



ANNUAL FINANCIAL REPORT

Jefferson County, Tennessee

For the Year Ended June 30, 2022

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
JEFFERSON COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2022

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

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Summary of Audit Findings

Annual Financial Report
Jefferson County, Tennessee
For the Year Ended June 30, 2022

Scope

We have audited the basic financial statements of Jefferson County as of and for the year ended June 30, 2022.

Results

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

Our audit resulted in three 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 unrestricted net position.
-

OFFICE OF FINANCE DIRECTOR

- ◆ Competitive bids were not solicited for roofing projects.
-

OFFICES OF FINANCE DIRECTOR AND SHERIFF

- ◆ The offices had purchasing deficiencies.



INTRODUCTORY SECTION

Jefferson County Officials

June 30, 2022

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
Jessica Elder, 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
Rick Moore	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
Gregory Byrd
Dr. Shane Johnston, Director of Schools

Jim Snodgrass
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 Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying 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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Other General Government, 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.

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 .96 percent, 1.44 percent, and 2.17 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, are 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Jefferson County, Tennessee, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note V.B., Jefferson County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB 87 establishes a single approach to accounting for and reporting leases by state and local governments. 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 special item reported in the Solid Waste Disposal Fund for the effects of a change in estimates of the fill percentage of the Patterson landfill site. The change in fill percentage resulted in a decrease to the estimated liability for closure/postclosure care costs of the landfill site of \$4,713,428 during the year. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Jefferson County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance

but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Jefferson County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Jefferson County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 under Required Supplementary Information in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 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), and miscellaneous schedules are presented for purposes of additional analysis and are 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 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), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

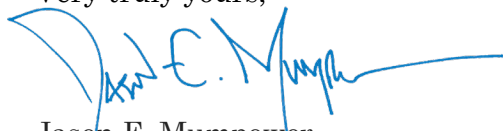
Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Requirements by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 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

December 29, 2022

JEM/tg

BASIC FINANCIAL STATEMENTS

Exhibit A

Jefferson County, Tennessee
Statement of Net Position
June 30, 2022

	Primary Government			Component Units	
	Governmental	Business-type		Jefferson	Jefferson
	Activities	Activities	Total	County	County
				School	Nursing
				Department	Home
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 28,460	\$ 25	\$ 28,485	\$ 1,435,040	\$ 3,243,297
Equity in Pooled Cash and Investments	53,469,860	3,457,076	56,926,936	24,720,691	0
Inventories	0	0	0	0	37,079
Accounts Receivable	2,370,706	160,224	2,530,930	78,167	1,217,280
Allowance for Uncollectibles	(845,826)	(5,000)	(850,826)	0	0
Due from Other Governments	1,643,973	0	1,643,973	6,579,293	0
Due from Component Units	14,980,000	0	14,980,000	0	0
Internal Balances	573,563	(573,563)	0	0	0
Property Taxes Receivable	19,130,624	0	19,130,624	11,228,914	0
Allowance for Uncollectible Property Taxes	(598,596)	0	(598,596)	(351,350)	0
Prepaid Expenses	0	0	0	0	22,734
Restricted Assets:					
Amounts Accumulated for Pension Benefits	306,707	13,982	320,689	674,397	211,844
Other Restricted Assets	0	0	0	0	9,816
Cash held by Jefferson County for Capital Project	0	0	0	0	3,158,896
Leases Receivable	22,580,286	0	22,580,286	0	0
Net Pension Asset - Public Employee Legacy Pension Plan	7,828,553	216,410	8,044,963	4,081,340	2,774,536
Net Pension Asset - Public Employee Hybrid Retirement Plan	98,072	4,471	102,543	43,986	194,713
Net Pension Asset - Teacher Retirement Plan	0	0	0	521,981	0
Net Pension Asset - Teacher Legacy Pension Plan	0	0	0	28,790,883	0
Capital Assets:					
Assets Not Depreciated:					
Land	1,672,777	510,430	2,183,207	1,492,550	299,101
Construction in Progress	228,129	66,038	294,167	1,745,866	8,457,655
Assets Net of Accumulated Depreciation/Amortization:					
Landfill Facilities and Development	0	1,466,252	1,466,252	0	0
Buildings and Improvements	15,691,852	102,611	15,794,463	61,825,365	5,639,177
Machinery and Equipment	3,404,843	1,203,733	4,608,576	770,574	227,753
Other Capital Assets	0	0	0	2,225,722	18,028
Infrastructure	76,582,668	0	76,582,668	0	0
Total Assets	\$ 219,146,651	\$ 6,622,689	\$ 225,769,340	\$ 145,863,419	\$ 25,511,909

(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	\$ 11,840	\$ 0	\$ 11,840	\$ 0	\$ 0
Pension Changes in Experience	99,969	3,096	103,065	156,599	65,709
Pension Changes in Assumptions	3,258,117	90,596	3,348,713	9,577,152	1,202,910
Pension Changes in Proportion	0	0	0	80,857	0
Pension Contributions After Measurement Date	830,867	24,757	855,624	2,761,867	333,407
OPEB Changes in Experience	0	0	0	741,924	0
OPEB Changes in Assumptions	98,928	5,621	104,549	1,022,629	27,771
OPEB Changes in Proportion	0	0	0	118,660	0
OPEB Contributions After Measurement Date	9,151	520	9,671	663,132	2,569
Total Deferred Outflows of Resources	\$ 4,308,872	\$ 124,590	\$ 4,433,462	\$ 15,122,820	\$ 1,632,366
<u>LIABILITIES</u>					
Accounts Payable	\$ 350,589	\$ 14,415	\$ 365,004	\$ 370,577	\$ 213,912
Accrued Payroll	86,777	24,114	110,891	843,277	169,745
Payroll Deductions Payable	344,714	3,894	348,608	3,541,695	103,288
Accrued Interest Payable	177,536	0	177,536	0	32,006
Accrued Leave - Current	0	0	0	0	167,500
Contracts Payable	0	0	0	69,387	379,510
Claims and Judgments Payable	67,532	0	67,532	32,402	0
Due to Primary Government	0	0	0	0	14,980,000
Due to the State of Tennessee	22,693	98	22,791	0	0
Due to Other Governments	5,279,718	0	5,279,718	0	0
Alimony/Child Support	40	0	40	0	0
Other Current Liabilities	0	0	0	0	18,839
Estimated Third-party payor settlements	0	0	0	0	34,768
Noncurrent Liabilities:					
Due Within One Year - Debt	4,970,400	0	4,970,400	0	0
Due Within One Year - Other	369,514	129,004	498,518	253,748	0
Due in More Than One Year - Debt	58,533,936	0	58,533,936	0	0
Due in More Than One Year - Other	799,904	2,891,003	3,690,907	12,418,893	180,092
Total Liabilities	\$ 71,003,353	\$ 3,062,528	\$ 74,065,881	\$ 17,529,979	\$ 16,279,660

(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 INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 18,257,636	\$ 0	\$ 18,257,636	\$ 10,716,439	\$ 0
Deferred Leases Receivable	22,580,286	0	22,580,286	0	0
Deferred Credit on Refunding	162,248	0	162,248	0	0
Pension Changes in Experience	440,672	12,182	452,854	2,726,501	156,257
Pension Changes in Investment Earnings	6,595,606	183,302	6,778,908	26,695,148	2,426,224
Pension Changes in Proportion	0	0	0	40,269	0
OPEB Changes in Experience	246,079	13,983	260,062	3,268,731	69,079
OPEB Changes in Proportion	0	0	0	1,141,333	0
OPEB Changes in Assumptions	203,936	11,588	215,524	1,358,901	57,248
Total Deferred Inflows of Resources	<u>\$ 48,486,463</u>	<u>\$ 221,055</u>	<u>\$ 48,707,518</u>	<u>\$ 45,947,322</u>	<u>\$ 2,708,808</u>
<u>NET POSITION</u>					
Net Investment in Capital Assets	\$ 93,989,861	\$ 3,349,064	\$ 97,338,925	\$ 68,060,077	\$ 2,436,400
Restricted for:					
General Government	1,438,417	0	1,438,417	0	0
Finance	18,639	0	18,639	0	0
Administration of Justice	660,806	0	660,806	0	0
Public Safety	126,986	0	126,986	0	0
Public Health and Welfare	122,852	0	122,852	0	0
Social, Cultural, and Recreational Services	78,222	0	78,222	0	0
Highway/Public Works	5,515,063	0	5,515,063	0	0
Debt Service	23,506	0	23,506	0	0
Education	0	0	0	4,712,348	0
Capital Projects	697,869	0	697,869	0	0
Other Purposes	0	0	0	0	9,816
Pensions	8,233,332	234,863	8,468,195	34,112,587	3,181,093
Unrestricted	<u>(6,939,846)</u>	<u>(120,231)</u>	<u>(7,060,077)</u>	<u>(9,376,074)</u>	<u>2,528,498</u>
Total Net Position	<u>\$ 103,965,707</u>	<u>\$ 3,463,696</u>	<u>\$ 107,429,403</u>	<u>\$ 97,508,938</u>	<u>\$ 8,155,807</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, 2022

					Net (Expense) Revenue and Changes in Net Position						
								Component Units			
					Primary Government			Jefferson County School Department	Jefferson County Nursing Home		
					Governmental Activities	Business-type Activities	Total				
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions							
Primary Government:											
Governmental Activities:											
General Government	\$ 4,073,729	\$ 1,307,274	\$ 189,143	\$ 349,610	\$ (2,227,702)	\$ 0	\$ (2,227,702)	\$ 0	\$ 0		
Finance	3,133,911	2,539,302	750	0	(593,859)	0	(593,859)	0	0		
Administration of Justice	2,393,142	1,028,657	60,241	0	(1,304,244)	0	(1,304,244)	0	0		
Public Safety	9,245,120	1,237,473	417,468	0	(7,590,179)	0	(7,590,179)	0	0		
Public Health and Welfare	7,685,473	5,051,665	353,574	476,929	(1,803,305)	0	(1,803,305)	0	0		
Social, Cultural, and Recreational Services	1,056,684	22,357	139,186	0	(895,141)	0	(895,141)	0	0		
Agriculture and Natural Resources	163,508	0	0	0	(163,508)	0	(163,508)	0	0		
Highways	4,776,359	134,339	2,640,206	0	(2,001,814)	0	(2,001,814)	0	0		
Interest on Long-term Debt	2,678,722	0	0	0	(2,678,722)	0	(2,678,722)	0	0		
Total Governmental Activities	\$ 35,206,648	\$ 11,321,067	\$ 3,800,568	\$ 826,539	\$ (19,258,474)	\$ 0	\$ (19,258,474)	\$ 0	\$ 0		
Business-type Activities:											
Solid Waste Disposal	\$ 1,880,499	\$ 2,362,646	\$ 24,451	\$ 0	\$ 0	\$ 506,598	\$ 506,598	\$ 0	\$ 0		
Total Primary Government	\$ 37,087,147	\$ 13,683,713	\$ 3,825,019	\$ 826,539	\$ (19,258,474)	\$ 506,598	\$ (18,751,876)	\$ 0	\$ 0		
Component Units:											
Jefferson County School Department	\$ 67,279,199	\$ 587,373	\$ 14,192,740	\$ 38,263	\$ 0	\$ 0	\$ 0	\$ (52,460,823)	\$ 0		
Jefferson County Nursing Home	13,860,513	13,889,880	0	105,407	0	0	0	0	134,774		
Total Component Units	\$ 81,139,712	\$ 14,477,253	\$ 14,192,740	\$ 143,670	\$ 0	\$ 0	\$ 0	\$ (52,460,823)	\$ 134,774		

(Continued)

Exhibit B

Jefferson County, Tennessee
Statement of Activities (Cont.)

					Net (Expense) Revenue and Changes in Net Position				
								Component Units	
					Primary Government			Jefferson	Jefferson
					Governmental	Business-type	Total	County	County
Functions/Programs	Expenses	Charges for	Operating	Capital	Activities	Activities	Total	School	Nursing
		Services	Contributions	Contributions				Department	Home
General Revenues:									
Taxes:									
Property Taxes Levied for General Purposes					\$ 16,830,826	\$ 0	\$ 16,830,826	\$ 11,317,491	\$ 0
Property Taxes Levied for Debt Service					2,498,011	0	2,498,011	0	0
Local Option Sales Taxes					4,694,869	0	4,694,869	8,671,861	0
Hotel/Motel Tax					801,368	0	801,368	0	0
Wheel Tax					2,573,602	0	2,573,602	0	0
Litigation Tax - General					106,805	0	106,805	0	0
Litigation Tax - Special Purpose					12,686	0	12,686	0	0
Litigation Tax - Jail, Workhouse, or Courthouse					185,981	0	185,981	0	0
Business Tax					615,372	0	615,372	0	0
Mixed Drink Tax					0	0	0	44,169	0
Adequate Facilities Tax					1,520,746	0	1,520,746	0	0
Wholesale Beer Tax					206,627	0	206,627	0	0
Grants and Contributions Not Restricted to Specific Programs					1,716,067	0	1,716,067	50,954,093	0
Unrestricted Investment Income					213,672	0	213,672	7,114	1,272
Gain on Disposal of Property					15,551	0	15,551	0	0
Miscellaneous					99,936	94,536	194,472	26,907	0
Total General Revenues					\$ 32,092,119	\$ 94,536	\$ 32,186,655	\$ 71,021,635	\$ 1,272
Special Item - Gain from Reduction of Estimate of Landfill									
Closure/Postclosure Care Costs Liability - See Note I.D.10					\$ 0	\$ 4,713,428	\$ 4,713,428	\$ 0	\$ 0
Change in Net Position					\$ 12,833,645	\$ 5,314,562	\$ 18,148,207	\$ 18,560,812	\$ 136,046
Net Position, July 1, 2021					91,132,062	(1,850,866)	89,281,196	78,948,126	8,019,761
Net Position, June 30, 2022					\$ 103,965,707	\$ 3,463,696	\$ 107,429,403	\$ 97,508,938	\$ 8,155,807

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, 2022

	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	16,129,059	5,279,718	9,344,351	5,437,167	15,979,966
Accounts Receivable	2,351,812	0	2,272	0	13,088
Allowance for Uncollectibles	(845,826)	0	0	0	0
Due from Other Governments	752,045	0	0	442,419	441,276
Due from Other Funds	5,884	0	0	0	660,000
Property Taxes Receivable	12,060,685	0	0	2,495,314	2,213,868
Allowance for Uncollectible Property Taxes	(377,376)	0	0	(78,078)	(67,202)
Restricted Assets	306,707	0	0	0	0
Leases Receivable - Long-term	0	0	22,580,286	0	0
Total Assets	<u>\$ 30,409,100</u>	<u>\$ 5,279,718</u>	<u>\$ 31,926,909</u>	<u>\$ 8,296,822</u>	<u>\$ 19,240,996</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 311,931	\$ 0	\$ 0	\$ 31,810	\$ 0
Accrued Payroll	500	0	0	66,054	0
Payroll Deductions Payable	309,320	0	0	27,727	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	22,405	0	0	90	0
Due to Other Governments	0	5,279,718	0	0	0
Alimony/Child Support	40	0	0	0	0
Total Liabilities	<u>\$ 705,720</u>	<u>\$ 5,279,718</u>	<u>\$ 0</u>	<u>\$ 125,681</u>	<u>\$ 0</u>

(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</u>					
Deferred Current Property Taxes	\$ 11,510,249	\$ 0	\$ 0	\$ 2,381,430	\$ 2,116,828
Deferred Delinquent Property Taxes	136,336	0	0	28,208	23,506
Deferred Leases Receivable	0	0	22,580,286	0	0
Other Deferred/Unavailable Revenue	1,380,316	0	0	221,245	220,638
Total Deferred Inflows of Resources	<u>\$ 13,026,901</u>	<u>\$ 0</u>	<u>\$ 22,580,286</u>	<u>\$ 2,630,883</u>	<u>\$ 2,360,972</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 1,322,282	\$ 0	\$ 0	\$ 0	\$ 0
Restricted for Finance	18,639	0	0	0	0
Restricted for Administration of Justice	649,337	0	0	0	0
Restricted for Public Safety	71,105	0	0	0	0
Restricted for Public Health and Welfare	0	0	0	0	0
Restricted for Social, Cultural, and Recreational Services	78,222	0	0	0	0
Restricted for Highways/Public Works	0	0	0	5,540,258	0
Restricted for Capital Projects	50,225	0	0	0	0
Restricted for Hybrid Retirement Stabilization Funds	306,707	0	0	0	0
Committed:					
Committed for General Government	1,073,612	0	0	0	0
Committed for Public Health and Welfare	795,000	0	0	0	0
Committed for Other Operations	0	0	9,346,623	0	0
Committed for Debt Service	0	0	0	0	16,880,024
Committed for Capital Projects	1,396,508	0	0	0	0
Assigned:					
Assigned for General Government	7,781	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 Finance	\$ 21,859	\$ 0	\$ 0	\$ 0	\$ 0
Assigned for Administration of Justice	2,402	0	0	0	0
Assigned for Public Safety	107,838	0	0	0	0
Assigned for Public Health and Welfare	209,051	0	0	0	0
Assigned for Social, Cultural, and Recreational Services	222	0	0	0	0
Assigned for Other Operations	234,269	0	0	0	0
Unassigned	10,331,420	0	0	0	0
Total Fund Balances	<u>\$ 16,676,479</u>	<u>\$ 0</u>	<u>\$ 9,346,623</u>	<u>\$ 5,540,258</u>	<u>\$ 16,880,024</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 30,409,100</u>	<u>\$ 5,279,718</u>	<u>\$ 31,926,909</u>	<u>\$ 8,296,822</u>	<u>\$ 19,240,996</u>

(Continued)

Exhibit C-1

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

ASSETS

Cash
Equity in Pooled Cash and Investments
Accounts Receivable
Allowance for Uncollectibles
Due from Other Governments
Due from Other Funds
Property Taxes Receivable
Allowance for Uncollectible Property Taxes
Restricted Assets
Leases Receivable - Long-term

Total Assets

LIABILITIES

Accounts Payable
Accrued Payroll
Payroll Deductions Payable
Claims and Judgments Payable
Due to Other Funds
Due to State of Tennessee
Due to Other Governments
Alimony/Child Support
Total Liabilities

	Nonmajor Funds		Total Governmental Funds
	Other Govern- mental Funds		
\$	2,350	\$	28,460
	1,225,304		53,395,565
	3,534		2,370,706
	0		(845,826)
	8,233		1,643,973
	0		665,884
	2,360,757		19,130,624
	(75,940)		(598,596)
	0		306,707
	0		22,580,286
\$	3,524,238	\$	98,677,783

\$	6,848	\$	350,589
	20,223		86,777
	7,667		344,714
	0		61,524
	92,321		92,321
	198		22,693
	0		5,279,718
	0		40
\$	127,257	\$	6,238,376

(Continued)

Exhibit C-1

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

	Nonmajor Funds		Total Governmental Funds
	Other Govern- mental Funds		
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 2,249,129	\$	18,257,636
Deferred Delinquent Property Taxes	28,207		216,257
Deferred Leases Receivable	0		22,580,286
Other Deferred/Unavailable Revenue	0		1,822,199
Total Deferred Inflows of Resources	<u>\$ 2,277,336</u>	<u>\$</u>	<u>42,876,378</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for General Government	\$ 116,135	\$	1,438,417
Restricted for Finance	0		18,639
Restricted for Administration of Justice	11,469		660,806
Restricted for Public Safety	55,881		126,986
Restricted for Public Health and Welfare	229,676		229,676
Restricted for Social, Cultural, and Recreational Services	0		78,222
Restricted for Highways/Public Works	0		5,540,258
Restricted for Capital Projects	639,809		690,034
Restricted for Hybrid Retirement Stabilization Funds	0		306,707
Committed:			
Committed for General Government	0		1,073,612
Committed for Public Health and Welfare	66,675		861,675
Committed for Other Operations	0		9,346,623
Committed for Debt Service	0		16,880,024
Committed for Capital Projects	0		1,396,508
Assigned:			
Assigned for General Government	0		7,781

(Continued)

Exhibit C-1

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

FUND BALANCES (Cont.)

Assigned (Cont.):

Assigned for Finance

Assigned for Administration of Justice

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			
Gov- ern- mental Funds		Total Governmental Funds	
\$	0	\$	21,859
	0		2,402
	0		107,838
	0		209,051
	0		222
	0		234,269
	0		10,331,420
\$	1,119,645	\$	49,563,029
\$	3,524,238	\$	98,677,783

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, 2022

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)		\$	49,563,029
(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		228,129	
Add: buildings and improvements net of accumulated depreciation		15,691,852	
Add: machinery and equipment net of accumulated depreciation		3,404,843	
Add: infrastructure net of accumulated depreciation		<u>76,582,668</u>	97,580,269
(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.			68,287
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: bonds payable	\$	(53,305,000)	
Add: bonds payable by nursing home for the primary government		14,980,000	
Less: other loans payable		(7,286,876)	
Add: deferred charge on refunding		11,840	
Less: deferred credit on refunding		(162,248)	
Less: unamortized portion of debt premiums		(2,912,460)	
Less: accrued interest on notes, bonds, and other loans		(177,536)	
Less: net OPEB liability		(641,540)	
Less: compensated absences payable		<u>(527,878)</u>	(50,021,698)
(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	\$	4,188,953	
Less: deferred inflows of resources related to pensions		(7,036,278)	
Add: deferred outflows of resources related to OPEB		108,079	
Less: deferred inflows of resources related to OPEB		<u>(450,015)</u>	(3,189,261)
(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	\$	7,828,553	
Add: net pension asset - public employee hybrid retirement plan		<u>98,072</u>	7,926,625
(6) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			<u>2,038,456</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>103,965,707</u></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, 2022

	Major Funds				
	General	Other General Government Fund	Other Special Revenue	Highway / Public Works	General Debt Service
<u>Revenues</u>					
Local Taxes	\$ 16,366,258	\$ 0	\$ 0	\$ 2,540,711	\$ 8,637,675
Licenses and Permits	844,587	0	0	0	0
Fines, Forfeitures, and Penalties	355,754	0	0	0	0
Charges for Current Services	3,984,211	0	0	129,764	0
Other Local Revenues	803,974	0	854,275	78	865,691
Fees Received From County Officials	3,044,348	0	0	0	0
State of Tennessee	1,841,761	0	0	2,519,935	0
Federal Government	1,345,941	12,790	0	118,865	449,811
Other Governments and Citizens Groups	160,531	0	0	0	0
Total Revenues	\$ 28,747,365	\$ 12,790	\$ 854,275	\$ 5,309,353	\$ 9,953,177
<u>Expenditures</u>					
Current:					
General Government	\$ 3,256,937	\$ 0	\$ 0	\$ 0	\$ 0
Finance	3,099,022	0	8,582	0	0
Administration of Justice	2,061,668	0	0	0	0
Public Safety	8,894,187	0	0	0	0
Public Health and Welfare	5,499,192	0	0	0	0
Social, Cultural, and Recreational Services	695,248	0	0	0	0
Agriculture and Natural Resources	168,805	0	0	0	0
Other Operations	1,465,604	12,644	0	0	0
Highways	0	0	0	4,524,937	0
Debt Service:					
Principal on Debt	0	0	0	0	4,709,628
Interest on Debt	0	0	0	0	2,808,721
Other Debt Service	0	0	0	0	132,590

(Continued)

Exhibit C-3

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

	Major Funds				
	General	Other General Government Fund	Other Special Revenue	Highway / Public Works	General Debt Service
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 0	\$ 146	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 25,140,663	\$ 12,790	\$ 8,582	\$ 4,524,937	\$ 7,650,939
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,606,702	\$ 0	\$ 845,693	\$ 784,416	\$ 2,302,238
<u>Other Financing Sources (Uses)</u>					
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Premiums on Debt Sold	0	0	0	0	0
Insurance Recovery	35,299	0	0	6,485	0
Transfers In	0	0	0	0	484,368
Transfers Out	(484,368)	0	0	0	0
Total Other Financing Sources (Uses)	\$ (449,069)	\$ 0	\$ 0	\$ 6,485	\$ 484,368
Net Change in Fund Balances	\$ 3,157,633	\$ 0	\$ 845,693	\$ 790,901	\$ 2,786,606
Fund Balance, July 1, 2021	13,518,846	0	8,500,930	4,749,357	14,093,418
Fund Balance, June 30, 2022	\$ 16,676,479	\$ 0	\$ 9,346,623	\$ 5,540,258	\$ 16,880,024

(Continued)

Exhibit C-3

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

	Nonmajor Funds		Total Governmental Funds
	Other Govern- mental Funds		Funds
<hr/>			
<u>Revenues</u>			
Local Taxes	\$ 2,592,146	\$	30,136,790
Licenses and Permits	0		844,587
Fines, Forfeitures, and Penalties	25,504		381,258
Charges for Current Services	80,119		4,194,094
Other Local Revenues	164,530		2,688,548
Fees Received From County Officials	0		3,044,348
State of Tennessee	172,087		4,533,783
Federal Government	48,887		1,976,294
Other Governments and Citizens Groups	0		160,531
Total Revenues	<u>\$ 3,083,273</u>	<u>\$</u>	<u>47,960,233</u>
<hr/>			
<u>Expenditures</u>			
Current:			
General Government	\$ 555	\$	3,257,492
Finance	138,217		3,245,821
Administration of Justice	0		2,061,668
Public Safety	34,979		8,929,166
Public Health and Welfare	4,216,352		9,715,544
Social, Cultural, and Recreational Services	0		695,248
Agriculture and Natural Resources	0		168,805
Other Operations	4,130		1,482,378
Highways	0		4,524,937
Debt Service:			
Principal on Debt	0		4,709,628
Interest on Debt	0		2,808,721
Other Debt Service	95,920		228,510

(Continued)

Exhibit C-3

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

	Nonmajor Funds		Total Governmental Funds
	Other Govern- mental Funds		
<u>Expenditures (Cont.)</u>			
Capital Projects	\$ 394,262	\$	394,408
Total Expenditures	\$ 4,884,415	\$	42,222,326
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,801,142)	\$	5,737,907
<u>Other Financing Sources (Uses)</u>			
Bonds Issued	\$ 2,000,000	\$	2,000,000
Premiums on Debt Sold	105,407		105,407
Insurance Recovery	0		41,784
Transfers In	0		484,368
Transfers Out	0		(484,368)
Total Other Financing Sources (Uses)	\$ 2,105,407	\$	2,147,191
Net Change in Fund Balances	\$ 304,265	\$	7,885,098
Fund Balance, July 1, 2021	815,380		41,677,931
Fund Balance, June 30, 2022	\$ 1,119,645	\$	49,563,029

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

Exhibit C-4

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, 2022

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)		\$	7,885,098
(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	\$	1,638,367	
Less: current-year depreciation expense		(2,791,134)	(1,152,767)
(2) 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, 2022	\$	2,038,456	
Less: deferred delinquent property taxes and other deferred June 30, 2021		(1,693,029)	345,427
(3) 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.			
Add: principal payments on bonds	\$	2,865,000	
Add: principal payments on other loans		1,844,628	
Less: bonds proceeds		(2,000,000)	
Add: change in premium on debt issuances		256,054	
Less: change in deferred amount on refunding debt		(10,347)	
Add: change in amount due from nursing home to retire county issued debt		1,695,000	4,650,335
(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 accrued interest payable	\$	7,395	
Change in compensated absences payable		4,824	
Change in net OPEB liability		164,894	
Change in net pension asset/liability		5,403,009	
Change in deferred outflows related to pensions		2,302,005	
Change in deferred inflows related to pensions		(6,607,107)	
Change in deferred outflows related to OPEB		(26,018)	
Change in deferred inflows related to OPEB		(164,648)	1,084,354
(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.			21,198
Change in net position of governmental activities (Exhibit B)		\$	12,833,645

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, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 16,366,258	\$ 0	\$ 0	\$ 16,366,258	\$ 14,392,940	\$ 14,392,940	\$ 1,973,318
Licenses and Permits	844,587	0	0	844,587	443,000	443,000	401,587
Fines, Forfeitures, and Penalties	355,754	0	0	355,754	424,650	424,650	(68,896)
Charges for Current Services	3,984,211	0	0	3,984,211	3,521,264	3,537,562	446,649
Other Local Revenues	803,974	0	0	803,974	680,640	791,249	12,725
Fees Received From County Officials	3,044,348	0	0	3,044,348	2,503,000	2,659,335	385,013
State of Tennessee	1,841,761	0	0	1,841,761	1,605,081	2,292,870	(451,109)
Federal Government	1,345,941	0	0	1,345,941	970,180	1,127,701	218,240
Other Governments and Citizens Groups	160,531	0	0	160,531	241,042	241,942	(81,411)
Total Revenues	\$ 28,747,365	\$ 0	\$ 0	\$ 28,747,365	\$ 24,781,797	\$ 25,911,249	\$ 2,836,116
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 472,025	\$ 0	\$ 208,672	\$ 680,697	\$ 231,028	\$ 691,407	\$ 10,710
Board of Equalization	750	0	0	750	2,000	2,000	1,250
County Mayor/Executive	526,734	(485)	200	526,449	261,896	506,557	(19,892)
Election Commission	340,491	(287)	3,362	343,566	377,804	385,768	42,202
Register of Deeds	347,798	0	0	347,798	335,649	353,066	5,268
Codes Compliance	137,497	0	0	137,497	133,569	138,801	1,304
County Buildings	1,057,100	(3,979)	3,085	1,056,206	1,009,800	1,065,243	9,037
Other Facilities	366,125	0	0	366,125	396,409	402,829	36,704
Preservation of Records	8,417	0	0	8,417	10,500	10,500	2,083
<u>Finance</u>							
Accounting and Budgeting	782,449	0	3,121	785,570	784,045	814,119	28,549
Property Assessor's Office	561,852	0	0	561,852	572,167	590,409	28,557
County Trustee's Office	221,715	0	284	221,999	82,375	232,710	10,711
County Clerk's Office	830,849	0	1,974	832,823	871,435	899,747	66,924
Data Processing	93,897	0	8,415	102,312	79,034	114,794	12,482
Other Finance	608,260	0	0	608,260	586,998	586,998	(21,262)

(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 7/1/2021	Add: Encumbrances 6/30/2022	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	\$ 1,014,055	\$ 0	\$ 144	\$ 1,014,199	\$ 867,850	\$ 1,006,911	\$ (7,288)
General Sessions Court	393,669	0	2,258	395,927	404,066	410,855	14,928
Drug Court	28,085	0	0	28,085	30,150	30,150	2,065
Chancery Court	220,737	0	0	220,737	247,049	257,159	36,422
Juvenile Court	317,501	0	0	317,501	278,054	322,540	5,039
Other Administration of Justice	1,906	0	0	1,906	12,500	12,500	10,594
Victim Assistance Programs	85,715	0	0	85,715	100,780	103,057	17,342
<u>Public Safety</u>							
Sheriff's Department	4,672,958	(18,839)	32,978	4,687,097	4,562,682	4,916,342	229,245
Wheel Tax Officer	17,551	0	32	17,583	17,998	18,784	1,201
Administration of the Sexual Offender Registry	9,353	0	908	10,261	15,000	15,000	4,739
Jail	3,102,636	(7,220)	48,027	3,143,443	3,148,504	3,245,206	101,763
Workhouse	210,071	0	0	210,071	212,285	220,699	10,628
Inspection and Regulation	123,091	0	98	123,189	134,370	139,040	15,851
Public Safety Grants Program	29,430	0	18,116	47,546	34,000	49,546	2,000
Other Public Safety	729,097	0	0	729,097	670,752	729,097	0
<u>Public Health and Welfare</u>							
Local Health Center	239,603	0	0	239,603	327,173	344,354	104,751
Rabies and Animal Control	125,279	(1,050)	527	124,756	125,836	128,114	3,358
Ambulance/Emergency Medical Services	4,904,202	(4,033)	88,026	4,988,195	5,108,312	5,284,633	296,438
Sanitation Education/Information	68,710	(1,903)	915	67,722	71,496	73,787	6,065
Other Public Health and Welfare	161,398	0	0	161,398	161,490	168,063	6,665
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	188,612	0	0	188,612	234,136	247,272	58,660
Libraries	506,636	(394)	222	506,464	458,326	509,114	2,650
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	125,468	0	0	125,468	153,157	153,157	27,689
Soil Conservation	43,337	0	0	43,337	42,091	43,649	312

(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 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Other Operations</u>							
Tourism	\$ 341,893	\$ (489)	\$ 717	\$ 342,121	\$ 330,688	\$ 384,136	\$ 42,015
Veterans' Services	44,358	0	92	44,450	43,710	45,692	1,242
Contributions to Other Agencies	976,564	0	0	976,564	931,564	996,564	20,000
COVID-19 Grant #3	16,120	(15,974)	0	146	0	0	(146)
COVID-19 Grant #7	8,409	0	0	8,409	0	8,410	1
American Rescue Plan Act Grant #2	27,700	0	0	27,700	0	27,778	78
American Rescue Plan Act Grant #3	15,112	0	0	15,112	0	15,185	73
American Rescue Plan Act Grant #4	21,928	0	2,326	24,254	0	24,750	496
American Rescue Plan Act Grant #5	3,720	0	0	3,720	0	3,721	1
American Rescue Plan Act Grant #7	9,800	0	0	9,800	0	10,000	200
Total Expenditures	\$ 25,140,663	\$ (54,653)	\$ 424,499	\$ 25,510,509	\$ 24,458,728	\$ 26,740,213	\$ 1,229,704
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,606,702	\$ 54,653	\$ (424,499)	\$ 3,236,856	\$ 323,069	\$ (828,964)	\$ 4,065,820
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 35,299	\$ 0	\$ 0	\$ 35,299	\$ 0	\$ 65,054	\$ (29,755)
Transfers Out	(484,368)	0	0	(484,368)	(518,854)	(484,368)	0
Total Other Financing Sources	\$ (449,069)	\$ 0	\$ 0	\$ (449,069)	\$ (518,854)	\$ (419,314)	\$ (29,755)
Net Change in Fund Balance	\$ 3,157,633	\$ 54,653	\$ (424,499)	\$ 2,787,787	\$ (195,785)	\$ (1,248,278)	\$ 4,036,065
Fund Balance, July 1, 2021	13,518,846	(54,653)	0	13,464,193	12,000,000	12,000,000	1,464,193
Fund Balance, June 30, 2022	\$ 16,676,479	\$ 0	\$ (424,499)	\$ 16,251,980	\$ 11,804,215	\$ 10,751,722	\$ 5,500,258

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 General Government Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 12,790	\$ 0	\$ 10,460,508	\$ (10,447,718)
Total Revenues	\$ 12,790	\$ 0	\$ 10,460,508	\$ (10,447,718)
<u>Expenditures</u>				
<u>Other Operations</u>				
American Rescue Plan Act Grant #1	\$ 12,644	\$ 0	\$ 4,585,015	\$ 4,572,371
American Rescue Plan Act Grant #6	0	0	5,168,000	5,168,000
<u>Capital Projects</u>				
American Rescue Plan Act Grant #1	146	0	4,000,000	3,999,854
American Rescue Plan Act Grant #2	0	0	2,000,000	2,000,000
Total Expenditures	\$ 12,790	\$ 0	\$ 15,753,015	\$ 15,740,225
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0	\$ (5,292,507)	\$ 5,292,507
Net Change in Fund Balance	\$ 0	\$ 0	\$ (5,292,507)	\$ 5,292,507
Fund Balance, July 1, 2021	0	0	5,292,507	(5,292,507)
Fund Balance, June 30, 2022	\$ 0	\$ 0	\$ 0	\$ 0

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 and Budget
Other Special Revenue Fund
For the Year Ended June 30, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 854,275	\$ 856,002	\$ 856,002	\$ (1,727)
Total Revenues	<u>\$ 854,275</u>	<u>\$ 856,002</u>	<u>\$ 856,002</u>	<u>\$ (1,727)</u>
<u>Expenditures</u>				
Finance				
Other Finance	\$ 8,582	\$ 9,500	\$ 9,500	\$ 918
Total Expenditures	<u>\$ 8,582</u>	<u>\$ 9,500</u>	<u>\$ 9,500</u>	<u>\$ 918</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 845,693</u>	<u>\$ 846,502</u>	<u>\$ 846,502</u>	<u>\$ (809)</u>
Net Change in Fund Balance	\$ 845,693	\$ 846,502	\$ 846,502	\$ (809)
Fund Balance, July 1, 2021	<u>8,500,930</u>	<u>8,400,000</u>	<u>8,400,000</u>	<u>100,930</u>
Fund Balance, June 30, 2022	<u><u>\$ 9,346,623</u></u>	<u><u>\$ 9,246,502</u></u>	<u><u>\$ 9,246,502</u></u>	<u><u>\$ 100,121</u></u>

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

Exhibit C-8

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, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,540,711	\$ 0	\$ 0	\$ 2,540,711	\$ 2,461,313	\$ 2,477,078	\$ 63,633
Charges for Current Services	129,764	0	0	129,764	55,000	55,000	74,764
Other Local Revenues	78	0	0	78	0	80	(2)
State of Tennessee	2,519,935	0	0	2,519,935	1,982,308	1,982,308	537,627
Federal Government	118,865	0	0	118,865	61,858	180,723	(61,858)
Total Revenues	\$ 5,309,353	\$ 0	\$ 0	\$ 5,309,353	\$ 4,560,479	\$ 4,695,189	\$ 614,164
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 296,396	\$ (752)	\$ 397	\$ 296,041	\$ 291,064	\$ 301,704	\$ 5,663
Highway and Bridge Maintenance	2,225,541	(19,096)	5,165	2,211,610	2,630,645	2,695,676	484,066
Operation and Maintenance of Equipment	1,068,463	0	653,344	1,721,807	1,057,329	2,077,181	355,374
Quarry Operations	646,540	0	77,956	724,496	834,221	869,835	145,339
Asphalt Plant Operations	12,703	0	0	12,703	32,600	32,600	19,897
Other Charges	131,634	0	0	131,634	110,050	138,276	6,642
Employee Benefits	99,060	0	0	99,060	131,294	107,380	8,320
Capital Outlay	44,600	0	0	44,600	91,662	91,662	47,062
Total Expenditures	\$ 4,524,937	\$ (19,848)	\$ 736,862	\$ 5,241,951	\$ 5,178,865	\$ 6,314,314	\$ 1,072,363
Excess (Deficiency) of Revenues Over Expenditures	\$ 784,416	\$ 19,848	\$ (736,862)	\$ 67,402	\$ (618,386)	\$ (1,619,125)	\$ 1,686,527
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 6,485	\$ 0	\$ 0	\$ 6,485	\$ 0	\$ 6,485	\$ 0
Total Other Financing Sources	\$ 6,485	\$ 0	\$ 0	\$ 6,485	\$ 0	\$ 6,485	\$ 0

(Continued)

Exhibit C-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ 790,901	\$ 19,848	\$ (736,862)	\$ 73,887	\$ (618,386)	\$ (1,612,640)	\$ 1,686,527
Fund Balance, July 1, 2021	4,749,357	(19,848)	0	4,729,509	4,600,000	4,600,000	129,509
Fund Balance, June 30, 2022	\$ 5,540,258	\$ 0	\$ (736,862)	\$ 4,803,396	\$ 3,981,614	\$ 2,987,360	\$ 1,816,036

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

Jefferson County, Tennessee
Statement of Net Position
Proprietary Funds
June 30, 2022

	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	3,457,076	74,295
Accounts Receivable	160,224	0
Allowance for Uncollectibles	(5,000)	0
Due from Other Funds	86,437	0
Total Current Assets	<u>\$ 3,698,762</u>	<u>\$ 74,295</u>
Noncurrent Assets:		
Restricted Assets	\$ 13,982	\$ 0
Net Pension Asset	220,881	0
Capital Assets:		
Assets Not Depreciated:		
Land	510,430	0
Construction in Progress	66,038	0
Assets Net of Accumulated Depreciation:		
Landfill Facilities and Development	1,466,252	0
Buildings and Improvements	102,611	0
Machinery and Equipment	1,203,733	0
Total Noncurrent Assets	<u>\$ 3,583,927</u>	<u>\$ 0</u>
Total Assets	<u>\$ 7,282,689</u>	<u>\$ 74,295</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred Outflows of Resources:		
Pension Changes in Experience	\$ 3,096	\$ 0
Pension Changes in Assumptions	90,596	0
Pension Contributions After Measurement Date	24,757	0
OPEB Changes in Assumptions	5,621	0
OPEB Contributions After Measurement Date	520	0
Total Deferred Outflows of Resources	<u>\$ 124,590</u>	<u>\$ 0</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 7,407,279</u>	<u>\$ 74,295</u>

(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</u>		
Current Liabilities:		
Accounts Payable	\$ 14,415	\$ 0
Accrued Payroll	24,114	0
Payroll Deductions Payable	3,894	0
Claims and Judgments Payable	0	6,008
Due to Other Funds	660,000	0
Due to State of Tennessee	98	0
Current Portion of Long-term Liabilities	129,004	0
Total Current Liabilities	<u>\$ 831,525</u>	<u>\$ 6,008</u>
Noncurrent Liabilities:		
Accrued Liability for Landfill Closure/Postclosure Care Costs	\$ 2,840,809	\$ 0
Net OPEB Liability	36,454	0
Accrued Leave - Long-term	13,740	0
Total Noncurrent Liabilities	<u>\$ 2,891,003</u>	<u>\$ 0</u>
Total Liabilities	<u>\$ 3,722,528</u>	<u>\$ 6,008</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Inflows of Resources:		
Pension Changes in Experience	\$ 12,182	\$ 0
Pension Changes in Investment Earnings	183,302	0
OPEB Changes in Experience	13,983	0
OPEB Changes in Assumptions	11,588	0
Total Deferred Inflows of Resources	<u>\$ 221,055</u>	<u>\$ 0</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 3,349,064	\$ 0
Net Position - Restricted for Pension	234,863	0
Unrestricted	<u>(120,231)</u>	<u>68,287</u>
Total Net Position	<u>\$ 3,463,696</u>	<u>\$ 68,287</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, 2022

	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	\$ 768,532	\$ 0
Commercial and Industrial Waste Collection Charges	1,114,409	0
Sale of Recycled Materials	408,412	0
Miscellaneous Refunds	71,293	0
State of Tennessee	25,122	0
Self-Insurance Premiums/Contributions	0	194,599
Total Operating Revenues	\$ 2,387,768	\$ 194,599
<u>Operating Expenses</u>		
<u>Cost of Sales and Services</u>		
Supervisor/Director	\$ 36,163	\$ 0
Accountants/Bookkeepers	43,830	0
Part-time Personnel	39,018	0
Longevity Pay	4,800	0
Overtime	47,308	0
Other Salaries and Wages	342,449	0
Board and Committee Members Fees	4,320	0
Social Security	31,132	0
Pensions	22,611	0
Life Insurance	845	0
Medical Insurance	120,242	0
Dental Insurance	1,444	0
Unemployment Compensation	1,083	0
Employer Medicare	7,281	0
Engineering Services	9,150	0
Evaluation and Testing	16,863	0
Janitorial Services	1,138	0
Maintenance Agreements	1,552	0
Maintenance and Repair Services - Equipment	65,428	0
Postal Charges	76	0
Rentals	7,018	0
Travel	1,146	0
Contracts for Development Costs	15,000	0
Other Contracted Services	54,440	0
Crushed Stone	38,480	0
Diesel Fuel	223,136	0
Gasoline	23,719	0
Lubricants	17,985	0

(Continued)

Exhibit D-2

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	\$ 2,838	\$ 0
Small Tools	1,916	0
Uniforms	7,250	0
Utilities	15,562	0
Other Supplies and Materials	5,804	0
Building and Contents Insurance	2,778	0
Liability Insurance	3,415	0
Trustee's Commission	18,861	0
Vehicle and Equipment Insurance	9,806	0
Workers' Compensation Insurance	20,574	0
Depreciation	497,520	0
Surcharge	42,881	0
Other Charges	16,677	0
Solid Waste Equipment	46,998	0
Handling Charges and Administrative Costs	0	17,457
Other Self-Insured Claims	0	155,944
Total Operating Expenses	<u>\$ 1,870,537</u>	<u>\$ 173,401</u>
Operating Income (Loss)	<u>\$ 517,231</u>	<u>\$ 21,198</u>
<u>Nonoperating Revenues (Expenses)</u>		
Insurance Recovery	\$ 94,536	\$ 0
Investment Income	(671)	0
Interest on Internal Loan	(9,962)	0
Total Nonoperating Revenues (Expenses)	<u>\$ 83,903</u>	<u>\$ 0</u>
Special Item - Gain from Reduction of Estimate of Landfill Closure/Postclosure Care Costs Liability - See Note I.D.10	<u>\$ 4,713,428</u>	<u>\$ 0</u>
Change in Net Position	\$ 5,314,562	\$ 21,198
Net Position, July 1, 2021	<u>(1,850,866)</u>	<u>47,089</u>
Net Position, June 30, 2022	<u><u>\$ 3,463,696</u></u>	<u><u>\$ 68,287</u></u>

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

Exhibit D-3

Jefferson County, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2022

	Business-type Activities - Major Enterprise Fund	Governmental Activities - Internal Service Fund
	Solid Waste Disposal Fund	Employee Insurance - Dental and Vision Fund
<u>Cash Flows from Operating Activities</u>		
Receipts from Customers and Users	\$ 1,945,816	\$ 0
Receipts from Recycled Materials	408,412	0
Receipts from Other State Revenues	25,122	0
Receipts for Self-Insurance Premiums	0	194,599
Payments to Employees and Board Members	(511,902)	0
Payments for Fringe Benefits	(182,914)	0
Payments to Suppliers	(207,667)	0
Payments to Others	(379,432)	0
Payments for Claims	0	(158,750)
Payments for Administrative Costs	0	(17,457)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 1,097,435</u>	<u>\$ 18,392</u>
<u>Cash Flows from Capital and Related Financing Activities</u>		
Acquisition and Construction of Capital Assets	\$ (161,231)	\$ 0
Insurance Recovery	94,536	0
Gain on Disposal of Property	42,131	0
Principal Paid on Internal Loan	(296,150)	0
Interest Paid on Internal Loan	(9,962)	0
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (330,676)</u>	<u>\$ 0</u>
<u>Cash Flows from Investing Activities</u>		
Deposits to Pension Stabilization Trust	<u>\$ (671)</u>	<u>\$ 0</u>
Net Cash Provided By (Used In) Investing Activities	<u>\$ (671)</u>	<u>\$ 0</u>
Increase (Decrease) in Cash	\$ 766,088	\$ 18,392
Cash, July 1, 2021	<u>2,691,013</u>	<u>55,903</u>
Cash, June 30, 2022	<u><u>\$ 3,457,101</u></u>	<u><u>\$ 74,295</u></u>

(Continued)

Exhibit D-3

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)	\$ 517,231	\$ 21,198
Adjustments to Reconcile Net Operating Income (Loss)		
to Net Cash Provided By (Used In) Operating Activities:		
Depreciation	497,520	0
Changes in Deferred Outflows for Pensions	(55,735)	0
Changes in Deferred Inflows for Pensions	181,434	0
Changes in Deferred Outflows for OPEB	(711)	0
Changes in Deferred Inflows for OPEB	14,014	0
Changes in Assets and Liabilities:		
(Increase) Decrease in Net Pension Asset/Liability	(137,920)	0
(Increase) Decrease in Hybrid Stabilization	(4,119)	
(Increase) Decrease in Accounts Receivable	60,132	0
(Increase) Decrease in Due from Other Funds	2,743	0
Increase (Decrease) in Operating Accounts Payable	12,156	0
Increase (Decrease) in Claims Payable	0	(2,806)
Increase (Decrease) in Accrued Payroll	3,082	0
Increase (Decrease) in Payroll Deductions Payable	966	0
Increase (Decrease) in Due to State of Tennessee	(57)	0
Increase (Decrease) in Compensated Absences	2,904	0
Increase (Decrease) in OPEB Liability	3,795	0
Net Cash Provided By (Used In) Operating Activities	<u>\$ 1,097,435</u>	<u>\$ 18,392</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>3,457,076</u>	<u>74,295</u>
Cash, June 30, 2022	<u>\$ 3,457,101</u>	<u>\$ 74,295</u>
<u>Schedule of Noncash Investing and Financing Activities</u>		
Gain (Loss) on Investments of Pension Stabilization Reserve Trust	\$ (671)	\$ 0
Gain from Reduction of Liability for Landfill Closure/Postclosure		
Care Costs	4,713,428	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, 2022

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,990,708
Equity in Pooled Cash and Investments	11,265
Accounts Receivable	126,538
Due from Other Governments	1,437,421
Property Taxes Receivable	1,477,623
Allowance for Uncollectible Taxes	<u>(48,668)</u>
Total Assets	<u>\$ 4,994,887</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	<u>\$ 1,465,986</u>
Total Liabilities	<u>\$ 1,465,986</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Current Property Taxes	<u>\$ 1,411,655</u>
Total Deferred Inflows of Resources	<u>\$ 1,411,655</u>
<u>NET POSITION</u>	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 2,117,246</u>
Total Net Position	<u><u>\$ 2,117,246</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, 2022

Custodial
Funds

ADDITIONS

Sales Tax Collections for Other Governments	\$ 7,768,738
Property Tax Collections for Other Governments	1,455,517
Fines/Fees and Other Collections	11,132,258
Total Additions	<u>\$ 20,356,513</u>

DEDUCTIONS

Payment of Sales Tax Collections to Other Governments	\$ 7,768,738
Payment of Property Tax Collections to Other Governments	1,455,517
Payments to State	9,209,525
Payments to Individuals and Others	1,665,877
Total Deductions	<u>\$ 20,099,657</u>

Net Increase (Decrease) in Fiduciary in Net Position	\$ 256,856
Net Position, July 1, 2021	<u>1,860,390</u>
Net Position, June 30, 2022	<u>\$ 2,117,246</u>

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

JEFFERSON COUNTY, TENNESSEE
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JEFFERSON COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

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 and Jefferson County Nursing Home. There were no debt issues contributed by the county to the school department during the year ended June 30, 2022. During the year, Jefferson County issued general obligation bonds of \$2,000,000 for the benefit of the Jefferson County 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, including lease obligations, 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 Act.

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.

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:

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.

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 funds:

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.

School Federal Projects Fund – This special revenue fund is used to account for restricted federal revenues, which must be expended on specific education programs.

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

Capital Projects Fund – The 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 22) 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 21) 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, cash in bank, 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 1.59 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.

Lease receivables are recognized in the governmental funds and government-wide financial statements. At the commencement of a lease, a lease receivable is initially measured at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. Interest received from the lessee is recognized as revenue when received. Any accumulated interest on June 30 will result in accrued interest receivable in the governmental funds and government-wide financial statements.

Most payables are disaggregated on the face of the financial statements. The balance in Due to other Governments totaling \$5,279,718 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 for the primary government includes \$61,524 discussed in Note V.C. Risk Financing Activities, and \$6,008 of self-insurance claims payable. Claims and Judgments Payable in the school department represent self-insurance claims payable.

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.

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 assets 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, assumptions, and proportion; pension and OPEB contributions after the measurement date; OPEB changes in experience, assumptions, and proportion.

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 assets 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; deferred lease receivable; deferred credit on refunding; pension changes in experience, investment earnings, and proportion; OPEB changes in experience, assumptions, and proportion; 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 2021-22 year, 16 employees received this incentive. The financial statements of this report reflect expenditures of \$40,867 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 funds in the fund financial statements, equity is classified as net position and displayed in three components:

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

grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

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

As of June 30, 2022, Jefferson County had \$42,171,876 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 \$14,980,000 in outstanding debt for capital purposes of the discretely presented Jefferson County Nursing Home at June 30, 2022. 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 (\$216,543), sheriff's vehicles (\$7,679), ambulance purchase (\$119,583), fund balance appropriated for use in 2022-2023 budget (\$231,134) and various assignments for smaller amounts totaling (\$8,483). Assigned fund balance in the school department's General Purpose School Fund consists of amounts assigned for encumbrances (\$329,700), finance (\$32,434), textbooks (\$475,804), student safety (\$40,162), the Jefferson County High School field (\$90,000), the Piedmont Elementary School Construction (\$667,380), transportation (\$60,000) and various assignments for smaller amounts totaling (\$13,747).

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. In the other governmental funds, funds expended that exceed the amounts that are restricted, committed, and assigned are reported as negative unassigned fund balance.

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. Special Item

During the year, Jefferson County had a change in postclosure care cost in the Solid Waste Disposal Fund. The change is due to a decrease in fill percentage at the Patterson landfill site. As a result, a special item totaling \$4,713,428 was recognized in the business-type activities in the government-wide statement of activities. Landfill closure/postclosure care cost is discussed in Note V.F.

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, 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, 2022, Jefferson County and Jefferson County School Department reported the following encumbrances:

<u>Funds</u>	<u>Amount</u>
Primary Government:	
Major Funds:	
General	\$ 424,499
Highway/Public Works	736,862
Nonmajor Governmental Funds	25,820
School Department:	
Major Funds:	
General Purpose School	329,700
School Federal Projects	7,313,689
Nonmajor Governmental Funds	98,155

B. Net Position Deficit/Fund Deficit

The county's Solid Waste Disposal Fund had a deficit of \$120,231 in unrestricted net position at June 30, 2022. Further details related to liabilities recorded in this fund are disclosed in Note V.F. Landfill Closure/Postclosure Care Costs.

The school department's School Federal Projects Fund reported a GAAP basis deficit unassigned fund balance of \$868,263 and a budgetary basis deficit of \$6,181,952 at June 30, 2022. The GAAP basis deficit and budgetary basis deficit are expected to be liquidated upon receiving reimbursement from federal grant funds.

C. Cash Shortage

The audit of Jefferson County for the 2020-21 year reported a cash shortage of \$1,223 in the Office of Sheriff. This shortage was caused by excess payments made from the work release program. As of June 30, 2022, the shortage was liquidated by a reimbursement from the General Fund. The Jefferson County Commission approved the reimbursement in April 2022.

D. Expenditures and Encumbrances Exceeded Appropriations

Expenditures and encumbrances exceeded appropriations approved by the county commission in several major appropriations categories (the legal level of control) of the General Fund as reflected in the following table:

<u>Major Appropriation Category</u>	<u>Amount Overspent</u>
Primary Government:	
General:	
County Mayor/Executive	\$ 19,892
Other Finance	21,262
Circuit Court	7,288
COVID-19 Grant #3	146

Expenditures that exceed amounts approved by county commission are a violation of state statutes. Expenditures in excess of appropriations in the General Fund were funded by available fund balances.

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 90 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 fair 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, 2022, 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 44 days	\$ 1,699,088

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, 2022, 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, 2022, 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	\$ 99,413
Developed Market International Equity	N/A	N/A	44,896
Emerging Market International Equity	N/A	N/A	12,828
U.S. Fixed Income	N/A	N/A	64,138
Real Estate	N/A	N/A	32,069
Short-term Securities	N/A	N/A	3,207
NAV - Private Equity and Strategic Lending	N/A	N/A	<u>64,138</u>
Total			<u><u>\$ 320,689</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	\$ 31,147
Developed Market International Equity	N/A	N/A	14,067
Emerging Market International Equity	N/A	N/A	4,019
U.S. Fixed Income	N/A	N/A	20,095
Real Estate	N/A	N/A	10,048
Short-term Securities	N/A	N/A	1,005
NAV - Private Equity and Strategic Lending	N/A	N/A	<u>20,095</u>
Total			<u><u>\$ 100,476</u></u>

At June 30, 2022, 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	\$ 177,916
Developed Market International Equity	N/A	N/A	80,349
Emerging Market International Equity	N/A	N/A	22,957
U.S. Fixed Income	N/A	N/A	114,784
Real Estate	N/A	N/A	57,392
Short-term Securities	N/A	N/A	5,739
NAV - Private Equity and Strategic Lending	N/A	N/A	114,784
Total			<u>\$ 573,921</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. Lease Receivable

As discussed in Note V.G., Joint Ventures, Jefferson County and the city of Jefferson City, Tennessee are lessors of a noncancellable lease of ground and hospital located in Jefferson County. Jefferson County recognizes a lease receivable and a deferred inflow of resources in the governmental activities in the government-wide financial statements and in the governmental fund financial statements.

For the fiscal year ended June 30, 2022, Jefferson County implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Implementation of GASB Statement No. 87 had no effect on beginning net position or fund balances since at July 1, 2021, the deferred inflows equaled the amount of the leases receivable (\$23,004,586).

Jefferson County reports leases receivable of \$22,580,286 at June 30, 2022. For the fiscal year ended June 30, 2022, Jefferson County reported lease revenue of \$424,300 and interest revenue of \$427,702 related to lease payments received. These leases are summarized as follows:

Lease	Lease Receivable	Lease Revenue	Lease Interest Revenue
Hospital	\$ 22,498,125	\$ 423,845	\$ 426,157
Grounds	82,161	455	1,545
Total	<u>\$ 22,580,286</u>	<u>\$ 424,300</u>	<u>\$ 427,702</u>

Hospital Lease - On February 28, 1997, Jefferson County entered into a lease agreement with an initial term of fourteen years. The lease was subsequently amended to include an additional ten years with three ten-year option periods. The current lessee is Tennova Healthcare for the lease of real property that is part of the Jefferson Memorial Hospital. Based on this agreement, Jefferson County is receiving monthly payments through 2031. There are two additional renewal option periods of ten years each through 2051 included in this lease agreement.

Grounds Lease - On February 3, 2000, Jefferson County entered into a lease agreement with an initial term of seventy-five years. The current lessee is Tennova Healthcare for the lease of real property that is part of the Jefferson Memorial Hospital. Based on this agreement, Jefferson County is receiving monthly payments through 2075. There is a renewal option period of twenty-five years through 2100 included in this lease agreement.

C. Capital Assets

Capital assets activity for the year ended June 30, 2022, was as follows:

Primary Government

Governmental Activities:

	Balance				Balance	
	7-1-21		Increases	Decreases	6-30-22	
Capital Assets Not Depreciated:						
Land	\$ 1,672,777	\$	0	\$ 0	\$	1,672,777
Construction in Progress	53,062		209,429	(34,362)		228,129
Total Capital Assets						
Not Depreciated	\$ 1,725,839	\$	209,429	\$ (34,362)	\$	1,900,906
Capital Assets Depreciated:						
Buildings and Improvements	\$ 26,092,222	\$	53,612	\$ 0	\$	26,145,834
Machinery and Equipment	12,276,053		713,369	(232,209)		12,757,213
Infrastructure	120,909,106		696,319	0		121,605,425
Total Capital Assets						
Depreciated	\$ 159,277,381	\$	1,463,300	\$ (232,209)	\$	160,508,472
Less Accumulated						
Depreciation For:						
Buildings and Improvements	\$ 9,661,654	\$	792,328	\$ 0	\$	10,453,982
Machinery and Equipment	8,349,089		1,235,490	(232,209)		9,352,370
Infrastructure	44,259,441		763,316	0		45,022,757
Total Accumulated						
Depreciation	\$ 62,270,184	\$	2,791,134	\$ (232,209)	\$	64,829,109
Total Capital Assets						
Depreciated, Net	\$ 97,007,197	\$	(1,327,834)	\$ 0	\$	95,679,363
Governmental Activities						
Capital Assets, Net	\$ 98,733,036	\$	(1,118,405)	\$ (34,362)	\$	97,580,269

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

Governmental Activities:

General Government	\$ 217,774
Finance	23,484
Administration of Justice	433,960
Public Safety	218,455
Public Health and Welfare	568,856
Social, Cultural, and Recreational Services	5,527
Agriculture and Natural Resources	8,181
Highways/Public Works	<u>1,314,897</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 2,791,134</u></u>

Net Investment in Capital Assets

Capital Assets	\$ 97,580,269
Add:	
Unamortized balance of capital-related deferred outflows of resources	11,840
Less:	
Outstanding principal of capital debt and other capital borrowings	(3,440,000)
Unamortized balance of capital-related deferred inflows of resources	<u>(162,248)</u>
Net Investment in Capital Assets	<u><u>\$ 93,989,861</u></u>

Business-type Activities:

	Balance 7-1-21	Increases	Decreases	Balance 6-30-22
Capital Assets Not Depreciated:				
Land	\$ 510,430	\$ 0	\$ 0	\$ 510,430
Construction in Progress	0	66,038	0	66,038
Total Capital Assets Not Depreciated	<u>\$ 510,430</u>	<u>\$ 66,038</u>	<u>\$ 0</u>	<u>\$ 576,468</u>
Capital Assets Depreciated:				
Landfill Facilities and Development	\$ 1,826,101	\$ 0	\$ 0	\$ 1,826,101
Buildings and Improvements	659,215	0	0	659,215
Machinery and Equipment	4,611,663	95,193	(544,900)	4,161,956
Total Capital Assets Depreciated	<u>\$ 7,096,979</u>	<u>\$ 95,193</u>	<u>\$ (544,900)</u>	<u>\$ 6,647,272</u>
Less Accumulated Depreciation For:				
Landfill Facilities and Development	\$ 107,742	\$ 252,107	\$ 0	\$ 359,849
Buildings and Improvements	549,385	7,219	0	556,604
Machinery and Equipment	3,222,798	238,194	(502,769)	2,958,223
Total Accumulated Depreciation	<u>\$ 3,879,925</u>	<u>\$ 497,520</u>	<u>\$ (502,769)</u>	<u>\$ 3,874,676</u>
Total Capital Assets Depreciated, Net	<u>\$ 3,217,054</u>	<u>\$ (402,327)</u>	<u>\$ (42,131)</u>	<u>\$ 2,772,596</u>
Business-type Activities Capital Assets, Net	<u>\$ 3,727,484</u>	<u>\$ (336,289)</u>	<u>\$ (42,131)</u>	<u>\$ 3,349,064</u>

Depreciation expense totaling \$497,520 was charged to the Solid Waste Disposal Fund.

Discretely Presented Jefferson County School Department

Governmental Activities:

	Balance 7-1-21	Increases	Decreases	Balance 6-30-22
Capital Assets Not Depreciated:				
Land	\$ 1,492,550	\$ 0	\$ 0	\$ 1,492,550
Construction in Progress	312,011	1,433,855	0	1,745,866
Total Capital Assets Not Depreciated	<u>\$ 1,804,561</u>	<u>\$ 1,433,855</u>	<u>\$ 0</u>	<u>\$ 3,238,416</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 100,226,484	\$ 2,052,484	\$ 0	\$ 102,278,968
Machinery and Equipment	3,345,283	238,868	0	3,584,151
Other Capital Assets	6,449,717	537,788	(154,523)	6,832,982
Total Capital Assets Depreciated	<u>\$ 110,021,484</u>	<u>\$ 2,829,140</u>	<u>\$ (154,523)</u>	<u>\$ 112,696,101</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 38,104,129	\$ 2,349,474	\$ 0	\$ 40,453,603
Machinery and Equipment	2,677,028	136,549	0	2,813,577
Other Capital Assets	4,296,210	455,083	(144,033)	4,607,260
Total Accumulated Depreciation	<u>\$ 45,077,367</u>	<u>\$ 2,941,106</u>	<u>\$ (144,033)</u>	<u>\$ 47,874,440</u>
Total Capital Assets Depreciated, Net	<u>\$ 64,944,117</u>	<u>\$ (111,966)</u>	<u>\$ (10,490)</u>	<u>\$ 64,821,661</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 66,748,678</u></u>	<u><u>\$ 1,321,889</u></u>	<u><u>\$ (10,490)</u></u>	<u><u>\$ 68,060,077</u></u>

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

Governmental Activities:

Instruction	\$ 2,713,499
Support Services	162,364
Operation of Non-instructional Services	<u>65,243</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 2,941,106</u></u>

D. Construction Commitments

At June 30, 2022, the Jefferson County School Department's General Purpose School fund had uncompleted construction contracts of \$201,000 for HVAC projects at two schools. Funding has been received for these future expenditures. The school department's School Federal Projects Fund had uncompleted construction contracts of \$259,925 for roof repairs at two schools for which funding is being provided by federal grants.

At June 30, 2022, the school department also had uncompleted contracts in the School Federal Projects Fund (\$7,053,764), and the nonmajor Education Capital Projects Fund (\$3,531,067) for construction of Piedmont Elementary School. Funding for the School Federal Projects Fund's portion of the project is being provided by federal grants. Funding for the Education Capital Projects Fund's portion of the project is expected to be provided from future transfers from the General Purpose School Fund and from existing fund balance of the Education Capital Projects Fund.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2022, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 5,884
General Debt Service	Solid Waste Disposal (enterprise)	660,000
Solid Waste Disposal (enterprise)	Nonmajor governmental	86,437
Discretely Presented School Department:		
School Federal Projects	General Purpose School	4,464
Nonmajor governmental	"	43,355

The amount due to the General Debt Service Fund from the Solid Waste Disposal Fund represents the balance of an interfund loan. The entire amount of this loan is expected to be liquidated within one year. See note IV.J. for further details about this internal loan.

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 \$14,980,000 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, 2022, consisted of the following amounts:

Primary Government:

Transfers Out	<u>Transfers In</u> General Debt Service Fund
General Fund	\$ 484,368
Total	<u>\$ 484,368</u>

Transfers to the General Debt Service Fund represent interest rebates for the QSCB bond.

Discretely Presented Jefferson County School Department:

Transfers Out	<u>Transfers In</u> General Purpose School Fund
School Federal Projects Fund	\$ 112,489

Transfers from the School Federal Project Fund to the General Purpose School Fund were to cover indirect costs related to federal programs.

F. Long-term Debt

Primary Government

General Obligation Bonds and Other Loans

General Obligation Bonds - 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, 2022, 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, 2022, will be retired from the General Debt Service Fund.

General obligation bonds and other loans outstanding as of June 30, 2022, for governmental activities are as follows:

Type	Interest Rate		Final Maturity	Original Amount of Issue	Balance 6-30-22
General Obligation Bonds	3%	%	6-1-50	\$ 9,750,000	\$ 9,750,000
General Obligation Refunding Bonds	1 to 5		6-1-37	35,835,000	27,555,000
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	3,440,000
Other Loans - Qualified School Construction Bonds	0	(1)	8-1-27	10,595,000	3,432,961
Other Loans - Energy Efficient Schools Initiative	2.5		3-1-24	2,506,325	413,915

(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 a loan agreement with the Blount County Public Building Authority. The following table summarizes that loan agreement outstanding as of June 30, 2022:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-22	Interest Type	Interest Rates as of 6-30-22	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	\$ 3,440,000	Variable	1.39%	0.33%

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, 2022, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2023	\$ 3,070,000	\$ 2,169,390	\$ 5,239,390
2024	1,655,000	2,028,041	3,683,041
2025	1,820,000	1,965,591	3,785,591
2026	1,895,000	1,897,442	3,792,442
2027	1,965,000	1,826,191	3,791,191
2028-2032	10,905,000	7,986,956	18,891,956
2033-2037	13,460,000	6,725,324	20,185,324
2038-2042	14,850,000	2,461,295	17,311,295
2043-2047	2,200,000	424,350	2,624,350
2048-2050	1,485,000	90,000	1,575,000
Total	\$ 53,305,000	\$ 27,574,580	\$ 80,879,580

Year Ending June 30	Other Loans - Direct Placement			
	Principal	Interest	Other Fees	Total
2023	\$ 1,900,400	\$ 574,866	\$ 19,685	\$ 2,494,951
2024	1,895,739	555,138	16,410	2,467,287
2025	1,766,112	534,675	12,972	2,313,759
2026	936,112	517,464	9,372	1,462,948
2027	726,190	513,645	8,476	1,248,311
2028	62,323	50,586	2,122	115,031
Total	\$ 7,286,876	\$ 2,746,374	\$ 69,037	\$ 10,102,287

There is \$16,880,024 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$975, based on the 2020 federal census. Total debt per capita, including bonds, other loans, and unamortized debt premiums, totaled \$1,161 based on the 2020 federal census.

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2022, was as follows:

Governmental Activities:

	Bonds	Other Loans - Direct Placement
Balance, July 1, 2021	\$ 54,170,000	\$ 9,131,504
Additions	2,000,000	0
Reductions	(2,865,000)	(1,844,628)
Balance, June 30, 2022	<u>\$ 53,305,000</u>	<u>\$ 7,286,876</u>
Balance Due Within One Year	<u>\$ 3,070,000</u>	<u>\$ 1,900,400</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2022	\$ 60,591,876
Less: Balance Due Within One Year - Debt	(4,970,400)
Add: Unamortized Premium on Debt	<u>2,912,460</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 58,533,936</u>

G. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2022, was as follows:

Governmental Activities:	Other Postemployment Benefits		Compensated Absences	
Balance, July 1, 2021	\$	806,434	\$	532,702
Additions		67,685		395,304
Reductions		(232,579)		(400,128)
Balance, June 30, 2022	\$	641,540	\$	527,878
Balance Due Within One Year	\$	0	\$	369,514

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

Total Noncurrent Liabilities - Other, June 30, 2022	\$	1,169,418
Less: Balance Due Within One Year - Other		<u>(369,514)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	\$	<u>799,904</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, 2022, was as follows:

Business-type Activities:	Compensated Absences		Other Post- Employment Benefits		Closure/ Postclosure Care Costs	
Balance, July 1, 2021	\$	14,175	\$	32,659	\$	7,679,902
Additions		17,079		3,846		0
Reductions		(14,175)		(51)		(4,713,428)
Balance, June 30, 2022	\$	17,079	\$	36,454	\$	2,966,474
Balance Due Within One Year	\$	3,339	\$	0	\$	125,665

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2022	\$ 3,020,007
Less: Balance Due Within One Year - Other	<u>(129,004)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u><u>\$ 2,891,003</u></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, 2022, was as follows:

Governmental Activities:

	Compensated Absences	Termination Benefits
Balance, July 1, 2021	\$ 747,269	\$ 139,947
Additions	145,445	136,357
Reductions	<u>(147,376)</u>	<u>(122,003)</u>
Balance, June 30, 2022	<u><u>\$ 745,338</u></u>	<u><u>\$ 154,301</u></u>
Balance Due Within One Year	<u><u>\$ 160,451</u></u>	<u><u>\$ 93,297</u></u>
	Other Postemployment Benefits	
Balance, July 1, 2021	\$ 12,036,481	
Additions	1,421,318	
Reductions	<u>(1,684,797)</u>	
Balance, June 30, 2022	<u><u>\$ 11,773,002</u></u>	
Balance Due Within One Year	<u><u>\$ 0</u></u>	

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2022	\$ 12,672,641
Less: Balance Due Within One Year - Other	<u>(253,748)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 12,418,893</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.

H. 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 \$42,171,876 at June 30, 2022. 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 \$2,151,341 for the year.

I. 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, 2022, were \$246,071. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

J. 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 %	12-15-17	6-01-24	(1)
Capital Outlay					
Note - Series 2019					
(Landfill Cell)	850,000	1	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	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 7-1-21	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-22
<u>Due to General Debt Service</u>				
<u>Fund from Solid Waste</u>				
<u>Disposal Fund</u>				
Capital Outlay				
Note - Series 2017				
(Landfill Equipment)	\$ 201,150	\$ 0	\$ (201,150)	0
Capital Outlay				
Note - Series 2019				
(Landfill Cell)	755,000	0	(95,000)	660,000
<u>Due to General Debt Service</u>				
<u>Fund from General Capital Projects</u>				
<u>Fund</u>				
Capital Outlay				
Note - Series 2019				
(EMS Equipment)	194,400	0	(194,400)	0
Total	\$ 1,150,550	\$ 0	\$ (490,550)	\$ 660,000

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>				
2020-2021	\$ 5,864	\$ 148,157	\$ 145,207	\$ 8,814
2021-2022	8,814	155,944	158,750	6,008
<u>Discretely Presented</u>				
<u>School Department</u>				
2020-2021	\$ 23,728	\$ 479,520	\$ 481,045	\$ 22,203
2021-2022	22,203	495,798	485,599	32,402

B. Accounting Changes

GASB Statement No. 87, *Leases*, became effective for fiscal year ending June 30, 2022. Leases should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation. GASB Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability, (2) an intangible asset representing the lessee's right to use the leased asset, (3) report the amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (4) interest expense on the lease liability and (5) note disclosures about the lease. A lessor must recognize (1) a lease receivable (measured at the present value of lease payments expected to be received during the lease term), (2) deferred inflow of resources, (3) interest revenue on the lease receivable and (4) note disclosures of leasing arrangements and the total inflows of resources recognized from leases. This statement provides exceptions for leases of assets held as investments, certain regulated leases, short-term leases and leases that transfer ownership of the underlying asset. A lessor should not derecognize the asset underlying the lease. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, non-lease components embedded in lease contracts (such as service agreements) and leases with related parties.

GASB Statement No. 92, *Omnibus 2020*, became effective during the fiscal year. This statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics and includes specific provision about the following:

- The effective date of GASB Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of GASB Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of GASB Statement No. 84 to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

GASB Statement 93, *Replacement of Interbank Offered Rates*, became effective during the year. This statement was necessary due to the eventual ceasing of the London Interbank Offered Rate (LIBOR) and the replacement with another interbank offered rate (IBOR). The objective of this Statement is to address the accounting and financial reporting effects that result from the replacement of IBORs with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* (except for paragraphs 4 and 5 which became effective in the prior fiscal year) became effective during the year. This Statement (a) clarifies how the absence of a governing board should be considered in determining whether a primary government is financially accountable for purposes of evaluating potential component units and (b) modifies the applicability of certain component unit criteria as they relate to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans (for example, certain Section 457 plans). This statement also establishes accounting and financial reporting requirements for Section 457 plans that meet the definition of a pension plan and for benefits

provided through those plans and modifies the investment valuation requirements for all Section 457 plans.

GASB Statement No 98, *The Comprehensive Annual Financial Report*, became effective during the year. This statement replaces the terms comprehensive annual financial report and comprehensive annual financial reports in NCGA and GASB pronouncements with annual comprehensive financial report and annual comprehensive financial reports, respectively. The associated acronyms in NCGA and GASB pronouncements are replaced with ACFR and ACFRs.

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, 2022, 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. Change in Administration

On December 31, 2021, Langdon Potts left the Office of Finance Director and was succeeded by Jessica Elder.

F. 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 \$2,966,474 reported as landfill closure and postclosure care liability at June 30, 2022, represents the cumulative amount reported to date based on the use of 17.64 percent of the estimated capacity of the operating Patterson Landfill site (\$2,443,204) and postclosure care costs for the Highway 92 landfill site, which closed in 1993 (\$523,270). The amounts reported as closure/postclosure liability at June 30, 2022, are based on what it would cost to perform all closure and postclosure care costs in 2022. 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 decreased by \$4,713,428 during the year. This decrease is due to a change in estimated fill capacity of the Patterson Landfill site provided in an engineering report obtained by the county. The percentage filled decreased by 35.36 percent from the prior year based on information in that report. The county expects to close the Patterson Landfill site in the year 2067.

G. Joint Ventures

Primary Government

The county, along with Jefferson City, participated in the operation of Jefferson Memorial Hospital, a health care facility. During 1997, the county and city entered into an agreement to lease the hospital, including all assets and all outstanding liabilities. The current lessee is Tennova Healthcare. 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 revenues from the lease in the Other Special Revenue Fund. See Note IV.B., Lease Receivable, for further discussion of 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, 2022 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

H. 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.G. 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.

I. 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 53.99 percent, the non-certified employees of the discretely presented school department comprise 27.39 percent, and employees of the discretely

presented Jefferson County Nursing Home comprise 18.62 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 30.05 percent, the non-certified employees of the discretely presented school department comprise 12.89 percent, and employees of the discretely presented Jefferson County Nursing Home comprise 57.06 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, 2021, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	533
Inactive Employees Entitled to But Not Yet Receiving Benefits	516
Active Employees	474
Total	<u><u>1,523</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, 2022, the employer contribution for Jefferson County was \$1,423,808 based on a rate of 8.31 percent of covered payroll. The minimum rate established by the Board of Trustees was 5.50 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, 2021, 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, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation

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

The actuarial assumptions used in the June 30, 2021, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

Changes of assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions.

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, 2020, 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 2.25 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	4.88	%	31	%
International Equity Emerging Market	5.37		14	
International Equity Private Equity and Strategic Lending	6.09		4	
U.S. Fixed Income	6.57		20	
Real Estate	1.20		20	
Short-term Securities	4.38		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 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 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, 2020	\$ 86,881,157	\$ 91,587,992	\$ (4,706,835)
Changes for the Year:			
Service Cost	\$ 1,417,202	\$ 0	\$ 1,417,202
Interest	6,258,001	0	6,258,001
Differences Between Expected and Actual Experience	(487,535)	0	(487,535)
Changes in Assumptions	7,805,396	0	7,805,396
Contributions-Employer	0	1,877,926	(1,877,926)
Net Investment Income	0	23,352,429	(23,352,429)
Benefit Payments, Including Refunds of Employee Contributions	(3,962,208)	(3,962,208)	0
Administrative Expense	0	(43,287)	43,287
Net Changes	\$ 11,030,856	\$ 21,224,860	\$ (10,194,004)
Balance, June 30, 2021	\$ 97,912,013	\$ 112,812,852	\$ (14,900,839)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	53.99%	\$ 52,862,696	\$ 60,907,659	\$ (8,044,963)
School Department	27.39%	26,818,100	30,899,440	(4,081,340)
Nursing Home	18.62%	18,231,217	21,005,753	(2,774,536)
Total		\$ 97,912,013	\$ 112,812,852	\$ (14,900,839)

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 6.75 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 (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Jefferson County	5.75%	6.75%	7.75%

Net Pension Liability (Asset) \$ (1,544,602) \$ (14,900,839) \$ (25,911,115)

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

Pension Expense (negative pension expense). For the year ended June 30, 2022, Jefferson County recognized pension expense (negative pension expense) of (\$600,106).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, 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	\$ 154,944	\$ 838,681
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	12,450,583
Changes in Assumptions	6,145,243	0
Contributions Subsequent to the Measurement Date of June 30, 2021 (1)	1,423,808	N/A
Total	<u>\$ 7,723,995</u>	<u>\$ 13,289,264</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2021,” will be recognized as a reduction (increase) to net pension liability (asset) in the subsequent fiscal period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 4,153,064	\$ 7,174,874
School Department	2,112,884	3,639,929
Nursing Home	1,458,047	2,474,461
Total	<u>\$ 7,723,995</u>	<u>\$ 13,289,264</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
2023	\$ (1,179,920)
2024	(1,259,497)
2025	(1,191,778)
2026	(3,357,885)
2027	0
Thereafter	0

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

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 30.05 percent, the non-certified employees of the discretely presented school department comprise 12.89 percent, and employees of the discretely presented Jefferson County Nursing Home comprise 57.06 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 automatic cost of living adjustments (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 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 COLAs, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2021, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	3
Inactive Employees Entitled to But Not Yet Receiving Benefits	270
Active Employees	292
Total	<u>565</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 2.09 percent of covered payroll. Employer contributions for the year ended June 30, 2022, to the Retirement Plan were \$211,416. In addition, employer contributions of \$170,766 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.

Net Pension Liability (Asset)

Pension Liabilities (Assets). Jefferson County's net pension liability (asset) was measured at June 30, 2021, 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, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2021, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. 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, 2020, 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 2.25 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	4.88	%	31	%
International Equity Emerging Market	5.37		14	
International Equity Private Equity and Strategic Lending	6.09		4	
U.S. Fixed Income	6.57		20	
Real Estate	1.20		20	
Short-term Securities	4.38		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 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 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, 2020	\$ 977,059	\$ 1,112,558	\$ (135,499)
Changes for the Year:			
Service Cost	\$ 424,344	\$ 0	\$ 424,344
Interest	100,600	0	100,600
Differences Between Expected and Actual Experience	(194)	0	(194)
Changes in Assumptions	119,950	0	119,950
Contributions-Employer	0	151,691	(151,691)
Contributions-Employees	0	374,635	(374,635)
Net Investment Income	0	348,220	(348,220)
Benefit Payments, Including Refunds of Employee Contributions	(27,637)	(27,637)	0
Administrative Expense	0	(24,103)	24,103
Net Changes	\$ 617,063	\$ 822,806	\$ (205,743)
Balance, June 30, 2021	\$ 1,594,122	\$ 1,935,364	\$ (341,242)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	30.05%	\$ 479,034	\$ 581,577	\$ 102,543
School Department	12.89%	205,482	249,468	43,986
Nursing Home	57.06%	909,606	1,104,319	194,713
Total		\$ 1,594,122	\$ 1,935,364	\$ 341,242

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 6.75 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 (5.75%) or one percentage point higher (7.75%) than the current rate:

	1%	Current	1%
	Decrease	Discount	Increase
	Rate	Rate	
Jefferson County	5.75%	6.75%	7.75%

Net Pension Liability (Asset) \$ 23,223 \$ (341,242) \$ (613,228)

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

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, Jefferson County recognized pension expense of \$59,142.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, 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	\$ 64,595	\$ 166
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	189,144
Changes in Assumptions	102,814	
Contributions Subsequent to the Measurement Date of June 30, 2021 (1)	211,416	N/A
Total	<u>\$ 378,825</u>	<u>\$ 189,310</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2021,” will be recognized as a reduction (increase) to net pension liability (asset) in the subsequent fiscal period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 154,337	\$ 56,888
School Department	80,509	24,402
Nursing Home	143,979	108,020
Total	<u>\$ 378,825</u>	<u>\$ 189,310</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
2023	\$ (17,164)
2024	(16,720)
2025	(16,522)
2026	(20,515)
2027	29,556
Thereafter	19,462

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 automatic cost of living adjustments (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 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 COLAs, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly 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, 2022, to the Teacher Retirement Plan were \$181,695, which is 2.01 percent of covered payroll. In addition, employer contributions of \$171,503 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 (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities (Assets). At June 30, 2022, the school department reported a liability (asset) of (\$521,981) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, 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, 2021, the school department's proportion was .481883 percent. The proportion as of June 30, 2020, was .462677 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, the school department recognized pension expense of \$60,935.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, 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	\$ 9,081	\$ 95,512
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	300,466
Changes in Assumptions	188,274	0
Changes in Proportion of Net Pension Liability (Asset)	3,368	30,153
LEA's Contributions Subsequent to the Measurement Date of June 30, 2021	181,695	N/A
Total	<u>\$ 382,418</u>	<u>\$ 426,131</u>

The school department's employer contributions of \$181,695, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) of net pension liability (asset) in the year ending June 30, 2023. 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
2023	\$ (68,451)
2024	(66,806)
2025	(66,338)
2026	(73,898)
2027	6,243
Thereafter	43,842

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, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2021, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. 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, 2020, 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 2.25 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	4.88	%	31	%
International Equity Emerging Market	5.37		14	
International Equity Private Equity and Strategic Lending	6.09		4	
U.S. Fixed Income	6.57		20	
Real Estate	1.20		20	
Short-term Securities	4.38		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 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 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 6.75 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 (5.75%) or one percentage point higher (7.75%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
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Net Pension Liability (Asset) \$ 179,443 \$ (521,981) \$ (1,039,307)

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 automatic cost of living adjustments (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 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, 2022, to the Teacher Legacy Pension Plan were \$2,133,979, which is 10.3 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, 2022, the school department reported a liability (asset) of (\$28,790,883) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, 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, 2021, the school department's proportion was .667500 percent. The proportion measured at June 30, 2020, was .675514 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2022, the school department recognized pension expense (negative pension expense) of (\$4,463,575).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, 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	\$ 96,753	\$ 2,401,253
Changes in Assumptions	7,692,443	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	22,960,086
Changes in Proportion of Net Pension Liability (Asset)	77,489	10,116
LEA's Contributions Subsequent to the Measurement Date of June 30, 2021	2,133,979	N/A
Total	<u>\$ 10,000,664</u>	<u>\$ 25,371,455</u>

The school department's employer contributions of \$2,133,979 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) of net pension liability (asset) in the year ending June 30, 2023. 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
2023	\$ (4,149,331)
2024	(3,928,240)
2025	(3,230,934)
2026	(6,196,266)
2027	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, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2021, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. 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, 2020, 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 2.25 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	4.88	%	31	%
International Equity Emerging Market	5.37		14	
International Equity Private Equity and Strategic Lending	6.09		4	
U.S. Fixed Income	6.57		20	
Real Estate	1.20		20	
Short-term Securities	4.38		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 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 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 6.75 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 (5.75%) or one percentage point higher (7.75%) than the current rate:

School Department's		Current	
Proportionate Share of	1%	Discount	1%
the Net Pension	Decrease	Rate	Increase
Liability (Asset)	5.75%	6.75%	7.75%

Net Pension Liability (Asset) \$ (5,123,809) \$ (28,790,883) \$ (48,486,610)

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 \$244,113 and \$48,308, respectively, and the school department and its employees contributed \$137,094 and \$78,730, respectively, to the 401(k) portion of the hybrid retirement plan. The school department contributed \$440,493 and teachers contributed \$284,332 to the 401(k) portion of the teacher retirement plan.

J. 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, 2021, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2021, 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	2.25%
Salary Increases	Salary increases used in the July 1, 2021 TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	2.16%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 7.36% for for pre-65 retirees in the 2022 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 2.16 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, 2021, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2021, valuations were the same as those employed in the July 1, 2020 Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. 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 PUB-2010 Headcount-Weighted Employee mortality table for General Employees for non-disabled pre-retirement mortality, with mortality improvement projected generationally with MP-2020 from 2010. Post-retirement tables for non-teachers are Headcount-Weighted Below Median Healthy Annuitant and adjusted with a 6% to load for males and a 14% load for females, projected generationally from 2010 with MP-2020. Post-retirement tables for teachers are Headcount-Weighted Below Median Healthy Annuitant and adjusted with a 19 to load for males and a 18% load for females, projected generationally from 2010 with MP-2020. 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, projected generationally from 2018 with MP-2020.

Changes in Assumptions. The discount rate changed from 2.21 percent as of the beginning of the measurement period to 2.16 percent as of the measurement date of June 30, 2021. 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 2022 plan year was revised from 9.02 percent to 7.36 percent. The assumed long term inflation rate was changed from 2.1 percent to 2.25 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, 2021, 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	417
Total	<u><u>419</u></u>

Employees of Jefferson County primary government comprise 79.01 percent of the plan and employees of the discretely presented Jefferson County Nursing Home comprise 20.99 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, 2022, the county paid \$12,240 to the LGP for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	Primary Government 79.0124%	Jefferson County Nursing Home 20.9876%	Total
Balance July 1, 2020	\$ 839,093	\$ 236,237	\$ 1,075,330
Changes for the Year:			
Service Cost	\$ 90,586	\$ 24,060	\$ 114,646
Interest	20,614	5,475	26,089
Difference between Expected and Actual Experience	(39,667)	(10,536)	(50,203)
Changes in Assumption and Other Inputs	(228,108)	(60,591)	(288,699)
Benefit Payments	(15,073)	(4,004)	(19,077)
Net Changes	\$ (171,649)	\$ (45,595)	\$ (217,244)
Balance June 30, 2021	\$ 667,444	\$ 190,642	\$ 858,086

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, the plan recognized OPEB expense of \$50,640. At June 30, 2022, 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	\$ 260,062
Changes of Assumptions/Inputs	104,548	215,523
Benefits Paid After the Measurement Date of June 30, 2021	9,671	0
Total	\$ 114,219	\$ 475,585

Jefferson County Nursing Home:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 69,079
Changes of Assumptions/Inputs	27,771	57,248
Benefits Paid After the Measurement Date of June 30, 2021	2,569	0
Total	<u>\$ 30,340</u>	<u>\$ 126,327</u>

The amount shown above for “Benefits Paid After the Measurement Date” will be recognized as a reduction to OPEB liability in the following fiscal 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
2023	\$ (71,186)	\$ (18,909)	\$ (90,095)
2024	(71,186)	(18,909)	(90,095)
2025	(71,186)	(18,909)	(90,095)
2026	(71,186)	(18,909)	(90,095)
2027	(44,358)	(11,782)	(56,140)
Thereafter	(41,934)	(11,139)	(53,073)

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% Decrease 1.16%		1% Increase 3.16%
Primary Government	\$ 731,772	\$ 677,994	\$ 627,246
Jefferson County Nursing Home	194,376	180,092	166,612
Total OPEB Liability	<u>\$ 926,148</u>	<u>\$ 858,086</u>	<u>\$ 793,858</u>

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% Decrease 6.36 to 3.5%		1% Increase 8.36 to 5.5%
Primary Government	\$ 598,982	\$ 677,994	\$ 771,370
Jefferson County Nursing Home	159,104	180,092	204,895
Total OPEB Liability	<u>\$ 758,086</u>	<u>\$ 858,086</u>	<u>\$ 976,265</u>

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 \$256 to \$640 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, 2021, the following employees were covered by the benefit terms:

	<u>School Department</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	64
Inactive Employees Entitled to But Not Yet Receiving Benefits	2
Active Employees Eligible for Benefits	<u>584</u>
Total	<u><u>650</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 \$663,132 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>71.5894%</u>	<u>28.4106%</u>	<u>Liability</u>
Balance July 1, 2020	\$ 12,036,482	\$ 4,197,268	\$ 16,233,750
Changes for the Year:			
Service Cost	\$ 597,851	\$ 237,261	\$ 835,112
Interest	262,853	104,315	367,168
Difference between			
Expected and Actuarial			
Experience	560,613	222,482	783,095
Changes in Assumption			
and Other Inputs	(615,001)	(244,066)	(859,067)
Change in Proportion	(414,838)	414,838	0
Benefit Payments	(654,959)	(259,923)	(914,882)
Net Changes	\$ (263,480)	\$ 474,906	\$ 211,426
Balance June 30, 2021	\$ 11,773,002	\$ 4,672,174	\$ 16,445,176

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 \$298,062 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 71.5894 percent and the State of Tennessee's share was 28.4106 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, the school department recognized OPEB expense of \$479,215, which includes expenses funded by subsidies provided by the state. At June 30, 2022, 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	\$ 741,924	\$ 3,268,731
Changes of Assumptions/Inputs	1,022,629	1,358,901
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	118,660	1,141,333
Benefits Paid After the Measurement Date of June 30, 2021	663,132	0
Total	<u>\$ 2,546,345</u>	<u>\$ 5,768,965</u>

The amount shown above for “Benefits Paid After the Measurement Date” will be recognized as a reduction to OPEB liability in the following fiscal 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
2023	\$ (679,552)
2024	(679,552)
2025	(679,552)
2026	(679,552)
2027	(672,749)
Thereafter	(494,795)

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 1.16%	Current Discount Rate 2.16%	1% Increase 3.16%
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Proportionate Share of the
Collective Total OPEB Liability \$ 12,593,917 \$ 11,773,002 \$ 10,985,320

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 6.36 to 3.5%	Curent Rates 7.36 to 4.5%	1% Increase 8.36 to 5.5%
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Proportionate Share of the
Collective Total OPEB Liability \$ 10,544,500 \$ 11,773,002 \$ 13,211,295

K. 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 2021-22 year, 26 employees participated in the program. The financial statements of this report reflect expenditures of \$122,003 in the General Purpose School Fund for the retirement incentive payments. A nondiscounted long-term liability of \$154,301 is reflected on the government-wide Statement of Net Position for retirement incentives. Of that amount, \$93,297 is due within one year.

L. 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.

M. 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.

N. Subsequent Event

Director of Schools Shane Johnston retired on July 1, 2022, and was succeeded by Tommy Arnold effective July 2, 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 \$206,622, and net pension asset of \$2,969,249, as of June 30, 2022, 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, 2022. See note VI.H 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, 2022, 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 \$150,000 for the year ended June 30, 2022.

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.H. 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 assets 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 assets 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, 2022, the nursing home had restricted component of net position – expendable of \$2,969,249, 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, 2022, 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

If certain triggering events occur as described in Note VI.A.6., management evaluates the recoverability of its investment in long-lived assets 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. Accordingly, the nursing home has included interest costs incurred during the White Pine project construction period in interest expense on the statements of revenue, expenses and changes in net position.

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 year ended June 30, 2022, 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 \$413,894 during 2022 and earned the \$413,894 amount during 2022.

The nursing home received an additional \$675,374 of TennCare funding during 2022, 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.

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, 2022.

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 (\$7,602,774) were deposited into an account held in trust by county. Additionally, the premium received on bond issuances totaling \$1,102,340 is also held in trust by the county for the White Pine project.

During February 2022, Jefferson County issued an additional \$2,000,000 in general obligation bonds to further fund construction of the White Pine project. The face amount of the bonds net of issuance costs (\$1,904,080) were deposited into an account held in trust by county. As construction progresses, draws are requested and the county finance officer forwards the funds to either the nursing home or directly to the vendor, as applicable. Additionally, the premium received on this bond issuance totaling \$105,407 is also held in trust by the county for the White Pine project. Total expenditures made out of the account held in trust by the county totaled \$7,355,752 during 2022.

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.H.

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, 2022.

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, 2022, the nursing home had net receivables from the federal government (Medicare) of approximately \$165,000 and from Medicaid of approximately \$615,000. Medicare comprised 13 percent and Medicaid comprised 54 percent of patient service revenue (excluding Provider Relief Funds) for the year ended June 30, 2022.

E. Inventories

A summary of inventories as of June 30, 2022, was as follows:

Food	\$ 10,477
Medical Supplies	13,463
Housekeeping Supplies	6,888
Maintenance Supplies	<u>6,251</u>
Total	<u><u>\$ 37,079</u></u>

F. Property and Equipment

The net investment in capital assets as of June 30, 2022, is as follows:

Property and Equipment, Net	\$ 14,637,014
Current Portion of Long-term Debt	(405,000)
Due to Primary Government, Excluding Current Portion	(14,575,000)
Restricted cash held by Jefferson County for capital project (unspent debt)	3,158,896
Construction Costs Payable	<u>(379,510)</u>
Total	<u><u>\$ 2,436,400</u></u>

The major classifications and changes in property and equipment as of and for the year ended June 30, 2022, are as follows:

	Balance 7-1-21	Additions/ Transfers	Decreases	Balance 6-30-22
Land	\$ 299,101	\$ 0	\$ 0	\$ 299,101
Land Improvements	263,990	0	0	263,990
Building and Improvements	10,271,626	8,991	0	10,280,617
Machinery and Equipment	2,015,483	6,927	0	2,022,410
Transportation Equipment	118,340	0	0	118,340
Construction in Progress	673,385	7,784,270	0	8,457,655
Total	<u>\$ 13,641,925</u>	<u>\$ 7,800,188</u>	<u>\$ 0</u>	<u>\$ 21,442,113</u>
Less Allowance for Depreciation and Amortization:				
Land Improvements	\$ (189,135)	\$ (13,831)	\$ 0	\$ (202,966)
Buildings and Improvements	(4,447,456)	(255,008)	0	(4,702,464)
Machinery and Equipment	(1,730,956)	(63,701)	0	(1,794,657)
Transportation Equipment	(101,378)	(3,634)	0	(105,012)
Total	<u>\$ (6,468,925)</u>	<u>\$ (336,174)</u>	<u>\$ 0</u>	<u>\$ (6,805,099)</u>
Total	<u><u>\$ 7,173,000</u></u>	<u><u>\$ 7,464,014</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 14,637,014</u></u>

Construction in progress as of June 30, 2022, is comprised of construction of a 30 bed facility in White Pine, Tennessee, funded by Jefferson County general obligation bonds as described in Note VI.G. Remaining construction contract commitments total approximately \$2,000,000 as of June 30, 2022.

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, 2022, is as follows:

	Balance			Balance	Amounts
	7-1-21	Additions	Reductions	6-30-22	Due Within
					One Year
General Obligation					
Bonds - 2020B	\$ 7,750,000	\$ 0	\$ 0	\$ 7,750,000	\$ 100,000
General Obligation					
Refunding Bonds - 2021B	5,535,000	0	(305,000)	5,230,000	305,000
General Obligation					
Refunding Bonds - 2022	0	2,000,000	0	2,000,000	0
Total	\$ 13,285,000	\$ 2,000,000	\$ (305,000)	\$ 14,980,000	\$ 405,000

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 and are used to fund construction costs on the White Pine project.

The Series 2020B coupon rate is set at three percent 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 two percent 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.

Jefferson County, Tennessee issued \$2,000,000 General Obligation Bonds, Series 2022 ("Series 2022"), dated February 25, 2022, to be used to further fund the construction of the White Pine project. The Series 2022 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 irrevocably 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 are reported on the nursing home's financial statements as obligations to the county. The proceeds are being held in trust by Jefferson County and are used to fund construction costs on the White Pine project.

The Series 2022 coupon rate is set at three percent with interest payable in semi-annual payments on June 1 and December 1 and annual principal installments ranging from \$50,000 to \$105,000 each June 1, beginning June 1, 2024. The final principal installment is due June 1, 2050.

A summary of future maturities and interest of long-term debt due to the county related to Series 2020B, 2021B, and Series 2022 bond obligations as of June 30, 2022, is as follows:

Fiscal Year Ending June 30	Series 2020B Principal	Series 2021B Principal	Series 2022 Principal	Estimated Interest	Total Payments
2023	\$ 100,000	\$ 305,000	\$ 0	\$ 390,475	\$ 795,475
2024	190,000	310,000	50,000	381,375	931,375
2025	195,000	315,000	50,000	367,975	927,975
2026	200,000	320,000	55,000	354,325	929,325
2027	205,000	330,000	55,000	340,275	930,275
2028-2032	1,125,000	1,745,000	300,000	1,478,275	4,648,275
2033-2037	1,300,000	1,905,000	340,000	1,086,463	4,631,463
2038-2042	1,505,000	0	395,000	727,200	2,627,200
2043-2047	1,750,000	0	450,000	424,350	2,624,350
2048-2052	1,180,000	0	305,000	90,000	1,575,000
Total	\$ 7,750,000	\$ 5,230,000	\$ 2,000,000	\$ 5,640,713	\$ 20,620,713

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 automatic cost of living adjustments (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 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, 2022, employer contributions by the nursing home for the hybrid plan were \$92,736 based on a rate of 1.1 percent of covered payroll. An additional 2.9 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, 2022, employee contributions totaled approximately \$116,000. 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, 2022, the hybrid plan reported a net pension asset of \$194,713 for its proportionate share of the net pension asset. The net pension assets were measured as of June 30, 2021, 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, 2022, 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, 2021, relative to the active participants of all component units of Jefferson County as of June 30, 2021. At the June 30, 2021, measurement date, the nursing home's proportion in the hybrid plan was 57.06 percent.

Actuarial Assumptions. The total hybrid plan pension asset as of the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72 to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2021, actuarial valuation were based on the results of an actuarial experience study performed for the period of July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

Change in assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions.

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, 2020, 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 2.25 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	4.88	% 31 %
International Equity Emerging Market	5.37	14
International Equity Private Equity and Strategic Lending	6.09	4
U.S. Fixed Income	6.57	20
Real Estate	1.20	20
Short-term Securities	4.38	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 6.75 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 6.75 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 6.75 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 (5.75%) or one-percentage-point higher (7.75%) than the current rate:

	Current	
1%	Discount	1%
Decrease	Rate	Increase
(5.75%)	(6.75%)	(7.75%)

Nursing Home's Proportionate

Share of the Net Position

Liability (Asset)	\$ 13,251	\$ (194,713)	\$ (349,908)
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Pension plan fiduciary net position

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

Pension expense

For the year ended June 30, 2022, the nursing home recognized pension expense of \$124,081 related to the hybrid plan.

Deferred outflows of resources and deferred inflows of resources

For the year ended June 30, 2022, 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	\$ 36,858	\$ 95
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	107,925
Changes in Assumptions	58,666	0
Nursing Home's Contributions Subsequent to the Measurement Date of June 30, 2021 (1)	48,455	0
Total	\$ 143,979	\$ 108,020

- (1) The amount shown above for "Contributions Subsequent to the Measurement Date of June 30, 2021," will be recognized as a reduction (increase) to net pension liability (asset) in the subsequent fiscal 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
2023	\$ (9,794)
2024	(9,540)
2025	(9,427)
2026	(11,706)
2027	16,685
Thereafter	11,105

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 \$13,834 for the outstanding amount of contributions to the hybrid plan required at the year ended June 30, 2022.

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, 2022, employer contributions for the nursing home related to the legacy plan were \$284,952 based on a rate of 8.3 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, 2022, the nursing home reported an asset of \$2,774,536 for its proportionate share of the net pension asset. The net pension assets were measured as of June 30, 2021, 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, 2022, 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, 2021, relative

to the active participants of all component units of Jefferson County as of June 30, 2021. At the June 30, 2021, measurement date, the nursing home's proportion in the legacy plan was 18.62 percent.

Actuarial Assumptions

The total legacy plan pension asset as of the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72 to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2021, actuarial valuation were based on the results of an actuarial experience study performed for the period of July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

Change in assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions.

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, 2020, 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 2.25 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	4.88	% 31 %
International Equity Emerging Market	5.37	14
International Equity Private Equity and Strategic Lending	6.09	4
U.S. Fixed Income	6.57	20
Real Estate	1.20	20
Short-term Securities	4.38	10
	0.00	1
Total		<u>100</u> %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 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 6.75 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 6.75 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 (5.75%) or one-percentage-point higher (7.75%) than the current rate:

	Current	
1%	Discount	1%
Decrease	Rate	Increase
(5.75%)	(6.75%)	(7.75%)

Nursing Home's Proportionate

Share of the Net Position

Liability (Asset) \$ (287,605) \$ (2,774,536) \$ (4,824,650)

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 (Negative Pension Expense). For the year ended June 30, 2022, the nursing home recognized negative pension expense of (\$84,271).

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2022, 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	\$ 28,851	\$ 156,162
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	2,318,299
Changes in assumptions	1,144,244	0
Nursing Home's Contributions Subsequent to the Measurement Date of June 30, 2021 (1)	284,952	0
Total	\$ 1,458,047	\$ 2,474,461

- (1) The amount shown above for "Contributions Subsequent to the Measurement Date of June 30, 2021," will be recognized as a reduction (increase) to net pension liability (asset) in the subsequent fiscal 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
2023	\$ (219,701)
2024	(234,518)
2025	(221,909)
2026	(625,238)

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 \$28,201 for the outstanding amount of contributions to the legacy plan required at the year ended June 30, 2022.

TCRS Stabilization Trust

Legal Provisions. As of June 30, 2022, 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, 2022, 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, 2022, 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	\$ 65,672
Developed Market International Equity	N/A	N/A	29,658
Emerging Market International Equity	N/A	N/A	8,474
U.S. Fixed Income	N/A	N/A	42,369
Real Estate	N/A	N/A	42,369
Short-term Securities	N/A	N/A	2,118
NAV - Private Equity and Strategic Lending	N/A	N/A	<u>21,184</u>
Total			<u><u>\$ 211,844</u></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, 2022.

Fair Value Measurements as of June 30, 2021 using the following inputs						
	(Level 1)	(Level 2)	(Level 3)*	NAV	Total	
U.S. Equity	\$ 65,672	\$ 0	\$ 0	\$ 0	\$ 65,672	
Developed Market						
International Equity	29,658	0	0	0	29,658	
Emerging Market						
International Equity	8,474	0	0	0	8,474	
U.S. Fixed Income	0	42,369	0	0	42,369	
Real Estate	0	0	42,369	0	42,369	
Short-term Securities	0	2,118	0	0	2,118	
NAV - Private Equity and Strategic Lending	0	0	0	21,184	21,184	
Total Assets in the fair value hierarchy	\$ 103,804	\$ 44,487	\$ 42,369	\$ 21,184	\$ 211,844	

* 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 invested in one issuer.

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the 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/2020/ag20045.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, 2021, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2021, 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	2.25%
Salary Increases	Graded salary increases from 3.44 to 8.72% based on age, including inflation, averaging 4%
Discount Rate	2.16%
Healthcare Cost Trend Rates	7.36 percent for pre-65 in 2021, decreasing annually over a 7 year period to an ultimate rate of 4.5%. 7.32% for post-65 in 2021, decreasing annually over a 8 year period to an ultimate rate of 4.5%
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 2.16 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, 2020, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2021, valuations were the same as those employed in the July 1, 2020, 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, 2016 - June 30, 2020. 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 PUB-2010 Headcount-Weighted Employee mortality table for non-disabled post-retirement mortality, with mortality improvement projected generationally with MP-2020 from 2010. Post-retirement tables are Headcount-Weighted Below Median Healthy Annuitant and adjusted with a 6% load for males and a 14% load for females, projected generationally from 2010 with MP-2020. 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, projected generationally from 2018 with MP-2020.

Changes in assumptions

The discount rate was changed from 2.21 percent as of the beginning of the measurement period to 2.16 percent as of June 30, 2021. This change in assumption increased the total OPEB liability. While other changes in assumptions include adjustments to initial per capita costs and health trend rates decreased the total OPEB liability.

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 20.99 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, 2022, the nursing home paid \$4,004 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, 2022, the nursing home recognized negative OPEB expense of (\$4,471). At June 30, 2022, the nursing home 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	\$ 69,079
Changes in assumptions	27,771	57,248
Nursing Home's Contributions Subsequent to the Measurement Date of June 30, 2021 (1)	2,569	0
Total	\$ 30,340	\$ 126,327

- (1) The amounts shown above for "benefits paid subsequent to the measurement date of June 30, 2021" will be recognized as a reduction (increase) to OPEB liability (asset) in the subsequent fiscal 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
2023	\$ (18,909)
2024	(18,909)
2025	(18,909)
2026	(18,909)
2027	(11,782)
Thereafter	(11,139)

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:

	Current	
1%	Discount	1%
Decrease	Rate	Increase
(1.16%)	(2.16%)	(3.16%)

Nursing Home's Proportionate

Share of the OPEB Liability	\$	194,376	\$	180,092	\$	166,612
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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:

	Current	
1%	Trend	1%
Decrease	Rate	Increase
(6.36% to 3.50%)	(7.36% to 4.50%)	(8.36% to 5.50%)

Nursing Home's Proportionate

Share of the OPEB Liability	\$	159,104	\$	180,092	\$	204,895
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J. Commitments and Contingencies

The nursing home has elected the accounting policy to not recognize lease assets and lease liabilities for leases with an initial term of 12 months or less. In thoroughly reviewing the lease commitments of the nursing home, it was determined that when calculating the present value of future cash inflows and outflows from leases, the overall impact to the financial statements was immaterial.

The nursing home leases various equipment under short-term operating lease agreements. Rent expense totaled \$1,824 in 2022.

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. Changes to health care laws and regulations may materially impact the nursing home's future operations.

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 is subject to changing political, regulatory and other influences, along with various scientific and technological initiatives. In recent years, the U.S. Congress and certain state legislatures have passed a large number of laws and regulations intended to affect major change within the U.S. health care system, including the Affordable Care Act. The Affordable Care Act affects how health care services are covered, delivered and reimbursed through expanded health care coverage, reduced growth in Medicare program spending, reductions in Medicare and Medicaid Disproportionate Share Hospital payments, and the establishment of programs that tie reimbursement to quality and integration. However, there is uncertainty regarding the future of the Affordable Care Act. The law has been subject to legislative and regulatory changes and court challenges.

As currently structured, the Affordable Care Act expands coverage through a combination of private sector health insurance requirements, public program expansion and other reforms. Expansion of coverage through the private sector has been driven by requirements applicable to health insurers, employers, and individuals. Expansion in public program coverage has been driven primarily by expanding the categories of individuals eligible for Medicaid. 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 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>2022</u>
Healthcare Services	\$ 11,357,321
General and Administrative	<u>2,056,080</u>
Total	<u><u>\$ 13,413,401</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	2021
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	\$ 1,417,202
Interest	4,567,501	4,844,096	5,033,759	5,305,216	5,450,972	5,774,338	6,023,348	6,258,001
Differences Between Actual and Expected Experience	118,884	(1,189,172)	(204,390)	(1,215,221)	774,712	(175,002)	(334,154)	(487,535)
Changes in Assumptions	0	0	0	1,747,186	0	0	0	7,805,396
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)	(3,962,208)
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	\$ 11,030,856
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	86,881,157
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	\$ 97,912,013
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	\$ 1,877,926
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	23,352,429
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)	(3,962,208)
Administrative Expense	(28,821)	(37,241)	(54,813)	(58,595)	(60,448)	(51,716)	(46,554)	(43,287)
Other	0	0	0	0	0	0	100	0
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	\$ 21,224,860
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	91,587,992
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	\$ 112,812,852
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)	\$ (14,900,839)
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%	115.22%
Covered Payroll	\$ 20,577,990	\$ 20,773,012	\$ 21,439,198	\$ 21,580,655	\$ 20,597,038	\$ 19,461,275	\$ 18,749,718	\$ 18,155,069
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(8.12%)	(7.95%)	(1.15%)	(15.56%)	(21.38%)	(28.02%)	(25.10%)	(82.08%)

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.

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	2021
Total Pension Liability					
Service Cost	\$ 0	\$ 139,363	\$ 263,258	\$ 344,085	\$ 424,344
Interest	0	12,830	37,911	65,447	100,600
Changes in Benefit Terms	39,240	0	0	0	0
Differences Between Actual and Expected Experience	0	76,487	12,762	18,835	(194)
Changes in Assumptions	0	0	0	0	119,950
Benefit Payments, Including Refunds of Employee Contributions	0	(3,275)	(9,994)	(19,890)	(27,637)
Net Change in Total Pension Liability	\$ 39,240	\$ 225,405	\$ 303,937	\$ 408,477	\$ 617,063
Total Pension Liability, Beginning	0	39,240	264,645	568,582	977,059
Total Pension Liability, Ending (a)	\$ 39,240	\$ 264,645	\$ 568,582	\$ 977,059	\$ 1,594,122
Plan Fiduciary Net Position					
Contributions - Employer	\$ 30,158	\$ 135,124	\$ 52,168	\$ 119,927	\$ 151,691
Contributions - Employee	37,698	168,905	237,131	316,162	374,635
Net Investment Income	3,592	17,532	37,595	43,245	348,220
Benefit Payments, Including Refunds of Employee Contributions	0	(3,275)	(9,994)	(19,890)	(27,637)
Administrative Expense	(4,448)	(12,304)	(15,480)	(21,288)	(24,103)
Net Change in Plan Fiduciary Net Position	\$ 67,000	\$ 305,982	\$ 301,420	\$ 438,156	\$ 822,806
Plan Fiduciary Net Position, Beginning	0	67,000	372,982	674,402	1,112,558
Plan Fiduciary Net Position, Ending (b)	\$ 67,000	\$ 372,982	\$ 674,402	\$ 1,112,558	\$ 1,935,364
Net Pension Liability (Asset), Ending (a - b)	\$ (27,760)	\$ (108,337)	\$ (105,820)	\$ (135,499)	\$ (341,242)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	170.74%	140.94%	118.61%	113.87%	121.41%
Covered Payroll	\$ 768,974	\$ 3,378,091	\$ 4,742,592	\$ 6,347,699	\$ 7,541,838
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(3.61%)	(3.21%)	(2.23%)	(2.13%)	(4.52%)

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-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	2022
Actuarially Determined Contribution	\$ 3,039,363	\$ 3,246,821	\$ 3,350,948	\$ 1,855,936	\$ 1,758,987	\$ 1,677,366	\$ 1,576,490	\$ 1,451,873	\$ 942,652
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)	(1,877,926)	(1,423,808)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (869,701)	\$ (842,419)	\$ (483,176)	\$ (487,962)	\$ (426,053)	\$ (481,156)
Covered Payroll	\$ 20,577,990	\$ 20,773,012	\$ 21,439,198	\$ 21,580,655	\$ 20,597,038	\$ 19,641,275	\$ 18,749,718	\$ 18,155,069	\$ 17,139,119
Contributions as a Percentage of Covered Payroll	14.77%	15.63%	15.63%	12.63%	12.63%	11.00%	11.01%	10.34%	8.31%

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	2022
Actuarially Determined Contribution	\$ 8,689	\$ 43,578	\$ 52,168	\$ 119,927	\$ 151,691	\$ 211,416
Less: Contributions in Relation to the Actuarially Determined Contribution	(30,158)	(135,124)	(52,168)	(119,927)	(151,691)	(211,416)
Contribution Deficiency (Excess)	\$ (21,469)	\$ (91,546)	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 768,974	\$ 3,378,091	\$ 4,742,592	\$ 6,347,699	\$ 7,541,838	\$ 10,115,598
Contributions as a Percentage of Covered Payroll	3.92%	4.00%	1.10%	1.89%	2.01%	2.09%

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-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	2022
Contractually Required Contribution	\$ 41,727	\$ 66,355	\$ 99,201	\$ 152,701	\$ 95,741	\$ 118,524	\$ 140,484	\$ 181,695
Less: Contributions in Relation to the Contractually Required Contribution	(41,727)	(66,355)	(99,201)	(152,701)	(95,741)	(118,524)	(140,484)	(181,695)
Contribution Deficiency (Excess)	\$ 0	\$ 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	\$ 6,962,612	\$ 9,038,579
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%	2.02%	2.01%

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

Note 2: 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%
2022: Pension - 2.01%, SRT - 1.99%

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	2022
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	\$ 2,133,979
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)	(2,133,979)
Contribution Deficiency (Excess)	\$ 0	\$ 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	\$ 20,718,220
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%	10.30%

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	2021
School Department's Proportion of the Net Pension Liability (Asset)	0.502068%	0.377012%	0.377859%	0.436848%	0.466367%	0.462677%	0.481883%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (20,198)	\$ (39,248)	\$ (99,692)	\$ (198,123)	\$ (263,258)	\$ (263,098)	\$ (521,981)
Covered Payroll	\$ 1,043,164	\$ 1,658,879	\$ 2,480,011	\$ 3,817,542	\$ 4,935,126	\$ 5,834,700	\$ 6,963,612
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%)	(7.50%)
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%	121.53%

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	2021
School Department's Proportion of the Net Pension Liability (Asset)	0.646459%	0.656431%	0.675339%	0.687309%	0.681540%	0.700971%	0.675514%	0.667500%
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)	\$ (28,790,883)
Covered Payroll	\$ 25,373,475	\$ 24,573,523	\$ 24,378,346	\$ 24,296,000	\$ 23,865,314	\$ 23,504,594	\$ 22,482,875	\$ 21,908,461
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%)	(131.41%)
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%	116.13%

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

Exhibit F-9

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	2021
Total OPEB Liability					
Service Cost	\$ 81,150	\$ 76,490	\$ 95,551	\$ 91,083	\$ 114,646
Interest	31,577	39,756	42,382	35,923	26,089
Differences Between Actual and Expected Experience	0	(128,030)	(297,291)	(58,336)	(50,203)
Changes in Assumptions or Other Inputs	(54,640)	71,054	47,236	91,226	(288,699)
Benefit Payments	(15,261)	(20,886)	(27,962)	(33,568)	(19,077)
Net Change in Total OPEB Liability	\$ 42,826	\$ 38,384	\$ (140,084)	\$ 126,328	\$ (217,244)
Total OPEB Liability, Beginning	1,007,876	1,050,702	1,089,086	949,002	1,075,330
Total OPEB Liability, Ending	<u>\$ 1,050,702</u>	<u>\$ 1,089,086</u>	<u>\$ 949,002</u>	<u>\$ 1,075,330</u>	<u>\$ 858,086</u>
 Nursing Home Share of the Total OPEB Liability	 \$ 266,668	 \$ 346,639	 \$ 201,171	 \$ 236,237	 \$ 180,092
Primary Government Share of the Total OPEB Liability	784,034	742,447	747,831	839,093	677,994
 Primary Government Covered Employee Payroll	 \$ 11,220,139	 \$ 11,693,014	 \$ 11,704,504	 \$ 12,140,487	 \$ 12,545,518
Primary Government OPEB Liability as a Percentage of Covered Employee Payroll	6.99%	6.35%	6.39%	6.91%	5.40%
 Nursing Home Covered Employee Payroll	 	 	 	 \$ 3,288,552	 \$ 3,392,574
Nursing Home OPEB Liability as a Percentage of Covered Employee Payroll				7.18%	5.31%

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%
2021	2.16%

(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%.
For the 2022 plan year - from 9.02% to 7.36%.

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	2021
Total OPEB Liability					
Service Cost	\$ 1,224,010	\$ 1,139,357	\$ 1,106,392	\$ 631,129	\$ 835,112
Interest	625,299	758,746	729,645	495,370	367,168
Changes in Benefit Terms	0	0	(790,704)	0	0
Differences Between Actual and Expected Experience	0	(2,457,397)	(4,712,713)	457,618	783,095
Changes in Assumptions or Other Inputs	(940,958)	412,102	(1,026,735)	1,555,322	(859,067)
Benefit Payments	(863,451)	(986,443)	(976,217)	(768,678)	(914,882)
Net Change in Total OPEB Liability	\$ 44,900	\$ (1,133,635)	\$ (5,670,332)	\$ 2,370,761	\$ 211,426
Total OPEB Liability, Beginning	20,622,056	20,666,956	19,533,321	13,862,989	16,233,750
Total OPEB Liability, Ending	\$ 20,666,956	\$ 19,533,321	\$ 13,862,989	\$ 16,233,750	\$ 16,445,176
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 4,527,696	\$ 4,231,718	\$ 3,680,374	\$ 4,197,269	\$ 4,672,174
Employer Proportionate Share of the Total OPEB Liability	16,139,260	15,301,603	10,182,615	12,036,481	11,773,002
Covered Employee Payroll	\$ 30,941,444	\$ 30,811,826	\$ 32,956,348	\$ 37,153,429	\$ 38,142,887
Net OPEB Liability as a Percentage of Covered Employee Payroll	52.16%	49.66%	30.90%	32.40%	30.87%

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%
2021	2.16%

(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%.
For the 2022 plan year - from 9.02% to 7.36%.

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, 2022

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2022 were calculated based on the June 30, 2020, 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.

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

Exhibit G-1

Jefferson County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	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	\$ 2,350	\$ 2,350
Equity in Pooled Cash and Investments	116,135	11,469	409,652	58,061	0	595,317
Accounts Receivable	0	0	0	0	3,534	3,534
Due from Other Governments	0	0	0	0	0	0
Property Taxes Receivable	0	0	1,802,171	0	0	1,802,171
Allowance for Uncollectible Property Taxes	0	0	(56,390)	0	0	(56,390)
Total Assets	\$ 116,135	\$ 11,469	\$ 2,155,433	\$ 58,061	\$ 5,884	\$ 2,346,982
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 0	\$ 4,263	\$ 2,180	\$ 0	\$ 6,443
Accrued Payroll	0	0	20,223	0	0	20,223
Payroll Deductions Payable	0	0	7,667	0	0	7,667
Due to Other Funds	0	0	86,437	0	5,884	92,321
Due to State of Tennessee	0	0	198	0	0	198
Total Liabilities	\$ 0	\$ 0	\$ 118,788	\$ 2,180	\$ 5,884	\$ 126,852
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 1,719,922	\$ 0	\$ 0	\$ 1,719,922
Deferred Delinquent Property Taxes	0	0	20,372	0	0	20,372
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 1,740,294	\$ 0	\$ 0	\$ 1,740,294

(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	\$ 116,135	\$ 0	\$ 0	\$ 0	\$ 0	\$ 116,135
Restricted for Administration of Justice	0	11,469	0	0	0	11,469
Restricted for Public Safety	0	0	0	55,881	0	55,881
Restricted for Public Health and Welfare	0	0	229,676	0	0	229,676
Restricted for Capital Projects	0	0	0	0	0	0
Committed:						
Committed for Public Health and Welfare	0	0	66,675	0	0	66,675
Total Fund Balances	\$ 116,135	\$ 11,469	\$ 296,351	\$ 55,881	\$ 0	\$ 479,836
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 116,135	\$ 11,469	\$ 2,155,433	\$ 58,061	\$ 5,884	\$ 2,346,982

(Continued)

Exhibit G-1

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

	Capital Projects Fund	Total Nonmajor Governmental Funds
<u>ASSETS</u>		
Cash	\$ 0	\$ 2,350
Equity in Pooled Cash and Investments	629,987	1,225,304
Accounts Receivable	0	3,534
Due from Other Governments	8,233	8,233
Property Taxes Receivable	558,586	2,360,757
Allowance for Uncollectible Property Taxes	(19,550)	(75,940)
Total Assets	<u>\$ 1,177,256</u>	<u>\$ 3,524,238</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 405	\$ 6,848
Accrued Payroll	0	20,223
Payroll Deductions Payable	0	7,667
Due to Other Funds	0	92,321
Due to State of Tennessee	0	198
Total Liabilities	<u>\$ 405</u>	<u>\$ 127,257</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 529,207	\$ 2,249,129
Deferred Delinquent Property Taxes	7,835	28,207
Total Deferred Inflows of Resources	<u>\$ 537,042</u>	<u>\$ 2,277,336</u>

(Continued)

Exhibit G-1

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

FUND BALANCES

Restricted:

Restricted for General Government

Restricted for Administration of Justice

Restricted for Public Safety

Restricted for Public Health and Welfare

Restricted for Capital Projects

Committed:

Committed for Public Health and Welfare

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

Capital Projects Fund		Total Nonmajor Governmental Funds
General Capital Projects		
\$	0	\$ 116,135
	0	11,469
	0	55,881
	0	229,676
	639,809	639,809
	0	66,675
\$	639,809	\$ 1,119,645
\$	1,177,256	\$ 3,524,238

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, 2022

	Special Revenue Funds						
	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	
<u>Revenues</u>							
Local Taxes	\$ 50,528	\$ 12,686	\$ 1,835,344	\$ 0	\$ 0	\$ 1,898,558	
Fines, Forfeitures, and Penalties	0	0	0	25,504	0	25,504	
Charges for Current Services	0	0	0	0	80,119	80,119	
Other Local Revenues	0	0	154,000	1,222	0	155,222	
State of Tennessee	0	0	172,087	0	0	172,087	
Federal Government	0	0	0	0	0	0	
Total Revenues	\$ 50,528	\$ 12,686	\$ 2,161,431	\$ 26,726	\$ 80,119	\$ 2,331,490	
<u>Expenditures</u>							
Current:							
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 555	\$ 555	
Finance	511	129	0	0	137,577	138,217	
Public Safety	0	11,742	0	23,181	56	34,979	
Public Health and Welfare	0	0	2,206,865	0	0	2,206,865	
Other Operations	0	0	0	0	0	0	
Debt Service:							
Other Debt Service	0	0	0	0	0	0	
Capital Projects	0	0	0	0	0	0	
Total Expenditures	\$ 511	\$ 11,871	\$ 2,206,865	\$ 23,181	\$ 138,188	\$ 2,380,616	
Excess (Deficiency) of Revenues Over Expenditures	\$ 50,017	\$ 815	\$ (45,434)	\$ 3,545	\$ (58,069)	\$ (49,126)	

(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	
<u>Other Financing Sources (Uses)</u>						
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Premiums on Debt Sold	0	0	0	0	0	0
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
Net Change in Fund Balances	\$ 50,017	\$ 815	\$ (45,434)	\$ 3,545	\$ (58,069)	\$ (49,126)
Fund Balance, July 1, 2021	<u>66,118</u>	<u>10,654</u>	<u>341,785</u>	<u>52,336</u>	<u>58,069</u>	<u>528,962</u>
Fund Balance, June 30, 2022	<u>\$ 116,135</u>	<u>\$ 11,469</u>	<u>\$ 296,351</u>	<u>\$ 55,881</u>	<u>\$ 0</u>	<u>\$ 479,836</u>

(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	Nursing Home Projects	Total	
<u>Revenues</u>				
Local Taxes	\$ 693,588	\$ 0	\$ 693,588	\$ 2,592,146
Fines, Forfeitures, and Penalties	0	0	0	25,504
Charges for Current Services	0	0	0	80,119
Other Local Revenues	9,308	0	9,308	164,530
State of Tennessee	0	0	0	172,087
Federal Government	48,887	0	48,887	48,887
Total Revenues	<u>\$ 751,783</u>	<u>\$ 0</u>	<u>\$ 751,783</u>	<u>\$ 3,083,273</u>
<u>Expenditures</u>				
Current:				
General Government	\$ 0	\$ 0	\$ 0	\$ 555
Finance	0	0	0	138,217
Public Safety	0	0	0	34,979
Public Health and Welfare	0	2,009,487	2,009,487	4,216,352
Other Operations	4,130	0	4,130	4,130
Debt Service:				
Other Debt Service	0	95,920	95,920	95,920
Capital Projects	394,262	0	394,262	394,262
Total Expenditures	<u>\$ 398,392</u>	<u>\$ 2,105,407</u>	<u>\$ 2,503,799</u>	<u>\$ 4,884,415</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 353,391</u>	<u>\$ (2,105,407)</u>	<u>\$ (1,752,016)</u>	<u>\$ (1,801,142)</u>

(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	Nursing Home Projects	Total	
<u>Other Financing Sources (Uses)</u>				
Bonds Issued	\$ 0	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Premiums on Debt Sold	0	105,407	105,407	105,407
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 2,105,407</u>	<u>\$ 2,105,407</u>	<u>\$ 2,105,407</u>
Net Change in Fund Balances	\$ 353,391	\$ 0	\$ 353,391	\$ 304,265
Fund Balance, July 1, 2021	<u>286,418</u>	<u>0</u>	<u>286,418</u>	<u>815,380</u>
Fund Balance, June 30, 2022	<u>\$ 639,809</u>	<u>\$ 0</u>	<u>\$ 639,809</u>	<u>\$ 1,119,645</u>

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, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 50,528	\$ 40,000	\$ 40,000	\$ 10,528
Total Revenues	\$ 50,528	\$ 40,000	\$ 40,000	\$ 10,528
<u>Expenditures</u>				
Finance				
Other Finance	\$ 511	\$ 1,000	\$ 1,000	\$ 489
Total Expenditures	\$ 511	\$ 1,000	\$ 1,000	\$ 489
Excess (Deficiency) of Revenues Over Expenditures	\$ 50,017	\$ 39,000	\$ 39,000	\$ 11,017
Net Change in Fund Balance	\$ 50,017	\$ 39,000	\$ 39,000	\$ 11,017
Fund Balance, July 1, 2021	66,118	60,000	60,000	6,118
Fund Balance, June 30, 2022	\$ 116,135	\$ 99,000	\$ 99,000	\$ 17,135

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, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 12,686	\$ 11,464	\$ 11,664	\$ 1,022
Total Revenues	\$ 12,686	\$ 11,464	\$ 11,664	\$ 1,022
<u>Expenditures</u>				
<u>Finance</u>				
Other Finance	\$ 129	\$ 100	\$ 300	\$ 171
<u>Public Safety</u>				
Jail	11,742	11,364	11,764	22
Total Expenditures	\$ 11,871	\$ 11,464	\$ 12,064	\$ 193
Excess (Deficiency) of Revenues Over Expenditures	\$ 815	\$ 0	\$ (400)	\$ 1,215
Net Change in Fund Balance	\$ 815	\$ 0	\$ (400)	\$ 1,215
Fund Balance, July 1, 2021	10,654	9,000	9,000	1,654
Fund Balance, June 30, 2022	\$ 11,469	\$ 9,000	\$ 8,600	\$ 2,869

Exhibit G-5

Jefferson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 1,835,344	\$ 0	\$ 1,835,344	\$ 1,788,519	\$ 1,788,519	\$ 46,825
Other Local Revenues	154,000	0	154,000	0	154,000	0
State of Tennessee	172,087	0	172,087	0	179,450	(7,363)
Total Revenues	<u>\$ 2,161,431</u>	<u>\$ 0</u>	<u>\$ 2,161,431</u>	<u>\$ 1,788,519</u>	<u>\$ 2,121,969</u>	<u>\$ 39,462</u>
<u>Expenditures</u>						
<u>Public Health and Welfare</u>						
Waste Pickup	\$ 2,206,865	\$ 15,965	\$ 2,222,830	\$ 1,831,360	\$ 2,283,890	\$ 61,060
Total Expenditures	<u>\$ 2,206,865</u>	<u>\$ 15,965</u>	<u>\$ 2,222,830</u>	<u>\$ 1,831,360</u>	<u>\$ 2,283,890</u>	<u>\$ 61,060</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (45,434)</u>	<u>\$ (15,965)</u>	<u>\$ (61,399)</u>	<u>\$ (42,841)</u>	<u>\$ (161,921)</u>	<u>\$ 100,522</u>
Net Change in Fund Balance	\$ (45,434)	\$ (15,965)	\$ (61,399)	\$ (42,841)	\$ (161,921)	\$ 100,522
Fund Balance, July 1, 2021	<u>341,785</u>	<u>0</u>	<u>341,785</u>	<u>500,000</u>	<u>500,000</u>	<u>(158,215)</u>
Fund Balance, June 30, 2022	<u><u>\$ 296,351</u></u>	<u><u>\$ (15,965)</u></u>	<u><u>\$ 280,386</u></u>	<u><u>\$ 457,159</u></u>	<u><u>\$ 338,079</u></u>	<u><u>\$ (57,693)</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, 2022

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 25,504	\$ 0	\$ 25,504	\$ 27,000	\$ 27,000	\$ (1,496)
Other Local Revenues	1,222	0	1,222	0	0	1,222
Total Revenues	<u>\$ 26,726</u>	<u>\$ 0</u>	<u>\$ 26,726</u>	<u>\$ 27,000</u>	<u>\$ 27,000</u>	<u>\$ (274)</u>
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 23,181	\$ 5,300	\$ 28,481	\$ 54,000	\$ 54,000	\$ 25,519
Total Expenditures	<u>\$ 23,181</u>	<u>\$ 5,300</u>	<u>\$ 28,481</u>	<u>\$ 54,000</u>	<u>\$ 54,000</u>	<u>\$ 25,519</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 3,545</u>	<u>\$ (5,300)</u>	<u>\$ (1,755)</u>	<u>\$ (27,000)</u>	<u>\$ (27,000)</u>	<u>\$ 25,245</u>
Net Change in Fund Balance	\$ 3,545	\$ (5,300)	\$ (1,755)	\$ (27,000)	\$ (27,000)	\$ 25,245
Fund Balance, July 1, 2021	52,336	0	52,336	40,000	40,000	12,336
Fund Balance, June 30, 2022	<u><u>\$ 55,881</u></u>	<u><u>\$ (5,300)</u></u>	<u><u>\$ 50,581</u></u>	<u><u>\$ 13,000</u></u>	<u><u>\$ 13,000</u></u>	<u><u>\$ 37,581</u></u>

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, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 693,588	\$ 0	\$ 0	\$ 693,588	\$ 673,181	\$ 673,181	\$ 20,407
Other Local Revenues	9,308	0	0	9,308	0	0	9,308
State of Tennessee	0	0	0	0	270,000	0	0
Federal Government	48,887	0	0	48,887	0	127,312	(78,425)
Total Revenues	\$ 751,783	\$ 0	\$ 0	\$ 751,783	\$ 943,181	\$ 800,493	\$ (48,710)
<u>Expenditures</u>							
<u>Other Operations</u>							
COVID-19 Grant #3	\$ 4,130	\$ (4,130)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Capital Projects</u>							
Administration of Justice Projects	2,000	0	0	2,000	2,000	2,000	0
Public Safety Projects	128,211	0	4,555	132,766	341,000	214,450	81,684
Public Health and Welfare Projects	75,900	0	0	75,900	79,500	117,000	41,100
Other General Government Projects	188,151	0	0	188,151	271,000	271,000	82,849
Total Expenditures	\$ 398,392	\$ (4,130)	\$ 4,555	\$ 398,817	\$ 693,500	\$ 604,450	\$ 205,633
Excess (Deficiency) of Revenues Over Expenditures	\$ 353,391	\$ 4,130	\$ (4,555)	\$ 352,966	\$ 249,681	\$ 196,043	\$ 156,923
Net Change in Fund Balance	\$ 353,391	\$ 4,130	\$ (4,555)	\$ 352,966	\$ 249,681	\$ 196,043	\$ 156,923
Fund Balance, July 1, 2021	286,418	(4,130)	0	282,288	400,000	400,000	(117,712)
Fund Balance, June 30, 2022	\$ 639,809	\$ 0	\$ (4,555)	\$ 635,254	\$ 649,681	\$ 596,043	\$ 39,211

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, 2022

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 8,637,675	\$ 6,430,906	\$ 6,430,906	\$ 2,206,769
Other Local Revenues	865,691	878,388	878,388	(12,697)
Federal Government	449,811	442,656	442,656	7,155
Total Revenues	<u>\$ 9,953,177</u>	<u>\$ 7,751,950</u>	<u>\$ 7,751,950</u>	<u>\$ 2,201,227</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,260,000	\$ 1,235,000	\$ 1,260,000	\$ 0
Education	3,449,628	3,449,628	3,449,628	0
<u>Interest on Debt</u>				
General Government	377,018	591,138	566,138	189,120
Education	2,431,703	2,431,808	2,431,808	105
<u>Other Debt Service</u>				
General Government	132,590	151,000	151,000	18,410
Total Expenditures	<u>\$ 7,650,939</u>	<u>\$ 7,858,574</u>	<u>\$ 7,858,574</u>	<u>\$ 207,635</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,302,238</u>	<u>\$ (106,624)</u>	<u>\$ (106,624)</u>	<u>\$ 2,408,862</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 484,368	\$ 483,854	\$ 483,854	\$ 514
Total Other Financing Sources	<u>\$ 484,368</u>	<u>\$ 483,854</u>	<u>\$ 483,854</u>	<u>\$ 514</u>
Net Change in Fund Balance	\$ 2,786,606	\$ 377,230	\$ 377,230	\$ 2,409,376
Fund Balance, July 1, 2021	<u>14,093,418</u>	<u>12,000,000</u>	<u>12,000,000</u>	<u>2,093,418</u>
Fund Balance, June 30, 2022	<u>\$ 16,880,024</u>	<u>\$ 12,377,230</u>	<u>\$ 12,377,230</u>	<u>\$ 4,502,794</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, 2022

ASSETS

Cash
Equity in Pooled Cash and Investments
Accounts Receivable
Due from Other Governments
Property Taxes Receivable
Allowance for Uncollectible Property Taxes
Total Assets

Custodial Funds			
Cities - Sales Tax	Cities - Property Tax	Constitu - tional Officers - Custodial	Total
\$ 0	\$ 0	\$ 1,990,708	\$ 1,990,708
0	11,265	0	11,265
0	0	126,538	126,538
1,437,421	0	0	1,437,421
0	1,477,623	0	1,477,623
0	(48,668)	0	(48,668)
<u>\$ 1,437,421</u>	<u>\$ 1,440,220</u>	<u>\$ 2,117,246</u>	<u>\$ 4,994,887</u>

LIABILITIES

Due to Other Taxing Units
Total Liabilities

\$ 1,437,421	\$ 28,565	\$ 0	\$ 1,465,986
<u>\$ 1,437,421</u>	<u>\$ 28,565</u>	<u>\$ 0</u>	<u>\$ 1,465,986</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes
Total Deferred Inflows of Resources

\$ 0	\$ 1,411,655	\$ 0	\$ 1,411,655
<u>\$ 0</u>	<u>\$ 1,411,655</u>	<u>\$ 0</u>	<u>\$ 1,411,655</u>

NET POSITION

Restricted for Individuals, Organizations, and Other Governments
Total Net Position

\$ 0	\$ 0	\$ 2,117,246	\$ 2,117,246
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,117,246</u>	<u>\$ 2,117,246</u>

Jefferson County, Tennessee
Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended June 30, 2022

	Custodial Funds			
	Cities - Sales Tax	Cities - Property Tax	Constitu - tional Officers - Custodial	Total
<u>Additions</u>				
Sales Tax Collections for Other Governments	\$ 7,768,738	\$ 0	\$ 0	\$ 7,768,738
Property Tax Collections for Other Governments	0	1,455,517	0	1,455,517
Fines/Fees and Other Collections	0	0	11,132,258	11,132,258
Total Additions	\$ 7,768,738	\$ 1,455,517	\$ 11,132,258	\$ 20,356,513
<u>Deductions</u>				
Payment of Sales Tax Collections for Other Governments	\$ 7,768,738	\$ 0	\$ 0	\$ 7,768,738
Payment of Property Tax Collections for Other Governments	0	1,455,517	0	1,455,517
Payments to State	0	0	9,209,525	9,209,525
Payments to Individuals and Others	0	0	1,665,877	1,665,877
Total Deductions	\$ 7,768,738	\$ 1,455,517	\$ 10,875,402	\$ 20,099,657
Change in Net Position	\$ 0	\$ 0	\$ 256,856	\$ 256,856
Net Position July 1, 2021	0	0	1,860,390	1,860,390
Net Position June 30, 2022	\$ 0	\$ 0	\$ 2,117,246	\$ 2,117,246

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, 2022

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	\$ 35,191,087	\$ 0	\$ 4,393,770	\$ 35,000	\$ (30,762,317)
Support Services	24,957,069	67,021	1,781,778	0	(23,108,270)
Operation of Non-instructional Services	7,131,043	520,352	8,017,192	3,263	1,409,764
Total Governmental Activities	<u>\$ 67,279,199</u>	<u>\$ 587,373</u>	<u>\$ 14,192,740</u>	<u>\$ 38,263</u>	<u>\$ (52,460,823)</u>
General Revenues:					
Taxes:					
Property taxes levied for general purposes					\$ 11,317,491
Local option sales tax					8,671,861
Mixed Drink Tax					44,169
Grants & Contributions not restricted for specific programs					50,954,093
Unrestricted Investment Earnings					7,114
Miscellaneous					26,907
Total General Revenues					<u>\$ 71,021,635</u>
Change in Net Position					\$ 18,560,812
Net Position, July 1, 2021					<u>78,948,126</u>
Net Position, June 30, 2022					<u>\$ 97,508,938</u>

Exhibit J-2

Jefferson County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Jefferson County School Department
June 30, 2022

	Major Funds		Nonmajor Funds	Total
	General Purpose School	School Federal Projects	Other Govern- mental Funds	Governmental Funds
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 1,403,828	\$ 1,403,828
Equity in Pooled Cash and Investments	20,549,915	197,525	3,826,853	24,574,293
Accounts Receivable	21,771	1,270	55,126	78,167
Due from Other Governments	3,908,559	2,601,923	68,811	6,579,293
Due from Other Funds	0	4,464	43,355	47,819
Property Taxes Receivable	11,228,914	0	0	11,228,914
Allowance for Uncollectible Property Taxes	(351,350)	0	0	(351,350)
Restricted Assets	674,397	0	0	674,397
Total Assets	\$ 36,032,206	\$ 2,805,182	\$ 5,397,973	\$ 44,235,361
<u>LIABILITIES</u>				
Accounts Payable	\$ 200,278	\$ 11,603	\$ 158,696	\$ 370,577
Accrued Payroll	765,237	32,464	45,576	843,277
Payroll Deductions Payable	2,853,380	605,099	83,216	3,541,695
Contracts Payable	0	69,387	0	69,387
Due to Other Funds	47,819	0	0	47,819
Total Liabilities	\$ 3,866,714	\$ 718,553	\$ 287,488	\$ 4,872,755
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 10,716,439	\$ 0	\$ 0	\$ 10,716,439
Deferred Delinquent Property Taxes	126,934	0	0	126,934
Other Deferred/Unavailable Revenue	808,453	954,892	0	1,763,345
Total Deferred Inflows of Resources	\$ 11,651,826	\$ 954,892	\$ 0	\$ 12,606,718
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Education	\$ 206,284	\$ 0	\$ 4,506,064	\$ 4,712,348
Restricted for Hybrid Retirement Stabilization Funds	674,397	0	0	674,397
Committed:				
Committed for Education	554,676	2,000,000	0	2,554,676
Committed for Capital Projects	3,367,519	0	604,421	3,971,940
Assigned:				
Assigned for Education	1,041,847	0	0	1,041,847
Assigned for Capital Projects	667,380	0	0	667,380
Unassigned	14,001,563	(868,263)	0	13,133,300
Total Fund Balances	\$ 20,513,666	\$ 1,131,737	\$ 5,110,485	\$ 26,755,888
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 36,032,206	\$ 2,805,182	\$ 5,397,973	\$ 44,235,361

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, 2022

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)		\$	26,755,888
(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		1,745,866	
Add: buildings and improvements net of accumulated depreciation		61,825,365	
Add: machinery and equipment net of accumulated depreciation		770,574	
Add: other capital assets net of accumulated depreciation		<u>2,225,722</u>	68,060,077
(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.			145,208
(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	\$	(745,338)	
Less: termination benefits payable		(154,301)	
Less: net OPEB liability		<u>(11,773,002)</u>	(12,672,641)
(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	\$	12,576,475	
Less: deferred inflows of resources related to pensions		(29,461,918)	
Add: deferred outflows of resources related to OPEB		2,546,345	
Less: deferred inflows of resources related to OPEB		<u>(5,768,965)</u>	(20,108,063)
(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	\$	4,081,340	
Add: net pension asset - public employee hybrid retirement plan		43,986	
Add: net pension asset - teacher retirement plan		521,981	
Add: net pension asset - teacher legacy pension plan		<u>28,790,883</u>	33,438,190
(6) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			<u>1,890,279</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>97,508,938</u></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, 2022

	Major Funds		Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>				
Local Taxes	\$ 20,061,915	\$ 0	\$ 0	\$ 20,061,915
Licenses and Permits	1,814	0	0	1,814
Charges for Current Services	293,313	0	294,060	587,373
Other Local Revenues	(9,374)	5,747	1,868,908	1,865,281
State of Tennessee	43,336,864	0	43,958	43,380,822
Federal Government	394,025	13,097,839	5,347,690	18,839,554
Other Governments and Citizens Groups	124,346	0	0	124,346
Total Revenues	\$ 64,202,903	\$ 13,103,586	\$ 7,554,616	\$ 84,861,105
<u>Expenditures</u>				
Current:				
Instruction	\$ 34,294,287	\$ 7,139,320	\$ 0	\$ 41,433,607
Support Services	19,739,604	3,677,447	0	23,417,051
Operation of Non-Instructional Services	1,096,228	18,569	6,455,858	7,570,655
Capital Outlay	809,105	2,989,496	0	3,798,601
Capital Projects	0	0	80,000	80,000
Total Expenditures	\$ 55,939,224	\$ 13,824,832	\$ 6,535,858	\$ 76,299,914
Excess (Deficiency) of Revenues Over Expenditures	\$ 8,263,679	\$ (721,246)	\$ 1,018,758	\$ 8,561,191
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 7,857	\$ 0	\$ 9,493	\$ 17,350
Transfers In	112,489	0	0	112,489
Transfers Out	0	(112,489)	0	(112,489)
Total Other Financing Sources (Uses)	\$ 120,346	\$ (112,489)	\$ 9,493	\$ 17,350
Net Change in Fund Balances	\$ 8,384,025	\$ (833,735)	\$ 1,028,251	\$ 8,578,541
Fund Balance, July 1, 2021	12,129,641	1,965,472	4,082,234	18,177,347
Fund Balance, June 30, 2022	\$ 20,513,666	\$ 1,131,737	\$ 5,110,485	\$ 26,755,888

Exhibit J-5

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, 2022

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)		\$ 8,578,541
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 4,262,995	
Less: current-year depreciation expense	<u>(2,941,106)</u>	1,321,889
(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		(10,490)
(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, 2022	\$ 1,890,279	
Less: deferred delinquent property taxes and other deferred June 30, 2021	<u>(963,364)</u>	926,915
(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	\$ 1,931	
Change in termination benefits	(14,354)	
Change in net pension asset/liability	26,696,459	
Change in deferred outflows related to pensions	7,244,642	
Change in deferred inflows related to pensions	(26,652,171)	
Change in OPEB liability	263,479	
Change in deferred outflows related to OPEB	206,357	
Change in deferred inflows related to OPEB	<u>12,142</u>	7,758,485
(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>(14,528)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 18,560,812</u>

Exhibit J-6

Jefferson County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Jefferson County School Department
June 30, 2022

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	Total	Education Capital Projects	
<u>ASSETS</u>					
Cash	\$ 0	\$ 1,403,828	\$ 1,403,828	\$ 0	\$ 1,403,828
Equity in Pooled Cash and Investments	3,222,432	0	3,222,432	604,421	3,826,853
Accounts Receivable	55,126	0	55,126	0	55,126
Due from Other Governments	68,811	0	68,811	0	68,811
Due from Other Funds	43,355	0	43,355	0	43,355
Total Assets	<u>\$ 3,389,724</u>	<u>\$ 1,403,828</u>	<u>\$ 4,793,552</u>	<u>\$ 604,421</u>	<u>\$ 5,397,973</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 158,696	\$ 0	\$ 158,696	\$ 0	\$ 158,696
Accrued Payroll	45,576	0	45,576	0	45,576
Payroll Deductions Payable	83,216	0	83,216	0	83,216
Total Liabilities	<u>\$ 287,488</u>	<u>\$ 0</u>	<u>\$ 287,488</u>	<u>\$ 0</u>	<u>\$ 287,488</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Education	\$ 3,102,236	\$ 1,403,828	\$ 4,506,064	\$ 0	\$ 4,506,064
Committed:					
Committed for Capital Projects	0	0	0	604,421	604,421
Total Fund Balances	<u>\$ 3,102,236</u>	<u>\$ 1,403,828</u>	<u>\$ 4,506,064</u>	<u>\$ 604,421</u>	<u>\$ 5,110,485</u>
Total Liabilities and Fund Balances	<u>\$ 3,389,724</u>	<u>\$ 1,403,828</u>	<u>\$ 4,793,552</u>	<u>\$ 604,421</u>	<u>\$ 5,397,973</u>

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, 2022

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	Total	Education Capital Projects	
<u>Revenues</u>					
Charges for Current Services	\$ 294,060	\$ 0	\$ 294,060	\$ 0	\$ 294,060
Other Local Revenues	7,114	1,861,794	1,868,908	0	1,868,908
State of Tennessee	43,958	0	43,958	0	43,958
Federal Government	5,347,690	0	5,347,690	0	5,347,690
Total Revenues	<u>\$ 5,692,822</u>	<u>\$ 1,861,794</u>	<u>\$ 7,554,616</u>	<u>\$ 0</u>	<u>\$ 7,554,616</u>
<u>Expenditures</u>					
Current:					
Operation of Non-Instructional Services	\$ 4,563,840	\$ 1,892,018	\$ 6,455,858	\$ 0	\$ 6,455,858
Capital Projects	0	0	0	80,000	80,000
Total Expenditures	<u>\$ 4,563,840</u>	<u>\$ 1,892,018</u>	<u>\$ 6,455,858</u>	<u>\$ 80,000</u>	<u>\$ 6,535,858</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,128,982</u>	<u>\$ (30,224)</u>	<u>\$ 1,098,758</u>	<u>\$ (80,000)</u>	<u>\$ 1,018,758</u>
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 9,493	\$ 0	\$ 9,493	\$ 0	\$ 9,493
Total Other Financing Sources (Uses)	<u>\$ 9,493</u>	<u>\$ 0</u>	<u>\$ 9,493</u>	<u>\$ 0</u>	<u>\$ 9,493</u>
Net Change in Fund Balances	\$ 1,138,475	\$ (30,224)	\$ 1,108,251	\$ (80,000)	\$ 1,028,251
Fund Balance, July 1, 2021	1,963,761	1,434,052	3,397,813	684,421	4,082,234
Fund Balance, June 30, 2022	<u>\$ 3,102,236</u>	<u>\$ 1,403,828</u>	<u>\$ 4,506,064</u>	<u>\$ 604,421</u>	<u>\$ 5,110,485</u>

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, 2022

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 20,061,915	\$ 0	\$ 0	\$ 20,061,915	\$ 17,311,482	\$ 17,311,482	\$ 2,750,433
Licenses and Permits	1,814	0	0	1,814	2,400	2,400	(586)
Charges for Current Services	293,313	0	0	293,313	345,000	381,495	(88,182)
Other Local Revenues	(9,374)	0	0	(9,374)	500	1,080	(10,454)
State of Tennessee	43,336,864	0	0	43,336,864	42,381,412	43,958,366	(621,502)
Federal Government	394,025	0	0	394,025	78,525	80,571	313,454
Other Governments and Citizens Groups	124,346	0	0	124,346	92,822	175,063	(50,717)
Total Revenues	\$ 64,202,903	\$ 0	\$ 0	\$ 64,202,903	\$ 60,212,141	\$ 61,910,457	\$ 2,292,446
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 28,350,164	\$ (37,234)	\$ 15,543	\$ 28,328,473	\$ 30,000,886	\$ 29,901,889	\$ 1,573,416
Alternative Instruction Program	196,841	0	0	196,841	225,447	227,347	30,506
Special Education Program	3,613,119	0	0	3,613,119	4,011,808	4,057,363	444,244
Career and Technical Education Program	2,134,163	0	0	2,134,163	2,260,556	2,222,303	88,140
<u>Support Services</u>							
Attendance	225,003	0	1,467	226,470	369,503	369,703	143,233
Health Services	177,246	(102)	0	177,144	760,851	778,307	601,163
Other Student Support	1,900,074	(77,900)	21,534	1,843,708	2,121,736	2,180,915	337,207
Regular Instruction Program	1,580,968	0	0	1,580,968	2,286,413	1,898,419	317,451
Alternative Instruction Program	103,943	0	0	103,943	132,826	132,826	28,883
Special Education Program	607,473	0	0	607,473	698,164	755,363	147,890
Career and Technical Education Program	297,543	0	0	297,543	294,688	299,864	2,321
Technology	1,235,598	(43,925)	31,180	1,222,853	1,273,983	1,299,247	76,394
Other Programs	246,071	0	0	246,071	0	246,071	0
Board of Education	715,444	(15,963)	3,995	703,476	853,203	849,703	146,227
Director of Schools	298,870	0	0	298,870	326,439	330,219	31,349
Office of the Principal	3,677,116	0	0	3,677,116	3,700,152	3,761,055	83,939
Fiscal Services	410,480	0	0	410,480	410,480	410,480	0

(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 7/1/2021	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Human Services/Personnel	\$ 165,852	\$ 0	\$ 969	\$ 166,821	\$ 126,782	\$ 178,746	\$ 11,925
Operation of Plant	4,331,268	(10,209)	14,446	4,335,505	4,919,429	4,918,129	582,624
Maintenance of Plant	1,396,193	(73,533)	39,566	1,362,226	1,478,826	1,564,646	202,420
Transportation	2,370,462	(10,718)	0	2,359,744	2,582,344	2,781,868	422,124
<u>Operation of Non-Instructional Services</u>							
Food Service	43,354	0	0	43,354	0	50,692	7,338
Community Services	301,405	0	0	301,405	326,224	348,338	46,933
Early Childhood Education	751,469	0	0	751,469	777,010	768,812	17,343
<u>Capital Outlay</u>							
Regular Capital Outlay	809,105	(237,480)	201,000	772,625	750,000	4,307,738	3,535,113
Total Expenditures	\$ 55,939,224	\$ (507,064)	\$ 329,700	\$ 55,761,860	\$ 60,687,750	\$ 64,640,043	\$ 8,878,183
Excess (Deficiency) of Revenues Over Expenditures	\$ 8,263,679	\$ 507,064	\$ (329,700)	\$ 8,441,043	\$ (475,609)	\$ (2,729,586)	\$ 11,170,629
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 7,857	\$ 0	\$ 0	\$ 7,857	\$ 0	\$ 5,357	\$ 2,500
Transfers In	112,489	0	0	112,489	121,809	86,809	25,680
Transfers Out	0	0	0	0	(35,000)	0	0
Total Other Financing Sources	\$ 120,346	\$ 0	\$ 0	\$ 120,346	\$ 86,809	\$ 92,166	\$ 28,180
Net Change in Fund Balance	\$ 8,384,025	\$ 507,064	\$ (329,700)	\$ 8,561,389	\$ (388,800)	\$ (2,637,420)	\$ 11,198,809
Fund Balance, July 1, 2021	12,129,641	(507,064)	0	11,622,577	15,000,000	15,000,000	(3,377,423)
Fund Balance, June 30, 2022	\$ 20,513,666	\$ 0	\$ (329,700)	\$ 20,183,966	\$ 14,611,200	\$ 12,362,580	\$ 7,821,386

Exhibit J-9

Jefferson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Jefferson County School Department
School Federal Projects Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Other Local Revenues	\$ 5,747	\$ 0	\$ 5,747	\$ 2,000	\$ 2,000	\$ 3,747
Federal Government	13,097,839	0	13,097,839	12,188,317	29,440,929	(16,343,090)
Total Revenues	<u>\$ 13,103,586</u>	<u>\$ 0</u>	<u>\$ 13,103,586</u>	<u>\$ 12,190,317</u>	<u>\$ 29,442,929</u>	<u>\$ (16,339,343)</u>
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 5,617,061	\$ 0	\$ 5,617,061	\$ 3,040,576	\$ 10,549,450	\$ 4,932,389
Special Education Program	1,377,632	0	1,377,632	1,366,931	1,791,713	414,081
Career and Technical Education Program	144,627	0	144,627	154,229	146,257	1,630
<u>Support Services</u>						
Health Services	906,623	0	906,623	454,883	1,724,574	817,951
Other Student Support	918,867	0	918,867	540,807	1,437,729	518,862
Regular Instruction Program	586,240	0	586,240	361,254	1,261,278	675,038
Special Education Program	456,396	0	456,396	408,357	649,864	193,468
Career and Technical Education Program	3,700	0	3,700	7,000	3,700	0
Technology	65,198	0	65,198	472,457	93,054	27,856
Fiscal Services	735	0	735	0	46,200	45,465
Operation of Plant	332,972	0	332,972	111,661	540,948	207,976
Transportation	406,716	0	406,716	563,103	587,262	180,546
<u>Operation of Non-Instructional Services</u>						
Food Service	0	0	0	18,971	0	0
Community Services	18,569	0	18,569	0	94,959	76,390
<u>Capital Outlay</u>						
Regular Capital Outlay	2,989,496	7,313,689	10,303,185	4,500,000	10,386,650	83,465
Total Expenditures	<u>\$ 13,824,832</u>	<u>\$ 7,313,689</u>	<u>\$ 21,138,521</u>	<u>\$ 12,000,229</u>	<u>\$ 29,313,638</u>	<u>\$ 8,175,117</u>

(Continued)

Exhibit J-9

Jefferson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Jefferson County School Department
School Federal Projects Fund (Cont.)

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ (721,246)	\$ (7,313,689)	\$ (8,034,935)	\$ 190,088	\$ 129,291	\$ (8,164,226)
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (112,489)	\$ 0	\$ (112,489)	\$ (190,084)	\$ (129,289)	\$ 16,800
Total Other Financing Sources	\$ (112,489)	\$ 0	\$ (112,489)	\$ (190,084)	\$ (129,289)	\$ 16,800
Net Change in Fund Balance	\$ (833,735)	\$ (7,313,689)	\$ (8,147,424)	\$ 4	\$ 2	\$ (8,147,426)
Fund Balance, July 1, 2021	1,965,472	0	1,965,472	1,000,000	1,000,000	965,472
Fund Balance, June 30, 2022	\$ 1,131,737	\$ (7,313,689)	\$ (6,181,952)	\$ 1,000,004	\$ 1,000,002	\$ (7,181,954)

Exhibit J-10

Jefferson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Jefferson County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2022

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2022	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 294,060	\$ 0	\$ 294,060	\$ 1,000,000	\$ 1,000,000	\$ (705,940)
Other Local Revenues	7,114	0	7,114	6,100	6,100	1,014
State of Tennessee	43,958	0	43,958	33,000	33,000	10,958
Federal Government	5,347,690	0	5,347,690	2,894,416	3,083,540	2,264,150
Total Revenues	<u>\$ 5,692,822</u>	<u>\$ 0</u>	<u>\$ 5,692,822</u>	<u>\$ 3,933,516</u>	<u>\$ 4,122,640</u>	<u>\$ 1,570,182</u>
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 4,563,840	\$ 98,155	\$ 4,661,995	\$ 4,627,484	\$ 4,916,101	\$ 254,106
Total Expenditures	<u>\$ 4,563,840</u>	<u>\$ 98,155</u>	<u>\$ 4,661,995</u>	<u>\$ 4,627,484</u>	<u>\$ 4,916,101</u>	<u>\$ 254,106</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,128,982</u>	<u>\$ (98,155)</u>	<u>\$ 1,030,827</u>	<u>\$ (693,968)</u>	<u>\$ (793,461)</u>	<u>\$ 1,824,288</u>
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 9,493	\$ 0	\$ 9,493	\$ 0	\$ 9,493	\$ 0
Total Other Financing Sources	<u>\$ 9,493</u>	<u>\$ 0</u>	<u>\$ 9,493</u>	<u>\$ 0</u>	<u>\$ 9,493</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 1,138,475	\$ (98,155)	\$ 1,040,320	\$ (693,968)	\$ (783,968)	\$ 1,824,288
Fund Balance, July 1, 2021	<u>1,963,761</u>	<u>0</u>	<u>1,963,761</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>(36,239)</u>
Fund Balance, June 30, 2022	<u><u>\$ 3,102,236</u></u>	<u><u>\$ (98,155)</u></u>	<u><u>\$ 3,004,081</u></u>	<u><u>\$ 1,306,032</u></u>	<u><u>\$ 1,216,032</u></u>	<u><u>\$ 1,788,049</u></u>

Exhibit J-11

Jefferson County, Tennessee
Statement of Net Position - Proprietary Fund
Discretely Presented Jefferson County School Department
June 30, 2022

		Governmental Activities - Internal Service Fund
		<hr/>
		Employee Insurance - Dental and Vision Fund
		<hr/>
	<u>ASSETS</u>	
Current Assets:		
Cash	\$	31,212
Equity in Pooled Cash and Investments		<hr/> 146,398
Total Assets	\$	<hr/> 177,610
	<u>LIABILITIES</u>	
Current Liabilities:		
Other Current Liabilities	\$	<hr/> 32,402
Total Liabilities	\$	<hr/> 32,402
	<u>NET POSITION</u>	
Unrestricted	\$	<hr/> 145,208
Total Net Position	\$	<hr/> <hr/> 145,208

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, 2022

	Governmental Activities - Internal Service Fund
	Employee Insurance - Dental and Vision Fund
<u>Operating Revenues</u>	
Self-Insurance Premiums/Contributions	\$ 513,580
Total Operating Revenues	<u>\$ 513,580</u>
<u>Operating Expenses</u>	
Handling Charges and Administrative Costs	\$ 32,310
Other Self-Insured Claims	495,798
Total Operating Expenses	<u>\$ 528,108</u>
Operating Income (Loss)	<u>\$ (14,528)</u>
Change in Net Position	\$ (14,528)
Net Position, July 1, 2021	<u>159,736</u>
Net Position, June 30, 2022	<u><u>\$ 145,208</u></u>

Exhibit J-13

Jefferson County, Tennessee
Statement of Cash Flows
Discretely Presented Jefferson County School Department
Proprietary Fund
For the Year Ended June 30, 2022

	Governmental Activities - Internal Service Fund
	Employee Insurance - Dental and Vision Fund
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-Insurance Premiums	\$ 513,580
Payments for Claims	(485,599)
Payments for Administrative Costs	(32,310)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (4,329)</u>
Increase (Decrease) in Cash	\$ (4,329)
Cash, July 1, 2021	<u>181,939</u>
Cash, June 30, 2022	<u><u>\$ 177,610</u></u>
<u>Reconciliation of Operating Income (Loss)</u>	
<u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (14,528)
Adjustment to Reconcile Net Operating Income (Loss)	
to Net Cash Provided By (Used In) Operating Activities:	
Changes in Assets and Liabilities:	
Decrease (Increase) in Receivables	
Increase (Decrease) in Other Current Liabilities	<u>10,199</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ (4,329)</u></u>
<u>Reconciliation of Cash With Statement of Net Position</u>	
Cash Per Net Position	\$ 31,212
Equity in Pooled Cash and Investments Per Net Position	<u>146,398</u>
Cash, June 30, 2022	<u><u>\$ 177,610</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, 2022

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-21	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-22
<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	\$ 4,395,000	\$ 0	\$ 955,000	\$ 3,440,000
Qualified School Construction Bonds	10,595,000	0 (1)	10-7-10	8-1-27	4,094,073	0	661,112	3,432,961
Energy Efficient Schools Initiative Loan, Series 2011	2,506,325	2.5 %	11-2-11	3-1-24	642,431	0	228,516	413,915
Total Other Loans Payable					\$ 9,131,504	\$ 0	\$ 1,844,628	\$ 7,286,876
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
General Obligation Bonds - Series 2010 - FTRZEDB	16,000,000	3.69	12-10-10	6-1-40	\$ 16,000,000	\$ 0	\$ 0	\$ 16,000,000
General Obligation Refunding Bonds, Series 2017	8,725,000	1 to 5	10-27-17	6-1-23	3,885,000	0	1,910,000	1,975,000
General Obligation Refunding Bonds, Series 2020A	15,225,000	1.95	6-5-20	6-1-36	14,650,000	0	600,000	14,050,000
General Obligation Bonds, Series 2020B	7,750,000	3.00	12-15-20	6-1-50	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	6,350,000	0	50,000	6,300,000
General Obligation Refunding Bonds, Series 2021B	5,535,000	1.75 to 2	6-25-21	6-1-37	5,535,000	0	305,000	5,230,000
General Obligation Bonds, Series 2022	2,000,000	3.00	2-25-22	6-1-50	0	2,000,000	0	2,000,000
Total Bonds Payable					\$ 54,170,000	\$ 2,000,000	\$ 2,865,000	\$ 53,305,000

(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
2023	\$ 1,900,400	\$ 574,866	\$ 19,685	\$ 2,494,951
2024	1,895,739	555,138	16,410	2,467,287
2025	1,766,112	534,675	12,972	2,313,759
2026	936,112	517,464	9,372	1,462,948
2027	726,190	513,645	8,476	1,248,311
2028	62,323	50,586	2,122	115,031
Total	\$ 7,286,876	\$ 2,746,374	\$ 69,037	\$ 10,102,287

Year Ending June 30	Bonds		
	Principal	Interest	Total
2023	\$ 3,070,000	\$ 2,169,390	\$ 5,239,390
2024	1,655,000	2,028,041	3,683,041
2025	1,820,000	1,965,591	3,785,591
2026	1,895,000	1,897,442	3,792,442
2027	1,965,000	1,826,191	3,791,191
2028	2,040,000	1,752,142	3,792,142
2029	3,630,000	1,674,891	5,304,891
2030	1,700,000	1,564,241	3,264,241
2031	1,745,000	1,516,741	3,261,741
2032	1,790,000	1,478,941	3,268,941
2033	2,350,000	1,440,092	3,790,092
2034	2,390,000	1,394,467	3,784,467
2035	2,440,000	1,348,067	3,788,067
2036	2,490,000	1,297,886	3,787,886
2037	3,790,000	1,244,812	5,034,812
2038	4,535,000	1,025,488	5,560,488
2039	4,690,000	738,094	5,428,094
2040	4,830,000	440,613	5,270,613
2041	390,000	134,400	524,400
2042	405,000	122,700	527,700
2043	415,000	110,550	525,550
2044	430,000	98,100	528,100
2045	440,000	85,200	525,200
2046	450,000	72,000	522,000
2047	465,000	58,500	523,500
2048	480,000	44,550	524,550
2049	495,000	30,150	525,150
2050	510,000	15,300	525,300
Total	\$ 53,305,000	\$ 27,574,580	\$ 80,879,580

(1) Includes interest requirements on Qualified School Construction Bonds, Series 2010, before federal interest rate subsidy.

Jefferson County, Tennessee
Schedule of Leases Receivable
Primary Government
June 30, 2022

Description	Debtor	Original Amount of Lease	Date of Issue	Date of Maturity	Interest Rate		Restated Balance 7-1-21 *	Deductions	Balance 6-30-22
<u>PRIMARY GOVERNMENT</u>									
<u>Other Special Revenue</u>									
Jefferson Memorial Hospital	Tennova Healthcare	\$ 22,921,970	2-28-1997	12-20-2050	1.88	%	\$ 22,921,970	\$ 423,845	\$ 22,498,125
Jefferson Memorial Hospital - Grounds	Tennova Healthcare	82,616	2-3-2000	12-01-2098	1.88		82,616	455	82,161
Total Leases Receivable							<u>\$ 23,004,586</u>	<u>\$ 424,300</u>	<u>\$ 22,580,286</u>

* Balance July 1, 2021 has been restated due to transitional requirements of GASB Statement No. 87.

Exhibit K-4

Jefferson County, Tennessee

Schedule of Transfers

Primary Government and Discretely Presented Jefferson County School Department

For the Year Ended June 30, 2022

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	General Debt Service	QSCB Tax Credit Rebate	\$ 484,368
Total Transfers Primary Government			<u>\$ 484,368</u>
<u>DISCRETELY PRESENTED JEFFERSON COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect Costs	\$ 112,489
Total Transfers Discretely Presented Jefferson County School Department			<u>\$ 112,489</u>

Exhibit K-5

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, 2022

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 107,742	\$ 100,000	Hartford Fire Insurance Company
Road Superintendent	Section 8-24-102, TCA	101,811	(4)	
Director of Schools	State Board of Education and County Board of Education	135,082 (1)	100,000	"
Trustee	Section 8-24-102, TCA	92,556	2,465,195	"
Assessor of Property	Section 8-24-102, TCA	93,305 (2)	(4)	
Finance Director:				
Langdon Potts (7-1-21 through 12-31-21)	County Commission	51,018	(4)	
Jessica Elder (1-1-22 through 6-30-22)	County Commission	47,714	(4)	
County Clerk	Section 8-24-102, TCA	92,555	100,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	92,555	100,000	"
Clerk and Master	Section 8-24-102, TCA	92,555	100,000	"
Register of Deeds	Section 8-24-102, TCA	92,555	100,000	"
Sheriff	Section 8-24-102, TCA	102,611 (3)	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 and ESSER bonus of \$800.

(2) Includes a salary supplement of \$750 for training/certification incentive.

(3) Includes a law enforcement training supplement of \$800.

(4) Officials were covered by a \$400,000 officials' blanket bond by Tennessee Risk Management Trust.

Exhibit K-6

Jefferson County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2022

	Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 11,710,412	\$ 0	\$ 0	\$ 1,750,216	\$ 0
Trustee's Collections - Prior Year	148,373	0	0	22,171	0
Trustee's Collections - Bankruptcy	174	0	0	26	0
Circuit Clerk/Clerk and Master Collections - Prior Years	237,952	0	0	35,556	0
Interest and Penalty	42,515	0	0	6,353	0
Pickup Taxes	36,931	0	0	5,518	0
Payments in-Lieu-of Taxes - T.V.A.	2,216	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	49,934	0	0	7,461	0
Payments in-Lieu-of Taxes - Other	52	0	0	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	2,218,249	0	0	0	0
Hotel/Motel Tax	801,368	0	0	0	0
Wheel Tax	0	0	0	0	0
Litigation Tax - General	106,805	0	0	0	0
Litigation Tax - Special Purpose	0	0	12,686	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	135,453	50,528	0	0	0
Business Tax	615,372	0	0	0	0
Adequate Facilities/Development Tax	0	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	53,825	0	0	8,043	0
Wholesale Beer Tax	206,627	0	0	0	0
Total Local Taxes	\$ 16,366,258	\$ 50,528	\$ 12,686	\$ 1,835,344	\$ 0

(Continued)

Exhibit K-6

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
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 3,800	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	113,379	0	0	0	0
<u>Permits</u>					
Beer Permits	1,662	0	0	0	0
Building Permits	553,646	0	0	0	0
Other Permits	172,100	0	0	0	0
Total Licenses and Permits	\$ 844,587	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 28,007	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	9,491	0	0	0	0
Drug Control Fines	0	0	0	0	6,451
Drug Court Fees	2,137	0	0	0	0
Jail Fees	2,262	0	0	0	0
DUI Treatment Fines	527	0	0	0	0
Data Entry Fee - Circuit Court	2,946	0	0	0	0
Courtroom Security Fee	6	0	0	0	0
<u>General Sessions Court</u>					
Fines	86,661	0	0	0	0
Fines for Littering	57	0	0	0	0
Officers Costs	56,094	0	0	0	0
Game and Fish Fines	932	0	0	0	0
Drug Control Fines	0	0	0	0	19,053
Drug Court Fees	12,477	0	0	0	0

(Continued)

Exhibit K-6

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
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>General Sessions Court (Cont.)</u>					
Jail Fees	\$ 56,843	\$ 0	\$ 0	\$ 0	0
DUI Treatment Fines	12,944	0	0	0	0
Data Entry Fee - General Sessions Court	21,129	0	0	0	0
Courtroom Security Fee	2,429	0	0	0	0
<u>Juvenile Court</u>					
Fines	5,127	0	0	0	0
Officers Costs	3,792	0	0	0	0
Data Entry Fee - Juvenile Court	794	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	625	0	0	0	0
Data Entry Fee - Chancery Court	5,624	0	0	0	0
<u>Judicial District Drug Program</u>					
Victims Assistance Assessments	30,600	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Other Fines, Forfeitures, and Penalties	14,250	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 355,754	\$ 0	\$ 0	\$ 0	25,504
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Patient Charges	\$ 3,830,835	\$ 0	\$ 0	\$ 0	0
Other General Service Charges	4,575	0	0	0	0
<u>Fees</u>					
Copy Fees	116	0	0	0	0
Library Fees	22,357	0	0	0	0
Telephone Commissions	64,062	0	0	0	0

(Continued)

Exhibit K-6

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
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Constitutional Officers' Fees and Commissions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Data Processing Fee - Register	24,542	0	0	0	0
Data Processing Fee - Sheriff	6,625	0	0	0	0
Sexual Offender Registration Fee - Sheriff	11,850	0	0	0	0
Data Processing Fee - County Clerk	2,164	0	0	0	0
Subscription and Electronic Filing Fee - Circuit and General Sessions	15,100	0	0	0	0
Vehicle Registration Reinstatement Fees	1,985	0	0	0	0
Total Charges for Current Services	\$ 3,984,211	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ (14,711)	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	7,663	0	0	0	0
Lease Interest	0	0	0	0	0
Commissary Sales	33,213	0	0	0	0
Sale of Maps	10	0	0	0	0
Sale of Recycled Materials	622	0	0	154,000	0
Miscellaneous Refunds	238,770	0	0	0	0
Expenditure Credits	3,593	0	0	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	14,329	0	0	0	1,222
Contributions and Gifts	63,867	0	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	456,618	0	0	0	0
Total Other Local Revenues	\$ 803,974	\$ 0	\$ 0	\$ 154,000	\$ 1,222

(Continued)

Exhibit K-6

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
<u>Fees Received From County Officials</u>					
<u>Excess Fees</u>					
County Clerk	\$ 923,857	\$ 0	\$ 0	\$ 0	\$ 0
Trustee	1,032,775	0	0	0	0
<u>Fees In-Lieu-of Salary</u>					
Circuit Court Clerk	146,780	0	0	0	0
General Sessions Court Clerk	346,639	0	0	0	0
Clerk and Master	136,525	0	0	0	0
Juvenile Court Clerk	32,961	0	0	0	0
Register	404,731	0	0	0	0
Sheriff	20,080	0	0	0	0
Total Fees Received From County Officials	\$ 3,044,348	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 5,985	\$ 0	\$ 0	\$ 0	\$ 0
Aging Programs	11,206	0	0	0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	40,000	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	97,292	0	0	0	0
<u>Public Works Grants</u>					
Litter Program	37,103	0	0	0	0
<u>Other State Revenues</u>					
Vehicle Certificate of Title Fees	13,436	0	0	0	0
State Revenue Sharing - Telecommunications	61,274	0	0	0	0
State Shared Sports Gaming Privilege Tax	36,888	0	0	0	0

(Continued)

Exhibit K-6

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
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Contracted Prisoner Boarding	\$ 898,560	\$ 0	\$ 0	\$ 0	\$ 0
Gasoline and Motor Fuel Tax	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0
Other State Grants	94,162	0	0	127,637	0
Other State Revenues	530,691	0	0	44,450	0
Total State of Tennessee	\$ 1,841,761	\$ 0	\$ 0	\$ 172,087	\$ 0
<u>Federal Government</u>					
<u>Federal Through State</u>					
Civil Defense Reimbursement	\$ 39,394	\$ 0	\$ 0	\$ 0	\$ 0
Disaster Relief	5,262	0	0	0	0
Homeland Security Grants	29,430	0	0	0	0
Medicaid	97,753	0	0	0	0
COVID-19 Grant B	8,410	0	0	0	0
American Rescue Plan Act Grant #1	0	0	0	0	0
American Rescue Plan Act Grant #5	25,000	0	0	0	0
American Rescue Plan Act Grant A	14,394	0	0	0	0
American Rescue Plan Act Grant B	22,275	0	0	0	0
American Rescue Plan Act Grant C	3,348	0	0	0	0
American Rescue Plan Act Grant E	10,000	0	0	0	0
Other Federal through State	487,255	0	0	0	0
<u>Direct Federal Revenue</u>					
Tax Credit Bond Rebate	484,368	0	0	0	0
Other Direct Federal Revenue	119,052	0	0	0	0
Total Federal Government	\$ 1,345,941	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit K-6

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
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 156,465	\$ 0	\$ 0	\$ 0	\$ 0
<u>Citizens Groups</u>					
Donations	2,175	0	0	0	0
<u>Other</u>					
Other	1,891	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 160,531</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 28,747,365</u>	<u>\$ 50,528</u>	<u>\$ 12,686</u>	<u>\$ 2,161,431</u>	<u>\$ 26,726</u>

(Continued)

Exhibit K-6

Jefferson County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service Fund
	Other General Government Fund	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 0	\$ 0	\$ 0	\$ 2,422,842	\$ 2,019,036
Trustee's Collections - Prior Year	0	0	0	30,698	34,504
Trustee's Collections - Bankruptcy	0	0	0	36	40
Circuit Clerk/Clerk and Master Collections - Prior Years	0	0	0	49,231	52,121
Interest and Penalty	0	0	0	8,796	9,328
Pickup Taxes	0	0	0	7,641	6,367
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	10,331	8,609
Payments in-Lieu-of Taxes - Other	0	0	0	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	0	2,404,042
Hotel/Motel Tax	0	0	0	0	0
Wheel Tax	0	0	0	0	2,573,602
Litigation Tax - General	0	0	0	0	0
Litigation Tax - Special Purpose	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0
Business Tax	0	0	0	0	0
Adequate Facilities/Development Tax	0	0	0	0	1,520,746
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	0	0	11,136	9,280
Wholesale Beer Tax	0	0	0	0	0
Total Local Taxes	\$ 0	\$ 0	\$ 0	\$ 2,540,711	\$ 8,637,675

(Continued)

Exhibit K-6

Jefferson County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service Fund
	Other General Government Fund	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	0	0	0	0	0
<u>Permits</u>					
Beer Permits	0	0	0	0	0
Building Permits	0	0	0	0	0
Other Permits	0	0	0	0	0
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	0	0	0	0	0
Drug Control Fines	0	0	0	0	0
Drug Court Fees	0	0	0	0	0
Jail Fees	0	0	0	0	0
DUI Treatment Fines	0	0	0	0	0
Data Entry Fee - Circuit Court	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0
<u>General Sessions Court</u>					
Fines	0	0	0	0	0
Fines for Littering	0	0	0	0	0
Officers Costs	0	0	0	0	0
Game and Fish Fines	0	0	0	0	0
Drug Control Fines	0	0	0	0	0
Drug Court Fees	0	0	0	0	0

(Continued)

Exhibit K-6

Jefferson County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service Fund
	Other General Government Fund	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>General Sessions Court (Cont.)</u>					
Jail Fees	\$ 0	\$ 0	\$ 0	\$ 0	0
DUI Treatment Fines	0	0	0	0	0
Data Entry Fee - General Sessions Court	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0
<u>Juvenile Court</u>					
Fines	0	0	0	0	0
Officers Costs	0	0	0	0	0
Data Entry Fee - Juvenile Court	0	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	0	0	0	0	0
Data Entry Fee - Chancery Court	0	0	0	0	0
<u>Judicial District Drug Program</u>					
Victims Assistance Assessments	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Other Fines, Forfeitures, and Penalties	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Patient Charges	\$ 0	\$ 0	\$ 0	\$ 0	0
Other General Service Charges	0	0	0	129,764	0
<u>Fees</u>					
Copy Fees	0	0	0	0	0
Library Fees	0	0	0	0	0
Telephone Commissions	0	0	0	0	0

(Continued)

Exhibit K-6

Jefferson County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service Fund
	Other General Government Fund	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Constitutional Officers' Fees and Commissions	\$ 0	\$ 0	\$ 80,119	\$ 0	\$ 0
Data Processing Fee - Register	0	0	0	0	0
Data Processing Fee - Sheriff	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0
Data Processing Fee - County Clerk	0	0	0	0	0
Subscription and Electronic Filing Fee - Circuit and General Sessions	0	0	0	0	0
Vehicle Registration Reinstatement Fees	0	0	0	0	0
Total Charges for Current Services	\$ 0	\$ 0	\$ 80,119	\$ 129,764	\$ 0
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 2,273	\$ 0	\$ 0	\$ 211,399
Lease/Rentals	0	424,300	0	0	0
Lease Interest	0	427,702	0	0	0
Commissary Sales	0	0	0	0	0
Sale of Maps	0	0	0	0	0
Sale of Recycled Materials	0	0	0	0	0
Miscellaneous Refunds	0	0	0	78	0
Expenditure Credits	0	0	0	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0	0	0
Contributions and Gifts	0	0	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	0	654,292
Total Other Local Revenues	\$ 0	\$ 854,275	\$ 0	\$ 78	\$ 865,691

(Continued)

Exhibit K-6

Jefferson County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service Fund
	Other General Government Fund	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Fees Received From County Officials</u>					
<u>Excess Fees</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Trustee	0	0	0	0	0
<u>Fees In-Lieu-of Salary</u>					
Circuit Court Clerk	0	0	0	0	0
General Sessions Court Clerk	0	0	0	0	0
Clerk and Master	0	0	0	0	0
Juvenile Court Clerk	0	0	0	0	0
Register	0	0	0	0	0
Sheriff	0	0	0	0	0
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Aging Programs	0	0	0	0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	0	0	0
<u>Public Works Grants</u>					
Litter Program	0	0	0	0	0
<u>Other State Revenues</u>					
Vehicle Certificate of Title Fees	0	0	0	0	0
State Revenue Sharing - Telecommunications	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	0	0	0	0	0

(Continued)

Exhibit K-6

Jefferson County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service Fund
	Other General Government Fund	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Contracted Prisoner Boarding	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Gasoline and Motor Fuel Tax	0	0	0	2,280,614	0
Petroleum Special Tax	0	0	0	239,321	0
Registrar's Salary Supplement	0	0	0	0	0
Other State Grants	0	0	0	0	0
Other State Revenues	0	0	0	0	0
Total State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 2,519,935	\$ 0
<u>Federal Government</u>					
<u>Federal Through State</u>					
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Disaster Relief	0	0	0	118,865	0
Homeland Security Grants	0	0	0	0	0
Medicaid	0	0	0	0	0
COVID-19 Grant B	0	0	0	0	0
American Rescue Plan Act Grant #1	12,790	0	0	0	0
American Rescue Plan Act Grant #5	0	0	0	0	0
American Rescue Plan Act Grant A	0	0	0	0	0
American Rescue Plan Act Grant B	0	0	0	0	0
American Rescue Plan Act Grant C	0	0	0	0	0
American Rescue Plan Act Grant E	0	0	0	0	0
Other Federal through State	0	0	0	0	0
<u>Direct Federal Revenue</u>					
Tax Credit Bond Rebate	0	0	0	0	449,811
Other Direct Federal Revenue	0	0	0	0	0
Total Federal Government	\$ 12,790	\$ 0	\$ 0	\$ 118,865	\$ 449,811

(Continued)

Exhibit K-6

Jefferson County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service Fund
	Other General Government Fund	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Citizens Groups</u>					
Donations	0	0	0	0	0
<u>Other</u>					
Other	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 12,790</u>	<u>\$ 854,275</u>	<u>\$ 80,119</u>	<u>\$ 5,309,353</u>	<u>\$ 9,953,177</u>

(Continued)

Exhibit K-6

Jefferson County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

	<u>Capital Projects Fund</u>	
	General Capital Projects	Total
<u>Local Taxes</u>		
<u>County Property Taxes</u>		
Current Property Tax	\$ 672,959	\$ 18,575,465
Trustee's Collections - Prior Year	3,174	238,920
Trustee's Collections - Bankruptcy	4	280
Circuit Clerk/Clerk and Master Collections - Prior Years	7,808	382,668
Interest and Penalty	1,533	68,525
Pickup Taxes	2,147	58,604
Payments in-Lieu-of Taxes - T.V.A.	0	2,216
Payments in-Lieu-of Taxes - Local Utilities	2,870	79,205
Payments in-Lieu-of Taxes - Other	0	52
<u>County Local Option Taxes</u>		
Local Option Sales Tax	0	4,622,291
Hotel/Motel Tax	0	801,368
Wheel Tax	0	2,573,602
Litigation Tax - General	0	106,805
Litigation Tax - Special Purpose	0	12,686
Litigation Tax - Jail, Workhouse, or Courthouse	0	185,981
Business Tax	0	615,372
Adequate Facilities/Development Tax	0	1,520,746
<u>Statutory Local Taxes</u>		
Bank Excise Tax	3,093	85,377
Wholesale Beer Tax	0	206,627
Total Local Taxes	<u>\$ 693,588</u>	<u>\$ 30,136,790</u>

(Continued)

Exhibit K-6

Jefferson County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Capital Projects Fund		
	General Capital Projects	Total	
<hr/>			
<u>Licenses and Permits</u>			
<u>Licenses</u>			
Marriage Licenses	\$	0	\$ 3,800
Cable TV Franchise		0	113,379
<u>Permits</u>			
Beer Permits		0	1,662
Building Permits		0	553,646
Other Permits		0	172,100
Total Licenses and Permits	<hr/>	<hr/>	<hr/>
	\$	0	\$ 844,587
<hr/>			
<u>Fines, Forfeitures, and Penalties</u>			
<u>Circuit Court</u>			
Fines	\$	0	\$ 28,007
Officers Costs		0	9,491
Drug Control Fines		0	6,451
Drug Court Fees		0	2,137
Jail Fees		0	2,262
DUI Treatment Fines		0	527
Data Entry Fee - Circuit Court		0	2,946
Courtroom Security Fee		0	6
<u>General Sessions Court</u>			
Fines		0	86,661
Fines for Littering		0	57
Officers Costs		0	56,094
Game and Fish Fines		0	932
Drug Control Fines		0	19,053
Drug Court Fees		0	12,477

(Continued)

Exhibit K-6

Jefferson County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Capital Projects Fund		
	General Capital Projects	Total	
<hr/>			
<u>Fines, Forfeitures, and Penalties (Cont.)</u>			
<u>General Sessions Court (Cont.)</u>			
Jail Fees	\$ 0	\$ 56,843	
DUI Treatment Fines	0	12,944	
Data Entry Fee - General Sessions Court	0	21,129	
Courtroom Security Fee	0	2,429	
<u>Juvenile Court</u>			
Fines	0	5,127	
Officers Costs	0	3,792	
Data Entry Fee - Juvenile Court	0	794	
<u>Chancery Court</u>			
Officers Costs	0	625	
Data Entry Fee - Chancery Court	0	5,624	
<u>Judicial District Drug Program</u>			
Victims Assistance Assessments	0	30,600	
<u>Other Fines, Forfeitures, and Penalties</u>			
Other Fines, Forfeitures, and Penalties	0	14,250	
Total Fines, Forfeitures, and Penalties	<hr/> \$ 0	<hr/> \$ 381,258	
<hr/>			
<u>Charges for Current Services</u>			
<u>General Service Charges</u>			
Patient Charges	\$ 0	\$ 3,830,835	
Other General Service Charges	0	134,339	
<u>Fees</u>			
Copy Fees	0	116	
Library Fees	0	22,357	
Telephone Commissions	0	64,062	

(Continued)

Exhibit K-6

Jefferson County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	<u>Capital Projects Fund</u>		
	General Capital Projects		Total
<hr/>			
<u>Charges for Current Services (Cont.)</u>			
<u>Fees (Cont.)</u>			
Constitutional Officers' Fees and Commissions	\$	0	\$ 80,119
Data Processing Fee - Register		0	24,542
Data Processing Fee - Sheriff		0	6,625
Sexual Offender Registration Fee - Sheriff		0	11,850
Data Processing Fee - County Clerk		0	2,164
Subscription and Electronic Filing Fee - Circuit and General Sessions		0	15,100
Vehicle Registration Reinstatement Fees		0	1,985
Total Charges for Current Services	\$	0	\$ 4,194,094
<hr/>			
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$	0	\$ 198,961
Lease/Rentals		0	431,963
Lease Interest		0	427,702
Commissary Sales		0	33,213
Sale of Maps		0	10
Sale of Recycled Materials		0	154,622
Miscellaneous Refunds		9,308	248,156
Expenditure Credits		0	3,593
<u>Nonrecurring Items</u>			
Sale of Equipment		0	15,551
Contributions and Gifts		0	63,867
<u>Other Local Revenues</u>			
Other Local Revenues		0	1,110,910
Total Other Local Revenues	\$	9,308	\$ 2,688,548

(Continued)

Exhibit K-6

Jefferson County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	<u>Capital Projects Fund</u>		
	General Capital Projects		Total
<hr/>			
<u>Fees Received From County Officials</u>			
<u>Excess Fees</u>			
County Clerk	\$	0	\$ 923,857
Trustee		0	1,032,775
<u>Fees In-Lieu-of Salary</u>			
Circuit Court Clerk		0	146,780
General Sessions Court Clerk		0	346,639
Clerk and Master		0	136,525
Juvenile Court Clerk		0	32,961
Register		0	404,731
Sheriff		0	20,080
Total Fees Received From County Officials	<u>\$</u>	<u>0</u>	<u>\$ 3,044,348</u>
<hr/>			
<u>State of Tennessee</u>			
<u>General Government Grants</u>			
Juvenile Services Program	\$	0	\$ 5,985
Aging Programs		0	11,206
<u>Public Safety Grants</u>			
Law Enforcement Training Programs		0	40,000
<u>Health and Welfare Grants</u>			
Health Department Programs		0	97,292
<u>Public Works Grants</u>			
Litter Program		0	37,103
<u>Other State Revenues</u>			
Vehicle Certificate of Title Fees		0	13,436
State Revenue Sharing - Telecommunications		0	61,274
State Shared Sports Gaming Privilege Tax		0	36,888

(Continued)

Exhibit K-6

Jefferson County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Capital Projects Fund		
	General Capital Projects	Total	
<hr/>			
<u>State of Tennessee (Cont.)</u>			
<u>Other State Revenues (Cont.)</u>			
Contracted Prisoner Boarding	\$ 0	\$ 898,560	
Gasoline and Motor Fuel Tax	0	2,280,614	
Petroleum Special Tax	0	239,321	
Registrar's Salary Supplement	0	15,164	
Other State Grants	0	221,799	
Other State Revenues	0	575,141	
Total State of Tennessee	<hr/> \$ 0	<hr/> \$ 4,533,783	
 <u>Federal Government</u>			
<u>Federal Through State</u>			
Civil Defense Reimbursement	\$ 0	\$ 39,394	
Disaster Relief	0	124,127	
Homeland Security Grants	0	29,430	
Medicaid	0	97,753	
COVID-19 Grant B	0	8,410	
American Rescue Plan Act Grant #1	0	12,790	
American Rescue Plan Act Grant #5	0	25,000	
American Rescue Plan Act Grant A	0	14,394	
American Rescue Plan Act Grant B	0	22,275	
American Rescue Plan Act Grant C	0	3,348	
American Rescue Plan Act Grant E	0	10,000	
Other Federal through State	48,887	536,142	
 <u>Direct Federal Revenue</u>			
Tax Credit Bond Rebate	0	934,179	
Other Direct Federal Revenue	0	119,052	
Total Federal Government	<hr/> \$ 48,887	<hr/> \$ 1,976,294	

(Continued)

Exhibit K-6

Jefferson County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Capital Projects Fund		
	General Capital Projects		Total
<hr/>			
<u>Other Governments and Citizens Groups</u>			
<u>Other Governments</u>			
Contributions	\$	0	\$ 156,465
<u>Citizens Groups</u>			
Donations		0	2,175
<u>Other</u>			
Other		0	1,891
Total Other Governments and Citizens Groups	<hr/>	\$ 0	<hr/> \$ 160,531
Total	<hr/>	\$ 751,783	<hr/> \$ 47,960,233
<hr/>			

Exhibit K-7

Jefferson County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Jefferson County School Department
For the Year Ended June 30, 2022

	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	\$ 10,885,908	\$ 0	\$ 0	\$ 0	\$ 10,885,908	
Trustee's Collections - Prior Year	136,941	0	0	0	136,941	
Trustee's Collections - Bankruptcy	158	0	0	0	158	
Circuit Clerk/Clerk and Master Collections - Prior Years	216,313	0	0	0	216,313	
Interest and Penalty	36,416	0	0	0	36,416	
Pickup Taxes	34,384	0	0	0	34,384	
Payments in-Lieu-of Taxes - T.V.A.	11,081	0	0	0	11,081	
Payments in-Lieu-of Taxes - Local Utilities	46,491	0	0	0	46,491	
<u>County Local Option Taxes</u>						
Local Option Sales Tax	8,599,941	0	0	0	8,599,941	
Mixed Drink Tax	44,169	0	0	0	44,169	
<u>Statutory Local Taxes</u>						
Bank Excise Tax	50,113	0	0	0	50,113	
Total Local Taxes	\$ 20,061,915	\$ 0	\$ 0	\$ 0	\$ 20,061,915	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 1,814	\$ 0	\$ 0	\$ 0	\$ 1,814	
Total Licenses and Permits	\$ 1,814	\$ 0	\$ 0	\$ 0	\$ 1,814	
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Lunch Payments - Children	\$ 0	\$ 0	\$ 628	\$ 0	\$ 628	
Lunch Payments - Adults	0	0	28,850	0	28,850	

(Continued)

Exhibit K-7

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

	Special Revenue Funds				Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
<u>Charges for Current Services (Cont.)</u>					
<u>Education Charges (Cont.)</u>					
Income from Breakfast	\$ 0	\$ 0	\$ 405	\$ 0	\$ 405
A la Carte Sales	0	0	263,319	0	263,319
Receipts from Individual Schools	67,021	0	0	0	67,021
Community Service Fees - Children	226,292	0	0	0	226,292
Other Charges for Services	0	0	858	0	858
Total Charges for Current Services	\$ 293,313	\$ 0	\$ 294,060	\$ 0	\$ 587,373
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ (31,114)	\$ 0	\$ 7,114	\$ 0	\$ (24,000)
Lease/Rentals	700	0	0	0	700
Sale of Materials and Supplies	12	0	0	0	12
Sale of Recycled Materials	1,974	0	0	0	1,974
Miscellaneous Refunds	16,170	5,747	0	0	21,917
<u>Nonrecurring Items</u>					
Sale of Equipment	2,150	0	0	0	2,150
Damages Recovered from Individuals	154	0	0	0	154
Contributions and Gifts	580	0	0	0	580
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	1,861,794	1,861,794
Total Other Local Revenues	\$ (9,374)	\$ 5,747	\$ 7,114	\$ 1,861,794	\$ 1,865,281

(Continued)

Exhibit K-7

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</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 246,071	\$ 0	\$ 0	\$ 0	\$ 246,071	
<u>State Education Funds</u>						
Basic Education Program	39,335,737	0	0	0	39,335,737	
Early Childhood Education	767,013	0	0	0	767,013	
School Food Service	0	0	43,958	0	43,958	
Other State Education Funds	1,243,753	0	0	0	1,243,753	
Coordinated School Health	88,984	0	0	0	88,984	
Family Resource Centers	88,256	0	0	0	88,256	
Career Ladder Program	64,129	0	0	0	64,129	
Other Vocational	12,250	0	0	0	12,250	
<u>Other State Revenues</u>						
Income Tax	22,341	0	0	0	22,341	
Beer Tax	19,194	0	0	0	19,194	
Alcoholic Beverage Tax	129,057	0	0	0	129,057	
State Revenue Sharing - T.V.A.	1,013,551	0	0	0	1,013,551	
Other State Grants	19,801	0	0	0	19,801	
Safe Schools	286,727	0	0	0	286,727	
Total State of Tennessee	\$ 43,336,864	\$ 0	\$ 43,958	\$ 0	\$ 43,380,822	
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 3,848,131	\$ 0	\$ 3,848,131	
USDA - Commodities	0	0	268,660	0	268,660	
Breakfast	0	0	1,030,129	0	1,030,129	

(Continued)

Exhibit K-7

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>						
USDA - Other	\$ 0	\$ 0	\$ 197,507	\$ 0	\$ 197,507	
USDA Food Service Equipment Grant	0	0	3,263	0	3,263	
Vocational Education - Basic Grants to States	0	170,063	0	0	170,063	
Title I Grants to Local Education Agencies	0	1,926,685	0	0	1,926,685	
Special Education - Grants to States	0	1,789,982	0	0	1,789,982	
Special Education Preschool Grants	0	53,333	0	0	53,333	
English Language Acquisition Grants	0	27,348	0	0	27,348	
Eisenhower Professional Development State Grants	0	187,293	0	0	187,293	
Disaster Relief	23,984	0	0	0	23,984	
COVID-19 Grant #1	0	386,945	0	0	386,945	
COVID-19 Grant B	0	250,735	0	0	250,735	
COVID-19 Grant D	0	157,765	0	0	157,765	
American Rescue Plan Act Grant #1	0	366,850	0	0	366,850	
American Rescue Plan Act Grant #2	0	92,434	0	0	92,434	
American Rescue Plan Act Grant #3	0	9,389	0	0	9,389	
American Rescue Plan Act Grant #4	0	34,257	0	0	34,257	
Other Federal through State	299,013	1,107,192	0	0	1,406,205	
<u>Direct Federal Revenue</u>						
ROTC Reimbursement	71,028	0	0	0	71,028	
COVID-19 Grant #6	0	3,719,798	0	0	3,719,798	
COVID-19 Grant #7	0	2,705,711	0	0	2,705,711	
COVID-19 Grant #8	0	112,059	0	0	112,059	
Total Federal Government	\$ 394,025	\$ 13,097,839	\$ 5,347,690	\$ 0	\$ 18,839,554	

(Continued)

Exhibit K-7

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	
<hr/>						
Other Governments and Citizens Groups						
Other Governments						
Contributions	\$ 35,000	\$ 0	\$ 0	\$ 0	\$ 35,000	
Citizens Groups						
Donations	30	0	0	0	30	
Other						
Other	89,316	0	0	0	89,316	
Total Other Governments and Citizens Groups	<hr/> \$ 124,346	<hr/> \$ 0	<hr/> \$ 0	<hr/> \$ 0	<hr/> \$ 124,346	
Total	<hr/> \$ 64,202,903	<hr/> \$ 13,103,586	<hr/> \$ 5,692,822	<hr/> \$ 1,861,794	<hr/> \$ 84,861,105	

Exhibit K-8

Jefferson County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2022

General FundGeneral GovernmentCounty Commission

Medical Personnel	\$	25,000	
Board and Committee Members Fees		80,770	
Social Security		4,974	
Employer Medicare		1,163	
Advertising		11,242	
Audit Services		22,420	
Dues and Memberships		10,151	
Engineering Services		139,228	
Legal Services		28,260	
Other Contracted Services		35,099	
Other Charges		98,401	
Data Processing Equipment		11,608	
Land		3,709	
Total County Commission			\$ 472,025

Board of Equalization

Board and Committee Members Fees	\$	750	
Total Board of Equalization			750

County Mayor/Executive

County Official/Administrative Officer	\$	107,742	
Part-time Personnel		2,216	
Longevity Pay		1,500	
Other Salaries and Wages		77,387	
Social Security		10,454	
Pensions		15,748	
Life Insurance		183	
Medical Insurance		26,856	
Dental Insurance		684	
Unemployment Compensation		45	
Employer Medicare		2,707	
Pauper Burials		2,400	
Travel		7,264	
Other Contracted Services		268,743	
Other Charges		2,805	
Total County Mayor/Executive			526,734

Election Commission

Supervisor/Director	\$	83,300	
Clerical Personnel		96,867	
Longevity Pay		2,300	
Election Commission		5,750	
Election Workers		29,320	
Social Security		11,770	
Pensions		15,353	
Life Insurance		267	
Medical Insurance		44,651	

(Continued)

Exhibit K-8

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

General Fund (Cont.)General Government (Cont.)Election Commission (Cont.)

Dental Insurance	\$	912	
Unemployment Compensation		91	
Employer Medicare		2,753	
Advertising		4,501	
Communication		2,448	
Data Processing Services		4,700	
Maintenance Agreements		18,779	
Postal Charges		5,964	
Printing, Stationery, and Forms		1,551	
Travel		723	
Other Contracted Services		420	
Data Processing Supplies		562	
Office Supplies		3,283	
Other Charges		315	
Data Processing Equipment		3,911	
Total Election Commission			\$ 340,491

Register of Deeds

County Official/Administrative Officer	\$	92,555	
Clerical Personnel		130,747	
Part-time Personnel		15,107	
Longevity Pay		2,500	
Social Security		14,274	
Pensions		18,872	
Life Insurance		267	
Medical Insurance		39,929	
Dental Insurance		912	
Unemployment Compensation		81	
Employer Medicare		3,338	
Data Processing Services		21,651	
Dues and Memberships		615	
Maintenance Agreements		1,429	
Travel		1,856	
Data Processing Supplies		2,428	
Office Supplies		997	
Other Charges		240	
Total Register of Deeds			347,798

Codes Compliance

Supervisor/Director	\$	55,421	
Clerical Personnel		32,733	
Longevity Pay		3,000	
Social Security		5,597	
Pensions		7,566	
Life Insurance		146	
Medical Insurance		17,158	
Dental Insurance		456	

(Continued)

Exhibit K-8

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

General Fund (Cont.)General Government (Cont.)Codes Compliance (Cont.)

Unemployment Compensation	\$	42	
Employer Medicare		1,309	
Communication		543	
Other Contracted Services		12,000	
Gasoline		1,290	
Office Supplies		236	
Total Codes Compliance			\$ 137,497

County Buildings

Supervisor/Director	\$	48,822	
Custodial Personnel		80,648	
Maintenance Personnel		102,475	
Longevity Pay		6,400	
Social Security		14,421	
Pensions		20,140	
Life Insurance		431	
Medical Insurance		63,523	
Dental Insurance		1,368	
Unemployment Compensation		147	
Employer Medicare		3,373	
Communication		24,094	
Janitorial Services		7,370	
Maintenance Agreements		95,053	
Maintenance and Repair Services - Buildings		189,155	
Pest Control		8,300	
Postal Charges		59,220	
Other Contracted Services		14,922	
Custodial Supplies		12,009	
Diesel Fuel		300	
Electricity		126,507	
Gasoline		14,277	
Natural Gas		32,505	
Office Supplies		3,199	
Uniforms		3,684	
Water and Sewer		32,242	
Building and Contents Insurance		77,635	
Vehicle and Equipment Insurance		3,399	
Other Charges		7,981	
Other Equipment		3,500	
Total County Buildings			1,057,100

Other Facilities

Supervisor/Director	\$	52,554	
Mechanic(s)		47,029	
Longevity Pay		1,500	
Overtime Pay		4,118	
In-service Training		200	

(Continued)

Exhibit K-8

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

General Fund (Cont.)General Government (Cont.)Other Facilities (Cont.)

Social Security	\$	6,559	
Pensions		8,956	
Life Insurance		195	
Medical Insurance		22,858	
Dental Insurance		380	
Unemployment Compensation		86	
Employer Medicare		1,534	
Communication		2,545	
Other Contracted Services		2,893	
Gasoline		4,666	
Office Supplies		1,183	
Tires and Tubes		48,756	
Uniforms		2,751	
Vehicle Parts		154,817	
Other Charges		647	
Other Equipment		1,898	
Total Other Facilities			\$ 366,125

Preservation of Records

Maintenance and Repair Services - Office Equipment	\$	2,152	
Office Supplies		4,737	
Data Processing Equipment		1,528	
Total Preservation of Records			8,417

FinanceAccounting and Budgeting

Assistant(s)	\$	48,668	
Supervisor/Director		98,732	
Deputy(ies)		44,939	
Longevity Pay		7,700	
Other Salaries and Wages		331,361	
Social Security		30,294	
Pensions		45,372	
Life Insurance		811	
Medical Insurance		122,144	
Dental Insurance		2,280	
Unemployment Compensation		260	
Employer Medicare		7,085	
Communication		4,353	
Dues and Memberships		50	
Maintenance Agreements		25,941	
Travel		998	
Other Contracted Services		4,243	
Data Processing Supplies		2,920	
Office Supplies		3,136	
Other Charges		1,162	
Total Accounting and Budgeting			782,449

(Continued)

Exhibit K-8

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

General Fund (Cont.)Finance (Cont.)Property Assessor's Office

County Official/Administrative Officer	\$	93,305	
Assessment Personnel		288,183	
Longevity Pay		5,700	
Social Security		23,647	
Pensions		32,665	
Life Insurance		560	
Medical Insurance		68,090	
Dental Insurance		1,596	
Unemployment Compensation		152	
Employer Medicare		5,530	
Audit Services		7,640	
Communication		226	
Data Processing Services		24,763	
Maintenance Agreements		4,336	
Postal Charges		1,368	
Travel		62	
Gasoline		1,766	
Office Supplies		985	
Other Supplies and Materials		269	
Other Charges		186	
Furniture and Fixtures		699	
Office Equipment		124	
Total Property Assessor's Office			\$ 561,852

County Trustee's Office

County Official/Administrative Officer	\$	46,278	
Assistant(s)		68,938	
Longevity Pay		2,600	
Social Security		7,047	
Pensions		9,923	
Life Insurance		264	
Medical Insurance		46,515	
Dental Insurance		627	
Unemployment Compensation		84	
Employer Medicare		1,648	
Communication		223	
Data Processing Services		11,401	
Legal Notices, Recording, and Court Costs		465	
Maintenance Agreements		19,276	
Office Supplies		3,943	
Other Charges		76	
Furniture and Fixtures		2,407	
Total County Trustee's Office			221,715

County Clerk's Office

County Official/Administrative Officer	\$	92,555
Assistant(s)		105,349

(Continued)

Exhibit K-8

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

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

Supervisor/Director	\$	122,948	
Deputy(ies)		194,195	
Guards		2,008	
Part-time Personnel		2,724	
Longevity Pay		6,300	
Social Security		30,729	
Pensions		44,711	
Life Insurance		869	
Medical Insurance		120,053	
Dental Insurance		2,366	
Unemployment Compensation		278	
Employer Medicare		7,187	
Communication		5,709	
Dues and Memberships		541	
Maintenance Agreements		29,938	
Rentals		16,500	
Travel		1,617	
Office Supplies		13,063	
Other Charges		850	
Data Processing Equipment		30,359	
Total County Clerk's Office			\$ 830,849

Data Processing

Part-time Personnel	\$	13,193	
Social Security		818	
Unemployment Compensation		37	
Employer Medicare		191	
Contributions		35,000	
Travel		217	
Other Contracted Services		10,809	
Software		30,932	
Other Supplies and Materials		142	
Other Charges		2,558	
Total Data Processing			93,897

Other Finance

Legal Notices, Recording, and Court Costs	\$	46	
Other Contracted Services		4,360	
Liability Insurance		54,942	
Premiums on Corporate Surety Bonds		300	
Trustee's Commission		351,041	
Workers' Compensation Insurance		20,491	
Tax Relief Program		174,580	
Other Charges		2,500	
Total Other Finance			608,260

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	92,555	
Clerical Personnel		431,914	
Part-time Personnel		13,043	
Longevity Pay		9,300	
Jury and Witness Expense		22,484	
Social Security		32,598	
Pensions		45,330	
Life Insurance		926	
Medical Insurance		121,693	
Dental Insurance		2,508	
Unemployment Compensation		313	
Employer Medicare		7,624	
Communication		12,866	
Maintenance Agreements		42,058	
Postal Charges		6,000	
Internet Connectivity		10,764	
Travel		792	
Other Contracted Services		115,406	
Data Processing Supplies		1,814	
Office Supplies		7,850	
Other Charges		804	
Data Processing Equipment		34,894	
Office Equipment		519	
Total Circuit Court			\$ 1,014,055

General Sessions Court

County Official/Administrative Officer	\$	176,206	
Secretary(ies)		46,332	
Longevity Pay		1,500	
Other Salaries and Wages		52,438	
Other Per Diem and Fees		22,350	
Social Security		14,885	
Pensions		23,278	
Life Insurance		227	
Medical Insurance		28,090	
Dental Insurance		478	
Unemployment Compensation		44	
Employer Medicare		3,912	
Communication		734	
Dues and Memberships		755	
Maintenance Agreements		867	
Postal Charges		122	
Rentals		17,400	
Travel		1,557	
Library Books/Media		660	
Office Supplies		1,539	
Other Charges		295	
Total General Sessions Court			393,669

(Continued)

Exhibit K-8

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

General Fund (Cont.)Administration of Justice (Cont.)Drug Court

Contracts with Government Agencies	\$	28,085	
Total Drug Court			\$ 28,085

Chancery Court

County Official/Administrative Officer	\$	92,555	
Deputy(ies)		63,480	
Longevity Pay		400	
Social Security		9,401	
Pensions		13,110	
Life Insurance		121	
Medical Insurance		20,833	
Dental Insurance		570	
Unemployment Compensation		21	
Employer Medicare		2,199	
Advertising		3,255	
Communication		284	
Dues and Memberships		345	
Maintenance Agreements		12,575	
Office Supplies		1,588	
Total Chancery Court			220,737

Juvenile Court

Youth Service Officer(s)	\$	169,925	
Longevity Pay		4,500	
Social Security		10,255	
Pensions		14,715	
Life Insurance		286	
Medical Insurance		37,328	
Dental Insurance		643	
Unemployment Compensation		82	
Employer Medicare		2,398	
Communication		7,134	
Contracts with Government Agencies		51,540	
Dues and Memberships		160	
Maintenance Agreements		5,066	
Travel		600	
Drug Treatment		442	
Gasoline		3,084	
Office Supplies		3,784	
Uniforms		400	
Other Supplies and Materials		4,968	
Other Charges		191	
Total Juvenile Court			317,501

Other Administration of Justice

Evaluation and Testing	\$	1,600	
Other Charges		306	
Total Other Administration of Justice			1,906

(Continued)

Exhibit K-8

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

General Fund (Cont.)Administration of Justice (Cont.)Victim Assistance Programs

Other Salaries and Wages	\$	31,836	
Social Security		1,960	
Pensions		2,842	
Life Insurance		61	
Medical Insurance		7,154	
Dental Insurance		247	
Unemployment Compensation		40	
Employer Medicare		458	
Communication		1,288	
Postal Charges		290	
Remittance of Revenue Collected		38,306	
Office Supplies		1,233	
Total Victim Assistance Programs			\$ 85,715

Public SafetySheriff's Department

County Official/Administrative Officer	\$	101,811	
Assistant(s)		211,326	
Supervisor/Director		63,377	
Deputy(ies)		1,447,535	
Detective(s)		383,085	
Secretary(ies)		32,208	
Part-time Personnel		274,212	
Longevity Pay		23,800	
Overtime Pay		47,681	
In-service Training		46,374	
Social Security		165,569	
Pensions		112,552	
Life Insurance		3,787	
Medical Insurance		466,633	
Dental Insurance		10,104	
Unemployment Compensation		1,810	
Employer Medicare		38,722	
Other Fringe Benefits		78,114	
Communication		72,983	
Data Processing Services		390	
Dues and Memberships		2,900	
Maintenance Agreements		28,147	
Maintenance and Repair Services - Equipment		4,312	
Maintenance and Repair Services - Vehicles		86,187	
Postal Charges		2,365	
Travel		9,300	
Tuition		4,363	
Other Contracted Services		13,267	
Gasoline		297,588	
Instructional Supplies and Materials		835	
Office Supplies		7,816	

(Continued)

Exhibit K-8

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

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

Uniforms	\$	38,303	
Liability Insurance		87,061	
Vehicle and Equipment Insurance		39,211	
Workers' Compensation Insurance		102,058	
Other Charges		47,156	
Data Processing Equipment		28,819	
Motor Vehicles		207,184	
Other Equipment		84,013	
Total Sheriff's Department			\$ 4,672,958

Wheel Tax Officer

Part-time Personnel	\$	15,262	
Social Security		946	
Unemployment Compensation		21	
Employer Medicare		221	
Office Supplies		1,101	
Total Wheel Tax Officer			17,551

Administration of the Sexual Offender Registry

Contracts with Government Agencies	\$	4,150	
Uniforms		1,783	
Other Equipment		3,420	
Total Administration of the Sexual Offender Registry			9,353

Jail

Guards	\$	1,142,968	
Cafeteria Personnel		64,578	
Part-time Personnel		21,328	
Longevity Pay		13,600	
Overtime Pay		16,909	
In-service Training		6,169	
Social Security		79,887	
Pensions		110,799	
Life Insurance		2,574	
Medical Insurance		314,773	
Dental Insurance		5,751	
Unemployment Compensation		1,082	
Employer Medicare		18,683	
Other Fringe Benefits		57,826	
Medical and Dental Services		220,154	
Other Contracted Services		323,509	
Custodial Supplies		44,515	
Electricity		149,481	
Food Supplies		286,326	
Natural Gas		36,709	
Uniforms		7,152	
Water and Sewer		56,928	

(Continued)

Exhibit K-8

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

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

Building and Contents Insurance	\$	66,508	
Other Charges		18,074	
Other Equipment		36,353	
Total Jail			\$ 3,102,636

Workhouse

Guards	\$	111,754	
Overtime Pay		4,885	
Social Security		7,551	
Pensions		10,482	
Life Insurance		257	
Medical Insurance		29,261	
Dental Insurance		741	
Unemployment Compensation		160	
Employer Medicare		1,766	
Other Fringe Benefits		5,985	
Communication		2,453	
Electricity		21,746	
Natural Gas		5,992	
Water and Sewer		7,038	
Total Workhouse			210,071

Inspection and Regulation

Supervisor/Director	\$	50,601	
Clerical Personnel		29,501	
Longevity Pay		1,000	
Social Security		5,054	
Pensions		6,938	
Life Insurance		115	
Medical Insurance		16,460	
Dental Insurance		437	
Unemployment Compensation		63	
Employer Medicare		1,182	
Communication		543	
Dues and Memberships		370	
Printing, Stationery, and Forms		362	
Travel		29	
Gasoline		4,853	
Instructional Supplies and Materials		490	
Office Supplies		955	
Refunds		4,042	
Other Charges		96	
Total Inspection and Regulation			123,091

Public Safety Grants Program

Other Equipment	\$	29,430	
Total Public Safety Grants Program			29,430

(Continued)

Exhibit K-8

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

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

Contributions	\$ 729,097	
Total Other Public Safety		\$ 729,097

Public Health and WelfareLocal Health Center

Clerical Personnel	\$ 107,849	
Part-time Personnel	12,398	
Longevity Pay	900	
Social Security	7,266	
Pensions	8,764	
Life Insurance	256	
Medical Insurance	23,387	
Dental Insurance	760	
Unemployment Compensation	97	
Employer Medicare	1,699	
Communication	11,714	
Contracts with Government Agencies	35,580	
Travel	2,473	
Utilities	24,355	
Other Charges	2,105	
Total Local Health Center		239,603

Rabies and Animal Control

Longevity Pay	\$ 1,500	
Other Salaries and Wages	63,343	
Social Security	3,710	
Pensions	5,921	
Life Insurance	146	
Medical Insurance	22,771	
Dental Insurance	228	
Unemployment Compensation	42	
Employer Medicare	868	
Other Fringe Benefits	3,764	
Communication	2,493	
Gasoline	14,748	
Uniforms	306	
Vehicle and Equipment Insurance	260	
Workers' Compensation Insurance	1,048	
Other Charges	3,362	
Other Equipment	769	
Total Rabies and Animal Control		125,279

Ambulance/Emergency Medical Services

Assistant(s)	\$ 282,417	
Supervisor/Director	75,088	
Medical Personnel	2,000	
Clerical Personnel	106,649	

(Continued)

Exhibit K-8

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.)

Attendants	\$	1,633,638	
Part-time Personnel		159,555	
Longevity Pay		35,400	
Overtime Pay		461,470	
Other Salaries and Wages		11,237	
Social Security		174,096	
Pensions		240,844	
Life Insurance		3,386	
Medical Insurance		452,792	
Dental Insurance		8,949	
Unemployment Compensation		1,445	
Employer Medicare		40,716	
Other Fringe Benefits		122,657	
Communication		45,550	
Data Processing Services		17,473	
Maintenance Agreements		28,432	
Maintenance and Repair Services - Equipment		16,178	
Postal Charges		8,872	
Tuition		350	
Other Contracted Services		23,170	
Diesel Fuel		177,675	
Drugs and Medical Supplies		235,847	
Office Supplies		10,471	
Uniforms		23,500	
Other Supplies and Materials		6,097	
Building and Contents Insurance		9,547	
Liability Insurance		11,070	
Refunds		9,856	
Vehicle and Equipment Insurance		36,127	
Workers' Compensation Insurance		128,695	
Other Charges		9,289	
Data Processing Equipment		5,308	
Furniture and Fixtures		2,292	
Motor Vehicles		150,599	
Other Equipment		135,465	
Total Ambulance/Emergency Medical Services			\$ 4,904,202

Sanitation Education/Information

Guards	\$	39,942
Longevity Pay		1,400
Social Security		2,554
Pensions		3,431
Life Insurance		73
Medical Insurance		8,579
Dental Insurance		228
Unemployment Compensation		21
Employer Medicare		597

(Continued)

Exhibit K-8

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

General Fund (Cont.)Public Health and Welfare (Cont.)Sanitation Education/Information (Cont.)

Travel	\$	1,350	
Gasoline		4,702	
Instructional Supplies and Materials		5,665	
Vehicle and Equipment Insurance		168	
Total Sanitation Education/Information			\$ 68,710

Other Public Health and Welfare

Supervisor/Director	\$	59,879	
Part-time Personnel		21,401	
Longevity Pay		3,000	
Other Salaries and Wages		33,216	
Social Security		7,292	
Pensions		7,976	
Life Insurance		121	
Medical Insurance		17,158	
Dental Insurance		456	
Unemployment Compensation		84	
Employer Medicare		1,705	
Communication		543	
Postal Charges		84	
Gasoline		4,507	
Office Supplies		912	
Chemicals		573	
Refunds		1,200	
Office Equipment		300	
Other Equipment		991	
Total Other Public Health and Welfare			161,398

Social, Cultural, and Recreational ServicesSenior Citizens Assistance

Assistant(s)	\$	93,455	
Supervisor/Director		30,154	
Salary Supplements		4,400	
Longevity Pay		800	
Social Security		7,822	
Pensions		9,872	
Life Insurance		312	
Medical Insurance		35,083	
Dental Insurance		665	
Unemployment Compensation		204	
Employer Medicare		1,829	
Communication		663	
Maintenance Agreements		694	
Travel		1,065	
Vehicle and Equipment Insurance		1,347	
Other Charges		247	
Total Senior Citizens Assistance			188,612

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries

Librarians	\$	236,442	
Part-time Personnel		75,984	
Longevity Pay		4,400	
Social Security		18,805	
Pensions		20,939	
Life Insurance		586	
Medical Insurance		71,378	
Dental Insurance		1,596	
Unemployment Compensation		343	
Employer Medicare		4,398	
Communication		7,811	
Contracts with Private Agencies		480	
Maintenance and Repair Services - Equipment		3,217	
Travel		1,502	
Instructional Supplies and Materials		1,710	
Library Books/Media		16,414	
Office Supplies		6,661	
Periodicals		2,422	
Utilities		3,606	
Software		2,182	
Other Supplies and Materials		3,897	
Other Charges		14,366	
Data Processing Equipment		7,061	
Other Equipment		436	
Total Libraries			\$ 506,636

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	80,575	
Social Security		4,759	
Pensions		10,887	
Medical Insurance		7,992	
Unemployment Compensation		21	
Employer Medicare		1,102	
Other Fringe Benefits		2,196	
Communication		4,475	
Dues and Memberships		310	
Maintenance Agreements		1,065	
Printing, Stationery, and Forms		863	
Travel		5,538	
Electricity		2,731	
Instructional Supplies and Materials		385	
Natural Gas		1,503	
Water and Sewer		307	
Workers' Compensation Insurance		121	
Other Charges		638	
Total Agricultural Extension Service			125,468

(Continued)

Exhibit K-8

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

General Fund (Cont.)Agriculture and Natural Resources (Cont.)Soil Conservation

Secretary(ies)	\$	27,936	
Longevity Pay		600	
Social Security		1,760	
Pensions		2,369	
Life Insurance		73	
Medical Insurance		8,579	
Dental Insurance		228	
Unemployment Compensation		21	
Employer Medicare		412	
Dues and Memberships		360	
Travel		999	
Total Soil Conservation			\$ 43,337

Other OperationsTourism

Supervisor/Director	\$	73,500	
Part-time Personnel		10,213	
Social Security		4,982	
Pensions		6,615	
Life Insurance		73	
Medical Insurance		10,708	
Dental Insurance		228	
Unemployment Compensation		52	
Employer Medicare		1,165	
Advertising		42,772	
Communication		24,000	
Contracts with Private Agencies		159,882	
Dues and Memberships		4,367	
Travel		2,154	
Office Supplies		165	
Other Charges		1,017	
Total Tourism			341,893

Veterans' Services

Supervisor/Director	\$	35,394	
Longevity Pay		500	
Social Security		2,225	
Pensions		3,205	
Life Insurance		37	
Unemployment Compensation		21	
Employer Medicare		520	
Communication		959	
Office Supplies		508	
Data Processing Equipment		449	
Office Equipment		540	
Total Veterans' Services			44,358

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Other Operations (Cont.)

Contributions to Other Agencies

Contributions	\$ 976,564	
Total Contributions to Other Agencies		\$ 976,564

COVID-19 Grant #3

Data Processing Equipment	\$ 16,120	
Total COVID-19 Grant #3		16,120

COVID-19 Grant #7

Other Supplies and Materials	\$ 3,309	
Other Charges	5,100	
Total COVID-19 Grant #7		8,409

American Rescue Plan Act Grant #2

Library Books/Media	\$ 10,137	
Software	1,128	
Data Processing Equipment	15,641	
Other Equipment	794	
Total American Rescue Plan Act Grant #2		27,700

American Rescue Plan Act Grant #3

Other Charges	\$ 15,112	
Total American Rescue Plan Act Grant #3		15,112

American Rescue Plan Act Grant #4

Library Books/Media	\$ 21,928	
Total American Rescue Plan Act Grant #4		21,928

American Rescue Plan Act Grant #5

Library Books/Media	\$ 2,510	
Software	600	
Data Processing Equipment	610	
Total American Rescue Plan Act Grant #5		3,720

American Rescue Plan Act Grant #7

Other Charges	\$ 9,800	
Total American Rescue Plan Act Grant #7		9,800

Total General Fund		\$ 25,140,663
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Courthouse and Jail Maintenance Fund

Finance

Other Finance

Trustee's Commission	\$ 511	
Total Other Finance		\$ 511

Total Courthouse and Jail Maintenance Fund		511
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(Continued)

Exhibit K-8

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

Law Library FundFinanceOther Finance

Trustee's Commission	\$	129	
Total Other Finance			\$ 129

Public SafetyJail

Library Books/Media	\$	11,742	
Total Jail			11,742

Total Law Library Fund			\$ 11,871
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Solid Waste/Sanitation FundPublic Health and WelfareWaste Pickup

Supervisor/Director	\$	36,163	
Part-time Personnel		38,690	
Longevity Pay		8,600	
Overtime Pay		35,778	
Other Salaries and Wages		383,638	
Social Security		30,525	
Pensions		40,552	
Life Insurance		990	
Medical Insurance		123,988	
Dental Insurance		1,824	
Unemployment Compensation		1,268	
Employer Medicare		7,139	
Contracts with Private Agencies		9,600	
Maintenance and Repair Services - Vehicles		67,953	
Rentals		9,090	
Disposal Fees		942,654	
Diesel Fuel		56,989	
Gasoline		4,663	
Lubricants		13,705	
Tires and Tubes		23,083	
Uniforms		5,656	
Utilities		17,080	
Other Supplies and Materials		6,153	
Building and Contents Insurance		335	
Liability Insurance		465	
Trustee's Commission		36,295	
Vehicle and Equipment Insurance		29,097	
Workers' Compensation Insurance		29,126	
Other Charges		7,714	
Solid Waste Equipment		238,052	
Total Waste Pickup			\$ 2,206,865

Total Solid Waste/Sanitation Fund			2,206,865
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(Continued)

Exhibit K-8

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

Drug Control FundPublic SafetyDrug Enforcement

Veterinary Services	\$	2,736	
Other Contracted Services		10,901	
Animal Food and Supplies		2,700	
Trustee's Commission		255	
Other Equipment		6,589	
Total Drug Enforcement			\$ 23,181

Total Drug Control Fund \$ 23,181

Other General Government Special Revenue FundOther OperationsAmerican Rescue Plan Act Grant #1

Part-time Personnel	\$	6,721	
Social Security		248	
Medical Insurance		5,597	
Unemployment Compensation		20	
Employer Medicare		58	
Total American Rescue Plan Act Grant #1			\$ 12,644

Capital ProjectsAmerican Rescue Plan Act Grant #1

Building Construction	\$	146	
Total American Rescue Plan Act Grant #1			146

Total Other General Government Special Revenue Fund 12,790

Other Special Revenue FundFinanceOther Finance

Trustee's Commission	\$	8,582	
Total Other Finance			\$ 8,582

Total Other Special Revenue Fund 8,582

Constitutional Officers - Fees FundGeneral GovernmentRegister of Deeds

Constitutional Officers' Operating Expenses	\$	555	
Total Register of Deeds			\$ 555

FinanceCounty Trustee's Office

Constitutional Officers' Operating Expenses	\$	137,577	
Total County Trustee's Office			137,577

(Continued)

Exhibit K-8

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

Constitutional Officers - Fees Fund (Cont.)

Public Safety

Sheriff's Department

Constitutional Officers' Operating Expenses	\$ 56	
Total Sheriff's Department		\$ 56

Total Constitutional Officers - Fees Fund \$ 138,188

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 101,811	
Accountants/Bookkeepers	54,017	
Clerical Personnel	29,401	
Longevity Pay	1,800	
Board and Committee Members Fees	17,728	
Social Security	12,693	
Pensions	15,921	
Life Insurance	220	
Medical Insurance	25,110	
Dental Insurance	456	
Unemployment Compensation	57	
Employer Medicare	2,968	
Communication	10,032	
Data Processing Services	176	
Dues and Memberships	3,504	
Legal Services	8,373	
Legal Notices, Recording, and Court Costs	280	
Postal Charges	116	
Travel	284	
Other Contracted Services	4,315	
Office Supplies	2,635	
Other Charges	4,224	
Office Equipment	275	
Total Administration		\$ 296,396

Highway and Bridge Maintenance

Laborers	\$ 1,110,986
Longevity Pay	26,400
Overtime Pay	82,632
Social Security	74,268
Pensions	98,374
Life Insurance	2,162
Medical Insurance	251,068
Dental Insurance	5,122
Unemployment Compensation	844
Employer Medicare	17,369
Rentals	1,745
Asphalt - Liquid	441,355
Other Road Materials	61,584

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Pipe - Metal	\$	13,550	
Road Signs		14,896	
Uniforms		15,669	
Other Supplies and Materials		7,517	
Total Highway and Bridge Maintenance			\$ 2,225,541

Operation and Maintenance of Equipment

Mechanic(s)	\$	211,847	
Longevity Pay		4,100	
Overtime Pay		45,312	
Social Security		16,143	
Pensions		19,709	
Life Insurance		439	
Medical Insurance		50,602	
Dental Insurance		437	
Unemployment Compensation		144	
Employer Medicare		3,776	
Maintenance and Repair Services - Equipment		193,711	
Diesel Fuel		78,035	
Gasoline		134,119	
Lubricants		29,953	
Natural Gas		82,930	
Tires and Tubes		31,352	
Water and Sewer		441	
Other Supplies and Materials		6,509	
Other Equipment		158,904	
Total Operation and Maintenance of Equipment			1,068,463

Quarry Operations

Laborers	\$	262,679	
Longevity Pay		5,800	
Overtime Pay		52,669	
Social Security		18,516	
Pensions		26,726	
Life Insurance		566	
Medical Insurance		81,016	
Dental Insurance		1,110	
Unemployment Compensation		223	
Employer Medicare		4,330	
Maintenance and Repair Services - Equipment		30,392	
Electricity		143,940	
Other Charges		18,573	
Total Quarry Operations			646,540

Asphalt Plant Operations

Maintenance and Repair Services - Equipment	\$	10,103	
Other Contracted Services		2,600	
Total Asphalt Plant Operations			12,703

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges

Building and Contents Insurance	\$ 12,312	
Liability Insurance	12,730	
Trustee's Commission	76,798	
Vehicle and Equipment Insurance	29,794	
Total Other Charges		\$ 131,634

Employee Benefits

Workers' Compensation Insurance	\$ 99,060	
Total Employee Benefits		99,060

Capital Outlay

Bridge Construction	\$ 44,600	
Total Capital Outlay		44,600

Total Highway/Public Works Fund \$ 4,524,937

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 305,000	
Principal on Other Loans	955,000	
Total General Government		\$ 1,260,000

Education

Principal on Bonds	\$ 2,560,000	
Principal on Other Loans	889,628	
Total Education		3,449,628

Interest on Debt

General Government

Interest on Bonds	\$ 345,637	
Interest on Other Loans	31,381	
Total General Government		377,018

Education

Interest on Bonds	\$ 1,904,718	
Interest on Other Loans	526,985	
Total Education		2,431,703

Other Debt Service

General Government

Trustee's Commission	\$ 108,699	
Other Debt Service	23,891	
Total General Government		132,590

Total General Debt Service Fund 7,650,939

(Continued)

Exhibit K-8

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

General Capital Projects FundOther OperationsCOVID-19 Grant #3

Data Processing Equipment	\$ 4,130	
Total COVID-19 Grant #3		\$ 4,130

Capital ProjectsAdministration of Justice Projects

Interest on Notes	\$ 2,000	
Total Administration of Justice Projects		2,000

Public Safety Projects

Building Improvements	\$ 83,879	
Data Processing Equipment	44,332	
Total Public Safety Projects		128,211

Public Health and Welfare Projects

Building Improvements	\$ 75,900	
Total Public Health and Welfare Projects		75,900

Other General Government Projects

Trustee's Commission	\$ 13,690	
Building Improvements	133,289	
Data Processing Equipment	41,172	
Total Other General Government Projects		188,151

Total General Capital Projects Fund \$ 398,392

Nursing Home Projects FundPublic Health and WelfareNursing Home

Contributions	\$ 2,009,487	
Total Nursing Home		\$ 2,009,487

Other Debt ServiceGeneral Government

Underwriter's Discount	\$ 45,925	
Other Debt Issuance Charges	49,995	
Total General Government		95,920

Total Nursing Home Projects Fund 2,105,407

Total Governmental Funds - Primary Government \$ 42,222,326

Exhibit K-9

Jefferson County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Jefferson County School Department
For the Year Ended June 30, 2022

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 19,136,063	
Career Ladder Program	48,956	
Educational Assistants	382,467	
Longevity Pay	3,646	
Other Salaries and Wages	64,599	
Certified Substitute Teachers	75,396	
Non-certified Substitute Teachers	362,452	
Social Security	1,164,462	
Pensions	1,682,284	
Life Insurance	28,750	
Medical Insurance	3,790,171	
Dental Insurance	80,781	
Employer Medicare	278,875	
Other Contracted Services	144,649	
Instructional Supplies and Materials	530,619	
Textbooks - Electronic	59,157	
Textbooks - Bound	60,496	
Fee Waivers	149,995	
Other Charges	12,348	
Regular Instruction Equipment	289,016	
Other Equipment	4,982	
Total Regular Instruction Program		\$ 28,350,164

Alternative Instruction Program

Teachers	\$ 146,300	
Social Security	8,823	
Pensions	15,069	
Life Insurance	206	
Medical Insurance	20,513	
Dental Insurance	672	
Employer Medicare	2,063	
Instructional Supplies and Materials	1,538	
Other Supplies and Materials	1,205	
Other Equipment	452	
Total Alternative Instruction Program		196,841

Special Education Program

Teachers	\$ 1,916,951	
Career Ladder Program	3,000	
Homebound Teachers	3,339	
Educational Assistants	207,483	
Speech Pathologist	429,700	
Longevity Pay	2,063	
Social Security	149,943	
Pensions	242,243	
Life Insurance	4,575	

(Continued)

Exhibit K-9

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.)

Medical Insurance	\$	570,758	
Dental Insurance		13,169	
Employer Medicare		35,250	
Instructional Supplies and Materials		14,450	
Other Supplies and Materials		5,508	
Other Charges		608	
Special Education Equipment		14,079	
Total Special Education Program			\$ 3,613,119

Career and Technical Education Program

Teachers	\$	1,461,603	
Career Ladder Program		1,000	
Educational Assistants		6,026	
Certified Substitute Teachers		90	
Non-certified Substitute Teachers		7,312	
Social Security		86,719	
Pensions		145,709	
Life Insurance		1,933	
Medical Insurance		246,953	
Dental Insurance		5,708	
Employer Medicare		22,068	
Instructional Supplies and Materials		113,509	
Vocational Instruction Equipment		35,533	
Total Career and Technical Education Program			2,134,163

Support ServicesAttendance

Supervisor/Director	\$	81,600	
Other Salaries and Wages		79,933	
Social Security		9,052	
Pensions		15,039	
Life Insurance		220	
Medical Insurance		34,463	
Dental Insurance		504	
Employer Medicare		2,117	
Travel		916	
In Service/Staff Development		1,159	
Total Attendance			225,003

Health Services

Supervisor/Director	\$	54,930
Medical Personnel		12,888
Secretary(ies)		763
Clerical Personnel		16,677
Longevity Pay		8,117
Other Salaries and Wages		13,296

(Continued)

Exhibit K-9

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.)

Social Security	\$	6,514	
Pensions		7,735	
Life Insurance		105	
Medical Insurance		12,230	
Dental Insurance		370	
Employer Medicare		1,523	
Postal Charges		400	
Travel		1,075	
Other Supplies and Materials		15,460	
In Service/Staff Development		405	
Health Equipment		23,772	
Other Equipment		986	
Total Health Services			\$ 177,246

Other Student Support

Career Ladder Program	\$	1,000	
Guidance Personnel		975,546	
Longevity Pay		213	
Other Salaries and Wages		15,649	
Social Security		58,158	
Pensions		94,925	
Life Insurance		1,474	
Medical Insurance		193,297	
Dental Insurance		5,115	
Employer Medicare		13,601	
Communication		662	
Evaluation and Testing		37,630	
Travel		983	
Other Contracted Services		433,592	
Other Supplies and Materials		47,742	
In Service/Staff Development		4,469	
Other Charges		11,444	
Other Equipment		4,574	
Total Other Student Support			1,900,074

Regular Instruction Program

Supervisor/Director	\$	224,750	
Librarians		548,850	
Instructional Computer Personnel		78,585	
Secretary(ies)		37,430	
Clerical Personnel		50,280	
Longevity Pay		5,317	
Other Salaries and Wages		161,583	
Social Security		66,517	
Pensions		109,621	
Life Insurance		1,454	

(Continued)

Exhibit K-9

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.)

Medical Insurance	\$	171,939	
Dental Insurance		3,181	
Employer Medicare		15,562	
Communication		873	
Travel		4,610	
Other Contracted Services		28,942	
Other Supplies and Materials		13,656	
In Service/Staff Development		44,461	
Other Charges		4,871	
Other Equipment		8,486	
Total Regular Instruction Program			\$ 1,580,968

Alternative Instruction Program

Supervisor/Director	\$	57,127	
Secretary(ies)		20,580	
Longevity Pay		565	
Social Security		2,680	
Pensions		4,034	
Life Insurance		98	
Medical Insurance		10,339	
Dental Insurance		84	
Employer Medicare		1,134	
Communication		1,920	
Other Contracted Services		1,466	
Office Supplies		1,991	
Other Equipment		1,925	
Total Alternative Instruction Program			103,943

Special Education Program

Supervisor/Director	\$	90,822	
Psychological Personnel		57,060	
Medical Personnel		116,826	
Assessment Personnel		51,425	
Longevity Pay		1,990	
Other Salaries and Wages		80,386	
Social Security		20,890	
Pensions		33,222	
Life Insurance		488	
Medical Insurance		65,531	
Dental Insurance		1,512	
Employer Medicare		5,435	
Communication		1,101	
Contracts with Private Agencies		22,385	
Travel		7,456	
Other Contracted Services		50,686	
Other Charges		258	
Total Special Education Program			607,473

(Continued)

Exhibit K-9

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.)

Career and Technical Education Program

Supervisor/Director	\$	157,920	
Career Ladder Program		917	
Secretary(ies)		29,459	
Longevity Pay		1,240	
Social Security		11,115	
Pensions		19,124	
Life Insurance		222	
Medical Insurance		30,760	
Dental Insurance		758	
Employer Medicare		2,600	
Communication		989	
Travel		27,524	
Other Contracted Services		2,797	
Other Supplies and Materials		3,034	
In Service/Staff Development		5,222	
Other Charges		494	
Other Equipment		3,368	
Total Career and Technical Education Program			\$ 297,543

Technology

Instructional Computer Personnel	\$	78,040	
Secretary(ies)		13,529	
Longevity Pay		4,100	
Other Salaries and Wages		335,219	
Social Security		25,446	
Pensions		34,696	
Life Insurance		705	
Medical Insurance		79,030	
Dental Insurance		2,449	
Employer Medicare		5,951	
Communication		874	
Internet Connectivity		104,941	
Other Contracted Services		14,412	
Software		307,408	
Other Supplies and Materials		39,090	
In Service/Staff Development		7,300	
Other Equipment		182,408	
Total Technology			1,235,598

Other Programs

On-behalf Payments to OPEB	\$	246,071	
Total Other Programs			246,071

Board of Education

Board and Committee Members Fees	\$	25,400	
Social Security		1,339	

(Continued)

Exhibit K-9

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.)Board of Education (Cont.)

Unemployment Compensation	\$	1,322	
Employer Medicare		365	
Audit Services		25,750	
Dues and Memberships		15,617	
Legal Services		36,917	
Travel		5,003	
Other Contracted Services		4,250	
Trustee's Commission		386,909	
Workers' Compensation Insurance		206,907	
In Service/Staff Development		1,520	
Other Charges		4,145	
Total Board of Education			\$ 715,444

Director of Schools

County Official/Administrative Officer	\$	133,282	
Career Ladder Program		1,000	
Secretary(ies)		43,658	
Longevity Pay		2,331	
Overtime Pay		1,542	
Social Security		10,622	
Pensions		17,779	
Life Insurance		146	
Medical Insurance		33,497	
Dental Insurance		504	
Employer Medicare		2,484	
Communication		19,324	
Postal Charges		3,547	
Travel		3,370	
Other Contracted Services		22,959	
Office Supplies		898	
Other Supplies and Materials		261	
In Service/Staff Development		1,666	
Total Director of Schools			298,870

Office of the Principal

Principals	\$	899,245	
Career Ladder Program		2,667	
Assistant Principals		856,276	
Secretary(ies)		626,714	
Clerical Personnel		138,413	
Longevity Pay		24,015	
Social Security		146,359	
Pensions		242,209	
Life Insurance		4,184	
Medical Insurance		540,364	
Dental Insurance		13,055	

(Continued)

Exhibit K-9

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.)

Employer Medicare	\$	34,799	
Communication		27,020	
Travel		363	
Other Contracted Services		101,000	
Office Supplies		247	
Other Supplies and Materials		20,186	
Total Office of the Principal			\$ 3,677,116

Fiscal Services

Other Charges	\$	410,480	
Total Fiscal Services			410,480

Human Services/Personnel

Supervisor/Director	\$	63,000	
Secretary(ies)		32,410	
Longevity Pay		1,400	
Social Security		5,300	
Pensions		7,946	
Life Insurance		143	
Medical Insurance		23,071	
Dental Insurance		492	
Employer Medicare		1,218	
Advertising		100	
Dues and Memberships		175	
Other Contracted Services		29,183	
Other Supplies and Materials		572	
In Service/Staff Development		842	
Total Human Services/Personnel			165,852

Operation of Plant

Guards	\$	84,818	
Secretary(ies)		13,529	
Custodial Personnel		757,293	
Longevity Pay		25,757	
Other Salaries and Wages		29,705	
Social Security		53,099	
Pensions		74,683	
Life Insurance		2,405	
Medical Insurance		287,151	
Dental Insurance		7,054	
Employer Medicare		12,418	
Other Contracted Services		394,036	
Custodial Supplies		183,603	
Electricity		1,546,469	
Natural Gas		286,481	
Water and Sewer		110,998	

(Continued)

Exhibit K-9

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.)

Building and Contents Insurance	\$	442,737	
In Service/Staff Development		1,030	
Other Charges		5,000	
Plant Operation Equipment		13,002	
Total Operation of Plant			\$ 4,331,268

Maintenance of Plant

Secretary(ies)	\$	17,712	
Maintenance Personnel		394,567	
Longevity Pay		8,000	
Social Security		24,829	
Pensions		33,537	
Life Insurance		915	
Medical Insurance		80,229	
Dental Insurance		2,422	
Employer Medicare		5,944	
Communication		9,323	
Contributions		35,000	
Maintenance and Repair Services - Buildings		113,369	
Maintenance and Repair Services - Equipment		179,581	
Other Contracted Services		175,620	
Other Supplies and Materials		175,778	
Other Charges		856	
Maintenance Equipment		18,329	
Motor Vehicles		120,182	
Total Maintenance of Plant			1,396,193

Transportation

Supervisor/Director	\$	72,126	
Mechanic(s)		138,802	
Bus Drivers		1,175,093	
Secretary(ies)		14,986	
Longevity Pay		1,685	
Other Salaries and Wages		50,096	
Social Security		84,281	
Pensions		39,221	
Life Insurance		481	
Medical Insurance		63,086	
Dental Insurance		1,694	
Employer Medicare		20,824	
Communication		3,027	
Contracts with Public Carriers		2,000	
Maintenance and Repair Services - Vehicles		41,613	
Medical and Dental Services		14,866	
Other Contracted Services		27,490	
Diesel Fuel		322,376	

(Continued)

Exhibit K-9

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.)

Garage Supplies	\$	475	
Gasoline		83,195	
Lubricants		9,224	
Tires and Tubes		43,850	
Vehicle Parts		155,290	
Other Supplies and Materials		1,086	
In Service/Staff Development		2,903	
Other Charges		692	
Total Transportation			\$ 2,370,462

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	37,942	
Social Security		2,352	
Pensions		2,510	
Employer Medicare		550	
Total Food Service			43,354

Community Services

Supervisor/Director	\$	75,953	
Other Salaries and Wages		161,241	
Social Security		14,397	
Pensions		11,646	
Life Insurance		143	
Medical Insurance		17,794	
Dental Insurance		492	
Employer Medicare		3,367	
Communication		557	
Food Supplies		8,750	
Other Supplies and Materials		5,971	
Other Charges		1,094	
Total Community Services			301,405

Early Childhood Education

Teachers	\$	376,132	
Educational Assistants		125,054	
Longevity Pay		4,127	
Social Security		29,894	
Pensions		49,398	
Life Insurance		1,284	
Medical Insurance		139,207	
Dental Insurance		3,603	
Employer Medicare		6,992	
Travel		157	
Instructional Supplies and Materials		13,889	
In Service/Staff Development		556	
Other Charges		1,176	
Total Early Childhood Education			751,469

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Capital Outlay

Regular Capital Outlay

Architects	\$	244,279	
Building Improvements		564,826	
Total Regular Capital Outlay			\$ 809,105

Total General Purpose School Fund \$ 55,939,224

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	893,217	
Educational Assistants		848,600	
Longevity Pay		438	
Bonus Payments		788,000	
Other Salaries and Wages		708,548	
Social Security		182,535	
Pensions		250,417	
Life Insurance		6,289	
Medical Insurance		764,308	
Dental Insurance		16,566	
Employer Medicare		43,211	
Other Contracted Services		5,000	
Instructional Supplies and Materials		58,852	
Textbooks - Bound		201,348	
Software		510,875	
Other Supplies and Materials		15,687	
Regular Instruction Equipment		323,170	
Total Regular Instruction Program			\$ 5,617,061

Special Education Program

Teachers	\$	100,649	
Educational Assistants		680,547	
Speech Pathologist		29,537	
Longevity Pay		15,085	
Social Security		46,632	
Pensions		56,551	
Life Insurance		2,954	
Medical Insurance		345,041	
Dental Insurance		7,455	
Employer Medicare		11,146	
Instructional Supplies and Materials		61,450	
Other Supplies and Materials		8,764	
Special Education Equipment		11,821	
Total Special Education Program			1,377,632

Career and Technical Education Program

Teachers	\$	56,297	
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(Continued)

Exhibit K-9

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.)

Career and Technical Education Program (Cont.)

Educational Assistants	\$	8,722	
Other Salaries and Wages		2,750	
Social Security		4,193	
Pensions		5,044	
Life Insurance		122	
Medical Insurance		7,779	
Dental Insurance		252	
Employer Medicare		987	
Instructional Supplies and Materials		32,781	
Other Supplies and Materials		24,231	
Vocational Instruction Equipment		1,469	
Total Career and Technical Education Program			\$ 144,627

Support Services

Health Services

Supervisor/Director	\$	48,729	
Medical Personnel		324,900	
Other Salaries and Wages		57,209	
Social Security		25,912	
Pensions		33,446	
Life Insurance		932	
Medical Insurance		118,006	
Dental Insurance		2,786	
Employer Medicare		6,060	
Travel		12	
Other Contracted Services		206,600	
Drugs and Medical Supplies		54,777	
Other Charges		211	
Health Equipment		27,043	
Total Health Services			906,623

Other Student Support

Bus Drivers	\$	1,062	
Secretary(ies)		16,677	
Other Salaries and Wages		337,013	
Social Security		20,159	
Pensions		33,617	
Life Insurance		1,830	
Medical Insurance		69,705	
Dental Insurance		1,844	
Employer Medicare		4,715	
Travel		21,026	
Other Contracted Services		1,094	
Other Supplies and Materials		14,704	
In Service/Staff Development		375,758	
Other Charges		12,971	
Other Equipment		6,692	
Total Other Student Support			918,867

(Continued)

Exhibit K-9

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.)

Regular Instruction Program

Supervisor/Director	\$	219,170	
Clerical Personnel		16,120	
Other Salaries and Wages		126,946	
Social Security		16,824	
Pensions		27,901	
Life Insurance		287	
Medical Insurance		44,333	
Dental Insurance		882	
Employer Medicare		5,217	
Other Contracted Services		72,971	
In Service/Staff Development		55,589	
Total Regular Instruction Program			\$ 586,240

Special Education Program

Psychological Personnel	\$	122,970	
Medical Personnel		41,402	
Clerical Personnel		19,233	
Other Salaries and Wages		73,323	
Social Security		15,314	
Pensions		20,287	
Life Insurance		371	
Medical Insurance		42,632	
Dental Insurance		798	
Employer Medicare		3,582	
Contracts with Other Public Agencies		10,000	
Contracts with Private Agencies		80,320	
Travel		846	
Other Supplies and Materials		15,155	
In Service/Staff Development		10,163	
Total Special Education Program			456,396

Career and Technical Education Program

Travel	\$	1,247	
In Service/Staff Development		2,453	
Total Career and Technical Education Program			3,700

Technology

Other Salaries and Wages	\$	45,253	
Social Security		2,806	
Employer Medicare		590	
Internet Connectivity		16,549	
Total Technology			65,198

Fiscal Services

Other Contracted Services	\$	735	
Total Fiscal Services			735

(Continued)

Exhibit K-9

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.)

Operation of Plant

Custodial Personnel	\$	205,933	
Social Security		11,356	
Pensions		16,256	
Life Insurance		626	
Medical Insurance		81,644	
Dental Insurance		1,924	
Employer Medicare		2,656	
Plant Operation Equipment		12,577	
Total Operation of Plant			\$ 332,972

Transportation

Bus Drivers	\$	49,076	
Other Salaries and Wages		17,171	
Social Security		4,107	
Pensions		1,371	
Employer Medicare		822	
Transportation Equipment		334,169	
Total Transportation			406,716

Operation of Non-Instructional Services

Community Services

Bonus Payments	\$	17,000	
Social Security		1,054	
Pensions		269	
Employer Medicare		246	
Total Community Services			18,569

Capital Outlay

Regular Capital Outlay

Architects	\$	356,657	
Consultants		86,188	
Engineering Services		27,397	
Other Contracted Services		1,575	
Building Construction		2,327,510	
Building Improvements		190,169	
Total Regular Capital Outlay			2,989,496

Total School Federal Projects Fund \$ 13,824,832

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	52,578	
Accountants/Bookkeepers		54,112	
Cafeteria Personnel		1,161,275	
Longevity Pay		18,246	

(Continued)

Exhibit K-9

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.)

Other Salaries and Wages	\$	7,000	
In-service Training		134	
Social Security		76,056	
Pensions		64,669	
Life Insurance		2,413	
Medical Insurance		264,109	
Dental Insurance		6,321	
Employer Medicare		18,171	
Communication		4,400	
Maintenance and Repair Services - Equipment		122,865	
Transportation - Other than Students		8,609	
Travel		3,603	
Other Contracted Services		158,402	
Food Supplies		1,765,129	
Office Supplies		12,441	
USDA - Commodities		268,660	
Other Supplies and Materials		240,928	
In Service/Staff Development		7,812	
Food Service Equipment		215,857	
Motor Vehicles		30,050	
Total Food Service			\$ 4,563,840

Total Central Cafeteria Fund \$ 4,563,840

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$	1,892,018	
Total Community Services			\$ 1,892,018

Total Internal School Fund 1,892,018

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Building Improvements	\$	80,000	
Total Education Capital Projects			\$ 80,000

Total Education Capital Projects Fund 80,000

Total Governmental Funds - Jefferson County School Department \$ 76,299,914

Exhibit K-10

Jefferson County, Tennessee
Schedule of Detailed Additions, Deductions,
and Changes in Net Position - City Custodial Funds
For the Year Ended June 30, 2022

	Cities - Sales Tax	Cities - Property Tax	Total
<u>Additions</u>			
Current Property Taxes	\$ 0	\$ 1,396,390	\$ 1,396,390
Trustee's Collections - Prior Years	0	26,781	26,781
Circuit/Clerk and Master Collections - Prior Years	0	27,266	27,266
Interest and Penalty	0	5,080	5,080
Local Option Sales Tax	7,768,738	0	7,768,738
Total Additions	<u>\$ 7,768,738</u>	<u>\$ 1,455,517</u>	<u>\$ 9,224,255</u>
<u>Deductions</u>			
Remittance of Revenues Collected	\$ 7,691,051	\$ 1,426,883	\$ 9,117,934
Trustee's Commission	77,687	28,634	106,321
Total Deductions	<u>\$ 7,768,738</u>	<u>\$ 1,455,517</u>	<u>\$ 9,224,255</u>
Excess of Additions Over (Under) Deductions	\$ 0	\$ 0	\$ 0
Net Position, July 1, 2021	<u>0</u>	<u>0</u>	<u>0</u>
Net Position, June 30, 2022	<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, 2022, 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 December 29, 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 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.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Jefferson County's internal control. Accordingly, we do not express an opinion on the effectiveness of Jefferson County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be significant deficiencies: 2022-001 and 2022-003.

Report on 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item 2022-002.

Jefferson County's Responses to the Findings

Government Auditing Standards requires the auditor to perform limited procedures on Jefferson County's responses to the findings identified in our audit which 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

December 29, 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

Opinion on 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Jefferson County, Tennessee, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our

audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Jefferson County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Jefferson County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Jefferson County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Jefferson County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Jefferson County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Jefferson County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, 2022, and the related notes to the financial statements, which collectively comprise Jefferson County's basic financial statements. We issued our report thereon dated December 29, 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

December 29, 2022

JEM/tg

Jefferson County, Tennessee, and the Jefferson County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (6) (7)
For the Year-Ended June 30, 2022

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	\$ 863,000
National School Lunch Program	10.555	N/A	3,233,563 (5)
National School Lunch Program (Supply Chain Assistance Fund)	10.555	N/A	139,401 (5)
National School Lunch Program (School Programs Emergency Operational Costs Reimbursement Programs)	10.555	N/A	43,397 (5)
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	3,263
COVID 19 - Pandemic EBT Administrative Costs	10.649	N/A	3,063
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	268,660 (5)
Passed Through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-22-70732	35,858
Total U.S. Department of Agriculture			<u>\$ 4,590,205</u>
U.S. Department of Housing and Urban Development:			
Passed-through Tennessee Housing Development Agency:			
Home Investment Partnership Program	14.239	(3)	\$ 285,743
Total U.S. Department of Housing and Urban Development			<u>\$ 285,743</u>
U.S. Department of Justice:			
Direct Program:			
Public Safety Partnership and Community Policing Grants	16.710	N/A	\$ 88,297
Passed-through State Department of Finance and Administration:			
Coronavirus Emergency Supplemental Funding Programs	16.034	(3)	48,887
Crime Victim Assistance	16.575	(3)	45,256
Total U.S. Department of Justice			<u>\$ 182,440</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	(3)	\$ 10,172
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	34101-09619	29,430
Total U.S. Department of Transportation			<u>\$ 39,602</u>
U.S. Department of Treasury:			
Direct Program:			
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 12,790
Passed-through State Department of Education:			
COVID 19 - Coronavirus Relief Fund	21.019	(3)	40
Total U.S. Department of Treasury			<u>\$ 12,830</u>
U.S. Institute of Museum and Library Services:			
Passed-through State Library and Archives:			
Grants to States	45.310	(3)	\$ 65,017
Passed-through American Library Association:			
COVID 19 - Promotion of the Humanities - Public Programs	45.164	(3)	10,000
Total U.S. Institute of Museum and Library Services			<u>\$ 75,017</u>

(Continued)

Jefferson County, Tennessee, and the Jefferson County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (6) (7) (Cont.)

Federal/Pass-Through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 1,926,573
Special Education Cluster: (4)			
Special Education - Grants to States	84.027	N/A	1,806,382 (5)
COVID 19 - Special Education - Grants to States (ARP)	84.027	N/A	92,434 (5)
Special Education - Preschool Grants	84.173	N/A	58,832 (5)
COVID 19 - Special Education - Preschool Grants (ARP)	84.173	N/A	9,389 (5)
Career and Technical Education - Basic Grants to States	84.048	N/A	173,460
English Language Acquisition State Grants	84.365	N/A	27,348
Improving Teacher Quality State Grants	84.367	N/A	187,148
Student Support and Academic Enrichment Program	84.424	N/A	144,598
COVID 19 - Education Stabilization Fund Program - Governors Emergency			
Education Relief Fund (GEER)	84.425C	(3)	90,000 (5)
COVID 19 - Education Stabilization Fund Program - Elementary			
and Secondary School Emergency Relief Fund (ESSER I)	84.425D	(3)	398,136 (5)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary			
School Emergency Relief Fund (ESSER II)	84.425D	(3)	3,751,909 (5)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary			
School Emergency Relief Fund - Early Literacy Network Grant (ESSER II)	84.425D	(3)	72,229 (5)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary			
School Emergency Relief Fund - Fiscal Pre-Monitoring Supports Grant (ESSER II)	84.425D	(3)	735 (5)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary			
School Emergency Relief Fund - Best for All District Grant (ESSER II)	84.425D	(3)	250,000 (5)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary			
School Emergency Relief Fund - (TN All Corps Grant)	84.425D	(3)	366,850 (5)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary			
School Emergency Relief Fund (ESSER ARP)	84.425U	(3)	3,591,271 (5)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary			
School Emergency Relief Fund - Homeless Children and Youth (ESSER ARP)	84.425W	(3)	34,257 (5)
Total U.S. Department of Education			<u>\$ 12,981,551</u>
U.S. Department of Health and Human Services:			
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)	\$ 49,763
Passed-through State Department of Health:			
Injury Prevention and Control Research and State and Community Based Programs	93.136	GG-22-70732	2,877
Family Planning Services	93.217	GG-22-70732	7,593
Mental Health Disaster Assistance and Emergency Mental Health	93.982	68559	49,032
Medicaid Cluster: (4)			
Medical Assistance Program	93.778	GG-22-70732	5,592
Maternal and Child Health Services Block Grant to the States	93.994	GG-22-70732	18,977
Passed-through State Department of Education:			
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	(3)	959,207
Temporary Assistance for Needy Families	93.558	(3)	299,013
Child Care and Development Block Grant - ARP	93.575	(3)	18,570
Total U.S. Department of Health and Human Services			<u>\$ 1,410,624</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance	97.036	(3)	\$ 127,703
Emergency Management Performance Grants	97.042	72823-41196	39,394
Total U.S. Department of Homeland Security			<u>\$ 167,097</u>
Total Expenditures of Federal Grants			<u>\$ 19,745,109</u>

(Continued)

Jefferson County, Tennessee, and the Jefferson County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (6) (7) (Cont.)

		Contract Number	Expenditures
<u>State Grants</u>			
Juvenile Justice - State Commission on Children and Youth	N/A	(3)	\$ 5,985
Aging Program - East Tennessee Human Resource Agency	N/A	(3)	11,206
Law Enforcement Training - State Department of Safety	N/A	(3)	40,000
Health Department Program - State Department of Health	N/A	GG-22-70732	97,292
Litter Program - State Department of Transportation	N/A	(3)	37,103
Waste Tire Grant - State Department of Environment and Conservation	N/A	(3)	25,122
Safe Baby Grant Program - Administrative Office of the Courts	N/A	(3)	21,277
Medium and Large Truck Grant Program - State Department of Environment and Conservation	N/A	(3)	127,637
Coordinated School Health Program - State Department of Education	N/A	(3)	88,984
Family Resource Centers - State Department of Education	N/A	(3)	88,256
Safe Schools Act - State Department of Education	N/A	(3)	264,681
Early Childhood Education - State Department of Education	N/A	(3)	767,013
Summer Learning Camps - State Department of Education	N/A	(3)	782,561
State Direct Appropriations Grant FY 2021 - State Department of Finance and Administration	N/A	(3)	291,418
Training Opportunities for the Public (TOP) Grant - Department of Economic and and Community Development	N/A	(3)	3,200
Project Diabetes - State Department of Education	N/A	(3)	19,801
Disaster Grant - Public Assistance - State Department of Military	N/A	(3)	20,407
Total State Grants			<u>\$ 2,691,943</u>

FAL = Federal Assistance Listing

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 \$4,548,021; Special Education Cluster total \$1,967,037; Aging Cluster total \$49,763;
Medicaid Cluster total \$5,592.

(5) FAL Totals: FAL No. 10.555 \$3,685,021; FAL No. 84.027 \$1,898,816; FAL No. 84.173 \$68,221; FAL No. 84.425 \$8,555,387.

(6) No amounts (\$0) were passed through to subrecipients.

(7) CONSOLIDATED ADMINISTRATION	Federal Assistance Listing Number	Amount Provided to Consolidated Administration
Program Title		
Title I Grants to Local Educational Agencies	84.010	\$ 34,064
Improving Teacher Quality State Grants	84.367	57,427
		<u>\$ 91,491</u>

Jefferson County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2022

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, 2022.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	FAL Number	Current Status
<u>JEFFERSON COUNTY</u>					
2021	282	2021-001	The Solid Waste Disposal Fund had a deficit in total net position and in unrestricted net position.	N/A	Total Net Position Deficit Corrected. Unrestricted Deficit Not Corrected. See Explanation on Corrective Action Plan.
2021	283	2021-002	Jefferson County has a material recurring audit finding.	N/A	Corrected
<u>OFFICE OF DIRECTOR OF SCHOOLS</u>					
2021	283	2021-003	The School Federal Projects Fund had a deficit in unrestricted fund balance at June 30, 2021.	N/A	Corrected
<u>OFFICE OF SHERIFF</u>					
2021	284	2021-004	Excess payments were inadvertently made to inmates from the work release program resulting in a cash shortage of \$1,223.	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, 2022

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? **NO**
 - * Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **YES**

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 Listing Numbers: 84.027 and 84.173 Special Education Cluster:
Special Education - Grants to States and
Special Education - Preschool Grants
 - * Assistance Listing Number: 84.425 COVID 19 - Education Stabilization Fund
 - * Assistance Listing Number: 93.323 Epidemiology and Laboratory Capacity
for Infectious Diseases (ELC)
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.

JEFFERSON COUNTY

FINDING 2022-001

THE SOLID WASTE DISPOSAL FUND HAD A DEFICIT IN UNRESTRICTED NET POSITION

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The Solid Waste Disposal Fund had a deficit of \$120,231 in unrestricted net position at June 30, 2022. The deficit in unrestricted net position decreased \$5,550,943 from the previous year. The decrease is due to a change in the estimated capacity of the Patterson Landfill Site which decreased the percentage of the landfill used. This deficit 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, along with the reallocation of \$154,000 from the sale of recycled materials to the Solid Waste/Sanitation Fund. The \$2,966,474 reported as landfill closure and postclosure care liability at June 30, 2022, represents the cumulative amount reported to date based on 17.64 percent of the estimated capacity of the Patterson Landfill Site (\$2,443,204) and postclosure care costs of the Highway 92 Landfill Site (\$523,270). 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 feel we have included a resolution that will satisfy the deficit in unrestricted net position.

OFFICE OF FINANCE DIRECTOR

FINDING 2022-002

COMPETITIVE BIDS WERE NOT SOLICITED FOR ROOFING PROJECTS

(Material Noncompliance Under *Government Auditing Standards*)

Competitive bids were not solicited for several school roofing projects, totaling \$2,589,731. Jefferson County operates under the provisions of the County Financial Management System of 1981. Under this act, purchases exceeding \$25,000 are required to be competitively bid. Section 12-3-1205, *Tennessee Code Annotated (TCA)*, allows governments to make purchases through purchasing cooperatives under certain conditions instead of through the required competitive bid process. The finance department provided documentation that this project was awarded to a contractor through OMNIA Partners, a national purchasing cooperative. Section 12-3-1205, *TCA*, allows governments to make purchases through cooperatives under certain conditions. However, Section 12-3-1205(b)(4)(B), *TCA*, excludes purchases of construction, engineering, architectural services, or construction materials. Since the roofing projects are considered construction materials, they are excluded from the purchasing cooperative provision. Therefore, since the projects were not competitively bid, the county is in violation of the requirement of the County Management System of 1981 to competitively bid purchases exceeding \$25,000. This deficiency is the result of the lack of management oversight and a failure to follow state statutes.

RECOMMENDATION

All purchases should be made in compliance with the applicable state statutes.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

We concur with this finding. The finance department was under the understanding the project contract was approved by the State of Tennessee and did not need to be competitively bid. We have implemented procedures to verify all cooperative purchases are made in compliance with state statutes.

OFFICES OF FINANCE DIRECTOR AND SHERIFF

FINDING 2022-003

THE OFFICES HAD PURCHASING DEFICIENCIES

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

As part of our audit procedures for determining whether the purchasing process is operating as designed, we selected a sample of 64 disbursements totaling \$2,544,684.81 from a population of approximately 9,142 vendor checks totaling \$46,502,566.67. Our examination revealed the following deficiencies, which were the result of lack of management oversight:

- A. Our sample revealed that in two instances, purchase orders totaling \$166,829 were issued after purchases were made. These two purchases related to the sheriff's department purchases of four patrol cars and bullet proof vests.
- B. Additionally, it was determined that competitive bids were not solicited to equip the four patrol cars which totaled \$32,675. Purchasing procedures for Jefferson County are governed by the County Financial Management System of 1981, which requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$25,000.

These deficiencies are the result of the lack of management oversight and a failure to follow state statutes.

RECOMMENDATION

To strengthen internal controls over purchasing procedures and to document purchasing commitments, the office should issue purchase orders for all applicable purchases before the purchases are made. All purchases that exceed the county bid limit should be competitively bid.

MANAGEMENT'S RESPONSE – CURRENT FINANCE DIRECTOR – JESSICA ELDER

The finance department had discovered the purchasing of the vehicles when they were delivered to the sheriff's department and notified the auditors at that time. Once the funds were approved for the purchase of the vehicles by county commission, a requisition was submitted, and a purchase order was issued to pay for the vehicles. All correct purchasing policies were followed by the finance department.

The sheriff's department vests were purchased without knowledge of the finance department. Once the finance department received the invoice and became aware of the purchase, correct procedures were implemented. After a budget amendment was approved by county commission for funding, a requisition was submitted then followed with a purchase order being issued before payment was made.

The sheriff's department vehicle equipment was purchased without knowledge to the finance department until time for payment. Correct purchasing procedures were followed by the finance department per the purchasing policy.

MANAGEMENT'S RESPONSE – SHERIFF

No formal management's response was submitted. However, explanation to the findings is included in the Corrective Action Plan.

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, 2022.

Jefferson County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2022

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
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OFFICE OF SOLID WASTE DIRECTOR

2022-001	The Solid Waste Disposal Fund had a deficit in unrestricted net position.	300
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OFFICE OF CURRENT FINANCE DIRECTOR - JESSICA ELDER

2022-002	Competitive bids were not solicited for roofing projects.	301
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2022-003	The office had purchasing deficiencies.	302
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OFFICE OF SHERIFF

2022-003	The office had purchasing deficiencies.	303
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JEFFERSON COUNTY SANITATION DEPARTMENT
P.O. Box 127, DANDRIDGE, TN 37725



Corrective Action Plan

FINDING: THE SOLID WASTE DISPOSAL FUND HAD A DEFICIT 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:
The permitting adjustment to the life of the landfill has drastically reduced the liability thus reducing our deficit in unrestricted net position. The adjustment did not eliminate the deficit.

Planned Corrective Action:
The balance of the deficit should be overcome with continued cash growth.

Signature:



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: Competitive bids were not solicited for roofing projects

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:
December 13, 2022

Repeat Finding:
No

Planned Corrective Action:
The Finance Department has already and will continue to implement procedures to verify all cooperative purchases are made in compliance with state statutes.

Signature:

Date:

12-13-2022



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 Offices had purchasing deficiencies

Response and Corrective Action Plan Prepared by:
Jessica Elder

Person Responsible for Implementing the Corrective Action:
Jessica Elder, Finance Director

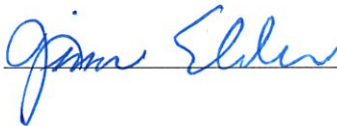
Anticipated Completion Date of Corrective Action:
December 13, 2022

Repeat Finding:
No

Planned Corrective Action:

The Finance Department will continue to follow correct purchasing procedures per Jefferson County's purchasing policy. The Department Heads should also follow correct purchasing procedures per Jefferson County's purchasing policy.

Signature:



Date:





JEFFERSON COUNTY SHERIFF'S OFFICE

Jeff Coffey
Sheriff

Corrective Action Plan

FINDING: THE OFFICE HAD PURCHASING DEFICIENCIES

Response and Corrective Action Plan Prepared by:
Jeff Coffey, Sheriff

Person Responsible for Implementing the Corrective Action:
Donna Greer, Administrative Assistant

Anticipated Completion Date of Corrective Action:
December 12, 2022

Repeat Finding:
No

Reason Corrective Action was Not Taken in the Prior Year:
N/A

Planned Corrective Action:

In the future the Sheriff's Office will follow the guidelines set forth by the Jefferson County Finance Office on purchasing. It is understood that a purchase requisition with quote will be issued first. If that item is under state contract that along with the specifications will be sent as well. Once the requisition is received by the finance office and a purchase order is created for the same at that time the item will be purchased, creating an invoice. Once the invoice is received the purchase will be examined to insure all items are sent. Once the items have been verified the invoice will be marked payable with the purchase order number and returned to the finance office for payment.

In the past vehicles were purchased one to two at a time and the purchase price did not exceed the bid threshold. In the future we will be mindful that the total cost of a project will need to be evaluated and implement the bidding process if applicable. If there are any areas that we are not certain of the procedure, we will consult with the finance office for clarification and guidance.

Signature:

A handwritten signature in black ink, appearing to be "Justin", written over a horizontal line.