefits Paid After the Measurement Date” will be recognized as a reduction to OPEB liability in the following measurement period.

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

Year Ending June 30	Primary Government	Jefferson County Nursing Home	Total
2022	\$ (33,160)	\$ (9,336)	\$ (42,496)
2023	(33,160)	(9,336)	(42,496)
2024	(33,160)	(9,336)	(42,496)
2025	(33,160)	(9,336)	(42,496)
2026	(33,160)	(9,336)	(42,496)
Thereafter	(6,482)	(1,825)	(8,307)

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

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

<u>Discount Rate</u>			Current Discount Rates		1% Increase
		1% Decrease 1.21%		2.21%	3.21%
Primary Government	\$	908,600	\$	839,093	\$ 773,667
Jefferson County Nursing Home		255,806		236,237	217,817
Total OPEB Liability	\$	1,164,406	\$	1,075,330	\$ 991,484

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

<u>Healthcare Cost Trend Rate</u>				Current Trend Rate		1% Increase
		1% Decrease 8.02 to 3.5%		9.02 to 4.5%		10.02 to 5.5%
Primary Government	\$	737,129	\$	839,093	\$	960,713
Jefferson County Nursing Home		207,530		236,237		270,478
Total OPEB Liability	\$	944,659	\$	1,075,330	\$	1,231,191

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

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

Benefits Provided. The Jefferson County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan

(CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. Jefferson County School Department provides a direct subsidy for retirees with at least 10 consecutive years of service with Jefferson County and who also have either a minimum of 30 years of service in TCRS or are at least age 60. The subsidy ranges from \$251 to \$627 per month depending on years of service, classification, and the coverage selected. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 25 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2020, the following employees were covered by the benefit terms:

	<u>School Department</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	66
Inactive Employees Entitled to But Not Yet Receiving Benefits	2
Active Employees Eligible for Benefits	<u>628</u>
Total	<u><u>696</u></u>

A state insurance committee, created in accordance with *TCA 8-27-301*, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$675,729 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	<u>Jefferson County</u>	<u>State of</u>	
	<u>School Department</u>	<u>TN</u>	<u>Total OPEB</u>
	<u>74.1448%</u>	<u>25.8552%</u>	<u>Liability</u>
Balance July 1, 2019	\$ 10,182,615	\$ 3,680,374	\$ 13,862,989
Changes for the Year:			
Service Cost	\$ 467,949	\$ 163,180	\$ 631,129
Interest	367,291	128,079	495,370
Difference between Expected and Actuarial Experience	339,300	118,318	457,618
Changes in Assumption and Other Inputs	1,153,190	402,132	1,555,322
Change in Proportion	96,071	(96,071)	0
Benefit Payments	(569,935)	(198,743)	(768,678)
Net Changes	\$ 1,853,866	\$ 516,895	\$ 2,370,761
Balance June 30, 2020	\$ 12,036,481	\$ 4,197,269	\$ 16,233,750

The Jefferson County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Jefferson County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$206,228 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Jefferson County School Department's proportionate share of the collective OPEB liability was 74.1448 percent and the State of Tennessee's share was 25.8552 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, the school department recognized OPEB expense of \$412,676, which includes expenses funded by subsidies provided by the state. At June 30, 2021, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 298,859	\$ 3,967,053
Changes of Assumptions/Inputs	1,227,759	1,004,627
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributors As Benefits Came Due	137,641	809,427
Benefits Paid After the Measurement Date of June 30, 2020	675,729	0
Total	<u>\$ 2,339,988</u>	<u>\$ 5,781,107</u>

The amount shown above for “Benefits Paid After the Measurement Date” will be recognized as a reduction to OPEB liability in the following measurement period.

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

Year Ending June 30	School Department
2022	\$ (628,792)
2023	(628,792)
2024	(628,792)
2025	(628,792)
2026	(628,792)
Thereafter	(972,888)

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

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

<u>Discount Rate</u>	1% Decrease 1.21%	Current Discount Rate 2.21%	1% Increase 3.21%
----------------------	-------------------------	--------------------------------------	-------------------------

Proportionate Share of the
Collective Total OPEB Liability \$ 12,906,035 \$ 12,036,481 \$ 11,201,359

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

<u>Healthcare Cost Trend Rate</u>	1% Decrease 8.02 to 3.5%	Curent Rates 9.02 to 4.5%	1% Increase 10.02 to 5.5%
-----------------------------------	--------------------------------	---------------------------------	---------------------------------

Proportionate Share of the
Collective Total OPEB Liability \$ 10,721,693 \$ 12,036,481 \$ 13,588,289

J. Termination Benefits

The school department offers an early retirement incentive program in accordance with contract provisions. The plan is available to employees who have earned 21 years of verified teaching experience and have a minimum of ten years employment in the Jefferson County School System. The plan gives retiring teachers who meet the above requirements \$10,000 divided into three equal payments. During the 2020-21 year, 41 employees participated in the program. The financial statements of this report reflect expenditures of \$150,710 in the General Purpose School Fund for the retirement incentive payments. A nondiscounted long-term liability of \$139,947 is reflected on the government-wide Statement of Net Position for retirement incentives. Of that amount, \$96,885 is due within one year.

K. Office of Central Accounting, Budgeting, and Purchasing

Jefferson County operates under the provisions of the County Financial Management System of 1981. This act provides for a central system of accounting, budgeting, and purchasing covering all county departments. This act also provides for the creation of a finance department operated under the direction of the finance director.

L. Purchasing Law

The County Financial Management System of 1981 provides for the finance director or a deputy appointed by him to serve as the county purchasing agent. The finance director serves as the purchasing agent for Jefferson County. All purchase orders are issued by the finance department. Purchases exceeding \$25,000 for the Office of County Mayor, Office of Road Superintendent and discretely presented school department are required to be competitively bid.

M. Subsequent Events

On January 26, 2022, Jefferson County issued General Obligation Bonds, Series, 2022 in the amount of \$2,000,000 for the Jefferson County Nursing Home.

Finance Director Langdon Potts retired December 31, 2021, and was succeeded by Jessica Elder effective January 1, 2022.

VI. OTHER NOTES – DISCRETELY PRESENTED JEFFERSON COUNTY NURSING HOME

A. Summary of Significant Accounting Policies

Jefferson County Nursing Home dba Jefferson Park at Dandridge is a component unit of Jefferson County, Tennessee. The nursing home provides long-term health care primarily for the citizens of the county. It is governed, operated, and controlled by a five-member board of commissioners who are appointed by the Board of County Commissioners of the county. The county is legally obligated to assume the nursing home's debt in the event of default and is legally obligated to provide financial support, making the county financially accountable for the nursing home. Therefore, the nursing home constitutes a component unit of the county for financial reporting purposes.

1. Basis of Presentation

The nursing home utilizes the proprietary fund method of accounting whereby revenues and expenses are recognized on the accrual basis, which is an economic resources measurement focus approach to accounting. The Governmental Accounting Standards Board *Accounting Standards Codification* is the sole source of authoritative accounting technical literature for governmental entities in the United States of America.

2. Inventories

Inventories are stated at the lower of cost, determined on the first-in, first-out (FIFO) basis, or market (net realizable value).

3. Cash, Cash Equivalents, and Investments

For the purpose of the Statement of Cash Flows, cash and cash equivalents are defined as cash on hand or in banks and investments with original maturities at the date of purchase of less than three months, excluding restricted assets.

Restricted cash is held in a bank account held by the county for the benefit of the nursing home.

The nursing home's policies limit deposits and investments to those instruments allowed by applicable state laws. The deposits must be collateralized by federal depository insurance of the Tennessee Bank Collateral Pool, by collateral held by the nursing home's agent in the nursing home's name or by the federal reserve banks acting as third-party agents. State statutes authorize the nursing home to invest in bonds, notes, or treasury bills of the United States government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities; and the State Treasurer's Investment Pool. Statutes also require that securities underlying repurchase agreements must have a market value of at least equal to the amount of funds invested in the repurchase transaction.

All of the nursing home's cash and cash equivalents and certificates of deposit are insured or collateralized by the Tennessee Bank Collateral Pool or collateralized by securities held by the financial institutions' trust department in the nursing home's name.

4. Patient Account Receivable

Patient accounts receivable consists primarily of amounts due from third-party payors and residents. In evaluating the collectability of patient accounts receivable, the nursing home considers a number of factors, including age of the accounts, changes in collection patterns, the composition of the resident accounts by payor type, the status of ongoing disputes with third-party payors, and general industry conditions. Actual collections of patient accounts receivable in subsequent periods may require changes in previously recorded estimates. Changes in these estimates are charged or credited to the results of operations in the period of change.

5. Estimated Third-Party Payor Settlements

Estimated third-party payor settlements represents the excess or deficit of advances received from Medicare for bad debts on the patient responsibility portion of Medicare covered resident services over the

actual related bad debts incurred to date.

6. Fair Value Measurements

Fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, fair value accounting standards establish a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity including quoted market prices in active markets for identical assets (Level 1), or significant other observable inputs (Level 2) and the reporting entity's own assumptions about market participant assumptions (Level 3). The nursing home has certificates of deposit totaling \$206,090, and net pension asset of \$908,415, as of June 30, 2021, which would be classified as Level 2 under the hierarchy above. The nursing home did not have any fair value measurements using significant unobservable inputs (Level 3) as of June 30, 2021. See note VI.G for additional specific fair value disclosures related to the Stabilization Reserve Trust.

Financial Assets

Excluding the amounts held in the stabilization reserve trust, the carrying amount of financial assets, consisting of cash and cash equivalents, certificates of deposit, patient accounts receivable, prepaid expenses, accounts payable, accrued expenses and current portion due to primary government approximate their fair value due to their relatively short maturities. Non-current due to primary government is carried at amortized cost, which approximates fair value.

Nonfinancial Assets

The nursing home's nonfinancial assets, which include property and equipment, are not required to be measured at fair value on a recurring basis. However, if certain triggering events occur, or if an annual impairment test is required and the nursing home is required to evaluate the nonfinancial instrument for impairment, a resulting asset impairment would require that the nonfinancial asset be recorded at the fair value. During the year ended June 30, 2021, the nursing home did not measure any nonfinancial assets at fair value or recognize any amounts in the Statements of Activities related to changes in fair value for nonfinancial assets.

7. Property and Equipment

Property and equipment acquisitions are recorded at cost. The nursing

home capitalizes purchases that cost a minimum of \$5,000 and have a useful life greater than two years. Assets are depreciated on a straight-line basis over their estimated useful lives as follows: land improvements 10-12 years, buildings and improvements 10-40 years, equipment 4-20 years, and transportation equipment 5-7 years.

8. Patient Service Revenue

The nursing home has agreements with third-party payors that provide for payments to the nursing home at amounts different from its established rates. Payment arrangements include prospectively determined per-diem rates per day and discounted charges. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Patient service revenue is net of contractual adjustments of approximately \$4,000 for the year ended June 30, 2021.

9. Operating Activities

The nursing home defines operating activities as reported on the Statement of Revenues, Expenses, and Changes in Net Position as those that generally result from exchange transactions, such as payments for providing services and payments for goods and services received. Nonexchange transactions, including investment income and interest expense, are considered nonoperating revenue and expenses.

10. Pension Plan

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

See Note VI.G. for further information related to the stabilization reserve trust.

11. Other Postemployment Benefit Plan

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

12. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The nursing home has items that qualify for reporting in this category. They are for pension and OPEB changes in experience, assumptions and changes in investment earnings.

13. Compensated Absences

The nursing home provides its full-time employees with paid days off for holiday, vacation, sick, and bereavement absences. The vacation paid days off begin accruing after one year of service and are based on the table which follows. Such days may be taken only after the employee has earned them. Prior to January 1, 2018, there was no limit on the amount of earned days which may be carried forward if not taken in the year earned; however, effective January 1, 2018, all earned days must be taken annually, except that an employee may carry forward up to the number of days earned annually, based on years of service. Such liabilities have been accrued in the accompanying Statements of Net Position.

<u>Years of Service</u>	<u>Days Earned Per Year</u>
1 - 9	10
10 - 19	15
20 or more	20

14. Risk Management

The nursing home is exposed to various risks of loss from medical malpractice; torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; and natural disasters. Commercial insurance is purchased for claims arising from such matters.

15. Net Position

All resources that are not restricted by donors are included in unrestricted net position. Resources temporarily restricted by donors for specific purposes are reported as a restricted component of net position - expendable. When specific purposes are achieved, either through passage of a stipulated time or the purpose for restriction is accomplished, they are classified to unrestricted net position and reported in the Statement of Revenues, Expenses, and Changes in Net Position. Resources temporarily restricted by donors for additions to land, buildings, and equipment are initially reported as a restricted component of net position - expendable and are transferred to unrestricted net position when expended. Donor-imposed restrictions, which stipulate that the resources be maintained permanently, are reported as a restricted component of net position – unexpendable. Investment income for the restricted component of net position - unexpendable is classified as either a restricted component of net position – expendable or unrestricted based on the intent of the donor. As of June 30, 2021, the nursing home had restricted component of net position – expendable of \$908,415, relating to the net pension asset, as well as restricted component of net position – expendable designated for employee scholarships as discussed in VI.C. As of June 30, 2021, there were no restricted components of net position - unexpendable.

The nursing home first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

16. Income Taxes

The nursing home as a political subdivision of the county is exempt from federal income taxes pursuant to Section 115 of the Internal Revenue Code.

17. Long-lived Assets

Management evaluates the recoverability of its investment in long-lived assets on an ongoing basis and recognizes any impairment in the year of determination. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

18. Use of Estimates

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

19. Performance Indicator

Excess of revenue over expenses reflected in the accompanying Statement of Revenues, Expenses, and Changes in Net Position is a performance indicator.

20. New Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, *Leases*. The primary objective of this pronouncement is to increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This pronouncement establishes a single model for lease accounting based on the payment provisions of the contract. This pronouncement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this pronouncement, a lessee is required to recognize a lease liability and an intangible right-to-use asset.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement also reiterates that in financial

statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

These pronouncements are effective for the year ending June 30, 2022, and management is currently evaluating the impact of adoption.

B. COVID-19 Pandemic

In January 2020, the Secretary of the U.S. Department of Health and Human Services declared a national public health emergency due to a novel strain of coronavirus ("COVID-19"). In March 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic. During March 2020, the global pandemic began to affect the nursing home's employees, residents, business operations and financial performance, as well as the broader U.S. economy and financial markets. The nursing home is committed to protecting the health and safety of its residents and employees and has been responding to the evolving COVID-19 situation while taking steps to continue providing quality care. The nursing home closely follows infectious disease protocols, as well as recommendations by the Centers for Disease Control and Prevention, the National Health Service and local health officials. The nursing home has taken steps to secure its supply chain and implemented emergency planning. Nevertheless, COVID-19 continues to impact the nursing home's operations and may have an impact on its financial results that the nursing home is not currently able to quantify. Continuing disruptions to the nursing home's operations as a result of the COVID-19 pandemic could continue to have an effect on its results of operations, financial condition, and cash flows.

As part of the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") the U.S. government announced it would offer relief funding to eligible healthcare providers. During the years ended June 30, 2021 and 2020, the nursing home participated in certain relief programs offered through the CARES Act including distributions relating to the Public Health and Social Services Emergency Fund, which is referred to as the Provider Relief Fund ("PRF").

Amounts received from the PRF are subject to the terms and conditions of the program, including certification that payment will be used to prevent, prepare for and respond to coronavirus and shall reimburse the recipient only for health care related expenses or lost revenues that are attributable to coronavirus. The nursing home received PRF in the amount of \$739,470 during 2020 and earned \$368,924 of the funds during 2020 which were either spent on expenditures or reimbursed lost revenues allowed under the program. There was deferred revenue of \$370,546 as of June 30, 2020, representing PRF proceeds not yet earned at that date. The nursing home received additional PRF in the amount of \$391,378 during 2021 and earned a total of \$761,924 of PRF during 2021, which includes the \$370,546 of 2020 deferred revenue. There

was no deferred revenue of this type at June 30, 2021.

The nursing home received an additional \$823,438 and \$216,644 of TennCare funding during 2021 and 2020, which is included in patient service revenue. The additional funding originated with the federal Family First Coronavirus Response Act which provides a 6.2% increase in the regular Medicaid Federal Medical Assistance Percentage ("FMAP") that the federal government provides to each state as part of funding the Medicaid program. The State of Tennessee in turn passed through increased funding to providers. The federal funding increase to the states began effective January 1, 2020, and is set to end on the last day of the calendar quarter in which the COVID-19 public health emergency ends.

The nursing home qualified for and received a \$1,239,737 loan pursuant to the Paycheck Protection Program ("PPP"), a program implemented by the U.S. Small Business Administration ("SBA") under the CARES Act during the year ended June 30, 2021. The principal amount of the PPP loan was subject to forgiveness upon the nursing home's request to the extent that the PPP loan was used to pay covered payroll costs, interest on mortgages, rent, personal protective equipment and utilities (collectively, "covered expenses"). The PPP loan was forgiven by the SBA in 2021 and is included in nonoperating income in the accompanying statements of revenue, expenses, and changes in net position.

C. Restricted Assets

Cash in the employee scholarship fund is available to provide scholarships to qualifying employees. Certain donations received are designated to be used for higher education of employees. Deposits to the fund come from private donations and monthly interest earned. The only withdrawals made are to award scholarships to qualifying employees. Scholarships awarded are subject to board approval. Two \$1,000 scholarships were awarded to employees during the year ended June 30, 2021.

During December 2020, Jefferson County issued \$7,750,000 in general obligation bonds to fund construction of a thirty-bed facility in White Pine, Tennessee as described in Note VI.F. The face amount of the bonds net of issuance costs (\$7,402,821) were deposited into an account held in trust by county. As construction progresses, draws will be requested and the county finance officer will forward the funds to either the nursing home or directly to the vendor, as applicable. Additionally, the premium received on this bond issuance as well as a bond issuance in June 2021 totaling \$1,102,340 is also held in trust by the county for the White Pine project.

Investments held in the stabilization reserve trust will be utilized for employees benefits to be paid in the future. The stabilization reserve trust is a separate legal trust outside the nursing home's control which is more fully described in Note VI.G.

D. Third-party Reimbursement Programs

The nursing home receives revenue under various third-party reimbursement programs, which include Medicare, Medicaid, and other third-party payors. Contractual adjustments under third-party reimbursement programs represent the difference between the nursing home's billings at its established rates and the amounts reimbursed by third-party payors. They also include any differences between estimated third-party reimbursement settlements for prior years and subsequent tentative or final settlements. There were no adjustments to revenue resulting from tentative or final settlements to estimated reimbursement amounts for the year ended June 30, 2021.

1. Medicare

Medicare rates determined by the federal government for skilled nursing care are based on a Patient-Driven Payment Model ("PDPM"). The PDPM focuses on the unique, individual needs, characteristics, and goals of each patient. Each patient is classified into a group based on criteria for each of five case-mix adjusted components (1) physical therapy (2) occupational therapy (3) speech language pathology (4) nursing care (5) non-therapy ancillary.

The patient is often responsible for a portion of the fee. For the patient portion of fees not collected after normal collection efforts with the filing of an annual cost report, the nursing home was reimbursed 65 percent for such uncollected fees.

2. Medicaid/TennCare

The Medicaid/TennCare program reimbursed the nursing home at a single prospective rate (per diem) for both skilled nursing and routine nursing care services rendered to Medicaid/TennCare beneficiaries. The single prospective rate considers the facility specific direct costs, fair rental value of the physical assets, quality, and case mix.

3. Commercial Payors

The nursing home has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the nursing home under these agreements includes contractually determined rates per day and discounts from established rates.

4. Credit Concentrations

The nursing home grants credit to patients and generally does not require collateral or other security in extending credit; however, it

routinely obtains assignment of (or is otherwise entitled to receive) patients' benefits payable under their health insurance programs, plans or policies. At June 30, 2021, the nursing home had net receivables from the federal government (Medicare) of approximately \$284,000 and from Medicaid of approximately \$538,000. Medicare comprised 21 percent and Medicaid comprised 44 percent of patient service revenue (excluding Provider Relief Funds) for the year ended June 30, 2021.

E. Inventories

A summary of inventories as of June 30, 2021, was as follows:

Food	\$ 11,300
Medical Supplies	24,470
Housekeeping Supplies	6,385
Maintenance Supplies	<u>10,876</u>
Total	<u>\$ 53,031</u>

F. Property and Equipment

The net investment in capital assets as of June 30, 2021, is as follows:

Property and Equipment, Net	\$ 7,173,000
Current Portion of Long-term Debt	(305,000)
Due to Primary Government, Excluding Current Portion	(12,980,000)
Restricted cash held by Jefferson County for capital project (unspent debt)	<u>8,505,161</u>
Total	<u>\$ 2,393,161</u>

The major classifications and changes in property and equipment as of and for the year ended June 30, 2021, are as follows:

	Balance 7-1-20	Additions/ Transfers	Decreases	Balance 6-30-21
Land	\$ 299,101	\$ 0	\$ 0	\$ 299,101
Land Improvements	263,990	0	0	263,990
Building and Improvements	10,271,626	0	0	10,271,626
Machinery and Equipment	2,015,483	0	0	2,015,483
Transportation Equipment	100,166	18,174	0	118,340
Construction in Progress	312,311	361,074	0	673,385
Total	<u>\$ 13,262,677</u>	<u>\$ 379,248</u>	<u>\$ 0</u>	<u>\$ 13,641,925</u>
Less Allowance for Depreciation and Amortization:				
Land Improvements	\$ (173,680)	\$ (15,455)	\$ 0	\$ (189,135)
Buildings and Improvements	(4,192,025)	(255,431)	0	(4,447,456)
Machinery and Equipment	(1,653,460)	(77,496)	0	(1,730,956)
Transportation Equipment	(100,166)	(1,212)	0	(101,378)
Total	<u>\$ (6,119,331)</u>	<u>\$ (349,594)</u>	<u>\$ 0</u>	<u>\$ (6,468,925)</u>
Total	<u>\$ 7,143,346</u>	<u>\$ 29,654</u>	<u>\$ 0</u>	<u>\$ 7,173,000</u>

G. Due to Primary Government

A schedule of changes in the nursing home's long-term debt to the government of Jefferson County, Tennessee, related to bond issues as of and for the year ended June 30, 2021, is as follows:

	Balance 7-1-20	Additions	Reductions	Balance 6-30-21	Amounts Due Within One Year
General Obligation Bonds - 2020B	\$ 0	\$ 7,750,000	\$ 0	\$ 7,750,000	\$ 305,000
General Obligation Refunding Bonds - 2021B	0	5,535,000	0	5,535,000	0
General Obligation Refunding Bonds - 2014	1,925,000	0	(1,925,000)	0	0
General Obligation Refunding Bonds - 2016	3,955,000	0	(3,955,000)	0	0
Total	<u>\$ 5,880,000</u>	<u>\$ 13,285,000</u>	<u>\$ (5,880,000)</u>	<u>\$ 13,285,000</u>	<u>\$ 305,000</u>

Jefferson County, Tennessee, issued \$4,285,000 General Obligation Refunding Bonds, Series 2014, dated May 15, 2014, to be used to call certain bond issuances outstanding by the county. The bonds were direct general obligations of Jefferson County, Tennessee, payable from ad valorem taxes levied upon all taxable property within Jefferson County without limitation as to rate or

amount. The full faith and credit of Jefferson County, Tennessee, was irrevocably pledged to pay principal, redemption premiums, if any, and interest on the bonds. However, because the debt was incurred specifically for the addition to the nursing home, the bond transactions are reported on the nursing home's financial statements as obligations to the county. \$2,540,000 of the Series 2014 proceeds was assigned to be used to call a portion of a certain previous bond issuance obligation on June 1, 2016. The nursing home recorded an initial liability to the county of \$2,760,000 related to the Series 2014 bond issue comprised of the initial \$2,540,000 and \$220,000 of prefunded interest payments. The remaining \$1,525,000 of proceeds from Series 2014 relate to county uses other than the nursing home and are not an obligation of the nursing home.

The Series 2014 coupon rates ranged from two percent to 2.75 percent with interest payable in semi-annual payments on June 1 and December 1 and annual principal installments ranging from \$30,000 to \$295,000 each June 1. The final principal installment was originally due June 1, 2027.

Jefferson County, Tennessee, issued \$4,215,000 in General Obligation Refunding Bonds, Series 2016 dated May 13, 2016, to be used to call certain bond issuances outstanding by the county. The Series 2016 is also a direct general obligation of the county with a similar pledge as the 2014 Series. The proceeds were used to call the remainder of the Series 2007 obligation on June 1, 2016.

The Series 2016 coupon rates ranged from two percent to 2.75 percent with interest payable in semi-annual payments on June 1 and December 1 and annual principal installments ranging from \$15,000 to \$430,000 each June 1. The final principal installment was due June 1, 2037.

Jefferson County, Tennessee issued \$7,750,000 General Obligation Bonds, Series 2020B dated December 15, 2020, to be used to fund the construction of a thirty-bed facility in White Pine, Tennessee. The Series 2020B are direct general obligations of Jefferson County, Tennessee payable from ad valorem taxes levied upon all taxable property within Jefferson County without limitation as to rate or amount. The full faith and credit of Jefferson County, Tennessee is irrevocable pledged to pay principal, redemption premiums, if any, and interest on the bonds. However, because the debt was incurred specifically for the nursing home's use and the nursing home has a legal obligation to repay the debt in full to the county, the bond transactions will be reported on the nursing home's financial statements as obligations to the county. The proceeds are being held in trust by Jefferson County until funds disbursements are required.

The Series 2020B coupon rate is set at 3% with interest payable in semi-annual payments on June 1 and December 1 and annual principal installments ranging from \$100,000 to \$405,000 each June 1, beginning June 1, 2023. The final principal installment is due June 1, 2050.

Jefferson County, Tennessee issued \$5,535,000 General Obligation Refunding Bonds, Series 2021B dated June 25, 2021, to be used to call the remaining outstanding balances of the 2014 Series and 2016 Series bond obligations. The Series 2021B are direct general obligations of Jefferson County, Tennessee payable from ad valorem taxes levied upon all taxable property within Jefferson County without limitation as to rate or amount. The full faith and credit of Jefferson County, Tennessee is irrevocable pledged to pay principal, redemption premiums, if any, and interest on the bonds. However, because the debt was incurred specifically for the nursing home's use and the nursing home has a legal obligation to repay the debt in full to the county, the bond transactions will be reported on the nursing home's financial statements as obligations to the county.

The Series 2021B coupon rates range from 1.75% to 2.0% with interest payable in semi-annual payments on June 30 and December 1 and annual principal installments ranging from \$305,000 to \$395,000 each June 1. The final principal installment is due June 1, 2037.

The Series 2020B and Series 2021B were issued at a combined premium of \$1,102,340 which is amortized on the primary government's financial statements. Accordingly, the premium was recorded in nonoperating income in the statements of revenue, expenses and changes in net position of the nursing home for the year ended June 30, 2021, since the additional cash proceeds will be used by the nursing home. Combined issuance costs totaling \$262,920 were incurred with the Series 2020B and Series 2021B which is included with interest expense in the statements of revenue, expenses and changes in net position for the year ended June 30, 2021.

As of June 30, 2021, the nursing home has obtained approval from Jefferson County Commission for an additional \$1,500,000 subject to final determination of need of funds in order to complete the White Pine project.

A summary of future maturities and interest of long-term debt due to the county related to Series 2020B and Series 2021B bond obligations as of June 30, 2021, is as follows:

Fiscal Year Ending June 30	Series 2020B Principal	Series 2021B Principal	Estimated Interest	Total Payments
2022	\$ 0	\$ 305,000	\$ 330,000	\$ 635,000
2023	100,000	305,000	331,000	736,000
2024	190,000	310,000	321,000	821,000
2025	195,000	315,000	309,000	819,000
2026	200,000	320,000	297,000	817,000
2027-2031	1,090,000	1,710,000	1,294,000	4,094,000
2032-2036	1,265,000	1,875,000	953,000	4,093,000
2037-2041	1,460,000	395,000	628,000	2,483,000
2042-2046	1,700,000	0	389,000	2,089,000
2047-2050	1,550,000	0	118,000	1,668,000
Total	\$ 7,750,000	\$ 5,535,000	\$ 4,970,000	\$ 18,255,000

H. Pension Plans

1. Public Employee Retirement Plan

General information about the pension plan

Plan Description. Employees of the nursing home, as a component unit of Jefferson County, with membership in the TCRS after July 1, 2016, are provided with a pension through a legally separate plan, referred to as the Public Employee Retirement Plan (the "Hybrid Plan"), an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated ("TCA") Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of 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>.

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 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. Members of the hybrid plan's 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 60 and vested or pursuant to the rule of

80 in which the member's age and service credit total 80. Members of the hybrid plan vest with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

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

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out by law. Employees in the hybrid plan contribute five percent of their salary. In addition, the component units of Jefferson County make employer contributions at the contribution rate set by the Board of Trustees as determined by actuarial valuation. Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, as established by the TCRS Board of Trustees is reached. For the year ended June 30, 2021, employer contributions by the nursing home for the hybrid plan were \$182,609 based on a rate of 1.10 percent of covered payroll. An additional 2.90 percent of covered payroll is submitted to the stabilization reserve trust discussed later in this note. By law, employer contributions are required to be paid. The TCRS may intercept Jefferson County's state shared taxes if required employer contributions are not remitted. 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.

In addition, the nursing home is required to contribute five percent of covered payroll to the defined contribution portion of the hybrid plan to an individual employee account held by TCRS. Benefit terms, including contribution requirements are established and may be amended by TCRS. Employees are enrolled upon eligibility to make a two percent

contribution to the defined contribution portion of the hybrid plan. Employees are permitted to make changes to the defined contribution portion of the hybrid plan by filing a form with TCRS and are permitted to make contributions up to applicable Internal Revenue Code limits. For the year ended June 30, 2021, employee contributions totaled approximately \$101,000. Employees are immediately vested in their own contributions and earnings on those contributions.

Pension liabilities (assets), pension expense, and deferred outflows of resources and deferred inflows of resources to pensions

Pension liabilities. As of June 30, 2021, the hybrid plan reported a net pension asset of \$87,072 for its proportionate share of the net pension asset. The net pension assets were measured as of June 30, 2020, and the total pension liability used to calculate the net pension assets was determined by an actuarial valuation as of the measurement dates. As of June 30, 2021, the nursing home's proportion of the net pension asset in the hybrid plan was based on the nursing home's active participants as of June 30, 2020, relative to the active participants of all component units of Jefferson County as of June 30, 2020. At the June 30, 2020, measurement date, the nursing home's proportion in the hybrid plan was 64.26 percent.

Actuarial Assumptions. The total hybrid plan pension asset as of the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2020, actuarial valuation were based on the results of an actuarial experience study performed for the period of July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital market projections and 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 rate of return by the target asset allocation percentage and by adding inflation of 2.5 percent. The best estimates of geometric real rates of return and the TCRS investment policy target for each major asset class are summarized in the following table:

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

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

Discount rate

The discount rate that was used to measure the total pension liability was 7.25 percent. 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 all component units of Jefferson County will be made at the actuarially determined contribution rate pursuant to the actuarial valuation accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's

fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Nursing Home's Proportionate Share of the Net Position Liability (Asset)	\$ 63,633	\$ (87,072)	\$ (197,966)

Pension plan fiduciary net position

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

Pension expense

For the year ended June 30, 2021, the nursing home recognized pension expense of \$17,229 related to the hybrid plan.

Deferred outflows of resources and deferred inflows of resources

For the year ended June 30, 2021, the nursing home reported deferred outflows of resources related to the hybrid plan pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 49,508	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	9,157	0
Nursing Home's Contributions Subsequent to the Measurement Date of June 30, 2020 (1)	142,787	0
Total	<u>\$ 201,452</u>	<u>\$ 0</u>

- (1) The amount shown above for "Contributions Subsequent to the Measurement Date of June 30, 2020," will be recognized as an increase to net pension asset in the following measurement period.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the hybrid plan will be recognized in pension expense as follows:

Year Ending June 30	Amount
2022	\$ 9,996
2023	10,152
2024	10,438
2025	10,565
2026	7,999
Thereafter	9,514

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

Payable to the Hybrid Plan

The nursing home reported a payable of \$14,689 for the outstanding amount of contributions to the hybrid plan required at the year ended June 30, 2021.

2. **Public Employee Legacy Pension Plan**

General information about the pension plan

Plan Description. Employees of the nursing home with membership in the TCRS before July 1, 2016, were provided a defined benefit pension plan ("Legacy Plan"), an agent multiple-employer pension plan administered by the TCRS. The legacy plan closed to new membership on June 30, 2016, but will continue to provide benefits to existing members and retirees. The TCRS was created by state statute under TCA Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Benefits provided. Tennessee Code Annotated (TCA) 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 five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

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

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees covered under the Legacy

Plan do not make contributions to their account; instead, the component units of Jefferson County make employer contributions at the contribution rate set by the Board of Trustees as determined by actuarial valuation. For the year ended June 30, 2021, employer contributions for the nursing home related to the legacy plan were \$348,417 based on a rate of 10.27 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Jefferson County's state shared taxes if required employer contributions are not remitted. The employer's actuarially defined contribution and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Asset

At June 30, 2021, the nursing home reported an asset of \$821,343 for its proportionate share of the net pension asset. The net pension assets were measured as of June 30, 2020, and the total pension liability used to calculate the net pension assets was determined by an actuarial valuation as of the measurement date. As of June 30, 2021, the nursing home's proportion of the net pension asset in the legacy plan was based on the nursing home's active participants as of June 30, 2020, relative to the active participants of all component units of Jefferson County as of June 30, 2020. At the June 30, 2020, measurement date, the nursing home's proportion in the legacy plan was 17.45 percent.

Actuarial Assumptions

The total legacy plan pension asset as of the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2020, actuarial valuation were based on the results of an actuarial experience study

performed for the period of July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital market projections and 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 rate of return by the target asset allocation percentage and by adding inflation of 2.5 percent. The best estimates of geometric real rates of return and the TCRS investment policy target for each major asset class are summarized in the following table:

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

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

Discount Rate. The discount rate that was used to measure the total pension liability was 7.25 percent. 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 all component units of Jefferson County will be made at the actuarially determined contribution rate pursuant to the actuarial valuation accordance with

the pension 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 and to cover administrative expenses. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1%	Current	1%
	Decrease	Discount	Increase
	(6.25%)	Rate (7.25%)	(8.25%)
Nursing Home's Proportionate Share of the Net Position Liability (Asset)	\$ 1,123,118	\$ (821,343)	\$ (2,443,152)

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

Pension Expense. For the year ended June 30, 2021, the nursing home recognized pension expense of \$339,157.

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2021, the nursing home reported deferred outflows of resources and deferred inflows of resources related to the legacy plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 54,075	\$ 141,600
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	112,740	0
Changes in assumptions	101,628	0
Nursing Home's Contributions Subsequent to the Measurement Date of June 30, 2020 (1)	348,417	0
Total	<u>\$ 616,860</u>	<u>\$ 141,600</u>

- (1) The amount shown above for "Contributions Subsequent to the Measurement Date of June 30, 2020," will be recognized as an increase to net pension asset in the following measurement period.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the legacy plan will be recognized in pension expense as follows:

Year Ending June 30	Amount
2022	\$ (39,642)
2023	60,813
2024	46,927
2025	58,744

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

Payable to the Legacy Plan

The nursing home reported a payable of \$34,369 for the outstanding amount of contributions to the legacy plan required at the year ended June 30, 2021.

TCRS Stabilization Trust

Legal Provisions. As of June 30, 2021, the nursing home is a member of the TCRS Stabilization Trust. The nursing home has placed funds into the irrevocable trust as authorized by statute under TCA, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and

administration of the trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member's funds are restricted for the payment of retirement benefits of that member's employees. Trust funds are not subject to the claims of general creditors of the nursing home.

The trust is authorized to make investments as directed by the TCRS Board of Trustees. The nursing home 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 in the Stabilization Reserve Trust are reported at fair value or amortized cost, 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 value. 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, 2021, 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 to be represented in the table below.

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

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

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

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

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

At June 30, 2021, the nursing home had the following investments held by the trust on its behalf.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 55,259
Developed Market International Equity	N/A	N/A	24,956
Emerging Market International Equity	N/A	N/A	7,130
U.S. Fixed Income	N/A	N/A	35,651
Real Estate	N/A	N/A	17,825
Short-term Securities	N/A	N/A	1,783
NAV - Private Equity and Strategic Lending	N/A	N/A	35,650
Total			<u>\$ 178,254</u>

The following table summarizes the fair value disclosures and measurements for the nursing home's investments held by the TRGT on its behalf at June 30, 2021.

Fair Value Measurements as of June 30, 2021 using the following inputs						
	(Level 1)	(Level 2)	(Level 3)*	NAV	Total	
U.S. Equity	\$ 55,259	\$ 0	\$ 0	\$ 0	\$ 55,259	
Developed Market International Equity	24,956	0	0	0	24,956	
Emerging Market International Equity	7,130	0	0	0	7,130	
U.S. Fixed Income	0	35,651	0	0	35,651	
Real Estate	0	0	17,825	0	17,825	
Short-term Securities	0	1,783	0	0	1,783	
NAV - Private Equity and Strategic Lending	0	0	0	35,650	35,650	
Total Assets in the fair value hierarchy	<u>\$ 87,345</u>	<u>\$ 37,434</u>	<u>\$ 17,825</u>	<u>\$ 35,650</u>	<u>\$ 178,254</u>	

* Due to the small amount of the Level 3 investments held in the Stabilization Reserve Trust and the fact that the nursing home may not impose restrictions or influence on the types of investment held in the trust and the fact the trust financial statements are publicly available, the nursing home

has not presented a rollforward of Level 3 investments in these financial statements.

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

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The nursing home 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. The nursing home places no limit on the amount the county may invest in one issuer.

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

For further information concerning the nursing home'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/2021/ag18092.pdf>.

I. Other Postemployment Benefits

The nursing home provides OPEB benefits to their retirees through state administered public entity risk pools. For reporting purposes, the plans are considered single employer defined benefit OPEB plans based on criteria in Statement No. 75 of the Governmental Accounting Standards Board ("GASB"). The plans are funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

OPEB Provided through State Administered Public Entity Risk Pools

General retirees of the nursing home are provided healthcare under the Local Government Plan ("LGP") until they reach Medicare eligibility.

The nursing home's OPEB liability was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2020, actuarial valuation of the plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.10%
Salary Increases	Graded salary increases from 3.44 to 8.72% based on age, including inflation, averaging 4.00%
Discount Rate	2.21%
Healthcare Cost Trend Rates	9.02 percent for pre-65 in 2020, decreasing annually over a 10 year period to an ultimate rate of 4.50%. 7.56% for post-65 in 2020, decreasing annually over a 4 year period to an ultimate rate of 4.50%
Retirees Share of Benefit Related Cost	Members are required to make monthly contributions in order to maintain their coverage. For purposes of this valuation, a weighted average has been used with weights derived from the current distribution of members among plans offered.

The discount rate used to measure the total OPEB liability was 2.21 percent. This rate reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Bond Buyer 20-Year Municipal GO AA index.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the TCRS. These mortality rates were used in the July 1, 2019, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2020, valuations were the same as those employed in the July 1, 2019, Pension Actuarial Valuation of the TCRS. These assumptions were developed by TCRS based on the results of an actuarial experience study for the period

July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2% load for males and a -3% load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load.

Changes in assumptions

The discount rate was changed from 3.51 percent as of the beginning of the measurement period to 2.21 percent as of June 30, 2020. This change in assumption increased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates.

Plan Description

Employees of the nursing home are provided with pre-65 retiree health insurance benefits through the LGP administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired employees and disability participants of local governments, who chose coverage, participate in the LGP.

Benefits Provided

The nursing home offers the LGP to provide health insurance coverage to eligible pre-65 retirees and disabled participants. With the exception of a small group of grandfathered individuals, retirees are required to discontinue coverage under the LGP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with *TCA 8-27-701* establishes and amends the benefit terms of the LGP. All members have the option of choosing between the premier preferred provider organization ("PPO"), standard PPO, limited PPO or the wellness health savings consumer-driven health plan ("CDHP") for healthcare benefits. Retired plan members, of the LGP, receive the same plan benefits as active employees, at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. The nursing home does not provide a direct subsidy for retirees and are subject only to the implicit subsidy.

Employees Covered by Benefit Terms

Employees of the nursing home comprise 21.97 percent of the plan and Jefferson County government employees comprise the remaining percentage. An insurance committee, created in accordance with *TCA 8-27-701*, establishes the required payments of the LGP by member employers and employees through the blended premiums established for active and retired employees.

Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal year ended June 30, 2021, the nursing home paid \$7,374 to the LGP for OPEB benefits as they came due.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2021, the plan recognized OPEB expense of \$280,550, of which \$145,504 was related to the initial recording of the OPEB liability to conform with Jefferson County's presentation. At June 30, 2021, the plan reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ 76,868
Changes in assumptions	35,090	6,727
Nursing Home's Contributions Subsequent to the Measurement Date of June 30, 2020 (1)	4,192	0
Total	<u>\$ 39,282</u>	<u>\$ 83,595</u>

- (1) The amounts shown above for "benefits paid subsequent to the measurement date of June 30, 2020" will be recognized as a reduction (increase) to OPEB liability (asset) in the following measurement period.

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

Year Ending June 30	Amount
2022	\$ (9,336)
2023	(9,336)
2024	(9,336)
2025	(9,336)
2026	(9,336)
Thereafter	(1,825)

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

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the plan calculated using the current discount rate as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1%	Current	1%
	Decrease	Discount	Increase
	(1.21%)	Rate	(3.21%)
	(2.21%)	(2.21%)	(3.21%)

Nursing Home's Proportionate

Share of the OPEB Liability	\$	255,806	\$	236,237	\$	217,817
-----------------------------	----	---------	----	---------	----	---------

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability of the plan calculated using the current healthcare cost trend rate, as well as what the OPEB liability would be if it was calculated using a trend rate that is one percentage point lower or one percentage point higher than the current rate:

	1%	Current	1%
	Decrease	Trend	Increase
	(8.02% to 3.50%)	Rate	(10.02% to 5.50%)
	(9.02% to 4.50%)	(9.02% to 4.50%)	(10.02% to 5.50%)

Nursing Home's Proportionate

Share of the OPEB Liability	\$	207,530	\$	236,237	\$	270,478
-----------------------------	----	---------	----	---------	----	---------

J. Commitments and Contingencies

The nursing home leases various equipment under short-term operating lease agreements. Rent expense totaled \$2,757 in 2021.

Health Care Industry

The delivery of personal and health care services entails an inherent risk of liability. Participants in the health care services industry have become subject to an increasing number of lawsuits alleging negligence or related legal

theories, many of which involve large claims and result in the incurrence of significant exposure and defense costs. The nursing home maintains commercial insurance on an occurrence basis for medical malpractice liabilities. Insurance coverages are \$1,000,000 individually and \$3,000,000 in the aggregate annually. The State of Tennessee maintains litigation settlement limitations for governmental entities, which are less than the nursing home's insurance coverages. The nursing home is currently involved in a litigation case in which management expects any ultimate outcome to be covered by insurance coverage limits described above. Management intends to maintain insurance coverages in the future. The nursing home could be involved in litigation arising in the ordinary course of business; however, management is of the opinion that insurance coverages are adequate to cover any future potential losses on asserted claims. Management is unaware of any incidents which would ultimately result in a loss in excess of the nursing home's insurance coverages. The nursing home also maintains insurance for general liability, director and officer liability and property.

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid/TennCare fraud and abuse. Recently, government activity has increased with respect to investigations and/or allegations concerning possible violations of fraud and abuse statutes and/or regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as repayments for patient services previously billed. Management believes the nursing home is in compliance with fraud and abuse statutes, as well as other applicable government laws and regulations.

Management continues to implement policies, procedures, and compliance overview organizational structure to enforce and monitor compliance with the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and other government statutes and regulations. The nursing home's compliance with such laws and regulations is subject to future government review and interpretations, as well as regulatory actions, which are unknown or unasserted at this time.

The Centers for Medicare and Medicaid Services (CMS) have implemented a Recovery Audit Contractors (RAC) program. The purpose of the program is to reduce improper Medicare and Medicaid/TennCare payments through the detection and recovery of overpayments. CMS has engaged subcontractors to perform these audits, and they are being compensated on a contingency basis based on the amount of overpayments that are recovered. While management believes that all Medicare and Medicaid/TennCare billings are proper and adequate support is maintained, certain aspects of Medicare and Medicaid/TennCare billing, coding, and support are subject to interpretation

and may be viewed differently by the RAC auditors. As the amount of any recovery is unknown, management has not recorded any reserves related to any RAC audits at this time.

Health Care Reform

The health care industry in the United States is subject to fundamental changes due to ongoing health care reform efforts and related political, economic, and regulatory influences. Notably, the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (collectively, the "Affordable Care Act") resulted in expanded health care coverage to millions of previously uninsured people beginning in 2014 and has resulted in significant changes to the U.S. healthcare care system. To help fund this expansion, the Affordable Care Act outlines certain reduction in Medicare reimbursements for various health care providers as well as certain other changes to Medicare payment methodologies. This comprehensive health care legislation has resulted and will continue to result in extensive rulemaking by regulatory authorities, and also may be altered, amended, repealed, or replaced.

It is difficult to predict the full impact of the Affordable Care Act due to the complexity of the law and implementing regulations, as well as the nursing home's inability to foresee how CMS and other participants in the health care industry will respond to the choices available to them under the law. The nursing home also cannot accurately predict whether any new or pending legislative proposals will be adopted or, if adopted, what effect, if any, these proposals would have on the nursing home's business. Similarly, while the nursing home can anticipate that some of the rulemaking that will be promulgated by regulatory authorities will affect the nursing home's business and the manner in which the nursing home is reimbursed by the federal health care programs, the nursing home cannot accurately predict today the impact of those regulations on the nursing home's business. The provisions of the legislation and other regulations implementing the provisions of the Affordable Care Act or any amended or replacement legislation may increase costs, decrease revenues, expose the nursing home to expanded liability or require the nursing home to revise the ways in which it conducts business.

K. Functional Expenses

The following is a summary of management's functional classification of operating expenses:

	<u>2021</u>
Healthcare Services	\$ 11,301,708
General and Administrative	<u>2,430,564</u>
Total	<u><u>\$ 13,732,272</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit F-1

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

	2014	2015	2016	2017	2018	2019	2020
Total Pension Liability							
Service Cost	\$ 1,554,834	\$ 1,614,607	\$ 1,695,967	\$ 1,721,279	\$ 1,750,833	\$ 1,622,160	\$ 1,496,045
Interest	4,567,501	4,844,096	5,033,759	5,305,216	5,450,972	5,774,338	6,023,348
Differences Between Actual and Expected Experience	118,884	(1,189,172)	(204,390)	(1,215,221)	774,712	(175,002)	(334,154)
Changes in Assumptions	0	0	0	1,747,186	0	0	0
Benefit Payments, Including Refunds of Employee Contributions	(2,398,853)	(2,827,268)	(2,816,811)	(3,045,640)	(3,231,190)	(3,544,047)	(3,777,434)
Net Change in Total Pension Liability	\$ 3,842,366	\$ 2,442,263	\$ 3,708,525	\$ 4,512,820	\$ 4,745,327	\$ 3,677,449	\$ 3,407,805
Total Pension Liability, Beginning	60,544,602	64,386,968	66,829,231	70,537,756	75,050,576	79,795,903	83,473,352
Total Pension Liability, Ending (a)	\$ 64,386,968	\$ 66,829,231	\$ 70,537,756	\$ 75,050,576	\$ 79,795,903	\$ 83,473,352	\$ 86,881,157
Plan Fiduciary Net Position							
Contributions - Employer	\$ 3,039,363	\$ 3,246,821	\$ 3,350,948	\$ 2,725,637	\$ 2,601,406	\$ 2,160,542	\$ 2,064,452
Contributions - Employee	0	0	92	0	0	(1,557)	0
Net Investment Income	9,346,723	2,041,119	1,824,088	8,002,705	6,479,765	6,215,906	4,369,738
Benefit Payments, Including Refunds of Employee Contributions	(2,398,853)	(2,827,268)	(2,816,811)	(3,045,640)	(3,231,190)	(3,544,047)	(3,777,434)
Administrative Expense	(28,821)	(37,241)	(54,813)	(58,595)	(60,448)	(51,716)	(46,554)
Other	0	0	0	0	0	0	100
Net Change in Plan Fiduciary Net Position	\$ 9,958,412	\$ 2,423,431	\$ 2,303,504	\$ 7,624,107	\$ 5,789,533	\$ 4,779,128	\$ 2,610,302
Plan Fiduciary Net Position, Beginning	56,099,575	66,057,987	68,481,418	70,784,922	78,409,029	84,198,562	88,977,690
Plan Fiduciary Net Position, Ending (b)	\$ 66,057,987	\$ 68,481,418	\$ 70,784,922	\$ 78,409,029	\$ 84,198,562	\$ 88,977,690	\$ 91,587,992
Net Pension Liability (Asset), Ending (a - b)	\$ (1,671,019)	\$ (1,652,187)	\$ (247,166)	\$ (3,358,453)	\$ (4,402,659)	\$ (5,504,338)	\$ (4,706,835)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	102.60%	102.47%	100.35%	104.47%	105.52%	106.59%	105.42%
Covered Payroll	\$ 20,577,990	\$ 20,773,012	\$ 21,439,198	\$ 21,580,655	\$ 20,597,038	\$ 19,461,275	\$ 18,749,718
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(8.12%)	(7.95%)	(1.15%)	(15.56%)	(21.38%)	(28.02%)	(25.10%)

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

Note 2: Data presented includes employees of the primary government and the discretely presented Jefferson County Nursing Home hired prior to July 1, 2016, along with non-certified employees of the discretely presented Jefferson County School Department hired prior to July 1, 2017.

Exhibit F-2

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

	2017	2018	2019	2020
Total Pension Liability				
Service Cost	\$ 0	\$ 139,363	\$ 263,258	\$ 344,085
Interest	0	12,830	37,911	65,447
Changes in Benefit Terms	39,240	0	0	0
Differences Between Actual and Expected Experience	0	76,487	12,762	18,835
Benefit Payments, Including Refunds of Employee Contributions	0	(3,275)	(9,994)	(19,890)
Net Change in Total Pension Liability	\$ 39,240	\$ 225,405	\$ 303,937	\$ 408,477
Total Pension Liability, Beginning	0	39,240	264,645	568,582
Total Pension Liability, Ending (a)	\$ 39,240	\$ 264,645	\$ 568,582	\$ 977,059
Plan Fiduciary Net Position				
Contributions - Employer	\$ 30,158	\$ 135,124	\$ 52,168	\$ 119,927
Contributions - Employee	37,698	168,905	237,131	316,162
Net Investment Income	3,592	17,532	37,595	43,245
Benefit Payments, Including Refunds of Employee Contributions	0	(3,275)	(9,994)	(19,890)
Administrative Expense	(4,448)	(12,304)	(15,480)	(21,288)
Net Change in Plan Fiduciary Net Position	\$ 67,000	\$ 305,982	\$ 301,420	\$ 438,156
Plan Fiduciary Net Position, Beginning	0	67,000	372,982	674,402
Plan Fiduciary Net Position, Ending (b)	\$ 67,000	\$ 372,982	\$ 674,402	\$ 1,112,558
Net Pension Liability (Asset), Ending (a - b)	\$ (27,760)	\$ (108,337)	\$ (105,820)	\$ (135,499)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	170.74%	140.94%	118.61%	113.87%
Covered Payroll	\$ 768,974	\$ 3,378,091	\$ 4,742,592	\$ 6,347,699
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(3.61%)	(3.21%)	(2.23%)	(2.13%)

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

Note 2: Data presented includes employees of the primary government and the discretely presented Jefferson County Nursing Home hired after July 1, 2016, along with non-certified employees of the discretely presented Jefferson County School Department hired after July 1, 2017.

Exhibit F-3

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

	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially Determined Contribution	\$ 3,039,363	\$ 3,246,821	\$ 3,350,948	\$ 1,855,936	\$ 1,758,987	\$ 1,677,366	\$ 1,576,490	\$ 1,445,253
Less Contributions in Relation to the Actuarially Determined Contribution	(3,039,363)	(3,246,821)	(3,350,948)	(2,725,637)	(2,601,406)	(2,160,542)	(2,064,452)	(1,870,975)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (869,701)	\$ (842,419)	\$ (483,176)	\$ (487,962)	\$ (425,722)
Covered Payroll	\$ 20,577,990	\$ 20,773,012	\$ 21,439,198	\$ 21,580,655	\$ 20,597,038	\$ 19,641,275	\$ 18,749,718	\$ 18,202,180
Contributions as a Percentage of Covered Payroll	14.77%	15.63%	15.63%	12.63%	12.63%	11.00%	11.01%	10.28%

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

Note 2: Data presented includes employees of the primary government and the discretely presented Jefferson County Nursing Home hired prior to July 1, 2016, along with non-certified employees of the discretely presented Jefferson County School Department hired prior to July 1, 2017.

Exhibit F-4

Jefferson County, Tennessee
Schedule of Contributions Based on Participation in the Public Employee
Hybrid Retirement Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	2017	2018	2019	2020	2021
Actuarially Required Contribution	\$ 8,689	\$ 43,578	\$ 52,168	\$ 119,927	\$ 250,259
Less Contributions in Relation to the Actuarially Required Contribution	(30,158)	(135,124)	(52,168)	(119,927)	(250,259)
Contribution Deficiency (Excess)	<u>\$ (21,469)</u>	<u>\$ (91,546)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 768,974	\$ 3,378,091	\$ 4,742,592	\$ 6,347,699	\$ 7,504,381
Contributions as a Percentage of Covered Payroll	3.92%	4.00%	1.10%	1.89%	3.33%

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

Note 2: Data presented includes employees of the primary government and the discretely presented Jefferson County Nursing Home hired after July 1, 2016, along with non-certified employees of the discretely presented Jefferson County School Department hired after July 1, 2017.

Exhibit F-5

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

	2015	2016	2017	2018	2019	2020	2021
Contractually Required Contribution	\$ 41,727	\$ 66,355	\$ 99,201	\$ 152,701	\$ 95,741	\$ 118,524	\$ 140,643
Less Contributions in Relation to the Contractually Required Contribution	(41,727)	(66,355)	(99,201)	(152,701)	(95,741)	(118,524)	(140,643)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 1,043,164	\$ 1,658,879	\$ 2,480,011	\$ 3,817,542	\$ 4,935,126	\$ 5,834,700	\$ 6,962,613
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%	2.02%

Note 1: Beginning in FY 2019, the school department placed the actuarially determined contribution rate of covered payroll into the pension plan and placed the remainder of the four percent contractually required contribution into the Pension Stabilization Reserve Trust (SRT).
2019: Pension - 1.94%, SRT - 2.02%
2020: Pension - 2.03%, SRT - 1.97%
2021: Pension - 2.02%, SRT - 1.98%

Note 2: Ten years of data will be presented when available.

Exhibit F-6

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

	2014	2015	2016	2017	2018	2019	2020	2021
Contractually Required Contribution	\$ 2,253,165	\$ 2,221,444	\$ 2,203,806	\$ 2,196,360	\$ 2,166,973	\$ 2,458,579	\$ 2,389,927	\$ 2,250,002
Less Contributions in Relation to the Contractually Required Contribution	(2,253,165)	(2,221,444)	(2,203,806)	(2,196,360)	(2,166,973)	(2,458,579)	(2,389,927)	(2,250,002)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 25,373,474	\$ 24,573,523	\$ 24,378,346	\$ 24,296,000	\$ 23,865,314	\$ 23,504,594	\$ 22,482,875	\$ 21,908,461
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%

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

Exhibit F-7

Jefferson County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Retirement Plan of TCRS
Discretely Presented Jefferson County School Department
For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020
School Department's Proportion of the Net Pension Liability (Asset)	0.502068%	0.377012%	0.377859%	0.436848%	0.466367%	0.462677%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (20,198)	\$ (39,248)	\$ (99,692)	\$ (198,123)	\$ (263,258)	\$ (263,098)
Covered Payroll	\$ 1,043,164	\$ 1,658,879	\$ 2,480,011	\$ 3,817,542	\$ 4,935,126	\$ 5,834,700
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94%)	(2.37%)	(4.02%)	(5.19%)	(5.33%)	(4.51%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%

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

Exhibit F-8

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

	2014	2015	2016	2017	2018	2019	2020
School Department's Proportion of the Net Pension Liability (Asset)	0.646459%	0.656431%	0.675339%	0.687309%	0.681540%	0.700971%	0.675514%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (105,047)	\$ 268,896	\$ 4,220,496	\$ (224,876)	\$ (2,398,281)	\$ (7,207,249)	\$ (5,151,291)
Covered Payroll	\$ 25,373,475	\$ 24,573,523	\$ 24,378,346	\$ 24,296,000	\$ 23,865,314	\$ 23,504,594	\$ 22,482,875
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41%)	1.09%	17.31%	(0.93%)	(10.05%)	(30.66%)	(22.91%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%

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

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

	2017	2018	2019	2020
Total OPEB Liability				
Service Cost	\$ 81,150	\$ 76,490	\$ 95,551	\$ 91,083
Interest	31,577	39,756	42,382	35,923
Differences Between Actual and Expected Experience	0	(128,030)	(297,291)	(58,336)
Changes in Assumptions or Other Inputs	(54,640)	71,054	47,236	91,226
Benefit Payments	(15,261)	(20,886)	(27,962)	(33,568)
Net Change in Total OPEB Liability	\$ 42,826	\$ 38,384	\$ (140,084)	\$ 126,328
Total OPEB Liability, Beginning	1,007,876	1,050,702	1,089,086	949,002
Total OPEB Liability, Ending	<u>\$ 1,050,702</u>	<u>\$ 1,089,086</u>	<u>\$ 949,002</u>	<u>\$ 1,075,330</u>
Nursing Home Share of the Total OPEB Liability	\$ 266,668	\$ 346,639	\$ 201,171	\$ 236,237
Primary Government Share of the Total OPEB Liability	784,034	742,447	747,831	839,093
Primary Government Covered Employee Payroll	\$ 11,220,139	\$ 11,693,014	\$ 11,704,504	\$ 12,140,487
Primary Government OPEB Liability as a Percentage of Covered Employee Payroll	6.99%	6.35%	6.39%	6.91%
Nursing Home Covered Employee Payroll				\$ 3,288,552
Nursing Home OPEB Liability as a Percentage of Covered Employee Payroll				7.18%

Note 1: The plan includes employees of the primary government and the discretely presented Jefferson County Nursing Home.

Note 2: Ten years of data will be presented when available.

Note 3: Changes in assumptions.

(a) The following are the discount rates used in each period:

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%
2020	2.21%

(b) The assumed initial trend rate applicable to plan years was revised as follows:

For the 2019 plan year - from 5.4% to 6.75%.

For the 2020 plan year - from 6.75% to 6.03%.

For the 2021 plan year - from 6.03% to 9.02%.

Note 4: Covered employee payroll for the discretely presented nursing home for 2017 through 2019 was not available.

Note 5: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Jefferson County, Tennessee
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan
Discretely Presented Jefferson County School Department
For the Fiscal Year Ended June 30.

	2017	2018	2019	2020
Total OPEB Liability				
Service Cost	\$ 1,224,010	\$ 1,139,357	\$ 1,106,392	\$ 631,129
Interest	625,299	758,746	729,645	495,370
Changes in Benefit Terms	0	0	(790,704)	0
Differences Between Actual and Expected Experience	0	(2,457,397)	(4,712,713)	457,618
Changes in Assumptions or Other Inputs	(940,958)	412,102	(1,026,735)	1,555,322
Benefit Payments	(863,451)	(986,443)	(976,217)	(768,678)
Net Change in Total OPEB Liability	\$ 44,900	\$ (1,133,635)	\$ (5,670,332)	\$ 2,370,761
Total OPEB Liability, Beginning	20,622,056	20,666,956	19,533,321	13,862,989
 Total OPEB Liability, Ending	 \$ 20,666,956	 \$ 19,533,321	 \$ 13,862,989	 \$ 16,233,750
 Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	 \$ 4,527,696	 \$ 4,231,718	 \$ 3,680,374	 \$ 4,197,269
Employer Proportionate Share of the Total OPEB Liability	16,139,260	15,301,603	10,182,615	12,036,481
 Covered Employee Payroll	 \$ 30,941,444	 \$ 30,811,826	 \$ 32,956,348	 \$ 37,153,429
Net OPEB Liability as a Percentage of Covered Employee Payroll	52.16%	49.66%	30.90%	32.40%

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

Note 2: Changes in assumptions.

(a) The following are the discount rates used in each period:

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%
2020	2.21%

(b) The assumed initial trend rate applicable to plan years was revised as follows:

- For the 2019 plan year - from 5.4% to 6.75%.
- For the 2020 plan year - from 6.75% to 6.03%.
- For the 2021 plan year - from 6.03% to 9.02%.

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

JEFFERSON COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2021

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2021 were calculated based on the June 30, 2019, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.25%

Changes of assumptions: In 2017, the following assumptions were changed: decreased inflation rate from 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.0 percent; and modified mortality assumptions.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Nonmajor Governmental Funds

Special Revenue Funds

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

Courthouse and Jail Maintenance Fund – The Courthouse and Jail Maintenance Fund is used to account for a special tax levied by private act on litigation. The proceeds of the tax must be used to pay for improvements or maintenance on the courthouse and jail.

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

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for transactions involving solid waste collection.

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

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

Capital Projects Funds

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

General Capital Projects Fund – The General Capital Projects Fund is used to account for general capital expenditures of the county.

Other Capital Projects Fund – The Other Capital Projects Fund was used during the year to account for expenditures of a water line project funded by a Community Development Block Grant.

Exhibit G-1

Jefferson County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds					Total
	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 59,719	\$ 59,719
Equity in Pooled Cash and Investments	66,118	10,654	443,083	48,822	0	568,677
Accounts Receivable	0	0	5,643	8,003	1,571	15,217
Property Taxes Receivable	0	0	1,812,683	0	0	1,812,683
Allowance for Uncollectible Property Taxes	0	0	(62,664)	0	0	(62,664)
Total Assets	<u>\$ 66,118</u>	<u>\$ 10,654</u>	<u>\$ 2,198,745</u>	<u>\$ 56,825</u>	<u>\$ 61,290</u>	<u>\$ 2,393,632</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 0	\$ 1,236	\$ 4,489	\$ 0	\$ 5,725
Accrued Payroll	0	0	19,001	0	0	19,001
Payroll Deductions Payable	0	0	7,396	0	0	7,396
Due to Other Funds	0	0	89,180	0	3,221	92,401
Due to State of Tennessee	0	0	360	0	0	360
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 117,173</u>	<u>\$ 4,489</u>	<u>\$ 3,221</u>	<u>\$ 124,883</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 1,720,112	\$ 0	\$ 0	\$ 1,720,112
Deferred Delinquent Property Taxes	0	0	19,675	0	0	19,675
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,739,787</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,739,787</u>

(Continued)

Exhibit G-1

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

	Special Revenue Funds					Total
	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	
<u>FUND BALANCES</u>						
Restricted:						
Restricted for General Government	\$ 66,118	\$ 0	\$ 0	\$ 0	\$ 0	\$ 66,118
Restricted for Finance	0	0	0	0	58,069	58,069
Restricted for Administration of Justice	0	10,654	0	0	0	10,654
Restricted for Public Safety	0	0	0	52,336	0	52,336
Restricted for Public Health and Welfare	0	0	283,153	0	0	283,153
Restricted for Capital Projects	0	0	0	0	0	0
Committed:						
Committed for Public Health and Welfare	0	0	58,632	0	0	58,632
Total Fund Balances	<u>\$ 66,118</u>	<u>\$ 10,654</u>	<u>\$ 341,785</u>	<u>\$ 52,336</u>	<u>\$ 58,069</u>	<u>\$ 528,962</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 66,118</u>	<u>\$ 10,654</u>	<u>\$ 2,198,745</u>	<u>\$ 56,825</u>	<u>\$ 61,290</u>	<u>\$ 2,393,632</u>

(Continued)

Exhibit G-1

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

	Capital Projects Fund	Total Nonmajor Governmental Funds
	General Capital Projects	
<u>ASSETS</u>		
Cash	\$ 0	\$ 59,719
Equity in Pooled Cash and Investments	478,376	1,047,053
Accounts Receivable	868	16,085
Property Taxes Receivable	682,972	2,495,655
Allowance for Uncollectible Property Taxes	(16,789)	(79,453)
Total Assets	\$ 1,145,427	\$ 3,539,059
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 5,725
Accrued Payroll	0	19,001
Payroll Deductions Payable	0	7,396
Due to Other Funds	194,400	286,801
Due to State of Tennessee	0	360
Total Liabilities	\$ 194,400	\$ 319,283
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 661,582	\$ 2,381,694
Deferred Delinquent Property Taxes	3,027	22,702
Total Deferred Inflows of Resources	\$ 664,609	\$ 2,404,396

(Continued)

Exhibit G-1

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

	Capital Projects Fund	Total Nonmajor Governmental Funds
<u>FUND BALANCES</u>	<u>General Capital Projects</u>	<u></u>
Restricted:		
Restricted for General Government	\$ 0	\$ 66,118
Restricted for Finance	0	58,069
Restricted for Administration of Justice	0	10,654
Restricted for Public Safety	0	52,336
Restricted for Public Health and Welfare	0	283,153
Restricted for Capital Projects	286,418	286,418
Committed:		
Committed for Public Health and Welfare	0	58,632
Total Fund Balances	<u>\$ 286,418</u>	<u>\$ 815,380</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,145,427</u>	<u>\$ 3,539,059</u>

Exhibit G-2

Jefferson County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue Funds						
	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees		Total
<u>Revenues</u>							
Local Taxes	\$ 44,106	\$ 10,346	\$ 1,846,729	\$ 0	\$ 0	\$	1,901,181
Fines, Forfeitures, and Penalties	0	0	0	22,858	0		22,858
Charges for Current Services	0	0	0	0	619,396		619,396
Other Local Revenues	0	0	0	9,653	985		10,638
Federal Government	0	0	0	0	0		0
Total Revenues	\$ 44,106	\$ 10,346	\$ 1,846,729	\$ 32,511	\$ 620,381	\$	2,554,073
<u>Expenditures</u>							
Current:							
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 559	\$	559
Finance	419	98	0	0	715,313		715,830
Administration of Justice	0	0	0	0	1,950		1,950
Public Safety	0	11,616	0	26,002	0		37,618
Public Health and Welfare	0	0	1,936,040	0	0		1,936,040
Other Operations	0	0	0	0	0		0
Capital Projects	0	0	0	0	0		0
Total Expenditures	\$ 419	\$ 11,714	\$ 1,936,040	\$ 26,002	\$ 717,822	\$	2,691,997
Excess (Deficiency) of Revenues Over Expenditures	\$ 43,687	\$ (1,368)	\$ (89,311)	\$ 6,509	\$ (97,441)	\$	(137,924)
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 0	\$ 10,000	\$ 0	\$ 0	\$ 0	\$	10,000
Total Other Financing Sources (Uses)	\$ 0	\$ 10,000	\$ 0	\$ 0	\$ 0	\$	10,000

(Continued)

Exhibit G-2

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

	Special Revenue Funds					Total
	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	
Net Change in Fund Balances	\$ 43,687	\$ 8,632	\$ (89,311)	\$ 6,509	\$ (97,441)	\$ (127,924)
Fund Balance, July 1, 2020	22,431	2,022	431,096	45,827	155,510	656,886
Fund Balance, June 30, 2021	\$ 66,118	\$ 10,654	\$ 341,785	\$ 52,336	\$ 58,069	\$ 528,962

(Continued)

Exhibit G-2

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

	Capital Projects Funds			Total Nonmajor Governmental Funds
	General Capital Projects	Other Capital Projects	Total	
<u>Revenues</u>				
Local Taxes	\$ 271,537	\$ 0	\$ 271,537	\$ 2,172,718
Fines, Forfeitures, and Penalties	0	0	0	22,858
Charges for Current Services	0	0	0	619,396
Other Local Revenues	0	0	0	10,638
Federal Government	0	433,766	433,766	433,766
Total Revenues	\$ 271,537	\$ 433,766	\$ 705,303	\$ 3,259,376
<u>Expenditures</u>				
Current:				
General Government	\$ 0	\$ 0	\$ 0	\$ 559
Finance	0	0	0	715,830
Administration of Justice	0	0	0	1,950
Public Safety	0	0	0	37,618
Public Health and Welfare	0	0	0	1,936,040
Other Operations	426,685	0	426,685	426,685
Capital Projects	374,892	433,766	808,658	808,658
Total Expenditures	\$ 801,577	\$ 433,766	\$ 1,235,343	\$ 3,927,340
Excess (Deficiency) of Revenues Over Expenditures	\$ (530,040)	\$ 0	\$ (530,040)	\$ (667,964)
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 705,510	\$ 0	\$ 705,510	\$ 715,510
Total Other Financing Sources (Uses)	\$ 705,510	\$ 0	\$ 705,510	\$ 715,510

(Continued)

Exhibit G-2

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

	Capital Projects Funds			Total Nonmajor Governmental Funds
	General Capital Projects	Other Capital Projects	Total	
Net Change in Fund Balances	\$ 175,470	\$ 0	\$ 175,470	\$ 47,546
Fund Balance, July 1, 2020	110,948	0	110,948	767,834
Fund Balance, June 30, 2021	\$ 286,418	\$ 0	\$ 286,418	\$ 815,380

Exhibit G-3

Jefferson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Courthouse and Jail Maintenance Fund
For the Year Ended June 30, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 44,106	\$ 40,800	\$ 40,800	\$ 3,306
Total Revenues	\$ 44,106	\$ 40,800	\$ 40,800	\$ 3,306
<u>Expenditures</u>				
<u>Finance</u>				
Other Finance	\$ 419	\$ 700	\$ 700	\$ 281
Total Expenditures	\$ 419	\$ 700	\$ 700	\$ 281
Excess (Deficiency) of Revenues Over Expenditures	\$ 43,687	\$ 40,100	\$ 40,100	\$ 3,587
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ 0	\$ (40,800)	\$ (40,800)	\$ 40,800
Total Other Financing Sources	\$ 0	\$ (40,800)	\$ (40,800)	\$ 40,800
Net Change in Fund Balance	\$ 43,687	\$ (700)	\$ (700)	\$ 44,387
Fund Balance, July 1, 2020	22,431	22,431	22,431	0
Fund Balance, June 30, 2021	\$ 66,118	\$ 21,731	\$ 21,731	\$ 44,387

Exhibit G-4

Jefferson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Law Library Fund
For the Year Ended June 30, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 10,346	\$ 12,000	\$ 12,000	\$ (1,654)
Total Revenues	\$ 10,346	\$ 12,000	\$ 12,000	\$ (1,654)
<u>Expenditures</u>				
<u>Finance</u>				
Other Finance	\$ 98	\$ 200	\$ 200	\$ 102
<u>Public Safety</u>				
Jail	11,616	16,194	16,194	4,578
Total Expenditures	\$ 11,714	\$ 16,394	\$ 16,394	\$ 4,680
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,368)	\$ (4,394)	\$ (4,394)	\$ 3,026
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 10,000	\$ 0	\$ 10,000	\$ 0
Total Other Financing Sources	\$ 10,000	\$ 0	\$ 10,000	\$ 0
Net Change in Fund Balance	\$ 8,632	\$ (4,394)	\$ 5,606	\$ 3,026
Fund Balance, July 1, 2020	2,022	5,193	5,193	(3,171)
Fund Balance, June 30, 2021	\$ 10,654	\$ 799	\$ 10,799	\$ (145)

Exhibit G-5

Jefferson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,846,729	\$ 1,777,969	\$ 1,777,969	\$ 68,760
State of Tennessee	0	0	135,000	(135,000)
Total Revenues	<u>\$ 1,846,729</u>	<u>\$ 1,777,969</u>	<u>\$ 1,912,969</u>	<u>\$ (66,240)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Waste Pickup	\$ 1,936,040	\$ 1,836,425	\$ 2,230,697	\$ 294,657
Total Expenditures	<u>\$ 1,936,040</u>	<u>\$ 1,836,425</u>	<u>\$ 2,230,697</u>	<u>\$ 294,657</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (89,311)</u>	<u>\$ (58,456)</u>	<u>\$ (317,728)</u>	<u>\$ 228,417</u>
Net Change in Fund Balance	\$ (89,311)	\$ (58,456)	\$ (317,728)	\$ 228,417
Fund Balance, July 1, 2020	<u>431,096</u>	<u>431,096</u>	<u>431,096</u>	<u>0</u>
Fund Balance, June 30, 2021	<u><u>\$ 341,785</u></u>	<u><u>\$ 372,640</u></u>	<u><u>\$ 113,368</u></u>	<u><u>\$ 228,417</u></u>

Exhibit G-6

Jefferson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control Fund
For the Year Ended June 30, 2021

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 22,858	\$ 0	\$ 22,858	\$ 30,000	\$ 30,000	\$ (7,142)
Other Local Revenues	9,653	0	9,653	0	0	9,653
Total Revenues	\$ 32,511	\$ 0	\$ 32,511	\$ 30,000	\$ 30,000	\$ 2,511
<u>Expenditures</u>						
Public Safety						
Drug Enforcement	\$ 26,002	\$ (304)	\$ 25,698	\$ 54,500	\$ 54,500	\$ 28,802
Total Expenditures	\$ 26,002	\$ (304)	\$ 25,698	\$ 54,500	\$ 54,500	\$ 28,802
Excess (Deficiency) of Revenues Over Expenditures	\$ 6,509	\$ 304	\$ 6,813	\$ (24,500)	\$ (24,500)	\$ 31,313
Net Change in Fund Balance	\$ 6,509	\$ 304	\$ 6,813	\$ (24,500)	\$ (24,500)	\$ 31,313
Fund Balance, July 1, 2020	45,827	(304)	45,523	58,904	58,904	(13,381)
Fund Balance, June 30, 2021	\$ 52,336	\$ 0	\$ 52,336	\$ 34,404	\$ 34,404	\$ 17,932

Exhibit G-7

Jefferson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Capital Projects Fund
For the Year Ended June 30, 2021

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 271,537	\$ 0	\$ 271,537	\$ 283,518	\$ 283,518	\$ (11,981)
Federal Government	0	0	0	161,500	0	0
Total Revenues	\$ 271,537	\$ 0	\$ 271,537	\$ 445,018	\$ 283,518	\$ (11,981)
<u>Expenditures</u>						
<u>Other Operations</u>						
COVID-19 Grant #1	\$ 0	\$ 0	\$ 0	\$ 161,500	\$ 0	\$ 0
COVID-19 Grant #3	426,685	4,130	430,815	0	438,010	7,195
<u>Capital Projects</u>						
Administration of Justice Projects	3,000	0	3,000	8,000	8,000	5,000
Public Safety Projects	142,781	0	142,781	215,250	215,250	72,469
Public Health and Welfare Projects	7,308	0	7,308	12,000	12,000	4,692
Other General Government Projects	221,803	0	221,803	148,368	502,848	281,045
Total Expenditures	\$ 801,577	\$ 4,130	\$ 805,707	\$ 545,118	\$ 1,176,108	\$ 370,401
Excess (Deficiency) of Revenues Over Expenditures	\$ (530,040)	\$ (4,130)	\$ (534,170)	\$ (100,100)	\$ (892,590)	\$ 358,420
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 705,510	\$ 0	\$ 705,510	\$ 100,100	\$ 725,610	\$ (20,100)
Total Other Financing Sources	\$ 705,510	\$ 0	\$ 705,510	\$ 100,100	\$ 725,610	\$ (20,100)
Net Change in Fund Balance	\$ 175,470	\$ (4,130)	\$ 171,340	\$ 0	\$ (166,980)	\$ 338,320
Fund Balance, July 1, 2020	110,948	0	110,948	240,000	240,000	(129,052)
Fund Balance, June 30, 2021	\$ 286,418	\$ (4,130)	\$ 282,288	\$ 240,000	\$ 73,020	\$ 209,268

Major Governmental Fund

General Debt Service Fund

The General Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Exhibit H

Jefferson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 8,648,997	\$ 6,519,623	\$ 6,519,623	\$ 2,129,374
Other Local Revenues	819,872	542,488	649,696	170,176
Federal Government	674,417	0	449,989	224,428
Total Revenues	<u>\$ 10,143,286</u>	<u>\$ 7,062,111</u>	<u>\$ 7,619,308</u>	<u>\$ 2,523,978</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,310,000	\$ 1,310,000	\$ 1,310,000	\$ 0
Education	3,318,988	3,558,988	3,330,314	11,326
<u>Interest on Debt</u>				
General Government	289,825	411,988	513,196	223,371
Education	2,596,074	1,925,152	2,603,815	7,741
<u>Other Debt Service</u>				
General Government	404,493	145,000	413,172	8,679
Total Expenditures	<u>\$ 7,919,380</u>	<u>\$ 7,351,128</u>	<u>\$ 8,170,497</u>	<u>\$ 251,117</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,223,906</u>	<u>\$ (289,017)</u>	<u>\$ (551,189)</u>	<u>\$ 2,775,095</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 11,885,000	\$ 0	\$ 11,885,000	\$ 0
Premiums on Debt Sold	587,992	0	587,992	0
Transfers In	483,854	496,763	496,763	(12,909)
Payments to Refunded Debt Escrow Agent	(12,210,821)	0	(12,210,821)	0
Total Other Financing Sources	<u>\$ 746,025</u>	<u>\$ 496,763</u>	<u>\$ 758,934</u>	<u>\$ (12,909)</u>
Net Change in Fund Balance	\$ 2,969,931	\$ 207,746	\$ 207,745	\$ 2,762,186
Fund Balance, July 1, 2020	<u>11,123,487</u>	<u>9,684,747</u>	<u>9,684,747</u>	<u>1,438,740</u>
Fund Balance, June 30, 2021	<u><u>\$ 14,093,418</u></u>	<u><u>\$ 9,892,493</u></u>	<u><u>\$ 9,892,492</u></u>	<u><u>\$ 4,200,926</u></u>

Custodial Funds

Custodial Funds are used to account for assets held by the county in a custodial capacity or as an agent for individuals, private organizations, and other governments. Custodial Funds are reported using the economic resources measurement focus and the accrual basis of accounting. Custodial fund reporting focuses on net position and changes in net position. Custodial funds are distinguished from trust funds by the absence of a trust agreement or equivalent arrangement.

Cities - Sales Tax Fund – The Cities - Sales Tax Fund is used to account for the second half of the sales tax revenues collected inside incorporated cities of the county. These revenues are received by the county from the state of Tennessee and forwarded to the various cities on a monthly basis.

Cities - Property Tax Fund – The Cities - Property Tax Fund is used to account for city property taxes levied by the towns of Dandridge and New Market and the city of Baneberry and collected by the county trustee for the benefit of these entities. The county trustee forwards these revenues to the towns of Dandridge and New Market and the city of Baneberry monthly.

Constitutional Officers - Custodial Fund – The Constitutional Officers - Custodial Fund is used to account for amounts collected in a custodial capacity by the county clerk, circuit and general sessions courts clerk, clerk and master, register of deeds, and sheriff. Such collections include amounts due to the state, litigants, heirs, and others.

Exhibit I-1

Jefferson County, Tennessee
Combining Statement of Net Position
Custodial Funds
June 30, 2021

	Custodial Funds			
	Cities - Sales Tax	Cities - Property Tax	Constitu - tional Officers - Custodial	Total
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 1,792,068	\$ 1,792,068
Equity in Pooled Cash and Investments	0	8,183	0	8,183
Accounts Receivable	0	0	67,099	67,099
Due from Other Governments	1,287,027	0	0	1,287,027
Property Taxes Receivable	0	1,490,505	0	1,490,505
Allowance for Uncollectible Property Taxes	0	(78,119)	0	(78,119)
Cash Shortage	0	0	1,223	1,223
Total Assets	\$ 1,287,027	\$ 1,420,569	\$ 1,860,390	\$ 4,567,986
<u>LIABILITIES</u>				
Due to Other Taxing Units	\$ 1,287,027	\$ 14,754	\$ 0	\$ 1,301,781
Total Liabilities	\$ 1,287,027	\$ 14,754	\$ 0	\$ 1,301,781
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 0	\$ 1,405,815	\$ 0	\$ 1,405,815
Total Deferred Inflows of Resources	\$ 0	\$ 1,405,815	\$ 0	\$ 1,405,815
<u>NET POSITION</u>				
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 0	\$ 1,860,390	\$ 1,860,390
Total Net Position	\$ 0	\$ 0	\$ 1,860,390	\$ 1,860,390

Exhibit I-2

Jefferson County, Tennessee
Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended June 30, 2021

	Custodial Funds			
	Cities - Sales Tax	Cities - Property Tax	Constitu - tional Officers - Custodial	Total
<u>Additions</u>				
Sales Tax Collections for Other Governments	\$ 6,996,222	\$ 0	\$ 0	\$ 6,996,222
Property Tax Collections for Other Governments	0	1,486,103	0	1,486,103
Fines/Fees and Other Collections	0	0	9,320,114	9,320,114
Total Additions	\$ 6,996,222	\$ 1,486,103	\$ 9,320,114	\$ 17,802,439
<u>Deductions</u>				
Payment of Sales Tax Collections for Other Governments	\$ 6,996,222	\$ 0	\$ 0	\$ 6,996,222
Payment of Property Tax Collections for Other Governments	0	1,486,103	0	1,486,103
Payments to State	0	0	7,912,004	7,912,004
Payments to Individuals and Others	0	0	1,345,545	1,345,545
Total Deductions	\$ 6,996,222	\$ 1,486,103	\$ 9,257,549	\$ 17,739,874
Change in Net Position	\$ 0	\$ 0	\$ 62,565	\$ 62,565
Net Position July 1, 2020	0	0	0	0
Restatement - See Note I.D.10	0	0	1,797,825	1,797,825
Net Position June 30, 2021	\$ 0	\$ 0	\$ 1,860,390	\$ 1,860,390

Jefferson County School Department

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

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

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

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

Internal School Fund – The Internal School Fund is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for general building construction and renovations of the school department.

Employee Insurance - Dental and Vision Fund – The Employee Insurance - Dental and Vision Fund is an internal service fund, which is used to account for transactions pertaining to the school department's self-insured group dental and vision plans.

Exhibit J-1

Jefferson County, Tennessee
Statement of Activities
Discretely Presented Jefferson County School Department
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:					
Instruction	\$ 39,230,964	\$ 49,973	\$ 4,800,846	\$ 187,500	\$ (34,192,645)
Support Services	21,886,382	84,166	1,724,203	0	(20,078,013)
Operation of Non-instructional Services	7,327,956	510,756	7,217,960	44,000	444,760
Total Governmental Activities	<u>\$ 68,445,302</u>	<u>\$ 644,895</u>	<u>\$ 13,743,009</u>	<u>\$ 231,500</u>	<u>\$ (53,825,898)</u>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 11,086,424
Local Option Sales Taxes					7,561,455
Mixed Drink Tax					41,852
Grants and Contributions Not Restricted for Specific Programs					41,767,598
Unrestricted Investment Income					6,700
Gain on Investments					81,573
Miscellaneous					93,398
Gain on Disposal of Capital Assets					103
Total General Revenues					<u>\$ 60,639,103</u>
Change in Net Position					\$ 6,813,205
Net Position, July 1, 2020					70,899,898
Restatement - See Note I.D.10					<u>1,235,023</u>
Net Position, June 30, 2021					<u><u>\$ 78,948,126</u></u>

Exhibit J-2

Jefferson County, Tennessee
 Balance Sheet - Governmental Funds
 Discretely Presented Jefferson County School Department
 June 30, 2021

	Major Fund	Nonmajor Funds	
	General	Other	Total
	Purpose	Govern-	Governmental
	School	mental	Funds
		Funds	
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,437,290	\$ 1,437,290
Equity in Pooled Cash and Investments	12,075,489	4,416,531	16,492,020
Accounts Receivable	48,067	0	48,067
Due from Other Governments	2,316,820	551,869	2,868,689
Due from Other Funds	0	323	323
Property Taxes Receivable	11,284,929	0	11,284,929
Allowance for Uncollectible Property Taxes	(385,566)	0	(385,566)
Prepaid Items	0	27,572	27,572
Restricted Assets	503,468	0	503,468
Total Assets	\$ 25,843,207	\$ 6,433,585	\$ 32,276,792
<u>LIABILITIES</u>			
Accounts Payable	\$ 158,192	\$ 3,333	\$ 161,525
Accrued Payroll	35,980	199	36,179
Payroll Deductions Payable	1,872,087	348,247	2,220,334
Due to Other Funds	323	0	323
Alimony/Child Support	0	100	100
Total Liabilities	\$ 2,066,582	\$ 351,879	\$ 2,418,461
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 10,717,620	\$ 0	\$ 10,717,620
Deferred Delinquent Property Taxes	119,563	0	119,563
Other Deferred/Unavailable Revenue	809,801	34,000	843,801
Total Deferred Inflows of Resources	\$ 11,646,984	\$ 34,000	\$ 11,680,984
<u>FUND BALANCES</u>			
Nonspendable:			
Prepaid Items	\$ 0	\$ 27,572	\$ 27,572
Restricted:			
Restricted for Education	178,921	3,370,241	3,549,162
Restricted for Hybrid Retirement Stabilization Funds	503,468	0	503,468
Committed:			
Committed for Education	168,901	2,000,000	2,168,901
Committed for Capital Projects	584,444	684,421	1,268,865
Assigned:			
Assigned for Education	712,967	0	712,967
Unassigned	9,980,940	(34,528)	9,946,412
Total Fund Balances	\$ 12,129,641	\$ 6,047,706	\$ 18,177,347
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 25,843,207	\$ 6,433,585	\$ 32,276,792

Exhibit J-3

Jefferson County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
Discretely Presented Jefferson County School Department
June 30, 2021

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$ 18,177,347
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,492,550	
Add: construction in progress	312,011	
Add: buildings and improvements net of accumulated depreciation	62,122,355	
Add: machinery and equipment net of accumulated depreciation	668,255	
Add: other capital assets net of accumulated depreciation	<u>2,153,507</u>	66,748,678
(2) An internal service fund is used by management to charge the cost of employee dental and vision benefits to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		159,736
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: compensated absences payable	\$ (747,269)	
Less: termination benefits payable	(139,947)	
Less: other postemployment benefits liability	<u>(12,036,481)</u>	(12,923,697)
(4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions/OPEB will be amortized and recognized as components of pension/OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 5,331,833	
Less: deferred inflows of resources related to pensions	(2,809,747)	
Add: deferred outflows of resources related to OPEB	2,339,988	
Less: deferred inflows of resources related to OPEB	<u>(5,781,107)</u>	(919,033)
(5) Net pension assets are not current financial resources and therefore are not reported in the governmental funds:		
Add: net pension asset - public employee legacy pension plan	\$ 1,314,619	
Add: net pension asset - public employee hybrid retirement plan	12,723	
Add: net pension asset - teacher retirement plan	263,098	
Add: net pension asset - teacher legacy pension plan	<u>5,151,291</u>	6,741,731
(6) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>963,364</u>
Net position of governmental activities (Exhibit A)		<u>\$ 78,948,126</u>

Exhibit J-4

Jefferson County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Jefferson County School Department
For the Year Ended June 30, 2021

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 18,715,935	\$ 0	\$ 18,715,935
Licenses and Permits	1,738	0	1,738
Charges for Current Services	367,238	277,657	644,895
Other Local Revenues	160,205	2,708,152	2,868,357
State of Tennessee	42,432,213	32,896	42,465,109
Federal Government	920,550	9,313,539	10,234,089
Other Governments and Citizens Groups	269,169	0	269,169
Total Revenues	<u>\$ 62,867,048</u>	<u>\$ 12,332,244</u>	<u>\$ 75,199,292</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 35,197,843	\$ 3,749,778	\$ 38,947,621
Support Services	20,210,795	1,708,685	21,919,480
Operation of Non-Instructional Services	1,442,222	5,987,994	7,430,216
Capital Outlay	908,126	0	908,126
Capital Projects	0	236,950	236,950
Total Expenditures	<u>\$ 57,758,986</u>	<u>\$ 11,683,407</u>	<u>\$ 69,442,393</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 5,108,062</u>	<u>\$ 648,837</u>	<u>\$ 5,756,899</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 42,981	\$ 11,051	\$ 54,032
Transfers In	106,363	1,250,000	1,356,363
Transfers Out	(1,250,000)	(106,363)	(1,356,363)
Total Other Financing Sources (Uses)	<u>\$ (1,100,656)</u>	<u>\$ 1,154,688</u>	<u>\$ 54,032</u>
Net Change in Fund Balances	\$ 4,007,406	\$ 1,803,525	\$ 5,810,931
Restatement - See Note I.D.10.	0	1,235,023	1,235,023
Fund Balance, July 1, 2020	<u>8,122,235</u>	<u>3,009,158</u>	<u>11,131,393</u>
Fund Balance, June 30, 2021	<u>\$ 12,129,641</u>	<u>\$ 6,047,706</u>	<u>\$ 18,177,347</u>

Jefferson County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Discretely Presented Jefferson County School Department
For the Year Ended June 30, 2021

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

Net change in fund balances - total governmental funds (Exhibit J-4)		\$ 5,810,931
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 1,005,751	
Less: current-year depreciation expense	<u>(2,872,682)</u>	(1,866,931)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value of capital assets disposed		(1,909)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2021	\$ 963,364	
Less: deferred delinquent property taxes and other deferred June 30, 2020	<u>(871,223)</u>	92,141
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	\$ (83,330)	
Change in termination benefits	3,588	
Change in net pension asset/liability	(2,347,006)	
Change in deferred outflows related to pensions	378,569	
Change in deferred inflows related to pensions	4,358,773	
Change in OPEB liability	(1,853,866)	
Change in deferred outflows related to OPEB	1,519,676	
Change in deferred inflows related to OPEB	<u>803,471</u>	2,779,875
(5) Internal service funds are used by management to charge the cost of employee dental and vision benefits to individual funds. The net revenue (expense) of certain activities of the internal service fund is reported with governmental activities in the statement of activities.		<u>(902)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 6,813,205</u>

Exhibit J-6

Jefferson County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Jefferson County School Department
June 30, 2021

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Internal School	Total	Education Capital Projects	
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 1,437,290	\$ 1,437,290	\$ 0	\$ 1,437,290
Equity in Pooled Cash and Investments	1,763,271	1,968,839	0	3,732,110	684,421	4,416,531
Due from Other Governments	509,184	42,685	0	551,869	0	551,869
Due from Other Funds	323	0	0	323	0	323
Prepaid Items	0	27,572	0	27,572	0	27,572
Total Assets	\$ 2,272,778	\$ 2,039,096	\$ 1,437,290	\$ 5,749,164	\$ 684,421	\$ 6,433,585
<u>LIABILITIES</u>						
Accounts Payable	\$ 95	\$ 0	\$ 3,238	\$ 3,333	\$ 0	\$ 3,333
Accrued Payroll	199	0	0	199	0	199
Payroll Deductions Payable	272,912	75,335	0	348,247	0	348,247
Alimony/Child Support	100	0	0	100	0	100
Total Liabilities	\$ 273,306	\$ 75,335	\$ 3,238	\$ 351,879	\$ 0	\$ 351,879
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Other Deferred/Unavailable Revenue	\$ 34,000	\$ 0	\$ 0	\$ 34,000	\$ 0	\$ 34,000
Total Deferred Inflows of Resources	\$ 34,000	\$ 0	\$ 0	\$ 34,000	\$ 0	\$ 34,000
<u>FUND BALANCES</u>						
Nonspendable:						
Prepaid Items	\$ 0	\$ 27,572	\$ 0	\$ 27,572	\$ 0	\$ 27,572

(Continued)

Exhibit J-6

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

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Internal School	Total	Education Capital Projects	
<u>FUND BALANCES (Cont.)</u>						
Restricted:						
Restricted for Education	\$ 0	\$ 1,936,189	\$ 1,434,052	\$ 3,370,241	\$ 0	\$ 3,370,241
Committed:						
Committed for Education	2,000,000	0	0	2,000,000	0	2,000,000
Committed for Capital Projects	0	0	0	0	684,421	684,421
Unassigned	(34,528)	0	0	(34,528)	0	(34,528)
Total Fund Balances	\$ 1,965,472	\$ 1,963,761	\$ 1,434,052	\$ 5,363,285	\$ 684,421	\$ 6,047,706
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,272,778	\$ 2,039,096	\$ 1,437,290	\$ 5,749,164	\$ 684,421	\$ 6,433,585

Exhibit J-7

Jefferson County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Jefferson County School Department
For the Year Ended June 30, 2021

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Internal School	Total	Education Capital Projects	
<u>Revenues</u>						
Charges for Current Services	\$ 0	\$ 277,657	\$ 0	\$ 277,657	\$ 0	\$ 277,657
Other Local Revenues	0	6,803	2,701,349	2,708,152	0	2,708,152
State of Tennessee	0	32,896	0	32,896	0	32,896
Federal Government	5,588,612	3,724,927	0	9,313,539	0	9,313,539
Total Revenues	\$ 5,588,612	\$ 4,042,283	\$ 2,701,349	\$ 12,332,244	\$ 0	\$ 12,332,244
<u>Expenditures</u>						
Current:						
Instruction	\$ 3,749,778	\$ 0	\$ 0	\$ 3,749,778	\$ 0	\$ 3,749,778
Support Services	1,708,685	0	0	1,708,685	0	1,708,685
Operation of Non-Instructional Services	58,316	3,427,358	2,502,320	5,987,994	0	5,987,994
Capital Projects	0	0	0	0	236,950	236,950
Total Expenditures	\$ 5,516,779	\$ 3,427,358	\$ 2,502,320	\$ 11,446,457	\$ 236,950	\$ 11,683,407
Excess (Deficiency) of Revenues Over Expenditures	\$ 71,833	\$ 614,925	\$ 199,029	\$ 885,787	\$ (236,950)	\$ 648,837
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 0	\$ 11,051	\$ 0	\$ 11,051	\$ 0	\$ 11,051
Transfers In	1,250,000	0	0	1,250,000	0	1,250,000
Transfers Out	(106,363)	0	0	(106,363)	0	(106,363)
Total Other Financing Sources (Uses)	\$ 1,143,637	\$ 11,051	\$ 0	\$ 1,154,688	\$ 0	\$ 1,154,688

(Continued)

Exhibit J-7

Jefferson County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Jefferson County School Department (Cont.)

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Internal School	Total	Education Capital Projects	
Net Change in Fund Balances	\$ 1,215,470	\$ 625,976	\$ 199,029	\$ 2,040,475	\$ (236,950)	\$ 1,803,525
Restatement - See Note I.D.10.	0	0	1,235,023	1,235,023	0	1,235,023
Fund Balance, July 1, 2020	750,002	1,337,785	0	2,087,787	921,371	3,009,158
Fund Balance, June 30, 2021	\$ 1,965,472	\$ 1,963,761	\$ 1,434,052	\$ 5,363,285	\$ 684,421	\$ 6,047,706

Exhibit J-8

Jefferson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Jefferson County School Department
General Purpose School Fund
For the Year Ended June 30, 2021

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 18,715,935	\$ 0	\$ 0	\$ 18,715,935	\$ 16,056,079	\$ 16,056,079	\$ 2,659,856
Licenses and Permits	1,738	0	0	1,738	2,400	2,400	(662)
Charges for Current Services	367,238	0	0	367,238	225,000	225,000	142,238
Other Local Revenues	160,205	0	0	160,205	500	1,450	158,755
State of Tennessee	42,432,213	0	0	42,432,213	41,735,886	42,922,626	(490,413)
Federal Government	920,550	0	0	920,550	78,525	687,305	233,245
Other Governments and Citizens Groups	269,169	0	0	269,169	92,822	309,244	(40,075)
Total Revenues	\$ 62,867,048	\$ 0	\$ 0	\$ 62,867,048	\$ 58,191,212	\$ 60,204,104	\$ 2,662,944
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 29,097,803	\$ 0	\$ 37,234	\$ 29,135,037	\$ 29,957,280	\$ 30,165,148	\$ 1,030,111
Alternative Instruction Program	195,513	0	0	195,513	219,504	219,754	24,241
Special Education Program	3,464,160	0	0	3,464,160	3,667,004	3,670,831	206,671
Career and Technical Education Program	2,160,782	(7,758)	0	2,153,024	2,054,585	2,200,574	47,550
COVID-19 Expenditures	279,585	0	0	279,585	0	279,585	0
<u>Support Services</u>							
Attendance	250,712	0	0	250,712	486,257	374,325	123,613
Health Services	740,826	0	102	740,928	753,047	773,208	32,280
Other Student Support	1,769,877	0	77,900	1,847,777	1,828,533	2,098,124	250,347
Regular Instruction Program	1,971,850	(250)	0	1,971,600	1,998,342	2,200,989	229,389
Alternative Instruction Program	129,994	0	0	129,994	127,864	133,015	3,021
Special Education Program	471,050	0	0	471,050	674,603	704,647	233,597
Career and Technical Education Program	264,533	(538)	0	263,995	293,811	294,411	30,416
Technology	1,361,368	(10,971)	43,925	1,394,322	1,081,338	1,453,758	59,436
Other Programs	239,153	0	0	239,153	0	239,153	0
Board of Education	759,704	(12,620)	15,963	763,047	744,657	783,990	20,943
Director of Schools	328,367	0	0	328,367	345,186	346,296	17,929
Office of the Principal	3,413,937	0	0	3,413,937	3,671,328	3,685,128	271,191

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2020	Add: Encumbrances 6/30/2021	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Fiscal Services	\$ 410,480	\$ 0	\$ 0	\$ 410,480	\$ 410,480	\$ 410,480	\$ 0
Human Services/Personnel	141,666	0	0	141,666	153,561	153,561	11,895
Operation of Plant	4,426,383	(18,893)	10,209	4,417,699	4,798,881	4,793,576	375,877
Maintenance of Plant	1,148,515	(22,652)	73,533	1,199,396	1,439,055	1,474,056	274,660
Transportation	2,382,380	0	10,718	2,393,098	2,743,365	2,904,996	511,898
<u>Operation of Non-Instructional Services</u>							
Food Service	37,597	0	0	37,597	0	40,739	3,142
Community Services	268,982	0	0	268,982	315,872	316,138	47,156
Early Childhood Education	763,360	(114)	0	763,246	769,519	766,732	3,486
COVID-19 Expenditures	372,283	0	0	372,283	0	372,283	0
<u>Capital Outlay</u>							
Regular Capital Outlay	908,126	0	237,480	1,145,606	500,000	1,616,055	470,449
Total Expenditures	\$ 57,758,986	\$ (73,796)	\$ 507,064	\$ 58,192,254	\$ 59,034,072	\$ 62,471,552	\$ 4,279,298
Excess (Deficiency) of Revenues Over Expenditures	\$ 5,108,062	\$ 73,796	\$ (507,064)	\$ 4,674,794	\$ (842,860)	\$ (2,267,448)	\$ 6,942,242
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 42,981	\$ 0	\$ 0	\$ 42,981	\$ 0	\$ 42,517	\$ 464
Transfers In	106,363	0	0	106,363	121,809	121,809	(15,446)
Transfers Out	(1,250,000)	0	0	(1,250,000)	(35,000)	(1,250,000)	0
Total Other Financing Sources	\$ (1,100,656)	\$ 0	\$ 0	\$ (1,100,656)	\$ 86,809	\$ (1,085,674)	\$ (14,982)
Net Change in Fund Balance	\$ 4,007,406	\$ 73,796	\$ (507,064)	\$ 3,574,138	\$ (756,051)	\$ (3,353,122)	\$ 6,927,260
Fund Balance, July 1, 2020	8,122,235	(73,796)	0	8,048,439	5,046,078	5,046,078	3,002,361
Fund Balance, June 30, 2021	\$ 12,129,641	\$ 0	\$ (507,064)	\$ 11,622,577	\$ 4,290,027	\$ 1,692,956	\$ 9,929,621

Exhibit J-9

Jefferson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Jefferson County School Department
School Federal Projects Fund
For the Year Ended June 30, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 5,588,612	\$ 4,113,369	\$ 12,978,695	\$ (7,390,083)
Total Revenues	<u>\$ 5,588,612</u>	<u>\$ 4,113,369</u>	<u>\$ 12,978,695</u>	<u>\$ (7,390,083)</u>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 2,296,143	\$ 1,549,114	\$ 3,526,977	\$ 1,230,834
Special Education Program	1,270,401	1,245,916	1,532,840	262,439
Career and Technical Education Program	183,234	3	191,301	8,067
<u>Support Services</u>				
Health Services	268,266	57,782	476,616	208,350
Other Student Support	507,848	504,391	540,232	32,384
Regular Instruction Program	270,701	255,920	646,146	375,445
Special Education Program	462,844	359,149	520,326	57,482
Career and Technical Education Program	5,642	3	5,842	200
Technology	64,612	0	142,457	77,845
Operation of Plant	63,220	0	111,661	48,441
Transportation	65,552	57,330	536,071	470,519
<u>Operation of Non-Instructional Services</u>				
Food Service	18,971	0	18,971	0
Community Services	39,345	0	97,385	58,040
<u>Capital Outlay</u>				
Regular Capital Outlay	0	0	4,487,352	4,487,352
Total Expenditures	<u>\$ 5,516,779</u>	<u>\$ 4,029,608</u>	<u>\$ 12,834,177</u>	<u>\$ 7,317,398</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 71,833</u>	<u>\$ 83,761</u>	<u>\$ 144,518</u>	<u>\$ (72,685)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 1,250,000	\$ 0	\$ 1,250,000	\$ 0
Transfers Out	(106,363)	(45,700)	(106,457)	94
Total Other Financing Sources	<u>\$ 1,143,637</u>	<u>\$ (45,700)</u>	<u>\$ 1,143,543</u>	<u>\$ 94</u>
Net Change in Fund Balance	\$ 1,215,470	\$ 38,061	\$ 1,288,061	\$ (72,591)
Fund Balance, July 1, 2020	<u>750,002</u>	<u>750,000</u>	<u>750,000</u>	<u>2</u>
Fund Balance, June 30, 2021	<u><u>\$ 1,965,472</u></u>	<u><u>\$ 788,061</u></u>	<u><u>\$ 2,038,061</u></u>	<u><u>\$ (72,589)</u></u>

Exhibit J-10

Jefferson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Jefferson County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2021

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 277,657	\$ 1,000,000	\$ 1,000,000	\$ (722,343)
Other Local Revenues	6,803	6,100	6,100	703
State of Tennessee	32,896	32,000	32,000	896
Federal Government	3,724,927	2,794,908	2,838,908	886,019
Total Revenues	<u>\$ 4,042,283</u>	<u>\$ 3,833,008</u>	<u>\$ 3,877,008</u>	<u>\$ 165,275</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	<u>\$ 3,427,358</u>	<u>\$ 4,455,442</u>	<u>\$ 4,504,754</u>	<u>\$ 1,077,396</u>
Total Expenditures	<u>\$ 3,427,358</u>	<u>\$ 4,455,442</u>	<u>\$ 4,504,754</u>	<u>\$ 1,077,396</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 614,925</u>	<u>\$ (622,434)</u>	<u>\$ (627,746)</u>	<u>\$ 1,242,671</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	<u>\$ 11,051</u>	<u>\$ 0</u>	<u>\$ 5,312</u>	<u>\$ 5,739</u>
Total Other Financing Sources	<u>\$ 11,051</u>	<u>\$ 0</u>	<u>\$ 5,312</u>	<u>\$ 5,739</u>
Net Change in Fund Balance	<u>\$ 625,976</u>	<u>\$ (622,434)</u>	<u>\$ (622,434)</u>	<u>\$ 1,248,410</u>
Fund Balance, July 1, 2020	<u>1,337,785</u>	<u>1,277,567</u>	<u>1,277,567</u>	<u>60,218</u>
Fund Balance, June 30, 2021	<u><u>\$ 1,963,761</u></u>	<u><u>\$ 655,133</u></u>	<u><u>\$ 655,133</u></u>	<u><u>\$ 1,308,628</u></u>

Exhibit J-11

Jefferson County, Tennessee
Statement of Net Position - Proprietary Fund
Discretely Presented Jefferson County School Department
June 30, 2021

		Governmental Activities - Internal Service Fund
		Employee Insurance - Dental and Vision Fund
	<u>ASSETS</u>	
Current Assets:		
Cash	\$	26,608
Equity in Pooled Cash and Investments		155,331
Total Assets	\$	181,939
	<u>LIABILITIES</u>	
Current Liabilities:		
Other Current Liabilities	\$	22,203
Total Liabilities	\$	22,203
	<u>NET POSITION</u>	
Unrestricted	\$	159,736
Total Net Position	\$	159,736

Exhibit J-12

Jefferson County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position
Discretely Presented Jefferson County School Department
Proprietary Fund
For the Year Ended June 30, 2021

	Governmental Activities - Internal Service Fund
	Employee Insurance - Dental and Vision Fund
<u>Operating Revenues</u>	
Self-Insurance Premiums/Contributions	\$ 509,672
Total Operating Revenues	<u>\$ 509,672</u>
<u>Operating Expenses</u>	
Handling Charges and Administrative Costs	\$ 31,054
Other Self-Insured Claims	<u>479,520</u>
Total Operating Expenses	<u>\$ 510,574</u>
Operating Income (Loss)	<u>\$ (902)</u>
Change in Net Position	\$ (902)
Net Position, July 1, 2020	<u>160,638</u>
Net Position, June 30, 2021	<u><u>\$ 159,736</u></u>

Jefferson County, Tennessee
Statement of Cash Flows
Discretely Presented Jefferson County School Department
Proprietary Fund
For the Year Ended June 30, 2021

	Governmental Activities - Internal Service Fund
	Employee Insurance - Dental and Vision Fund
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-Insurance Premiums	\$ 509,672
Payments for Claims	(481,045)
Payments for Administrative Costs	(31,054)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (2,427)</u>
Increase (Decrease) in Cash	\$ (2,427)
Cash, July 1, 2020	<u>184,366</u>
Cash, June 30, 2021	<u><u>\$ 181,939</u></u>
<u>Reconciliation of Operating Income (Loss)</u>	
<u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (902)
Adjustment to Reconcile Net Operating Income (Loss)	
to Net Cash Provided By (Used In) Operating Activities:	
Changes in Assets and Liabilities:	
Increase (Decrease) in Accounts Payable	<u>(1,525)</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ (2,427)</u></u>
<u>Reconciliation of Cash With Statement of Net Position</u>	
Cash Per Net Position	\$ 26,608
Equity in Pooled Cash and Investments Per Net Position	<u>155,331</u>
Cash, June 30, 2021	<u><u>\$ 181,939</u></u>

MISCELLANEOUS SCHEDULES

Exhibit K-1

Jefferson County, Tennessee
Schedule of Changes in Long-term Other Loans and Bonds
For the Year Ended June 30, 2021

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-20	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-21
<u>OTHER LOANS PAYABLE</u>									
<u>Payable through General Debt Service Fund</u>									
Local Government Public Improvement (E-3-D) - Refunding	\$ 13,305,000	Variable	7-31-08	6-1-26	\$ 5,300,000	\$ 0	\$ 905,000	\$ 0	\$ 4,395,000
Qualified School Construction Bonds	10,595,000	0 (1)	10-7-10	8-1-27	4,755,185	0	661,112	0	4,094,073
Energy Efficient Schools Initiative Loan, Series 2011	2,506,325	2.5 %	11-2-11	3-1-24	865,307	0	222,876	0	642,431
Total Other Loans Payable					\$ 10,920,492	\$ 0	\$ 1,788,988	\$ 0	\$ 9,131,504

BONDS PAYABLE

<u>Payable through General Debt Service Fund</u>									
General Obligation Bonds - Series 2010- RZEDB	16,000,000	3.69	12-10-10	6-1-40	\$ 16,000,000	\$ 0	\$ 0	\$ 0	\$ 16,000,000
General Obligation Refunding Bonds - Series 2014	4,285,000	1.45	5-15-14	6-1-27	2,060,000	0	390,000	1,670,000	0
General Obligation Bonds - Series 2015	6,790,000	2.9	4-1-15	6-1-36	6,640,000	0	50,000	6,590,000	0
General Obligation Refunding Bonds - Series 2016	4,215,000	2.51	5-13-16	6-1-37	3,955,000	0	15,000	3,940,000	0
General Obligation Refunding Bonds - Series 2017	8,725,000	1 to 5	10-27-17	6-1-23	5,695,000	0	1,810,000	0	3,885,000
General Obligation Refunding Bonds - Series 2020	15,225,000	2 to 5	6-5-20	6-1-36	15,225,000	0	575,000	0	14,650,000
General Obligation Bonds, Series 2020B	7,750,000	3	12-15-20	6-1-50	0	7,750,000	0	0	7,750,000
General Obligation Refunding Bonds, Series 2021A	6,350,000	1.5 to 3	6-4-21	6-1-36	0	6,350,000	0	0	6,350,000
General Obligation Refunding Bonds, Series 2021B	5,535,000	1.75 to 2	6-25-21	6-1-37	0	5,535,000	0	0	5,535,000
Total Bonds Payable					\$ 49,575,000	\$ 19,635,000	\$ 2,840,000	\$ 12,200,000	\$ 54,170,000

(1) Interest rate of approximately 4.85 percent is offset by a federal interest subsidy, resulting in a net interest rate of zero percent.

Exhibit K-2

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

Year Ending June 30	Other Loans			
	Principal	Interest (1)	Other Fees	Total
2022	\$ 1,844,628	\$ 560,108	\$ 21,779	\$ 2,426,515
2023	1,900,400	548,521	18,888	2,467,809
2024	1,895,739	536,490	15,846	2,448,075
2025	1,766,112	524,105	12,653	2,302,870
2026	936,112	515,358	9,308	1,460,778
2027	726,190	513,645	8,476	1,248,311
2028	62,323	50,586	2,122	115,031
Total	\$ 9,131,504	\$ 3,248,813	\$ 89,072	\$ 12,469,389

Year Ending June 30	Bonds		Total
	Principal	Interest	
2022	\$ 2,865,000	\$ 2,234,355	\$ 5,099,355
2023	3,070,000	2,109,390	5,179,390
2024	1,605,000	1,968,041	3,573,041
2025	1,770,000	1,907,091	3,677,091
2026	1,840,000	1,840,442	3,680,442
2027	1,910,000	1,770,841	3,680,841
2028	1,985,000	1,698,442	3,683,442
2029	3,570,000	1,622,841	5,192,841
2030	1,640,000	1,513,991	3,153,991
2031	1,685,000	1,468,291	3,153,291
2032	1,725,000	1,432,291	3,157,291
2033	2,285,000	1,395,392	3,680,392
2034	2,325,000	1,351,717	3,676,717
2035	2,370,000	1,307,267	3,677,267
2036	2,420,000	1,259,186	3,679,186
2037	3,720,000	1,208,212	4,928,212
2038	4,460,000	990,988	5,450,988
2039	4,615,000	705,844	5,320,844
2040	4,750,000	410,613	5,160,613
2041	310,000	106,800	416,800
2042	320,000	97,500	417,500
2043	330,000	87,900	417,900
2044	340,000	78,000	418,000
2045	350,000	67,800	417,800
2046	360,000	57,300	417,300
2047	370,000	46,500	416,500
2048	380,000	35,400	415,400
2049	395,000	24,000	419,000
2050	405,000	12,150	417,150
Total	\$ 54,170,000	\$ 28,808,585	\$ 82,978,585

(1) Includes interest requirements on Qualified School Construction Bonds, Series 2010, before federal interest rate subsidy.

Exhibit K-3

Jefferson County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Jefferson County School Department
For the Year Ended June 30, 2021

From Fund	To Fund	Purpose	Amount
<u>PRIMARY GOVERNMENT</u>			
General	General Debt Service	QSCB Tax Rebate	\$ 483,854
"	General Capital Projects	Capital Expenditures	267,500
"	General Capital Projects	Capital Expenditures - State Direct Appropriation Grant	438,010
"	Law Library	Capital Expenditures - State Direct Appropriation Grant	<u>10,000</u>
Total Transfers Primary Government			<u>\$ 1,199,364</u>
<u>DISCRETELY PRESENTED JEFFERSON COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect Costs	\$ 106,363
General Purpose School	School Federal Projects	Cash Flow	<u>1,250,000</u>
Total Transfers Discretely Presented Jefferson County School Department			<u>\$ 1,356,363</u>

Exhibit K-4

Jefferson County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Jefferson County School Department
For the Year Ended June 30, 2021

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 106,483	\$ 100,000	Hartford Fire Insurance Company
Road Superintendent	Section 8-24-102, <i>TCA</i>	99,813	(7)	
Director of Schools	State Board of Education and County Board of Education	129,775 (1)	100,000	"
Trustee	Section 8-24-102, <i>TCA</i>	90,740	2,465,195	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	91,490 (2)	(7)	
Finance Director	County Commission	91,484 (3)	(7)	
County Clerk	Section 8-24-102, <i>TCA</i> and Probate Court Judge	90,740 (4)	100,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	90,740	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> and Chancery Court Judge	90,740 (5)	100,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	90,740	100,000	"
Sheriff	Section 8-24-102, <i>TCA</i>	100,613 (6)	100,000	"
Employee Blanket Bonds:				
Public Employee Dishonesty - County Departments			400,000	Tennessee Risk Management Trust
Public Employee Dishonesty - School Department			400,000	"

(1) Includes chief executive officer's supplement of \$1,000.

(2) Includes a salary supplement of \$750 for training/certification incentive.

(3) Includes longevity of \$600.

(4) Does not include \$5,610 for special commissioner fees.

(5) Does not include \$1,950 for special commissioner fees.

(6) Includes a law enforcement training supplement of \$800.

(7) Officials were covered by a \$400,000 officials' blanket bond by Tennessee Risk Management Trust.

Exhibit K-5

Jefferson County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2021

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control	Other Special Revenue
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 11,638,209	\$ 0	\$ 0	\$ 1,738,657	\$ 0	\$ 0
Trustee's Collections - Prior Year	212,350	0	0	31,730	0	0
Trustee's Collections - Bankruptcy	6,019	0	0	900	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	298,059	0	0	44,539	0	0
Interest and Penalty	50,656	0	0	7,597	0	0
Pickup Taxes	37,636	0	0	5,624	0	0
Payments in-Lieu-of Taxes - Local Utilities	47,598	0	0	7,112	0	0
Payments in-Lieu-of Taxes - Other	52	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	1,801,371	0	0	0	0	0
Hotel/Motel Tax	574,854	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0
Litigation Tax - General	95,798	0	0	0	0	0
Litigation Tax - Special Purpose	0	0	10,346	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	117,261	44,106	0	0	0	0
Business Tax	544,244	0	0	0	0	0
Adequate Facilities/Development Tax	0	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	70,735	0	0	10,570	0	0
Wholesale Beer Tax	195,269	0	0	0	0	0
Total Local Taxes	\$ 15,690,111	\$ 44,106	\$ 10,346	\$ 1,846,729	\$ 0	\$ 0
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 3,477	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	97,399	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control	Other Special Revenue
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	\$ 1,188	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Building Permits	379,906	0	0	0	0	0
Other Permits	166,785	0	0	0	0	0
Total Licenses and Permits	<u>\$ 648,755</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 23,926	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	12,053	0	0	0	0	0
Drug Control Fines	0	0	0	0	6,996	0
Drug Court Fees	4,026	0	0	0	0	0
Jail Fees	2,573	0	0	0	0	0
DUI Treatment Fines	285	0	0	0	0	0
Data Entry Fee - Circuit Court	3,532	0	0	0	0	0
Courtroom Security Fee	6	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	69,326	0	0	0	0	0
Fines for Littering	95	0	0	0	0	0
Officers Costs	46,988	0	0	0	0	0
Game and Fish Fines	1,260	0	0	0	0	0
Drug Control Fines	0	0	0	0	15,862	0
Drug Court Fees	13,002	0	0	0	0	0
Jail Fees	61,327	0	0	0	0	0
DUI Treatment Fines	9,970	0	0	0	0	0
Data Entry Fee - General Sessions Court	17,335	0	0	0	0	0
Courtroom Security Fee	1,515	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control	Other Special Revenue
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$ 4,013	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	4,412	0	0	0	0	0
Data Entry Fee - Juvenile Court	876	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	614	0	0	0	0	0
Data Entry Fee - Chancery Court	8,476	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Victims Assistance Assessments	26,038	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Other Fines, Forfeitures, and Penalties	5,700	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 317,348	\$ 0	\$ 0	\$ 0	\$ 22,858	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Patient Charges	\$ 3,789,882	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other General Service Charges	3,875	0	0	0	0	0
<u>Fees</u>						
Copy Fees	414	0	0	0	0	0
Library Fees	16,062	0	0	0	0	0
Telephone Commissions	80,626	0	0	0	0	0
Vending Machine Collections	28	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	0
Data Processing Fee - Register	24,374	0	0	0	0	0
Data Processing Fee - Sheriff	6,371	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control	Other Special Revenue
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Sexual Offender Registration Fee - Sheriff	\$ 12,750	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Data Processing Fee - County Clerk	1,437	0	0	0	0	0
Subscription and Electronic Filing Fee - Circuit and General Sessions	9,610	0	0	0	0	0
Vehicle Registration Reinstatement Fees	1,600	0	0	0	0	0
<u>Education Charges</u>						
Receipts from Individual Schools	785	0	0	0	0	0
Total Charges for Current Services	<u>\$ 3,947,814</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 37,465	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,846
Lease/Rentals	7,201	0	0	0	0	810,334
Commissary Sales	37,470	0	0	0	0	0
Sale of Maps	40	0	0	0	0	0
Sale of Recycled Materials	456	0	0	0	0	0
E-Rate Funding	1,152	0	0	0	0	0
Miscellaneous Refunds	159,909	0	0	0	0	0
Expenditure Credits	1,773	0	0	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	13,725	0	0	0	9,653	0
Sale of Property	100	0	0	0	0	0
Contributions and Gifts	37,300	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	500,239	0	0	0	0	0
Total Other Local Revenues	<u>\$ 796,830</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,653</u>	<u>\$ 814,180</u>

(Continued)

Exhibit K-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control	Other Special Revenue
<u>Fees Received From County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 510,754	\$ 0	\$ 0	\$ 0	\$ 0	0
Trustee	806,880	0	0	0	0	0
<u>Fees In-Lieu-of Salary</u>						
Circuit Court Clerk	183,821	0	0	0	0	0
General Sessions Court Clerk	308,539	0	0	0	0	0
Clerk and Master	157,986	0	0	0	0	0
Juvenile Court Clerk	40,279	0	0	0	0	0
Register	390,754	0	0	0	0	0
Sheriff	20,888	0	0	0	0	0
Total Fees Received From County Officials	\$ 2,419,901	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 10,500	\$ 0	\$ 0	\$ 0	\$ 0	0
Aging Programs	11,562	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	40,800	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	158,264	0	0	0	0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	0	0
Litter Program	42,498	0	0	0	0	0
<u>Other State Revenues</u>						
Vehicle Certificate of Title Fees	10,606	0	0	0	0	0
State Revenue Sharing - Telecommunications	63,398	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control	Other Special Revenue
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
State Shared Sports Gaming Privilege Tax	\$ 13,337	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Prisoner Transportation	20	0	0	0	0	0
Contracted Prisoner Boarding	810,030	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	1,434,514	0	0	0	0	0
Other State Revenues	44,712	0	0	0	0	0
Total State of Tennessee	<u>\$ 2,655,405</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Civil Defense Reimbursement	39,150	0	0	0	0	0
Homeland Security Grants	9,333	0	0	0	0	0
Medicaid	158,689	0	0	0	0	0
COVID-19 Grant #4	528,401	0	0	0	0	0
COVID-19 Grant A	43,906	0	0	0	0	0
COVID-19 Grant B	7,230	0	0	0	0	0
COVID-19 Grant C	11,819	0	0	0	0	0
COVID-19 Grant E	32,398	0	0	0	0	0
Other Federal through State	151,220	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Tax Credit Bond Rebate	483,854	0	0	0	0	0
Other Direct Federal Revenue	97,443	0	0	0	0	0
Total Federal Government	<u>\$ 1,563,443</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

(Continued)

Exhibit K-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control	Other Special Revenue
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 150,837	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Citizens Groups</u>						
Donations	3,653	0	0	0	0	0
<u>Other</u>						
Other	1,376	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 155,866</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
Total	<u>\$ 28,195,473</u>	<u>\$ 44,106</u>	<u>\$ 10,346</u>	<u>\$ 1,846,729</u>	<u>\$ 32,511</u>	<u>\$ 814,180</u>

(Continued)

Exhibit K-5

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds		Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 0	\$ 2,407,910	\$ 2,675,454	\$ 267,482	\$ 0	\$ 18,727,712
Trustee's Collections - Prior Year	0	43,934	48,816	0	0	336,830
Trustee's Collections - Bankruptcy	0	1,246	1,385	117	0	9,667
Circuit Clerk/Clerk and Master Collections - Prior Years	0	61,667	68,519	0	0	472,784
Interest and Penalty	0	10,518	11,686	375	0	80,832
Pickup Taxes	0	7,787	8,652	841	0	60,540
Payments in-Lieu-of Taxes - Local Utilities	0	9,848	10,942	1,095	0	76,595
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	52
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	2,048,998	0	0	3,850,369
Hotel/Motel Tax	0	0	0	0	0	574,854
Wheel Tax	0	0	2,480,623	0	0	2,480,623
Litigation Tax - General	0	0	0	0	0	95,798
Litigation Tax - Special Purpose	0	0	0	0	0	10,346
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	161,367
Business Tax	0	0	0	0	0	544,244
Adequate Facilities/Development Tax	0	0	1,277,661	0	0	1,277,661
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	14,635	16,261	1,627	0	113,828
Wholesale Beer Tax	0	0	0	0	0	195,269
Total Local Taxes	\$ 0	\$ 2,557,545	\$ 8,648,997	\$ 271,537	\$ 0	\$ 29,069,371
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,477
Cable TV Franchise	0	0	0	0	0	97,399

(Continued)

Exhibit K-5

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds		Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects	
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,188
Building Permits	0	0	0	0	0	379,906
Other Permits	0	0	0	0	0	166,785
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	648,755
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	23,926
Officers Costs	0	0	0	0	0	12,053
Drug Control Fines	0	0	0	0	0	6,996
Drug Court Fees	0	0	0	0	0	4,026
Jail Fees	0	0	0	0	0	2,573
DUI Treatment Fines	0	0	0	0	0	285
Data Entry Fee - Circuit Court	0	0	0	0	0	3,532
Courtroom Security Fee	0	0	0	0	0	6
<u>General Sessions Court</u>						
Fines	0	0	0	0	0	69,326
Fines for Littering	0	0	0	0	0	95
Officers Costs	0	0	0	0	0	46,988
Game and Fish Fines	0	0	0	0	0	1,260
Drug Control Fines	0	0	0	0	0	15,862
Drug Court Fees	0	0	0	0	0	13,002
Jail Fees	0	0	0	0	0	61,327
DUI Treatment Fines	0	0	0	0	0	9,970
Data Entry Fee - General Sessions Court	0	0	0	0	0	17,335
Courtroom Security Fee	0	0	0	0	0	1,515

(Continued)

Exhibit K-5

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds		Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	4,013
Officers Costs	0	0	0	0	0	4,412
Data Entry Fee - Juvenile Court	0	0	0	0	0	876
<u>Chancery Court</u>						
Officers Costs	0	0	0	0	0	614
Data Entry Fee - Chancery Court	0	0	0	0	0	8,476
<u>Judicial District Drug Program</u>						
Victims Assistance Assessments	0	0	0	0	0	26,038
<u>Other Fines, Forfeitures, and Penalties</u>						
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	5,700
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	340,206
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Patient Charges	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	3,789,882
Other General Service Charges	0	82,536	0	0	0	86,411
<u>Fees</u>						
Copy Fees	0	0	0	0	0	414
Library Fees	0	0	0	0	0	16,062
Telephone Commissions	0	0	0	0	0	80,626
Vending Machine Collections	0	0	0	0	0	28
Constitutional Officers' Fees and Commissions	611,836	0	0	0	0	611,836
Special Commissioner Fees/Special Master Fees	7,560	0	0	0	0	7,560
Data Processing Fee - Register	0	0	0	0	0	24,374
Data Processing Fee - Sheriff	0	0	0	0	0	6,371

(Continued)

Exhibit K-5

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds		Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects	
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Sexual Offender Registration Fee - Sheriff	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,750
Data Processing Fee - County Clerk	0	0	0	0	0	1,437
Subscription and Electronic Filing Fee - Circuit and General Sessions	0	0	0	0	0	9,610
Vehicle Registration Reinstatement Fees	0	0	0	0	0	1,600
<u>Education Charges</u>						
Receipts from Individual Schools	0	0	0	0	0	785
Total Charges for Current Services	\$ 619,396	\$ 82,536	\$ 0	\$ 0	\$ 0	\$ 4,649,746
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 985	\$ 0	\$ 343,969	\$ 0	\$ 0	\$ 386,265
Lease/Rentals	0	0	0	0	0	817,535
Commissary Sales	0	0	0	0	0	37,470
Sale of Maps	0	0	0	0	0	40
Sale of Recycled Materials	0	0	0	0	0	456
E-Rate Funding	0	0	0	0	0	1,152
Miscellaneous Refunds	0	0	4,621	0	0	164,530
Expenditure Credits	0	0	0	0	0	1,773
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	0	0	0	23,378
Sale of Property	0	0	0	0	0	100
Contributions and Gifts	0	0	0	0	0	37,300
<u>Other Local Revenues</u>						
Other Local Revenues	0	0	471,282	0	0	971,521
Total Other Local Revenues	\$ 985	\$ 0	\$ 819,872	\$ 0	\$ 0	\$ 2,441,520

(Continued)

Exhibit K-5

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds		Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects	
<u>Fees Received From County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	510,754
Trustee	0	0	0	0	0	806,880
<u>Fees In-Lieu-of Salary</u>						
Circuit Court Clerk	0	0	0	0	0	183,821
General Sessions Court Clerk	0	0	0	0	0	308,539
Clerk and Master	0	0	0	0	0	157,986
Juvenile Court Clerk	0	0	0	0	0	40,279
Register	0	0	0	0	0	390,754
Sheriff	0	0	0	0	0	20,888
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	2,419,901
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	10,500
Aging Programs	0	0	0	0	0	11,562
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	0	0	0	0	0	40,800
<u>Health and Welfare Grants</u>						
Health Department Programs	0	0	0	0	0	158,264
<u>Public Works Grants</u>						
State Aid Program	0	1,191,653	0	0	0	1,191,653
Litter Program	0	0	0	0	0	42,498
<u>Other State Revenues</u>						
Vehicle Certificate of Title Fees	0	0	0	0	0	10,606
State Revenue Sharing - Telecommunications	0	0	0	0	0	63,398

(Continued)

Exhibit K-5

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

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds		Total
	Constitutional - Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects	
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
State Shared Sports Gaming Privilege Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,337
Prisoner Transportation	0	0	0	0	0	20
Contracted Prisoner Boarding	0	0	0	0	0	810,030
Gasoline and Motor Fuel Tax	0	2,370,847	0	0	0	2,370,847
Petroleum Special Tax	0	37,093	0	0	0	37,093
Registrar's Salary Supplement	0	0	0	0	0	15,164
Other State Grants	0	0	0	0	0	1,434,514
Other State Revenues	0	0	0	0	0	44,712
Total State of Tennessee	\$ 0	\$ 3,599,593	\$ 0	\$ 0	\$ 0	\$ 6,254,998
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 433,766	\$ 433,766
Civil Defense Reimbursement	0	0	0	0	0	39,150
Homeland Security Grants	0	0	0	0	0	9,333
Medicaid	0	0	0	0	0	158,689
COVID-19 Grant #4	0	0	0	0	0	528,401
COVID-19 Grant A	0	0	0	0	0	43,906
COVID-19 Grant B	0	0	0	0	0	7,230
COVID-19 Grant C	0	0	0	0	0	11,819
COVID-19 Grant E	0	0	0	0	0	32,398
Other Federal through State	0	0	0	0	0	151,220
<u>Direct Federal Revenue</u>						
Tax Credit Bond Rebate	0	0	674,417	0	0	1,158,271
Other Direct Federal Revenue	0	0	0	0	0	97,443
Total Federal Government	\$ 0	\$ 0	\$ 674,417	\$ 0	\$ 433,766	\$ 2,671,626

(Continued)

Exhibit K-5

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

	<u>Special Revenue Funds</u>		<u>Debt Service</u>	<u>Capital Projects Funds</u>		
	<u>Constitu -</u>	<u>Highway /</u>	<u>General</u>	<u>General</u>	<u>Other</u>	
	<u>Officers -</u>	<u>Public</u>	<u>Debt</u>	<u>Capital</u>	<u>Capital</u>	
	<u>Fees</u>	<u>Works</u>	<u>Service</u>	<u>Projects</u>	<u>Projects</u>	<u>Total</u>
<hr/>						
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	150,837
<u>Citizens Groups</u>						
Donations	0	0	0	0	0	3,653
<u>Other</u>						
Other	0	0	0	0	0	1,376
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>155,866</u>
Total	<u>\$ 620,381</u>	<u>\$ 6,239,674</u>	<u>\$ 10,143,286</u>	<u>\$ 271,537</u>	<u>\$ 433,766</u>	<u>\$ 48,651,989</u>

Exhibit K-6

Jefferson County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Jefferson County School Department
For the Year Ended June 30, 2021

	Special Revenue Funds					
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 10,565,669	\$ 0	\$ 0	\$ 0	\$ 10,565,669	
Trustee's Collections - Prior Year	197,709	0	0	0	197,709	
Trustee's Collections - Bankruptcy	5,495	0	0	0	5,495	
Circuit Clerk/Clerk and Master Collections - Prior Years	277,503	0	0	0	277,503	
Interest and Penalty	51,921	0	0	0	51,921	
Pickup Taxes	34,808	0	0	0	34,808	
Payments in-Lieu-of Taxes - T.V.A.	14,405	0	0	0	14,405	
Payments in-Lieu-of Taxes - Local Utilities	43,221	0	0	0	43,221	
<u>County Local Option Taxes</u>						
Local Option Sales Tax	7,419,121	0	0	0	7,419,121	
Mixed Drink Tax	41,852	0	0	0	41,852	
<u>Statutory Local Taxes</u>						
Bank Excise Tax	64,231	0	0	0	64,231	
Total Local Taxes	<u>\$ 18,715,935</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 18,715,935</u>	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 1,738	\$ 0	\$ 0	\$ 0	\$ 1,738	
Total Licenses and Permits	<u>\$ 1,738</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,738</u>	
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Lunch Payments - Children	\$ 0	\$ 0	\$ 27,276	\$ 0	\$ 27,276	
Lunch Payments - Adults	0	0	25,878	0	25,878	

(Continued)

Exhibit K-6

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

	Special Revenue Funds					
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total	
<u>Charges for Current Services (Cont.)</u>						
<u>Education Charges (Cont.)</u>						
Income from Breakfast	\$ 0	\$ 0	\$ 4,865	\$ 0	\$ 4,865	
A la Carte Sales	0	0	216,731	0	216,731	
Receipts from Individual Schools	134,139	0	0	0	134,139	
Community Service Fees - Children	233,099	0	0	0	233,099	
Other Charges for Services	0	0	2,907	0	2,907	
Total Charges for Current Services	<u>\$ 367,238</u>	<u>\$ 0</u>	<u>\$ 277,657</u>	<u>\$ 0</u>	<u>\$ 644,895</u>	
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 6,700	\$ 0	\$ 6,700	
Sale of Recycled Materials	2,470	0	0	0	2,470	
Miscellaneous Refunds	155,704	0	0	0	155,704	
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	103	0	103	
Damages Recovered from Individuals	181	0	0	0	181	
Contributions and Gifts	950	0	0	0	950	
<u>Other Local Revenues</u>						
Other Local Revenues	900	0	0	2,701,349	2,702,249	
Total Other Local Revenues	<u>\$ 160,205</u>	<u>\$ 0</u>	<u>\$ 6,803</u>	<u>\$ 2,701,349</u>	<u>\$ 2,868,357</u>	
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 239,153	\$ 0	\$ 0	\$ 0	\$ 239,153	

(Continued)

Exhibit K-6

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

	Special Revenue Funds					
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total	
<u>State of Tennessee (Cont.)</u>						
<u>State Education Funds</u>						
Basic Education Program	\$ 38,365,444	\$ 0	\$ 0	\$ 0	\$ 38,365,444	
Early Childhood Education	763,444	0	0	0	763,444	
School Food Service	0	0	32,896	0	32,896	
Other State Education Funds	1,198,724	0	0	0	1,198,724	
Coordinated School Health	95,172	0	0	0	95,172	
Family Resource Centers	89,725	0	0	0	89,725	
Career Ladder Program	97,177	0	0	0	97,177	
<u>Other State Revenues</u>						
Income Tax	217,408	0	0	0	217,408	
Beer Tax	18,369	0	0	0	18,369	
Alcoholic Beverage Tax	108,718	0	0	0	108,718	
State Revenue Sharing - T.V.A.	1,035,256	0	0	0	1,035,256	
Other State Grants	93,071	0	0	0	93,071	
Safe Schools	110,429	0	0	0	110,429	
Other State Revenues	123	0	0	0	123	
Total State of Tennessee	\$ 42,432,213	\$ 0	\$ 32,896	\$ 0	\$ 42,465,109	
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,558,103	\$ 0	\$ 2,558,103	
USDA - Commodities	0	0	254,138	0	254,138	
Breakfast	0	0	865,313	0	865,313	
USDA - Other	0	0	3,373	0	3,373	
USDA Food Service Equipment Grant	0	0	44,000	0	44,000	

(Continued)

Exhibit K-6

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

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
Vocational Education - Basic Grants to States	\$ 0	\$ 178,970	\$ 0	\$ 0	\$ 178,970
Title I Grants to Local Education Agencies	0	1,935,370	0	0	1,935,370
Special Education - Grants to States	21,885	1,770,930	0	0	1,792,815
Special Education Preschool Grants	0	59,795	0	0	59,795
English Language Acquisition Grants	0	36,021	0	0	36,021
Eisenhower Professional Development State Grants	0	227,209	0	0	227,209
COVID-19 Grant #1	0	1,130,354	0	0	1,130,354
COVID-19 Grant #2	0	100,000	0	0	100,000
COVID-19 Grant #4	279,585	0	0	0	279,585
COVID-19 Grant #5	15,593	0	0	0	15,593
Other Federal through State	533,417	149,963	0	0	683,380
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	70,070	0	0	0	70,070
Total Federal Government	\$ 920,550	\$ 5,588,612	\$ 3,724,927	\$ 0	\$ 10,234,089
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 187,500	\$ 0	\$ 0	\$ 0	\$ 187,500
<u>Other</u>					
Other	81,669	0	0	0	81,669
Total Other Governments and Citizens Groups	\$ 269,169	\$ 0	\$ 0	\$ 0	\$ 269,169
Total	\$ 62,867,048	\$ 5,588,612	\$ 4,042,283	\$ 2,701,349	\$ 75,199,292

Exhibit K-7

Jefferson County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2021

General FundGeneral GovernmentCounty Commission

Medical Personnel	\$	25,000	
Board and Committee Members Fees		80,400	
Social Security		4,966	
Unemployment Compensation		1	
Employer Medicare		1,161	
Advertising		11,667	
Audit Services		20,563	
Dues and Memberships		13,223	
Legal Services		40,277	
Other Contracted Services		74,546	
Office Supplies		114	
Other Charges		536	
Total County Commission			\$ 272,454

Board of Equalization

Board and Committee Members Fees	\$	1,000	
Total Board of Equalization			1,000

County Mayor/Executive

County Official/Administrative Officer	\$	106,483	
Part-time Personnel		7,659	
Longevity Pay		1,400	
Other Salaries and Wages		56,202	
Social Security		10,790	
Pensions		16,661	
Life Insurance		140	
Medical Insurance		20,580	
Dental Insurance		570	
Unemployment Compensation		72	
Employer Medicare		2,524	
Architects		8,564	
Communication		1,699	
Pauper Burials		2,400	
Travel		452	
Other Contracted Services		135,709	
Office Supplies		520	
Other Charges		4,723	
Total County Mayor/Executive			377,148

Election Commission

Supervisor/Director	\$	81,666	
Clerical Personnel		67,498	
Part-time Personnel		13,990	
Longevity Pay		2,100	
Election Commission		11,125	
Election Workers		57,715	
Social Security		11,873	

(Continued)

Exhibit K-7

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

General Fund (Cont.)General Government (Cont.)Election Commission (Cont.)

Pensions	\$	15,583	
Life Insurance		220	
Medical Insurance		35,110	
Dental Insurance		684	
Unemployment Compensation		148	
Employer Medicare		2,777	
Advertising		7,886	
Communication		3,779	
Data Processing Services		9,400	
Maintenance Agreements		18,596	
Postal Charges		5,607	
Printing, Stationery, and Forms		2,331	
Travel		1,174	
Other Contracted Services		470	
Data Processing Supplies		180	
Office Supplies		1,718	
Other Charges		393	
Data Processing Equipment		506	
Total Election Commission			\$ 352,529

Register of Deeds

County Official/Administrative Officer	\$	90,740	
Clerical Personnel		123,725	
Part-time Personnel		16,227	
Longevity Pay		2,400	
Social Security		13,589	
Pensions		21,867	
Life Insurance		267	
Medical Insurance		38,673	
Dental Insurance		912	
Unemployment Compensation		112	
Employer Medicare		3,178	
Data Processing Services		22,936	
Dues and Memberships		360	
Maintenance Agreements		1,769	
Data Processing Supplies		2,299	
Office Supplies		2,438	
Other Charges		192	
Office Equipment		16,844	
Total Register of Deeds			358,528

Codes Compliance

Supervisor/Director	\$	52,782	
Clerical Personnel		31,174	
Longevity Pay		2,900	
Social Security		5,332	
Pensions		8,920	

(Continued)

Exhibit K-7

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

General Fund (Cont.)General Government (Cont.)Codes Compliance (Cont.)

Life Insurance	\$	146	
Medical Insurance		16,392	
Dental Insurance		456	
Unemployment Compensation		56	
Employer Medicare		1,247	
Communication		554	
Other Contracted Services		6,738	
Gasoline		818	
Office Supplies		342	
Total Codes Compliance			\$ 127,857

County Buildings

Supervisor/Director	\$	46,497	
Custodial Personnel		73,151	
Maintenance Personnel		99,477	
Longevity Pay		5,800	
Social Security		13,434	
Pensions		22,595	
Life Insurance		430	
Medical Insurance		59,184	
Dental Insurance		1,330	
Unemployment Compensation		196	
Employer Medicare		3,142	
Communication		21,675	
Janitorial Services		8,235	
Maintenance Agreements		95,892	
Maintenance and Repair Services - Buildings		205,134	
Pest Control		6,525	
Postal Charges		47,185	
Other Contracted Services		10,965	
Custodial Supplies		15,603	
Electricity		120,991	
Gasoline		9,467	
Natural Gas		27,592	
Office Supplies		2,698	
Uniforms		3,707	
Water and Sewer		25,270	
Building and Contents Insurance		52,421	
Vehicle and Equipment Insurance		2,257	
Other Charges		6,510	
Total County Buildings			987,363

Other Facilities

Supervisor/Director	\$	47,308	
Mechanic(s)		53,909	
Longevity Pay		1,500	
Overtime Pay		3,975	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Other Facilities (Cont.)

In-service Training	\$	310	
Social Security		6,373	
Pensions		10,470	
Life Insurance		214	
Medical Insurance		28,030	
Dental Insurance		437	
Unemployment Compensation		103	
Employer Medicare		1,490	
Communication		2,481	
Maintenance and Repair Services - Equipment		1,254	
Other Contracted Services		2,819	
Gasoline		4,659	
Office Supplies		1,279	
Tires and Tubes		51,667	
Uniforms		2,320	
Vehicle Parts		150,146	
Other Charges		795	
Other Equipment		3,463	
Total Other Facilities			\$ 375,002

Preservation of Records

Maintenance and Repair Services - Office Equipment	\$	2,259	
Office Supplies		1,889	
Data Processing Equipment		307	
Total Preservation of Records			4,455

Finance

Accounting and Budgeting

Assistant(s)	\$	46,350	
Supervisor/Director		90,884	
Deputy(ies)		59,414	
Part-time Personnel		4,515	
Longevity Pay		7,100	
Overtime Pay		587	
Other Salaries and Wages		297,666	
Social Security		28,487	
Pensions		48,804	
Life Insurance		799	
Medical Insurance		120,690	
Dental Insurance		2,261	
Unemployment Compensation		364	
Employer Medicare		6,662	
Communication		6,486	
Maintenance Agreements		24,821	
Travel		255	
Other Contracted Services		3,951	
Data Processing Supplies		3,497	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Office Supplies	\$	3,563	
Other Charges		912	
Data Processing Equipment		100	
Total Accounting and Budgeting			\$ 758,168

Property Assessor's Office

County Official/Administrative Officer	\$	91,490	
Assessment Personnel		238,221	
Part-time Personnel		4,892	
Longevity Pay		5,200	
Social Security		20,222	
Pensions		33,869	
Life Insurance		493	
Medical Insurance		59,294	
Dental Insurance		1,387	
Unemployment Compensation		189	
Employer Medicare		4,729	
Audit Services		10,976	
Data Processing Services		25,293	
Maintenance Agreements		4,277	
Maintenance and Repair Services - Vehicles		3,081	
Postal Charges		128	
Travel		95	
Other Contracted Services		192	
Gasoline		1,321	
Office Supplies		904	
Other Supplies and Materials		1,366	
Other Charges		45	
Furniture and Fixtures		1,070	
Total Property Assessor's Office			508,734

County Trustee's Office

Life Insurance	\$	273	
Medical Insurance		39,930	
Dental Insurance		627	
Unemployment Compensation		84	
Communication		2,031	
Data Processing Services		10,594	
Legal Notices, Recording, and Court Costs		412	
Maintenance Agreements		18,711	
Travel		567	
Office Supplies		2,475	
Other Charges		64	
Data Processing Equipment		3,082	
Total County Trustee's Office			78,850

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office

County Official/Administrative Officer	\$	22,685	
Assistant(s)		25,083	
Supervisor/Director		29,273	
Deputy(ies)		47,310	
Longevity Pay		5,600	
Social Security		7,614	
Pensions		12,739	
Life Insurance		878	
Medical Insurance		121,808	
Dental Insurance		2,489	
Unemployment Compensation		775	
Employer Medicare		1,781	
Communication		4,128	
Dues and Memberships		630	
Maintenance Agreements		20,869	
Rentals		15,538	
Travel		802	
Office Supplies		10,477	
Other Charges		75	
Data Processing Equipment		17,976	
Total County Clerk's Office			\$ 348,530

Data Processing

Contributions	\$	35,000	
Other Contracted Services		23,600	
Gasoline		49	
Software		4,704	
Other Equipment		2,426	
Total Data Processing			65,779

Other Finance

Legal Notices, Recording, and Court Costs	\$	17	
Other Contracted Services		4,146	
Liability Insurance		53,256	
Premiums on Corporate Surety Bonds		1,760	
Trustee's Commission		339,709	
Workers' Compensation Insurance		24,217	
Tax Relief Program		165,710	
Total Other Finance			588,815

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	90,740	
Clerical Personnel		417,778	
Part-time Personnel		12,290	
Longevity Pay		9,300	
Jury and Witness Expense		7,138	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Social Security	\$	31,896	
Pensions		51,562	
Life Insurance		952	
Medical Insurance		111,095	
Dental Insurance		2,736	
Unemployment Compensation		426	
Employer Medicare		7,460	
Communication		8,949	
Legal Notices, Recording, and Court Costs		60	
Maintenance Agreements		36,391	
Postal Charges		5,262	
Internet Connectivity		10,212	
Travel		393	
Other Contracted Services		57,343	
Data Processing Supplies		3,570	
Office Supplies		6,015	
Other Charges		571	
Data Processing Equipment		17,973	
Office Equipment		654	
Total Circuit Court			\$ 890,766

General Sessions Court

County Official/Administrative Officer	\$	174,116	
Secretary(ies)		44,125	
Longevity Pay		1,500	
Other Salaries and Wages		45,000	
Other Per Diem and Fees		21,286	
Social Security		13,997	
Pensions		26,681	
Life Insurance		227	
Medical Insurance		26,859	
Dental Insurance		478	
Unemployment Compensation		59	
Employer Medicare		3,742	
Communication		735	
Dues and Memberships		770	
Maintenance Agreements		858	
Postal Charges		94	
Rentals		17,400	
Travel		375	
Library Books/Media		511	
Office Supplies		1,370	
Other Charges		1,173	
Total General Sessions Court			381,356

Drug Court

Contracts with Government Agencies	\$	27,283	
Total Drug Court			27,283

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court

County Official/Administrative Officer	\$	90,740	
Deputy(ies)		78,336	
Longevity Pay		1,800	
Social Security		10,122	
Pensions		17,032	
Life Insurance		157	
Medical Insurance		24,070	
Dental Insurance		684	
Unemployment Compensation		56	
Employer Medicare		2,367	
Advertising		1,740	
Communication		283	
Dues and Memberships		345	
Maintenance Agreements		10,727	
Travel		124	
Office Supplies		462	
Total Chancery Court			\$ 239,045

Juvenile Court

Youth Service Officer(s)	\$	161,412	
Longevity Pay		4,400	
Social Security		9,651	
Pensions		16,559	
Life Insurance		286	
Medical Insurance		33,304	
Dental Insurance		434	
Unemployment Compensation		109	
Employer Medicare		2,257	
Communication		6,523	
Contracts with Government Agencies		49,225	
Data Processing Services		2,752	
Dues and Memberships		160	
Maintenance Agreements		4,928	
Postal Charges		94	
Travel		600	
Gasoline		1,846	
Law Enforcement Supplies		134	
Office Supplies		3,919	
Uniforms		263	
Other Supplies and Materials		6,380	
Other Charges		282	
Total Juvenile Court			305,518

Other Administration of Justice

Evaluation and Testing	\$	13,300	
Total Other Administration of Justice			13,300

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Victim Assistance Programs

Longevity Pay	\$	300	
Other Salaries and Wages		38,724	
Social Security		2,386	
Pensions		3,497	
Life Insurance		73	
Medical Insurance		8,196	
Dental Insurance		456	
Unemployment Compensation		27	
Employer Medicare		558	
Communication		1,250	
Postal Charges		297	
Remittance of Revenue Collected		18,333	
Office Supplies		749	
Other Charges		1,464	
Total Victim Assistance Programs			\$ 76,310

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	99,813
Assistant(s)		201,260
Supervisor/Director		60,359
Deputy(ies)		1,437,831
Detective(s)		370,995
Secretary(ies)		30,674
Part-time Personnel		237,440
Longevity Pay		21,900
Overtime Pay		38,103
In-service Training		45,850
Social Security		159,521
Pensions		165,058
Life Insurance		3,924
Medical Insurance		467,400
Dental Insurance		9,810
Unemployment Compensation		2,417
Employer Medicare		37,307
Other Fringe Benefits		78,071
Communication		71,595
Data Processing Services		520
Dues and Memberships		3,625
Maintenance Agreements		30,136
Maintenance and Repair Services - Equipment		4,198
Maintenance and Repair Services - Vehicles		42,356
Postal Charges		2,618
Travel		10,608
Other Contracted Services		8,068
Gasoline		150,169
Instructional Supplies and Materials		1,408

(Continued)

Exhibit K-7

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

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

Office Supplies	\$	12,623	
Uniforms		32,668	
Liability Insurance		59,549	
Vehicle and Equipment Insurance		26,820	
Workers' Compensation Insurance		126,714	
Other Charges		5,182	
Data Processing Equipment		62,535	
Motor Vehicles		67,062	
Other Equipment		106,804	
Total Sheriff's Department			\$ 4,292,991

Wheel Tax Officer

Part-time Personnel	\$	14,651	
Social Security		908	
Unemployment Compensation		28	
Employer Medicare		212	
Office Supplies		182	
Total Wheel Tax Officer			15,981

Administration of the Sexual Offender Registry

Contracts with Government Agencies	\$	4,650	
Other Charges		2,222	
Other Equipment		5,626	
Total Administration of the Sexual Offender Registry			12,498

Jail

Guards	\$	1,120,275	
Cafeteria Personnel		61,508	
Part-time Personnel		56,369	
Longevity Pay		15,100	
Overtime Pay		11,772	
In-service Training		6,776	
Social Security		80,613	
Pensions		120,368	
Life Insurance		2,735	
Medical Insurance		305,501	
Dental Insurance		5,804	
Unemployment Compensation		1,648	
Employer Medicare		18,853	
Other Fringe Benefits		54,926	
Medical and Dental Services		254,475	
Other Contracted Services		321,521	
Custodial Supplies		37,516	
Electricity		137,956	
Food Supplies		240,489	
Natural Gas		36,153	
Uniforms		2,827	

(Continued)

Exhibit K-7

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

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

Water and Sewer	\$	49,813	
Building and Contents Insurance		45,491	
Other Charges		6,033	
Other Equipment		58,456	
Total Jail			\$ 3,052,978

Workhouse

Guards	\$	115,628	
Longevity Pay		400	
Social Security		7,341	
Pensions		10,670	
Life Insurance		303	
Medical Insurance		32,699	
Dental Insurance		345	
Unemployment Compensation		114	
Employer Medicare		1,717	
Other Fringe Benefits		5,806	
Communication		1,020	
Electricity		21,328	
Natural Gas		6,549	
Water and Sewer		12,164	
Total Workhouse			216,084

Inspection and Regulation

Supervisor/Director	\$	48,191	
Longevity Pay		900	
Social Security		3,075	
Pensions		5,042	
Life Insurance		48	
Medical Insurance		8,196	
Dental Insurance		228	
Unemployment Compensation		28	
Employer Medicare		719	
Communication		568	
Dues and Memberships		415	
Printing, Stationery, and Forms		545	
Travel		150	
Gasoline		3,263	
Instructional Supplies and Materials		109	
Office Supplies		1,108	
Refunds		7,251	
Total Inspection and Regulation			79,836

Public Safety Grants Program

Other Equipment	\$	9,333	
Total Public Safety Grants Program			9,333

(Continued)

Exhibit K-7

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

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

Contributions	\$ 670,752	
Total Other Public Safety		\$ 670,752

Public Health and WelfareLocal Health Center

Clerical Personnel	\$ 131,955	
Part-time Personnel	25,541	
Longevity Pay	1,100	
Bonus Payments	1,000	
Social Security	9,672	
Pensions	13,711	
Life Insurance	299	
Medical Insurance	26,802	
Dental Insurance	703	
Unemployment Compensation	181	
Employer Medicare	2,262	
Communication	7,593	
Contracts with Government Agencies	34,742	
Travel	717	
Utilities	20,978	
Workers' Compensation Insurance	816	
Other Charges	2,083	
Total Local Health Center		280,155

Rabies and Animal Control

Longevity Pay	\$ 1,400	
Other Salaries and Wages	56,540	
Social Security	3,272	
Pensions	5,946	
Life Insurance	134	
Medical Insurance	20,432	
Dental Insurance	228	
Unemployment Compensation	56	
Employer Medicare	765	
Other Fringe Benefits	3,266	
Communication	2,042	
Travel	38	
Gasoline	8,605	
Uniforms	999	
Vehicle and Equipment Insurance	178	
Workers' Compensation Insurance	1,899	
Other Equipment	3,271	
Total Rabies and Animal Control		109,071

Ambulance/Emergency Medical Services

Assistant(s)	\$ 231,082	
Supervisor/Director	71,512	

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Clerical Personnel	\$	93,403	
Attendants		1,660,922	
Part-time Personnel		192,622	
Longevity Pay		42,800	
Overtime Pay		452,125	
Other Salaries and Wages		11,218	
Social Security		173,163	
Pensions		267,825	
Life Insurance		3,554	
Medical Insurance		443,627	
Dental Insurance		8,702	
Unemployment Compensation		1,903	
Employer Medicare		40,498	
Other Fringe Benefits		127,499	
Communication		42,296	
Data Processing Services		13,320	
Maintenance Agreements		25,447	
Maintenance and Repair Services - Equipment		12,410	
Postal Charges		6,802	
Travel		114	
Other Contracted Services		101,154	
Diesel Fuel		129,873	
Drugs and Medical Supplies		220,563	
Office Supplies		7,417	
Uniforms		21,047	
Other Supplies and Materials		7,453	
Building and Contents Insurance		6,530	
Liability Insurance		7,572	
Refunds		5,229	
Vehicle and Equipment Insurance		24,711	
Workers' Compensation Insurance		216,647	
Other Charges		8,234	
Data Processing Equipment		10,548	
Motor Vehicles		138,370	
Other Equipment		143,393	
Total Ambulance/Emergency Medical Services			\$ 4,971,585

Sanitation Education/Information

Guards	\$	38,040
Longevity Pay		1,300
Social Security		2,430
Pensions		4,040
Life Insurance		73
Medical Insurance		8,196
Dental Insurance		228
Unemployment Compensation		28
Employer Medicare		568

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Education/Information (Cont.)

Communication	\$	286	
Gasoline		4,177	
Instructional Supplies and Materials		8,882	
Vehicle and Equipment Insurance		115	
Total Sanitation Education/Information			\$ 68,363

Other Public Health and Welfare

Supervisor/Director	\$	57,028	
Longevity Pay		3,000	
Other Salaries and Wages		31,634	
Social Security		5,685	
Pensions		9,414	
Life Insurance		121	
Medical Insurance		16,392	
Dental Insurance		456	
Unemployment Compensation		56	
Employer Medicare		1,330	
Communication		555	
Postal Charges		165	
Gasoline		2,373	
Office Supplies		1,086	
Chemicals		425	
Refunds		1,000	
Motor Vehicles		12,125	
Other Equipment		101	
Total Other Public Health and Welfare			142,946

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Assistant(s)	\$	85,962	
Supervisor/Director		37,148	
Salary Supplements		4,700	
Longevity Pay		1,300	
Social Security		7,763	
Pensions		11,761	
Life Insurance		360	
Medical Insurance		43,478	
Dental Insurance		1,083	
Unemployment Compensation		188	
Employer Medicare		1,816	
Communication		660	
Maintenance Agreements		656	
Travel		433	
Office Supplies		599	
Vehicle and Equipment Insurance		921	
Other Charges		280	
Office Equipment		1,172	
Total Senior Citizens Assistance			200,280

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries

Librarians	\$	223,732	
Part-time Personnel		59,164	
Longevity Pay		3,900	
Social Security		16,820	
Pensions		21,547	
Life Insurance		586	
Medical Insurance		70,876	
Dental Insurance		1,596	
Unemployment Compensation		412	
Employer Medicare		3,934	
Communication		4,400	
Contracts with Private Agencies		454	
Maintenance and Repair Services - Equipment		3,655	
Travel		46	
Instructional Supplies and Materials		3,260	
Library Books/Media		28,022	
Office Supplies		2,688	
Periodicals		2,465	
Utilities		3,842	
Software		566	
Other Supplies and Materials		2,296	
Other Charges		18,877	
Other Equipment		22,026	
Total Libraries			\$ 495,164

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	72,726	
Social Security		4,301	
Pensions		9,343	
Medical Insurance		7,307	
Unemployment Compensation		48	
Employer Medicare		1,082	
Other Fringe Benefits		2,663	
Communication		4,605	
Dues and Memberships		100	
Maintenance Agreements		898	
Printing, Stationery, and Forms		763	
Travel		6,389	
Electricity		2,254	
Instructional Supplies and Materials		500	
Natural Gas		1,393	
Water and Sewer		307	
Workers' Compensation Insurance		244	
Other Charges		537	
Total Agricultural Extension Service			115,460

(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation

Secretary(ies)	\$	26,602	
Longevity Pay		500	
Social Security		1,671	
Pensions		2,783	
Life Insurance		73	
Medical Insurance		8,196	
Dental Insurance		228	
Unemployment Compensation		28	
Employer Medicare		391	
Dues and Memberships		360	
Total Soil Conservation			\$ 40,832

Other Operations

Tourism

Supervisor/Director	\$	70,000	
Social Security		4,139	
Pensions		6,300	
Life Insurance		73	
Medical Insurance		11,582	
Dental Insurance		321	
Unemployment Compensation		56	
Employer Medicare		968	
Advertising		44,191	
Communication		26,860	
Contracts with Private Agencies		157,527	
Dues and Memberships		5,000	
Travel		622	
Office Supplies		204	
Other Charges		592	
Total Tourism			328,435

Veterans' Services

Supervisor/Director	\$	33,546	
Longevity Pay		400	
Social Security		2,105	
Pensions		3,035	
Life Insurance		37	
Unemployment Compensation		28	
Employer Medicare		492	
Communication		1,119	
Office Supplies		473	
Data Processing Equipment		1,291	
Total Veterans' Services			42,526

Contributions to Other Agencies

Contributions	\$	1,050,313	
Total Contributions to Other Agencies			1,050,313

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

COVID-19 Grant #3

Janitorial Services	\$	315	
Maintenance and Repair Services - Buildings		12,369	
Other Contracted Services		10,413	
Custodial Supplies		2,807	
Other Charges		20,871	
Data Processing Equipment		156,574	
Motor Vehicles		284,255	
Total COVID-19 Grant #3			\$ 487,604

COVID-19 Grant #4

Other Charges	\$	1,526	
Data Processing Equipment		18,606	
Other Equipment		41,286	
Total COVID-19 Grant #4			61,418

COVID-19 Grant #6

Communication	\$	43,902	
Total COVID-19 Grant #6			43,902

COVID-19 Grant #7

Other Supplies and Materials	\$	5,730	
Other Charges		1,500	
Total COVID-19 Grant #7			7,230

COVID-19 Grant #8

Other Equipment	\$	4,490	
Total COVID-19 Grant #8			4,490

COVID-19 Grant #9

Other Equipment	\$	2,236	
Total COVID-19 Grant #9			2,236

COVID-19 Grant #10

Part-time Personnel	\$	10,899	
Election Workers		8,145	
Postal Charges		1,485	
Printing, Stationery, and Forms		50	
Other Contracted Services		500	
Office Supplies		1,402	
Data Processing Equipment		4,145	
Total COVID-19 Grant #10			26,626

COVID-19 Grant A

Other Supplies and Materials	\$	741	
Other Charges		708	
Other Equipment		611	
Total COVID-19 Grant A			2,060

(Continued)

Exhibit K-7

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

General Fund (Cont.)Other Operations (Cont.)COVID-19 Grant B

Other Charges	\$ 3,033	
Total COVID-19 Grant B		\$ 3,033

Capital ProjectsEducation Capital Projects

Contributions	\$ 187,500	
Total Education Capital Projects		187,500

Total General Fund			\$ 24,160,472
--------------------	--	--	---------------

Courthouse and Jail Maintenance FundFinanceOther Finance

Trustee's Commission	\$ 419	
Total Other Finance		\$ 419

Total Courthouse and Jail Maintenance Fund			419
--	--	--	-----

Law Library FundFinanceOther Finance

Trustee's Commission	\$ 98	
Total Other Finance		\$ 98

Public SafetyJail

Library Books/Media	\$ 11,616	
Total Jail		11,616

Total Law Library Fund			11,714
------------------------	--	--	--------

Solid Waste/Sanitation FundPublic Health and WelfareWaste Pickup

Supervisor/Director	\$ 34,846
Part-time Personnel	36,489
Longevity Pay	10,150
Overtime Pay	37,124
Other Salaries and Wages	353,457
Social Security	28,575
Pensions	41,672
Life Insurance	903
Medical Insurance	113,185
Dental Insurance	1,786
Unemployment Compensation	1,550
Employer Medicare	6,683
Contracts with Private Agencies	9,600

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Waste Pickup (Cont.)

Maintenance and Repair Services - Vehicles	\$	56,073	
Rentals		8,463	
Travel		500	
Disposal Fees		880,563	
Diesel Fuel		46,577	
Gasoline		4,218	
Lubricants		7,498	
Tires and Tubes		28,269	
Uniforms		4,354	
Utilities		17,709	
Other Supplies and Materials		6,332	
Building and Contents Insurance		229	
Liability Insurance		318	
Trustee's Commission		36,187	
Vehicle and Equipment Insurance		19,902	
Workers' Compensation Insurance		43,844	
Other Charges		6,138	
Solid Waste Equipment		92,846	
Total Waste Pickup			\$ 1,936,040

Total Solid Waste/Sanitation Fund \$ 1,936,040

Drug Control Fund

Public Safety

Drug Enforcement

Veterinary Services	\$	742	
Other Contracted Services		11,466	
Animal Food and Supplies		2,394	
Trustee's Commission		234	
Other Charges		2,667	
Other Equipment		8,499	
Total Drug Enforcement			\$ 26,002

Total Drug Control Fund 26,002

Other Special Revenue Fund

Finance

Other Finance

Trustee's Commission	\$	8,172	
Total Other Finance			\$ 8,172

Total Other Special Revenue Fund 8,172

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$	559	
Total Register of Deeds			\$ 559

(Continued)

Exhibit K-7

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

Constitutional Officers - Fees Fund (Cont.)FinanceCounty Trustee's Office

Constitutional Officers' Operating Expenses	\$ 265,360	
Total County Trustee's Office		\$ 265,360

County Clerk's Office

Special Commissioner Fees/Special Master Fees	\$ 5,610	
Constitutional Officers' Operating Expenses	444,343	
Total County Clerk's Office		449,953

Administration of JusticeChancery Court

Special Commissioner Fees/Special Master Fees	\$ 1,950	
Total Chancery Court		1,950

Total Constitutional Officers - Fees Fund		\$ 717,822
---	--	------------

Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$ 99,813	
Accountants/Bookkeepers	51,444	
Clerical Personnel	27,376	
Longevity Pay	1,500	
Board and Committee Members Fees	17,311	
Social Security	12,246	
Pensions	18,177	
Life Insurance	220	
Medical Insurance	23,964	
Dental Insurance	418	
Unemployment Compensation	57	
Employer Medicare	2,864	
Communication	13,949	
Data Processing Services	176	
Dues and Memberships	3,504	
Legal Notices, Recording, and Court Costs	507	
Postal Charges	220	
Other Contracted Services	5,325	
Office Supplies	2,477	
Other Charges	7,465	
Total Administration		\$ 289,013

Highway and Bridge Maintenance

Laborers	\$ 1,042,011
Longevity Pay	27,600
Overtime Pay	82,775
Social Security	70,291
Pensions	117,551
Life Insurance	2,131

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Medical Insurance	\$	280,550	
Dental Insurance		5,358	
Unemployment Compensation		756	
Employer Medicare		16,439	
Rentals		1,566	
Asphalt - Liquid		547,489	
Other Road Materials		20,960	
Pipe - Metal		28,061	
Road Signs		6,363	
Uniforms		11,734	
Other Supplies and Materials		16,606	
Total Highway and Bridge Maintenance			\$ 2,278,241

Operation and Maintenance of Equipment

Mechanic(s)	\$	215,903	
Longevity Pay		3,800	
Overtime Pay		42,917	
Social Security		16,111	
Pensions		25,460	
Life Insurance		433	
Medical Insurance		52,932	
Dental Insurance		228	
Unemployment Compensation		149	
Employer Medicare		3,768	
Maintenance and Repair Services - Equipment		218,672	
Diesel Fuel		52,425	
Gasoline		81,450	
Lubricants		29,739	
Natural Gas		50,402	
Tires and Tubes		24,292	
Water and Sewer		404	
Other Supplies and Materials		8,774	
Other Equipment		135,590	
Total Operation and Maintenance of Equipment			963,449

Quarry Operations

Laborers	\$	268,570	
Longevity Pay		7,200	
Overtime Pay		52,295	
Social Security		18,919	
Pensions		31,042	
Life Insurance		615	
Medical Insurance		86,553	
Dental Insurance		1,235	
Unemployment Compensation		212	
Employer Medicare		4,425	
Explosive and Drilling Services		55,940	

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Quarry Operations (Cont.)

Maintenance and Repair Services - Equipment	\$	38,559	
Electricity		143,144	
Other Charges		15,726	
Total Quarry Operations			\$ 724,435

Asphalt Plant Operations

Maintenance and Repair Services - Equipment	\$	30,810	
Total Asphalt Plant Operations			30,810

Other Charges

Building and Contents Insurance	\$	8,421	
Liability Insurance		8,707	
Trustee's Commission		73,724	
Vehicle and Equipment Insurance		19,482	
Total Other Charges			110,334

Employee Benefits

Workers' Compensation Insurance	\$	131,294	
Total Employee Benefits			131,294

Capital Outlay

Bridge Construction	\$	587,861	
Total Capital Outlay			587,861

Total Highway/Public Works Fund \$ 5,115,437

General Debt Service FundPrincipal on DebtGeneral Government

Principal on Bonds	\$	405,000	
Principal on Other Loans		905,000	
Total General Government			\$ 1,310,000

Education

Principal on Bonds	\$	2,435,000	
Principal on Other Loans		883,988	
Total Education			3,318,988

Interest on DebtGeneral Government

Interest on Bonds	\$	254,196	
Interest on Other Loans		35,629	
Total General Government			289,825

Education

Interest on Bonds	\$	2,063,757	
Interest on Other Loans		532,317	
Total Education			2,596,074

(Continued)

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

General Debt Service Fund (Cont.)

Other Debt Service

General Government

Trustee's Commission	\$	117,030	
Underwriter's Discount		111,637	
Other Debt Issuance Charges		150,535	
Other Debt Service		25,291	
Total General Government			\$ 404,493

Total General Debt Service Fund \$ 7,919,380

General Capital Projects Fund

Other Operations

COVID-19 Grant #3

Other Charges	\$	83,687	
Data Processing Equipment		75,873	
Highway Construction		200,000	
Motor Vehicles		67,125	
Total COVID-19 Grant #3			\$ 426,685

Capital Projects

Administration of Justice Projects

Interest on Notes	\$	3,000	
Total Administration of Justice Projects			3,000

Public Safety Projects

Building Improvements	\$	142,781	
Total Public Safety Projects			142,781

Public Health and Welfare Projects

Building Improvements	\$	7,308	
Total Public Health and Welfare Projects			7,308

Other General Government Projects

Trustee's Commission	\$	5,359	
Building Improvements		216,444	
Total Other General Government Projects			221,803

Total General Capital Projects Fund 801,577

Nursing Home Projects Fund

Public Health and Welfare

Nursing Home

Contributions	\$	8,505,162	
Total Nursing Home			\$ 8,505,162

Other Debt Service

General Government

Underwriter's Discount	\$	57,726	
Other Debt Issuance Charges		89,500	
Total General Government			147,226

Total Nursing Home Projects Fund 8,652,388

(Continued)

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

<u>Other Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Public Health and Welfare Projects</u>			
Other Contracted Services	\$	433,766	
Total Public Health and Welfare Projects			\$ 433,766
Total Other Capital Projects Fund			\$ 433,766
Total Governmental Funds - Primary Government			\$ 49,783,189

Exhibit K-8

Jefferson County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Jefferson County School Department
For the Year Ended June 30, 2021

General Purpose School FundInstructionRegular Instruction Program

Teachers	\$ 19,163,226	
Career Ladder Program	52,415	
Educational Assistants	196,220	
Longevity Pay	2,775	
Other Salaries and Wages	205,102	
Certified Substitute Teachers	65,104	
Non-certified Substitute Teachers	380,243	
Social Security	1,160,608	
Pensions	1,709,401	
Life Insurance	28,661	
Medical Insurance	3,710,308	
Dental Insurance	80,935	
Employer Medicare	275,600	
Other Contracted Services	168,776	
Instructional Supplies and Materials	380,429	
Textbooks - Electronic	690,787	
Textbooks - Bound	424,144	
Other Supplies and Materials	30	
Fee Waivers	149,996	
Regular Instruction Equipment	253,043	
Total Regular Instruction Program		\$ 29,097,803

Alternative Instruction Program

Teachers	\$ 126,585	
Educational Assistants	8,201	
Longevity Pay	712	
Social Security	8,129	
Pensions	13,916	
Life Insurance	268	
Medical Insurance	28,262	
Dental Insurance	727	
Employer Medicare	1,901	
Instructional Supplies and Materials	5,078	
Other Supplies and Materials	1,234	
Other Equipment	500	
Total Alternative Instruction Program		195,513

Special Education Program

Teachers	\$ 1,917,778	
Career Ladder Program	3,917	
Homebound Teachers	6,366	
Educational Assistants	131,014	
Speech Pathologist	412,125	
Longevity Pay	2,206	
Social Security	144,872	
Pensions	236,011	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)Instruction (Cont.)Special Education Program (Cont.)

Life Insurance	\$	4,326	
Medical Insurance		522,756	
Dental Insurance		12,901	
Employer Medicare		33,939	
Instructional Supplies and Materials		17,885	
Other Charges		1,132	
Special Education Equipment		16,932	
Total Special Education Program			\$ 3,464,160

Career and Technical Education Program

Teachers	\$	1,528,730	
Career Ladder Program		1,000	
Certified Substitute Teachers		180	
Non-certified Substitute Teachers		2,632	
Social Security		90,703	
Pensions		150,949	
Life Insurance		2,139	
Medical Insurance		262,129	
Dental Insurance		6,457	
Employer Medicare		21,214	
Instructional Supplies and Materials		88,009	
Vocational Instruction Equipment		6,640	
Total Career and Technical Education Program			2,160,782

COVID-19 Expenditures

Regular Instruction Equipment	\$	279,585	
Total COVID-19 Expenditures			279,585

Support ServicesAttendance

Supervisor/Director	\$	85,382	
Career Ladder Program		1,775	
Other Salaries and Wages		102,671	
Social Security		9,583	
Pensions		16,347	
Life Insurance		214	
Medical Insurance		30,021	
Dental Insurance		483	
Employer Medicare		2,586	
In Service/Staff Development		1,650	
Total Attendance			250,712

Health Services

Supervisor/Director	\$	100,330	
Medical Personnel		349,094	
Secretary(ies)		34,478	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Longevity Pay	\$	7,179	
Other Salaries and Wages		17,116	
Social Security		30,462	
Pensions		45,455	
Life Insurance		1,035	
Medical Insurance		117,921	
Dental Insurance		2,715	
Employer Medicare		7,124	
Postal Charges		1,150	
Travel		476	
Other Supplies and Materials		20,567	
In Service/Staff Development		1,500	
Health Equipment		1,999	
Other Equipment		2,225	
Total Health Services			\$ 740,826

Other Student Support

Teachers	\$	207	
Career Ladder Program		1,917	
Guidance Personnel		1,038,844	
Other Salaries and Wages		26,192	
Social Security		62,489	
Pensions		101,690	
Life Insurance		1,494	
Medical Insurance		197,292	
Dental Insurance		5,195	
Employer Medicare		14,651	
Communication		1,185	
Evaluation and Testing		13,768	
Travel		2,528	
Other Contracted Services		261,416	
Other Supplies and Materials		13,679	
In Service/Staff Development		5,862	
Other Charges		11,000	
Other Equipment		10,468	
Total Other Student Support			1,769,877

Regular Instruction Program

Supervisor/Director	\$	296,346	
Career Ladder Program		500	
Librarians		537,972	
Instructional Computer Personnel		79,140	
Secretary(ies)		36,721	
Clerical Personnel		46,457	
Longevity Pay		5,300	
Other Salaries and Wages		436,733	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Social Security	\$	83,362	
Pensions		140,475	
Life Insurance		1,784	
Medical Insurance		209,446	
Dental Insurance		4,587	
Employer Medicare		20,000	
Communication		962	
Travel		3,314	
Other Contracted Services		20,428	
Other Supplies and Materials		4,246	
In Service/Staff Development		41,007	
Other Charges		3,070	
Total Regular Instruction Program			\$ 1,971,850

Alternative Instruction Program

Supervisor/Director	\$	74,020	
Secretary(ies)		17,782	
Longevity Pay		485	
Social Security		5,680	
Pensions		9,478	
Life Insurance		140	
Medical Insurance		14,629	
Dental Insurance		231	
Employer Medicare		1,328	
Communication		1,885	
Other Contracted Services		1,225	
Office Supplies		1,976	
Other Equipment		1,135	
Total Alternative Instruction Program			129,994

Special Education Program

Supervisor/Director	\$	98,125	
Career Ladder Program		167	
Psychological Personnel		54,960	
Medical Personnel		105,410	
Assessment Personnel		24,444	
Longevity Pay		1,898	
Other Salaries and Wages		44,253	
Social Security		17,458	
Pensions		29,876	
Life Insurance		366	
Medical Insurance		50,840	
Dental Insurance		1,260	
Employer Medicare		4,438	
Communication		1,181	
Contracts with Private Agencies		13,118	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Travel	\$	3,712	
Other Contracted Services		19,394	
Other Charges		150	
Total Special Education Program			\$ 471,050

Career and Technical Education Program

Supervisor/Director	\$	153,480	
Career Ladder Program		1,000	
Secretary(ies)		29,168	
Longevity Pay		1,240	
Social Security		10,709	
Pensions		18,988	
Life Insurance		219	
Medical Insurance		29,674	
Dental Insurance		754	
Employer Medicare		2,505	
Communication		1,429	
Maintenance and Repair Services - Equipment		315	
Travel		1,762	
Other Contracted Services		4,805	
Other Supplies and Materials		4,754	
In Service/Staff Development		950	
Other Charges		186	
Other Equipment		2,595	
Total Career and Technical Education Program			264,533

Technology

Instructional Computer Personnel	\$	80,000	
Secretary(ies)		13,529	
Longevity Pay		6,100	
Other Salaries and Wages		391,029	
Social Security		29,274	
Pensions		47,496	
Life Insurance		723	
Medical Insurance		78,561	
Dental Insurance		2,576	
Employer Medicare		6,846	
Communication		962	
Internet Connectivity		105,507	
Other Contracted Services		13,267	
Software		263,083	
Other Supplies and Materials		39,578	
In Service/Staff Development		3,328	
Other Equipment		279,509	
Total Technology			1,361,368

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Programs

On-behalf Payments to OPEB	\$	239,153	
Total Other Programs			\$ 239,153

Board of Education

Board and Committee Members Fees	\$	25,200	
Social Security		1,339	
Unemployment Compensation		20,185	
Employer Medicare		365	
Audit Services		20,500	
Dues and Memberships		15,970	
Legal Services		55,272	
Travel		572	
Other Contracted Services		4,250	
Trustee's Commission		372,338	
Workers' Compensation Insurance		242,251	
In Service/Staff Development		787	
Other Charges		675	
Total Board of Education			759,704

Director of Schools

County Official/Administrative Officer	\$	128,775	
Career Ladder Program		1,000	
Secretary(ies)		69,226	
Longevity Pay		2,146	
Overtime Pay		1,350	
Social Security		11,743	
Pensions		20,796	
Life Insurance		220	
Medical Insurance		40,500	
Dental Insurance		756	
Employer Medicare		2,746	
Communication		16,345	
Postal Charges		3,996	
Travel		494	
Other Contracted Services		21,580	
Office Supplies		2,279	
Other Supplies and Materials		1,379	
In Service/Staff Development		3,036	
Total Director of Schools			328,367

Office of the Principal

Principals	\$	799,892	
Career Ladder Program		4,166	
Assistant Principals		811,988	
Secretary(ies)		600,692	
Clerical Personnel		123,381	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Longevity Pay	\$	23,531	
Social Security		136,727	
Pensions		234,668	
Life Insurance		3,827	
Medical Insurance		489,779	
Dental Insurance		12,330	
Employer Medicare		32,695	
Communication		26,106	
Travel		199	
Other Contracted Services		101,000	
Office Supplies		245	
Other Supplies and Materials		12,711	
Total Office of the Principal			\$ 3,413,937

Fiscal Services

Other Charges	\$	410,480	
Total Fiscal Services			410,480

Human Services/Personnel

Supervisor/Director	\$	62,436	
Secretary(ies)		39,179	
Longevity Pay		2,800	
Social Security		5,892	
Pensions		10,723	
Life Insurance		146	
Medical Insurance		18,483	
Dental Insurance		504	
Employer Medicare		1,378	
Dues and Memberships		50	
In Service/Staff Development		75	
Total Human Services/Personnel			141,666

Operation of Plant

Guards	\$	81,117	
Secretary(ies)		13,529	
Custodial Personnel		844,610	
Longevity Pay		28,203	
Overtime Pay		2,162	
Other Salaries and Wages		29,411	
Social Security		57,256	
Pensions		96,644	
Life Insurance		3,106	
Medical Insurance		370,175	
Dental Insurance		9,163	
Employer Medicare		13,390	
Other Contracted Services		515,296	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Custodial Supplies	\$	165,500	
Electricity		1,375,172	
Natural Gas		243,656	
Water and Sewer		123,169	
Building and Contents Insurance		433,958	
In Service/Staff Development		3,249	
Other Charges		4,672	
Plant Operation Equipment		12,945	
Total Operation of Plant			\$ 4,426,383

Maintenance of Plant

Secretary(ies)	\$	17,269	
Maintenance Personnel		379,655	
Longevity Pay		10,400	
Social Security		24,469	
Pensions		39,161	
Life Insurance		881	
Medical Insurance		85,623	
Dental Insurance		2,618	
Employer Medicare		5,723	
Communication		10,021	
Contributions		35,000	
Maintenance and Repair Services - Buildings		86,667	
Maintenance and Repair Services - Equipment		219,329	
Other Contracted Services		91,060	
Other Supplies and Materials		133,417	
In Service/Staff Development		598	
Other Charges		318	
Maintenance Equipment		6,306	
Total Maintenance of Plant			1,148,515

Transportation

Supervisor/Director	\$	73,431	
Mechanic(s)		135,136	
Bus Drivers		1,194,127	
Clerical Personnel		3,643	
Longevity Pay		1,515	
Other Salaries and Wages		52,732	
Social Security		85,535	
Pensions		46,577	
Life Insurance		451	
Medical Insurance		58,686	
Dental Insurance		1,605	
Employer Medicare		7,929	
Communication		15,111	
Contracts with Public Carriers		2,000	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Maintenance and Repair Services - Vehicles	\$	33,802	
Medical and Dental Services		6,051	
Other Contracted Services		25,645	
Diesel Fuel		185,515	
Garage Supplies		30	
Gasoline		44,818	
Lubricants		10,961	
Tires and Tubes		39,837	
Vehicle Parts		127,948	
Other Supplies and Materials		1,029	
In Service/Staff Development		442	
Other Charges		324	
Transportation Equipment		227,500	
Total Transportation			\$ 2,382,380

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	34,398	
Social Security		2,199	
Pensions		510	
Employer Medicare		490	
Total Food Service			37,597

Community Services

Supervisor/Director	\$	73,497	
Other Salaries and Wages		136,326	
Social Security		12,745	
Pensions		11,345	
Life Insurance		131	
Medical Insurance		15,758	
Dental Insurance		451	
Employer Medicare		2,981	
Communication		448	
Travel		78	
Food Supplies		8,136	
Other Supplies and Materials		6,405	
Other Charges		681	
Total Community Services			268,982

Early Childhood Education

Teachers	\$	378,700	
Clerical Personnel		4,616	
Educational Assistants		150,921	
Social Security		31,359	
Pensions		48,368	
Life Insurance		1,168	

(Continued)

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Medical Insurance	\$	125,002	
Dental Insurance		3,516	
Employer Medicare		7,334	
Other Fringe Benefits		3,700	
Other Contracted Services		1,050	
Instructional Supplies and Materials		6,201	
Indirect Cost		464	
In Service/Staff Development		786	
Other Charges		36	
Other Equipment		139	
Total Early Childhood Education			\$ 763,360

COVID-19 Expenditures

Other Supplies and Materials	\$	372,283	
Total COVID-19 Expenditures			372,283

Capital Outlay

Regular Capital Outlay

Architects	\$	127,296	
Building Improvements		749,371	
Other Construction		31,459	
Total Regular Capital Outlay			<u>908,126</u>

Total General Purpose School Fund \$ 57,758,986

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	207,784	
Educational Assistants		645,642	
Other Salaries and Wages		30,098	
Social Security		49,295	
Pensions		69,341	
Life Insurance		3,424	
Medical Insurance		420,028	
Dental Insurance		9,149	
Employer Medicare		11,529	
Instructional Supplies and Materials		77,852	
Software		215,633	
Other Supplies and Materials		23,678	
Regular Instruction Equipment		532,690	
Total Regular Instruction Program			\$ 2,296,143

Special Education Program

Teachers	\$	97,692	
Educational Assistants		586,704	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Speech Pathologist	\$	31,616	
Longevity Pay		16,081	
Non-certified Substitute Teachers		2,072	
Social Security		41,174	
Pensions		55,531	
Life Insurance		2,971	
Medical Insurance		335,045	
Dental Insurance		7,790	
Employer Medicare		9,715	
Instructional Supplies and Materials		54,272	
Other Supplies and Materials		12,211	
Special Education Equipment		17,527	
Total Special Education Program			\$ 1,270,401

Career and Technical Education Program

Teachers	\$	8,500	
Educational Assistants		12,443	
Other Salaries and Wages		4,250	
Social Security		1,446	
Pensions		1,487	
Life Insurance		67	
Medical Insurance		7,614	
Dental Insurance		84	
Employer Medicare		338	
Instructional Supplies and Materials		53,524	
Other Supplies and Materials		31,783	
Vocational Instruction Equipment		61,698	
Total Career and Technical Education Program			183,234

Support Services

Health Services

Other Salaries and Wages	\$	53,058	
Social Security		2,686	
Pensions		3,104	
Life Insurance		61	
Medical Insurance		8,519	
Dental Insurance		210	
Employer Medicare		628	
Other Contracted Services		200,000	
Total Health Services			268,266

Other Student Support

Other Salaries and Wages	\$	337,067	
Social Security		19,474	
Pensions		33,545	
Life Insurance		474	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Medical Insurance	\$	65,358	
Dental Insurance		1,749	
Employer Medicare		4,554	
Travel		2,041	
Other Contracted Services		883	
Other Supplies and Materials		13,730	
In Service/Staff Development		8,994	
Other Charges		10,928	
Other Equipment		9,051	
Total Other Student Support			\$ 507,848

Regular Instruction Program

Supervisor/Director	\$	47,845	
Clerical Personnel		15,388	
Other Salaries and Wages		123,563	
Social Security		9,166	
Pensions		15,692	
Life Insurance		181	
Medical Insurance		28,881	
Dental Insurance		748	
Employer Medicare		2,144	
Other Contracted Services		10,821	
In Service/Staff Development		16,272	
Total Regular Instruction Program			270,701

Special Education Program

Psychological Personnel	\$	178,220	
Medical Personnel		62,432	
Clerical Personnel		18,256	
Longevity Pay		1,438	
Other Salaries and Wages		59,544	
Social Security		17,372	
Pensions		23,907	
Life Insurance		340	
Medical Insurance		38,421	
Dental Insurance		777	
Employer Medicare		4,596	
Contracts with Other Public Agencies		6,775	
Contracts with Private Agencies		31,598	
Travel		101	
Other Supplies and Materials		16,103	
In Service/Staff Development		2,964	
Total Special Education Program			462,844

Career and Technical Education Program

Other Contracted Services	\$	4,800	
In Service/Staff Development		842	
Total Career and Technical Education Program			5,642

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)Support Services (Cont.)Technology

Other Salaries and Wages	\$	13,981	
Social Security		867	
Employer Medicare		203	
Internet Connectivity		49,561	
Total Technology			\$ 64,612

Operation of Plant

Custodial Supplies	\$	63,220	
Total Operation of Plant			63,220

Transportation

Bus Drivers	\$	51,469	
Other Salaries and Wages		7,887	
Social Security		3,643	
Pensions		1,692	
Employer Medicare		861	
Total Transportation			65,552

Operation of Non-Instructional ServicesFood Service

Other Salaries and Wages	\$	16,900	
Social Security		1,030	
Pensions		796	
Employer Medicare		245	
Total Food Service			18,971

Community Services

Teachers	\$	29,180	
Educational Assistants		2,409	
Other Salaries and Wages		2,040	
Social Security		2,073	
Pensions		3,049	
Employer Medicare		485	
Food Supplies		109	
Total Community Services			39,345

Total School Federal Projects Fund \$ 5,516,779

Central Cafeteria FundOperation of Non-Instructional ServicesFood Service

Supervisor/Director	\$	52,058	
Accountants/Bookkeepers		69,553	
Cafeteria Personnel		934,590	
Longevity Pay		17,471	
Other Salaries and Wages		6,752	

(Continued)

Exhibit K-8

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

Central Cafeteria Fund (Cont.)Operation of Non-Instructional Services (Cont.)Food Service (Cont.)

Social Security	\$	63,233	
Pensions		71,973	
Life Insurance		2,383	
Medical Insurance		261,474	
Dental Insurance		6,048	
Employer Medicare		15,072	
Communication		4,287	
Maintenance and Repair Services - Equipment		95,104	
Transportation - Other than Students		9,185	
Travel		3,713	
Other Contracted Services		174,459	
Food Supplies		1,177,666	
Office Supplies		6,781	
USDA - Commodities		254,138	
Other Supplies and Materials		145,139	
Food Service Equipment		56,279	
Total Food Service			\$ 3,427,358
Total Central Cafeteria Fund			\$ 3,427,358

Internal School FundOperation of Non-Instructional ServicesCommunity Services

Other Charges	\$	2,502,320	
Total Community Services			\$ 2,502,320

Total Internal School Fund 2,502,320

Education Capital Projects FundCapital ProjectsEducation Capital Projects

Architects	\$	85,575	
Other Contracted Services		75,000	
Refunds		8,261	
Building Improvements		68,114	
Total Education Capital Projects			\$ 236,950

Total Education Capital Projects Fund 236,950

Total Governmental Funds - Jefferson County School Department \$ 69,442,393

Exhibit K-9

Jefferson County, Tennessee
Schedule of Detailed Additions, Deductions,
and Changes in Net Position - City Custodial Funds
For the Year Ended June 30, 2021

	Cities - Sales Tax	Cities - Property Tax	Total
<u>Additions</u>			
Current Property Taxes	\$ 0	\$ 1,379,466	\$ 1,379,466
Trustee's Collections - Prior Years	0	53,495	53,495
Trustee's Collections - Bankruptcy	0	5,584	5,584
Circuit/Clerk and Master Collections - Prior Years	0	42,177	42,177
Interest and Penalty	0	5,381	5,381
Local Option Sales Tax	6,996,222	0	6,996,222
Total Additions	<u>\$ 6,996,222</u>	<u>\$ 1,486,103</u>	<u>\$ 8,482,325</u>
<u>Deductions</u>			
Remittance of Revenues Collected	\$ 6,926,260	\$ 1,457,563	\$ 8,383,823
Trustee's Commission	69,962	28,540	98,502
Total Deductions	<u>\$ 6,996,222</u>	<u>\$ 1,486,103</u>	<u>\$ 8,482,325</u>
Excess of Additions Over (Under) Deductions	\$ 0	\$ 0	\$ 0
Net Position, July 1, 2020	<u>0</u>	<u>0</u>	<u>0</u>
Net Position, June 30, 2021	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

SINGLE AUDIT SECTION



JASON E. MUMPOWER
Comptroller

**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jefferson County, Tennessee, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Jefferson County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated February 28, 2022. Our report includes a reference to other auditors who audited the financial statements of the discretely presented Jefferson County Nursing Home and the Internal School Fund, a special revenue fund of the discretely presented Jefferson County School Department, as described in our report on Jefferson County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the following deficiencies, described in the accompanying Schedule of Findings and Questioned Costs, to be material weaknesses: 2021-001 and 2021-002.

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. We consider the following deficiencies, described in the accompanying Schedule of Findings and Questioned Costs, to be significant deficiencies: 2021-003 and 2021-004.

Compliance and Other Matters

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

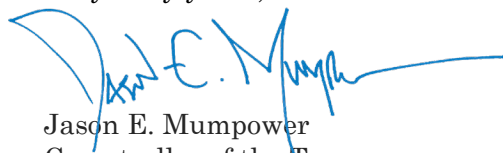
Jefferson County's Responses to the Findings

Jefferson County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Jefferson County'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 the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jefferson County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 28, 2022

JEM/tg



JASON E. MUMPOWER
Comptroller

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Jefferson County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Jefferson County's major federal programs for the year ended June 30, 2021. Jefferson County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Jefferson County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jefferson County, Tennessee, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Jefferson County's basic financial statements. We issued our report thereon dated February 28, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 28, 2022

JEM/tg

Jefferson County, Tennessee, and the Jefferson County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (7) (8) (9)
For the Year-Ended June 30, 2021

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	\$ 790,173
National School Lunch Program	10.555	N/A	2,339,047 (5)
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	44,000
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	254,138 (5)
Passed Through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-21-66728	35,435
Total U.S. Department of Agriculture			<u>\$ 3,462,793</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	(3)	<u>\$ 433,766</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 433,766</u>
U.S. Department of Justice:			
Direct Program:			
Public Safety Partnership and Community Policing Grants	16.710	N/A	\$ 58,318
Passed-through State Department of Finance and Administration:			
Crime Victim Assistance	16.575	(3)	46,917
Total U.S. Department of Justice			<u>\$ 105,235</u>
U.S. Department of Labor:			
Passed-through State Department of Labor and Workforce Development:			
COVID 19 - Unemployment Insurance	17.225	N/A	\$ 15,593
Total U.S. Department of Labor			<u>\$ 15,593</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	(6)	\$ 4,385
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	34101-09619	9,333
Total U.S. Department of Transportation			<u>\$ 13,718</u>
U.S. Department of Treasury:			
Passed-through State Department of Finance and Administration:			
COVID 19 - Coronavirus Relief Fund	21.019	(3)	\$ 807,986 (5)
Passed-through State Department of Education:			
COVID 19 - Coronavirus Relief Fund	21.019	(3)	148,058 (5)
Passed-through State Department of Tourism:			
COVID 19 - Coronavirus Relief Fund	21.019	(3)	43,906 (5)
Total U.S. Department of Treasury			<u>\$ 999,950</u>
U.S. Institute of Museum and Library Services:			
Passed-through State Library and Archives:			
Grants to States	45.310	(3)	\$ 11,819
Total U.S. Institute of Museum and Library Services			<u>\$ 11,819</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 2,020,551
Special Education Cluster: (4)			
Special Education-Grants to States	84.027	N/A	1,793,668
Special Education - Preschool Grants	84.173	N/A	59,200
Career and Technical Education - Basic Grants to States	84.048	N/A	196,943
Twenty-first Century Community Learning Centers	84.287	N/A	42,327
English Language Acquisition State Grants	84.365	N/A	36,521
Improving Teacher Quality State Grants	84.367	N/A	138,854
Student Support and Academic Enrichment Program	84.424	N/A	92,647
COVID 19 - Education Stabilization Fund Program - Elementary and			
Secondary School Emergency Relief Fund (ESSER I)	84.425D	N/A	1,164,354
Total U.S. Department of Education			<u>\$ 5,545,065</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
COVID 19 - 2020 Supplemental Election Security Grants	90.404	N/A	\$ 32,398
Total U.S. Election Assistance Commission			<u>\$ 32,398</u>

(Continued)

Jefferson County, Tennessee, and the Jefferson County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (7) (8) (9) (Cont.)

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Direct Program:			
COVID 19 - Provider Relief Fund	93.498	N/A	\$ 93,841
Passed-through East Tennessee Human Resource Agency:			
Aging Cluster: (4)			
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	(3)	56,120
Passed-through State Department of Health:			
Injury Prevention and Control Research and State and Community Based Programs	93.136	GG-21-66728	501
Family Planning Services	93.217	GG-21-66728	2,795
Mental Health Disaster Assistance and Emergency Mental Health	93.982	68559	32,376
Medicaid Cluster: (4)			
Medical Assistance Program	93.778	GG-21-66728	4,759
Maternal and Child Health Services Block Grant to the States	93.994	GG-21-66728	11,319
Passed-through State Department of Education:			
477 Cluster: (4)			
Temporary Assistance for Needy Families	93.558	(3)	206,107
Total U.S. Department of Health and Human Services			<u>\$ 407,818</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	34101-02419	\$ 39,150
Total U.S. Department of Homeland Security			<u>\$ 39,150</u>
Total Expenditures of Federal Grants			<u>\$ 11,067,305</u>

		Contract Number	
<u>State Grants</u>			
Juvenile Justice - State Commission on Children and Youth	N/A	(3)	\$ 10,500
Aging Program - East Tennessee Human Resource Agency	N/A	219-113	11,562
Law Enforcement Training - State Department of Safety	N/A	(3)	4,800
Health Department Program - State Department of Health	N/A	GG-21-66728	158,265
Litter Program - State Department of Transportation	N/A	(3)	42,498
Waste Tire Grant - State Department of Environment and Conservation	N/A	(3)	22,690
Safe Baby Grant Program - Administrative Office of the Courts	N/A	(3)	24,485
Coordinated School Health Program - State Department of Education	N/A	(3)	95,172
Family Resource Centers - State Department of Education	N/A	(3)	89,725
Safe Schools Act - State Department of Education	N/A	(3)	110,429
Early Childhood Education - State Department of Education	N/A	(3)	763,444
Summer Learning Camps - State Department of Education	N/A	(3)	400,091
Tourism Marketing Grant - State Department of Tourist Development	N/A	(3)	27,455
State Aid Program - State Department of Transportation	N/A	(3)	1,191,653
State Direct Appropriations Grant FY 2020 - State Department of Finance and Administration	N/A	(3)	1,152,253
Training Opportunities for the Public (TOP) Grant - Department of Economic and and Community Development	N/A	(3)	3,000
Project Diabetes - State Department of Education	N/A	(3)	44,941
Total State Grants			<u>\$ 4,152,963</u>

FAL = Federal Assistance Listings
N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
(2) Jefferson County elected not to use the 10% de minimus cost rate permitted in the Uniform Guidance.
(3) Information not available.
(4) Child Nutrition Cluster total \$3,427,358; Special Education Cluster total \$1,852,868; Aging Cluster total \$56,120;
Medicaid Cluster total \$4,759; 477 Cluster total \$206,107.
(5) FAL Totals: FAL No. 10.555 \$2,593,185; FAL No. 21.019 \$999,950.
(6) Z-20-THS121: \$3,854; Z-21-THS142: \$531.
(7) No amounts (\$0) were passed through to subrecipients.
(8) For the year ended June 30, 2021, Jefferson County received donated PPE valued at \$383,254 (\$287,440 federal and \$95,814 state) from
the Tennessee Department of Military. These donations were unaudited.

(9) CONSOLIDATED ADMINISTRATION	Federal Assistance Listing Number	Amount Provided to Consolidated Administration
Program Title		
Title I Grants to Local Educational Agencies	84.010	\$ 85,181
English Language Acquisition State Grants	84.365	500
Improving Teacher Quality State Grants	84.367	3,454
Student Support and Academic Enrichment Program	84.424	2,674
		<u>\$ 91,809</u>

Jefferson County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2021

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Jefferson County, Tennessee, for the year ended June 30, 2021.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	FAL Number	Current Status
<u>JEFFERSON COUNTY</u>					
2020	270	2020-001	The Solid Waste Disposal Fund had a deficit in unrestricted net position.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2020	271	2020-002	Jefferson County has a material recurring audit finding.	N/A	Not Corrected - See Explanation on Corrective Action Plan
<u>OFFICE OF FINANCE DIRECTOR</u>					
2020	271	2020-003	The finance department had deficiencies in the maintenance of capital asset records.	N/A	Corrected
2020	272	2020-004	The county's bid threshold was not in compliance with state statute.	N/A	Corrected

Prior-year Federal Awards Findings

There were no prior-year federal award findings to report.

JEFFERSON COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Jefferson County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **YES**
 - * Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * Assistance Listings Numbers: 10.553, 10.555, and 10.579
Child Nutrition Cluster:
School Breakfast Program
National School Lunch Program
Child Nutrition Discretionary Grants
Limited Availability
 - * Assistance Listings Number: 21.019
COVID 19 - Coronavirus Relief Fund
 - * Assistance Listings Number: 84.425D
COVID 19 - Education Stabilization Fund
Program - Elementary and Secondary
School Emergency Relief Fund (ESSER I)
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **NO**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our audit, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses for all findings are paraphrased and presented following each finding and recommendation. Management's corrective action plans, whether related to the financial statements or federal awards, are presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

FINDING 2021-001

THE SOLID WASTE DISPOSAL FUND HAD A DEFICIT IN TOTAL NET POSITION AND IN UNRESTRICTED NET POSITION

(Internal Control – Material Weakness Under *Government Auditing Standards*)

The Solid Waste Disposal Fund had a deficit of \$1,850,866 in total net position and a deficit of \$5,671,174 in unrestricted net position at June 30, 2021. The deficit in unrestricted net position increased \$2,169,459 from the previous year; however, the fund did not have a deficit in total net position in the previous year. These current-year deficits primarily resulted from the recognition of liabilities in the financial statements for closure and postclosure care costs associated with closing the county's landfill and monitoring the landfill for 30 years after its closure. The \$7,679,902 reported as landfill closure and postclosure care liability at June 30, 2021, represents the cumulative amount reported to date based on 53 percent of the estimated capacity of the Patterson Landfill Site (\$7,051,576) and postclosure care costs of the Highway 92 Landfill Site (\$628,326). Generally accepted accounting principles and state statutes require that such costs be reflected in the financial statements. This deficiency exists because management failed to implement their corrective action plan to correct the finding noted in the prior-year audit report and results in inadequate financing to fund the liability.

RECOMMENDATION

County officials should develop and implement a plan that would fund the deficit in unrestricted net position.

MANAGEMENT'S RESPONSE – SOLID WASTE DIRECTOR

We concur with this finding. The Sanitation Department, Finance Department, and Audit Committee have been seeking resolution of this deficit.

FINDING 2021-002

**JEFFERSON COUNTY HAS A MATERIAL RECURRING
AUDIT FINDING**

(Internal Control – Material Weakness Under *Government Auditing Standards*)

Jefferson County has a material audit finding that has been reported in its annual reports for three or more consecutive years. This recurring material finding is listed below:

<u>Finding Numbers</u>	<u>Description</u>
2021-001, 2020-001, 2019-001	The Solid Waste Disposal Fund had a deficit in unrestricted net position

The recurring nature of the above-noted finding indicates that management is either unable or unwilling to address the deficiency. Jefferson County has established an audit committee to address financial and other reporting practices, internal control, compliance with laws and regulations, and ethics.

RECOMMENDATION

Jefferson County should work with its audit committee to correct the above-noted material weakness in internal control.

MANAGEMENT'S RESPONSE – SOLID WASTE DIRECTOR

We concur with this finding. The Sanitation Department, Finance Department, and Audit Committee have been seeking resolution of this deficit.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2021-003

**THE SCHOOL FEDERAL PROJECTS FUND HAD A
DEFICIT IN UNRESTRICTED FUND BALANCE AT JUNE
30, 2021**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The School Federal Projects Fund had a deficit of \$34,528 in unrestricted fund balance at June 30, 2021. Sound business practices dictate that expenditures be held within available funds and requests for grant reimbursements be made on a current basis. This deficit occurred because school department personnel had not requested or received the literacy teacher training stipend grant within the period of availability. This deficit will be liquidated when the grant funds are received subsequent to June 30, 2021.

RECOMMENDATION

Requests for reimbursements from grant funds should be made on a timely basis. Officials should ensure that adequate funding is provided to prevent the recurrence of a fund deficit.

MANAGEMENT’S RESPONSE – FINANCE DIRECTOR

We concur with this finding. The Finance Department has corrected the errors and established procedures to prevent future deficiencies. We will be more proactive and follow up with pending requests through E-Plan and the Tennessee Department of Education.

OFFICE OF SHERIFF

FINDING 2021-004

EXCESS PAYMENTS WERE INADVERTENTLY MADE TO INMATES FROM THE WORK RELEASE PROGRAM RESULTING IN A CASH SHORTAGE OF \$1,223

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

In the previous year, the Jefferson County Sheriff began allowing inmates to participate in the “Fresh Start” program operated by a non-profit. This program allows qualifying prisoners to participate in a work release project working at a local factory earning wages. These wages are electronically deposited into a bank account administered by the sheriff’s department. Checks are issued against the inmates’ account for Fresh Start program fees, jail fees, court fines and costs, and commissary deposits. The inmates’ families can also petition for various family related expenses. Inmates that successfully complete the program receive any remaining funds in their account upon their release from incarceration. During our examination of the Fresh Start Program records, it was discovered that the total of inmate subsidiary ledger account balances exceeded available funds in the bank account by approximately \$1,223. Further review determined that the sheriff’s department had failed to record transactions to the subsidiary ledgers for two inmates. These inmates were subsequently released or transferred from the Jefferson County Jail. Upon their release/transfer they were issued checks for their Fresh Start balance. However, these balances did not reflect the unrecorded transactions noted above, therefore the two inmates received more than was in their accounts. A cash shortage of \$1,223 is reflected in the Constitutional Officers – Custodial Fund as of June 30, 2021. This deficiency is the result of failure to properly maintain the inmates’ subsidiary account ledgers.

RECOMMENDATION

The sheriff should take steps to collect the overpayments from the inmates or liquidate the cash shortage. The sheriff should take steps to ensure that accurate subsidiary ledger balances are maintained.

MANAGEMENT’S RESPONSE – SHERIFF (PARAPHRASED)

The Fresh Start Program is not operational currently. The activities have been moved from a manual ledger to an electronic spreadsheet with an individual spreadsheet created for each person who has participated. These spreadsheets record all transactions which will ensure better accuracy and fund disbursements. If the program were to resume, there will be a limited number of participants at a time, and these electronic spreadsheets would continue.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2021.

Jefferson County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2021

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Management's corrective action plans for all financial statement findings and federal award findings are presented in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted.

Finding Number	Title of Finding	Corrective Action Plan Page Number
-------------------	------------------	---------------------------------------

OFFICE OF SOLID WASTE DIRECTOR

2021-001, 2021-002	The Solid Waste Disposal Fund had a deficit in total net position and in unrestricted net position and as a result, Jefferson County has a material recurring audit finding.	287
-----------------------	--	-----

OFFICE OF FINANCE DIRECTOR

2021-003	The School Federal Projects Fund had a deficit in unrestricted fund balance at June 30, 2021.	290
----------	---	-----

OFFICE OF SHERIFF

2021-004	Excess payments were inadvertently made to inmates from the work release program resulting in a cash shortage of \$1,223.	291
----------	---	-----



JEFFERSON COUNTY SANITATION DEPARTMENT
P.O. BOX 127, DANDRIDGE, TN 37725



Corrective Action Plan

**FINDING: THE SOLID WASTE DISPOSAL FUND HAD A DEFICIT IN
TOTAL NET POSITION AND IN UNRESTRICTED NET POSITION**

Response and Corrective Action Plan Prepared by:
David Gaut

Person Responsible for Implementing the Corrective Action:
David Gaut, Solid Waste Director and Audit Committee

Anticipated Completion Date of Corrective Action:
On-Going

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
In fiscal year 2019, Jefferson County Board of Commissioners established a \$500,000.00 committed reserve in General Fund #101 to satisfy part of the closure/post closure liability.

On August 15, 2019, Mayor Mark Potts and Finance Director Langdon Potts signed an amendment of Contract in Lieu of Performance Bonds with the Tennessee Department of Environment and Conservation for proper operation and closure and/or post closure of the Jefferson County Sanitary Landfill for permits #DML450000046 Cell B, DML450000046 Cell C, SNL450000066 and SNL450000241. This document allows the Commissioner of Environment and Conservation to collect up to \$9,612,052.53 from any funds being disbursed or to be disbursed from Jefferson County as a financial assurance for said property operation, closure and post closure as authorized by the Jefferson County Board of Commissioners.

On June 29, 2020, the Jefferson County Board of Commissioners passed Resolution 2020-19 establishing Special Revenue Fund Committed Reserves rules for the benefit of Jefferson County, Tennessee beginning March 24, 2020. This resolution committed nearly \$8,000,000.00 as "Committed for Other Purposes" that may only be used for a.) To supplement the annual budget reducing the need to raise tax rates or cut services during an economic downturn when revenues are declining, b.) To satisfy The Landfill #207 closure/post closure liability, c.) To provide relief caused by a natural disaster, or c.) For temporary operation of a hospital located in Jefferson County in the event the current tenant does not renew the lease agreement.

Additionally, the loss was created by a state-wide, post-year fiscal year adjustment to the post-closure In Lieu of Performance Bond contracts by the Tennessee Department of Environment and Conservation. The new amounts were not available until after the close of the fiscal year.



JEFFERSON COUNTY SANITATION DEPARTMENT
P.O. BOX 127, DANDRIDGE, TN 37725



Planned Corrective Action:

The calculations for the life of the landfill have been reviewed by TDEC. Per Class I Disposal Facility Annual Engineering Report (AER) April 2021, LDA Engineering provided a new estimated life adjusting our capacity to around 20%. This adjustment should decrease our closure and post-closure liability. Combined with continued positive cash flow, the deficit should continue to decrease annually.

FINDING: JEFFERSON COUNTY HAS A MATERIAL RECURRING AUDIT FINDING

Response and Corrective Action Plan Prepared by:
David Gaut

Person Responsible for Implementing the Corrective Action:
David Gaut, Solid Waste Director and Audit Committee

Anticipated Completion Date of Corrective Action:
On-Going

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
In fiscal year 2019, Jefferson County Board of Commissioners established a \$500,000.00 committed reserve in General Fund #101 to satisfy part of the closure/post closure liability.

On August 15, 2019, Mayor Mark Potts and Finance Director Langdon Potts signed an amendment of Contract in Lieu of Performance Bonds with the Tennessee Department of Environment and Conservation for proper operation and closure and/or post closure of the Jefferson County Sanitary Landfill for permits #DML450000046 Cell B, DML450000046 Cell C, SNL450000066 and SNL450000241. This document allows the Commissioner of Environment and Conservation to collect up to \$9,612,052.53 from any funds being disbursed or to be disbursed from Jefferson County as a financial assurance for said property operation, closure and post closure as authorized by the Jefferson County Board of Commissioners.

On June 29, 2020, the Jefferson County Board of Commissioners passed Resolution 2020-19 establishing Special Revenue Fund Committed Reserves rules for the benefit of Jefferson County, Tennessee beginning March 24, 2020. This resolution committed nearly \$8,000,000.00 as "Committed for Other Purposes" that may only be used for a.) To supplement the annual budget reducing the need to raise tax rates or cut services during an economic downturn when revenues are declining, b.) To satisfy The Landfill #207 closure/post closure liability, c.) To provide relief caused by a natural disaster, or c.) For temporary operation of a hospital located in Jefferson County in the event the current tenant does not renew the lease agreement.



JEFFERSON COUNTY SANITATION DEPARTMENT
P.O. Box 127, DANDRIDGE, TN 37725



Additionally, the loss was created by a state-wide, post-year fiscal year adjustment to the post-closure In Lieu of Performance Bond contracts by the Tennessee Department of Environment and Conservation. The new amounts were not available until after the close of the fiscal year.

Planned Corrective Action:

The calculations for the life of the landfill have been reviewed by TDEC. Per Class I Disposal Facility Annual Engineering Report (AER) April 2021, LDA Engineering provided a new estimated life adjusting our capacity to around 20%. This adjustment should decrease our closure and post-closure liability. Combined with continued positive cash flow, the deficit should continue to decrease annually.

Signature: _____

A handwritten signature in black ink, appearing to read "Dawson", written over a horizontal line.



JEFFERSON COUNTY

FINANCE DEPARTMENT

1244 Gay Street
PO Box 1749
Dandridge, TN 37725
Phone (865) 397-4922
Fax (865) 397-4537

Corrective Action Plan

FINDING: THE SCHOOL FEDERAL PROJECTS FUND HAD A DEFICIT IN
UNRESTRICTED FUND BALANCE AT JUNE 30, 2021

Response and Corrective Action Plan Prepared by:
Jessica Elder

Person Responsible for Implementing the Corrective Action:
Jessica Elder, Finance Director

Anticipated Completion Date of Corrective Action:
February 22, 2022

Repeat Finding:
No

Planned Corrective Action:
A more thorough review during the year-end process. Also for any Federal Grants extending into the next fiscal year, we will generate a reimbursement request by June 30th.

Signature:

Date: 2-22-2022



JEFFERSON COUNTY SHERIFF'S OFFICE

**Jeff Coffey
Sheriff**

Corrective Action Plan

FINDING: EXCESS PAYMENTS WERE INADVERTENTLY MADE TO INMATES FROM THE WORK RELEASE PROGRAM RESULTING IN A CASH SHORTAGE OF \$1,223

Response and Corrective Action Plan Prepared by:
Jeff Coffey, Sheriff

Person Responsible for Implementing the Corrective Action:
Jeff Coffey, Sheriff

Anticipated Completion Date of Corrective Action:
February 15, 2022

Repeat Finding:
No

Reason Corrective Action was Not Taken in the Prior Year:
N/A

Planned Corrective Action:

The Fresh Start Program is not operational at this time. If it were to resume there will be a limited number of participants at a time. The day-to-day activities have been moved from a manual ledger to an electronic spreadsheet. An individual spreadsheet has been created for each person who has participated with all transactions recorded. This will ensure better accuracy of funds dispersed.

Signature:


Jeff Coffey, Sheriff