



## ANNUAL FINANCIAL REPORT

### Jefferson County, Tennessee

*For the Year Ended June 30, 2023*

**Jason E. Mumpower**  
*Comptroller of the Treasury*



**DIVISION OF  
LOCAL GOVERNMENT AUDIT**

**ANNUAL FINANCIAL REPORT**  
**JEFFERSON COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2023**

*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](http://www.comptroller.tn.gov).

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## ***Summary of Audit Findings***

Annual Financial Report  
Jefferson County, Tennessee  
For the Year Ended June 30, 2023

### ***Scope***

We have audited the basic financial statements of Jefferson County as of and for the year ended June 30, 2023.

### ***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.

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#### **OFFICE COUNTY MAYOR**

- ◆ Internal control weaknesses were noted in the operations of the Jefferson County Senior Centers.

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#### **OFFICES OF TRUSTEE AND FINANCE DIRECTOR**

- ◆ The Other Capital Projects Fund had a deficit in unrestricted fund balance and a cash overdraft, and the Trustee paid checks from the fund that exceeded available funds.



# INTRODUCTORY SECTION

## Jefferson County Officials

### June 30, 2023

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#### **Officials**

Mark Potts, County Mayor  
Charles Tipton, Road Superintendent  
Dr. Tommy Arnold, 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 | Paul Lowe            |
| Randy Bales                           | Janet Norton         |
| Gregory Byrd                          | Jimmy Dale Patterson |
| Robert Blevins                        | Marcus Reed          |
| Austin Brooks                         | John Neal Scarlett   |
| Jimmy Carmichael                      | Tim Seals            |
| Joe Coleman                           | Sammy Solomon        |
| Ronny Coleman                         | Heidi Thomas         |
| Terry Dockery                         | Anthony Walker       |
| Ransom Douglas                        | Jim Snodgrass        |
| Katy Fox Huffaker                     |                      |
| John Johnson                          |                      |

#### **Board of Education**

|                              |                 |
|------------------------------|-----------------|
| Randall Bradley, Chairperson | Bill Jarnigan   |
| Josh Cameron                 | Doug Ibbetson   |
| Danny Martin                 | Maurice Solomon |
| Nancy Zander                 |                 |

#### **Highway Commission**

|                        |               |
|------------------------|---------------|
| Aaron Loy, Chairperson | Joel Smith    |
| Wayne Elmore           | John Turner   |
| Brenda Morgan          | Joe Patterson |



## Jefferson County Officials (Cont.)

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### **Financial Management Committee**

Katy Fox Huffaker, Chairperson  
Randy Bales  
Gregory Byrd  
Tommy Arnold, Director of Schools

Jim Snodgrass  
Mark Potts, County Mayor  
Charles Tipton, Road Superintendent

### **Audit Committee**

Garry Jett, Chairperson  
Dale Allen  
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, 2023, 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, 2023, 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 1.09 percent, 1.38 percent, and 2.89 percent, respectively, of the assets, net position, and revenues of the discretely presented Jefferson County School Department. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Jefferson County Nursing Home and the Internal School Fund of the Jefferson County School Department, is based solely on the reports of the other auditors. We were unable to determine Jefferson County Nursing Home's percentages of the assets, net position, and revenues of the aggregate discretely presented component units because the Jefferson County Emergency

Communications District, a component unit requiring discrete presentation, was not included in the county's financial statements.

### ***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.

### ***Emphasis of Matter***

We draw attention to Note 1.D.10 to the financial statements, which describes a prior period adjustment to the beginning fund balance of the General Debt Service Fund totaling \$14,980,000 on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds. This prior-period adjustment was necessary to report a long-term receivable in the fund for debt service payments to be received from the discretely presented Jefferson County Nursing Home. The receivable had been reported on the Government-wide Statement of Net Position in prior years but had not been reported on the Governmental Funds Balance Sheet. 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 January 5, 2024, 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

January 5, 2024

JEM/tg

# BASIC FINANCIAL STATEMENTS



Exhibit A

Jefferson County, Tennessee  
Statement of Net Position  
June 30, 2023

|  | Primary Government         |                             |                | Component Units                             |  |
|--|----------------------------|-----------------------------|----------------|---|--|
|  | Governmental<br>Activities | Business-type<br>Activities | Total          | Jefferson<br>County<br>School<br>Department | Jefferson<br>County<br>Nursing<br>Home |
|  |                            |                             |                |   |  |
| <u>ASSETS</u>  |                            |                             |                |   |  |
| Cash and Cash Equivalents                                  | \$ 30,595                  | \$ 100                      | \$ 30,695      | \$ 1,535,721                                | \$ 2,239,965                           |
| Equity in Pooled Cash and Investments                      | 59,930,573                 | 3,539,637                   | 63,470,210     | 33,771,329                                  | 0                                      |
| Inventories  | 0                          | 0                           | 0              | 0   | 43,384                                 |
| Accounts Receivable  | 2,367,544                  | 201,817                     | 2,569,361      | 73,348                                      | 1,293,124                              |
| Allowance for Uncollectibles                               | (803,113)                  | (18,828)                    | (821,941)      | 0   | 0                                      |
| Due from Other Governments                                 | 2,183,433                  | 0                           | 2,183,433      | 6,975,834                                   | 0                                      |
| Due from Component Units                                   | 14,575,000                 | 0                           | 14,575,000     | 0   | 0                                      |
| Internal Balances  | 415,148                    | (415,148)                   | 0              | 0   | 0                                      |
| Property Taxes Receivable                                  | 22,099,573                 | 0                           | 22,099,573     | 12,042,231                                  | 0                                      |
| Allowance for Uncollectible Property Taxes                 | (605,377)                  | 0                           | (605,377)      | (341,670)                                   | 0                                      |
| Prepaid Expenses   | 0                          | 0                           | 0              | 0   | 34,182                                 |
| Restricted Assets:   |                            |                             |                |   |  |
| Amounts Accumulated for Pension Benefits                   | 417,343                    | 23,032                      | 440,375        | 877,369                                     | 261,810                                |
| Other Restricted Assets                                    | 0                          | 0                           | 0              | 0   | 9,816                                  |
| Cash held by Jefferson County for Capital Project          | 0                          | 0                           | 0              | 0   | 87,972                                 |
| Leases Receivable  | 22,147,962                 | 0                           | 22,147,962     | 0   | 0                                      |
| Net Pension Asset - Public Employee Legacy Pension Plan    | 1,108,731                  | 30,651                      | 1,139,382      | 587,065                                     | 431,882                                |
| Net Pension Asset - Public Employee Hybrid Retirement Plan | 47,453                     | 2,164                       | 49,617         | 28,100                                      | 23,110                                 |
| Net Pension Asset - Teacher Retirement Plan                | 0                          | 0                           | 0              | 159,934                                     | 0                                      |
| Net Pension Asset - Teacher Legacy Pension Plan            | 0                          | 0                           | 0              | 7,720,887                                   | 0                                      |
| Capital Assets:  |                            |                             |                |   |  |
| Assets Not Depreciated:                                    |                            |                             |                |   |  |
| Land   | 1,674,077                  | 1,370,430                   | 3,044,507      | 1,619,334                                   | 303,801                                |
| Construction in Progress                                   | 2,773,458                  | 166,131                     | 2,939,589      | 9,047,543                                   | 0                                      |
| Assets Net of Accumulated Depreciation/Amortization:       |                            |                             |                |   |  |
| Landfill Facilities and Development                        | 0                          | 1,231,360                   | 1,231,360      | 0   | 0                                      |
| Buildings and Improvements                                 | 14,956,670                 | 95,392                      | 15,052,062     | 61,333,222                                  | 15,936,805                             |
| Machinery and Equipment                                    | 5,141,531                  | 993,293                     | 6,134,824      | 787,256                                     | 1,051,665                              |
| Other Capital Assets                                       | 0                          | 0                           | 0              | 2,207,463                                   | 0                                      |
| Infrastructure   | 76,954,252                 | 0                           | 76,954,252     | 0   | 0                                      |
| Total Assets   | \$ 225,414,853             | \$ 7,220,031                | \$ 232,634,884 | \$ 138,424,966                              | \$ 21,717,516                          |

(Continued)

Exhibit A

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

|  | Primary Government   |                     |                      | Component Units      |                      |
|--|----------------------|---------------------|----------------------|----------------------|----------------------|
|  | Governmental         | Business-type       |                      | Jefferson            | Jefferson            |
|  | Activities           | Activities          | Total                | County               | County               |
|  |                      |                     |                      | School               | Nursing              |
|  |                      |                     |                      | Department           | Home                 |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u>        |                      |                     |                      |                      |                      |
| Pension Changes in Experience                | \$ 743,295           | \$ 21,943           | \$ 765,238           | \$ 1,677,235         | \$ 297,097           |
| Pension Changes in Assumptions               | 2,045,135            | 57,262              | 2,102,397            | 6,109,531            | 800,567              |
| Pension Changes in Investment Earnings       | 85,840               | 2,776               | 88,616               | 229,293              | 35,624               |
| Pension Changes in Proportion                | 0                    | 0                   | 0                    | 526,671              | 0                    |
| Pension Contributions After Measurement Date | 1,080,427            | 29,291              | 1,109,718            | 2,576,995            | 384,636              |
| OPEB Changes in Experience                   | 0                    | 0                   | 0                    | 810,910              | 0                    |
| OPEB Changes in Assumptions                  | 79,053               | 4,022               | 83,075               | 846,696              | 21,830               |
| OPEB Changes in Proportion                   | 0                    | 0                   | 0                    | 99,679               | 0                    |
| OPEB Contributions After Measurement Date    | 19,899               | 1,012               | 20,911               | 746,971              | 5,495                |
| Total Deferred Outflows of Resources         | <u>\$ 4,053,649</u>  | <u>\$ 116,306</u>   | <u>\$ 4,169,955</u>  | <u>\$ 13,623,981</u> | <u>\$ 1,545,249</u>  |
| <u>LIABILITIES</u>                           |                      |                     |                      |                      |                      |
| Accounts Payable                             | \$ 423,504           | \$ 13,180           | \$ 436,684           | \$ 1,377,500         | \$ 263,838           |
| Accrued Payroll                              | 70,234               | 2,717               | 72,951               | 4,660,177            | 195,025              |
| Payroll Deductions Payable                   | 362,878              | 0                   | 362,878              | 3,671,011            | 119,035              |
| Accrued Interest Payable                     | 168,515              | 0                   | 168,515              | 0                    | 31,260               |
| Accrued Leave - Current                      | 0                    | 0                   | 0                    | 0                    | 171,000              |
| Contracts Payable                            | 429,646              | 0                   | 429,646              | 1,601,825            | 0                    |
| Retainage Payable                            | 16,990               | 0                   | 16,990               | 84,307               | 0                    |
| Claims and Judgments Payable                 | 67,881               | 0                   | 67,881               | 33,492               | 0                    |
| Due to Primary Government                    | 0                    | 0                   | 0                    | 0                    | 14,575,000           |
| Due to the State of Tennessee                | 22,620               | 140                 | 22,760               | 0                    | 0                    |
| Other Current Liabilities                    | 0                    | 0                   | 0                    | 0                    | 21,924               |
| Estimated Third-party payor settlements      | 0                    | 0                   | 0                    | 0                    | 382                  |
| Noncurrent Liabilities:                      |                      |                     |                      |                      |                      |
| Due Within One Year - Debt                   | 2,495,739            | 0                   | 2,495,739            | 0                    | 0                    |
| Due Within One Year - Other                  | 350,196              | 133,635             | 483,831              | 300,572              | 0                    |
| Due in More Than One Year - Debt             | 53,239,128           | 0                   | 53,239,128           | 0                    | 0                    |
| Due in More Than One Year - Other            | 622,552              | 3,252,175           | 3,874,727            | 12,265,351           | 130,470              |
| Total Liabilities                            | <u>\$ 58,269,883</u> | <u>\$ 3,401,847</u> | <u>\$ 61,671,730</u> | <u>\$ 23,994,235</u> | <u>\$ 15,507,934</u> |

(Continued)

Exhibit A

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

|   | Primary Government    |                     |                       | Component Units       |                     |
|---|-----------------------|---------------------|-----------------------|-----------------------|---------------------|
|   | Governmental          | Business-type       |                       | Jefferson             | Jefferson           |
|   | Activities            | Activities          | Total                 | County                | County              |
|   |                       |                     |                       | School                | Nursing             |
|   |                       |                     |                       | Department            | Home                |
| <u>DEFERRED INFLOWS OF RESOURCES</u>        |                       |                     |                       |                       |                     |
| Deferred Current Property Taxes             | \$ 21,129,663         | \$ 0                | \$ 21,129,663         | \$ 11,486,596         | \$ 0                |
| Deferred Leases Receivable                  | 22,147,962            | 0                   | 22,147,962            | 0                     | 0                   |
| Deferred Credit on Refunding                | 138,083               | 0                   | 138,083               | 0                     | 0                   |
| Pension Changes in Experience               | 211,931               | 5,859               | 217,790               | 1,513,984             | 82,559              |
| Pension Changes in Proportion               | 0                     | 0                   | 0                     | 58,537                | 0                   |
| OPEB Changes in Experience                  | 217,766               | 11,079              | 228,845               | 2,665,831             | 60,136              |
| OPEB Changes in Proportion                  | 0                     | 0                   | 0                     | 1,135,579             | 0                   |
| OPEB Changes in Assumptions                 | 362,653               | 18,451              | 381,104               | 2,011,775             | 100,145             |
| Total Deferred Inflows of Resources         | <u>\$ 44,208,058</u>  | <u>\$ 35,389</u>    | <u>\$ 44,243,447</u>  | <u>\$ 18,872,302</u>  | <u>\$ 242,840</u>   |
| <u>NET POSITION</u>                         |                       |                     |                       |                       |                     |
| Net Investment in Capital Assets            | \$ 101,499,988        | \$ 3,856,607        | \$ 105,356,595        | \$ 74,994,818         | \$ 2,805,243        |
| Restricted for:                             |                       |                     |                       |                       |                     |
| General Government                          | 1,357,768             | 0                   | 1,357,768             | 0                     | 0                   |
| Finance                                     | 42,020                | 0                   | 42,020                | 0                     | 0                   |
| Administration of Justice                   | 566,946               | 0                   | 566,946               | 0                     | 0                   |
| Public Safety                               | 133,788               | 0                   | 133,788               | 0                     | 0                   |
| Public Health and Welfare                   | 1,037,071             | 0                   | 1,037,071             | 0                     | 0                   |
| Social, Cultural, and Recreational Services | 88,620                | 0                   | 88,620                | 0                     | 0                   |
| Highway/Public Works                        | 5,630,141             | 0                   | 5,630,141             | 0                     | 0                   |
| Debt Service                                | 31,710                | 0                   | 31,710                | 0                     | 0                   |
| Education                                   | 0                     | 0                   | 0                     | 5,106,659             | 0                   |
| Capital Projects                            | 1,340,540             | 0                   | 1,340,540             | 0                     | 0                   |
| Other Purposes                              | 0                     | 0                   | 0                     | 0                     | 9,816               |
| Pensions                                    | 1,573,527             | 55,847              | 1,629,374             | 9,373,355             | 716,802             |
| Unrestricted                                | <u>13,688,442</u>     | <u>(13,353)</u>     | <u>13,675,089</u>     | <u>19,707,578</u>     | <u>3,980,130</u>    |
| Total Net Position                          | <u>\$ 126,990,561</u> | <u>\$ 3,899,101</u> | <u>\$ 130,889,662</u> | <u>\$ 109,182,410</u> | <u>\$ 7,511,991</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, 2023

|  |               | Net (Expense) Revenue and Changes in Net Position |               |               |                    |               |                 |                 |              |  |
|--|---------------|---|---------------|---------------|--------------------|---------------|-----------------|-----------------|--------------|--|
|  |               | Program Revenues                                  |               |               | Primary Government |               |                 | Component Units |              |  |
|  |               |   | Operating     | Capital       |                    |               |                 | Jefferson       | Jefferson    |  |
|  |               | Charges for                                       | Grants and    | Grants and    | Governmental       | Business-type |                 | County          | County       |  |
| Functions/Programs                             | Expenses      | Services  | Contributions | Contributions | Activities         | Activities    | Total           | School          | Nursing      |  |
|  |               |   |               |               |                    |               |                 | Department      | Home         |  |
| Primary Government:                            |               |   |               |               |                    |               |                 |                 |              |  |
| Governmental Activities:                       |               |   |               |               |                    |               |                 |                 |              |  |
| General Government                             | \$ 4,513,211  | \$ 1,052,611                                      | \$ 10,783,067 | \$ 194,415    | \$ 7,516,882       | \$ 0          | \$ 7,516,882    | \$ 0            | \$ 0         |  |
| Finance  | 3,669,174     | 2,973,668   | 750           | 0             | (694,756)          | 0             | (694,756)       | 0               | 0            |  |
| Administration of Justice                      | 2,578,985     | 949,393   | 58,579        | 0             | (1,571,013)        | 0             | (1,571,013)     | 0               | 0            |  |
| Public Safety                                  | 10,340,065    | 1,119,650   | 276,481       | 0             | (8,943,934)        | 0             | (8,943,934)     | 0               | 0            |  |
| Public Health and Welfare                      | 8,791,756     | 5,536,368   | 658,507       | 1,078,665     | (1,518,216)        | 0             | (1,518,216)     | 0               | 0            |  |
| Social, Cultural, and<br>Recreational Services | 1,340,183     | 24,344  | 112,618       | 0             | (1,203,221)        | 0             | (1,203,221)     | 0               | 0            |  |
| Agriculture and Natural<br>Resources           | 201,621       | 0   | 0             | 0             | (201,621)          | 0             | (201,621)       | 0               | 0            |  |
| Highways                                       | 6,588,340     | 63,486  | 2,530,849     | 2,445,419     | (1,548,586)        | 0             | (1,548,586)     | 0               | 0            |  |
| Interest on Long-term Debt                     | 2,520,087     | 0   | 0             | 0             | (2,520,087)        | 0             | (2,520,087)     | 0               | 0            |  |
| Total Governmental Activities                  | \$ 40,543,422 | \$ 11,719,520                                     | \$ 14,420,851 | \$ 3,718,499  | \$ (10,684,552)    | \$ 0          | \$ (10,684,552) | \$ 0            | \$ 0         |  |
| Business-type Activities:                      |               |   |               |               |                    |               |                 |                 |              |  |
| Solid Waste Disposal                           | \$ 2,552,167  | \$ 2,487,572                                      | \$ 0          | \$ 0          | \$ 0               | \$ (64,595)   | \$ (64,595)     | \$ 0            | \$ 0         |  |
| Total Primary Government                       | \$ 43,095,589 | \$ 14,207,092                                     | \$ 14,420,851 | \$ 3,718,499  | \$ (10,684,552)    | \$ (64,595)   | \$ (10,749,147) | \$ 0            | \$ 0         |  |
| Component Units:                               |               |   |               |               |                    |               |                 |                 |              |  |
| Jefferson County School Department             | \$ 77,641,807 | \$ 1,457,490                                      | \$ 11,264,844 | \$ 2,306,424  | \$ 0               | \$ 0          | \$ 0            | \$ (62,613,049) | \$ 0         |  |
| Jefferson County Nursing Home                  | 15,163,112    | 14,502,660  | 0             | 0             | 0                  | 0             | 0               | 0               | (660,452)    |  |
| Total Component Units                          | \$ 92,804,919 | \$ 15,960,150                                     | \$ 11,264,844 | \$ 2,306,424  | \$ 0               | \$ 0          | \$ 0            | \$ (62,613,049) | \$ (660,452) |  |

(Continued)

Exhibit B

Jefferson County, Tennessee  
Statement of Activities (Cont.)

|  |          |                      |                                    |                                  | Net (Expense) Revenue and Changes in Net Position |                          |                |                                    |                               |
|--|----------|----------------------|------------------------------------|----------------------------------|---|--------------------------|----------------|------------------------------------|-------------------------------|
|  |          |                      |                                    |                                  |   |                          |                | Component Units                    |                               |
|  |          |                      |                                    |                                  | Primary Government                                |                          |                | Jefferson County School Department | Jefferson County Nursing Home |
| Functions/Programs   | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities                           | Business-type Activities | Total          |                                    |                               |
| General Revenues:  |          |                      |                                    |                                  |   |                          |                |                                    |                               |
| Taxes:   |          |                      |                                    |                                  |   |                          |                |                                    |                               |
| Property Taxes Levied for General Purposes                   |          |                      |                                    |                                  | \$ 17,223,150                                     | \$ 0                     | \$ 17,223,150  | \$ 11,693,783                      | \$ 0                          |
| Property Taxes Levied for Debt Service                       |          |                      |                                    |                                  | 2,672,952   | 0                        | 2,672,952      | 0                                  | 0                             |
| Local Option Sales Taxes                                     |          |                      |                                    |                                  | 4,972,952   | 0                        | 4,972,952      | 9,045,828                          | 0                             |
| Hotel/Motel Tax  |          |                      |                                    |                                  | 756,762   | 0                        | 756,762        | 0                                  | 0                             |
| Wheel Tax  |          |                      |                                    |                                  | 2,786,197   | 0                        | 2,786,197      | 0                                  | 0                             |
| Litigation Tax - General                                     |          |                      |                                    |                                  | 109,454   | 0                        | 109,454        | 0                                  | 0                             |
| Litigation Tax - Special Purpose                             |          |                      |                                    |                                  | 12,871  | 0                        | 12,871         | 0                                  | 0                             |
| Litigation Tax - Jail, Workhouse, or Courthouse              |          |                      |                                    |                                  | 192,967   | 0                        | 192,967        | 0                                  | 0                             |
| Business Tax   |          |                      |                                    |                                  | 708,398   | 0                        | 708,398        | 0                                  | 0                             |
| Mixed Drink Tax  |          |                      |                                    |                                  | 0   | 0                        | 0              | 39,658                             | 0                             |
| Adequate Facilities Tax                                      |          |                      |                                    |                                  | 1,234,065   | 0                        | 1,234,065      | 0                                  | 0                             |
| Wholesale Beer Tax   |          |                      |                                    |                                  | 203,580   | 0                        | 203,580        | 0                                  | 0                             |
| Grants and Contributions Not Restricted to Specific Programs |          |                      |                                    |                                  | 1,507,114   | 0                        | 1,507,114      | 53,392,336                         | 0                             |
| Unrestricted Investment Income                               |          |                      |                                    |                                  | 1,678,793   | 0                        | 1,678,793      | 7,516                              | 16,636                        |
| Miscellaneous  |          |                      |                                    |                                  | 135,578   | 0                        | 135,578        | 107,400                            | 0                             |
| Sale of Equipment  |          |                      |                                    |                                  | 14,573  | 0                        | 14,573         | 0                                  | 0                             |
| Total General Revenues                                       |          |                      |                                    |                                  | \$ 34,209,406                                     | \$ 0                     | \$ 34,209,406  | \$ 74,286,521                      | \$ 16,636                     |
| Transfers  |          |                      |                                    |                                  |   |                          |                |                                    |                               |
|  |          |                      |                                    |                                  | \$ (500,000)                                      | \$ 500,000               | \$ 0           | \$ 0                               | \$ 0                          |
| Change in Net Position                                       |          |                      |                                    |                                  | \$ 23,024,854                                     | \$ 435,405               | \$ 23,460,259  | \$ 11,673,472                      | \$ (643,816)                  |
| Net Position, July 1, 2022                                   |          |                      |                                    |                                  | 103,965,707                                       | 3,463,696                | 107,429,403    | 97,508,938                         | 8,155,807                     |
| Net Position, June 30, 2023                                  |          |                      |                                    |                                  | \$ 126,990,561                                    | \$ 3,899,101             | \$ 130,889,662 | \$ 109,182,410                     | \$ 7,511,991                  |

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, 2023

|  | Major Funds          |  |                             |                              |                            |
|--|----------------------|--|-----------------------------|------------------------------|----------------------------|
|  | General              | Other<br>General<br>Government<br>Fund | Other<br>Special<br>Revenue | Highway /<br>Public<br>Works | General<br>Debt<br>Service |
| <u>ASSETS</u>                              |                      |  |                             |                              |                            |
| Cash                                       | \$ 26,110            | \$ 0                                   | \$ 0                        | \$ 0                         | \$ 0                       |
| Equity in Pooled Cash and Investments      | 16,737,395           | 7,754,475                              | 10,199,486                  | 5,314,889                    | 18,048,156                 |
| Accounts Receivable                        | 2,340,509            | 0                                      | 1,923                       | 7,825                        | 6,996                      |
| Allowance for Uncollectibles               | (803,113)            | 0                                      | 0                           | 0                            | 0                          |
| Due from Other Governments                 | 698,025              | 0                                      | 0                           | 441,342                      | 490,671                    |
| Due from Other Funds                       | 400,686              | 0                                      | 0                           | 0                            | 500,000                    |
| Due from Component Units                   | 0                    | 0                                      | 0                           | 0                            | 14,575,000                 |
| Property Taxes Receivable                  | 13,653,875           | 0                                      | 0                           | 3,107,828                    | 2,378,712                  |
| Allowance for Uncollectible Property Taxes | (377,557)            | 0                                      | 0                           | (82,274)                     | (67,490)                   |
| Restricted Assets                          | 417,343              | 0                                      | 0                           | 0                            | 0                          |
| Leases Receivable - Long-term              | 0                    | 0                                      | 22,147,962                  | 0                            | 0                          |
| Total Assets                               | <u>\$ 33,093,273</u> | <u>\$ 7,754,475</u>                    | <u>\$ 32,349,371</u>        | <u>\$ 8,789,610</u>          | <u>\$ 35,932,045</u>       |
| <u>LIABILITIES</u>                         |                      |  |                             |                              |                            |
| Accounts Payable                           | \$ 203,206           | \$ 147,951                             | \$ 0                        | \$ 66,865                    | \$ 0                       |
| Accrued Payroll                            | 0                    | 0                                      | 0                           | 53,250                       | 0                          |
| Payroll Deductions Payable                 | 354,506              | 0                                      | 0                           | 5,891                        | 0                          |
| Contracts Payable                          | 0                    | 429,646                                | 0                           | 0                            | 0                          |
| Retainage Payable                          | 0                    | 16,990                                 | 0                           | 0                            | 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                  | 22,434               | 0                                      | 0                           | 82                           | 0                          |
| Total Liabilities                          | <u>\$ 641,670</u>    | <u>\$ 594,587</u>                      | <u>\$ 0</u>                 | <u>\$ 126,088</u>            | <u>\$ 0</u>                |

(Continued)

## Exhibit C-1

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

|  | Major Funds   |  |                             |                              |                            |
|--|---------------|--|-----------------------------|------------------------------|----------------------------|
|  | General       | Other<br>General<br>Government<br>Fund | Other<br>Special<br>Revenue | Highway /<br>Public<br>Works | General<br>Debt<br>Service |
| <u>DEFERRED INFLOWS OF RESOURCES</u>                       |               |  |                             |                              |                            |
| Deferred Current Property Taxes                            | \$ 13,046,504 | \$ 0                                   | \$ 0                        | \$ 2,978,006                 | \$ 2,268,957               |
| Deferred Delinquent Property Taxes                         | 172,419       | 0                                      | 0                           | 35,673                       | 31,710                     |
| Deferred Leases Receivable                                 | 0             | 0                                      | 22,147,962                  | 0                            | 0                          |
| Other Deferred/Unavailable Revenue                         | 1,359,744     | 0                                      | 0                           | 220,671                      | 222,499                    |
| Total Deferred Inflows of Resources                        | \$ 14,578,667 | \$ 0                                   | \$ 22,147,962               | \$ 3,234,350                 | \$ 2,523,166               |
| <u>FUND BALANCES</u>                                       |               |  |                             |                              |                            |
| Restricted:  |               |  |                             |                              |                            |
| Restricted for General Government                          | \$ 1,190,339  | \$ 0                                   | \$ 0                        | \$ 0                         | \$ 0                       |
| Restricted for Finance                                     | 42,020        | 0                                      | 0                           | 0                            | 0                          |
| Restricted for Administration of Justice                   | 555,063       | 0                                      | 0                           | 0                            | 0                          |
| Restricted for Public Safety                               | 85,837        | 0                                      | 0                           | 0                            | 0                          |
| Restricted for Public Health and Welfare                   | 418,033       | 0                                      | 0                           | 0                            | 14,575,000                 |
| Restricted for Social, Cultural, and Recreational Services | 88,620        | 0                                      | 0                           | 0                            | 0                          |
| Restricted for Highways/Public Works                       | 0             | 0                                      | 0                           | 5,429,172                    | 0                          |
| Restricted for Capital Projects                            | 113,143       | 0                                      | 0                           | 0                            | 0                          |
| Restricted for Hybrid Retirement Stabilization Funds       | 417,343       | 0                                      | 0                           | 0                            | 0                          |
| Committed:   |               |  |                             |                              |                            |
| Committed for General Government                           | 1,430,373     | 0                                      | 0                           | 0                            | 0                          |
| Committed for Public Health and Welfare                    | 295,000       | 0                                      | 0                           | 0                            | 0                          |
| Committed for Other Operations                             | 0             | 0                                      | 10,201,409                  | 0                            | 0                          |
| Committed for Debt Service                                 | 0             | 0                                      | 0                           | 0                            | 18,833,879                 |
| Committed for Capital Projects                             | 1,378,000     | 0                                      | 0                           | 0                            | 0                          |
| Committed for Other Purposes                               | 0             | 7,159,888                              | 0                           | 0                            | 0                          |
| Assigned:  |               |  |                             |                              |                            |
| Assigned for General Government                            | 209,609       | 0                                      | 0                           | 0                            | 0                          |

(Continued)

Exhibit C-1

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

|   | Major Funds          |  |                             |                              |                            |
|---|----------------------|--|-----------------------------|------------------------------|----------------------------|
|   | General              | Other<br>General<br>Government<br>Fund | Other<br>Special<br>Revenue | Highway /<br>Public<br>Works | General<br>Debt<br>Service |
| <u>FUND BALANCES (Cont.)</u>  |                      |  |                             |                              |                            |
| Assigned (Cont.):   |                      |  |                             |                              |                            |
| Assigned for Finance  | \$ 54,996            | \$ 0                                   | \$ 0                        | \$ 0                         | \$ 0                       |
| Assigned for Administration of Justice                              | 35,335               | 0                                      | 0                           | 0                            | 0                          |
| Assigned for Public Safety  | 89,599               | 0                                      | 0                           | 0                            | 0                          |
| Assigned for Public Health and Welfare                              | 80,019               | 0                                      | 0                           | 0                            | 0                          |
| Assigned for Social, Cultural, and Recreational Services            | 436                  | 0                                      | 0                           | 0                            | 0                          |
| Assigned for Other Operations                                       | 1,821,574            | 0                                      | 0                           | 0                            | 0                          |
| Unassigned  | 9,567,597            | 0                                      | 0                           | 0                            | 0                          |
| Total Fund Balances   | <u>\$ 17,872,936</u> | <u>\$ 7,159,888</u>                    | <u>\$ 10,201,409</u>        | <u>\$ 5,429,172</u>          | <u>\$ 33,408,879</u>       |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 33,093,273</u> | <u>\$ 7,754,475</u>                    | <u>\$ 32,349,371</u>        | <u>\$ 8,789,610</u>          | <u>\$ 35,932,045</u>       |

(Continued)



Exhibit C-1

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

|  | Nonmajor<br>Funds | Other<br>Govern-<br>mental<br>Funds | Total<br>Governmental<br>Funds |
|--|-------------------|-------------------------------------|--------------------------------|
| <u>ASSETS</u>                              |                   |                                     |                                |
| Cash                                       | \$ 4,485          | \$                                  | 30,595                         |
| Equity in Pooled Cash and Investments      | 1,781,638         |                                     | 59,836,039                     |
| Accounts Receivable                        | 10,291            |                                     | 2,367,544                      |
| Allowance for Uncollectibles               | 0                 |                                     | (803,113)                      |
| Due from Other Governments                 | 553,395           |                                     | 2,183,433                      |
| Due from Other Funds                       | 0                 |                                     | 900,686                        |
| Due from Component Units                   | 0                 |                                     | 14,575,000                     |
| Property Taxes Receivable                  | 2,959,158         |                                     | 22,099,573                     |
| Allowance for Uncollectible Property Taxes | (78,056)          |                                     | (605,377)                      |
| Restricted Assets                          | 0                 |                                     | 417,343                        |
| Leases Receivable - Long-term              | 0                 |                                     | 22,147,962                     |
| Total Assets                               | \$ 5,230,911      | \$                                  | 123,149,685                    |
| <u>LIABILITIES</u>                         |                   |                                     |                                |
| Accounts Payable                           | \$ 5,482          | \$                                  | 423,504                        |
| Accrued Payroll                            | 16,984            |                                     | 70,234                         |
| Payroll Deductions Payable                 | 2,481             |                                     | 362,878                        |
| Contracts Payable                          | 0                 |                                     | 429,646                        |
| Retainage Payable                          | 0                 |                                     | 16,990                         |
| Claims and Judgments Payable               | 0                 |                                     | 61,524                         |
| Due to Other Funds                         | 485,538           |                                     | 485,538                        |
| Due to State of Tennessee                  | 104               |                                     | 22,620                         |
| Total Liabilities                          | \$ 510,589        | \$                                  | 1,872,934                      |

(Continued)

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

|  | Nonmajor<br>Funds | Other<br>Govern-<br>mental<br>Funds | Total<br>Governmental<br>Funds |
|--|-------------------|-------------------------------------|--------------------------------|
| <u>DEFERRED INFLOWS OF RESOURCES</u>                       |                   |                                     |                                |
| Deferred Current Property Taxes                            | \$ 2,836,196      | \$                                  | 21,129,663                     |
| Deferred Delinquent Property Taxes                         | 33,691            |                                     | 273,493                        |
| Deferred Leases Receivable                                 | 0                 |                                     | 22,147,962                     |
| Other Deferred/Unavailable Revenue                         | 553,395           |                                     | 2,356,309                      |
| Total Deferred Inflows of Resources                        | \$ 3,423,282      | \$                                  | 45,907,427                     |
| <u>FUND BALANCES</u>                                       |                   |                                     |                                |
| Restricted:  |                   |                                     |                                |
| Restricted for General Government                          | \$ 167,429        | \$                                  | 1,357,768                      |
| Restricted for Finance                                     | 0                 |                                     | 42,020                         |
| Restricted for Administration of Justice                   | 11,883            |                                     | 566,946                        |
| Restricted for Public Safety                               | 47,951            |                                     | 133,788                        |
| Restricted for Public Health and Welfare                   | 170,042           |                                     | 15,163,075                     |
| Restricted for Social, Cultural, and Recreational Services | 0                 |                                     | 88,620                         |
| Restricted for Highways/Public Works                       | 0                 |                                     | 5,429,172                      |
| Restricted for Capital Projects                            | 1,219,470         |                                     | 1,332,613                      |
| Restricted for Hybrid Retirement Stabilization Funds       | 0                 |                                     | 417,343                        |
| Committed:   |                   |                                     |                                |
| Committed for General Government                           | 0                 |                                     | 1,430,373                      |
| Committed for Public Health and Welfare                    | 73,565            |                                     | 368,565                        |
| Committed for Other Operations                             | 0                 |                                     | 10,201,409                     |
| Committed for Debt Service                                 | 0                 |                                     | 18,833,879                     |
| Committed for Capital Projects                             | 0                 |                                     | 1,378,000                      |
| Committed for Other Purposes                               | 0                 |                                     | 7,159,888                      |
| Assigned:  |                   |                                     |                                |
| Assigned for General Government                            | 0                 |                                     | 209,609                        |

(Continued)

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<br>Funds | Other<br>Govern-<br>mental<br>Funds | Total<br>Governmental<br>Funds |
|-------------------|-------------------------------------|--------------------------------|
| \$                | 0                                   | \$ 54,996                      |
|                   | 0                                   | 35,335                         |
|                   | 0                                   | 89,599                         |
|                   | 0                                   | 80,019                         |
|                   | 0                                   | 436                            |
|                   | 0                                   | 1,821,574                      |
|                   | (393,300)                           | 9,174,297                      |
| \$                | 1,297,040                           | \$ 75,369,324                  |
| \$                | 5,230,911                           | \$ 123,149,685                 |

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, 2023

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)  |                   | \$ 75,369,324         |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.  |                   |                       |
| Add: land   | \$ 1,674,077      |                       |
| Add: construction in progress   | 2,773,458         |                       |
| Add: buildings and improvements net of accumulated depreciation   | 14,956,670        |                       |
| Add: machinery and equipment net of accumulated depreciation  | 5,141,531         |                       |
| Add: infrastructure net of accumulated depreciation   | <u>76,954,252</u> | 101,499,988           |
| (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. |                   | 88,177                |
| (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   | \$ (50,235,000)   |                       |
| Less: other loans payable   | (2,951,476)       |                       |
| Less: deferred credit on refunding  | (138,083)         |                       |
| Less: unamortized portion of debt premiums  | (2,548,391)       |                       |
| Less: accrued interest on notes, bonds, and other loans   | (168,515)         |                       |
| Less: net OPEB liability  | (472,467)         |                       |
| Less: compensated absences payable  | <u>(500,281)</u>  | (57,014,213)          |
| (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   | \$ 3,954,697      |                       |
| Less: deferred inflows of resources related to pensions   | (211,931)         |                       |
| Add: deferred outflows of resources related to OPEB   | 98,952            |                       |
| Less: deferred inflows of resources related to OPEB   | <u>(580,419)</u>  | 3,261,299             |
| (5) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.  |                   |                       |
| Add: net pension asset - public employee legacy pension plan  | \$ 1,108,731      |                       |
| Add: net pension asset - public employee hybrid retirement plan   | <u>47,453</u>     | 1,156,184             |
| (6) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.   |                   | <u>2,629,802</u>      |
| Net position of governmental activities (Exhibit A)   |                   | <u>\$ 126,990,561</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, 2023

|   | Major Funds   |  |                             |                              |                            |
|---|---------------|--|-----------------------------|------------------------------|----------------------------|
|   | General       | Other<br>General<br>Government<br>Fund | Other<br>Special<br>Revenue | Highway /<br>Public<br>Works | General<br>Debt<br>Service |
| <u>Revenues</u>                             |               |  |                             |                              |                            |
| Local Taxes                                 | \$ 16,952,322 | \$ 0                                   | \$ 0                        | \$ 2,608,488                 | \$ 8,883,499               |
| Licenses and Permits                        | 704,717       | 0                                      | 0                           | 0                            | 0                          |
| Fines, Forfeitures, and Penalties           | 319,405       | 0                                      | 0                           | 0                            | 0                          |
| Charges for Current Services                | 4,671,623     | 0                                      | 0                           | 60,986                       | 0                          |
| Other Local Revenues                        | 976,486       | 0                                      | 863,424                     | 300                          | 2,042,079                  |
| Fees Received From County Officials         | 3,125,703     | 0                                      | 0                           | 0                            | 0                          |
| State of Tennessee                          | 1,647,488     | 0                                      | 0                           | 2,864,367                    | 0                          |
| Federal Government                          | 1,173,408     | 10,572,226                             | 0                           | 0                            | 449,811                    |
| Other Governments and Citizens Groups       | 344,630       | 0                                      | 0                           | 0                            | 0                          |
| Total Revenues                              | \$ 29,915,782 | \$ 10,572,226                          | \$ 863,424                  | \$ 5,534,141                 | \$ 11,375,389              |
| <u>Expenditures</u>                         |               |  |                             |                              |                            |
| Current:                                    |               |  |                             |                              |                            |
| General Government                          | \$ 3,265,156  | \$ 0                                   | \$ 0                        | \$ 0                         | \$ 0                       |
| Finance                                     | 3,597,983     | 0                                      | 8,638                       | 0                            | 0                          |
| Administration of Justice                   | 2,133,100     | 0                                      | 0                           | 0                            | 0                          |
| Public Safety                               | 9,699,402     | 0                                      | 0                           | 0                            | 0                          |
| Public Health and Welfare                   | 6,033,424     | 0                                      | 0                           | 0                            | 0                          |
| Social, Cultural, and Recreational Services | 855,184       | 0                                      | 0                           | 0                            | 0                          |
| Agriculture and Natural Resources           | 191,984       | 0                                      | 0                           | 0                            | 0                          |
| Other Operations                            | 1,598,974     | 443,538                                | 0                           | 0                            | 0                          |
| Highways                                    | 0             | 0                                      | 0                           | 5,776,213                    | 0                          |
| Debt Service:                               |               |  |                             |                              |                            |
| Principal on Debt                           | 0             | 0                                      | 0                           | 0                            | 7,405,400                  |
| Interest on Debt                            | 0             | 0                                      | 0                           | 0                            | 2,762,543                  |
| Other Debt Service                          | 0             | 0                                      | 0                           | 0                            | 142,959                    |

(Continued)

Exhibit C-3

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

|  | Major Funds       |  |                             |                              |                            |
|--|-------------------|--|-----------------------------|------------------------------|----------------------------|
|  | General           | Other<br>General<br>Government<br>Fund | Other<br>Special<br>Revenue | Highway /<br>Public<br>Works | General<br>Debt<br>Service |
| <u>Expenditures (Cont.)</u>                              |                   |  |                             |                              |                            |
| Capital Projects   | \$ 0              | \$ 2,968,800                           | \$ 0                        | \$ 0                         | \$ 0                       |
| Total Expenditures                                       | \$ 27,375,207     | \$ 3,412,338                           | \$ 8,638                    | \$ 5,776,213                 | \$ 10,310,902              |
| <br>Excess (Deficiency) of Revenues<br>Over Expenditures | <br>\$ 2,540,575  | <br>\$ 7,159,888                       | <br>\$ 854,786              | <br>\$ (242,072)             | <br>\$ 1,064,487           |
| <br><u>Other Financing Sources (Uses)</u>                |                   |  |                             |                              |                            |
| Insurance Recovery                                       | \$ 214,354        | \$ 0                                   | \$ 0                        | \$ 130,986                   | \$ 0                       |
| Transfers In   | 0                 | 0                                      | 0                           | 0                            | 484,368                    |
| Transfers Out  | (1,558,472)       | 0                                      | 0                           | 0                            | 0                          |
| Total Other Financing Sources (Uses)                     | \$ (1,344,118)    | \$ 0                                   | \$ 0                        | \$ 130,986                   | \$ 484,368                 |
| <br>Net Change in Fund Balances                          | \$ 1,196,457      | \$ 7,159,888                           | \$ 854,786                  | \$ (111,086)                 | \$ 1,548,855               |
| Prior-period Adjustment - See Note I.D.10.               | 0                 | 0                                      | 0                           | 0                            | 14,980,000                 |
| Fund Balance, July 1, 2022                               | 16,676,479        | 0                                      | 9,346,623                   | 5,540,258                    | 16,880,024                 |
| <br>Fund Balance, June 30, 2023                          | <br>\$ 17,872,936 | <br>\$ 7,159,888                       | <br>\$ 10,201,409           | <br>\$ 5,429,172             | <br>\$ 33,408,879          |

(Continued)

## Exhibit C-3

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

|   | Nonmajor<br>Funds                   |           | Total<br>Governmental<br>Funds |
|---|-------------------------------------|-----------|--------------------------------|
|   | Other<br>Govern-<br>mental<br>Funds |           |                                |
| <hr/>                                       |                                     |           |                                |
| <u>Revenues</u>                             |                                     |           |                                |
| Local Taxes                                 | \$ 2,532,566                        | \$        | 30,976,875                     |
| Licenses and Permits                        | 0                                   |           | 704,717                        |
| Fines, Forfeitures, and Penalties           | 11,707                              |           | 331,112                        |
| Charges for Current Services                | 15,913                              |           | 4,748,522                      |
| Other Local Revenues                        | 214,038                             |           | 4,096,327                      |
| Fees Received From County Officials         | 0                                   |           | 3,125,703                      |
| State of Tennessee                          | 0                                   |           | 4,511,855                      |
| Federal Government                          | 0                                   |           | 12,195,445                     |
| Other Governments and Citizens Groups       | 0                                   |           | 344,630                        |
| Total Revenues                              | <u>\$ 2,774,224</u>                 | <u>\$</u> | <u>61,035,186</u>              |
| <hr/>                                       |                                     |           |                                |
| <u>Expenditures</u>                         |                                     |           |                                |
| Current:                                    |                                     |           |                                |
| General Government                          | \$ 356                              | \$        | 3,265,512                      |
| Finance                                     | 12,381                              |           | 3,619,002                      |
| Administration of Justice                   | 3,812                               |           | 2,136,912                      |
| Public Safety                               | 31,967                              |           | 9,731,369                      |
| Public Health and Welfare                   | 2,150,686                           |           | 8,184,110                      |
| Social, Cultural, and Recreational Services | 0                                   |           | 855,184                        |
| Agriculture and Natural Resources           | 0                                   |           | 191,984                        |
| Other Operations                            | 0                                   |           | 2,042,512                      |
| Highways                                    | 0                                   |           | 5,776,213                      |
| Debt Service:                               |                                     |           |                                |
| Principal on Debt                           | 0                                   |           | 7,405,400                      |
| Interest on Debt                            | 0                                   |           | 2,762,543                      |
| Other Debt Service                          | 0                                   |           | 142,959                        |

(Continued)

Exhibit C-3

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

|  | Nonmajor<br>Funds                   |                      | Total<br>Governmental<br>Funds |
|--|-------------------------------------|----------------------|--------------------------------|
|  | Other<br>Govern-<br>mental<br>Funds |                      |                                |
| <u>Expenditures (Cont.)</u>                              |                                     |                      |                                |
| Capital Projects   | \$ 971,731                          | \$                   | 3,940,531                      |
| Total Expenditures                                       | <u>\$ 3,170,933</u>                 | <u>\$</u>            | <u>50,054,231</u>              |
| <br>Excess (Deficiency) of Revenues<br>Over Expenditures | <br><u>\$ (396,709)</u>             | <br><u>\$</u>        | <br><u>10,980,955</u>          |
| <u>Other Financing Sources (Uses)</u>                    |                                     |                      |                                |
| Insurance Recovery                                       | \$ 0                                | \$                   | 345,340                        |
| Transfers In   | 574,104                             |                      | 1,058,472                      |
| Transfers Out  | 0                                   |                      | (1,558,472)                    |
| Total Other Financing Sources (Uses)                     | <u>\$ 574,104</u>                   | <u>\$</u>            | <u>(154,660)</u>               |
| <br>Net Change in Fund Balances                          | <br>\$ 177,395                      | <br>\$               | <br>10,826,295                 |
| Prior-period Adjustment - See Note I.D.10.               | 0                                   |                      | 14,980,000                     |
| Fund Balance, July 1, 2022                               | <u>1,119,645</u>                    |                      | <u>49,563,029</u>              |
| <br>Fund Balance, June 30, 2023                          | <br><u><u>\$ 1,297,040</u></u>      | <br><u><u>\$</u></u> | <br><u><u>75,369,324</u></u>   |

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, 2023

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)   |                    | \$ 10,826,295        |
| (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  | \$ 4,774,731       |                      |
| Less: current-year depreciation expense  | <u>(2,824,102)</u> | 1,950,629            |
| (2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.   |                    |                      |
| Add: assets donated and capitalized  | \$ 2,096,404       |                      |
| Less: book value of capital assets disposed  | <u>(127,314)</u>   | 1,969,090            |
| (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, 2023   | \$ 2,629,802       |                      |
| Less: deferred delinquent property taxes and other deferred June 30, 2022  | <u>(2,038,456)</u> | 591,346              |
| (4) The issuance of long-term debt (e.g., bonds, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items. |                    |                      |
| Add: principal payments on bonds   | \$ 3,070,000       |                      |
| Add: principal payments on other loans   | 4,335,400          |                      |
| Add: change in premium on debt issuances   | 364,069            |                      |
| Add: change in deferred amount on refunding debt   | <u>12,325</u>      | 7,781,794            |
| (5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.  |                    |                      |
| Change in accrued interest payable   | \$ 9,021           |                      |
| Change in compensated absences payable   | 27,597             |                      |
| Change in net OPEB liability   | 169,073            |                      |
| Change in net pension asset/liability  | (6,770,441)        |                      |
| Change in deferred outflows related to pensions  | (234,256)          |                      |
| Change in deferred inflows related to pensions   | 6,824,347          |                      |
| Change in deferred outflows related to OPEB  | (9,127)            |                      |
| Change in deferred inflows related to OPEB   | <u>(130,404)</u>   | (114,190)            |
| (6) Internal service funds are used by management to charge the cost of employee dental and vision benefits to individual funds. The net revenue (expense) of certain activities of the internal service fund is reported with governmental activities in the statement of activities.   |                    | <u>19,890</u>        |
| Change in net position of governmental activities (Exhibit B)  |                    | <u>\$ 23,024,854</u> |

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, 2023

|                                       | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2022 | Add:<br>Encumbrances<br>6/30/2023 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |               | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|---------------------------------------|---------------------------|-----------------------------------|-----------------------------------|---|------------------|---------------|--|
|                                       |                           |                                   |                                   |   | Original         | Final         |  |
| <u>Revenues</u>                       |                           |                                   |                                   |   |                  |               |  |
| Local Taxes                           | \$ 16,952,322             | \$ 0                              | \$ 0                              | \$ 16,952,322   | \$ 15,634,881    | \$ 15,634,881 | \$ 1,317,441   |
| Licenses and Permits                  | 704,717                   | 0                                 | 0                                 | 704,717   | 500,000          | 500,000       | 204,717  |
| Fines, Forfeitures, and Penalties     | 319,405                   | 0                                 | 0                                 | 319,405   | 424,650          | 424,650       | (105,245)  |
| Charges for Current Services          | 4,671,623                 | 0                                 | 0                                 | 4,671,623   | 3,771,264        | 3,794,057     | 877,566  |
| Other Local Revenues                  | 976,486                   | 0                                 | 0                                 | 976,486   | 674,160          | 882,503       | 93,983   |
| Fees Received From County Officials   | 3,125,703                 | 0                                 | 0                                 | 3,125,703   | 2,933,000        | 2,933,000     | 192,703  |
| State of Tennessee                    | 1,647,488                 | 0                                 | 0                                 | 1,647,488   | 1,269,219        | 1,535,432     | 112,056  |
| Federal Government                    | 1,173,408                 | 0                                 | 0                                 | 1,173,408   | 934,400          | 1,044,692     | 128,716  |
| Other Governments and Citizens Groups | 344,630                   | 0                                 | 0                                 | 344,630   | 191,042          | 208,674       | 135,956  |
| Total Revenues                        | \$ 29,915,782             | \$ 0                              | \$ 0                              | \$ 29,915,782   | \$ 26,332,616    | \$ 26,957,889 | \$ 2,957,893   |
| <u>Expenditures</u>                   |                           |                                   |                                   |   |                  |               |  |
| <u>General Government</u>             |                           |                                   |                                   |   |                  |               |  |
| County Commission                     | \$ 429,996                | \$ (208,672)                      | \$ 54,620                         | \$ 275,944  | \$ 231,028       | \$ 305,778    | \$ 29,834  |
| Board of Equalization                 | 750                       | 0                                 | 0                                 | 750   | 2,000            | 2,000         | 1,250  |
| County Mayor/Executive                | 369,258                   | (200)                             | 316                               | 369,374   | 276,931          | 443,449       | 74,075   |
| Election Commission                   | 413,490                   | (3,362)                           | 1,007                             | 411,135   | 441,779          | 442,739       | 31,604   |
| Register of Deeds                     | 387,049                   | 0                                 | 22,175                            | 409,224   | 370,521          | 411,716       | 2,492  |
| Codes Compliance                      | 155,366                   | 0                                 | 0                                 | 155,366   | 141,877          | 156,145       | 779  |
| County Buildings                      | 1,113,739                 | (3,085)                           | 153,029                           | 1,263,683   | 1,084,697        | 1,339,780     | 76,097   |
| Other Facilities                      | 389,220                   | 0                                 | 0                                 | 389,220   | 455,351          | 438,101       | 48,881   |
| Preservation of Records               | 6,288                     | 0                                 | 0                                 | 6,288   | 10,500           | 10,500        | 4,212  |
| <u>Finance</u>                        |                           |                                   |                                   |   |                  |               |  |
| Accounting and Budgeting              | 859,400                   | (3,121)                           | 718                               | 856,997   | 824,183          | 953,462       | 96,465   |
| Property Assessor's Office            | 628,895                   | 0                                 | 596                               | 629,491   | 594,007          | 639,932       | 10,441   |
| County Trustee's Office               | 343,096                   | (284)                             | 8,187                             | 350,999   | 370,773          | 352,983       | 1,984  |
| County Clerk's Office                 | 964,481                   | (1,974)                           | 500                               | 963,007   | 912,712          | 968,505       | 5,498  |
| Data Processing                       | 146,512                   | (8,415)                           | 725                               | 138,822   | 79,392           | 156,510       | 17,688   |
| Other Finance                         | 655,599                   | 0                                 | 30                                | 655,629   | 599,260          | 669,850       | 14,221   |

(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<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2022 | Add:<br>Encumbrances<br>6/30/2023 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |            | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|------------|--|
|  |                           |                                   |                                   |   | Original         | Final      |  |
| <u>Expenditures (Cont.)</u>                        |                           |                                   |                                   |   |                  |            |  |
| <u>Administration of Justice</u>                   |                           |                                   |                                   |   |                  |            |  |
| Circuit Court                                      | \$ 948,316                | \$ (144)                          | \$ 0                              | \$ 948,172  | \$ 889,408       | \$ 975,951 | \$ 27,779  |
| General Sessions Court                             | 431,535                   | (2,258)                           | 6,351                             | 435,628   | 431,810          | 454,064    | 18,436   |
| Drug Court   | 29,062                    | 0                                 | 0                                 | 29,062  | 30,150           | 30,150     | 1,088  |
| Chancery Court                                     | 265,374                   | 0                                 | 174                               | 265,548   | 268,639          | 277,458    | 11,910   |
| Juvenile Court                                     | 364,041                   | 0                                 | 15,967                            | 380,008   | 293,664          | 421,348    | 41,340   |
| Other Administration of Justice                    | 800                       | 0                                 | 0                                 | 800   | 12,500           | 12,500     | 11,700   |
| Victim Assistance Programs                         | 93,972                    | 0                                 | 0                                 | 93,972  | 99,249           | 105,249    | 11,277   |
| <u>Public Safety</u>                               |                           |                                   |                                   |   |                  |            |  |
| Sheriff's Department                               | 4,800,288                 | (32,978)                          | 70,477                            | 4,837,787   | 4,485,064        | 5,106,387  | 268,600  |
| Wheel Tax Officer                                  | 18,010                    | (32)                              | 0                                 | 17,978  | 18,780           | 20,094     | 2,116  |
| Administration of the Sexual Offender Registry     | 4,260                     | (908)                             | 0                                 | 3,352   | 15,000           | 15,000     | 11,648   |
| Jail   | 3,507,789                 | (48,027)                          | 13,953                            | 3,473,715   | 3,264,306        | 3,557,004  | 83,289   |
| Workhouse  | 136,578                   | 0                                 | 0                                 | 136,578   | 236,159          | 172,181    | 35,603   |
| Civil Defense                                      | 127,576                   | 0                                 | 0                                 | 127,576   | 103,586          | 132,472    | 4,896  |
| Inspection and Regulation                          | 184,354                   | (98)                              | 0                                 | 184,256   | 133,965          | 190,061    | 5,805  |
| Public Safety Grants Program                       | 18,116                    | (18,116)                          | 0                                 | 0   | 34,000           | 34,000     | 34,000   |
| Other Public Safety                                | 902,431                   | 0                                 | 0                                 | 902,431   | 729,097          | 902,431    | 0  |
| <u>Public Health and Welfare</u>                   |                           |                                   |                                   |   |                  |            |  |
| Local Health Center                                | 269,560                   | 0                                 | 0                                 | 269,560   | 339,722          | 467,588    | 198,028  |
| Rabies and Animal Control                          | 115,070                   | (527)                             | 1,926                             | 116,469   | 130,070          | 120,341    | 3,872  |
| Ambulance/Emergency Medical Services               | 5,386,782                 | (88,026)                          | 25,116                            | 5,323,872   | 5,331,249        | 5,822,397  | 498,525  |
| Sanitation Education/Information                   | 78,396                    | (915)                             | 977                               | 78,458  | 74,699           | 81,369     | 2,911  |
| Other Public Health and Welfare                    | 183,616                   | 0                                 | 0                                 | 183,616   | 169,798          | 187,446    | 3,830  |
| <u>Social, Cultural, and Recreational Services</u> |                           |                                   |                                   |   |                  |            |  |
| Senior Citizens Assistance                         | 232,033                   | 0                                 | 0                                 | 232,033   | 236,183          | 299,458    | 67,425   |
| Libraries  | 623,151                   | (222)                             | 214                               | 623,143   | 509,157          | 634,418    | 11,275   |
| <u>Agriculture and Natural Resources</u>           |                           |                                   |                                   |   |                  |            |  |
| Agricultural Extension Service                     | 143,069                   | 0                                 | 0                                 | 143,069   | 154,667          | 154,667    | 11,598   |
| Soil Conservation                                  | 48,915                    | 0                                 | 0                                 | 48,915  | 0                | 49,251     | 336  |

(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<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2022 | Add:<br>Encumbrances<br>6/30/2023 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |                | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|----------------|--|
|  |                           |                                   |                                   |   | Original         | Final          |  |
| <u>Expenditures (Cont.)</u>                          |                           |                                   |                                   |   |                  |                |  |
| <u>Other Operations</u>                              |                           |                                   |                                   |   |                  |                |  |
| Tourism  | \$ 393,325                | \$ (717)                          | \$ 600                            | \$ 393,208  | \$ 381,155       | \$ 473,410     | \$ 80,202  |
| Veterans' Services                                   | 49,759                    | (92)                              | 0                                 | 49,667  | 45,235           | 50,884         | 1,217  |
| Contributions to Other Agencies                      | 1,153,564                 | 0                                 | 0                                 | 1,153,564   | 1,128,564        | 1,153,564      | 0  |
| American Rescue Plan Act Grant #4                    | 2,326                     | (2,326)                           | 0                                 | 0   | 0                | 0              | 0  |
| <u>Capital Projects</u>                              |                           |                                   |                                   |   |                  |                |  |
| Other General Government Projects                    | 0                         | 0                                 | 45,000                            | 45,000  | 0                | 45,000         | 0  |
| Total Expenditures                                   | \$ 27,375,207             | \$ (424,499)                      | \$ 422,658                        | \$ 27,373,366   | \$ 25,940,887    | \$ 29,237,593  | \$ 1,864,227   |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ 2,540,575              | \$ 424,499                        | \$ (422,658)                      | \$ 2,542,416  | \$ 391,729       | \$ (2,279,704) | \$ 4,822,120   |
| <u>Other Financing Sources (Uses)</u>                |                           |                                   |                                   |   |                  |                |  |
| Insurance Recovery                                   | \$ 214,354                | \$ 0                              | \$ 0                              | \$ 214,354  | \$ 0             | \$ 225,645     | \$ (11,291)  |
| Transfers Out  | (1,558,472)               | 0                                 | 0                                 | (1,558,472)   | (782,863)        | (1,951,772)    | 393,300  |
| Total Other Financing Sources                        | \$ (1,344,118)            | \$ 0                              | \$ 0                              | \$ (1,344,118)  | \$ (782,863)     | \$ (1,726,127) | \$ 382,009   |
| Net Change in Fund Balance                           | \$ 1,196,457              | \$ 424,499                        | \$ (422,658)                      | \$ 1,198,298  | \$ (391,134)     | \$ (4,005,831) | \$ 5,204,129   |
| Fund Balance, July 1, 2022                           | 16,676,479                | (424,499)                         | 0                                 | 16,251,980  | 13,500,000       | 13,500,000     | 2,751,980  |
| Fund Balance, June 30, 2023                          | \$ 17,872,936             | \$ 0                              | \$ (422,658)                      | \$ 17,450,278   | \$ 13,108,866    | \$ 9,494,169   | \$ 7,956,109   |

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 (Budgetary Basis) and Budget  
Other General Government Fund  
For the Year Ended June 30, 2023

|  | Actual<br>(GAAP<br>Basis) | Add:<br>Encumbrances<br>6/30/2023 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |               | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|---|------------------|---------------|--|
|  |                           |                                   |   | Original         | Final         |  |
| <u>Revenues</u>                                      |                           |                                   |   |                  |               |  |
| Federal Government                                   | \$ 10,572,226             | \$ 0                              | \$ 10,572,226   | \$ 0             | \$ 15,740,225 | \$ (5,167,999)   |
| Total Revenues                                       | \$ 10,572,226             | \$ 0                              | \$ 10,572,226   | \$ 0             | \$ 15,740,225 | \$ (5,167,999)   |
| <u>Expenditures</u>                                  |                           |                                   |   |                  |               |  |
| <u>Other Operations</u>                              |                           |                                   |   |                  |               |  |
| American Rescue Plan Act Grant #1                    | \$ 431,038                | \$ 0                              | \$ 431,038  | \$ 0             | \$ 3,872,371  | \$ 3,441,333   |
| American Rescue Plan Act Grant #6                    | 12,500                    | 173,500                           | 186,000   | 0                | 5,168,000     | 4,982,000  |
| <u>Capital Projects</u>                              |                           |                                   |   |                  |               |  |
| American Rescue Plan Act Grant #1                    | 1,326,795                 | 3,331,581                         | 4,658,376   | 0                | 4,699,854     | 41,478   |
| American Rescue Plan Act Grant #2                    | 1,642,005                 | 352,795                           | 1,994,800   | 0                | 2,000,000     | 5,200  |
| Total Expenditures                                   | \$ 3,412,338              | \$ 3,857,876                      | \$ 7,270,214  | \$ 0             | \$ 15,740,225 | \$ 8,470,011   |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ 7,159,888              | \$ (3,857,876)                    | \$ 3,302,012  | \$ 0             | \$ 0          | \$ 3,302,012   |
| Net Change in Fund Balance                           | \$ 7,159,888              | \$ (3,857,876)                    | \$ 3,302,012  | \$ 0             | \$ 0          | \$ 3,302,012   |
| Fund Balance, July 1, 2022                           | 0                         | 0                                 | 0   | 0                | 0             | 0  |
| Fund Balance, June 30, 2023                          | \$ 7,159,888              | \$ (3,857,876)                    | \$ 3,302,012  | \$ 0             | \$ 0          | \$ 3,302,012   |

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, 2023

|  | Actual        | Budgeted Amounts |               | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------|------------------|---------------|--|
|  |               | Original         | Final         |  |
| <u>Revenues</u>                                      |               |                  |               |  |
| Other Local Revenues                                 | \$ 863,424    | \$ 856,002       | \$ 856,002    | \$ 7,422   |
| Total Revenues                                       | \$ 863,424    | \$ 856,002       | \$ 856,002    | \$ 7,422   |
| <u>Expenditures</u>                                  |               |                  |               |  |
| <u>Finance</u>                                       |               |                  |               |  |
| Other Finance  | \$ 8,638      | \$ 9,500         | \$ 9,500      | \$ 862   |
| Total Expenditures                                   | \$ 8,638      | \$ 9,500         | \$ 9,500      | \$ 862   |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ 854,786    | \$ 846,502       | \$ 846,502    | \$ 8,284   |
| Net Change in Fund Balance                           | \$ 854,786    | \$ 846,502       | \$ 846,502    | \$ 8,284   |
| Fund Balance, July 1, 2022                           | 9,346,623     | 9,200,000        | 9,200,000     | 146,623  |
| Fund Balance, June 30, 2023                          | \$ 10,201,409 | \$ 10,046,502    | \$ 10,046,502 | \$ 154,907   |

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, 2023

|  | Actual<br>(GAAP<br>Basis)  | Less:<br>Encumbrances<br>7/1/2022 | Add:<br>Encumbrances<br>6/30/2023 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts           |                            | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|----------------------------|-----------------------------------|-----------------------------------|---|----------------------------|----------------------------|--|
|  |                            |                                   |                                   |   | Original                   | Final                      |  |
| <u>Revenues</u>                                      |                            |                                   |                                   |   |                            |                            |  |
| Local Taxes  | \$ 2,608,488               | \$ 0                              | \$ 0                              | \$ 2,608,488  | \$ 2,551,390               | \$ 2,551,390               | \$ 57,098  |
| Charges for Current Services                         | 60,986                     | 0                                 | 0                                 | 60,986  | 55,000                     | 55,000                     | 5,986  |
| Other Local Revenues                                 | 300                        | 0                                 | 0                                 | 300   | 0                          | 0                          | 300  |
| State of Tennessee                                   | 2,864,367                  | 0                                 | 0                                 | 2,864,367   | 1,982,308                  | 2,277,623                  | 586,744  |
| Total Revenues                                       | <u>\$ 5,534,141</u>        | <u>\$ 0</u>                       | <u>\$ 0</u>                       | <u>\$ 5,534,141</u>   | <u>\$ 4,588,698</u>        | <u>\$ 4,884,013</u>        | <u>\$ 650,128</u>  |
| <u>Expenditures</u>                                  |                            |                                   |                                   |   |                            |                            |  |
| <u>Highways</u>                                      |                            |                                   |                                   |   |                            |                            |  |
| Administration                                       | \$ 313,949                 | \$ (397)                          | \$ 0                              | \$ 313,552  | \$ 308,234                 | \$ 332,094                 | \$ 18,542  |
| Highway and Bridge Maintenance                       | 2,637,178                  | (5,165)                           | 3,520                             | 2,635,533   | 2,572,574                  | 3,006,861                  | 371,328  |
| Operation and Maintenance of Equipment               | 1,671,107                  | (653,344)                         | 275,246                           | 1,293,009   | 1,115,439                  | 1,618,010                  | 325,001  |
| Quarry Operations                                    | 866,757                    | (77,956)                          | 5,000                             | 793,801   | 839,017                    | 925,588                    | 131,787  |
| Asphalt Plant Operations                             | 30,473                     | 0                                 | 0                                 | 30,473  | 32,600                     | 32,600                     | 2,127  |
| Other Charges  | 134,369                    | 0                                 | 0                                 | 134,369   | 131,388                    | 137,388                    | 3,019  |
| Employee Benefits                                    | 115,380                    | 0                                 | 0                                 | 115,380   | 115,380                    | 115,380                    | 0  |
| Capital Outlay                                       | 7,000                      | 0                                 | 0                                 | 7,000   | 91,662                     | 91,662                     | 84,662   |
| Total Expenditures                                   | <u>\$ 5,776,213</u>        | <u>\$ (736,862)</u>               | <u>\$ 283,766</u>                 | <u>\$ 5,323,117</u>   | <u>\$ 5,206,294</u>        | <u>\$ 6,259,583</u>        | <u>\$ 936,466</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>\$ (242,072)</u>        | <u>\$ 736,862</u>                 | <u>\$ (283,766)</u>               | <u>\$ 211,024</u>   | <u>\$ (617,596)</u>        | <u>\$ (1,375,570)</u>      | <u>\$ 1,586,594</u>  |
| <u>Other Financing Sources (Uses)</u>                |                            |                                   |                                   |   |                            |                            |  |
| Insurance Recovery                                   | \$ 130,986                 | \$ 0                              | \$ 0                              | \$ 130,986  | \$ 0                       | \$ 129,000                 | \$ 1,986   |
| Total Other Financing Sources                        | <u>\$ 130,986</u>          | <u>\$ 0</u>                       | <u>\$ 0</u>                       | <u>\$ 130,986</u>   | <u>\$ 0</u>                | <u>\$ 129,000</u>          | <u>\$ 1,986</u>  |
| Net Change in Fund Balance                           | <u>\$ (111,086)</u>        | <u>\$ 736,862</u>                 | <u>\$ (283,766)</u>               | <u>\$ 342,010</u>   | <u>\$ (617,596)</u>        | <u>\$ (1,246,570)</u>      | <u>\$ 1,588,580</u>  |
| Fund Balance, July 1, 2022                           | <u>5,540,258</u>           | <u>(736,862)</u>                  | <u>0</u>                          | <u>4,803,396</u>  | <u>5,500,000</u>           | <u>5,500,000</u>           | <u>(696,604)</u>   |
| Fund Balance, June 30, 2023                          | <u><u>\$ 5,429,172</u></u> | <u><u>\$ 0</u></u>                | <u><u>\$ (283,766)</u></u>        | <u><u>\$ 5,145,406</u></u>                                  | <u><u>\$ 4,882,404</u></u> | <u><u>\$ 4,253,430</u></u> | <u><u>\$ 891,976</u></u>                                     |

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

## Exhibit D-1

Jefferson County, Tennessee  
Statement of Net Position  
Proprietary Funds  
June 30, 2023

|   | Business-type<br>Activities -<br>Major<br>Enterprise<br>Fund<br>Solid<br>Waste<br>Disposal<br>Fund | Governmental<br>Activities -<br>Internal<br>Service Fund<br>Employee<br>Insurance -<br>Dental and<br>Vision<br>Fund |
|---|--|---|
| <u>ASSETS</u>                                   |  |   |
| Current Assets:                                 |  |   |
| Cash  | \$ 100   | \$ 0  |
| Equity in Pooled Cash and Investments           | 3,539,637  | 94,534  |
| Accounts Receivable                             | 201,817  | 0   |
| Allowance for Uncollectibles                    | (18,828)   | 0   |
| Due from Other Funds                            | 84,852   | 0   |
| Total Current Assets                            | <u>\$ 3,807,578</u>  | <u>\$ 94,534</u>  |
| Noncurrent Assets:                              |  |   |
| Restricted Assets                               | \$ 23,032  | \$ 0  |
| Net Pension Asset                               | 32,815   | 0   |
| Capital Assets:                                 |  |   |
| Assets Not Depreciated:                         |  |   |
| Land  | 1,370,430  | 0   |
| Construction in Progress                        | 166,131  | 0   |
| Assets Net of Accumulated Depreciation:         |  |   |
| Landfill Facilities and Development             | 1,231,360  | 0   |
| Buildings and Improvements                      | 95,392   | 0   |
| Machinery and Equipment                         | 993,293  | 0   |
| Total Noncurrent Assets                         | <u>\$ 3,912,453</u>  | <u>\$ 0</u>   |
| Total Assets                                    | <u>\$ 7,720,031</u>  | <u>\$ 94,534</u>  |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u>           |  |   |
| Deferred Outflows of Resources:                 |  |   |
| Pension Changes in Experience                   | \$ 21,943  | \$ 0  |
| Pension Changes in Assumptions                  | 57,262   | 0   |
| Pension Changes in Investment Earnings          | 2,776  | 0   |
| Pension Contributions After Measurement Date    | 29,291   | 0   |
| OPEB Changes in Assumptions                     | 4,022  | 0   |
| OPEB Contributions After Measurement Date       | 1,012  | 0   |
| Total Deferred Outflows of Resources            | <u>\$ 116,306</u>  | <u>\$ 0</u>   |
| Total Assets and Deferred Outflows of Resources | <u>\$ 7,836,337</u>  | <u>\$ 94,534</u>  |

(Continued)



Exhibit D-1

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

|   | Business-type<br>Activities -<br>Major<br>Enterprise<br>Fund | Governmental<br>Activities -<br>Internal<br>Service Fund<br>Employee<br>Insurance -<br>Dental and<br>Vision<br>Fund |
|---|--|---|
|   | Solid<br>Waste<br>Disposal<br>Fund                           |   |
| <u>LIABILITIES</u>  |  |   |
| Current Liabilities:  |  |   |
| Accounts Payable  | \$ 13,180  | \$ 0  |
| Accrued Payroll   | 2,717  | 0   |
| Claims and Judgments Payable  | 0  | 6,357   |
| Due to Other Funds - Current Portion                                      | 167,000  | 0   |
| Due to State of Tennessee   | 140  | 0   |
| Accrued Liability for Landfill Closure/Postclosure Care Costs - Current   | 130,818  | 0   |
| Accrued Leave - Current   | 2,817  | 0   |
| Total Current Liabilities   | <u>\$ 316,672</u>  | <u>\$ 6,357</u>   |
| Noncurrent Liabilities:   |  |   |
| Accrued Liability for Landfill Closure/Postclosure Care Costs - Long-term | \$ 3,215,014   | \$ 0  |
| Net OPEB Liability  | 24,038   | 0   |
| Due to Other Funds - Long-term  | 333,000  | 0   |
| Accrued Leave - Long-term   | 13,123   | 0   |
| Total Noncurrent Liabilities  | <u>\$ 3,585,175</u>  | <u>\$ 0</u>   |
| Total Liabilities   | <u>\$ 3,901,847</u>  | <u>\$ 6,357</u>   |
| <u>DEFERRED INFLOWS OF RESOURCES</u>                                      |  |   |
| Deferred Inflows of Resources:  |  |   |
| Pension Changes in Experience   | \$ 5,859   | \$ 0  |
| OPEB Changes in Experience  | 11,079   | 0   |
| OPEB Changes in Assumptions   | 18,451   | 0   |
| Total Deferred Inflows of Resources                                       | <u>\$ 35,389</u>   | <u>\$ 0</u>   |
| <u>NET POSITION</u>   |  |   |
| Net Investment in Capital Assets  | \$ 3,856,607   | \$ 0  |
| Net Position - Restricted for Pension                                     | 55,847   | 0   |
| Unrestricted  | <u>(13,353)</u>  | <u>88,177</u>   |
| Total Net Position  | <u>\$ 3,899,101</u>  | <u>\$ 88,177</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, 2023

|  | Business-type<br>Activities -      | Governmental<br>Activities -                            |
|--|------------------------------------|---|
|  | Major<br>Enterprise<br>Fund        | Internal<br>Service Fund                                |
|  | Solid<br>Waste<br>Disposal<br>Fund | Employee<br>Insurance -<br>Dental and<br>Vision<br>Fund |
| <u>Operating Revenues</u>                          |                                    |   |
| Tipping Fees                                       | \$ 960,452                         | \$ 0  |
| Commercial and Industrial Waste Collection Charges | 1,244,563                          | 0   |
| Lease/Rental                                       | 12                                 | 0   |
| Sale of Recycled Materials                         | 183,569                            | 0   |
| Miscellaneous Refunds                              | 79,281                             | 0   |
| State of Tennessee                                 | 18,358                             | 0   |
| Self-Insurance Premiums/Contributions              | 0                                  | 182,018   |
| Total Operating Revenues                           | <u>\$ 2,486,235</u>                | <u>\$ 182,018</u>                                       |
| <u>Operating Expenses</u>                          |                                    |   |
| <u>Cost of Sales and Services</u>                  |                                    |   |
| Supervisor/Director                                | \$ 39,045                          | \$ 0  |
| Accountants/Bookkeepers                            | 44,828                             | 0   |
| Part-time Personnel                                | 32,878                             | 0   |
| Longevity Pay                                      | 5,050                              | 0   |
| Overtime   | 54,740                             | 0   |
| Bonus Payments                                     | 21,652                             | 0   |
| Other Salaries and Wages                           | 395,561                            | 0   |
| Board and Committee Members Fees                   | 4,320                              | 0   |
| Social Security                                    | 36,505                             | 0   |
| Pensions   | 49,391                             | 0   |
| Life Insurance                                     | 888                                | 0   |
| Medical Insurance                                  | 107,748                            | 0   |
| Dental Insurance                                   | 1,748                              | 0   |
| Unemployment Compensation                          | 800                                | 0   |
| Employer Medicare                                  | 8,537                              | 0   |
| Advertising  | 260                                | 0   |
| Engineering Services                               | 1,747                              | 0   |
| Evaluation and Testing                             | 44,115                             | 0   |
| Janitorial Services                                | 871                                | 0   |
| Maintenance Agreements                             | 340                                | 0   |
| Maintenance and Repair Services - Equipment        | 74,987                             | 0   |
| Rentals  | 8,074                              | 0   |
| Travel   | 1,456                              | 0   |
| Contracts for Development Costs                    | 170,170                            | 0   |
| Other Contracted Services                          | 69,515                             | 0   |
| Crushed Stone                                      | 15,589                             | 0   |
| Diesel Fuel  | 276,819                            | 0   |
| Gasoline   | 20,227                             | 0   |
| Lubricants   | 30,843                             | 0   |

(Continued)

Exhibit D-2

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

|   | Business-type<br>Activities -<br>Major<br>Enterprise<br>Fund | Governmental<br>Activities -<br>Internal<br>Service Fund<br>Employee<br>Insurance -<br>Dental and<br>Vision<br>Fund |
|---|--|---|
| <u>Operating Expenses (Cont.)</u>         |  |   |
| <u>Cost of Sales and Services (Cont.)</u> |  |   |
| Office Supplies                           | \$ 3,394   | \$ 0  |
| Small Tools                               | 4,323  | 0   |
| Uniforms                                  | 8,767  | 0   |
| Utilities                                 | 15,592   | 0   |
| Other Supplies and Materials              | 7,773  | 0   |
| Building and Contents Insurance           | 3,045  | 0   |
| Liability Insurance                       | 3,517  | 0   |
| Trustee's Commission                      | 21,170   | 0   |
| Vehicle and Equipment Insurance           | 10,100   | 0   |
| Workers' Compensation Insurance           | 26,585   | 0   |
| Depreciation                              | 470,550  | 0   |
| Surcharge                                 | 32,501   | 0   |
| Other Charges                             | 10,132   | 0   |
| Landfill Closure/Postclosure Care Costs   | 379,358  | 0   |
| Land                                      | 3,578  | 0   |
| Solid Waste Equipment                     | 26,478   | 0   |
| Handling Charges and Administrative Costs | 0  | 18,288  |
| Other Self-Insured Claims                 | 0  | 143,840   |
| Total Operating Expenses                  | \$ 2,545,567   | \$ 162,128  |
| Operating Income (Loss)                   | \$ (59,332)  | \$ 19,890   |
| <u>Nonoperating Revenues (Expenses)</u>   |  |   |
| Investment Income                         | \$ 1,337   | \$ 0  |
| Interest on Internal Loan                 | (6,600)  | 0   |
| Total Nonoperating Revenues (Expenses)    | \$ (5,263)   | \$ 0  |
| Income(Loss) Before Transfers             | \$ (64,595)  | \$ 19,890   |
| Transfers In                              | 500,000  | 0   |
| Change in Net Position                    | \$ 435,405   | \$ 19,890   |
| Net Position, July 1, 2022                | 3,463,696  | 68,287  |
| Net Position, June 30, 2023               | \$ 3,899,101   | \$ 88,177   |

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, 2023

|  | Business-type<br>Activities -<br>Major<br>Enterprise<br>Fund<br>Solid<br>Waste<br>Disposal<br>Fund | Governmental<br>Activities -<br>Internal<br>Service Fund<br>Employee<br>Insurance -<br>Dental and<br>Vision<br>Fund |
|--|--|---|
| <u>Cash Flows from Operating Activities</u>                                |  |   |
| Receipts from Customers and Users  | \$ 2,349,638   | \$ 0  |
| Receipts from Recycled Materials   | 183,569  | 0   |
| Receipts from Other State Revenues   | 18,358   | 0   |
| Receipts for Self-Insurance Premiums                                       | 0  | 182,018   |
| Payments to Employees and Board Members                                    | (620,610)  | 0   |
| Payments for Fringe Benefits   | (211,243)  | 0   |
| Payments to Suppliers  | (479,820)  | 0   |
| Payments to Others   | (504,851)  | 0   |
| Payments for Claims  | 0  | (143,491)   |
| Payments for Administrative Costs  | 0  | (18,288)  |
| Net Cash Provided By (Used In) Operating Activities                        | <u>\$ 735,041</u>  | <u>\$ 20,239</u>  |
| <u>Cash Flows from Capital and Related Financing Activities</u>            |  |   |
| Acquisition and Construction of Capital Assets                             | \$ (978,092)   | \$ 0  |
| Transfer from Primary Government for Capital Asset Purchase                | 500,000  | 0   |
| Principal Paid on Internal Loan  | (160,000)  | 0   |
| Interest Paid on Internal Loan   | (6,600)  | 0   |
| Net Cash Provided By (Used In) Capital and Related<br>Financing Activities | <u>\$ (644,692)</u>  | <u>\$ 0</u>   |
| <u>Cash Flows from Investing Activities</u>                                |  |   |
| Deposits to Pension Stabilization Trust                                    | <u>\$ (7,713)</u>  | <u>\$ 0</u>   |
| Net Cash Provided By (Used In) Investing Activities                        | <u>\$ (7,713)</u>  | <u>\$ 0</u>   |
| Increase (Decrease) in Cash  | \$ 82,636  | \$ 20,239   |
| Cash, July 1, 2022   | <u>3,457,101</u>   | <u>74,295</u>   |
| Cash, June 30, 2023  | <u><u>\$ 3,539,737</u></u>   | <u><u>\$ 94,534</u></u>   |

(Continued)

Exhibit D-3

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

|   | Business-type<br>Activities -<br>Major<br>Enterprise<br>Fund<br>Solid<br>Waste<br>Disposal<br>Fund | Governmental<br>Activities -<br>Internal<br>Service Fund<br>Employee<br>Insurance -<br>Dental and<br>Vision<br>Fund |
|---|--|---|
| <u>Reconciliation of Net Operating Income (Loss)</u>              |  |   |
| <u>to Net Cash Provided By (Used In) Operating Activities</u>     |  |   |
| Operating Income (Loss)   | \$ (59,332)  | \$ 19,890   |
| Adjustments to Reconcile Net Operating Income (Loss)              |  |   |
| to Net Cash Provided By (Used In) Operating Activities:           |  |   |
| Depreciation  | 470,550  | 0   |
| Changes in Deferred Outflows for Pensions                         | 7,177  | 0   |
| Changes in Deferred Inflows for Pensions                          | (189,625)  | 0   |
| Changes in Deferred Outflows for OPEB                             | 1,107  | 0   |
| Changes in Deferred Inflows for OPEB                              | 3,959  | 0   |
| Changes in Assets and Liabilities:                                |  |   |
| (Increase) Decrease in Net Pension Asset/Liability                | 188,066  | 0   |
| (Increase) Decrease in Accounts Receivable                        | (27,765)   | 0   |
| (Increase) Decrease in Due from Other Funds                       | 1,585  | 0   |
| Increase (Decrease) in Operating Accounts Payable                 | (1,235)  | 0   |
| Increase (Decrease) in Claims Payable                             | 0  | 349   |
| Increase (Decrease) in Accrued Payroll                            | (21,397)   | 0   |
| Increase (Decrease) in Payroll Deductions Payable                 | (3,894)  | 0   |
| Increase (Decrease) in Due to State of Tennessee                  | 42   | 0   |
| Increase (Decrease) in Landfill Closure/Postclosure Care Cost     | 379,358  | 0   |
| Increase (Decrease) in Compensated Absences                       | (1,139)  | 0   |
| Increase (Decrease) in OPEB Liability                             | (12,416)   | 0   |
| Net Cash Provided By (Used In) Operating Activities               | <u>\$ 735,041</u>  | <u>\$ 20,239</u>  |
| <u>Reconciliation of Cash With Statement of Net Position</u>      |  |   |
| Cash Per Net Position   | \$ 100   | \$ 0  |
| Equity in Pooled Cash and Investments Per Net Position            | <u>3,539,637</u>   | <u>94,534</u>   |
| Cash, June 30, 2023   | <u>\$ 3,539,737</u>  | <u>\$ 94,534</u>  |
| <u>Schedule of Noncash Investing and Financing Activities</u>     |  |   |
| Gain (Loss) on Investments of Pension Stabilization Reserve Trust | \$ 1,337   | \$ 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, 2023

|   | <u>Custodial<br/>Funds</u> |
|---|----------------------------|
| <u>ASSETS</u>   |                            |
| Cash  | \$ 1,993,718               |
| Equity in Pooled Cash and Investments                           | 1,170                      |
| Due from Other Governments                                      | 1,426,093                  |
| Property Taxes Receivable                                       | 1,580,701                  |
| Allowance for Uncollectible Taxes                               | <u>(50,688)</u>            |
| Total Assets  | <u>\$ 4,950,994</u>        |
| <u>LIABILITIES</u>  |                            |
| Due to Other Taxing Units                                       | <u>\$ 1,460,162</u>        |
| Total Liabilities   | <u>\$ 1,460,162</u>        |
| <u>DEFERRED INFLOWS OF RESOURCES</u>                            |                            |
| Deferred Current Property Taxes                                 | <u>\$ 1,497,114</u>        |
| Total Deferred Inflows of Resources                             | <u>\$ 1,497,114</u>        |
| <u>NET POSITION</u>   |                            |
| Restricted for Individuals, Organizations and Other Governments | <u>\$ 1,993,718</u>        |
| Total Net Position  | <u><u>\$ 1,993,718</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, 2023

|  | <u>Custodial<br/>Funds</u> |
|--|----------------------------|
| <u>ADDITIONS</u>   |                            |
| Sales Tax Collections for Other Governments              | \$ 8,163,617               |
| Property Tax Collections for Other Governments           | 1,502,403                  |
| Fines/Fees and Other Collections                         | <u>10,548,084</u>          |
| Total Additions  | <u>\$ 20,214,104</u>       |
| <u>DEDUCTIONS</u>  |                            |
| Payment of Sales Tax Collections to Other Governments    | \$ 8,163,617               |
| Payment of Property Tax Collections to Other Governments | 1,502,403                  |
| Payments to State  | 8,156,346                  |
| Payments to Individuals and Others                       | <u>2,515,266</u>           |
| Total Deductions   | <u>\$ 20,337,632</u>       |
| Net Increase (Decrease) in Fiduciary Net Position        | \$ (123,528)               |
| Net Position, July 1, 2022                               | <u>2,117,246</u>           |
| Net Position, June 30, 2023                              | <u><u>\$ 1,993,718</u></u> |

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

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**JEFFERSON COUNTY, TENNESSEE**  
**Index of Notes to the Financial Statements**

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**JEFFERSON COUNTY, TENNESSEE**  
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**JEFFERSON COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2023**

**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 or the nursing home during the year ended June 30, 2023.

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

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

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund

financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. The internal service fund and fiduciary funds in total are reported in single columns by fund type.

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

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

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

Jefferson County reports the following major governmental funds:

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

**Other General Government Fund** – This special revenue fund accounts for proceeds received from the American Rescue Plan 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 23) 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 22) 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 uncollectable. The ambulance and solid waste receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectibles property taxes is equal to 1.47 percent of total taxes levied.

Property taxes receivable is 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 is 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 and deferred inflow of resources 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 and deferred inflow are 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. Claims and Judgments Payable for the primary government includes \$61,524 discussed in Note V.C. Risk Financing Activities and \$6,357 of self-insurance claims payable. Claims and Judgments Payable in the school department represent self-insurance claims payable.

Retainage payable represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the applicable funds.

### **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 pension changes in experience, assumptions, investment earnings, and proportion; pension and OPEB contributions after the measurement date; and 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 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 \$50 for each accumulated day of sick leave, which the school board increased from \$25 from the prior year. During the 2022-23 year, eight employees received this incentive. The financial statements of this report reflect expenditures of \$50,676 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 do not meet the definition of restricted or net investment in capital assets.

As of June 30, 2023, Jefferson County had \$38,611,476 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 \$14,575,000 in outstanding debt for capital purposes of the discretely presented Jefferson County Nursing Home at June 30, 2023. 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. Restricted for Public Health and Welfare in the General Debt Service Fund includes amounts reported for a long-term

receivable due from the discretely presented Jefferson County Nursing Home. That receivable resulted from Jefferson County loaning the proceeds of a general obligation bond issue to the nursing home.

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. Committed for Other Purposes in the Other General Government Fund represent American Rescue Plan Act funds committed for revenue loss. Committed for Other Operations in the Other Special Revenue Fund represent unexpended revenues generated by the hospital joint venture lease agreement discussed in Note IV.B.

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 (\$356,120), sheriff's vehicles (\$5,169), ambulance purchase (\$52,000), fund balance appropriated for use in 2023-2024 budget (\$1,820,974) and various assignments for smaller amounts totaling (\$57,305). Assigned fund balance in the school department's General Purpose School Fund consists of amounts assigned for encumbrances (\$157,372), finance (\$32,434), student safety (\$40,292), the Jefferson County High School field (\$120,000), the Piedmont Elementary School Construction (\$667,380), Jefferson County High School Insurance Recovery (\$29,719) and various assignments for smaller amounts totaling (\$13,451).

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. Prior-period Adjustment**

The fund balance of the primary government's General Debt Service Fund as of July 1, 2022, was adjusted by \$14,980,000 to record a long-term receivable from the Jefferson County Nursing Home. The receivable represents the commitment from the nursing home to pay debt requirements on the bonds issued on its behalf. The receivable had been reported on the Government-wide Statement of Net Position in previous years but had not been reported on the Governmental Funds Balance Sheet.

**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, 2023, Jefferson County and Jefferson County School Department reported the following encumbrances:

| <u>Funds</u>                | <u>Amount</u> |
|-----------------------------|---------------|
| Primary Government:         |               |
| Major Funds:                |               |
| General                     | \$ 422,658    |
| Other General Government    | 3,857,876     |
| Highway/Public Works        | 283,766       |
| Nonmajor Governmental Funds | 655,173       |
| School Department:          |               |
| Major Funds:                |               |
| General Purpose School      | 157,372       |
| School Federal Projects     | 2,248,397     |
| Nonmajor Governmental Funds | 400           |

**B. Net Position Deficit/Fund Deficit**

The county's Solid Waste Disposal Fund had a deficit of \$13,353 in unrestricted net position at June 30, 2023. Further details related to liabilities recorded in this fund are disclosed in Note V.F. Landfill Closure/Postclosure Care Costs.

The county's Other Capital Projects Fund had a deficit in unassigned fund balance of \$393,300 at June 30, 2023. This deficit in unassigned fund balance resulted from expenditures exceeding restricted, committed, and assigned balances. The deficit in unassigned fund balance will be liquidated when grant funding is received after June 30, 2023. As of the date of this report grant funding has not been received.

**C. Cash Overdraft**

The county's Other Capital Projects Fund had a cash overdraft of \$393,300 for three months during the year. This cash overdraft resulted from the issuance of checks exceeding cash on deposit with the county trustee. The cash overdraft was liquidated as of June 30, 2023, with an interfund loan issued from the General Fund.

#### 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, 2023, 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<br>Average<br>Maturities | Amortized<br>Cost |
|-----------------------------------|-----------------------------------|-------------------|
| State Treasurer's Investment Pool | 1 to 46 days                      | \$ 8,288,284      |

**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, 2023, 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, 2023, 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<br>Average<br>Maturity<br>(days) | Maturities | Fair<br>Value     |
|--|---|------------|-------------------|
| Investments at Fair Value:                 |   |            |                   |
| U.S. Equity                                | N/A                                       | N/A        | \$ 136,516        |
| Developed Market International Equity      | N/A                                       | N/A        | 61,652            |
| Emerging Market International Equity       | N/A                                       | N/A        | 17,615            |
| U.S. Fixed Income                          | N/A                                       | N/A        | 88,075            |
| Real Estate                                | N/A                                       | N/A        | 44,038            |
| Short-term Securities                      | N/A                                       | N/A        | 4,404             |
| NAV - Private Equity and Strategic Lending | N/A                                       | N/A        | 88,075            |
| Total                                      |   |            | <u>\$ 440,375</u> |

**Discretely Presented Jefferson County School Department:**

| Investment                                 | Weighted<br>Average<br>Maturity<br>(days) | Maturities | Fair<br>Value     |
|--|---|------------|-------------------|
| Investments at Fair Value:                 |   |            |                   |
| U.S. Equity                                | N/A                                       | N/A        | \$ 44,945         |
| Developed Market International Equity      | N/A                                       | N/A        | 20,298            |
| Emerging Market International Equity       | N/A                                       | N/A        | 5,799             |
| U.S. Fixed Income                          | N/A                                       | N/A        | 28,997            |
| Real Estate                                | N/A                                       | N/A        | 14,498            |
| Short-term Securities                      | N/A                                       | N/A        | 1,450             |
| NAV - Private Equity and Strategic Lending | N/A                                       | N/A        | 28,997            |
| Total                                      |   |            | <u>\$ 144,984</u> |

At June 30, 2023, the discretely presented Jefferson County School Department's Teacher Retirement Plan had the following investments held by the trust on its behalf.

| Investment                                 | Weighted<br>Average<br>Maturity<br>(days) | Maturities | Fair<br>Value     |
|--|---|------------|-------------------|
| Investments at Fair Value:                 |   |            |                   |
| U.S. Equity                                | N/A                                       | N/A        | \$ 227,039        |
| Developed Market International Equity      | N/A                                       | N/A        | 102,534           |
| Emerging Market International Equity       | N/A                                       | N/A        | 29,295            |
| U.S. Fixed Income                          | N/A                                       | N/A        | 146,477           |
| Real Estate                                | N/A                                       | N/A        | 73,239            |
| Short-term Securities                      | N/A                                       | N/A        | 7,324             |
| NAV - Private Equity and Strategic Lending | N/A                                       | N/A        | 146,477           |
| Total                                      |   |            | <u>\$ 732,385</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.

Jefferson County reports leases receivable of \$22,147,962 at June 30, 2023. For the fiscal year ended June 30, 2023, Jefferson County reported lease revenue of \$432,324 and interest revenue of \$419,678 related to lease payments received. These leases are summarized as follows:



| Lease    | Lease<br>Receivable  | Lease<br>Revenue  | Lease<br>Interest<br>Revenue |
|----------|----------------------|-------------------|------------------------------|
| Hospital | \$ 22,066,264        | \$ 431,861        | \$ 418,141                   |
| Grounds  | 81,698               | 463               | 1,537                        |
| Total    | <u>\$ 22,147,962</u> | <u>\$ 432,324</u> | <u>\$ 419,678</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, 2023, was as follows:

**Primary Government**

**Governmental Activities:**

|  | Balance        |              |              | Balance        |
|--|----------------|--------------|--------------|----------------|
|  | 7-1-22         | Increases    | Decreases    | 6-30-23        |
| Capital Assets Not Depreciated:                |                |              |              |                |
| Land   | \$ 1,672,777   | \$ 1,300     | \$ 0         | \$ 1,674,077   |
| Construction in Progress                       | 228,129        | 2,545,329    | 0            | 2,773,458      |
| Total Capital Assets<br>Not Depreciated        | \$ 1,900,906   | \$ 2,546,629 | \$ 0         | \$ 4,447,535   |
| Capital Assets Depreciated:                    |                |              |              |                |
| Buildings and Improvements                     | \$ 26,145,834  | \$ 57,380    | \$ 0         | \$ 26,203,214  |
| Machinery and Equipment                        | 12,757,213     | 2,172,022    | (329,931)    | 14,599,304     |
| Infrastructure                                 | 121,605,425    | 2,095,104    | 0            | 123,700,529    |
| Total Capital Assets<br>Depreciated            | \$ 160,508,472 | \$ 4,324,506 | \$ (329,931) | \$ 164,503,047 |
| Less Accumulated<br>Depreciation For:          |                |              |              |                |
| Buildings and Improvements                     | \$ 10,453,982  | \$ 792,562   | \$ 0         | \$ 11,246,544  |
| Machinery and Equipment                        | 9,352,370      | 308,020      | (202,617)    | 9,457,773      |
| Infrastructure                                 | 45,022,757     | 1,723,520    | 0            | 46,746,277     |
| Total Accumulated<br>Depreciation              | \$ 64,829,109  | \$ 2,824,102 | \$ (202,617) | \$ 67,450,594  |
| Total Capital Assets<br>Depreciated, Net       | \$ 95,679,363  | \$ 1,500,404 | \$ (127,314) | \$ 97,052,453  |
| Governmental Activities<br>Capital Assets, Net | \$ 97,580,269  | \$ 4,047,033 | \$ (127,314) | \$ 101,499,988 |

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

**Governmental Activities:**

|   |                            |
|---|----------------------------|
| General Government                                      | \$ 129,889                 |
| Finance   | 33,587                     |
| Administration of Justice                               | 433,959                    |
| Public Safety   | 252,519                    |
| Public Health and Welfare                               | 552,686                    |
| Social, Cultural, and Recreational Services             | 5,527                      |
| Agriculture and Natural Resources                       | 8,181                      |
| Highways/Public Works                                   | <u>1,407,754</u>           |
| Total Depreciation Expense -<br>Governmental Activities | <u><u>\$ 2,824,102</u></u> |

**Business-type Activities:**

|   | Balance<br>7-1-22          | Increases                | Balance<br>6-30-23         |
|---|----------------------------|--------------------------|----------------------------|
| Capital Assets Not Depreciated:                 |                            |                          |                            |
| Land  | \$ 510,430                 | \$ 860,000               | \$ 1,370,430               |
| Construction in Progress                        | 66,038                     | 100,093                  | 166,131                    |
| Total Capital Assets<br>Not Depreciated         | <u>\$ 576,468</u>          | <u>\$ 960,093</u>        | <u>\$ 1,536,561</u>        |
| Capital Assets Depreciated:                     |                            |                          |                            |
| Landfill Facilities and Development             | \$ 1,826,101               | \$ 0                     | \$ 1,826,101               |
| Buildings and Improvements                      | 659,215                    | 0                        | 659,215                    |
| Machinery and Equipment                         | 4,161,956                  | 18,000                   | 4,179,956                  |
| Total Capital Assets<br>Depreciated             | <u>\$ 6,647,272</u>        | <u>\$ 18,000</u>         | <u>\$ 6,665,272</u>        |
| Less Accumulated Depreciation For:              |                            |                          |                            |
| Landfill Facilities and Development             | \$ 359,849                 | \$ 234,892               | \$ 594,741                 |
| Buildings and Improvements                      | 556,604                    | 7,219                    | 563,823                    |
| Machinery and Equipment                         | 2,958,223                  | 228,440                  | 3,186,663                  |
| Total Accumulated<br>Depreciation               | <u>\$ 3,874,676</u>        | <u>\$ 470,551</u>        | <u>\$ 4,345,227</u>        |
| Total Capital Assets<br>Depreciated, Net        | <u>\$ 2,772,596</u>        | <u>\$ (452,551)</u>      | <u>\$ 2,320,045</u>        |
| Business-type Activities<br>Capital Assets, Net | <u><u>\$ 3,349,064</u></u> | <u><u>\$ 507,542</u></u> | <u><u>\$ 3,856,606</u></u> |

There were no decreases in capital assets to report during the year ended June 30, 2023.

Depreciation expense totaling \$470,551 was charged to the Solid Waste Disposal Fund.

### **Discretely Presented Jefferson County School Department**

#### **Governmental Activities:**

|  | Balance<br>7-1-22     | Increases           | Decreases             | Balance<br>6-30-23    |
|--|-----------------------|---------------------|-----------------------|-----------------------|
| Capital Assets Not<br>Depreciated:             |                       |                     |                       |                       |
| Land   | \$ 1,492,550          | \$ 126,784          | \$ 0                  | \$ 1,619,334          |
| Construction in Progress                       | 1,745,866             | 8,488,853           | (1,187,176)           | 9,047,543             |
| Total Capital Assets<br>Not Depreciated        | <u>\$ 3,238,416</u>   | <u>\$ 8,615,637</u> | <u>\$ (1,187,176)</u> | <u>\$ 10,666,877</u>  |
| Capital Assets<br>Depreciated:                 |                       |                     |                       |                       |
| Buildings and Improvements                     | \$ 102,278,968        | \$ 1,968,509        | \$ 0                  | \$ 104,247,477        |
| Machinery and Equipment                        | 3,584,151             | 167,668             | 0                     | 3,751,819             |
| Other Capital Assets                           | 6,832,982             | 397,638             | (599,400)             | 6,631,220             |
| Total Capital Assets<br>Depreciated            | <u>\$ 112,696,101</u> | <u>\$ 2,533,815</u> | <u>\$ (599,400)</u>   | <u>\$ 114,630,516</u> |
| Less Accumulated<br>Depreciation For:          |                       |                     |                       |                       |
| Buildings and Improvements                     | \$ 40,453,603         | \$ 2,460,652        | \$ 0                  | \$ 42,914,255         |
| Machinery and Equipment                        | 2,813,577             | 150,986             | 0                     | 2,964,563             |
| Other Capital Assets                           | 4,607,260             | 415,897             | (599,400)             | 4,423,757             |
| Total Accumulated<br>Depreciation              | <u>\$ 47,874,440</u>  | <u>\$ 3,027,535</u> | <u>\$ (599,400)</u>   | <u>\$ 50,302,575</u>  |
| Total Capital Assets<br>Depreciated, Net       | <u>\$ 64,821,661</u>  | <u>\$ (493,720)</u> | <u>\$ 0</u>           | <u>\$ 64,327,941</u>  |
| Governmental Activities<br>Capital Assets, Net | <u>\$ 68,060,077</u>  | <u>\$ 8,121,917</u> | <u>\$ (1,187,176)</u> | <u>\$ 74,994,818</u>  |

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

**Governmental Activities:**

|   |                                |
|---|--------------------------------|
| Instruction   | \$ 2,794,812                   |
| Support Services  | 153,221                        |
| Operation of Non-instructional Services                     | <u>79,502</u>                  |
| <br>Total Depreciation Expense -<br>Governmental Activities | <br><u><u>\$ 3,027,535</u></u> |

**D. Construction Commitments**

At June 30, 2023, the Jefferson County General and Other General Government funds had uncompleted construction contracts totaling \$3,358,967 for the new Jefferson County Office Building project. The Other General Government Fund also had uncompleted construction contracts of \$352,795 for two school roof replacements. Funding has been received for these future expenditures.

At June 30, 2023, the Jefferson County School Department's General Purpose School fund had uncompleted construction contracts of \$74,355 for HVAC projects at three schools. Funding has been received for these future expenditures.

At June 30, 2023, the school department also had uncompleted contracts in the School Federal Projects Fund (\$2,239,037), and the nonmajor Education Capital Projects Fund (\$1,372,751) 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 has been received for the Education Capital Projects Fund's portion of the project.

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2023, was as follows:

**Due to/from Other Funds:**

| <u>Receivable Fund</u>                  | <u>Payable Fund</u>               | <u>Amount</u> |
|---|-----------------------------------|---------------|
| Primary Government:                     |                                   |               |
| General                                 | Nonmajor governmental             | \$ 400,686    |
| General Debt Service                    | Solid Waste Disposal (enterprise) | 500,000       |
| Solid Waste Disposal (enterprise)       | Nonmajor governmental             | 84,852        |
| Discretely Presented School Department: |                                   |               |
| School Federal Projects                 | General Purpose School            | 1,128         |
| Nonmajor governmental                   | "                                 | 37,029        |

The amount due to the General Debt Service Fund from the Solid Waste Disposal Fund represents the balance of an interfund loan. The amount of the loan not expected to be repaid within one year is \$333,000. The amounts due to the General Fund from the Nonmajor Other Capital Projects fund (\$393,300) represents the balance of an interfund loan. The entire amount of this loan is to be liquidated within one year. See note IV.J. for further details about these internal loans.

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

**Due to/from Primary Government and Component Units:**

The General Debt Service Fund reports \$14,575,000 as due from the discretely presented Jefferson County Nursing Home. This amount represents general obligation debt issued by the county, which is being retired by the nursing home. This receivable is reported in fund balance as Restricted for Public Health and Welfare. The amount of the receivable not expected to be received within one year is \$14,025,000. See Note VI.G. for further information about this debt.

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2023, consisted of the following amounts:

**Primary Government:**

| Transfers Out | Transfers In                    |                                 |                                   |
|---------------|---------------------------------|---------------------------------|-----------------------------------|
|               | General<br>Debt Service<br>Fund | Solid Waste<br>Disposal<br>Fund | Nonmajor<br>Governmental<br>Funds |
| General Fund  | \$ 484,368                      | \$ 500,000                      | \$ 574,104                        |
| Total         | <u>\$ 484,368</u>               | <u>\$ 500,000</u>               | <u>\$ 574,104</u>                 |

Transfers to the General Debt Service Fund represent interest rebates for the QSCB bond. Transfers to the nonmajor governmental funds represent capital projects and cash flow for the Community Development Block Grant. Transfers to the Solid Waste Disposal Fund represent funds to purchase additional land for the active landfill from the committed reserve in the General Fund.

**Discretely Presented Jefferson County School Department:**

| Transfers Out                | Transfers In                      |                                    |                                   |
|------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
|                              | General<br>Purpose<br>School Fund | School<br>Federal Projects<br>Fund | Nonmajor<br>Governmental<br>Funds |
| School Federal Projects Fund | \$ 124,679                        | \$ 0                               | \$ 0                              |
| General Purpose School Fund  | <u>0</u>                          | <u>1,000,000</u>                   | <u>4,676,885</u>                  |
| Total                        | <u>\$ 124,679</u>                 | <u>\$ 1,000,000</u>                | <u>\$ 4,676,885</u>               |

Transfers from the School Federal Project Fund to the General Purpose School Fund were to cover indirect costs related to federal programs. The transfer from the General Purpose School Fund to the School Federal Projects Fund was for additional cash flow. Transfers from the General Purpose School Fund to the nonmajor funds were for capital projects.

**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, 2023, 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 17 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, 2023, will be retired from the General Debt Service Fund.

General obligation bonds and other loans outstanding as of June 30, 2023, for governmental activities are as follows:

| Type  | Interest Rate |     | Final Maturity | Original Amount of Issue | Balance 6-30-23 |
|---|---------------|-----|----------------|--------------------------|-----------------|
| General Obligation Bonds                                      | 3%            | %   | 6-1-50         | \$ 9,750,000             | \$ 9,650,000    |
| General Obligation Refunding Bonds                            | 1.5 to 3      |     | 6-1-37         | 27,110,000               | 24,585,000      |
| 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 - Qualified School Construction Bonds             | 0             | (1) | 8-1-27         | 10,595,000               | 2,771,849       |
| Other Loans - Energy Efficient Schools Initiative             | 2.5           |     | 3-1-24         | 2,506,325                | 179,627         |

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

The annual requirements to amortize all general obligation bonds and other loans outstanding as of June 30, 2023, including interest payments and other loan fees, are presented in the following tables:



| Year Ending<br>June 30 | Bonds                |                      |                      |
|------------------------|----------------------|----------------------|----------------------|
|                        | Principal            | Interest             | Total                |
| 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            |
| 2029-2033              | 11,215,000           | 7,674,906            | 18,889,906           |
| 2034-2038              | 15,645,000           | 6,310,720            | 21,955,720           |
| 2039-2043              | 10,730,000           | 1,546,357            | 12,276,357           |
| 2044-2048              | 2,265,000            | 358,350              | 2,623,350            |
| 2049-2050              | 1,005,000            | 45,450               | 1,050,450            |
| Total                  | <u>\$ 50,235,000</u> | <u>\$ 25,405,190</u> | <u>\$ 75,640,190</u> |

| Year Ending<br>June 30 | Other Loans - Direct Placement |                     |                  |                     |
|------------------------|--------------------------------|---------------------|------------------|---------------------|
|                        | Principal                      | Interest            | Other Fees       | Total               |
| 2024                   | \$ 840,739                     | \$ 521,325          | \$ 8,476         | \$ 1,370,540        |
| 2025                   | 661,112                        | 515,511             | 8,476            | 1,185,099           |
| 2026                   | 661,112                        | 513,645             | 8,476            | 1,183,233           |
| 2027                   | 726,190                        | 513,645             | 8,476            | 1,248,311           |
| 2028                   | 62,323                         | 50,586              | 2,122            | 115,031             |
| Total                  | <u>\$ 2,951,476</u>            | <u>\$ 2,114,712</u> | <u>\$ 36,026</u> | <u>\$ 5,102,214</u> |

There is \$33,408,879 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$919, based on the 2020 federal census. Total debt per capita, including bonds, other loans, and unamortized debt premiums, totaled \$1,019 based on the 2020 federal census.

The Jefferson County Nursing Home is currently contributing funds to service the total \$14,575,000 in debt issued on its behalf by the primary government. This debt is reflected as due to the Primary Government in the financial statements of the Jefferson County Nursing Home and as a Due from Component Units in the financial statements of the primary government.

### Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2023, was as follows:

#### **Governmental Activities:**

|                             | Bonds                | Other<br>Loans -<br>Direct<br>Placement |
|-----------------------------|----------------------|---|
| Balance, July 1, 2022       | \$ 53,305,000        | \$ 7,286,876                            |
| Reductions                  | (3,070,000)          | (4,335,400)                             |
| Balance, June 30, 2023      | <u>\$ 50,235,000</u> | <u>\$ 2,951,476</u>                     |
| Balance Due Within One Year | <u>\$ 1,655,000</u>  | <u>\$ 840,739</u>                       |

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

|  |                      |
|--|----------------------|
| Total Noncurrent Liabilities - Debt, June 30, 2023                       | \$ 53,186,476        |
| Less: Balance Due Within One Year - Debt                                 | (2,495,739)          |
| Add: Unamortized Premium on Debt   | <u>2,548,391</u>     |
| Noncurrent Liabilities - Due in<br>More Than One Year - Debt - Exhibit A | <u>\$ 53,239,128</u> |

#### **G. Long-term Obligations**

### Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2023, was as follows:

#### **Governmental Activities:**

|                             | Other<br>Postemployment<br>Benefits | Compensated<br>Absences |
|-----------------------------|-------------------------------------|-------------------------|
| Balance, July 1, 2022       | \$ 641,540                          | \$ 527,878              |
| Additions                   | 84,643                              | 638,367                 |
| Reductions                  | (253,716)                           | (665,964)               |
| Balance, June 30, 2023      | <u>\$ 472,467</u>                   | <u>\$ 500,281</u>       |
| Balance Due Within One Year | <u>\$ 0</u>                         | <u>\$ 350,196</u>       |

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

|   |                  |
|---|------------------|
| Total Noncurrent Liabilities - Other, June 30, 2023 | \$ 972,748       |
| Less: Balance Due Within One Year - Other           | <u>(350,196)</u> |

|   |                          |
|---|--------------------------|
| Noncurrent Liabilities - Due in More Than<br>One Year - Other - Exhibit A | <u><u>\$ 622,552</u></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, 2023, was as follows:

**Business-type Activities:**

|                             | Compensated<br>Absences | Other<br>Post-<br>Employment<br>Benefits | Closure/<br>Postclosure<br>Care<br>Costs |
|-----------------------------|-------------------------|--|--|
| Balance, July 1, 2022       | \$ 17,079               | \$ 36,454                                | \$ 2,966,474                             |
| Additions                   | 17,035                  | 4,306                                    | 481,527                                  |
| Reductions                  | <u>(18,174)</u>         | <u>(16,722)</u>                          | <u>(102,169)</u>                         |
| Balance, June 30, 2023      | <u><u>\$ 15,940</u></u> | <u><u>\$ 24,038</u></u>                  | <u><u>\$ 3,345,832</u></u>               |
| Balance Due Within One Year | <u><u>\$ 2,817</u></u>  | <u><u>\$ 0</u></u>                       | <u><u>\$ 130,818</u></u>                 |

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

|   |                  |
|---|------------------|
| Total Noncurrent Liabilities - Other, June 30, 2023 | \$ 3,385,810     |
| Less: Balance Due Within One Year - Other           | <u>(133,635)</u> |

|   |                            |
|---|----------------------------|
| Noncurrent Liabilities - Due in More<br>Than One Year - Other - Exhibit A | <u><u>\$ 3,252,175</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, 2023, was as follows:

#### **Governmental Activities:**

|                             | Compensated<br>Absences | Termination<br>Benefits |
|-----------------------------|-------------------------|-------------------------|
| Balance, July 1, 2022       | \$ 745,338              | \$ 154,301              |
| Additions                   | 851,586                 | 86,120                  |
| Reductions                  | (145,728)               | (114,828)               |
| Balance, June 30, 2023      | <u>\$ 1,451,196</u>     | <u>\$ 125,593</u>       |
| Balance Due Within One Year | <u>\$ 235,982</u>       | <u>\$ 64,590</u>        |

|                             | Other<br>Postemployment<br>Benefits |
|-----------------------------|-------------------------------------|
| Balance, July 1, 2022       | \$ 11,773,002                       |
| Additions                   | 1,065,986                           |
| Reductions                  | (1,849,854)                         |
| Balance, June 30, 2023      | <u>\$ 10,989,134</u>                |
| Balance Due Within One Year | <u>\$ 0</u>                         |

#### **Analysis of Other Noncurrent Liabilities Presented on Exhibit A:**

|   |                      |
|---|----------------------|
| Total Noncurrent Liabilities - Other, June 30, 2023                       | \$ 12,565,923        |
| Less: Balance Due Within One Year - Other                                 | <u>(300,572)</u>     |
| Noncurrent Liabilities - Due in More<br>Than One Year - Other - Exhibit A | <u>\$ 12,265,351</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 \$38,611,476 at June 30, 2023. 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 \$2,547,529 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, 2023, were \$259,947. 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 and General Debt Service Funds. The balances of those internal loans are reflected as Due from Other Funds in the General and General Debt Service Funds 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<br>Amount<br>of Issue | Interest<br>Rate | Date<br>of<br>Issue | Last<br>Maturity<br>Date |     |
|--|--------------------------------|------------------|---------------------|--------------------------|-----|
| <u>Due to General Fund<br/>from Other Capital<br/>Projects Fund</u>            |                                |                  |                     |                          |     |
| Capital Outlay<br>Note - Series 2023<br>(Cash Flow)                            | \$ 393,300                     | 0                | 6-28-23             | 6-30-24                  |     |
| <u>Due to General Debt Service<br/>Fund from Solid Waste<br/>Disposal Fund</u> |                                |                  |                     |                          |     |
| Capital Outlay<br>Note - Series 2019<br>(Landfill Cell)                        | 850,000                        | 1                | 5-8-20              | 6-01-26                  | (1) |

(1) The original issue was scheduled to be liquidated on 6-01-23; however, the county commission issued an extension note to extend the maturity date until 6-01-26.

|  | Outstanding<br>7-1-22 | Issued<br>During<br>Period | Paid and/or<br>Matured<br>During<br>Period | Outstanding<br>6-30-23 |
|--|-----------------------|----------------------------|--|------------------------|
| <u>Due to General Fund<br/>from Other Capital<br/>Projects Fund</u>            |                       |                            |  |                        |
| Capital Outlay<br>Note - Series 2023<br>(Cash Flow)                            | \$ 0                  | \$ 393,300                 | \$ 0                                       | \$ 393,300             |
| <u>Due to General Debt Service<br/>Fund from Solid Waste<br/>Disposal Fund</u> |                       |                            |  |                        |
| Capital Outlay<br>Note - Series 2019<br>(Landfill Cell)                        | 660,000               | 0                          | (160,000)                                  | 500,000                |
| Total  | \$ 660,000            | \$ 393,300                 | \$ (160,000)                               | \$ 893,300             |

**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<br>Fiscal Year<br>Liability | Current-Year<br>Claims and<br>Estimates | Payments   | Balance<br>at Fiscal<br>Year-end |
|---|--|---|------------|----------------------------------|
| <u>Primary Government</u>                         |  |   |            |                                  |
| 2021-2022   | \$ 8,814                                 | \$ 155,944                              | \$ 158,750 | \$ 6,008                         |
| 2022-2023   | 6,008                                    | 143,840                                 | 143,491    | 6,357                            |
| <u>Discretely Presented<br/>School Department</u> |  |   |            |                                  |
| 2021-2022   | \$ 22,203                                | \$ 495,798                              | \$ 485,599 | \$ 32,402                        |
| 2022-2023   | 32,402                                   | 474,963                                 | 473,873    | 33,492                           |

**B. Accounting Changes**

GASB Statement No. 91, *Conduit Debt Obligations*, became effective for fiscal year ending June 30, 2023. This statement clarifies what is considered conduit debt and the requirements of when to disclose liabilities and commitments concerning conduit debt.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, became effective for fiscal year ending June 30, 2023. This statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, became effective for fiscal year ending June 30, 2023. This standard establishes a definition for SBITAs and provides uniform guidance for accounting and financial reporting for transactions that meet that definition. This statement also establishes criteria for the recognition of implementation costs and requires a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement.

GASB Statement No. 99, *Omnibus 2022*, 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 including Financial Guarantees; Derivative Instruments;



Leases, PPPs, and SBITAs; LIBOR rate replacement; and other technical updates and corrections.

**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, 2023, 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**

Director of Schools Dr. Shane Johnston retired on July 1, 2022, and was succeeded by Dr. Tommy Arnold effective July 2, 2022.

**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 \$3,345,832 reported as landfill closure and postclosure care liability at June 30, 2023, represents the cumulative amount reported to date based on the use of 19.68 percent of the estimated capacity of the operating Patterson Landfill site (\$2,924,731) and postclosure care costs for the Highway 92 landfill site, which closed in 1993 (\$421,101). The amounts reported as closure/postclosure liability at June 30, 2023, are based on what it would cost to perform all closure and postclosure care costs in 2023. 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 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, 2023, 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 52.79 percent, the non-certified employees of the discretely presented school department comprise 27.2 percent, and employees of the discretely presented Jefferson County Nursing Home comprise 20.01 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 49.21 percent, the non-certified employees of the discretely presented school department comprise 27.87 percent, and employees of the discretely presented Jefferson County Nursing Home comprise

22.92 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, 2022, the following employees were covered by the benefit terms:

|  |                     |
|--|---------------------|
| Inactive Employees or Beneficiaries Currently        |                     |
| Receiving Benefits                                   | 565                 |
| Inactive Employees Entitled to But Not Yet Receiving |                     |
| Benefits   | 530                 |
| Active Employees                                     | 412                 |
| Total  | <u><u>1,507</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, 2023, the employer contribution for Jefferson County was \$1,693,438 based on a rate of ten percent of covered payroll. The minimum rate

established by the Board of Trustees was 9.35 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, 2022, 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, 2022, 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, 2022, 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 reflect more closely 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<br>Long-term<br>Expected<br>Real Rate<br>of Return | Percentage<br>Target<br>Allocations |
|-----------------------|---|-------------------------------------|
| U.S. Equity           | 4.88  | 31                                  |
| Developed Market      |   |                                     |
| International Equity  | 5.37  | 14                                  |
| Emerging Market       |   |                                     |
| International Equity  | 6.09  | 4                                   |
| Private Equity and    |   |                                     |
| Strategic Lending     | 6.57  | 20                                  |
| U.S. Fixed Income     | 1.20  | 20                                  |
| Real Estate           | 4.38  | 10                                  |
| Short-term Securities | 0.00  | 1                                   |
| Total                 |   | 100                                 |

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 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<br>Pension<br>Liability<br>(a) | Plan<br>Fiduciary<br>Net Position<br>(b) | Net<br>Pension<br>Liability<br>(Asset)<br>(a)-(b) |
| Balance, July 1, 2021   | \$ 97,912,013                        | \$ 112,812,852                           | \$ (14,900,839)                                   |
| Changes for the Year:   |                                      |  |   |
| Service Cost  | \$ 1,569,890                         | \$ 0                                     | \$ 1,569,890                                      |
| Interest  | 6,571,148                            | 0  | 6,571,148   |
| Differences Between Expected<br>and Actual Experience               | 1,727,875                            | 0  | 1,727,875   |
| Contributions-Employer  | 0                                    | 1,428,946                                | (1,428,946)                                       |
| Net Investment Income   | 0                                    | (4,260,779)                              | 4,260,779   |
| Benefit Payments, Including<br>Refunds of Employee<br>Contributions | (4,263,112)                          | (4,263,112)                              | 0   |
| Administrative Expense  | 0                                    | (41,764)                                 | 41,764  |
| Net Changes   | \$ 5,605,801                         | \$ (7,136,709)                           | \$ 12,742,510                                     |
| Balance, June 30, 2022  | \$ 103,517,814                       | \$ 105,676,143                           | \$ (2,158,329)                                    |

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

|                           | Total<br>Pension<br>Liability | Plan<br>Fiduciary<br>Net<br>Position | Net<br>Pension<br>Liability<br>(Asset) |
|---------------------------|-------------------------------|--------------------------------------|--|
| Primary Government 52.79% | \$ 54,647,054                 | \$ 55,786,436                        | \$ (1,139,382)                         |
| School Department 27.20%  | 28,156,845                    | 28,743,911                           | (587,065)                              |
| Nursing Home 20.01%       | 20,713,915                    | 21,145,796                           | (431,882)                              |
| Total                     | \$ 103,517,814                | \$ 105,676,143                       | \$ (2,158,329)                         |

*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%<br>Decrease | Current<br>Discount<br>Rate | 1%<br>Increase |
|------------------|----------------|-----------------------------|----------------|
| Jefferson County | 5.75%          | 6.75%                       | 7.75%          |

Net Pension Liability (Asset)    \$ 11,799,146    \$ (2,158,329)    \$ (13,676,351)

**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, 2023, Jefferson County recognized pension expense (negative pension expense) of \$2,272,763.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, Jefferson County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred<br>Outflows<br>of<br>Resources | Deferred<br>Inflows<br>of<br>Resources |
|--|---|--|
| Difference Between Expected and Actual Experience                                | \$ 1,295,906                            | \$ 412,430                             |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 123,442                                 | 0                                      |
| Changes in Assumptions   | 3,902,698                               | 0                                      |
| Contributions Subsequent to the Measurement Date of June 30, 2022 (1)            | 1,693,438                               | N/A                                    |
| Total  | <u>\$ 7,015,484</u>                     | <u>\$ 412,430</u>                      |

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2022,” 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<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--------------------|--------------------------------------|-------------------------------------|
| Primary Government | \$ 3,740,515                         | \$ 217,722                          |
| School Department  | 1,893,004                            | 112,181                             |
| Nursing Home       | 1,381,965                            | 82,527                              |
| Total              | <u>\$ 7,015,484</u>                  | <u>\$ 412,430</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<br>June 30 | Amount       |
|------------------------|--------------|
| 2024                   | \$ 1,528,189 |
| 2025                   | 1,595,908    |
| 2026                   | (570,199)    |
| 2027                   | 2,355,717    |
| 2028                   | 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 49.21 percent, the non-certified employees of the discretely presented school department comprise 27.87 percent, and employees of the discretely presented Jefferson County Nursing Home comprise 22.92 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, 2022, the following employees were covered by the benefit terms:

|   |            |
|---|------------|
| Inactive Employees or Beneficiaries Currently<br>Receiving Benefits | 3          |
| Inactive Employees Entitled to But Not Yet Receiving<br>Benefits    | 343        |
| Active Employees  | 382        |
| Total   | <u>728</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 2.62 percent of covered payroll. Employer contributions for the year ended June 30, 2023, to the Retirement Plan were \$358,765. In addition, employer contributions of \$164,458 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, 2022, 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, 2022, 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, 2022, 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 reflect more closely 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<br>Long-term<br>Expected<br>Real Rate<br>of Return | Percentage<br>Target<br>Allocations |
|---|---|-------------------------------------|
| U.S. Equity<br>Developed Market                                 | 4.88  | 31                                  |
| International Equity<br>Emerging Market                         | 5.37  | 14                                  |
| International Equity<br>Private Equity and<br>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<br>Pension<br>Liability<br>(a) | Plan<br>Fiduciary<br>Net Position<br>(b) | Net Pension<br>Liability<br>(Asset)<br>(a)-(b) |
| Balance, July 1, 2021   | \$ 1,594,122                         | \$ 1,935,364                             | \$ (341,242)                                   |
| Changes for the Year:   |                                      |  |  |
| Service Cost  | \$ 565,562                           | \$ 0                                     | \$ 565,562                                     |
| Interest  | 143,633                              | 0  | 143,633  |
| Differences Between Expected<br>and Actual Experience               | 131,501                              | 0  | 131,501  |
| Contributions-Employer  | 0                                    | 212,373                                  | (212,373)                                      |
| Contributions-Employees   | 0                                    | 508,070                                  | (508,070)                                      |
| Net Investment Income   | 0                                    | (85,951)                                 | 85,951   |
| Benefit Payments, Including<br>Refunds of Employee<br>Contributions | (63,564)                             | (63,564)                                 | 0  |
| Administrative Expense  | 0                                    | (34,211)                                 | 34,211   |
| Net Changes   | \$ 777,132                           | \$ 536,717                               | \$ 240,415                                     |
| Balance, June 30, 2022  | \$ 2,371,254                         | \$ 2,472,081                             | \$ (100,827)                                   |

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

|                    |        | Total<br>Pension<br>Liability | Plan<br>Fiduciary<br>Net<br>Position | Net<br>Pension<br>Liability<br>(Asset) |
|--------------------|--------|-------------------------------|--------------------------------------|--|
| Primary Government | 49.21% | \$ 1,166,894                  | \$ 1,216,511                         | \$ (49,617)                            |
| School Department  | 27.87% | 660,868                       | 688,969                              | (28,100)                               |
| Nursing Home       | 22.92% | 543,491                       | 566,601                              | (23,110)                               |
| Total              |        | \$ 2,371,254                  | \$ 2,472,081                         | \$ (100,827)                           |

*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%<br>Decrease | Current<br>Discount<br>Rate | 1%<br>Increase |
|------------------|----------------|-----------------------------|----------------|
| Jefferson County | 5.75%          | 6.75%                       | 7.75%          |

Net Pension Liability (Asset)    \$    435,285    \$    (100,827)    \$    (503,308)

**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, 2023, Jefferson County recognized pension expense of \$132,829.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, Jefferson County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred<br>Outflows<br>of<br>Resources | Deferred<br>Inflows<br>of<br>Resources |
|--|---|--|
| Difference Between Expected and Actual Experience                                | \$    164,862                           | \$            138                      |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 47,656                                  | 0                                      |
| Changes in Assumptions   | 85,678                                  |  |
| Contributions Subsequent to the Measurement Date of June 30, 2022 (1)            | 358,765                                 | N/A                                    |
| Total  | <u>\$    656,961</u>                    | <u>\$            138</u>               |

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2022,” 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<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--------------------|--------------------------------------|-------------------------------------|
| Primary Government | \$ 325,454                           | \$ 68                               |
| School Department  | 195,548                              | 38                                  |
| Nursing Home       | 135,959                              | 32                                  |
| Total              | <u>\$ 656,961</u>                    | <u>\$ 138</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<br>June 30 | Amount    |
|------------------------|-----------|
| 2024                   | \$ 49,587 |
| 2025                   | 49,785    |
| 2026                   | 45,792    |
| 2027                   | 95,863    |
| 2028                   | 38,248    |
| Thereafter             | 18,786    |

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, 2023, to the Teacher Retirement Plan were \$303,534, which is 2.87 percent of covered payroll. In addition, employer contributions of \$115,006 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, 2023, the school department reported a liability (asset) of (\$159,934) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022, 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, 2022, the school department's proportion was .527966 percent. The proportion as of June 30, 2021, was .481883 percent.

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2023, the school department recognized pension expense of \$221,015.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred<br>Outflows<br>of<br>Resources | Deferred<br>Inflows<br>of<br>Resources |
|--|---|--|
| Difference Between Expected and Actual Experience                                | \$ 8,745                                | \$ 97,170                              |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 50,412                                  | 0                                      |
| Changes in Assumptions   | 187,355                                 | 0                                      |
| Changes in Proportion of Net Pension Liability (Asset)                           | 2,951                                   | 55,446                                 |
| LEA's Contributions Subsequent to the Measurement Date of June 30, 2022          | 303,534                                 | N/A                                    |
| Total  | <u>\$ 552,997</u>                       | <u>\$ 152,616</u>                      |

The school department's employer contributions of \$303,534, 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, 2024. 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<br>June 30 | Amount     |
|------------------------|------------|
| 2024                   | \$ (1,342) |
| 2025                   | (828)      |
| 2026                   | (9,112)    |
| 2027                   | 78,693     |
| 2028                   | 4,250      |
| Thereafter             | 25,187     |

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, 2022, 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, 2022, 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 reflect more closely 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<br>Long-term<br>Expected<br>Real Rate<br>of Return | Percentage<br>Target<br>Allocations |
|---|---|-------------------------------------|
| U.S. Equity<br>Developed Market                                 | 4.88 %  | 31 %                                |
| International Equity<br>Emerging Market                         | 5.37  | 14                                  |
| International Equity<br>Private Equity and<br>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<br>Proportionate Share of<br>the Net Pension<br>Liability (Asset) | 1%<br>Decrease<br>5.75% | Current<br>Discount<br>Rate<br>6.75% | 1%<br>Increase<br>7.75% |
|---|-------------------------|--------------------------------------|-------------------------|
|---|-------------------------|--------------------------------------|-------------------------|

Net Pension Liability (Asset)   \$   839,561   \$   (159,934)   \$   (889,873)

*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**

*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, 2023, to the Teacher Legacy Pension Plan were \$1,715,612, which is 8.69 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, 2023, the school department reported a liability (asset) of (\$7,720,887) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022, 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, 2022, the school department's proportion was .629554 percent. The proportion measured at June 30, 2021, was .667500 percent.

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2023, the school department recognized pension expense (negative pension expense) of \$244,326.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred<br>Outflows<br>of<br>Resources | Deferred<br>Inflows<br>of<br>Resources |
|--|---|--|
| Difference Between Expected and<br>Actual Experience                                   | \$ 1,270,057                            | \$ 1,304,595                           |
| Changes in Assumptions   | 4,836,764                               | 0                                      |
| Net Difference Between Projected and<br>Actual Earnings on Pension Plan<br>Investments | 132,023                                 | 0                                      |
| Changes in Proportion of Net Pension<br>Liability (Asset)                              | 523,720                                 | 3,091                                  |
| LEA's Contributions Subsequent to the<br>Measurement Date of June 30, 2022             | 1,715,612                               | N/A                                    |
| Total  | <u>\$ 8,478,176</u>                     | <u>\$ 1,307,686</u>                    |

The school department's employer contributions of \$1,715,612 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, 2024. 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<br>June 30 | Amount      |
|------------------------|-------------|
| 2024                   | \$ 954,590  |
| 2025                   | 1,611,363   |
| 2026                   | (1,186,153) |
| 2027                   | 4,075,078   |
| 2028                   | 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, 2022, 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, 2022, 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 reflect more closely 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<br>Long-term<br>Expected<br>Real Rate<br>of Return |   | Percentage<br>Target<br>Allocations |   |
|---|---|---|-------------------------------------|---|
| U.S. Equity<br>Developed Market                                 | 4.88  | % | 31                                  | % |
| International Equity<br>Emerging Market                         | 5.37  |   | 14                                  |   |
| International Equity<br>Private Equity and<br>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<br>Proportionate Share of<br>the Net Pension<br>Liability (Asset) | 1%<br>Decrease<br>5.75% | Current<br>Discount<br>Rate<br>6.75% | 1%<br>Increase<br>7.75% |
|---|-------------------------|--------------------------------------|-------------------------|

Net Pension Liability (Asset)   \$   15,292,416   \$   (7,720,887)   \$   (26,889,440)

*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 \$321,402 and \$66,697, respectively, and the school department and its employees contributed \$205,102 and \$74,786, respectively, to the 401(k) portion of the hybrid retirement plan. The school department contributed \$523,061 and teachers contributed \$335,415 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, 2022, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the June 30, 2022, 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                          | 3.54%  |
| Healthcare Cost Trend Rates            | Based on the Getzen Model, with trend starting at 8.37% for for pre-65 retirees and 8.99% for post-65 retirees in the 2023 calendar year, and decreasing annually over a 7 year period to an ultimate trend rate of 4.5% |
| Retirees Share of Benefit Related Cost | Discussed under each plan  |

The discount rate was 3.54 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, 2022, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2022, valuations were the same as those employed in the July 1, 2021, 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 reflect more closely 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 2.16 percent as of the beginning of the measurement period to 3.54 percent as of the measurement date of June 30, 2022. This change in assumption decreased 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 7.36 percent to 8.37 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, 2022, the following employees were covered by the benefit terms:

|   | <u>Primary<br/>Government</u> |
|---|-------------------------------|
| Inactive Employees or Beneficiaries Currently<br>Receiving Benefits | 5                             |
| Inactive Employees Entitled to But Not<br>Yet Receiving Benefits    | 0                             |
| Active Employees Eligible for Benefits                              | 419                           |
| Total   | <u><u>424</u></u>             |

Employees of Jefferson County primary government comprise 79.19 percent of the plan and employees of the discretely presented Jefferson County Nursing Home comprise 20.81 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, 2023, the county paid \$26,407 to the LGP for OPEB benefits as they came due.

Changes in the Total OPEB Liability

|   | Primary<br>Government<br>79.1906% | Jefferson<br>County<br>Nursing<br>Home<br>20.8094% | Total        |
|---|-----------------------------------|--|--------------|
| Balance July 1, 2021                                    | \$ 677,994                        | \$ 180,092   | \$ 858,086   |
| Changes for the Year:                                   |                                   |  |              |
| Service Cost  | \$ 72,803                         | \$ 19,131  | \$ 91,934    |
| Interest  | 16,146                            | 4,243  | 20,389       |
| Difference between<br>Expected and Actual<br>Experience | (28,258)                          | (7,426)  | (35,684)     |
| Changes in Assumption<br>and Other Inputs               | (232,510)                         | (63,001)   | (295,511)    |
| Benefit Payments  | (9,671)                           | (2,569)  | (12,240)     |
| Net Changes   | \$ (181,490)                      | \$ (49,622)  | \$ (231,112) |
| Balance June 30, 2022                                   | \$ 496,504                        | \$ 130,470   | \$ 626,974   |

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, the plan recognized OPEB expense (negative OPEB expense) of (\$23,141). At June 30, 2023, the plan reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| Primary Government:  | Deferred<br>Outflows<br>of<br>Resources | Deferred<br>Inflows<br>of<br>Resources |
|--|---|--|
| Difference Between Expected and<br>Actual Experience         | \$ 0                                    | \$ 228,844                             |
| Changes of Assumptions/Inputs                                | 83,075                                  | 381,104                                |
| Benefits Paid After the Measurement Date<br>of June 30, 2022 | 20,912                                  | 0                                      |
| Total  | \$ 103,987                              | \$ 609,948                             |

**Jefferson County Nursing Home:**

|  | Deferred<br>Outflows<br>of<br>Resources | Deferred<br>Inflows<br>of<br>Resources |
|--|---|--|
| Difference Between Expected and<br>Actual Experience         | \$ 0                                    | \$ 60,136                              |
| Changes of Assumptions/Inputs                                | 21,830                                  | 100,145                                |
| Benefits Paid After the Measurement Date<br>of June 30, 2022 | 5,495                                   | 0                                      |
| Total  | <u>\$ 27,325</u>                        | <u>\$ 160,281</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<br>June 30 | Primary<br>Government | Jefferson<br>County<br>Nursing<br>Home | Total        |
|------------------------|-----------------------|--|--------------|
| 2024                   | \$ (107,275)          | \$ (28,189)                            | \$ (135,464) |
| 2025                   | (107,275)             | (28,189)                               | (135,464)    |
| 2026                   | (107,275)             | (28,189)                               | (135,464)    |
| 2027                   | (80,386)              | (21,123)                               | (101,509)    |
| 2028                   | (73,436)              | (19,297)                               | (92,733)     |
| Thereafter             | (51,228)              | (13,462)                               | (64,690)     |

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<br>2.54%   |                   | 1% Increase<br>4.54% |
| Primary Government            | \$ 534,088             | \$ 496,504        | \$ 461,398           |
| Jefferson County Nursing Home | 140,345                | 130,470           | 121,244              |
| Total OPEB Liability          | <u>\$ 674,433</u>      | <u>\$ 626,974</u> | <u>\$ 582,642</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<br>7.37% & 7.99%<br>to 3.5% |                   | 1% Increase<br>9.37% & 9.99%<br>to 5.5% |
| Primary Government                | \$ 444,980                              | \$ 496,504        | \$ 556,778                              |
| Jefferson County Nursing Home     | 116,930                                 | 130,470           | 146,308                                 |
| Total OPEB Liability              | <u>\$ 561,910</u>                       | <u>\$ 626,974</u> | <u>\$ 703,086</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 \$260 to \$651 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, 2022, the following employees were covered by the benefit terms:

|   | <u>School<br/>Department</u> |
|---|------------------------------|
| Inactive Employees or Beneficiaries Currently<br>Receiving Benefits | 72                           |
| Inactive Employees Entitled to But Not<br>Yet Receiving Benefits    | 1                            |
| Active Employees Eligible for Benefits                              | <u>521</u>                   |
| Total   | <u><u>594</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 \$746,971 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>Total OPEB</u>    |
|  | <u>School Department</u>             | <u>TN</u>           |                      |
|  | <u>70.4972%</u>                      | <u>29.5028%</u>     | <u>Liability</u>     |
| Balance July 1, 2021                                       | \$ 11,773,002                        | \$ 4,672,174        | \$ 16,445,176        |
| Changes for the Year:                                      |                                      |                     |                      |
| Service Cost   | \$ 596,036                           | \$ 249,440          | \$ 845,476           |
| Interest   | 256,406                              | 107,305             | 363,711              |
| Difference between<br>Expected and Actuarial<br>Experience | 213,501                              | 89,349              | 302,850              |
| Changes in Assumption<br>and Other Inputs                  | (1,029,236)                          | (430,731)           | (1,459,967)          |
| Change in Proportion                                       | (179,612)                            | 179,612             | 0                    |
| Benefit Payments   | (640,963)                            | (268,240)           | (909,203)            |
| Net Changes  | <u>\$ (783,868)</u>                  | <u>\$ (73,265)</u>  | <u>\$ (857,133)</u>  |
| Balance June 30, 2022                                      | <u>\$ 10,989,134</u>                 | <u>\$ 4,598,909</u> | <u>\$ 15,588,043</u> |

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 \$287,212 in revenue for subsidies provided by non-employer 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 70.4972 percent and the State of Tennessee's share was 29.5028 percent.

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, the school department recognized OPEB expense of \$336,624, which includes expenses funded by subsidies provided by the state. At June 30, 2023, 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<br>Outflows<br>of<br>Resources | Deferred<br>Inflows<br>of<br>Resources |
|--|---|--|
| Difference Between Expected and<br>Actual Experience   | \$ 810,909                              | \$ 2,665,831                           |
| Changes of Assumptions/Inputs  | 846,696                                 | 2,011,774                              |
| Changes in Proportion and Differences Between<br>Amounts Paid as Benefits Came Due and<br>Proportionate Share Amounts Paid by the<br>Employer and Nonemployer Contributors<br>As Benefits Came Due | 99,679                                  | 1,135,579                              |
| Benefits Paid After the Measurement Date<br>of June 30, 2022   | 746,971                                 | 0                                      |
| Total  | <u>\$ 2,504,255</u>                     | <u>\$ 5,813,184</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:

| <u>Year Ending<br/>June 30</u> | <u>School<br/>Department</u> |
|--------------------------------|------------------------------|
| 2024                           | \$ (803,032)                 |
| 2025                           | (803,032)                    |
| 2026                           | (803,032)                    |
| 2027                           | (796,332)                    |
| 2028                           | (609,447)                    |
| Thereafter                     | (241,025)                    |

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%<br>Decrease<br>2.54% | Current<br>Discount<br>Rate<br>3.54% | 1%<br>Increase<br>4.54% |
|----------------------|-------------------------|--------------------------------------|-------------------------|
|----------------------|-------------------------|--------------------------------------|-------------------------|

Proportionate Share of the  
Collective Total OPEB Liability \$ 11,749,754 \$ 10,989,134 \$ 10,266,941

*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%<br>Decrease<br>7.37% & 7.99%<br>to 3.5% | Current<br>Rates<br>8.37% & 8.99%<br>to 4.5% | 1%<br>Increase<br>9.37% & 9.99%<br>to 5.5% |
|-----------------------------------|--|--|--|
|-----------------------------------|--|--|--|

Proportionate Share of the  
Collective Total OPEB Liability \$ 9,956,719 \$ 10,989,134 \$ 12,184,839

#### **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 2022-23 year, 18 employees participated in the program. The financial statements of this report reflect expenditures of \$106,667 in the General Purpose School Fund for the retirement incentive payments. A nondiscounted long-term liability of \$125,593 is reflected on the government-wide Statement of Net Position for retirement incentives. Of that amount, \$64,590 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 Events**

In July 2023, Jefferson County issued a capital outlay note in the amount of \$2,200,000 for the Solid Waste Disposal Fund.

In October 2023, Jefferson County General Debt Service Fund issued a \$500,000 interfund loan to the Solid Waste Disposal Fund for cash flow. Also in October 2023, Jefferson County issued an Energy Efficient School Initiative Loan in the amount of \$2,094,091 for energy upgrades for the school department.

**VI. OTHER NOTES – DISCRETELY PRESENTED JEFFERSON COUNTY NURSING HOME**

**A. Summary of Significant Accounting Policies**

Jefferson County Nursing Home dba Jefferson Park at Dandridge and Jefferson Park at White Pine 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.

The construction of the 36 bed Jefferson Park at White Pine facility was completed during 2023 and received its first resident in May 2023.

**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 \$454,992, as of June 30, 2023, 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, 2023. 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, 2023, 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 generally 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 \$245,000 for the year ended June 30, 2023.

**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. Non-exchange 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 changes in experience, assumptions, and investment earnings, pension contributions after the measurement date, and OPEB contributions after the measurement date and changes in assumptions.

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 changes in experience and OPEB changes in experience and assumptions.

**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<br/>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, 2023, the nursing home had restricted component of net position – expendable of \$454,992, 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, 2023, 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 2020, the GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements ("GASB 96"), which addresses the accounting for the costs related to cloud computing agreements. To capture this variety of products and services, GASB has chosen the term subscription-based information technology arrangements ("SBITA"). The standard defines a SBITA, establishes that a SBITA would result in a right-to-use ("RTU") asset and a corresponding liability, provides capitalization criteria, and requires new note disclosures. The guidance is effective for fiscal years beginning after June 15, 2022. The nursing home adopted GASB 96 as of July 1, 2022, and determined the impact of the adoption was not material to the financial statements for the year

ended June 30, 2023. GASB 96 also requires that comparative statements be restated as necessary; however, management determined that the impact to the change in net position for the year ended June 30, 2022, resulting from the adoption of GASB 96 was not material. Accordingly, no RTU asset and corresponding liability was recorded as of June 30, 2023.

**B. COVID-19 Pandemic**

In January 2020, the Secretary of the U.S. Department of Health and Human Services ("HHS") declared a national public health emergency due to a novel strain of coronavirus ("COVID-19"). In March 2020, the World Health Organization ("WHO") 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 remained committed to protecting the health and safety of its residents and employees and responded to the evolving COVID-19 situation while taking steps to continue providing quality care. The nursing home closely followed 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 also took steps to secure its supply chain and implemented emergency planning. Nevertheless, COVID-19 continued impacting the nursing home's operations and may yet impact future financial results that the nursing home is not currently able to quantify. HHS and WHO declared an end to the COVID-19 pandemic in May 2023; however, disruptions to the nursing home's operations as a result of various new strains of COVID-19 could continue to have an effect on the nursing home's 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. There was no PRF received or earned during 2023.

The nursing home received an additional \$564,500 of TennCare funding during 2023, 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 expected to be phased out by December 31, 2023.

**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. There were no scholarships awarded during the year ended June 30, 2023.

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.G. 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 \$3,070,924 during 2023.

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, 2023.

**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. Medicare Advantage - Commercial Payors**

The nursing home has entered into payment agreements with certain Medicare Advantage Part C 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, 2023, the nursing home had net receivables from the federal government (Medicare Part A and B) of approximately \$513,000 and from Medicaid of approximately \$976,000. Medicare Part A comprised 12 percent of patient service revenue (excluding Provider Relief Funds) for the year ended June 30, 2023. Medicaid comprised 47 percent of patient service revenue (excluding Provider Relief Funds) for the year ended June 30, 2023. Medicare Advantage Part C comprised nine percent of patient service revenue (excluding Provider Relief Funds) for the year ended June 30, 2023.

**E. Inventories**

A summary of inventories as of June 30, 2023, was as follows:

|                       |                         |
|-----------------------|-------------------------|
| Food                  | \$ 12,710               |
| Medical Supplies      | 17,223                  |
| Housekeeping Supplies | 4,024                   |
| Maintenance Supplies  | <u>9,427</u>            |
| Total                 | <u><u>\$ 43,384</u></u> |

**F. Property and Equipment**

The net investment in capital assets as of June 30, 2023, is as follows:

|  |                            |
|--|----------------------------|
| Property and Equipment, Net  | \$ 17,292,271              |
| Current portion of Due to Primary Government                                   | (550,000)                  |
| Due to Primary Government, Excluding Current Portion                           | (14,025,000)               |
| Restricted cash held by Jefferson County for capital project<br>(unspent debt) | <u>87,972</u>              |
| Total  | <u><u>\$ 2,805,243</u></u> |

The major classifications and changes in property and equipment as of and for the year ended June 30, 2023, are as follows:

|  | Balance<br>7-1-22           | Additions/<br>Transfers    | Decreases                  | Balance<br>6-30-23          |
|--|-----------------------------|----------------------------|----------------------------|-----------------------------|
| Land   | \$ 299,101                  | \$ 4,700                   | \$ 0                       | \$ 303,801                  |
| Land Improvements                                    | 263,990                     | 564,395                    | 0                          | 828,385                     |
| Building and Improvements                            | 10,280,617                  | 10,074,134                 | (24,400)                   | 20,330,351                  |
| Machinery and Equipment                              | 2,022,410                   | 814,416                    | (394,652)                  | 2,442,174                   |
| Transportation Equipment                             | 118,340                     | 123,798                    | (44,600)                   | 197,538                     |
| Construction in Progress                             | 8,457,655                   | (8,457,655)                | 0                          | 0                           |
| Total  | <u>\$ 21,442,113</u>        | <u>\$ 3,123,788</u>        | <u>\$ (463,652)</u>        | <u>\$ 24,102,249</u>        |
| Less Allowance for Depreciation<br>and Amortization: |                             |                            |                            |                             |
| Land Improvements                                    | \$ (202,966)                | \$ (18,186)                | \$ 0                       | \$ (221,152)                |
| Buildings and Improvements                           | (4,702,464)                 | (306,748)                  | (8,433)                    | (5,000,779)                 |
| Machinery and Equipment                              | (1,794,657)                 | (43,638)                   | (318,415)                  | (1,519,880)                 |
| Transportation Equipment                             | (105,012)                   | (10,255)                   | (47,100)                   | (68,167)                    |
| Total  | <u>\$ (6,805,099)</u>       | <u>\$ (378,827)</u>        | <u>\$ (373,948)</u>        | <u>\$ (6,809,978)</u>       |
| Total  | <u><u>\$ 14,637,014</u></u> | <u><u>\$ 2,744,961</u></u> | <u><u>\$ (837,600)</u></u> | <u><u>\$ 17,292,271</u></u> |



**G. Due to Primary Government**

A schedule of changes in the nursing home's long-term debt to the government of Jefferson County, Tennessee, related to bond issues as of and for the year ended June 30, 2023, is as follows:

|   | Balance<br>7-1-22 | Reductions   | Balance<br>6-30-23 | Amounts<br>Due Within<br>One Year |
|---|-------------------|--------------|--------------------|-----------------------------------|
| General Obligation<br>Bonds - 2020B           | \$ 7,750,000      | \$ (100,000) | \$ 7,650,000       | \$ 190,000                        |
| General Obligation<br>Refunding Bonds - 2021B | 5,230,000         | (305,000)    | 4,925,000          | 310,000                           |
| General Obligation<br>Refunding Bonds - 2022  | 2,000,000         | 0            | 2,000,000          | 50,000                            |
| Total   | \$ 14,980,000     | \$ (405,000) | \$ 14,575,000      | \$ 550,000                        |

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 rate range is set at 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.

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 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 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.

The Series 2022 was issued at a premium of \$105,407 which is amortized on the primary government's financial statements. Accordingly, the premium was recorded in nonoperating income in the statements of revenue, expenses and changes in net position of the nursing home for the year ended June 30, 2022, since the additional cash proceeds will be used by the nursing home. Issuance costs of \$95,920 were incurred with the Series 2022 which is included with interest expense in the statements of revenue, expenses and changes in net position for the year ended June 30, 2022.

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, 2023, is as follows:

| Fiscal Year<br>Ending<br>June 30 | Series<br>2020B<br>Principal | Series<br>2021B<br>Principal | Series<br>2022<br>Principal | Estimated<br>Interest | Total<br>Payments |
|----------------------------------|------------------------------|------------------------------|-----------------------------|-----------------------|-------------------|
| 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                             | 210,000                      | 335,000                      | 55,000                      | 325,875               | 925,875           |
| 2029-2033                        | 1,160,000                    | 1,780,000                    | 310,000                     | 1,400,625             | 4,650,625         |
| 2034-2038                        | 1,340,000                    | 1,535,000                    | 350,000                     | 1,005,788             | 4,230,788         |
| 2039-2043                        | 1,550,000                    | 0                            | 405,000                     | 670,200               | 2,625,200         |
| 2044-2048                        | 1,800,000                    | 0                            | 465,000                     | 358,350               | 2,623,350         |
| 2049-2052                        | 800,000                      | 0                            | 205,000                     | 45,450                | 1,050,450         |
| Total                            | \$ 7,650,000                 | \$ 4,925,000                 | \$ 2,000,000                | \$ 5,250,238          | \$ 19,825,238     |

## 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 by 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, 2023, employer contributions by the nursing home for the hybrid plan were \$101,674 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, 2023, employee contributions totaled approximately \$123,000. 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, 2023, the hybrid plan reported a net pension asset of \$23,110 for its proportionate share of the net pension asset. The net pension assets were measured as of June 30, 2022, 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, 2023, 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, 2022, relative to the active participants of all component units of Jefferson County as of June 30, 2022. At the June 30, 2022, measurement date, the nursing home's proportion in the hybrid plan was 22.92 percent.

*Actuarial Assumptions.* The total hybrid plan pension asset as of the June 30, 2022, 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, 2022, 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 reflect more closely 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 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<br>Long-term<br>Expected<br>Real Rate<br>of Return | Percentage<br>Target<br>Allocations |
|---|---|-------------------------------------|
| U.S. Equity<br>Developed Market                                 | 4.88  | % 31 %                              |
| International Equity<br>Emerging Market                         | 5.37  | 14                                  |
| International Equity<br>Private Equity and<br>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:

|  | 1%        | Current     | 1%           |
|--|-----------|-------------|--------------|
|  | Decrease  | Discount    | Increase     |
|  | (5.75%)   | (6.75%)     | (7.75%)      |
| Nursing Home's Proportionate<br>Share of the Net Position<br>Liability (Asset) | \$ 99,767 | \$ (23,110) | \$ (115,358) |

#### 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, 2023, the nursing home recognized pension expense of \$163,733 related to the hybrid plan.

#### Deferred outflows of resources and deferred inflows of resources

For the year ended June 30, 2023, the nursing home reported deferred outflows of resources related to the hybrid plan pension from the following sources:

|  | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences Between Expected and Actual Experience                                   | \$ 37,786                            | \$ 32                               |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments     | 10,923                               | 0                                   |
| Changes in Assumptions   | 19,637                               | 0                                   |
| Nursing Home's Contributions Subsequent to the Measurement Date of June 30, 2022 (1) | 67,613                               | 0                                   |
| Total  | <u>\$ 135,959</u>                    | <u>\$ 32</u>                        |

- (1) The amount shown above for "Contributions Subsequent to the Measurement Date of June 30, 2022," 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<br>Ending<br>June 30 | Amount    |
|---------------------------|-----------|
| 2024                      | \$ 11,365 |
| 2025                      | 11,411    |
| 2026                      | 10,496    |
| 2027                      | 21,972    |
| 2028                      | 8,766     |
| Thereafter                | 4,306     |

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

#### **Payable to the Hybrid Plan**

The nursing home reported a payable of \$14,969 for the outstanding amount of contributions to the hybrid plan required at the year ended June 30, 2023.



## 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, 2023, employer contributions for the nursing home related to the legacy plan were \$317,023 based on a rate of ten 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, 2023, the nursing home reported an asset of \$431,882 for its proportionate share of the net pension asset. The net pension assets were measured as of June 30, 2022, 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, 2023, 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, 2022, relative to the active participants of all component units of Jefferson County as of June 30, 2022. At the June 30, 2022, measurement date, the nursing home's proportion in the legacy plan was 20.01 percent.

### **Actuarial Assumptions**

The total legacy plan pension asset as of the June 30, 2022, 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, 2022, 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 reflect more closely 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 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<br>Long-term<br>Expected<br>Real Rate<br>of Return | Percentage<br>Target<br>Allocations |
|-----------------------|---|-------------------------------------|
| U.S. Equity           | 4.88  | % 31                                |
| Developed Market      |   |                                     |
| International Equity  | 5.37  | 14                                  |
| Emerging Market       |   |                                     |
| International Equity  | 6.09  | 4                                   |
| Private Equity and    |   |                                     |
| Strategic Lending     | 6.57  | 20                                  |
| U.S. Fixed Income     | 1.20  | 20                                  |
| Real Estate           | 4.38  | 10                                  |
| Short-term Securities | 0.00  | 1                                   |
| Total                 |   | <u>100</u> %                        |

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 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:

|                              | 1%           | Current      | 1%             |
|------------------------------|--------------|--------------|----------------|
|                              | Decrease     | Discount     | Increase       |
|                              | (5.75%)      | (6.75%)      | (7.75%)        |
| Nursing Home's Proportionate |              |              |                |
| Share of the Net Position    |              |              |                |
| Liability (Asset)            | \$ 2,361,009 | \$ (431,882) | \$ (2,736,638) |

*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, 2023, the nursing home recognized negative pension expense of \$449,756.

### **Deferred Outflows of Resources and Deferred Inflows of Resources**

For the year ended June 30, 2023, the nursing home reported deferred outflows of resources and deferred inflows of resources related to the legacy plan from the following sources:

|  | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience                                   | \$ 259,311                           | \$ 82,527                           |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments     | 24,701                               | 0                                   |
| Changes in assumptions   | 780,930                              | 0                                   |
| Nursing Home's Contributions Subsequent to the Measurement Date of June 30, 2022 (1) | 317,023                              | 0                                   |
| Total  | <u>\$ 1,381,965</u>                  | <u>\$ 82,527</u>                    |

- (1) The amount shown above for "Contributions Subsequent to the Measurement Date of June 30, 2022," 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<br>Ending<br>June 30 | Amount     |
|---------------------------|------------|
| 2024                      | \$ 305,791 |
| 2025                      | 319,341    |
| 2026                      | (114,097)  |
| 2027                      | 471,379    |

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 \$31,796 for the outstanding amount of contributions to the legacy plan required at the year ended June 30, 2023.

### **TCRS Stabilization Trust**

**Legal Provisions.** As of June 30, 2023, 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, 2023, 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, 2023, the nursing home had the following investments held by the trust on its behalf.

| Investment                                 | Weighted<br>Average<br>Maturity<br>(days) | Maturities | Fair<br>Value            |
|--|---|------------|--------------------------|
| Investments at Fair Value:                 |   |            |                          |
| U.S. Equity                                | N/A                                       | N/A        | \$ 81,161                |
| Developed Market International Equity      | N/A                                       | N/A        | 36,653                   |
| Emerging Market International Equity       | N/A                                       | N/A        | 10,472                   |
| U.S. Fixed Income                          | N/A                                       | N/A        | 52,362                   |
| Real Estate                                | N/A                                       | N/A        | 52,362                   |
| Short-term Securities                      | N/A                                       | N/A        | 26,181                   |
| NAV - Private Equity and Strategic Lending | N/A                                       | N/A        | <u>2,619</u>             |
| Total                                      |   |            | <u><u>\$ 261,810</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, 2023.

| Fair Value Measurements as of June<br>30, 2023, using the following inputs |                   |                  |                  |                 |                   |  |
|--|-------------------|------------------|------------------|-----------------|-------------------|--|
|  | (Level 1)         | (Level 2)        | (Level 3)*       | NAV             | Total             |  |
| U.S. Equity  | \$ 81,161         | \$ 0             | \$ 0             | \$ 0            | \$ 81,161         |  |
| Developed Market<br>International Equity                                   | 36,653            | 0                | 0                | 0               | 36,653            |  |
| Emerging Market<br>International Equity                                    | 10,472            | 0                | 0                | 0               | 10,472            |  |
| U.S. Fixed Income  | 0                 | 52,362           | 0                | 0               | 52,362            |  |
| Real Estate  | 0                 | 0                | 52,362           | 0               | 52,362            |  |
| Short-term Securities  | 0                 | 26,181           | 0                | 0               | 26,181            |  |
| NAV - Private Equity and<br>Strategic Lending                              | 0                 | 0                | 0                | 2,619           | 2,619             |  |
| Total Assets in the fair<br>value hierarchy                                | <u>\$ 128,286</u> | <u>\$ 78,543</u> | <u>\$ 52,362</u> | <u>\$ 2,619</u> | <u>\$ 261,810</u> |  |

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

**Risks and Uncertainties.** The trust's investments include various types of investment funds, which in turn invest in any combination of stock, bonds and



other investments exposed to various risks, such as interest rate, credit, and market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported for trust investments.

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

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

**Concentration of Credit Risk.** Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. The nursing home places no limit on the amount 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, 2022, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs*

The total OPEB liability in the June 30, 2022, 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                          | 3.54%   |
| Healthcare Cost Trend Rates            | 8.37 percent for pre-65 in 2022, decreasing annually over a 8 year period to an ultimate rate of 4.5%. 8.99% for post-65 in 2022, 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 3.54 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, 2021, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2022, valuations were the same as those employed in the July 1, 2021, 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 reflect more closely 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 2.16 percent as of the beginning of the measurement period to 3.54 percent as of June 30, 2022. 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 20.81 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, 2023, the nursing home paid \$2,547 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, 2023, the nursing home recognized negative OPEB expense of (\$12,654). At June 30, 2023, the nursing home reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience                                   | \$ 0                                 | \$ 60,136                           |
| Changes in assumptions   | 21,830                               | 100,145                             |
| Nursing home's Contributions Subsequent to the Measurement Date of June 30, 2022 (1) | 5,495                                | 0                                   |
| Total  | \$ 27,325                            | \$ 160,281                          |

- (1) The amounts shown above for "benefits paid subsequent to the measurement date of June 30, 2022" 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<br>Ending<br>June 30 | Amount      |
|---------------------------|-------------|
| 2024                      | \$ (28,189) |
| 2025                      | (28,189)    |
| 2026                      | (28,189)    |
| 2027                      | (21,123)    |
| 2028                      | (19,297)    |
| Thereafter                | (13,462)    |

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 nursing home's proportionate share of the OPEB liability of the plan calculated using the current discount rate of 3.54 percent, as well as what the nursing home's proportionate share of the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (2.54 percent) or one percentage point higher (4.54 percent) than the current rate:

|   | 1%<br>Decrease<br>(2.54%) | Current<br>Discount<br>Rate<br>(3.54%) | 1%<br>Increase<br>(4.54%) |
|---|---------------------------|--|---------------------------|
| Nursing Home's Proportionate<br>Share of the OPEB Liability | \$ 140,345                | \$ 130,470                             | \$ 121,244                |

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

The following presents the nursing home's proportionate share of the OPEB liability of the plan calculated using the current healthcare cost trend rate 8.37 percent up to 8.99 percent, as well as what the nursing home's proportionate share of the OPEB liability would be if it was calculated using a trend rate that is one percentage point lower (7.37 percent up to 7.99 percent) or one percentage point higher (9.37 percent up to 9.99 percent) than the current rate:

|   | 1%<br>Decrease<br>(7.37% to 7.99%) | Current<br>Trend<br>Rate<br>(8.37% to 8.99%) | 1%<br>Increase<br>(9.37% to 9.99%) |
|---|------------------------------------|--|------------------------------------|
| Nursing Home's Proportionate<br>Share of the OPEB Liability | \$ 116,930                         | \$ 130,470                                   | \$ 146,308                         |

**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 \$8,852 in 2023.

### Gain contingency

The CARES Act and subsequent COVID-19 related legislation created the Employee Retention Credit ("ERC") program. The nursing home amended certain 2021 payroll tax returns under the ERC program during year ended June 30, 2023, to claim refunds from the Internal Revenue Service ("IRS") totaling \$3,115,104. The nursing home has not received the ERC refunds as of the issuance date of these financial statements. The nursing home based its eligibility on government protocols which required reserved isolation and quarantine beds for residents who were or were possibly contagious, which reduced the overall bed capacity at the Dandridge facility during 2021 as beds were required to be held for those purposes. The nursing home continues to believe it is eligible for the ERC due to this census limiting government requirement; however, due to recent IRS guidance slowing the processing and payment of ERC claims and continued IRS issued interpretations of ERC qualifications, the nursing home has not recorded the ERC claim as a receivable as of June 30, 2023 due to the uncertainty surrounding the IRS positions and ultimate payment of refunds under the ERC program.

### 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.

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.

Consumers of health care services have continued to demand quality in the health care services they receive. They have become increasingly sophisticated in their knowledge of these services, driven in part by the growing use of the Internet to obtain information on health care services and the regulatory agencies governing the industry. Despite increased demands and expectations by health care consumers, the pressures on providers of these services to cut costs and achieve greater efficiencies continue. The federal government has been aggressive in pursuing health care cost savings as the number of health care consumers has increased. State reimbursement has followed a similar course.

### 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 coverage and permitting individuals with relatively higher income to qualify.

There is uncertainty regarding the ongoing effect of the Affordable Care Act due to efforts to change, repeal or replace the Affordable Care Act, and the development of agency guidance, among other factors. There is also uncertainty regarding the potential impact of other reform efforts at the federal and state levels. For example, some members of Congress have proposed measures that would expand government-sponsored coverage, including proposals to expand coverage of federally funded insurance programs as an alternative to private insurance or establish a single-payor system (such reforms often referred to as “Medicare for All”), and some states are considering similar measures. Other initiatives and proposals, including those aimed at price transparency and out-of-network charges, may impact prices and the relationships between health care providers and insurers.

As a result of the nursing home's participation in the Medicare and TennCare programs, the nursing home is subject to various government reviews, audits and investigations to verify compliance with these programs and applicable laws and regulations. Private pay sources also reserve the right to conduct audits. An adverse review, audit or investigation could result in:

- Refunding amounts that have been paid pursuant to the Medicare or TennCare programs from private payers
- State or federal agencies imposing fines, penalties and other sanctions on the nursing home
- Loss of right to participate in the Medicare or TennCare programs or one or more private payor networks
- Damage to reputation in various markets

Both federal and state government agencies have heightened and coordinated civil and criminal enforcement efforts as part of numerous ongoing investigations of health care companies. The investigations include:

- Cost report and billing practices
- Quality of care
- Financial relationships with referral sources
- Medical necessity of services provided

Management is aware of all the above issues and has developed strategies to minimize the risks and limit the impact of the changing environment to ensure the ongoing success of the nursing home.

**K. Functional Expenses**

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

|                            | <u>2023</u>          |
|----------------------------|----------------------|
| Healthcare Services        | \$ 12,046,763        |
| General and Administrative | <u>2,636,916</u>     |
| Total                      | <u>\$ 14,683,679</u> |

All employee health and life insurance and pension related benefits are included in the general and administrative category above. These expenses totaled \$1,200,468 for 2023.



# **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            | 2022           |
|--|----------------|----------------|---------------|----------------|----------------|----------------|----------------|-----------------|----------------|
| <b>Total Pension Liability</b>   |                |                |               |                |                |                |                |                 |                |
| 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    | \$ 1,569,890   |
| 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       | 6,571,148      |
| Differences Between Actual and Expected Experience                     | 118,884        | (1,189,172)    | (204,390)     | (1,215,221)    | 774,712        | (175,002)      | (334,154)      | (487,535)       | 1,727,875      |
| Changes in Assumptions   | 0              | 0              | 0             | 1,747,186      | 0              | 0              | 0              | 7,805,396       | 0              |
| Benefit Payments, Including Refunds of Employee Contributions          | (2,398,853)    | (2,827,268)    | (2,816,811)   | (3,045,640)    | (3,231,190)    | (3,544,047)    | (3,777,434)    | (3,962,208)     | (4,263,112)    |
| 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   | \$ 5,605,801   |
| 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      | 97,912,013     |
| 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   | \$ 103,517,814 |
| <b>Plan Fiduciary Net Position</b>                                     |                |                |               |                |                |                |                |                 |                |
| 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    | \$ 1,428,946   |
| 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      | (4,260,779)    |
| 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)     | (4,263,112)    |
| Administrative Expense   | (28,821)       | (37,241)       | (54,813)      | (58,595)       | (60,448)       | (51,716)       | (46,554)       | (43,287)        | (41,764)       |
| Other  | 0              | 0              | 0             | 0              | 0              | 0              | 100            | 0               | 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   | \$ (7,136,709) |
| 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      | 112,812,852    |
| 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  | \$ 105,676,143 |
| 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) | \$ (2,158,329) |
| 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%         | 102.08%        |
| 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   | \$ 17,218,462  |
| 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%)        | (12.53%)       |

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

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

Exhibit F-2

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

|  | 2017        | 2018         | 2019         | 2020         | 2021         | 2022          |
|--|-------------|--------------|--------------|--------------|--------------|---------------|
| <b>Total Pension Liability</b>   |             |              |              |              |              |               |
| Service Cost   | \$ 0        | \$ 139,363   | \$ 263,258   | \$ 344,085   | \$ 424,344   | \$ 565,562    |
| Interest   | 0           | 12,830       | 37,911       | 65,447       | 100,600      | 143,633       |
| Changes in Benefit Terms   | 39,240      | 0            | 0            | 0            | 0            | 0             |
| Differences Between Actual and Expected Experience                     | 0           | 76,487       | 12,762       | 18,835       | (194)        | 131,501       |
| Changes in Assumptions   | 0           | 0            | 0            | 0            | 119,950      | 0             |
| Benefit Payments, Including Refunds of Employee Contributions          | 0           | (3,275)      | (9,994)      | (19,890)     | (27,637)     | (63,564)      |
| Net Change in Total Pension Liability                                  | \$ 39,240   | \$ 225,405   | \$ 303,937   | \$ 408,477   | \$ 617,063   | \$ 777,132    |
| Total Pension Liability, Beginning                                     | 0           | 39,240       | 264,645      | 568,582      | 977,059      | 1,594,122     |
| Total Pension Liability, Ending (a)                                    | \$ 39,240   | \$ 264,645   | \$ 568,582   | \$ 977,059   | \$ 1,594,122 | \$ 2,371,254  |
| <b>Plan Fiduciary Net Position</b>                                     |             |              |              |              |              |               |
| Contributions - Employer   | \$ 30,158   | \$ 135,124   | \$ 52,168    | \$ 119,927   | \$ 151,691   | \$ 212,373    |
| Contributions - Employee   | 37,698      | 168,905      | 237,131      | 316,162      | 374,635      | 508,070       |
| Net Investment Income  | 3,592       | 17,532       | 37,595       | 43,245       | 348,220      | (85,951)      |
| Benefit Payments, Including Refunds of Employee Contributions          | 0           | (3,275)      | (9,994)      | (19,890)     | (27,637)     | (63,564)      |
| Administrative Expense   | (4,448)     | (12,304)     | (15,480)     | (21,288)     | (24,103)     | (34,211)      |
| Net Change in Plan Fiduciary Net Position                              | \$ 67,000   | \$ 305,982   | \$ 301,420   | \$ 438,156   | \$ 822,806   | \$ 536,717    |
| Plan Fiduciary Net Position, Beginning                                 | 0           | 67,000       | 372,982      | 674,402      | 1,112,558    | 1,935,364     |
| Plan Fiduciary Net Position, Ending (b)                                | \$ 67,000   | \$ 372,982   | \$ 674,402   | \$ 1,112,558 | \$ 1,935,364 | \$ 2,472,081  |
| Net Pension Liability (Asset), Ending (a - b)                          | \$ (27,760) | \$ (108,337) | \$ (105,820) | \$ (135,499) | \$ (341,242) | \$ (100,827)  |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 170.74%     | 140.94%      | 118.61%      | 113.87%      | 121.41%      | 104.25%       |
| Covered Payroll  | \$ 768,974  | \$ 3,378,091 | \$ 4,742,592 | \$ 6,347,699 | \$ 7,541,838 | \$ 10,161,337 |
| Net Pension Liability (Asset) as a Percentage of Covered Payroll       | (3.61%)     | (3.21%)      | (2.23%)      | (2.13%)      | (4.52%)      | (0.99%)       |

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          | 2023          |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 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  | \$ 946,892    | \$ 1,583,363  |
| 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)   | (1,428,946)   | (1,693,438)   |
| Contribution Deficiency (Excess)   | \$ 0          | \$ 0          | \$ 0          | \$ (869,701)  | \$ (842,419)  | \$ (483,176)  | \$ (487,962)  | \$ (426,053)  | \$ (482,054)  | \$ (110,075)  |
| 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 | \$ 17,218,462 | \$ 16,934,359 |
| Contributions as a Percentage of Covered Payroll                           | 14.77%        | 15.63%        | 15.63%        | 12.63%        | 12.63%        | 11.00%        | 11.01%        | 10.34%        | 8.30%         | 10.00%        |

Note: 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          | 2023          |
|--|--------------------|--------------------|--------------|--------------|--------------|---------------|---------------|
| Actuarially Determined Contribution              | \$ 8,689           | \$ 43,578          | \$ 52,168    | \$ 119,927   | \$ 151,691   | \$ 212,373    | \$ 358,765    |
| Less: Contributions in Relation to the           |                    |                    |              |              |              |               |               |
| Actuarially Determined Contribution              | (30,158)           | (135,124)          | (52,168)     | (119,927)    | (151,691)    | (212,373)     | (358,765)     |
| Contribution Deficiency (Excess)                 | <u>\$ (21,469)</u> | <u>\$ (91,546)</u> | <u>\$ 0</u>  | <u>\$ 0</u>  | <u>\$ 0</u>  | <u>\$ 0</u>   | <u>\$ 0</u>   |
| Covered Payroll                                  | \$ 768,974         | \$ 3,378,091       | \$ 4,742,592 | \$ 6,347,699 | \$ 7,541,838 | \$ 10,161,337 | \$ 13,580,925 |
| Contributions as a Percentage of Covered Payroll | 3.92%              | 4.00%              | 1.10%        | 1.89%        | 2.01%        | 2.09%         | 2.64%         |

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         | 2023          |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Contractually Required Contribution  | \$ 41,727    | \$ 66,355    | \$ 99,201    | \$ 152,701   | \$ 95,741    | \$ 118,524   | \$ 140,484   | \$ 181,223   | \$ 303,534    |
| Less: Contributions in Relation to the Contractually Required Contribution | (41,727)     | (66,355)     | (99,201)     | (152,701)    | (95,741)     | (118,524)    | (140,484)    | (181,223)    | (303,534)     |
| Contribution Deficiency (Excess)   | \$ 0         | \$ 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 | \$ 9,016,027 | \$ 10,576,069 |
| Contributions as a Percentage of Covered Payroll                           | 4.00%        | 4.00%        | 4.00%        | 4.00%        | 1.94%        | 2.03%        | 2.02%        | 2.01%        | 2.87%         |

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%  
2023: Pension - 2.87%, SRT - 1.13%

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          | 2023          |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 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  | \$ 1,715,612  |
| 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)   | (1,715,612)   |
| Contribution Deficiency (Excess)   | \$ 0          | \$ 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 | \$ 19,749,506 |
| 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%        | 8.69%         |

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         | 2022         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| School Department's Proportion of the Net Pension Liability (Asset)   | 0.502068%    | 0.377012%    | 0.377859%    | 0.436848%    | 0.466367%    | 0.462677%    | 0.481883%    | 0.527966%    |
| 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) | \$ (159,934) |
| Covered Payroll   | \$ 1,043,164 | \$ 1,658,879 | \$ 2,480,011 | \$ 3,817,542 | \$ 4,935,126 | \$ 5,834,700 | \$ 6,963,612 | \$ 9,016,027 |
| 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%)      | (1.77%)      |
| 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%      | 104.55%      |

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            | 2022           |
|---|---------------|---------------|---------------|---------------|----------------|----------------|----------------|-----------------|----------------|
| 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%       | 0.629554%      |
| 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) | \$ (7,720,887) |
| 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   | \$ 20,718,220  |
| 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%)       | (37.27%)       |
| 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%         | 104.42%        |

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

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

|   | 2017                | 2018                | 2019              | 2020                | 2021              | 2022              |
|---|---------------------|---------------------|-------------------|---------------------|-------------------|-------------------|
| <b>Total OPEB Liability</b>   |                     |                     |                   |                     |                   |                   |
| Service Cost  | \$ 81,150           | \$ 76,490           | \$ 95,551         | \$ 91,083           | \$ 114,646        | \$ 91,934         |
| Interest  | 31,577              | 39,756              | 42,382            | 35,923              | 26,089            | 20,389            |
| Differences Between Actual and Expected Experience                            | 0                   | (128,030)           | (297,291)         | (58,336)            | (50,203)          | (35,684)          |
| Changes in Assumptions or Other Inputs  | (54,640)            | 71,054              | 47,236            | 91,226              | (288,699)         | (295,511)         |
| Benefit Payments  | (15,261)            | (20,886)            | (27,962)          | (33,568)            | (19,077)          | (12,240)          |
| Net Change in Total OPEB Liability  | \$ 42,826           | \$ 38,384           | \$ (140,084)      | \$ 126,328          | \$ (217,244)      | \$ (231,112)      |
| Total OPEB Liability, Beginning   | 1,007,876           | 1,050,702           | 1,089,086         | 949,002             | 1,075,330         | 858,086           |
| 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> | <u>\$ 626,974</u> |
| <br>Nursing Home Share of the Total OPEB Liability                            | <br>\$ 266,668      | <br>\$ 346,639      | <br>\$ 201,171    | <br>\$ 236,237      | <br>\$ 180,092    | <br>\$ 130,470    |
| Primary Government Share of the Total OPEB Liability                          | 784,034             | 742,447             | 747,831           | 839,093             | 677,994           | 496,504           |
| <br>Primary Government Covered Employee Payroll                               | <br>\$ 11,220,139   | <br>\$ 11,693,014   | <br>\$ 11,704,504 | <br>\$ 12,140,487   | <br>\$ 12,545,518 | <br>\$ 12,936,906 |
| Primary Government OPEB Liability as a Percentage of Covered Employee Payroll | 6.99%               | 6.35%               | 6.39%             | 6.91%               | 5.40%             | 3.84%             |
| <br>Nursing Home Covered Employee Payroll                                     | <br>                | <br>                | <br>              | <br>\$ 3,288,552    | <br>\$ 3,392,574  | <br>\$ 3,201,396  |
| Nursing Home OPEB Liability as a Percentage of Covered Employee Payroll       |                     |                     |                   | 7.18%               | 5.31%             | 4.08%             |

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% |
| 2022 | 3.54% |

(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%.  
For the 2023 plan year - from 7.36% to 8.37%.

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.

Exhibit F-10

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                 | 2022                 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Total OPEB Liability</b>   |                      |                      |                      |                      |                      |                      |
| Service Cost  | \$ 1,224,010         | \$ 1,139,357         | \$ 1,106,392         | \$ 631,129           | \$ 835,112           | \$ 845,476           |
| Interest  | 625,299              | 758,746              | 729,645              | 495,370              | 367,168              | 363,711              |
| Changes in Benefit Terms  | 0                    | 0                    | (790,704)            | 0                    | 0                    | 0                    |
| Differences Between Actual and Expected Experience                              | 0                    | (2,457,397)          | (4,712,713)          | 457,618              | 783,095              | 302,850              |
| Changes in Assumptions or Other Inputs  | (940,958)            | 412,102              | (1,026,735)          | 1,555,322            | (859,067)            | (1,459,967)          |
| Benefit Payments  | (863,451)            | (986,443)            | (976,217)            | (768,678)            | (914,882)            | (909,203)            |
| Net Change in Total OPEB Liability  | \$ 44,900            | \$ (1,133,635)       | \$ (5,670,332)       | \$ 2,370,761         | \$ 211,426           | \$ (857,133)         |
| Total OPEB Liability, Beginning   | 20,622,056           | 20,666,956           | 19,533,321           | 13,862,989           | 16,233,750           | 16,445,176           |
| Total OPEB Liability, Ending  | <u>\$ 20,666,956</u> | <u>\$ 19,533,321</u> | <u>\$ 13,862,989</u> | <u>\$ 16,233,750</u> | <u>\$ 16,445,176</u> | <u>\$ 15,588,043</u> |
| 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         | \$ 4,598,909         |
| Employer Proportionate Share of the Total OPEB Liability                        | 16,139,260           | 15,301,603           | 10,182,615           | 12,036,481           | 11,773,002           | 10,989,134           |
| Covered Employee Payroll  | \$ 30,941,444        | \$ 30,811,826        | \$ 32,956,348        | \$ 37,153,429        | \$ 38,142,887        | \$ 40,858,791        |
| Net OPEB Liability as a Percentage of Covered Employee Payroll                  | 52.16%               | 49.66%               | 30.90%               | 32.40%               | 30.87%               | 26.90%               |

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% |
| 2022 | 3.54% |

(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%.  
For the 2023 plan year - from 7.36% to 8.37%.

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, 2023**

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

*Valuation Date:* Actuarially determined contribution rates for fiscal year 2023 were calculated based on the July 1, 2021, 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                     | 2.25%  |
| 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 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     | 2.125%   |

*Changes of assumptions:* In 2021, the following assumptions were changed: decreased inflation rate from 2.5 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. In 2017, the following assumptions were changed: decreased inflation rate from 3 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4 percent; and modified mortality assumptions.

# **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

# Nonmajor Governmental Funds

## Special Revenue Funds

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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.

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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

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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.

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

Other Capital Projects Fund – This capital projects fund is used to account for a federal grant used to purchase ambulances.

Exhibit G-1

Jefferson County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2023

|  | Special Revenue Funds                 |                |                                |                 |  | Total        |
|--|---------------------------------------|----------------|--------------------------------|-----------------|--|--------------|
|  | Courthouse<br>and Jail<br>Maintenance | Law<br>Library | Solid<br>Waste /<br>Sanitation | Drug<br>Control | Constitu -<br>tional<br>Officers -<br>Fees |              |
| <u>ASSETS</u>                              |                                       |                |                                |                 |  |              |
| Cash                                       | \$ 0                                  | \$ 0           | \$ 0                           | \$ 0            | \$ 4,485                                   | \$ 4,485     |
| Equity in Pooled Cash and Investments      | 167,429                               | 11,883         | 339,044                        | 48,190          | 0  | 566,546      |
| Accounts Receivable                        | 0                                     | 0              | 5,651                          | 0               | 2,901                                      | 8,552        |
| Due from Other Governments                 | 0                                     | 0              | 0                              | 0               | 0  | 0            |
| Property Taxes Receivable                  | 0                                     | 0              | 2,364,480                      | 0               | 0  | 2,364,480    |
| Allowance for Uncollectible Property Taxes | 0                                     | 0              | (61,183)                       | 0               | 0  | (61,183)     |
| Total Assets                               | \$ 167,429                            | \$ 11,883      | \$ 2,647,992                   | \$ 48,190       | \$ 7,386                                   | \$ 2,882,880 |
| <u>LIABILITIES</u>                         |                                       |                |                                |                 |  |              |
| Accounts Payable                           | \$ 0                                  | \$ 0           | \$ 5,243                       | \$ 239          | \$ 0                                       | \$ 5,482     |
| Accrued Payroll                            | 0                                     | 0              | 16,984                         | 0               | 0  | 16,984       |
| Payroll Deductions Payable                 | 0                                     | 0              | 2,481                          | 0               | 0  | 2,481        |
| Due to Other Funds                         | 0                                     | 0              | 84,852                         | 0               | 7,386                                      | 92,238       |
| Due to State of Tennessee                  | 0                                     | 0              | 104                            | 0               | 0  | 104          |
| Total Liabilities                          | \$ 0                                  | \$ 0           | \$ 109,664                     | \$ 239          | \$ 7,386                                   | \$ 117,289   |
| <u>DEFERRED INFLOWS OF RESOURCES</u>       |                                       |                |                                |                 |  |              |
| Deferred Current Property Taxes            | \$ 0                                  | \$ 0           | \$ 2,268,957                   | \$ 0            | \$ 0                                       | \$ 2,268,957 |
| Deferred Delinquent Property Taxes         | 0                                     | 0              | 25,764                         | 0               | 0  | 25,764       |
| Other Deferred/Unavailable Revenue         | 0                                     | 0              | 0                              | 0               | 0  | 0            |
| Total Deferred Inflows of Resources        | \$ 0                                  | \$ 0           | \$ 2,294,721                   | \$ 0            | \$ 0                                       | \$ 2,294,721 |

(Continued)



Exhibit G-1

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

|   | Special Revenue Funds                 |                  |                                |                  |  | Total               |
|---|---------------------------------------|------------------|--------------------------------|------------------|--|---------------------|
|   | Courthouse<br>and Jail<br>Maintenance | Law<br>Library   | Solid<br>Waste /<br>Sanitation | Drug<br>Control  | Constitu -<br>tional<br>Officers -<br>Fees |                     |
| <u>FUND BALANCES</u>  |                                       |                  |                                |                  |  |                     |
| Restricted:   |                                       |                  |                                |                  |  |                     |
| Restricted for General Government                                   | \$ 167,429                            | \$ 0             | \$ 0                           | \$ 0             | \$ 0                                       | \$ 167,429          |
| Restricted for Administration of Justice                            | 0                                     | 11,883           | 0                              | 0                | 0  | 11,883              |
| Restricted for Public Safety  | 0                                     | 0                | 0                              | 47,951           | 0  | 47,951              |
| Restricted for Public Health and Welfare                            | 0                                     | 0                | 170,042                        | 0                | 0  | 170,042             |
| Restricted for Capital Projects                                     | 0                                     | 0                | 0                              | 0                | 0  | 0                   |
| Committed:  |                                       |                  |                                |                  |  |                     |
| Committed for Public Health and Welfare                             | 0                                     | 0                | 73,565                         | 0                | 0  | 73,565              |
| Unassigned  | 0                                     | 0                | 0                              | 0                | 0  | 0                   |
| Total Fund Balances   | <u>\$ 167,429</u>                     | <u>\$ 11,883</u> | <u>\$ 243,607</u>              | <u>\$ 47,951</u> | <u>\$ 0</u>                                | <u>\$ 470,870</u>   |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 167,429</u>                     | <u>\$ 11,883</u> | <u>\$ 2,647,992</u>            | <u>\$ 48,190</u> | <u>\$ 7,386</u>                            | <u>\$ 2,882,880</u> |

(Continued)

Exhibit G-1

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

|  | Capital Projects Funds         |                              |              | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|--------------------------------|------------------------------|--------------|--|
|  | General<br>Capital<br>Projects | Other<br>Capital<br>Projects | Total        |  |
| <u>ASSETS</u>                              |                                |                              |              |  |
| Cash                                       | \$ 0                           | \$ 0                         | \$ 0         | \$ 4,485                                   |
| Equity in Pooled Cash and Investments      | 1,215,092                      | 0                            | 1,215,092    | 1,781,638                                  |
| Accounts Receivable                        | 1,739                          | 0                            | 1,739        | 10,291                                     |
| Due from Other Governments                 | 0                              | 553,395                      | 553,395      | 553,395                                    |
| Property Taxes Receivable                  | 594,678                        | 0                            | 594,678      | 2,959,158                                  |
| Allowance for Uncollectible Property Taxes | (16,873)                       | 0                            | (16,873)     | (78,056)                                   |
| Total Assets                               | \$ 1,794,636                   | \$ 553,395                   | \$ 2,348,031 | \$ 5,230,911                               |
| <u>LIABILITIES</u>                         |                                |                              |              |  |
| Accounts Payable                           | \$ 0                           | \$ 0                         | \$ 0         | \$ 5,482                                   |
| Accrued Payroll                            | 0                              | 0                            | 0            | 16,984                                     |
| Payroll Deductions Payable                 | 0                              | 0                            | 0            | 2,481                                      |
| Due to Other Funds                         | 0                              | 393,300                      | 393,300      | 485,538                                    |
| Due to State of Tennessee                  | 0                              | 0                            | 0            | 104  |
| Total Liabilities                          | \$ 0                           | \$ 393,300                   | \$ 393,300   | \$ 510,589                                 |
| <u>DEFERRED INFLOWS OF RESOURCES</u>       |                                |                              |              |  |
| Deferred Current Property Taxes            | \$ 567,239                     | \$ 0                         | \$ 567,239   | \$ 2,836,196                               |
| Deferred Delinquent Property Taxes         | 7,927                          | 0                            | 7,927        | 33,691                                     |
| Other Deferred/Unavailable Revenue         | 0                              | 553,395                      | 553,395      | 553,395                                    |
| Total Deferred Inflows of Resources        | \$ 575,166                     | \$ 553,395                   | \$ 1,128,561 | \$ 3,423,282                               |

(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

Unassigned

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

| Capital Projects Funds         |                              |                     | Total<br>Nonmajor<br>Governmental<br>Funds |
|--------------------------------|------------------------------|---------------------|--|
| General<br>Capital<br>Projects | Other<br>Capital<br>Projects | Total               |  |
| \$ 0                           | \$ 0                         | \$ 0                | \$ 167,429                                 |
| 0                              | 0                            | 0                   | 11,883                                     |
| 0                              | 0                            | 0                   | 47,951                                     |
| 0                              | 0                            | 0                   | 170,042                                    |
| 1,219,470                      | 0                            | 1,219,470           | 1,219,470                                  |
| 0                              | 0                            | 0                   | 73,565                                     |
| 0                              | (393,300)                    | (393,300)           | (393,300)                                  |
| <u>\$ 1,219,470</u>            | <u>\$ (393,300)</u>          | <u>\$ 826,170</u>   | <u>\$ 1,297,040</u>                        |
| <u>\$ 1,794,636</u>            | <u>\$ 553,395</u>            | <u>\$ 2,348,031</u> | <u>\$ 5,230,911</u>                        |

Exhibit G-2

Jefferson County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2023

|  | Special Revenue Funds                 |                |                                |                 |           | Constitu -<br>tional<br>Officers -<br>Fees | Total |
|--|---------------------------------------|----------------|--------------------------------|-----------------|-----------|--|-------|
|  | Courthouse<br>and Jail<br>Maintenance | Law<br>Library | Solid<br>Waste /<br>Sanitation | Drug<br>Control |           |  |       |
| <b>Revenues</b>                                      |                                       |                |                                |                 |           |  |       |
| Local Taxes  | \$ 51,803                             | \$ 12,871      | \$ 1,883,904                   | \$ 0            | \$ 0      | \$ 1,948,578                               |       |
| Fines, Forfeitures, and Penalties                    | 0                                     | 0              | 0                              | 11,707          | 0         | 11,707                                     |       |
| Charges for Current Services                         | 0                                     | 0              | 0                              | 0               | 15,913    | 15,913                                     |       |
| Other Local Revenues                                 | 0                                     | 0              | 214,038                        | 0               | 0         | 214,038                                    |       |
| Total Revenues                                       | \$ 51,803                             | \$ 12,871      | \$ 2,097,942                   | \$ 11,707       | \$ 15,913 | \$ 2,190,236                               |       |
| <b>Expenditures</b>                                  |                                       |                |                                |                 |           |  |       |
| Current:   |                                       |                |                                |                 |           |  |       |
| General Government                                   | \$ 0                                  | \$ 0           | \$ 0                           | \$ 0            | \$ 356    | \$ 356                                     |       |
| Finance  | 509                                   | 127            | 0                              | 0               | 11,745    | 12,381                                     |       |
| Administration of Justice                            | 0                                     | 0              | 0                              | 0               | 3,812     | 3,812                                      |       |
| Public Safety  | 0                                     | 12,330         | 0                              | 19,637          | 0         | 31,967                                     |       |
| Public Health and Welfare                            | 0                                     | 0              | 2,150,686                      | 0               | 0         | 2,150,686                                  |       |
| Capital Projects                                     | 0                                     | 0              | 0                              | 0               | 0         | 0  |       |
| Total Expenditures                                   | \$ 509                                | \$ 12,457      | \$ 2,150,686                   | \$ 19,637       | \$ 15,913 | \$ 2,199,202                               |       |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ 51,294                             | \$ 414         | \$ (52,744)                    | \$ (7,930)      | \$ 0      | \$ (8,966)                                 |       |
| <b>Other Financing Sources (Uses)</b>                |                                       |                |                                |                 |           |  |       |
| Transfers In   | \$ 0                                  | \$ 0           | \$ 0                           | \$ 0            | \$ 0      | \$ 0                                       |       |
| Total Other Financing Sources (Uses)                 | \$ 0                                  | \$ 0           | \$ 0                           | \$ 0            | \$ 0      | \$ 0                                       |       |
| Net Change in Fund Balances                          | \$ 51,294                             | \$ 414         | \$ (52,744)                    | \$ (7,930)      | \$ 0      | \$ (8,966)                                 |       |
| Fund Balance, July 1, 2022                           | 116,135                               | 11,469         | 296,351                        | 55,881          | 0         | 479,836                                    |       |
| Fund Balance, June 30, 2023                          | \$ 167,429                            | \$ 11,883      | \$ 243,607                     | \$ 47,951       | \$ 0      | \$ 470,870                                 |       |

(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<br>Nonmajor<br>Governmental<br>Funds |
|--|--------------------------------|------------------------------|---------------------|--|
|  | General<br>Capital<br>Projects | Other<br>Capital<br>Projects | Total               |  |
| <u>Revenues</u>                                      |                                |                              |                     |  |
| Local Taxes  | \$ 583,988                     | \$ 0                         | \$ 583,988          | \$ 2,532,566                               |
| Fines, Forfeitures, and Penalties                    | 0                              | 0                            | 0                   | 11,707                                     |
| Charges for Current Services                         | 0                              | 0                            | 0                   | 15,913                                     |
| Other Local Revenues                                 | 0                              | 0                            | 0                   | 214,038                                    |
| Total Revenues                                       | <u>\$ 583,988</u>              | <u>\$ 0</u>                  | <u>\$ 583,988</u>   | <u>\$ 2,774,224</u>                        |
| <u>Expenditures</u>                                  |                                |                              |                     |  |
| Current:   |                                |                              |                     |  |
| General Government                                   | \$ 0                           | \$ 0                         | \$ 0                | \$ 356                                     |
| Finance  | 0                              | 0                            | 0                   | 12,381                                     |
| Administration of Justice                            | 0                              | 0                            | 0                   | 3,812                                      |
| Public Safety  | 0                              | 0                            | 0                   | 31,967                                     |
| Public Health and Welfare                            | 0                              | 0                            | 0                   | 2,150,686                                  |
| Capital Projects                                     | 418,336                        | 553,395                      | 971,731             | 971,731                                    |
| Total Expenditures                                   | <u>\$ 418,336</u>              | <u>\$ 553,395</u>            | <u>\$ 971,731</u>   | <u>\$ 3,170,933</u>                        |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>\$ 165,652</u>              | <u>\$ (553,395)</u>          | <u>\$ (387,743)</u> | <u>\$ (396,709)</u>                        |
| <u>Other Financing Sources (Uses)</u>                |                                |                              |                     |  |
| Transfers In   | \$ 414,009                     | \$ 160,095                   | \$ 574,104          | \$ 574,104                                 |
| Total Other Financing Sources (Uses)                 | <u>\$ 414,009</u>              | <u>\$ 160,095</u>            | <u>\$ 574,104</u>   | <u>\$ 574,104</u>                          |
| Net Change in Fund Balances                          | \$ 579,661                     | \$ (393,300)                 | \$ 186,361          | \$ 177,395                                 |
| Fund Balance, July 1, 2022                           | 639,809                        | 0                            | 639,809             | 1,119,645                                  |
| Fund Balance, June 30, 2023                          | <u>\$ 1,219,470</u>            | <u>\$ (393,300)</u>          | <u>\$ 826,170</u>   | <u>\$ 1,297,040</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, 2023

|  | Actual     | Budgeted Amounts |            | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|------------|------------------|------------|--|
|  |            | Original         | Final      |  |
| <u>Revenues</u>                                      |            |                  |            |  |
| Local Taxes  | \$ 51,803  | \$ 40,000        | \$ 40,000  | \$ 11,803  |
| Total Revenues                                       | \$ 51,803  | \$ 40,000        | \$ 40,000  | \$ 11,803  |
| <u>Expenditures</u>                                  |            |                  |            |  |
| <u>Finance</u>                                       |            |                  |            |  |
| Other Finance  | \$ 509     | \$ 1,000         | \$ 1,000   | \$ 491   |
| Total Expenditures                                   | \$ 509     | \$ 1,000         | \$ 1,000   | \$ 491   |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ 51,294  | \$ 39,000        | \$ 39,000  | \$ 12,294  |
| Net Change in Fund Balance                           | \$ 51,294  | \$ 39,000        | \$ 39,000  | \$ 12,294  |
| Fund Balance, July 1, 2022                           | 116,135    | 100,000          | 100,000    | 16,135   |
| Fund Balance, June 30, 2023                          | \$ 167,429 | \$ 139,000       | \$ 139,000 | \$ 28,429  |

## 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, 2023

|  | Actual    | Budgeted Amounts |            | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|-----------|------------------|------------|--|
|  |           | Original         | Final      |  |
| <u>Revenues</u>                                      |           |                  |            |  |
| Local Taxes  | \$ 12,871 | \$ 11,464        | \$ 11,464  | \$ 1,407   |
| Total Revenues                                       | \$ 12,871 | \$ 11,464        | \$ 11,464  | \$ 1,407   |
| <u>Expenditures</u>                                  |           |                  |            |  |
| <u>Finance</u>                                       |           |                  |            |  |
| Other Finance  | \$ 127    | \$ 100           | \$ 140     | \$ 13  |
| <u>Public Safety</u>                                 |           |                  |            |  |
| Jail   | 12,330    | 11,364           | 12,330     | 0  |
| Total Expenditures                                   | \$ 12,457 | \$ 11,464        | \$ 12,470  | \$ 13  |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ 414    | \$ 0             | \$ (1,006) | \$ 1,420   |
| Net Change in Fund Balance                           | \$ 414    | \$ 0             | \$ (1,006) | \$ 1,420   |
| Fund Balance, July 1, 2022                           | 11,469    | 10,000           | 10,000     | 1,469  |
| Fund Balance, June 30, 2023                          | \$ 11,883 | \$ 10,000        | \$ 8,994   | \$ 2,889   |

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, 2023

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2022 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |              | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|---|------------------|--------------|--|
|  |                           |                                   |   | Original         | Final        |  |
| <u>Revenues</u>                                      |                           |                                   |   |                  |              |  |
| Local Taxes  | \$ 1,883,904              | \$ 0                              | \$ 1,883,904  | \$ 1,842,189     | \$ 1,842,189 | \$ 41,715  |
| Other Local Revenues                                 | 214,038                   | 0                                 | 214,038   | 0                | 156,000      | 58,038   |
| Total Revenues                                       | \$ 2,097,942              | \$ 0                              | \$ 2,097,942  | \$ 1,842,189     | \$ 1,998,189 | \$ 99,753  |
| <u>Expenditures</u>                                  |                           |                                   |   |                  |              |  |
| <u>Public Health and Welfare</u>                     |                           |                                   |   |                  |              |  |
| Waste Pickup   | \$ 2,150,686              | \$ (15,965)                       | \$ 2,134,721  | \$ 2,019,156     | \$ 2,248,242 | \$ 113,521   |
| Total Expenditures                                   | \$ 2,150,686              | \$ (15,965)                       | \$ 2,134,721  | \$ 2,019,156     | \$ 2,248,242 | \$ 113,521   |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ (52,744)               | \$ 15,965                         | \$ (36,779)   | \$ (176,967)     | \$ (250,053) | \$ 213,274   |
| Net Change in Fund Balance                           | \$ (52,744)               | \$ 15,965                         | \$ (36,779)   | \$ (176,967)     | \$ (250,053) | \$ 213,274   |
| Fund Balance, July 1, 2022                           | 296,351                   | (15,965)                          | 280,386   | 480,000          | 480,000      | (199,614)  |
| Fund Balance, June 30, 2023                          | \$ 243,607                | \$ 0                              | \$ 243,607  | \$ 303,033       | \$ 229,947   | \$ 13,660  |



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, 2023

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2022 | Add:<br>Encumbrances<br>6/30/2023 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |             | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|-------------|--|
|  |                           |                                   |                                   |   | Original         | Final       |  |
| <u>Revenues</u>                                      |                           |                                   |                                   |   |                  |             |  |
| Fines, Forfeitures, and Penalties                    | \$ 11,707                 | \$ 0                              | \$ 0                              | \$ 11,707   | \$ 27,000        | \$ 27,000   | \$ (15,293)  |
| Total Revenues                                       | \$ 11,707                 | \$ 0                              | \$ 0                              | \$ 11,707   | \$ 27,000        | \$ 27,000   | \$ (15,293)  |
| <u>Expenditures</u>                                  |                           |                                   |                                   |   |                  |             |  |
| <u>Public Safety</u>                                 |                           |                                   |                                   |   |                  |             |  |
| Drug Enforcement                                     | \$ 19,637                 | \$ (5,300)                        | \$ 4,425                          | \$ 18,762   | \$ 39,000        | \$ 39,000   | \$ 20,238  |
| Total Expenditures                                   | \$ 19,637                 | \$ (5,300)                        | \$ 4,425                          | \$ 18,762   | \$ 39,000        | \$ 39,000   | \$ 20,238  |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ (7,930)                | \$ 5,300                          | \$ (4,425)                        | \$ (7,055)  | \$ (12,000)      | \$ (12,000) | \$ 4,945   |
| Net Change in Fund Balance                           | \$ (7,930)                | \$ 5,300                          | \$ (4,425)                        | \$ (7,055)  | \$ (12,000)      | \$ (12,000) | \$ 4,945   |
| Fund Balance, July 1, 2022                           | 55,881                    | (5,300)                           | 0                                 | 50,581  | 50,000           | 50,000      | 581  |
| Fund Balance, June 30, 2023                          | \$ 47,951                 | \$ 0                              | \$ (4,425)                        | \$ 43,526   | \$ 38,000        | \$ 38,000   | \$ 5,526   |

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, 2023

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2022 | Add:<br>Encumbrances<br>6/30/2023 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |              | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|--------------|--|
|  |                           |                                   |                                   |   | Original         | Final        |  |
| <u>Revenues</u>                                      |                           |                                   |                                   |   |                  |              |  |
| Local Taxes  | \$ 583,988                | \$ 0                              | \$ 0                              | \$ 583,988  | \$ 560,348       | \$ 560,348   | \$ 23,640  |
| Federal Government                                   | 0                         | 0                                 | 0                                 | 0   | 37,500           | 353,815      | (353,815)  |
| Total Revenues                                       | \$ 583,988                | \$ 0                              | \$ 0                              | \$ 583,988  | \$ 597,848       | \$ 914,163   | \$ (330,175)   |
| <u>Expenditures</u>                                  |                           |                                   |                                   |   |                  |              |  |
| <u>Capital Projects</u>                              |                           |                                   |                                   |   |                  |              |  |
| Public Safety Projects                               | \$ 129,184                | \$ (4,555)                        | \$ 334,433                        | \$ 459,062  | \$ 474,150       | \$ 475,649   | \$ 16,587  |
| Public Health and Welfare Projects                   | 275,207                   | 0                                 | 5,000                             | 280,207   | 312,707          | 317,707      | 37,500   |
| Other General Government Projects                    | 13,945                    | 0                                 | 311,315                           | 325,260   | 75,000           | 544,644      | 219,384  |
| Total Expenditures                                   | \$ 418,336                | \$ (4,555)                        | \$ 650,748                        | \$ 1,064,529  | \$ 861,857       | \$ 1,338,000 | \$ 273,471   |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ 165,652                | \$ 4,555                          | \$ (650,748)                      | \$ (480,541)  | \$ (264,009)     | \$ (423,837) | \$ (56,704)  |
| <u>Other Financing Sources (Uses)</u>                |                           |                                   |                                   |   |                  |              |  |
| Transfers In   | \$ 414,009                | \$ 0                              | \$ 0                              | \$ 414,009  | \$ 264,009       | \$ 414,009   | \$ 0   |
| Total Other Financing Sources                        | \$ 414,009                | \$ 0                              | \$ 0                              | \$ 414,009  | \$ 264,009       | \$ 414,009   | \$ 0   |
| Net Change in Fund Balance                           | \$ 579,661                | \$ 4,555                          | \$ (650,748)                      | \$ (66,532)   | \$ 0             | \$ (9,828)   | \$ (56,704)  |
| Fund Balance, July 1, 2022                           | 639,809                   | (4,555)                           | 0                                 | 635,254   | 600,000          | 600,000      | 35,254   |
| Fund Balance, June 30, 2023                          | \$ 1,219,470              | \$ 0                              | \$ (650,748)                      | \$ 568,722  | \$ 600,000       | \$ 590,172   | \$ (21,450)  |

# **Major Governmental Fund**

## **General Debt Service Fund**

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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.

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## 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, 2023

|  | Actual               | Budgeted Amounts     |                       | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|----------------------|----------------------|-----------------------|--|
|  |                      | Original             | Final                 |  |
| <u>Revenues</u>                                      |                      |                      |                       |  |
| Local Taxes  | \$ 8,883,499         | \$ 6,965,374         | \$ 6,965,374          | \$ 1,918,125   |
| Other Local Revenues                                 | 2,042,079            | 1,020,475            | 1,020,475             | 1,021,604  |
| Federal Government                                   | 449,811              | 442,656              | 442,656               | 7,155  |
| Total Revenues                                       | <u>\$ 11,375,389</u> | <u>\$ 8,428,505</u>  | <u>\$ 8,428,505</u>   | <u>\$ 2,946,884</u>  |
| <u>Expenditures</u>                                  |                      |                      |                       |  |
| <u>Principal on Debt</u>                             |                      |                      |                       |  |
| General Government                                   | \$ 3,845,000         | \$ 1,410,000         | \$ 3,845,000          | 0  |
| Education  | 3,560,400            | 3,560,400            | 3,560,400             | 0  |
| <u>Interest on Debt</u>                              |                      |                      |                       |  |
| General Government                                   | 467,767              | 562,475              | 562,475               | 94,708   |
| Education  | 2,294,776            | 2,961,336            | 2,961,336             | 666,560  |
| <u>Other Debt Service</u>                            |                      |                      |                       |  |
| General Government                                   | 142,959              | 151,000              | 151,000               | 8,041  |
| Total Expenditures                                   | <u>\$ 10,310,902</u> | <u>\$ 8,645,211</u>  | <u>\$ 11,080,211</u>  | <u>\$ 769,309</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>\$ 1,064,487</u>  | <u>\$ (216,706)</u>  | <u>\$ (2,651,706)</u> | <u>\$ 3,716,193</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                           | \$ 1,548,855         | \$ 267,148           | \$ (2,167,852)        | \$ 3,716,707   |
| Prior-period Adjustment                              | 14,980,000           | 0                    | 0                     | 14,980,000   |
| Fund Balance, July 1, 2022                           | <u>16,880,024</u>    | <u>15,000,000</u>    | <u>15,000,000</u>     | <u>1,880,024</u>   |
| Fund Balance, June 30, 2023                          | <u>\$ 33,408,879</u> | <u>\$ 15,267,148</u> | <u>\$ 12,832,148</u>  | <u>\$ 20,576,731</u>   |

# Custodial Funds

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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.

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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, 2023

ASSETS

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

| Custodial Funds          |                             |   |                     |
|--------------------------|-----------------------------|---|---------------------|
| Cities -<br>Sales<br>Tax | Cities -<br>Property<br>Tax | Constitu -<br>tional<br>Officers -<br>Custodial | Total               |
| \$ 0                     | \$ 0                        | \$ 1,993,718                                    | \$ 1,993,718        |
| 0                        | 1,170                       | 0   | 1,170               |
| 1,426,093                | 0                           | 0   | 1,426,093           |
| 0                        | 1,580,701                   | 0   | 1,580,701           |
| 0                        | (50,688)                    | 0   | (50,688)            |
| <u>\$ 1,426,093</u>      | <u>\$ 1,531,183</u>         | <u>\$ 1,993,718</u>                             | <u>\$ 4,950,994</u> |

LIABILITIES

Due to Other Taxing Units  
Total Liabilities

|                     |                  |             |                     |
|---------------------|------------------|-------------|---------------------|
| \$ 1,426,093        | \$ 34,069        | \$ 0        | \$ 1,460,162        |
| <u>\$ 1,426,093</u> | <u>\$ 34,069</u> | <u>\$ 0</u> | <u>\$ 1,460,162</u> |

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes  
Total Deferred Inflows of Resources

|             |                     |             |                     |
|-------------|---------------------|-------------|---------------------|
| \$ 0        | \$ 1,497,114        | \$ 0        | \$ 1,497,114        |
| <u>\$ 0</u> | <u>\$ 1,497,114</u> | <u>\$ 0</u> | <u>\$ 1,497,114</u> |

NET POSITION

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

|             |             |                     |                     |
|-------------|-------------|---------------------|---------------------|
| \$ 0        | \$ 0        | \$ 1,993,718        | \$ 1,993,718        |
| <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 1,993,718</u> | <u>\$ 1,993,718</u> |

Jefferson County, Tennessee  
Combining Statement of Changes in Net Position  
Custodial Funds  
For the Year Ended June 30, 2023

|   | Custodial Funds          |                             |   |               |
|---|--------------------------|-----------------------------|---|---------------|
|   | Cities -<br>Sales<br>Tax | Cities -<br>Property<br>Tax | Constitu -<br>tional<br>Officers -<br>Custodial | Total         |
| <u>Additions</u>  |                          |                             |   |               |
| Sales Tax Collections for Other Governments               | \$ 8,163,617             | \$ 0                        | \$ 0  | \$ 8,163,617  |
| Property Tax Collections for Other Governments            | 0                        | 1,502,403                   | 0   | 1,502,403     |
| Fines/Fees and Other Collections                          | 0                        | 0                           | 10,548,084                                      | 10,548,084    |
| Total Additions   | \$ 8,163,617             | \$ 1,502,403                | \$ 10,548,084                                   | \$ 20,214,104 |
| <u>Deductions</u>   |                          |                             |   |               |
| Payment of Sales Tax Collections for Other Governments    | \$ 8,163,617             | \$ 0                        | \$ 0  | \$ 8,163,617  |
| Payment of Property Tax Collections for Other Governments | 0                        | 1,502,403                   | 0   | 1,502,403     |
| Payments to State   | 0                        | 0                           | 8,156,346                                       | 8,156,346     |
| Payments to Individuals and Others                        | 0                        | 0                           | 2,515,266                                       | 2,515,266     |
| Total Deductions  | \$ 8,163,617             | \$ 1,502,403                | \$ 10,671,612                                   | \$ 20,337,632 |
| Change in Net Position                                    | \$ 0                     | \$ 0                        | \$ (123,528)                                    | \$ (123,528)  |
| Net Position July 1, 2022                                 | 0                        | 0                           | 2,117,246                                       | 2,117,246     |
| Net Position June 30, 2023                                | \$ 0                     | \$ 0                        | \$ 1,993,718                                    | \$ 1,993,718  |

# Jefferson County School Department

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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.

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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, 2023

| Functions/Programs  | Expenses      | Program Revenues           |   |   | Net (Expense)  |
|---|---------------|----------------------------|---|---|--|
|   |               | Charges<br>for<br>Services | Operating<br>Grants<br>and<br>Contributions | Capital<br>Grants<br>and<br>Contributions | Revenue and<br>Changes in<br>Net Position<br>Total<br>Governmental<br>Activities |
| Governmental Activities:                                    |               |                            |   |   |  |
| Instruction   | \$ 45,359,857 | \$ 0                       | \$ 2,236,074                                | \$ 2,306,424                              | \$ (40,817,359)  |
| Support Services  | 24,008,573    | 84,795                     | 1,935,409                                   | 0   | (21,988,369)   |
| Operation of Non-instructional Services                     | 8,273,377     | 1,372,695                  | 7,093,361                                   | 0   | 192,679  |
| Total Governmental Activities                               | \$ 77,641,807 | \$ 1,457,490               | \$ 11,264,844                               | \$ 2,306,424                              | \$ (62,613,049)  |
| General Revenues:   |               |                            |   |   |  |
| Taxes:  |               |                            |   |   |  |
| Property taxes levied for general purposes                  |               |                            |   |   | \$ 11,693,783  |
| Local option sales tax                                      |               |                            |   |   | 9,045,828  |
| Mixed Drink Tax   |               |                            |   |   | 39,658   |
| Grants & Contributions not restricted for specific programs |               |                            |   |   | 53,392,336   |
| Unrestricted Investment Earnings                            |               |                            |   |   | 7,516  |
| Miscellaneous   |               |                            |   |   | 107,400  |
| Total General Revenues                                      |               |                            |   |   | \$ 74,286,521  |
| Change in Net Position                                      |               |                            |   |   | \$ 11,673,472  |
| Net Position, July 1, 2022                                  |               |                            |   |   | 97,508,938   |
| Net Position, June 30, 2023                                 |               |                            |   |   | \$ 109,182,410   |

## Exhibit J-2

Jefferson County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Jefferson County School Department  
June 30, 2023

|  | Major Funds                  |                               | Nonmajor<br>Funds                   |                                |
|--|------------------------------|-------------------------------|-------------------------------------|--------------------------------|
|  | General<br>Purpose<br>School | School<br>Federal<br>Projects | Other<br>Govern-<br>mental<br>Funds | Total<br>Governmental<br>Funds |
| <u>ASSETS</u>                              |                              |                               |                                     |                                |
| Cash                                       | \$ 0                         | \$ 0                          | \$ 1,510,578                        | \$ 1,510,578                   |
| Equity in Pooled Cash and Investments      | 25,334,116                   | 2,368,073                     | 5,900,157                           | 33,602,346                     |
| Accounts Receivable                        | 73,264                       | 0                             | 84                                  | 73,348                         |
| Due from Other Governments                 | 3,473,035                    | 3,445,098                     | 57,701                              | 6,975,834                      |
| Due from Other Funds                       | 0                            | 1,128                         | 37,029                              | 38,157                         |
| Property Taxes Receivable                  | 12,042,231                   | 0                             | 0                                   | 12,042,231                     |
| Allowance for Uncollectible Property Taxes | (341,670)                    | 0                             | 0                                   | (341,670)                      |
| Restricted Assets                          | 877,369                      | 0                             | 0                                   | 877,369                        |
| Total Assets                               | <u>\$ 41,458,345</u>         | <u>\$ 5,814,299</u>           | <u>\$ 7,505,549</u>                 | <u>\$ 54,778,193</u>           |
| <u>LIABILITIES</u>                         |                              |                               |                                     |                                |
| Accounts Payable                           | \$ 1,372,252                 | \$ 0                          | \$ 5,248                            | \$ 1,377,500                   |
| Accrued Payroll                            | 3,929,547                    | 549,668                       | 180,962                             | 4,660,177                      |
| Payroll Deductions Payable                 | 2,995,178                    | 576,281                       | 99,552                              | 3,671,011                      |
| Contracts Payable                          | 0                            | 1,601,825                     | 0                                   | 1,601,825                      |
| Retainage Payable                          | 0                            | 84,307                        | 0                                   | 84,307                         |
| Due to Other Funds                         | 38,157                       | 0                             | 0                                   | 38,157                         |
| Total Liabilities                          | <u>\$ 8,335,134</u>          | <u>\$ 2,812,081</u>           | <u>\$ 285,762</u>                   | <u>\$ 11,432,977</u>           |
| <u>DEFERRED INFLOWS OF RESOURCES</u>       |                              |                               |                                     |                                |
| Deferred Current Property Taxes            | \$ 11,486,596                | \$ 0                          | \$ 0                                | \$ 11,486,596                  |
| Deferred Delinquent Property Taxes         | 160,529                      | 0                             | 0                                   | 160,529                        |
| Other Deferred/Unavailable Revenue         | 813,620                      | 0                             | 0                                   | 813,620                        |
| Total Deferred Inflows of Resources        | <u>\$ 12,460,745</u>         | <u>\$ 0</u>                   | <u>\$ 0</u>                         | <u>\$ 12,460,745</u>           |

(Continued)

Exhibit J-2

Jefferson County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Jefferson County School Department (Cont.)

|   | Major Funds                  |                               | Nonmajor<br>Funds                   |                                |
|---|------------------------------|-------------------------------|-------------------------------------|--------------------------------|
|   | General<br>Purpose<br>School | School<br>Federal<br>Projects | Other<br>Govern-<br>mental<br>Funds | Total<br>Governmental<br>Funds |
| <u>FUND BALANCES</u>  |                              |                               |                                     |                                |
| Restricted:   |                              |                               |                                     |                                |
| Restricted for Education  | \$ 360,550                   | \$ 2,218                      | \$ 4,743,891                        | \$ 5,106,659                   |
| Restricted for Hybrid Retirement Stabilization Funds                | 877,369                      | 0                             | 0                                   | 877,369                        |
| Committed:  |                              |                               |                                     |                                |
| Committed for Education   | 1,788,102                    | 3,000,000                     | 0                                   | 4,788,102                      |
| Committed for Capital Projects                                      | 197,450                      | 0                             | 2,475,896                           | 2,673,346                      |
| Assigned:   |                              |                               |                                     |                                |
| Assigned for Education  | 393,268                      | 0                             | 0                                   | 393,268                        |
| Assigned for Capital Projects                                       | 667,380                      | 0                             | 0                                   | 667,380                        |
| Unassigned  | 16,378,347                   | 0                             | 0                                   | 16,378,347                     |
| Total Fund Balances   | <u>\$ 20,662,466</u>         | <u>\$ 3,002,218</u>           | <u>\$ 7,219,787</u>                 | <u>\$ 30,884,471</u>           |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 41,458,345</u>         | <u>\$ 5,814,299</u>           | <u>\$ 7,505,549</u>                 | <u>\$ 54,778,193</u>           |

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, 2023

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)  |    | \$                  | 30,884,471                |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.  |    |                     |                           |
| Add: land   | \$ | 1,619,334           |                           |
| Add: construction in progress   |    | 9,047,543           |                           |
| Add: buildings and improvements net of accumulated depreciation   |    | 61,333,222          |                           |
| Add: machinery and equipment net of accumulated depreciation  |    | 787,256             |                           |
| Add: other capital assets net of accumulated depreciation   |    | <u>2,207,463</u>    | 74,994,818                |
| (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. |    |                     | 160,634                   |
| (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  | \$ | (1,451,196)         |                           |
| Less: termination benefits payable  |    | (125,593)           |                           |
| Less: net OPEB liability  |    | <u>(10,989,134)</u> | (12,565,923)              |
| (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   | \$ | 11,119,725          |                           |
| Less: deferred inflows of resources related to pensions   |    | (1,572,521)         |                           |
| Add: deferred outflows of resources related to OPEB   |    | 2,504,256           |                           |
| Less: deferred inflows of resources related to OPEB   |    | <u>(5,813,185)</u>  | 6,238,275                 |
| (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  | \$ | 587,065             |                           |
| Add: net pension asset - public employee hybrid retirement plan   |    | 28,100              |                           |
| Add: net pension asset - teacher retirement plan  |    | 159,934             |                           |
| Add: net pension asset - teacher legacy pension plan  |    | <u>7,720,887</u>    | 8,495,986                 |
| (6) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.   |    |                     | <u>974,149</u>            |
| Net position of governmental activities (Exhibit A)   |    | \$                  | <u><u>109,182,410</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, 2023

|  | Major Funds                  |                               | Nonmajor<br>Funds                   |                                |
|--|------------------------------|-------------------------------|-------------------------------------|--------------------------------|
|  | General<br>Purpose<br>School | School<br>Federal<br>Projects | Other<br>Govern-<br>mental<br>Funds | Total<br>Governmental<br>Funds |
| <u>Revenues</u>                                      |                              |                               |                                     |                                |
| Local Taxes  | \$ 20,853,247                | \$ 0                          | \$ 0                                | \$ 20,853,247                  |
| Licenses and Permits                                 | 1,791                        | 0                             | 0                                   | 1,791                          |
| Charges for Current Services                         | 306,036                      | 0                             | 1,151,454                           | 1,457,490                      |
| Other Local Revenues                                 | 147,744                      | 0                             | 2,606,995                           | 2,754,739                      |
| State of Tennessee                                   | 44,123,034                   | 0                             | 37,587                              | 44,160,621                     |
| Federal Government                                   | 314,492                      | 16,806,726                    | 3,703,114                           | 20,824,332                     |
| Other Governments and Citizens Groups                | 151,924                      | 0                             | 0                                   | 151,924                        |
| Total Revenues                                       | \$ 65,898,268                | \$ 16,806,726                 | \$ 7,499,150                        | \$ 90,204,144                  |
| <u>Expenditures</u>                                  |                              |                               |                                     |                                |
| Current:   |                              |                               |                                     |                                |
| Instruction  | \$ 37,068,351                | \$ 6,704,519                  | \$ 0                                | \$ 43,772,870                  |
| Support Services                                     | 20,656,223                   | 4,158,700                     | 0                                   | 24,814,923                     |
| Operation of Non-Instructional Services              | 1,091,720                    | 93,490                        | 7,273,600                           | 8,458,810                      |
| Capital Outlay                                       | 1,668,623                    | 4,854,857                     | 2,805,410                           | 9,328,890                      |
| Total Expenditures                                   | \$ 60,484,917                | \$ 15,811,566                 | \$ 10,079,010                       | \$ 86,375,493                  |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ 5,413,351                 | \$ 995,160                    | \$ (2,579,860)                      | \$ 3,828,651                   |
| <u>Other Financing Sources (Uses)</u>                |                              |                               |                                     |                                |
| Insurance Recovery                                   | \$ 287,655                   | \$ 0                          | \$ 12,277                           | \$ 299,932                     |
| Transfers In   | 124,679                      | 1,000,000                     | 4,676,885                           | 5,801,564                      |
| Transfers Out  | (5,676,885)                  | (124,679)                     | 0                                   | (5,801,564)                    |
| Total Other Financing Sources (Uses)                 | \$ (5,264,551)               | \$ 875,321                    | \$ 4,689,162                        | \$ 299,932                     |
| Net Change in Fund Balances                          | \$ 148,800                   | \$ 1,870,481                  | \$ 2,109,302                        | \$ 4,128,583                   |
| Fund Balance, July 1, 2022                           | 20,513,666                   | 1,131,737                     | 5,110,485                           | 26,755,888                     |
| Fund Balance, June 30, 2023                          | \$ 20,662,466                | \$ 3,002,218                  | \$ 7,219,787                        | \$ 30,884,471                  |

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, 2023

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)  |                    | \$ 4,128,583                |
| (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   | \$ 9,962,276       |                             |
| Less: current-year depreciation expense   | <u>(3,027,535)</u> | 6,934,741                   |
| (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, 2023  | \$ 974,149         |                             |
| Less: deferred delinquent property taxes and other deferred June 30, 2022   | <u>(1,890,279)</u> | (916,130)                   |
| (3) 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  | \$ (705,858)       |                             |
| Change in termination benefits  | 28,708             |                             |
| Change in net pension asset/liability   | (24,942,204)       |                             |
| Change in deferred outflows related to pensions   | (1,456,750)        |                             |
| Change in deferred inflows related to pensions  | 27,889,397         |                             |
| Change in OPEB liability  | 783,868            |                             |
| Change in deferred outflows related to OPEB   | (42,089)           |                             |
| Change in deferred inflows related to OPEB  | <u>(44,220)</u>    | 1,510,852                   |
| (4) 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>15,426</u>               |
| Change in net position of governmental activities (Exhibit B)   |                    | <u><u>\$ 11,673,472</u></u> |

## Exhibit J-6

Jefferson County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Jefferson County School Department  
June 30, 2023

|                                       | Special Revenue Funds |                    |              | Capital<br>Projects Fund         | Total<br>Nonmajor<br>Governmental<br>Funds |
|---------------------------------------|-----------------------|--------------------|--------------|----------------------------------|--|
|                                       | Central<br>Cafeteria  | Internal<br>School | Total        | Education<br>Capital<br>Projects |  |
| <u>ASSETS</u>                         |                       |                    |              |                                  |  |
| Cash                                  | \$ 0                  | \$ 1,510,578       | \$ 1,510,578 | \$ 0                             | \$ 1,510,578                               |
| Equity in Pooled Cash and Investments | 3,424,261             | 0                  | 3,424,261    | 2,475,896                        | 5,900,157                                  |
| Accounts Receivable                   | 84                    | 0                  | 84           | 0                                | 84   |
| Due from Other Governments            | 57,701                | 0                  | 57,701       | 0                                | 57,701                                     |
| Due from Other Funds                  | 37,029                | 0                  | 37,029       | 0                                | 37,029                                     |
| Total Assets                          | \$ 3,519,075          | \$ 1,510,578       | \$ 5,029,653 | \$ 2,475,896                     | \$ 7,505,549                               |
| <u>LIABILITIES</u>                    |                       |                    |              |                                  |  |
| Accounts Payable                      | \$ 2,618              | \$ 2,630           | \$ 5,248     | \$ 0                             | \$ 5,248                                   |
| Accrued Payroll                       | 180,962               | 0                  | 180,962      | 0                                | 180,962                                    |
| Payroll Deductions Payable            | 99,552                | 0                  | 99,552       | 0                                | 99,552                                     |
| Total Liabilities                     | \$ 283,132            | \$ 2,630           | \$ 285,762   | \$ 0                             | \$ 285,762                                 |
| <u>FUND BALANCES</u>                  |                       |                    |              |                                  |  |
| Restricted:                           |                       |                    |              |                                  |  |
| Restricted for Education              | \$ 3,235,943          | \$ 1,507,948       | \$ 4,743,891 | \$ 0                             | \$ 4,743,891                               |
| Committed:                            |                       |                    |              |                                  |  |
| Committed for Capital Projects        | 0                     | 0                  | 0            | 2,475,896                        | 2,475,896                                  |
| Total Fund Balances                   | \$ 3,235,943          | \$ 1,507,948       | \$ 4,743,891 | \$ 2,475,896                     | \$ 7,219,787                               |
| Total Liabilities and Fund Balances   | \$ 3,519,075          | \$ 1,510,578       | \$ 5,029,653 | \$ 2,475,896                     | \$ 7,505,549                               |

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, 2023

|  | <u>Special Revenue Funds</u>       |                                  |              | <u>Capital</u><br><u>Projects Fund</u>                | <u>Total</u><br><u>Nonmajor</u><br><u>Governmental</u><br><u>Funds</u> |
|--|------------------------------------|----------------------------------|--------------|---|--|
|  | <u>Central</u><br><u>Cafeteria</u> | <u>Internal</u><br><u>School</u> | <u>Total</u> | <u>Education</u><br><u>Capital</u><br><u>Projects</u> |  |
| <u>Revenues</u>                                      |                                    |                                  |              |   |  |
| Charges for Current Services                         | \$ 1,151,454                       | \$ 0                             | \$ 1,151,454 | \$ 0  | \$ 1,151,454   |
| Other Local Revenues                                 | 23,074                             | 2,583,921                        | 2,606,995    | 0   | 2,606,995  |
| State of Tennessee                                   | 37,587                             | 0                                | 37,587       | 0   | 37,587   |
| Federal Government                                   | 3,703,114                          | 0                                | 3,703,114    | 0   | 3,703,114  |
| Total Revenues                                       | \$ 4,915,229                       | \$ 2,583,921                     | \$ 7,499,150 | \$ 0  | \$ 7,499,150   |
| <u>Expenditures</u>                                  |                                    |                                  |              |   |  |
| Current:   |                                    |                                  |              |   |  |
| Operation of Non-Instructional Services              | \$ 4,793,799                       | \$ 2,479,801                     | \$ 7,273,600 | \$ 0  | \$ 7,273,600   |
| Capital Outlay                                       | 0                                  | 0                                | 0            | 2,805,410   | 2,805,410  |
| Total Expenditures                                   | \$ 4,793,799                       | \$ 2,479,801                     | \$ 7,273,600 | \$ 2,805,410  | \$ 10,079,010  |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ 121,430                         | \$ 104,120                       | \$ 225,550   | \$ (2,805,410)  | \$ (2,579,860)   |
| <u>Other Financing Sources (Uses)</u>                |                                    |                                  |              |   |  |
| Insurance Recovery                                   | \$ 12,277                          | \$ 0                             | \$ 12,277    | \$ 0  | \$ 12,277  |
| Transfers In   | 0                                  | 0                                | 0            | 4,676,885   | 4,676,885  |
| Total Other Financing Sources (Uses)                 | \$ 12,277                          | \$ 0                             | \$ 12,277    | \$ 4,676,885  | \$ 4,689,162   |
| Net Change in Fund Balances                          | \$ 133,707                         | \$ 104,120                       | \$ 237,827   | \$ 1,871,475  | \$ 2,109,302   |
| Fund Balance, July 1, 2022                           | 3,102,236                          | 1,403,828                        | 4,506,064    | 604,421   | 5,110,485  |
| Fund Balance, June 30, 2023                          | \$ 3,235,943                       | \$ 1,507,948                     | \$ 4,743,891 | \$ 2,475,896  | \$ 7,219,787   |



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, 2023

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2022 | Add:<br>Encumbrances<br>6/30/2023 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |               | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|---------------|--|
|  |                           |                                   |                                   |   | Original         | Final         |  |
| <u>Revenues</u>                        |                           |                                   |                                   |   |                  |               |  |
| Local Taxes                            | \$ 20,853,247             | \$ 0                              | \$ 0                              | \$ 20,853,247   | \$ 19,163,486    | \$ 19,163,486 | \$ 1,689,761   |
| Licenses and Permits                   | 1,791                     | 0                                 | 0                                 | 1,791   | 2,400            | 2,400         | (609)  |
| Charges for Current Services           | 306,036                   | 0                                 | 0                                 | 306,036   | 225,000          | 225,000       | 81,036   |
| Other Local Revenues                   | 147,744                   | 0                                 | 0                                 | 147,744   | 500              | 7,480         | 140,264  |
| State of Tennessee                     | 44,123,034                | 0                                 | 0                                 | 44,123,034  | 42,187,805       | 47,087,984    | (2,964,950)  |
| Federal Government                     | 314,492                   | 0                                 | 0                                 | 314,492   | 78,525           | 92,171        | 222,321  |
| Other Governments and Citizens Groups  | 151,924                   | 0                                 | 0                                 | 151,924   | 92,822           | 239,958       | (88,034)   |
| Total Revenues                         | \$ 65,898,268             | \$ 0                              | \$ 0                              | \$ 65,898,268   | \$ 61,750,538    | \$ 66,818,479 | \$ (920,211)   |
| <u>Expenditures</u>                    |                           |                                   |                                   |   |                  |               |  |
| <u>Instruction</u>                     |                           |                                   |                                   |   |                  |               |  |
| Regular Instruction Program            | \$ 30,827,740             | \$ (15,543)                       | \$ 0                              | \$ 30,812,197   | \$ 31,385,257    | \$ 32,314,679 | \$ 1,502,482   |
| Alternative Instruction Program        | 126,134                   | 0                                 | 0                                 | 126,134   | 227,023          | 227,212       | 101,078  |
| Special Education Program              | 3,722,099                 | 0                                 | 0                                 | 3,722,099   | 3,835,439        | 3,847,004     | 124,905  |
| Career and Technical Education Program | 2,392,378                 | 0                                 | 1,065                             | 2,393,443   | 2,228,337        | 5,354,519     | 2,961,076  |
| <u>Support Services</u>                |                           |                                   |                                   |   |                  |               |  |
| Attendance                             | 297,398                   | (1,467)                           | 0                                 | 295,931   | 286,662          | 310,662       | 14,731   |
| Health Services                        | 156,004                   | 0                                 | 0                                 | 156,004   | 349,634          | 404,768       | 248,764  |
| Other Student Support                  | 2,009,411                 | (21,534)                          | 18,500                            | 2,006,377   | 2,030,540        | 2,266,898     | 260,521  |
| Regular Instruction Program            | 1,767,417                 | 0                                 | 0                                 | 1,767,417   | 1,954,115        | 2,036,732     | 269,315  |
| Alternative Instruction Program        | 37,958                    | 0                                 | 0                                 | 37,958  | 41,269           | 41,369        | 3,411  |
| Special Education Program              | 569,696                   | 0                                 | 0                                 | 569,696   | 706,641          | 798,423       | 228,727  |
| Career and Technical Education Program | 256,973                   | 0                                 | 1,707                             | 258,680   | 276,199          | 335,846       | 77,166   |
| Technology                             | 1,272,779                 | (31,180)                          | 10,502                            | 1,252,101   | 1,322,088        | 1,299,643     | 47,542   |
| Other Programs                         | 259,947                   | 0                                 | 0                                 | 259,947   | 0                | 259,947       | 0  |
| Board of Education                     | 763,300                   | (3,995)                           | 22,868                            | 782,173   | 862,029          | 862,129       | 79,956   |
| Director of Schools                    | 311,008                   | 0                                 | 0                                 | 311,008   | 324,636          | 332,236       | 21,228   |
| Office of the Principal                | 3,754,480                 | 0                                 | 0                                 | 3,754,480   | 4,078,065        | 3,953,874     | 199,394  |
| Fiscal Services                        | 479,000                   | 0                                 | 0                                 | 479,000   | 424,000          | 479,000       | 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<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2022 | Add:<br>Encumbrances<br>6/30/2023 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts     |                       | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|----------------------|-----------------------|--|
|  |                           |                                   |                                   |   | Original             | Final                 |  |
| <u>Expenditures (Cont.)</u>                          |                           |                                   |                                   |   |                      |                       |  |
| <u>Support Services (Cont.)</u>                      |                           |                                   |                                   |   |                      |                       |  |
| Human Services/Personnel                             | \$ 163,381                | \$ (969)                          | \$ 0                              | \$ 162,412  | \$ 181,616           | \$ 183,516            | \$ 21,104  |
| Operation of Plant                                   | 4,621,812                 | (14,446)                          | 251                               | 4,607,617   | 4,852,841            | 4,945,722             | 338,105  |
| Maintenance of Plant                                 | 1,427,156                 | (39,566)                          | 17,014                            | 1,404,604   | 1,603,677            | 1,666,865             | 262,261  |
| Transportation                                       | 2,508,503                 | 0                                 | 6,191                             | 2,514,694   | 3,036,137            | 3,230,090             | 715,396  |
| <u>Operation of Non-Instructional Services</u>       |                           |                                   |                                   |   |                      |                       |  |
| Food Service   | 37,029                    | 0                                 | 0                                 | 37,029  | 0                    | 57,726                | 20,697   |
| Community Services                                   | 239,578                   | 0                                 | 0                                 | 239,578   | 357,890              | 375,704               | 136,126  |
| Early Childhood Education                            | 815,113                   | 0                                 | 0                                 | 815,113   | 791,443              | 821,290               | 6,177  |
| <u>Capital Outlay</u>                                |                           |                                   |                                   |   |                      |                       |  |
| Regular Capital Outlay                               | 1,668,623                 | (201,000)                         | 79,274                            | 1,546,897   | 800,000              | 3,115,274             | 1,568,377  |
| Total Expenditures                                   | <u>\$ 60,484,917</u>      | <u>\$ (329,700)</u>               | <u>\$ 157,372</u>                 | <u>\$ 60,312,589</u>  | <u>\$ 61,955,538</u> | <u>\$ 69,521,128</u>  | <u>\$ 9,208,539</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ 5,413,351              | \$ 329,700                        | \$ (157,372)                      | \$ 5,585,679  | \$ (205,000)         | \$ (2,702,649)        | \$ 8,288,328   |
| <u>Other Financing Sources (Uses)</u>                |                           |                                   |                                   |   |                      |                       |  |
| Insurance Recovery                                   | \$ 287,655                | \$ 0                              | \$ 0                              | \$ 287,655  | \$ 0                 | \$ 244,038            | \$ 43,617  |
| Transfers In   | 124,679                   | 0                                 | 0                                 | 124,679   | 125,000              | 125,000               | (321)  |
| Transfers Out  | (5,676,885)               | 0                                 | 0                                 | (5,676,885)   | (40,000)             | (5,676,885)           | 0  |
| Total Other Financing Sources                        | <u>\$ (5,264,551)</u>     | <u>\$ 0</u>                       | <u>\$ 0</u>                       | <u>\$ (5,264,551)</u>                                       | <u>\$ 85,000</u>     | <u>\$ (5,307,847)</u> | <u>\$ 43,296</u>   |
| Net Change in Fund Balance                           | \$ 148,800                | \$ 329,700                        | \$ (157,372)                      | \$ 321,128  | \$ (120,000)         | \$ (8,010,496)        | \$ 8,331,624   |
| Fund Balance, July 1, 2022                           | <u>20,513,666</u>         | <u>(329,700)</u>                  | <u>0</u>                          | <u>20,183,966</u>   | <u>8,900,000</u>     | <u>8,900,000</u>      | <u>11,283,966</u>  |
| Fund Balance, June 30, 2023                          | <u>\$ 20,662,466</u>      | <u>\$ 0</u>                       | <u>\$ (157,372)</u>               | <u>\$ 20,505,094</u>  | <u>\$ 8,780,000</u>  | <u>\$ 889,504</u>     | <u>\$ 19,615,590</u>   |

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, 2023

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2022 | Add:<br>Encumbrances<br>6/30/2023 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |               | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|---------------|--|
|  |                           |                                   |                                   |   | Original         | Final         |  |
| <u>Revenues</u>                                      |                           |                                   |                                   |   |                  |               |  |
| Federal Government                                   | \$ 16,806,726             | \$ 0                              | \$ 0                              | \$ 16,806,726   | \$ 4,504,006     | \$ 20,715,605 | \$ (3,908,879)   |
| Total Revenues                                       | \$ 16,806,726             | \$ 0                              | \$ 0                              | \$ 16,806,726   | \$ 4,504,006     | \$ 20,715,605 | \$ (3,908,879)   |
| <u>Expenditures</u>                                  |                           |                                   |                                   |   |                  |               |  |
| <u>Instruction</u>                                   |                           |                                   |                                   |   |                  |               |  |
| Regular Instruction Program                          | \$ 4,815,256              | \$ 0                              | \$ 0                              | \$ 4,815,256  | \$ 1,442,481     | \$ 6,321,867  | \$ 1,506,611   |
| Special Education Program                            | 1,724,844                 | 0                                 | 0                                 | 1,724,844   | 1,188,844        | 1,962,036     | 237,192  |
| Career and Technical Education Program               | 164,419                   | 0                                 | 0                                 | 164,419   | 226,512          | 166,289       | 1,870  |
| <u>Support Services</u>                              |                           |                                   |                                   |   |                  |               |  |
| Health Services                                      | 799,158                   | 0                                 | 0                                 | 799,158   | 90,368           | 824,822       | 25,664   |
| Other Student Support                                | 1,603,542                 | 0                                 | 0                                 | 1,603,542   | 768,598          | 1,809,800     | 206,258  |
| Regular Instruction Program                          | 731,363                   | 0                                 | 0                                 | 731,363   | 215,916          | 994,511       | 263,148  |
| Special Education Program                            | 380,142                   | 0                                 | 0                                 | 380,142   | 409,274          | 446,759       | 66,617   |
| Career and Technical Education Program               | 3,232                     | 0                                 | 0                                 | 3,232   | 2,500            | 3,500         | 268  |
| Technology   | 42,760                    | 0                                 | 0                                 | 42,760  | 0                | 42,760        | 0  |
| Fiscal Services                                      | 30,170                    | 0                                 | 9,360                             | 39,530  | 0                | 45,465        | 5,935  |
| Operation of Plant                                   | 317,212                   | 0                                 | 0                                 | 317,212   | 0                | 317,212       | 0  |
| Transportation                                       | 251,121                   | 0                                 | 0                                 | 251,121   | 77,270           | 268,213       | 17,092   |
| <u>Operation of Non-Instructional Services</u>       |                           |                                   |                                   |   |                  |               |  |
| Community Services                                   | 93,490                    | 0                                 | 0                                 | 93,490  | 0                | 93,490        | 0  |
| <u>Capital Outlay</u>                                |                           |                                   |                                   |   |                  |               |  |
| Regular Capital Outlay                               | 4,854,857                 | (6,708,838)                       | 2,239,037                         | 385,056   | 0                | 7,294,202     | 6,909,146  |
| Total Expenditures                                   | \$ 15,811,566             | \$ (6,708,838)                    | \$ 2,248,397                      | \$ 11,351,125   | \$ 4,421,763     | \$ 20,590,926 | \$ 9,239,801   |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ 995,160                | \$ 6,708,838                      | \$ (2,248,397)                    | \$ 5,455,601  | \$ 82,243        | \$ 124,679    | \$ 5,330,922   |
| <u>Other Financing Sources (Uses)</u>                |                           |                                   |                                   |   |                  |               |  |
| Transfers In   | \$ 1,000,000              | \$ 0                              | \$ 0                              | \$ 1,000,000  | \$ 0             | \$ 1,000,000  | \$ 0   |
| Transfers Out  | (124,679)                 | 0                                 | 0                                 | (124,679)   | (82,243)         | (124,679)     | 0  |
| Total Other Financing Sources                        | \$ 875,321                | \$ 0                              | \$ 0                              | \$ 875,321  | \$ (82,243)      | \$ 875,321    | \$ 0   |
| Net Change in Fund Balance                           | \$ 1,870,481              | \$ 6,708,838                      | \$ (2,248,397)                    | \$ 6,330,922  | \$ 0             | \$ 1,000,000  | \$ 5,330,922   |
| Fund Balance, July 1, 2022                           | 1,131,737                 | (6,708,838)                       | 0                                 | (5,577,101)   | 1,000,000        | 1,000,000     | (6,577,101)  |
| Fund Balance, June 30, 2023                          | \$ 3,002,218              | \$ 0                              | \$ (2,248,397)                    | \$ 753,821  | \$ 1,000,000     | \$ 2,000,000  | \$ (1,246,179)   |

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, 2023

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2022 | Add:<br>Encumbrances<br>6/30/2023 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |              | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|--------------|--|
|  |                           |                                   |                                   |   | Original         | Final        |  |
| <u>Revenues</u>                                      |                           |                                   |                                   |   |                  |              |  |
| Charges for Current Services                         | \$ 1,151,454              | \$ 0                              | \$ 0                              | \$ 1,151,454  | \$ 1,045,000     | \$ 1,045,000 | \$ 106,454   |
| Other Local Revenues                                 | 23,074                    | 0                                 | 0                                 | 23,074  | 6,600            | 6,600        | 16,474   |
| State of Tennessee                                   | 37,587                    | 0                                 | 0                                 | 37,587  | 34,000           | 34,000       | 3,587  |
| Federal Government                                   | 3,703,114                 | 0                                 | 0                                 | 3,703,114   | 3,030,748        | 3,242,968    | 460,146  |
| Total Revenues                                       | \$ 4,915,229              | \$ 0                              | \$ 0                              | \$ 4,915,229  | \$ 4,116,348     | \$ 4,328,568 | \$ 586,661   |
| <u>Expenditures</u>                                  |                           |                                   |                                   |   |                  |              |  |
| <u>Operation of Non-Instructional Services</u>       |                           |                                   |                                   |   |                  |              |  |
| Food Service   | \$ 4,793,799              | \$ (98,155)                       | \$ 400                            | \$ 4,696,044  | \$ 4,862,888     | \$ 5,243,385 | \$ 547,341   |
| Total Expenditures                                   | \$ 4,793,799              | \$ (98,155)                       | \$ 400                            | \$ 4,696,044  | \$ 4,862,888     | \$ 5,243,385 | \$ 547,341   |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ 121,430                | \$ 98,155                         | \$ (400)                          | \$ 219,185  | \$ (746,540)     | \$ (914,817) | \$ 1,134,002   |
| <u>Other Financing Sources (Uses)</u>                |                           |                                   |                                   |   |                  |              |  |
| Insurance Recovery                                   | \$ 12,277                 | \$ 0                              | \$ 0                              | \$ 12,277   | \$ 0             | \$ 12,277    | \$ 0   |
| Total Other Financing Sources                        | \$ 12,277                 | \$ 0                              | \$ 0                              | \$ 12,277   | \$ 0             | \$ 12,277    | \$ 0   |
| Net Change in Fund Balance                           | \$ 133,707                | \$ 98,155                         | \$ (400)                          | \$ 231,462  | \$ (746,540)     | \$ (902,540) | \$ 1,134,002   |
| Fund Balance, July 1, 2022                           | 3,102,236                 | (98,155)                          | 0                                 | 3,004,081   | 3,000,000        | 3,000,000    | 4,081  |
| Fund Balance, June 30, 2023                          | \$ 3,235,943              | \$ 0                              | \$ (400)                          | \$ 3,235,543  | \$ 2,253,460     | \$ 2,097,460 | \$ 1,138,083   |

Exhibit J-11

Jefferson County, Tennessee  
Statement of Net Position - Proprietary Fund  
Discretely Presented Jefferson County School Department  
June 30, 2023

|                                       |                     |                              |
|---------------------------------------|---------------------|------------------------------|
|                                       |                     | Governmental<br>Activities - |
|                                       |                     | <u>Internal</u>              |
|                                       |                     | <u>Service Fund</u>          |
|                                       |                     | Employee                     |
|                                       |                     | Insurance -                  |
|                                       |                     | Dental and                   |
|                                       |                     | Vision                       |
|                                       |                     | <u>Fund</u>                  |
|                                       | <u>ASSETS</u>       |                              |
| Current Assets:                       |                     |                              |
| Cash                                  | \$                  | 25,143                       |
| Equity in Pooled Cash and Investments |                     | <u>168,983</u>               |
| Total Assets                          | \$                  | <u>194,126</u>               |
|                                       | <u>LIABILITIES</u>  |                              |
| Current Liabilities:                  |                     |                              |
| Claims and Judgments Payable          | \$                  | <u>33,492</u>                |
| Total Liabilities                     | \$                  | <u>33,492</u>                |
|                                       | <u>NET POSITION</u> |                              |
| Unrestricted                          | \$                  | <u>160,634</u>               |
| Total Net Position                    | \$                  | <u><u>160,634</u></u>        |

Exhibit J-12

Jefferson County, Tennessee  
Statement of Revenues, Expenses, and Changes in Net Position -  
Proprietary Fund  
Discretely Presented Jefferson County School Department  
For the Year Ended June 30, 2023

|   |                              |
|---|------------------------------|
|   | Governmental<br>Activities - |
|   | <u>Internal</u>              |
|   | <u>Service Fund</u>          |
|   | Employee                     |
|   | Insurance -                  |
|   | Dental and                   |
|   | Vision                       |
|   | <u>Fund</u>                  |
| <u>Operating Revenues</u>                 |                              |
| Self-Insurance Premiums/Contributions     | \$ 518,326                   |
| Total Operating Revenues                  | <u>\$ 518,326</u>            |
| <u>Operating Expenses</u>                 |                              |
| Handling Charges and Administrative Costs | \$ 27,937                    |
| Other Self-Insured Claims                 | <u>474,963</u>               |
| Total Operating Expenses                  | <u>\$ 502,900</u>            |
| Operating Income (Loss)                   | <u>\$ 15,426</u>             |
| Change in Net Position                    | \$ 15,426                    |
| Net Position, July 1, 2022                | <u>145,208</u>               |
| Net Position, June 30, 2023               | <u><u>\$ 160,634</u></u>     |

## Exhibit J-13

Jefferson County, Tennessee  
Statement of Cash Flows - Proprietary Fund  
Discretely Presented Jefferson County School Department  
For the Year Ended June 30, 2023

|   | Governmental<br>Activities -<br>Internal<br>Service Fund<br>Employee<br>Insurance -<br>Dental and<br>Vision<br>Fund |
|---|---|
| <u>Cash Flows from Operating Activities</u>   |   |
| Receipts for Self-Insurance Premiums  | \$ 518,326  |
| Payments for Claims   | (473,873)   |
| Payments for Administrative Costs   | (27,937)  |
| Net Cash Provided By (Used In) Operating Activities   | <u>\$ 16,516</u>  |
|   |   |
| Increase (Decrease) in Cash   | \$ 16,516   |
| Cash, July 1, 2022  | <u>177,610</u>  |
|   |   |
| Cash, June 30, 2023   | <u><u>\$ 194,126</u></u>  |
| <u>Reconciliation of Operating Income (Loss)</u><br><u>to Net Cash Provided By (Used In) Operating Activities</u> |   |
| Operating Income (Loss)   | \$ 15,426   |
| Adjustment to Reconcile Net Operating Income (Loss)<br>to Net Cash Provided By (Used In) Operating Activities:    |   |
| Changes in Assets and Liabilities:  |   |
| Increase (Decrease) in Other Current Liabilities  | <u>1,090</u>  |
| Net Cash Provided By (Used In) Operating Activities   | <u><u>\$ 16,516</u></u>   |
| <u>Reconciliation of Cash With Statement of Net Position</u>  |   |
| Cash Per Net Position   | \$ 25,143   |
| Equity in Pooled Cash and Investments Per Net Position  | <u>168,983</u>  |
|   |   |
| Cash, June 30, 2023   | <u><u>\$ 194,126</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, 2023

| Description of Indebtedness                                | Original<br>Amount<br>of Issue | Interest<br>Rate | Date<br>of<br>Issue | Last<br>Maturity<br>Date |    | Outstanding<br>7-1-22 | Paid and/or<br>Matured<br>During<br>Period | Outstanding<br>6-30-23 |
|--|--------------------------------|------------------|---------------------|--------------------------|----|-----------------------|--|------------------------|
| <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 (2)               | \$ | 3,440,000             | \$ 3,440,000                               | \$ 0                   |
| Qualified School Construction Bonds                        | 10,595,000                     | 0 (1)            | 10-7-10             | 8-1-27                   |    | 3,432,961             | 661,112                                    | 2,771,849              |
| Energy Efficient Schools Initiative Loan, Series 2011      | 2,506,325                      | 2.5 %            | 11-2-11             | 3-1-24                   |    | 413,915               | 234,288                                    | 179,627                |
| Total Other Loans Payable                                  |                                |                  |                     |                          |    | <u>\$ 7,286,876</u>   | <u>\$ 4,335,400</u>                        | <u>\$ 2,951,476</u>    |

BONDS PAYABLE

|  |            |           |          |        |    |                      |                     |                      |
|--|------------|-----------|----------|--------|----|----------------------|---------------------|----------------------|
| <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                | \$ 16,000,000        |
| General Obligation Refunding Bonds, Series 2017  | 8,725,000  | 1 to 5    | 10-27-17 | 6-1-23 |    | 1,975,000            | 1,975,000           | 0                    |
| General Obligation Refunding Bonds, Series 2020A | 15,225,000 | 1.95      | 6-5-20   | 6-1-36 |    | 14,050,000           | 640,000             | 13,410,000           |
| General Obligation Bonds, Series 2020B           | 7,750,000  | 3         | 12-15-20 | 6-1-50 |    | 7,750,000            | 100,000             | 7,650,000            |
| General Obligation Refunding Bonds, Series 2021A | 6,350,000  | 1.5 to 3  | 6-4-21   | 6-1-36 |    | 6,300,000            | 50,000              | 6,250,000            |
| General Obligation Refunding Bonds, Series 2021B | 5,535,000  | 1.75 to 2 | 6-25-21  | 6-1-37 |    | 5,230,000            | 305,000             | 4,925,000            |
| General Obligation Bonds, Series 2022            | 2,000,000  | 3         | 2-25-22  | 6-1-50 |    | 2,000,000            | 0                   | 2,000,000            |
| Total Bonds Payable                              |            |           |          |        |    | <u>\$ 53,305,000</u> | <u>\$ 3,070,000</u> | <u>\$ 50,235,000</u> |

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

(2) Jefferson County elected to retire this loan during the year.

Exhibit K-2

Jefferson County, Tennessee  
Schedule of Long-term Debt Requirements by Year

| Year<br>Ending<br>June 30 | Other Loans  |              |            |              |
|---------------------------|--------------|--------------|------------|--------------|
|                           | Principal    | Interest (1) | Other Fees | Total        |
| 2024                      | \$ 840,739   | \$ 521,325   | \$ 8,476   | \$ 1,370,540 |
| 2025                      | 661,112      | 515,511      | 8,476      | 1,185,099    |
| 2026                      | 661,112      | 513,645      | 8,476      | 1,183,233    |
| 2027                      | 726,190      | 513,645      | 8,476      | 1,248,311    |
| 2028                      | 62,323       | 50,586       | 2,122      | 115,031      |
| Total                     | \$ 2,951,476 | \$ 2,114,712 | \$ 36,026  | \$ 5,102,214 |

| Year<br>Ending<br>June 30 | Bonds         |               |               |
|---------------------------|---------------|---------------|---------------|
|                           | Principal     | Interest      | Total         |
| 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                     | \$ 50,235,000 | \$ 25,405,190 | \$ 75,640,190 |

(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, 2023

| Description                           | Debtor             | Original<br>Amount<br>of Lease | Date<br>of<br>Issue | Date<br>of<br>Maturity | Interest<br>Rate |   | Balance<br>7-1-22    | Deductions        | Balance<br>6-30-23   |
|---------------------------------------|--------------------|--------------------------------|---------------------|------------------------|------------------|---|----------------------|-------------------|----------------------|
| <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             | % | \$ 22,498,125        | \$ 431,861        | \$ 22,066,264        |
| Jefferson Memorial Hospital - Grounds | "                  | 82,616                         | 2-3-2000            | 12-01-2098             | 1.88             |   | 82,161               | 463               | 81,698               |
| Total Leases Receivable               |                    |                                |                     |                        |                  |   | <u>\$ 22,580,286</u> | <u>\$ 432,324</u> | <u>\$ 22,147,962</u> |

Exhibit K-4

Jefferson County, Tennessee

Schedule of Transfers

Primary Government and Discretely Presented Jefferson County School Department

For the Year Ended June 30, 2023

| From Fund  | To Fund                    | Purpose                | Amount              |
|--|----------------------------|------------------------|---------------------|
| <u>PRIMARY GOVERNMENT</u>  |                            |                        |                     |
| General  | General Debt Service       | QSCB Tax Credit Rebate | \$ 484,368          |
| "  | General Capital Projects   | Capital Projects       | 414,009             |
| "  | Other Capital Projects     | Cash Flow              | 160,095             |
| "  | Solid Waste Disposal       | Capital Expenditures   | <u>500,000</u>      |
| Total Transfers Primary Government   |                            |                        | <u>\$ 1,558,472</u> |
| <u>DISCRETELY PRESENTED JEFFERSON COUNTY SCHOOL DEPARTMENT</u>             |                            |                        |                     |
| General Purpose School   | School Federal Projects    | Cash Flow              | \$ 1,000,000        |
| "  | Education Capital Projects | Capital Projects       | 4,676,885           |
| School Federal Projects  | General Purpose School     | Indirect Cost          | <u>124,679</u>      |
| Total Transfers Discretely Presented<br>Jefferson County School Department |                            |                        | <u>\$ 5,801,564</u> |

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, 2023

| Official   |                   | Authorization                | Bond       | Surety                          |
|--|-------------------|------------------------------|------------|---------------------------------|
| <b>County Mayor</b>                              |                   | Section 8-24-102, <i>TCA</i> | \$ 100,000 | Hartford Fire Insurance Company |
| Base salary/Total compensation                   | <u>\$ 112,246</u> |                              |            |                                 |
| <b>Road Superintendent</b>                       |                   | Section 8-24-102, <i>TCA</i> | (1)        | Tennessee Risk Management Trust |
| Base salary/Total compensation                   | <u>\$ 106,901</u> |                              |            |                                 |
| <b>Director of Schools -</b>                     |                   | State Board of Education and | (1)        | Tennessee Risk Management Trust |
| <b>Dr. Shane Johnston (7/1/22-7/1/22)</b>        |                   | County Board of Education    |            |                                 |
| Base salary                                      | \$ 524            |                              |            |                                 |
| Accumulated vacation days                        | 10,037            |                              |            |                                 |
| Total compensation                               | <u>\$ 10,561</u>  |                              |            |                                 |
| <b>Director of Schools -</b>                     |                   |                              |            |                                 |
| <b>Tommy Arnold (7/2/22-6/30/23)</b>             |                   | State Board of Education and | (1)        | Tennessee Risk Management Trust |
| Base salary                                      | \$ 135,000        | County Board of Education    |            |                                 |
| Health insurance premiums                        | 7,067             |                              |            |                                 |
| Chief executive officer training supplement      | 1,000             |                              |            |                                 |
| Total compensation                               | <u>\$ 143,067</u> |                              |            |                                 |
| Total Director of Schools compensation           | <u>\$ 153,628</u> |                              |            |                                 |
| <b>Trustee</b>                                   |                   | Section 8-24-102, <i>TCA</i> | 2,910,602  | Hartford Fire Insurance Company |
| Base salary/Total compensation                   | <u>\$ 97,183</u>  |                              |            |                                 |
| <b>Assessor of Property</b>                      |                   | Section 8-24-102, <i>TCA</i> | (1)        | Tennessee Risk Management Trust |
| Base salary                                      | \$ 97,183         |                              |            |                                 |
| Salary supplement                                | 750               |                              |            |                                 |
| Total compensation                               | <u>\$ 97,933</u>  |                              |            |                                 |
| <b>County Clerk</b>                              |                   | Section 8-24-102, <i>TCA</i> | 100,000    | Hartford Fire Insurance Company |
| Base salary                                      | \$ 97,183         |                              |            |                                 |
| Special commissioner fees                        | 11,160            |                              |            |                                 |
| Total compensation                               | <u>\$ 108,343</u> |                              |            |                                 |
| <b>Circuit and General Sessions Courts Clerk</b> |                   | Section 8-24-102, <i>TCA</i> | 100,000    | Hartford Fire Insurance Company |
| Base salary/Total compensation                   | <u>\$ 97,183</u>  |                              |            |                                 |
| <b>Clerk and Master</b>                          |                   | Section 8-24-102, <i>TCA</i> | 100,000    | Hartford Fire Insurance Company |
| Base salary                                      | \$ 97,183         |                              |            |                                 |
| Special commissioner fees                        | 3,812             |                              |            |                                 |
| Total compensation                               | <u>\$ 100,995</u> |                              |            |                                 |
| <b>Register of Deeds</b>                         |                   | Section 8-24-102, <i>TCA</i> | 100,000    | Hartford Fire Insurance Company |
| Base salary/Total compensation                   | <u>\$ 97,183</u>  |                              |            |                                 |
| <b>Sheriff</b>                                   |                   | Section 8-24-102, <i>TCA</i> | 100,000    | Hartford Fire Insurance Company |
| Base salary                                      | \$ 106,901        |                              |            |                                 |
| Law enforcement training supplement              | 800               |                              |            |                                 |
| Total compensation                               | <u>\$ 107,701</u> |                              |            |                                 |
| <b>Finance Director</b>                          |                   | County Commission            | (1)        | Tennessee Risk Management Trust |
| Base salary                                      | \$ 103,063        |                              |            |                                 |
| Longevity  | 600               |                              |            |                                 |
| Bonus  | 5,153             |                              |            |                                 |
| Total compensation                               | <u>\$ 108,816</u> |                              |            |                                 |
| Employee Blanket Bonds:                          |                   |                              |            |                                 |
| Employee Fidelity - County Departments           |                   |                              | 400,000    | Tennessee Risk Management Trust |
| Employee Fidelity - School Department            |                   |                              | 400,000    | "                               |

(1) Official is under the employee fidelity insurance coverage.

## Exhibit K-6

Jefferson County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
For the Year Ended June 30, 2023

|  | Special Revenue Funds |                                       |                |                                |                 |
|--|-----------------------|---------------------------------------|----------------|--------------------------------|-----------------|
|  | General               | Courthouse<br>and Jail<br>Maintenance | Law<br>Library | Solid<br>Waste /<br>Sanitation | Drug<br>Control |
| <u>Local Taxes</u>                                       |                       |                                       |                |                                |                 |
| <u>County Property Taxes</u>                             |                       |                                       |                |                                |                 |
| Current Property Tax                                     | \$ 12,084,943         | \$ 0                                  | \$ 0           | \$ 1,805,793                   | \$ 0            |
| Trustee's Collections - Prior Year                       | 153,956               | 0                                     | 0              | 23,005                         | 0               |
| Trustee's Collections - Bankruptcy                       | 715                   | 0                                     | 0              | 107                            | 0               |
| Circuit Clerk/Clerk and Master Collections - Prior Years | 221,248               | 0                                     | 0              | 33,060                         | 0               |
| Interest and Penalty                                     | 40,717                | 0                                     | 0              | 6,084                          | 0               |
| Pickup Taxes   | 5,517                 | 0                                     | 0              | 762                            | 0               |
| Payments in-Lieu-of Taxes - Local Utilities              | 17,081                | 0                                     | 0              | 8,203                          | 0               |
| Payments in-Lieu-of Taxes - Other                        | 37,871                | 0                                     | 0              | 0                              | 0               |
| <u>County Local Option Taxes</u>                         |                       |                                       |                |                                |                 |
| Local Option Sales Tax                                   | 2,424,808             | 0                                     | 0              | 0                              | 0               |
| Hotel/Motel Tax  | 756,762               | 0                                     | 0              | 0                              | 0               |
| Wheel Tax  | 0                     | 0                                     | 0              | 0                              | 0               |
| Litigation Tax - General                                 | 109,454               | 0                                     | 0              | 0                              | 0               |
| Litigation Tax - Special Purpose                         | 0                     | 0                                     | 12,871         | 0                              | 0               |
| Litigation Tax - Jail, Workhouse, or Courthouse          | 141,164               | 51,803                                | 0              | 0                              | 0               |
| Business Tax   | 708,398               | 0                                     | 0              | 0                              | 0               |
| Adequate Facilities/Development Tax                      | 0                     | 0                                     | 0              | 0                              | 0               |
| <u>Statutory Local Taxes</u>                             |                       |                                       |                |                                |                 |
| Bank Excise Tax  | 46,108                | 0                                     | 0              | 6,890                          | 0               |
| Wholesale Beer Tax                                       | 203,580               | 0                                     | 0              | 0                              | 0               |
| Total Local Taxes  | \$ 16,952,322         | \$ 51,803                             | \$ 12,871      | \$ 1,883,904                   | \$ 0            |
| <u>Licenses and Permits</u>                              |                       |                                       |                |                                |                 |
| <u>Licenses</u>  |                       |                                       |                |                                |                 |
| Marriage Licenses  | \$ 3,582              | \$ 0                                  | \$ 0           | \$ 0                           | \$ 0            |
| Cable TV Franchise                                       | 114,331               | 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<br>and Jail<br>Maintenance | Law<br>Library | Solid<br>Waste /<br>Sanitation | Drug<br>Control |
| <u>Licenses and Permits (Cont.)</u>      |                       |                                       |                |                                |                 |
| <u>Permits</u>                           |                       |                                       |                |                                |                 |
| Beer Permits                             | \$ 950                | \$ 0                                  | \$ 0           | \$ 0                           | \$ 0            |
| Building Permits                         | 449,572               | 0                                     | 0              | 0                              | 0               |
| Other Permits                            | 136,282               | 0                                     | 0              | 0                              | 0               |
| Total Licenses and Permits               | \$ 704,717            | \$ 0                                  | \$ 0           | \$ 0                           | \$ 0            |
| <u>Fines, Forfeitures, and Penalties</u> |                       |                                       |                |                                |                 |
| <u>Circuit Court</u>                     |                       |                                       |                |                                |                 |
| Fines                                    | \$ 17,612             | \$ 0                                  | \$ 0           | \$ 0                           | \$ 0            |
| Officers Costs                           | 5,936                 | 0                                     | 0              | 0                              | 0               |
| Drug Control Fines                       | 0                     | 0                                     | 0              | 0                              | 2,133           |
| Drug Court Fees                          | 2,829                 | 0                                     | 0              | 0                              | 0               |
| Jail Fees                                | 1,887                 | 0                                     | 0              | 0                              | 0               |
| DUI Treatment Fines                      | 273                   | 0                                     | 0              | 0                              | 0               |
| Data Entry Fee - Circuit Court           | 2,198                 | 0                                     | 0              | 0                              | 0               |
| Courtroom Security Fee                   | 2                     | 0                                     | 0              | 0                              | 0               |
| <u>General Sessions Court</u>            |                       |                                       |                |                                |                 |
| Fines                                    | 69,171                | 0                                     | 0              | 0                              | 0               |
| Fines for Littering                      | 48                    | 0                                     | 0              | 0                              | 0               |
| Officers Costs                           | 58,386                | 0                                     | 0              | 0                              | 0               |
| Game and Fish Fines                      | 1,386                 | 0                                     | 0              | 0                              | 0               |
| Drug Control Fines                       | 0                     | 0                                     | 0              | 0                              | 9,574           |
| Drug Court Fees                          | 10,037                | 0                                     | 0              | 0                              | 0               |
| Jail Fees                                | 44,473                | 0                                     | 0              | 0                              | 0               |
| DUI Treatment Fines                      | 15,923                | 0                                     | 0              | 0                              | 0               |
| Data Entry Fee - General Sessions Court  | 20,553                | 0                                     | 0              | 0                              | 0               |
| Courtroom Security Fee                   | 2,479                 | 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<br>and Jail<br>Maintenance | Law<br>Library | Solid<br>Waste /<br>Sanitation | Drug<br>Control |
| <u>Fines, Forfeitures, and Penalties (Cont.)</u> |                       |                                       |                |                                |                 |
| <u>Juvenile Court</u>                            |                       |                                       |                |                                |                 |
| Fines  | \$ 5,559              | \$ 0                                  | \$ 0           | \$ 0                           | \$ 0            |
| Officers Costs                                   | 4,021                 | 0                                     | 0              | 0                              | 0               |
| Data Entry Fee - Juvenile Court                  | 904                   | 0                                     | 0              | 0                              | 0               |
| <u>Chancery Court</u>                            |                       |                                       |                |                                |                 |
| Officers Costs                                   | 492                   | 0                                     | 0              | 0                              | 0               |
| Data Entry Fee - Chancery Court                  | 6,524                 | 0                                     | 0              | 0                              | 0               |
| <u>Judicial District Drug Program</u>            |                       |                                       |                |                                |                 |
| Victims Assistance Assessments                   | 31,137                | 0                                     | 0              | 0                              | 0               |
| <u>Other Fines, Forfeitures, and Penalties</u>   |                       |                                       |                |                                |                 |
| Other Fines, Forfeitures, and Penalties          | 17,575                | 0                                     | 0              | 0                              | 0               |
| Total Fines, Forfeitures, and Penalties          | \$ 319,405            | \$ 0                                  | \$ 0           | \$ 0                           | \$ 11,707       |
| <u>Charges for Current Services</u>              |                       |                                       |                |                                |                 |
| <u>General Service Charges</u>                   |                       |                                       |                |                                |                 |
| Patient Charges                                  | \$ 4,468,344          | \$ 0                                  | \$ 0           | \$ 0                           | \$ 0            |
| Other General Service Charges                    | 2,500                 | 0                                     | 0              | 0                              | 0               |
| <u>Fees</u>                                      |                       |                                       |                |                                |                 |
| Copy Fees  | 164                   | 0                                     | 0              | 0                              | 0               |
| Library Fees                                     | 24,344                | 0                                     | 0              | 0                              | 0               |
| Greenbelt Late Application Fee                   | 50                    | 0                                     | 0              | 0                              | 0               |
| Telephone Commissions                            | 47,744                | 0                                     | 0              | 0                              | 0               |
| Additional Fees - Titling and Registration       | 66,150                | 0                                     | 0              | 0                              | 0               |
| Constitutional Officers' Fees and Commissions    | 0                     | 0                                     | 0              | 0                              | 0               |
| Special Commissioner Fees/Special Master Fees    | 0                     | 0                                     | 0              | 0                              | 0               |
| Data Processing Fee - Register                   | 20,276                | 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<br>and Jail<br>Maintenance | Law<br>Library | Solid<br>Waste /<br>Sanitation | Drug<br>Control |
| <u>Charges for Current Services (Cont.)</u>                           |                       |                                       |                |                                |                 |
| <u>Fees (Cont.)</u>   |                       |                                       |                |                                |                 |
| Data Processing Fee - Sheriff   | \$ 6,093              | \$ 0                                  | \$ 0           | \$ 0                           | \$ 0            |
| Sexual Offender Registration Fee - Sheriff                            | 12,900                | 0                                     | 0              | 0                              | 0               |
| Data Processing Fee - County Clerk                                    | 2,548                 | 0                                     | 0              | 0                              | 0               |
| Subscription and Electronic Filing Fee - Circuit and General Sessions | 14,140                | 0                                     | 0              | 0                              | 0               |
| Vehicle Registration Reinstatement Fees                               | 3,165                 | 0                                     | 0              | 0                              | 0               |
| <u>Education Charges</u>  |                       |                                       |                |                                |                 |
| Receipts from Individual Schools                                      | 3,205                 | 0                                     | 0              | 0                              | 0               |
| Total Charges for Current Services                                    | \$ 4,671,623          | \$ 0                                  | \$ 0           | \$ 0                           | \$ 0            |
| <u>Other Local Revenues</u>   |                       |                                       |                |                                |                 |
| <u>Recurring Items</u>  |                       |                                       |                |                                |                 |
| Investment Income   | \$ 24,219             | \$ 0                                  | \$ 0           | \$ 0                           | \$ 0            |
| Lease/Rentals   | 7,705                 | 0                                     | 0              | 0                              | 0               |
| Lease Interest  | 0                     | 0                                     | 0              | 0                              | 0               |
| Commissary Sales  | 43,736                | 0                                     | 0              | 0                              | 0               |
| Sale of Maps  | 5                     | 0                                     | 0              | 0                              | 0               |
| Sale of Recycled Materials  | 0                     | 0                                     | 0              | 214,038                        | 0               |
| E-Rate Funding  | 8,473                 | 0                                     | 0              | 0                              | 0               |
| Miscellaneous Refunds   | 254,096               | 0                                     | 0              | 0                              | 0               |
| Expenditure Credits   | 8,317                 | 0                                     | 0              | 0                              | 0               |
| <u>Nonrecurring Items</u>   |                       |                                       |                |                                |                 |
| Sale of Equipment   | 14,573                | 0                                     | 0              | 0                              | 0               |
| Damages Recovered from Individuals                                    | 436                   | 0                                     | 0              | 0                              | 0               |
| Contributions and Gifts   | 89,656                | 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<br>and Jail<br>Maintenance | Law<br>Library | Solid<br>Waste /<br>Sanitation | Drug<br>Control |
| <u>Other Local Revenues (Cont.)</u>        |                       |                                       |                |                                |                 |
| <u>Other Local Revenues</u>                |                       |                                       |                |                                |                 |
| Other Local Revenues                       | \$ 525,270            | \$ 0                                  | \$ 0           | \$ 0                           | \$ 0            |
| Total Other Local Revenues                 | \$ 976,486            | \$ 0                                  | \$ 0           | \$ 214,038                     | \$ 0            |
| <u>Fees Received From County Officials</u> |                       |                                       |                |                                |                 |
| <u>Excess Fees</u>                         |                       |                                       |                |                                |                 |
| County Clerk                               | \$ 1,700              | \$ 0                                  | \$ 0           | \$ 0                           | \$ 0            |
| <u>Fees In-Lieu-of Salary</u>              |                       |                                       |                |                                |                 |
| County Clerk                               | 1,011,319             | 0                                     | 0              | 0                              | 0               |
| Circuit Court Clerk                        | 126,956               | 0                                     | 0              | 0                              | 0               |
| General Sessions Court Clerk               | 353,200               | 0                                     | 0              | 0                              | 0               |
| Clerk and Master                           | 106,276               | 0                                     | 0              | 0                              | 0               |
| Juvenile Court Clerk                       | 33,876                | 0                                     | 0              | 0                              | 0               |
| Register                                   | 324,713               | 0                                     | 0              | 0                              | 0               |
| Sheriff                                    | 23,233                | 0                                     | 0              | 0                              | 0               |
| Trustee                                    | 1,144,430             | 0                                     | 0              | 0                              | 0               |
| Total Fees Received From County Officials  | \$ 3,125,703          | \$ 0                                  | \$ 0           | \$ 0                           | \$ 0            |
| <u>State of Tennessee</u>                  |                       |                                       |                |                                |                 |
| <u>General Government Grants</u>           |                       |                                       |                |                                |                 |
| Juvenile Services Program                  | \$ 18,000             | \$ 0                                  | \$ 0           | \$ 0                           | \$ 0            |
| Aging Programs                             | 27,105                | 0                                     | 0              | 0                              | 0               |
| <u>Public Safety Grants</u>                |                       |                                       |                |                                |                 |
| Law Enforcement Training Programs          | 36,000                | 0                                     | 0              | 0                              | 0               |
| <u>Health and Welfare Grants</u>           |                       |                                       |                |                                |                 |
| Health Department Programs                 | 98,399                | 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<br>and Jail<br>Maintenance | Law<br>Library | Solid<br>Waste /<br>Sanitation | Drug<br>Control |
| <u>State of Tennessee (Cont.)</u>              |                       |                                       |                |                                |                 |
| <u>Public Works Grants</u>                     |                       |                                       |                |                                |                 |
| State Aid Program                              | \$ 0                  | \$ 0                                  | \$ 0           | \$ 0                           | \$ 0            |
| Litter Program                                 | 33,410                | 0                                     | 0              | 0                              | 0               |
| <u>Other State Revenues</u>                    |                       |                                       |                |                                |                 |
| Vehicle Certificate of Title Fees              | 13,196                | 0                                     | 0              | 0                              | 0               |
| Alcoholic Beverage Tax                         | 25,672                | 0                                     | 0              | 0                              | 0               |
| Opioid Settlement Funds - TN Abatement Council | 243,323               | 0                                     | 0              | 0                              | 0               |
| State Revenue Sharing - Telecommunications     | 59,219                | 0                                     | 0              | 0                              | 0               |
| State Shared Sports Gaming Privilege Tax       | 62,918                | 0                                     | 0              | 0                              | 0               |
| Contracted Prisoner Boarding                   | 862,886               | 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                             | 126,247               | 0                                     | 0              | 0                              | 0               |
| Other State Revenues                           | 25,949                | 0                                     | 0              | 0                              | 0               |
| Total State of Tennessee                       | \$ 1,647,488          | \$ 0                                  | \$ 0           | \$ 0                           | \$ 0            |
| <u>Federal Government</u>                      |                       |                                       |                |                                |                 |
| <u>Federal Through State</u>                   |                       |                                       |                |                                |                 |
| Civil Defense Reimbursement                    | \$ 18,432             | \$ 0                                  | \$ 0           | \$ 0                           | \$ 0            |
| Disaster Relief                                | 17,371                | 0                                     | 0              | 0                              | 0               |
| Medicaid                                       | 230,418               | 0                                     | 0              | 0                              | 0               |
| American Rescue Plan Act Grant #1              | 0                     | 0                                     | 0              | 0                              | 0               |
| Other Federal through State                    | 297,894               | 0                                     | 0              | 0                              | 0               |
| <u>Direct Federal Revenue</u>                  |                       |                                       |                |                                |                 |
| Tax Credit Bond Rebate                         | 484,368               | 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<br>and Jail<br>Maintenance | Law<br>Library | Solid<br>Waste /<br>Sanitation | Drug<br>Control |
| <u>Federal Government (Cont.)</u>            |                       |                                       |                |                                |                 |
| <u>Direct Federal Revenue (Cont.)</u>        |                       |                                       |                |                                |                 |
| Other Direct Federal Revenue                 | \$ 124,925            | \$ 0                                  | \$ 0           | \$ 0                           | \$ 0            |
| Total Federal Government                     | \$ 1,173,408          | \$ 0                                  | \$ 0           | \$ 0                           | \$ 0            |
| <u>Other Governments and Citizens Groups</u> |                       |                                       |                |                                |                 |
| <u>Other Governments</u>                     |                       |                                       |                |                                |                 |
| Contributions                                | \$ 163,690            | \$ 0                                  | \$ 0           | \$ 0                           | \$ 0            |
| <u>Citizens Groups</u>                       |                       |                                       |                |                                |                 |
| Donations                                    | 5,572                 | 0                                     | 0              | 0                              | 0               |
| <u>Other</u>                                 |                       |                                       |                |                                |                 |
| Other  | 2,918                 | 0                                     | 0              | 0                              | 0               |
| Opioid Settlement Funds - Past Remediation   | 172,450               | 0                                     | 0              | 0                              | 0               |
| Total Other Governments and Citizens Groups  | \$ 344,630            | \$ 0                                  | \$ 0           | \$ 0                           | \$ 0            |
| Total  | \$ 29,915,782         | \$ 51,803                             | \$ 12,871      | \$ 2,097,942                   | \$ 11,707       |

(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                           | \$ 2,500,333           | \$ 2,222,543         |
| Trustee's Collections - Prior Year                       | 0                             | 0                     | 0                              | 31,854                 | 26,544               |
| Trustee's Collections - Bankruptcy                       | 0                             | 0                     | 0                              | 148                    | 131                  |
| Circuit Clerk/Clerk and Master Collections - Prior Years | 0                             | 0                     | 0                              | 45,775                 | 38,146               |
| Interest and Penalty                                     | 0                             | 0                     | 0                              | 8,424                  | 7,190                |
| Pickup Taxes   | 0                             | 0                     | 0                              | 1,055                  | 1,316                |
| Payments in-Lieu-of Taxes - Local Utilities              | 0                             | 0                     | 0                              | 11,359                 | 10,097               |
| 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                      | 2,548,790            |
| Hotel/Motel Tax  | 0                             | 0                     | 0                              | 0                      | 0                    |
| Wheel Tax  | 0                             | 0                     | 0                              | 0                      | 2,786,197            |
| 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                      | 1,234,065            |
| <u>Statutory Local Taxes</u>                             |                               |                       |                                |                        |                      |
| Bank Excise Tax  | 0                             | 0                     | 0                              | 9,540                  | 8,480                |
| Wholesale Beer Tax                                       | 0                             | 0                     | 0                              | 0                      | 0                    |
| Total Local Taxes  | \$ 0                          | \$ 0                  | \$ 0                           | \$ 2,608,488           | \$ 8,883,499         |
| <u>Licenses and Permits</u>                              |                               |                       |                                |                        |                      |
| <u>Licenses</u>  |                               |                       |                                |                        |                      |
| Marriage Licenses  | \$ 0                          | \$ 0                  | \$ 0                           | \$ 0                   | \$ 0                 |
| Cable TV Franchise                                       | 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>Licenses and Permits (Cont.)</u>      |                               |                       |                                |                        |                      |
| <u>Permits</u>                           |                               |                       |                                |                        |                      |
| Beer Permits                             | \$ 0                          | \$ 0                  | \$ 0                           | \$ 0                   | \$ 0                 |
| Building Permits                         | 0                             | 0                     | 0                              | 0                      | 0                    |
| Other Permits                            | 0                             | 0                     | 0                              | 0                      | 0                    |
| Total Licenses and Permits               | \$ 0                          | \$ 0                  | \$ 0                           | \$ 0                   | \$ 0                 |
| <u>Fines, Forfeitures, and Penalties</u> |                               |                       |                                |                        |                      |
| <u>Circuit Court</u>                     |                               |                       |                                |                        |                      |
| Fines                                    | \$ 0                          | \$ 0                  | \$ 0                           | \$ 0                   | \$ 0                 |
| Officers Costs                           | 0                             | 0                     | 0                              | 0                      | 0                    |
| Drug Control Fines                       | 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                    |
| 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                    |

(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>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                              | 60,986                 | 0                    |
| <u>Fees</u>                                      |                               |                       |                                |                        |                      |
| Copy Fees  | 0                             | 0                     | 0                              | 0                      | 0                    |
| Library Fees                                     | 0                             | 0                     | 0                              | 0                      | 0                    |
| Greenbelt Late Application Fee                   | 0                             | 0                     | 0                              | 0                      | 0                    |
| Telephone Commissions                            | 0                             | 0                     | 0                              | 0                      | 0                    |
| Additional Fees - Titling and Registration       | 0                             | 0                     | 0                              | 0                      | 0                    |
| Constitutional Officers' Fees and Commissions    | 0                             | 0                     | 941                            | 0                      | 0                    |
| Special Commissioner Fees/Special Master Fees    | 0                             | 0                     | 14,972                         | 0                      | 0                    |
| Data Processing Fee - Register                   | 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>   |                               |                       |                                |                        |                      |
| 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                    |
| <u>Education Charges</u>  |                               |                       |                                |                        |                      |
| Receipts from Individual Schools                                      | 0                             | 0                     | 0                              | 0                      | 0                    |
| Total Charges for Current Services                                    | \$ 0                          | \$ 0                  | \$ 15,913                      | \$ 60,986              | \$ 0                 |
| <u>Other Local Revenues</u>   |                               |                       |                                |                        |                      |
| <u>Recurring Items</u>  |                               |                       |                                |                        |                      |
| Investment Income   | \$ 0                          | \$ 11,422             | \$ 0                           | \$ 0                   | \$ 2,033,627         |
| Lease/Rentals   | 0                             | 432,324               | 0                              | 0                      | 0                    |
| Lease Interest  | 0                             | 419,678               | 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                    |
| E-Rate Funding  | 0                             | 0                     | 0                              | 0                      | 0                    |
| Miscellaneous Refunds   | 0                             | 0                     | 0                              | 300                    | 852                  |
| Expenditure Credits   | 0                             | 0                     | 0                              | 0                      | 0                    |
| <u>Nonrecurring Items</u>   |                               |                       |                                |                        |                      |
| Sale of Equipment   | 0                             | 0                     | 0                              | 0                      | 0                    |
| Damages Recovered from Individuals                                    | 0                             | 0                     | 0                              | 0                      | 0                    |
| Contributions and Gifts   | 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>Other Local Revenues (Cont.)</u>        |                               |                       |                                |                        |                      |
| <u>Other Local Revenues</u>                |                               |                       |                                |                        |                      |
| Other Local Revenues                       | \$ 0                          | \$ 0                  | \$ 0                           | \$ 0                   | \$ 7,600             |
| Total Other Local Revenues                 | \$ 0                          | \$ 863,424            | \$ 0                           | \$ 300                 | \$ 2,042,079         |
| <u>Fees Received From County Officials</u> |                               |                       |                                |                        |                      |
| <u>Excess Fees</u>                         |                               |                       |                                |                        |                      |
| County Clerk                               | \$ 0                          | \$ 0                  | \$ 0                           | \$ 0                   | \$ 0                 |
| <u>Fees In-Lieu-of Salary</u>              |                               |                       |                                |                        |                      |
| County Clerk                               | 0                             | 0                     | 0                              | 0                      | 0                    |
| Circuit Court Clerk                        | 0                             | 0                     | 0                              | 0                      | 0                    |
| General Sessions Court Clerk               | 0                             | 0                     | 0                              | 0                      | 0                    |
| Clerk and Master                           | 0                             | 0                     | 0                              | 0                      | 0                    |
| Juvenile Court Clerk                       | 0                             | 0                     | 0                              | 0                      | 0                    |
| Register                                   | 0                             | 0                     | 0                              | 0                      | 0                    |
| Sheriff                                    | 0                             | 0                     | 0                              | 0                      | 0                    |
| Trustee                                    | 0                             | 0                     | 0                              | 0                      | 0                    |
| Total Fees Received From County Officials  | \$ 0                          | \$ 0                  | \$ 0                           | \$ 0                   | \$ 0                 |
| <u>State of Tennessee</u>                  |                               |                       |                                |                        |                      |
| <u>General Government Grants</u>           |                               |                       |                                |                        |                      |
| Juvenile Services Program                  | \$ 0                          | \$ 0                  | \$ 0                           | \$ 0                   | \$ 0                 |
| Aging Programs                             | 0                             | 0                     | 0                              | 0                      | 0                    |
| <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                    |

(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>Public Works Grants</u>                     |                               |                       |                                |                        |                      |
| State Aid Program                              | \$ 0                          | \$ 0                  | \$ 0                           | \$ 350,315             | \$ 0                 |
| Litter Program                                 | 0                             | 0                     | 0                              | 0                      | 0                    |
| <u>Other State Revenues</u>                    |                               |                       |                                |                        |                      |
| Vehicle Certificate of Title Fees              | 0                             | 0                     | 0                              | 0                      | 0                    |
| Alcoholic Beverage Tax                         | 0                             | 0                     | 0                              | 0                      | 0                    |
| Opioid Settlement Funds - TN Abatement Council | 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                    |
| Contracted Prisoner Boarding                   | 0                             | 0                     | 0                              | 0                      | 0                    |
| Gasoline and Motor Fuel Tax                    | 0                             | 0                     | 0                              | 2,477,820              | 0                    |
| Petroleum Special Tax                          | 0                             | 0                     | 0                              | 36,232                 | 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                           | \$ 2,864,367           | \$ 0                 |
| <u>Federal Government</u>                      |                               |                       |                                |                        |                      |
| <u>Federal Through State</u>                   |                               |                       |                                |                        |                      |
| Civil Defense Reimbursement                    | \$ 0                          | \$ 0                  | \$ 0                           | \$ 0                   | \$ 0                 |
| Disaster Relief                                | 0                             | 0                     | 0                              | 0                      | 0                    |
| Medicaid                                       | 0                             | 0                     | 0                              | 0                      | 0                    |
| American Rescue Plan Act Grant #1              | 10,572,226                    | 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              |

(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>Federal Government (Cont.)</u>            |                               |                       |                                |                        |                      |
| <u>Direct Federal Revenue (Cont.)</u>        |                               |                       |                                |                        |                      |
| Other Direct Federal Revenue                 | \$ 0                          | \$ 0                  | \$ 0                           | \$ 0                   | \$ 0                 |
| Total Federal Government                     | \$ 10,572,226                 | \$ 0                  | \$ 0                           | \$ 0                   | \$ 449,811           |
| <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                    |
| Opioid Settlement Funds - Past Remediation   | 0                             | 0                     | 0                              | 0                      | 0                    |
| Total Other Governments and Citizens Groups  | \$ 0                          | \$ 0                  | \$ 0                           | \$ 0                   | \$ 0                 |
| Total  | \$ 10,572,226                 | \$ 863,424            | \$ 15,913                      | \$ 5,534,141           | \$ 11,375,389        |

(Continued)

## Exhibit K-6

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

|  | <u>Capital<br/>Projects Fund</u> |                      |  |
|--|----------------------------------|----------------------|--|
|  | General<br>Capital<br>Projects   | Total                |  |
| <u>Local Taxes</u>                                       |                                  |                      |  |
| <u>County Property Taxes</u>                             |                                  |                      |  |
| Current Property Tax                                     | \$ 555,720                       | \$ 19,169,332        |  |
| Trustee's Collections - Prior Year                       | 8,848                            | 244,207              |  |
| Trustee's Collections - Bankruptcy                       | 33                               | 1,134                |  |
| Circuit Clerk/Clerk and Master Collections - Prior Years | 12,715                           | 350,944              |  |
| Interest and Penalty                                     | 2,171                            | 64,586               |  |
| Pickup Taxes   | 13                               | 8,663                |  |
| Payments in-Lieu-of Taxes - Local Utilities              | 2,368                            | 49,108               |  |
| Payments in-Lieu-of Taxes - Other                        | 0                                | 37,871               |  |
| <u>County Local Option Taxes</u>                         |                                  |                      |  |
| Local Option Sales Tax                                   | 0                                | 4,973,598            |  |
| Hotel/Motel Tax  | 0                                | 756,762              |  |
| Wheel Tax  | 0                                | 2,786,197            |  |
| Litigation Tax - General                                 | 0                                | 109,454              |  |
| Litigation Tax - Special Purpose                         | 0                                | 12,871               |  |
| Litigation Tax - Jail, Workhouse, or Courthouse          | 0                                | 192,967              |  |
| Business Tax   | 0                                | 708,398              |  |
| Adequate Facilities/Development Tax                      | 0                                | 1,234,065            |  |
| <u>Statutory Local Taxes</u>                             |                                  |                      |  |
| Bank Excise Tax  | 2,120                            | 73,138               |  |
| Wholesale Beer Tax                                       | 0                                | 203,580              |  |
| Total Local Taxes  | <u>\$ 583,988</u>                | <u>\$ 30,976,875</u> |  |
| <u>Licenses and Permits</u>                              |                                  |                      |  |
| <u>Licenses</u>  |                                  |                      |  |
| Marriage Licenses  | \$ 0                             | \$ 3,582             |  |
| Cable TV Franchise                                       | 0                                | 114,331              |  |

(Continued)

## Exhibit K-6

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

|  | <u>Capital<br/>Projects Fund</u> |   |            |
|--|----------------------------------|---|------------|
|  | General<br>Capital<br>Projects   |   | Total      |
| <hr/>                                    |                                  |   |            |
| <u>Licenses and Permits (Cont.)</u>      |                                  |   |            |
| <u>Permits</u>                           |                                  |   |            |
| Beer Permits                             | \$                               | 0 | \$ 950     |
| Building Permits                         |                                  | 0 | 449,572    |
| Other Permits                            |                                  | 0 | 136,282    |
| Total Licenses and Permits               | \$                               | 0 | \$ 704,717 |
| <hr/>                                    |                                  |   |            |
| <u>Fines, Forfeitures, and Penalties</u> |                                  |   |            |
| <u>Circuit Court</u>                     |                                  |   |            |
| Fines                                    | \$                               | 0 | \$ 17,612  |
| Officers Costs                           |                                  | 0 | 5,936      |
| Drug Control Fines                       |                                  | 0 | 2,133      |
| Drug Court Fees                          |                                  | 0 | 2,829      |
| Jail Fees                                |                                  | 0 | 1,887      |
| DUI Treatment Fines                      |                                  | 0 | 273        |
| Data Entry Fee - Circuit Court           |                                  | 0 | 2,198      |
| Courtroom Security Fee                   |                                  | 0 | 2          |
| <u>General Sessions Court</u>            |                                  |   |            |
| Fines                                    |                                  | 0 | 69,171     |
| Fines for Littering                      |                                  | 0 | 48         |
| Officers Costs                           |                                  | 0 | 58,386     |
| Game and Fish Fines                      |                                  | 0 | 1,386      |
| Drug Control Fines                       |                                  | 0 | 9,574      |
| Drug Court Fees                          |                                  | 0 | 10,037     |
| Jail Fees                                |                                  | 0 | 44,473     |
| DUI Treatment Fines                      |                                  | 0 | 15,923     |
| Data Entry Fee - General Sessions Court  |                                  | 0 | 20,553     |
| Courtroom Security Fee                   |                                  | 0 | 2,479      |

(Continued)

Exhibit K-6

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

|  | Capital<br>Projects Fund       |   |              |
|--|--------------------------------|---|--------------|
|  | General<br>Capital<br>Projects |   | Total        |
| <hr/>  |                                |   |              |
| <u>Fines, Forfeitures, and Penalties (Cont.)</u> |                                |   |              |
| <u>Juvenile Court</u>                            |                                |   |              |
| Fines  | \$                             | 0 | \$ 5,559     |
| Officers Costs                                   |                                | 0 | 4,021        |
| Data Entry Fee - Juvenile Court                  |                                | 0 | 904          |
| <u>Chancery Court</u>                            |                                |   |              |
| Officers Costs                                   |                                | 0 | 492          |
| Data Entry Fee - Chancery Court                  |                                | 0 | 6,524        |
| <u>Judicial District Drug Program</u>            |                                |   |              |
| Victims Assistance Assessments                   |                                | 0 | 31,137       |
| <u>Other Fines, Forfeitures, and Penalties</u>   |                                |   |              |
| Other Fines, Forfeitures, and Penalties          |                                | 0 | 17,575       |
| Total Fines, Forfeitures, and Penalties          | \$                             | 0 | \$ 331,112   |
| <hr/>  |                                |   |              |
| <u>Charges for Current Services</u>              |                                |   |              |
| <u>General Service Charges</u>                   |                                |   |              |
| Patient Charges                                  | \$                             | 0 | \$ 4,468,344 |
| Other General Service Charges                    |                                | 0 | 63,486       |
| <u>Fees</u>                                      |                                |   |              |
| Copy Fees  |                                | 0 | 164          |
| Library Fees                                     |                                | 0 | 24,344       |
| Greenbelt Late Application Fee                   |                                | 0 | 50           |
| Telephone Commissions                            |                                | 0 | 47,744       |
| Additional Fees - Titling and Registration       |                                | 0 | 66,150       |
| Constitutional Officers' Fees and Commissions    |                                | 0 | 941          |
| Special Commissioner Fees/Special Master Fees    |                                | 0 | 14,972       |
| Data Processing Fee - Register                   |                                | 0 | 20,276       |

(Continued)

## Exhibit K-6

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

|   | <u>Capital<br/>Projects Fund</u> |   |              |
|---|----------------------------------|---|--------------|
|   | General<br>Capital<br>Projects   |   | Total        |
| <hr/>   |                                  |   |              |
| <u>Charges for Current Services (Cont.)</u>                           |                                  |   |              |
| <u>Fees (Cont.)</u>   |                                  |   |              |
| Data Processing Fee - Sheriff   | \$                               | 0 | \$ 6,093     |
| Sexual Offender Registration Fee - Sheriff                            |                                  | 0 | 12,900       |
| Data Processing Fee - County Clerk                                    |                                  | 0 | 2,548        |
| Subscription and Electronic Filing Fee - Circuit and General Sessions |                                  | 0 | 14,140       |
| Vehicle Registration Reinstatement Fees                               |                                  | 0 | 3,165        |
| <u>Education Charges</u>  |                                  |   |              |
| Receipts from Individual Schools                                      |                                  | 0 | 3,205        |
| Total Charges for Current Services                                    | \$                               | 0 | \$ 4,748,522 |
| <hr/>   |                                  |   |              |
| <u>Other Local Revenues</u>   |                                  |   |              |
| <u>Recurring Items</u>  |                                  |   |              |
| Investment Income   | \$                               | 0 | \$ 2,069,268 |
| Lease/Rentals   |                                  | 0 | 440,029      |
| Lease Interest  |                                  | 0 | 419,678      |
| Commissary Sales  |                                  | 0 | 43,736       |
| Sale of Maps  |                                  | 0 | 5            |
| Sale of Recycled Materials  |                                  | 0 | 214,038      |
| E-Rate Funding  |                                  | 0 | 8,473        |
| Miscellaneous Refunds   |                                  | 0 | 255,248      |
| Expenditure Credits   |                                  | 0 | 8,317        |
| <u>Nonrecurring Items</u>   |                                  |   |              |
| Sale of Equipment   |                                  | 0 | 14,573       |
| Damages Recovered from Individuals                                    |                                  | 0 | 436          |
| Contributions and Gifts   |                                  | 0 | 89,656       |

(Continued)

## Exhibit K-6

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

|  | <u>Capital<br/>Projects Fund</u> |   |              |
|--|----------------------------------|---|--------------|
|  | General<br>Capital<br>Projects   |   | Total        |
| <hr/>                                      |                                  |   |              |
| <u>Other Local Revenues (Cont.)</u>        |                                  |   |              |
| <u>Other Local Revenues</u>                |                                  |   |              |
| Other Local Revenues                       | \$                               | 0 | \$ 532,870   |
| Total Other Local Revenues                 | \$                               | 0 | \$ 4,096,327 |
| <hr/>                                      |                                  |   |              |
| <u>Fees Received From County Officials</u> |                                  |   |              |
| <u>Excess Fees</u>                         |                                  |   |              |
| County Clerk                               | \$                               | 0 | \$ 1,700     |
| <u>Fees In-Lieu-of Salary</u>              |                                  |   |              |
| County Clerk                               |                                  | 0 | 1,011,319    |
| Circuit Court Clerk                        |                                  | 0 | 126,956      |
| General Sessions Court Clerk               |                                  | 0 | 353,200      |
| Clerk and Master                           |                                  | 0 | 106,276      |
| Juvenile Court Clerk                       |                                  | 0 | 33,876       |
| Register                                   |                                  | 0 | 324,713      |
| Sheriff                                    |                                  | 0 | 23,233       |
| Trustee                                    |                                  | 0 | 1,144,430    |
| Total Fees Received From County Officials  | \$                               | 0 | \$ 3,125,703 |
| <hr/>                                      |                                  |   |              |
| <u>State of Tennessee</u>                  |                                  |   |              |
| <u>General Government Grants</u>           |                                  |   |              |
| Juvenile Services Program                  | \$                               | 0 | \$ 18,000    |
| Aging Programs                             |                                  | 0 | 27,105       |
| <u>Public Safety Grants</u>                |                                  |   |              |
| Law Enforcement Training Programs          |                                  | 0 | 36,000       |
| <u>Health and Welfare Grants</u>           |                                  |   |              |
| Health Department Programs                 |                                  | 0 | 98,399       |

(Continued)



## Exhibit K-6

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

|  | <u>Capital<br/>Projects Fund</u> |   |              |
|--|----------------------------------|---|--------------|
|  | General<br>Capital<br>Projects   |   | Total        |
| <hr/>  |                                  |   |              |
| <u>State of Tennessee (Cont.)</u>              |                                  |   |              |
| <u>Public Works Grants</u>                     |                                  |   |              |
| State Aid Program                              | \$                               | 0 | \$ 350,315   |
| Litter Program                                 |                                  | 0 | 33,410       |
| <u>Other State Revenues</u>                    |                                  |   |              |
| Vehicle Certificate of Title Fees              |                                  | 0 | 13,196       |
| Alcoholic Beverage Tax                         |                                  | 0 | 25,672       |
| Opioid Settlement Funds - TN Abatement Council |                                  | 0 | 243,323      |
| State Revenue Sharing - Telecommunications     |                                  | 0 | 59,219       |
| State Shared Sports Gaming Privilege Tax       |                                  | 0 | 62,918       |
| Contracted Prisoner Boarding                   |                                  | 0 | 862,886      |
| Gasoline and Motor Fuel Tax                    |                                  | 0 | 2,477,820    |
| Petroleum Special Tax                          |                                  | 0 | 36,232       |
| Registrar's Salary Supplement                  |                                  | 0 | 15,164       |
| Other State Grants                             |                                  | 0 | 126,247      |
| Other State Revenues                           |                                  | 0 | 25,949       |
| Total State of Tennessee                       | \$                               | 0 | \$ 4,511,855 |
| <hr/>  |                                  |   |              |
| <u>Federal Government</u>                      |                                  |   |              |
| <u>Federal Through State</u>                   |                                  |   |              |
| Civil Defense Reimbursement                    | \$                               | 0 | \$ 18,432    |
| Disaster Relief                                |                                  | 0 | 17,371       |
| Medicaid                                       |                                  | 0 | 230,418      |
| American Rescue Plan Act Grant #1              |                                  | 0 | 10,572,226   |
| Other Federal through State                    |                                  | 0 | 297,894      |
| <u>Direct Federal Revenue</u>                  |                                  |   |              |
| Tax Credit Bond Rebate                         |                                  | 0 | 934,179      |

(Continued)

Exhibit K-6

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

|  | Capital<br>Projects Fund       |                        |
|--|--------------------------------|------------------------|
|  | General<br>Capital<br>Projects | Total                  |
| <hr/>  |                                |                        |
| <u>Federal Government (Cont.)</u>            |                                |                        |
| <u>Direct Federal Revenue (Cont.)</u>        |                                |                        |
| Other Direct Federal Revenue                 | \$          0                  | \$      124,925        |
| Total Federal Government                     | <u>\$          0</u>           | <u>\$   12,195,445</u> |
| <hr/>  |                                |                        |
| <u>Other Governments and Citizens Groups</u> |                                |                        |
| <u>Other Governments</u>                     |                                |                        |
| Contributions                                | \$          0                  | \$      163,690        |
| <u>Citizens Groups</u>                       |                                |                        |
| Donations                                    |                                | 0          5,572       |
| <u>Other</u>                                 |                                |                        |
| Other  |                                | 0          2,918       |
| Opioid Settlement Funds - Past Remediation   |                                | 0         172,450      |
| Total Other Governments and Citizens Groups  | <u>\$          0</u>           | <u>\$      344,630</u> |
| <hr/>  |                                |                        |
| Total  | <u>\$      583,988</u>         | <u>\$   61,035,186</u> |

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, 2023

|  | Special Revenue Funds        |                               |                      |                    |               |  |
|--|------------------------------|-------------------------------|----------------------|--------------------|---------------|--|
|  | General<br>Purpose<br>School | School<br>Federal<br>Projects | Central<br>Cafeteria | Internal<br>School | Total         |  |
| <u>Local Taxes</u>                                       |                              |                               |                      |                    |               |  |
| <u>County Property Taxes</u>                             |                              |                               |                      |                    |               |  |
| Current Property Tax                                     | \$ 11,268,377                | \$ 0                          | \$ 0                 | \$ 0               | \$ 11,268,377 |  |
| Trustee's Collections - Prior Year                       | 143,362                      | 0                             | 0                    | 0                  | 143,362       |  |
| Trustee's Collections - Bankruptcy                       | 665                          | 0                             | 0                    | 0                  | 665           |  |
| Circuit Clerk/Clerk and Master Collections - Prior Years | 175,398                      | 0                             | 0                    | 0                  | 175,398       |  |
| Interest and Penalty                                     | 35,660                       | 0                             | 0                    | 0                  | 35,660        |  |
| Pickup Taxes   | 36,726                       | 0                             | 0                    | 0                  | 36,726        |  |
| Payments in-Lieu-of Taxes - T.V.A.                       | 13,297                       | 0                             | 0                    | 0                  | 13,297        |  |
| Payments in-Lieu-of Taxes - Local Utilities              | 49,727                       | 0                             | 0                    | 0                  | 49,727        |  |
| <u>County Local Option Taxes</u>                         |                              |                               |                      |                    |               |  |
| Local Option Sales Tax                                   | 9,047,449                    | 0                             | 0                    | 0                  | 9,047,449     |  |
| Mixed Drink Tax  | 39,658                       | 0                             | 0                    | 0                  | 39,658        |  |
| <u>Statutory Local Taxes</u>                             |                              |                               |                      |                    |               |  |
| Bank Excise Tax  | 42,928                       | 0                             | 0                    | 0                  | 42,928        |  |
| Total Local Taxes  | \$ 20,853,247                | \$ 0                          | \$ 0                 | \$ 0               | \$ 20,853,247 |  |
| <u>Licenses and Permits</u>                              |                              |                               |                      |                    |               |  |
| <u>Licenses</u>  |                              |                               |                      |                    |               |  |
| Marriage Licenses  | \$ 1,791                     | \$ 0                          | \$ 0                 | \$ 0               | \$ 1,791      |  |
| Total Licenses and Permits                               | \$ 1,791                     | \$ 0                          | \$ 0                 | \$ 0               | \$ 1,791      |  |
| <u>Charges for Current Services</u>                      |                              |                               |                      |                    |               |  |
| <u>Education Charges</u>                                 |                              |                               |                      |                    |               |  |
| Lunch Payments - Children                                | \$ 0                         | \$ 0                          | \$ 620,211           | \$ 0               | \$ 620,211    |  |
| Lunch Payments - Adults                                  | 0                            | 0                             | 35,217               | 0                  | 35,217        |  |

(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<br>Purpose<br>School | School<br>Federal<br>Projects | Central<br>Cafeteria | Internal<br>School | Total        |  |
| <u>Charges for Current Services (Cont.)</u> |                              |                               |                      |                    |              |  |
| <u>Education Charges (Cont.)</u>            |                              |                               |                      |                    |              |  |
| Income from Breakfast                       | \$ 0                         | \$ 0                          | \$ 136,513           | \$ 0               | \$ 136,513   |  |
| A la Carte Sales                            | 0                            | 0                             | 354,342              | 0                  | 354,342      |  |
| Receipts from Individual Schools            | 84,795                       | 0                             | 0                    | 0                  | 84,795       |  |
| Community Service Fees - Children           | 221,241                      | 0                             | 0                    | 0                  | 221,241      |  |
| Other Charges for Services                  | 0                            | 0                             | 5,171                | 0                  | 5,171        |  |
| Total Charges for Current Services          | \$ 306,036                   | \$ 0                          | \$ 1,151,454         | \$ 0               | \$ 1,457,490 |  |
| <u>Other Local Revenues</u>                 |                              |                               |                      |                    |              |  |
| <u>Recurring Items</u>                      |                              |                               |                      |                    |              |  |
| Investment Income                           | \$ 51,700                    | \$ 0                          | \$ 7,516             | \$ 0               | \$ 59,216    |  |
| Sale of Materials and Supplies              | 12                           | 0                             | 0                    | 0                  | 12           |  |
| Sale of Recycled Materials                  | 2,800                        | 0                             | 0                    | 0                  | 2,800        |  |
| Miscellaneous Refunds                       | 44,124                       | 0                             | 15,285               | 0                  | 59,409       |  |
| <u>Nonrecurring Items</u>                   |                              |                               |                      |                    |              |  |
| Sale of Equipment                           | 42,200                       | 0                             | 273                  | 0                  | 42,473       |  |
| Damages Recovered from Individuals          | 318                          | 0                             | 0                    | 0                  | 318          |  |
| Contributions and Gifts                     | 6,590                        | 0                             | 0                    | 0                  | 6,590        |  |
| <u>Other Local Revenues</u>                 |                              |                               |                      |                    |              |  |
| Other Local Revenues                        | 0                            | 0                             | 0                    | 2,583,921          | 2,583,921    |  |
| Total Other Local Revenues                  | \$ 147,744                   | \$ 0                          | \$ 23,074            | \$ 2,583,921       | \$ 2,754,739 |  |
| <u>State of Tennessee</u>                   |                              |                               |                      |                    |              |  |
| <u>General Government Grants</u>            |                              |                               |                      |                    |              |  |
| On-behalf Contributions for OPEB            | \$ 259,947                   | \$ 0                          | \$ 0                 | \$ 0               | \$ 259,947   |  |

(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<br>Purpose<br>School | School<br>Federal<br>Projects | Central<br>Cafeteria | Internal<br>School | Total         |  |
| <u>State of Tennessee (Cont.)</u>             |                              |                               |                      |                    |               |  |
| <u>State Education Funds</u>                  |                              |                               |                      |                    |               |  |
| Basic Education Program                       | \$ 40,145,635                | \$ 0                          | \$ 0                 | \$ 0               | \$ 40,145,635 |  |
| Early Childhood Education                     | 768,739                      | 0                             | 0                    | 0                  | 768,739       |  |
| School Food Service                           | 0                            | 0                             | 37,587               | 0                  | 37,587        |  |
| Other State Education Funds                   | 1,088,330                    | 0                             | 0                    | 0                  | 1,088,330     |  |
| Coordinated School Health                     | 108,044                      | 0                             | 0                    | 0                  | 108,044       |  |
| Family Resource Centers                       | 88,835                       | 0                             | 0                    | 0                  | 88,835        |  |
| Career Ladder Program                         | 52,042                       | 0                             | 0                    | 0                  | 52,042        |  |
| Other Vocational                              | 239,310                      | 0                             | 0                    | 0                  | 239,310       |  |
| <u>Other State Revenues</u>                   |                              |                               |                      |                    |               |  |
| Income Tax                                    | 886                          | 0                             | 0                    | 0                  | 886           |  |
| Beer Tax                                      | 19,200                       | 0                             | 0                    | 0                  | 19,200        |  |
| Alcoholic Beverage Tax                        | 69,717                       | 0                             | 0                    | 0                  | 69,717        |  |
| State Revenue Sharing - T.V.A.                | 1,145,397                    | 0                             | 0                    | 0                  | 1,145,397     |  |
| Safe Schools                                  | 136,952                      | 0                             | 0                    | 0                  | 136,952       |  |
| Total State of Tennessee                      | \$ 44,123,034                | \$ 0                          | \$ 37,587            | \$ 0               | \$ 44,160,621 |  |
| <u>Federal Government</u>                     |                              |                               |                      |                    |               |  |
| <u>Federal Through State</u>                  |                              |                               |                      |                    |               |  |
| USDA School Lunch Program                     | \$ 0                         | \$ 0                          | \$ 2,462,300         | \$ 0               | \$ 2,462,300  |  |
| USDA - Commodities                            | 0                            | 0                             | 283,171              | 0                  | 283,171       |  |
| Breakfast                                     | 0                            | 0                             | 741,443              | 0                  | 741,443       |  |
| USDA - Other                                  | 0                            | 0                             | 216,200              | 0                  | 216,200       |  |
| Vocational Education - Basic Grants to States | 0                            | 196,710                       | 0                    | 0                  | 196,710       |  |
| Title I Grants to Local Education Agencies    | 0                            | 2,454,166                     | 0                    | 0                  | 2,454,166     |  |

(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<br>Purpose<br>School | School<br>Federal<br>Projects | Central<br>Cafeteria | Internal<br>School | Total         |  |
| <u>Federal Government (Cont.)</u>            |                              |                               |                      |                    |               |  |
| <u>Federal Through State (Cont.)</u>         |                              |                               |                      |                    |               |  |
| Special Education - Grants to States         | \$ 33,646                    | \$ 1,882,636                  | \$ 0                 | \$ 0               | \$ 1,916,282  |  |
| Special Education Preschool Grants           | 0                            | 56,092                        | 0                    | 0                  | 56,092        |  |
| English Language Acquisition Grants          | 0                            | 38,077                        | 0                    | 0                  | 38,077        |  |
| COVID-19 Grant #1                            | 0                            | 7,910                         | 0                    | 0                  | 7,910         |  |
| COVID-19 Grant B                             | 0                            | 2,868,254                     | 0                    | 0                  | 2,868,254     |  |
| COVID-19 Grant D                             | 0                            | 73,000                        | 0                    | 0                  | 73,000        |  |
| American Rescue Plan Act Grant #1            | 0                            | 7,787,118                     | 0                    | 0                  | 7,787,118     |  |
| American Rescue Plan Act Grant #2            | 0                            | 284,024                       | 0                    | 0                  | 284,024       |  |
| American Rescue Plan Act Grant #3            | 0                            | 12,835                        | 0                    | 0                  | 12,835        |  |
| American Rescue Plan Act Grant #4            | 0                            | 17,469                        | 0                    | 0                  | 17,469        |  |
| Other Federal through State                  | 208,541                      | 1,128,435                     | 0                    | 0                  | 1,336,976     |  |
| <u>Direct Federal Revenue</u>                |                              |                               |                      |                    |               |  |
| ROTC Reimbursement                           | 72,305                       | 0                             | 0                    | 0                  | 72,305        |  |
| Total Federal Government                     | \$ 314,492                   | \$ 16,806,726                 | \$ 3,703,114         | \$ 0               | \$ 20,824,332 |  |
| <u>Other Governments and Citizens Groups</u> |                              |                               |                      |                    |               |  |
| <u>Other Governments</u>                     |                              |                               |                      |                    |               |  |
| Contributions                                | \$ 35,000                    | \$ 0                          | \$ 0                 | \$ 0               | \$ 35,000     |  |
| <u>Citizens Groups</u>                       |                              |                               |                      |                    |               |  |
| Donations                                    | 180                          | 0                             | 0                    | 0                  | 180           |  |
| <u>Other</u>                                 |                              |                               |                      |                    |               |  |
| Other  | 116,744                      | 0                             | 0                    | 0                  | 116,744       |  |
| Total Other Governments and Citizens Groups  | \$ 151,924                   | \$ 0                          | \$ 0                 | \$ 0               | \$ 151,924    |  |
| Total  | \$ 65,898,268                | \$ 16,806,726                 | \$ 4,915,229         | \$ 2,583,921       | \$ 90,204,144 |  |

## Exhibit K-8

Jefferson County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2023

General FundGeneral GovernmentCounty Commission

|                                  |    |        |            |
|----------------------------------|----|--------|------------|
| Medical Personnel                | \$ | 27,500 |            |
| Board and Committee Members Fees |    | 80,625 |            |
| Social Security                  |    | 4,999  |            |
| Employer Medicare                |    | 1,169  |            |
| Advertising                      |    | 12,311 |            |
| Audit Services                   |    | 22,967 |            |
| Dues and Memberships             |    | 20,066 |            |
| Engineering Services             |    | 45,493 |            |
| Lease Payments                   |    | 10,000 |            |
| Legal Services                   |    | 39,198 |            |
| Other Contracted Services        |    | 22,943 |            |
| Office Supplies                  |    | 742    |            |
| Other Charges                    |    | 97,934 |            |
| Motor Vehicles                   |    | 43,789 |            |
| Office Equipment                 |    | 260    |            |
| Total County Commission          |    |        | \$ 429,996 |

Board of Equalization

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

County Mayor/Executive

|  |    |         |         |
|--|----|---------|---------|
| County Official/Administrative Officer | \$ | 112,246 |         |
| Part-time Personnel                    |    | 149     |         |
| Longevity Pay                          |    | 1,500   |         |
| Bonus Payments                         |    | 4,179   |         |
| Other Salaries and Wages               |    | 77,860  |         |
| Social Security                        |    | 12,080  |         |
| Pensions                               |    | 19,025  |         |
| Life Insurance                         |    | 171     |         |
| Medical Insurance                      |    | 30,446  |         |
| Dental Insurance                       |    | 646     |         |
| Unemployment Compensation              |    | 42      |         |
| Employer Medicare                      |    | 2,825   |         |
| Advertising                            |    | 936     |         |
| Pauper Burials                         |    | 3,600   |         |
| Travel                                 |    | 9,024   |         |
| Other Contracted Services              |    | 92,459  |         |
| Office Supplies                        |    | 459     |         |
| Other Charges                          |    | 1,611   |         |
| Total County Mayor/Executive           |    |         | 369,258 |

Election Commission

|                     |    |         |  |
|---------------------|----|---------|--|
| Supervisor/Director | \$ | 87,465  |  |
| Clerical Personnel  |    | 111,645 |  |
| Part-time Personnel |    | 734     |  |
| Longevity Pay       |    | 2,400   |  |

(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.)

|                                 |    |        |            |
|---------------------------------|----|--------|------------|
| Bonus Payments                  | \$ | 5,242  |            |
| Election Commission             |    | 11,750 |            |
| Election Workers                |    | 60,860 |            |
| Social Security                 |    | 14,691 |            |
| Pensions                        |    | 19,628 |            |
| Life Insurance                  |    | 265    |            |
| Medical Insurance               |    | 46,699 |            |
| Dental Insurance                |    | 912    |            |
| Unemployment Compensation       |    | 95     |            |
| Employer Medicare               |    | 3,436  |            |
| Advertising                     |    | 10,430 |            |
| Communication                   |    | 2,517  |            |
| Data Processing Services        |    | 9,400  |            |
| Dues and Memberships            |    | 900    |            |
| Maintenance Agreements          |    | 7,456  |            |
| Postal Charges                  |    | 7,387  |            |
| Printing, Stationery, and Forms |    | 1,932  |            |
| Travel                          |    | 3,818  |            |
| Other Contracted Services       |    | 925    |            |
| Data Processing Supplies        |    | 180    |            |
| Office Supplies                 |    | 1,983  |            |
| Other Charges                   |    | 740    |            |
| Total Election Commission       |    |        | \$ 413,490 |

Register of Deeds

|  |    |         |         |
|--|----|---------|---------|
| County Official/Administrative Officer | \$ | 97,183  |         |
| Clerical Personnel                     |    | 154,936 |         |
| Longevity Pay                          |    | 1,400   |         |
| Bonus Payments                         |    | 7,803   |         |
| Social Security                        |    | 15,135  |         |
| Pensions                               |    | 24,855  |         |
| Life Insurance                         |    | 334     |         |
| Medical Insurance                      |    | 56,204  |         |
| Dental Insurance                       |    | 1,121   |         |
| Unemployment Compensation              |    | 108     |         |
| Employer Medicare                      |    | 3,540   |         |
| Data Processing Services               |    | 17,499  |         |
| Dues and Memberships                   |    | 890     |         |
| Maintenance Agreements                 |    | 1,597   |         |
| Travel                                 |    | 2,149   |         |
| Data Processing Supplies               |    | 1,098   |         |
| Office Supplies                        |    | 898     |         |
| Other Charges                          |    | 299     |         |
| Total Register of Deeds                |    |         | 387,049 |

Codes Compliance

|                     |    |        |  |
|---------------------|----|--------|--|
| Supervisor/Director | \$ | 59,854 |  |
|---------------------|----|--------|--|

(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.)

|                           |    |        |            |
|---------------------------|----|--------|------------|
| Clerical Personnel        | \$ | 35,351 |            |
| Longevity Pay             |    | 3,000  |            |
| Bonus Payments            |    | 4,760  |            |
| Social Security           |    | 6,333  |            |
| Pensions                  |    | 10,297 |            |
| Life Insurance            |    | 146    |            |
| Medical Insurance         |    | 18,288 |            |
| Dental Insurance          |    | 456    |            |
| Unemployment Compensation |    | 42     |            |
| Employer Medicare         |    | 1,481  |            |
| Communication             |    | 544    |            |
| Other Contracted Services |    | 13,475 |            |
| Gasoline                  |    | 1,181  |            |
| Office Supplies           |    | 158    |            |
| Total Codes Compliance    |    |        | \$ 155,366 |

County Buildings

|   |    |         |           |
|---|----|---------|-----------|
| Supervisor/Director                         | \$ | 52,728  |           |
| Custodial Personnel                         |    | 88,319  |           |
| Maintenance Personnel                       |    | 90,905  |           |
| Longevity Pay                               |    | 5,000   |           |
| Bonus Payments                              |    | 10,899  |           |
| Social Security                             |    | 15,330  |           |
| Pensions                                    |    | 23,428  |           |
| Life Insurance                              |    | 393     |           |
| Medical Insurance                           |    | 57,309  |           |
| Dental Insurance                            |    | 1,368   |           |
| Unemployment Compensation                   |    | 152     |           |
| Employer Medicare                           |    | 3,585   |           |
| Communication                               |    | 24,182  |           |
| Janitorial Services                         |    | 4,065   |           |
| Maintenance Agreements                      |    | 104,333 |           |
| Maintenance and Repair Services - Buildings |    | 218,337 |           |
| Pest Control                                |    | 8,030   |           |
| Postal Charges                              |    | 58,921  |           |
| Other Contracted Services                   |    | 18,523  |           |
| Custodial Supplies                          |    | 14,004  |           |
| Electricity                                 |    | 129,003 |           |
| Gasoline                                    |    | 11,548  |           |
| Natural Gas                                 |    | 39,214  |           |
| Office Supplies                             |    | 4,385   |           |
| Uniforms                                    |    | 5,534   |           |
| Water and Sewer                             |    | 28,931  |           |
| Building and Contents Insurance             |    | 84,850  |           |
| Vehicle and Equipment Insurance             |    | 3,501   |           |
| Other Charges                               |    | 6,962   |           |
| Total County Buildings                      |    |         | 1,113,739 |

(Continued)

## Exhibit K-8

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

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

|   |    |         |            |
|---|----|---------|------------|
| Supervisor/Director                         | \$ | 67,505  |            |
| Mechanic(s)                                 |    | 41,915  |            |
| Longevity Pay                               |    | 1,500   |            |
| Overtime Pay                                |    | 630     |            |
| Bonus Payments                              |    | 4,995   |            |
| In-service Training                         |    | 180     |            |
| Social Security                             |    | 7,275   |            |
| Pensions                                    |    | 11,132  |            |
| Life Insurance                              |    | 165     |            |
| Medical Insurance                           |    | 20,649  |            |
| Dental Insurance                            |    | 285     |            |
| Unemployment Compensation                   |    | 63      |            |
| Employer Medicare                           |    | 1,701   |            |
| Communication                               |    | 2,689   |            |
| Maintenance and Repair Services - Equipment |    | 9,497   |            |
| Maintenance and Repair Services - Vehicles  |    | 2,552   |            |
| Other Contracted Services                   |    | 2,700   |            |
| Gasoline                                    |    | 3,488   |            |
| Lubricants                                  |    | 23,714  |            |
| Office Supplies                             |    | 1,187   |            |
| Tires and Tubes                             |    | 41,398  |            |
| Uniforms                                    |    | 2,709   |            |
| Vehicle Parts                               |    | 138,380 |            |
| Other Charges                               |    | 905     |            |
| Other Equipment                             |    | 2,006   |            |
| Total Other Facilities                      |    |         | \$ 389,220 |

Preservation of Records

|  |    |       |       |
|--|----|-------|-------|
| Maintenance and Repair Services - Office Equipment | \$ | 2,432 |       |
| Office Supplies                                    |    | 2,700 |       |
| Data Processing Equipment                          |    | 1,156 |       |
| Total Preservation of Records                      |    |       | 6,288 |

FinanceAccounting and Budgeting

|                           |    |         |  |
|---------------------------|----|---------|--|
| Assistant(s)              | \$ | 52,561  |  |
| Supervisor/Director       |    | 103,063 |  |
| Deputy(ies)               |    | 50,760  |  |
| Longevity Pay             |    | 8,200   |  |
| Bonus Payments            |    | 27,793  |  |
| Other Salaries and Wages  |    | 342,081 |  |
| Social Security           |    | 33,495  |  |
| Pensions                  |    | 54,847  |  |
| Life Insurance            |    | 842     |  |
| Medical Insurance         |    | 127,198 |  |
| Dental Insurance          |    | 1,976   |  |
| Unemployment Compensation |    | 286     |  |

(Continued)

## Exhibit K-8

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

General Fund (Cont.)Finance (Cont.)Accounting and Budgeting (Cont.)

|                                |    |        |            |
|--------------------------------|----|--------|------------|
| Employer Medicare              | \$ | 7,833  |            |
| Communication                  |    | 4,160  |            |
| Dues and Memberships           |    | 150    |            |
| Maintenance Agreements         |    | 26,418 |            |
| Postal Charges                 |    | 145    |            |
| Travel                         |    | 2,477  |            |
| Other Contracted Services      |    | 4,396  |            |
| Data Processing Supplies       |    | 3,629  |            |
| Office Supplies                |    | 3,681  |            |
| Other Charges                  |    | 971    |            |
| Data Processing Equipment      |    | 2,438  |            |
| Total Accounting and Budgeting |    |        | \$ 859,400 |

Property Assessor's Office

|  |    |         |         |
|--|----|---------|---------|
| County Official/Administrative Officer             | \$ | 97,933  |         |
| Assessment Personnel                               |    | 310,780 |         |
| Longevity Pay                                      |    | 6,400   |         |
| Bonus Payments                                     |    | 15,539  |         |
| Social Security                                    |    | 26,220  |         |
| Pensions   |    | 41,980  |         |
| Life Insurance                                     |    | 550     |         |
| Medical Insurance                                  |    | 72,481  |         |
| Dental Insurance                                   |    | 1,463   |         |
| Unemployment Compensation                          |    | 147     |         |
| Employer Medicare                                  |    | 6,132   |         |
| Audit Services                                     |    | 12,635  |         |
| Data Processing Services                           |    | 25,261  |         |
| Maintenance Agreements                             |    | 4,207   |         |
| Maintenance and Repair Services - Office Equipment |    | 1,012   |         |
| Travel   |    | 93      |         |
| Other Contracted Services                          |    | 463     |         |
| Gasoline   |    | 1,581   |         |
| Office Supplies                                    |    | 1,584   |         |
| Other Supplies and Materials                       |    | 852     |         |
| Other Charges                                      |    | 236     |         |
| Data Processing Equipment                          |    | 1,346   |         |
| Total Property Assessor's Office                   |    |         | 628,895 |

County Trustee's Office

|  |    |         |
|--|----|---------|
| County Official/Administrative Officer | \$ | 97,183  |
| Assistant(s)                           |    | 125,710 |
| Longevity Pay                          |    | 1,400   |
| Bonus Payments                         |    | 5,056   |
| Social Security                        |    | 13,477  |
| Pensions                               |    | 22,009  |
| Life Insurance                         |    | 274     |
| Medical Insurance                      |    | 43,595  |

(Continued)

## Exhibit K-8

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

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

|   |    |        |            |
|---|----|--------|------------|
| Dental Insurance                          | \$ | 646    |            |
| Unemployment Compensation                 |    | 100    |            |
| Employer Medicare                         |    | 3,152  |            |
| Communication                             |    | 429    |            |
| Data Processing Services                  |    | 9,032  |            |
| Dues and Memberships                      |    | 230    |            |
| Legal Notices, Recording, and Court Costs |    | 759    |            |
| Maintenance Agreements                    |    | 15,818 |            |
| Travel                                    |    | 842    |            |
| Office Supplies                           |    | 1,907  |            |
| Other Charges                             |    | 100    |            |
| Data Processing Equipment                 |    | 1,158  |            |
| Furniture and Fixtures                    |    | 219    |            |
| Total County Trustee's Office             |    |        | \$ 343,096 |

County Clerk's Office

|  |    |         |         |
|--|----|---------|---------|
| County Official/Administrative Officer | \$ | 97,183  |         |
| Assistant(s)                           |    | 113,776 |         |
| Supervisor/Director                    |    | 132,784 |         |
| Deputy(ies)                            |    | 253,032 |         |
| Guards                                 |    | 3,106   |         |
| Part-time Personnel                    |    | 1,763   |         |
| Longevity Pay                          |    | 7,500   |         |
| Bonus Payments                         |    | 25,247  |         |
| Social Security                        |    | 37,127  |         |
| Pensions                               |    | 59,687  |         |
| Life Insurance                         |    | 943     |         |
| Medical Insurance                      |    | 137,328 |         |
| Dental Insurance                       |    | 2,443   |         |
| Unemployment Compensation              |    | 317     |         |
| Employer Medicare                      |    | 8,683   |         |
| Communication                          |    | 5,874   |         |
| Dues and Memberships                   |    | 885     |         |
| Maintenance Agreements                 |    | 37,048  |         |
| Rentals                                |    | 16,800  |         |
| Travel                                 |    | 1,245   |         |
| Office Supplies                        |    | 13,377  |         |
| Other Charges                          |    | 483     |         |
| Data Processing Equipment              |    | 7,850   |         |
| Total County Clerk's Office            |    |         | 964,481 |

Data Processing

|                           |    |        |  |
|---------------------------|----|--------|--|
| Part-time Personnel       | \$ | 17,345 |  |
| Bonus Payments            |    | 259    |  |
| Social Security           |    | 1,091  |  |
| Unemployment Compensation |    | 21     |  |
| Employer Medicare         |    | 255    |  |

(Continued)

## Exhibit K-8

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

General Fund (Cont.)Finance (Cont.)Data Processing (Cont.)

|                              |    |        |            |
|------------------------------|----|--------|------------|
| Contributions                | \$ | 35,000 |            |
| Travel                       |    | 846    |            |
| Other Contracted Services    |    | 13,967 |            |
| Software                     |    | 40,130 |            |
| Other Supplies and Materials |    | 168    |            |
| Data Processing Equipment    |    | 37,430 |            |
| Total Data Processing        |    |        | \$ 146,512 |

Other Finance

|   |    |         |         |
|---|----|---------|---------|
| Legal Notices, Recording, and Court Costs | \$ | 178     |         |
| Other Contracted Services                 |    | 6,861   |         |
| Liability Insurance                       |    | 56,650  |         |
| Premiums on Corporate Surety Bonds        |    | 23,627  |         |
| Trustee's Commission                      |    | 355,398 |         |
| Workers' Compensation Insurance           |    | 21,012  |         |
| Liability Claims                          |    | 1,500   |         |
| Tax Relief Program                        |    | 187,873 |         |
| Other Charges                             |    | 2,500   |         |
| Total Other Finance                       |    |         | 655,599 |

Administration of JusticeCircuit Court

|  |    |         |         |
|--|----|---------|---------|
| County Official/Administrative Officer | \$ | 97,183  |         |
| Clerical Personnel                     |    | 470,346 |         |
| Part-time Personnel                    |    | 10,973  |         |
| Longevity Pay                          |    | 9,700   |         |
| Bonus Payments                         |    | 23,623  |         |
| Jury and Witness Expense               |    | 8,084   |         |
| Social Security                        |    | 36,895  |         |
| Pensions                               |    | 57,785  |         |
| Life Insurance                         |    | 926     |         |
| Medical Insurance                      |    | 124,369 |         |
| Dental Insurance                       |    | 2,508   |         |
| Unemployment Compensation              |    | 273     |         |
| Employer Medicare                      |    | 8,629   |         |
| Communication                          |    | 15,638  |         |
| Maintenance Agreements                 |    | 45,954  |         |
| Postal Charges                         |    | 6,000   |         |
| Internet Connectivity                  |    | 11,500  |         |
| Travel                                 |    | 660     |         |
| Other Contracted Services              |    | 2,066   |         |
| Data Processing Supplies               |    | 618     |         |
| Office Supplies                        |    | 7,637   |         |
| Other Charges                          |    | 809     |         |
| Data Processing Equipment              |    | 5,672   |         |
| Office Equipment                       |    | 468     |         |
| Total Circuit Court                    |    |         | 948,316 |

(Continued)

## Exhibit K-8

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

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

|  |    |         |            |
|--|----|---------|------------|
| County Official/Administrative Officer | \$ | 184,488 |            |
| Secretary(ies)                         |    | 50,038  |            |
| Longevity Pay                          |    | 1,800   |            |
| Bonus Payments                         |    | 5,053   |            |
| Other Salaries and Wages               |    | 56,560  |            |
| In-service Training                    |    | 1,655   |            |
| Other Per Diem and Fees                |    | 24,140  |            |
| Social Security                        |    | 16,135  |            |
| Pensions                               |    | 29,113  |            |
| Life Insurance                         |    | 227     |            |
| Medical Insurance                      |    | 30,073  |            |
| Dental Insurance                       |    | 478     |            |
| Unemployment Compensation              |    | 44      |            |
| Employer Medicare                      |    | 4,218   |            |
| Communication                          |    | 732     |            |
| Dues and Memberships                   |    | 875     |            |
| Maintenance Agreements                 |    | 1,106   |            |
| Postal Charges                         |    | 140     |            |
| Rentals                                |    | 17,400  |            |
| Travel                                 |    | 2,261   |            |
| Other Contracted Services              |    | 350     |            |
| Library Books/Media                    |    | 815     |            |
| Office Supplies                        |    | 1,539   |            |
| Other Charges                          |    | 2,295   |            |
| Total General Sessions Court           |    |         | \$ 431,535 |

Drug Court

|                                    |    |        |        |
|------------------------------------|----|--------|--------|
| Contracts with Government Agencies | \$ | 29,062 |        |
| Total Drug Court                   |    |        | 29,062 |

Chancery Court

|  |    |        |         |
|--|----|--------|---------|
| County Official/Administrative Officer | \$ | 97,183 |         |
| Deputy(ies)                            |    | 87,590 |         |
| Longevity Pay                          |    | 500    |         |
| Bonus Payments                         |    | 4,380  |         |
| Social Security                        |    | 11,380 |         |
| Pensions                               |    | 17,797 |         |
| Life Insurance                         |    | 154    |         |
| Medical Insurance                      |    | 26,761 |         |
| Dental Insurance                       |    | 684    |         |
| Unemployment Compensation              |    | 42     |         |
| Employer Medicare                      |    | 2,661  |         |
| Advertising                            |    | 1,276  |         |
| Communication                          |    | 296    |         |
| Dues and Memberships                   |    | 345    |         |
| Maintenance Agreements                 |    | 13,109 |         |
| Travel                                 |    | 148    |         |
| Office Supplies                        |    | 1,068  |         |
| Total Chancery Court                   |    |        | 265,374 |

(Continued)

## Exhibit K-8

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

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

|                                    |    |         |            |
|------------------------------------|----|---------|------------|
| Youth Service Officer(s)           | \$ | 183,584 |            |
| Longevity Pay                      |    | 4,500   |            |
| Bonus Payments                     |    | 9,426   |            |
| Social Security                    |    | 11,629  |            |
| Pensions                           |    | 19,195  |            |
| Life Insurance                     |    | 286     |            |
| Medical Insurance                  |    | 40,025  |            |
| Dental Insurance                   |    | 662     |            |
| Unemployment Compensation          |    | 82      |            |
| Employer Medicare                  |    | 2,720   |            |
| Communication                      |    | 6,328   |            |
| Contracts with Government Agencies |    | 23,780  |            |
| Data Processing Services           |    | 2,995   |            |
| Dues and Memberships               |    | 160     |            |
| Maintenance Agreements             |    | 5,180   |            |
| Travel                             |    | 4,357   |            |
| Gasoline                           |    | 2,611   |            |
| Office Supplies                    |    | 3,673   |            |
| Other Supplies and Materials       |    | 4,661   |            |
| Other Charges                      |    | 101     |            |
| Motor Vehicles                     |    | 38,086  |            |
| Total Juvenile Court               |    |         | \$ 364,041 |

Other Administration of Justice

|                                       |    |     |     |
|---------------------------------------|----|-----|-----|
| Evaluation and Testing                | \$ | 800 |     |
| Total Other Administration of Justice |    |     | 800 |

Victim Assistance Programs

|                                  |    |        |        |
|----------------------------------|----|--------|--------|
| Bonus Payments                   | \$ | 2,030  |        |
| Other Salaries and Wages         |    | 36,217 |        |
| Social Security                  |    | 2,353  |        |
| Pensions                         |    | 3,341  |        |
| Life Insurance                   |    | 67     |        |
| Medical Insurance                |    | 8,357  |        |
| Dental Insurance                 |    | 209    |        |
| Unemployment Compensation        |    | 52     |        |
| Employer Medicare                |    | 550    |        |
| Travel                           |    | 95     |        |
| Remittance of Revenue Collected  |    | 39,905 |        |
| Office Supplies                  |    | 796    |        |
| Total Victim Assistance Programs |    |        | 93,972 |

Public SafetySheriff's Department

|  |    |         |  |
|--|----|---------|--|
| County Official/Administrative Officer | \$ | 106,901 |  |
| Assistant(s)                           |    | 253,765 |  |
| Supervisor/Director                    |    | 68,447  |  |

(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.)

|   |              |              |
|---|--------------|--------------|
| Deputy(ies)                                 | \$ 1,592,792 |              |
| Detective(s)                                | 375,452      |              |
| Secretary(ies)                              | 34,785       |              |
| Part-time Personnel                         | 262,310      |              |
| Longevity Pay                               | 22,200       |              |
| Overtime Pay                                | 54,395       |              |
| Bonus Payments                              | 106,351      |              |
| In-service Training                         | 35,620       |              |
| Social Security                             | 183,086      |              |
| Pensions                                    | 166,158      |              |
| Life Insurance                              | 3,832        |              |
| Medical Insurance                           | 495,464      |              |
| Dental Insurance                            | 9,759        |              |
| Unemployment Compensation                   | 1,744        |              |
| Employer Medicare                           | 42,836       |              |
| Other Fringe Benefits                       | 81,477       |              |
| Communication                               | 76,974       |              |
| Dues and Memberships                        | 237          |              |
| Maintenance Agreements                      | 27,432       |              |
| Maintenance and Repair Services - Equipment | 554          |              |
| Maintenance and Repair Services - Vehicles  | 41,489       |              |
| Postal Charges                              | 2,258        |              |
| Travel                                      | 3,982        |              |
| Tuition                                     | 12,388       |              |
| Other Contracted Services                   | 79,974       |              |
| Gasoline                                    | 251,102      |              |
| Instructional Supplies and Materials        | 1,573        |              |
| Library Books/Media                         | 1,300        |              |
| Office Supplies                             | 13,081       |              |
| Uniforms                                    | 26,022       |              |
| Software                                    | 34,966       |              |
| Liability Insurance                         | 93,460       |              |
| Vehicle and Equipment Insurance             | 27,625       |              |
| Workers' Compensation Insurance             | 98,390       |              |
| Other Charges                               | 21,075       |              |
| Data Processing Equipment                   | 12,523       |              |
| Other Equipment                             | 76,509       |              |
| Total Sheriff's Department                  |              | \$ 4,800,288 |

Wheel Tax Officer

|                           |           |        |
|---------------------------|-----------|--------|
| Part-time Personnel       | \$ 16,173 |        |
| Social Security           | 1,003     |        |
| Unemployment Compensation | 21        |        |
| Employer Medicare         | 235       |        |
| Office Supplies           | 578       |        |
| Total Wheel Tax Officer   |           | 18,010 |

(Continued)



## Exhibit K-8

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

General Fund (Cont.)Public Safety (Cont.)Administration of the Sexual Offender Registry

|  |    |       |          |
|--|----|-------|----------|
| Contracts with Government Agencies                   | \$ | 3,352 |          |
| Uniforms   |    | 908   |          |
| Total Administration of the Sexual Offender Registry |    |       | \$ 4,260 |

Jail

|                                 |    |           |           |
|---------------------------------|----|-----------|-----------|
| Guards                          | \$ | 1,299,091 |           |
| Cafeteria Personnel             |    | 72,842    |           |
| Part-time Personnel             |    | 802       |           |
| Longevity Pay                   |    | 15,700    |           |
| Overtime Pay                    |    | 10,771    |           |
| Bonus Payments                  |    | 69,054    |           |
| In-service Training             |    | 2,229     |           |
| Social Security                 |    | 93,316    |           |
| Pensions                        |    | 139,110   |           |
| Life Insurance                  |    | 2,428     |           |
| Medical Insurance               |    | 312,822   |           |
| Dental Insurance                |    | 6,170     |           |
| Unemployment Compensation       |    | 1,065     |           |
| Employer Medicare               |    | 21,824    |           |
| Other Fringe Benefits           |    | 65,700    |           |
| Medical and Dental Services     |    | 235,452   |           |
| Other Contracted Services       |    | 361,685   |           |
| Custodial Supplies              |    | 43,458    |           |
| Electricity                     |    | 181,801   |           |
| Food Supplies                   |    | 326,519   |           |
| Natural Gas                     |    | 46,766    |           |
| Uniforms                        |    | 2,558     |           |
| Water and Sewer                 |    | 69,204    |           |
| Building and Contents Insurance |    | 68,503    |           |
| Other Charges                   |    | 15,782    |           |
| Other Equipment                 |    | 43,137    |           |
| Total Jail                      |    |           | 3,507,789 |

Workhouse

|                           |    |        |  |
|---------------------------|----|--------|--|
| Guards                    | \$ | 71,918 |  |
| Overtime Pay              |    | 194    |  |
| Bonus Payments            |    | 3,640  |  |
| Social Security           |    | 4,962  |  |
| Pensions                  |    | 6,972  |  |
| Life Insurance            |    | 147    |  |
| Medical Insurance         |    | 18,318 |  |
| Dental Insurance          |    | 457    |  |
| Unemployment Compensation |    | 42     |  |
| Employer Medicare         |    | 1,160  |  |
| Other Fringe Benefits     |    | 4,720  |  |
| Communication             |    | 631    |  |
| Electricity               |    | 19,520 |  |

(Continued)

## Exhibit K-8

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

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

|                 |    |       |            |
|-----------------|----|-------|------------|
| Natural Gas     | \$ | 1,925 |            |
| Water and Sewer |    | 1,972 |            |
| Total Workhouse |    |       | \$ 136,578 |

Civil Defense

|                              |    |        |         |
|------------------------------|----|--------|---------|
| Assistant(s)                 | \$ | 65,985 |         |
| Supervisor/Director          |    | 7,900  |         |
| Longevity Pay                |    | 1,500  |         |
| Bonus Payments               |    | 3,295  |         |
| Social Security              |    | 5,173  |         |
| Pensions                     |    | 8,304  |         |
| Life Insurance               |    | 80     |         |
| Medical Insurance            |    | 9,319  |         |
| Dental Insurance             |    | 249    |         |
| Unemployment Compensation    |    | 23     |         |
| Employer Medicare            |    | 1,193  |         |
| Other Fringe Benefits        |    | 4,361  |         |
| Communication                |    | 151    |         |
| Travel                       |    | 55     |         |
| Tuition                      |    | 350    |         |
| Office Supplies              |    | 500    |         |
| Uniforms                     |    | 366    |         |
| Other Supplies and Materials |    | 102    |         |
| Other Charges                |    | 18,670 |         |
| Total Civil Defense          |    |        | 127,576 |

Inspection and Regulation

|                                      |    |        |         |
|--------------------------------------|----|--------|---------|
| Supervisor/Director                  | \$ | 54,649 |         |
| Clerical Personnel                   |    | 35,351 |         |
| Longevity Pay                        |    | 1,100  |         |
| Bonus Payments                       |    | 4,500  |         |
| Social Security                      |    | 5,951  |         |
| Pensions                             |    | 9,101  |         |
| Life Insurance                       |    | 121    |         |
| Medical Insurance                    |    | 18,288 |         |
| Dental Insurance                     |    | 456    |         |
| Unemployment Compensation            |    | 42     |         |
| Employer Medicare                    |    | 1,392  |         |
| Communication                        |    | 544    |         |
| Dues and Memberships                 |    | 320    |         |
| Printing, Stationery, and Forms      |    | 292    |         |
| Gasoline                             |    | 4,474  |         |
| Instructional Supplies and Materials |    | 285    |         |
| Office Supplies                      |    | 782    |         |
| Refunds                              |    | 3,889  |         |
| Other Charges                        |    | 20     |         |
| Motor Vehicles                       |    | 42,797 |         |
| Total Inspection and Regulation      |    |        | 184,354 |

(Continued)

## Exhibit K-8

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

General Fund (Cont.)Public Safety (Cont.)Public Safety Grants Program

|                                    |           |           |
|------------------------------------|-----------|-----------|
| Other Equipment                    | \$ 18,116 |           |
| Total Public Safety Grants Program |           | \$ 18,116 |

Other Public Safety

|                           |            |         |
|---------------------------|------------|---------|
| Contributions             | \$ 902,431 |         |
| Total Other Public Safety |            | 902,431 |

Public Health and WelfareLocal Health Center

|                                    |            |         |
|------------------------------------|------------|---------|
| Clerical Personnel                 | \$ 126,998 |         |
| Part-time Personnel                | 9,162      |         |
| Longevity Pay                      | 1,400      |         |
| Bonus Payments                     | 5,156      |         |
| Social Security                    | 8,479      |         |
| Pensions                           | 13,203     |         |
| Life Insurance                     | 250        |         |
| Medical Insurance                  | 25,245     |         |
| Dental Insurance                   | 779        |         |
| Unemployment Compensation          | 103        |         |
| Employer Medicare                  | 1,983      |         |
| Communication                      | 9,749      |         |
| Contracts with Government Agencies | 35,580     |         |
| Travel                             | 5,493      |         |
| Utilities                          | 23,083     |         |
| Other Charges                      | 2,897      |         |
| Total Local Health Center          |            | 269,560 |

Rabies and Animal Control

|                                 |          |         |
|---------------------------------|----------|---------|
| Longevity Pay                   | \$ 1,500 |         |
| Bonus Payments                  | 3,419    |         |
| Other Salaries and Wages        | 58,221   |         |
| Social Security                 | 3,586    |         |
| Pensions                        | 6,293    |         |
| Life Insurance                  | 122      |         |
| Medical Insurance               | 20,954   |         |
| Dental Insurance                | 285      |         |
| Unemployment Compensation       | 39       |         |
| Employer Medicare               | 839      |         |
| Other Fringe Benefits           | 3,904    |         |
| Communication                   | 2,401    |         |
| Gasoline                        | 11,633   |         |
| Uniforms                        | 184      |         |
| Vehicle and Equipment Insurance | 268      |         |
| Workers' Compensation Insurance | 1,079    |         |
| Other Equipment                 | 343      |         |
| Total Rabies and Animal Control |          | 115,070 |

(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

|   |    |           |              |
|---|----|-----------|--------------|
| Assistant(s)                                | \$ | 279,226   |              |
| Supervisor/Director                         |    | 78,055    |              |
| Medical Personnel                           |    | 2,000     |              |
| Clerical Personnel                          |    | 108,338   |              |
| Attendants                                  |    | 1,765,353 |              |
| Part-time Personnel                         |    | 219,329   |              |
| Longevity Pay                               |    | 33,200    |              |
| Overtime Pay                                |    | 618,149   |              |
| Bonus Payments                              |    | 114,538   |              |
| Other Salaries and Wages                    |    | 13,500    |              |
| Social Security                             |    | 204,450   |              |
| Pensions                                    |    | 298,844   |              |
| Life Insurance                              |    | 3,297     |              |
| Medical Insurance                           |    | 455,271   |              |
| Dental Insurance                            |    | 8,428     |              |
| Unemployment Compensation                   |    | 1,560     |              |
| Employer Medicare                           |    | 47,815    |              |
| Other Fringe Benefits                       |    | 136,238   |              |
| Communication                               |    | 44,776    |              |
| Data Processing Services                    |    | 20,879    |              |
| Maintenance Agreements                      |    | 30,793    |              |
| Maintenance and Repair Services - Equipment |    | 12,301    |              |
| Postal Charges                              |    | 12,545    |              |
| Travel                                      |    | 1,038     |              |
| Other Contracted Services                   |    | 48,519    |              |
| Diesel Fuel                                 |    | 188,560   |              |
| Drugs and Medical Supplies                  |    | 230,392   |              |
| Office Supplies                             |    | 7,029     |              |
| Uniforms                                    |    | 33,664    |              |
| Other Supplies and Materials                |    | 8,773     |              |
| Building and Contents Insurance             |    | 9,833     |              |
| Liability Insurance                         |    | 25,808    |              |
| Refunds                                     |    | 13,777    |              |
| Vehicle and Equipment Insurance             |    | 37,211    |              |
| Workers' Compensation Insurance             |    | 103,594   |              |
| Other Charges                               |    | 4,344     |              |
| Data Processing Equipment                   |    | 10,994    |              |
| Motor Vehicles                              |    | 54,096    |              |
| Other Equipment                             |    | 100,265   |              |
| Total Ambulance/Emergency Medical Services  |    |           | \$ 5,386,782 |

Sanitation Education/Information

|                 |    |        |
|-----------------|----|--------|
| Guards          | \$ | 43,180 |
| Longevity Pay   |    | 1,500  |
| Bonus Payments  |    | 2,159  |
| Social Security |    | 2,894  |
| Pensions        |    | 4,684  |

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Education/Information (Cont.)

|  |    |       |           |
|--|----|-------|-----------|
| Life Insurance                         | \$ | 73    |           |
| Medical Insurance                      |    | 9,144 |           |
| Dental Insurance                       |    | 228   |           |
| Unemployment Compensation              |    | 21    |           |
| Employer Medicare                      |    | 677   |           |
| Gasoline                               |    | 4,304 |           |
| Instructional Supplies and Materials   |    | 9,359 |           |
| Vehicle and Equipment Insurance        |    | 173   |           |
| Total Sanitation Education/Information |    |       | \$ 78,396 |

Other Public Health and Welfare

|                                       |    |        |         |
|---------------------------------------|----|--------|---------|
| Supervisor/Director                   | \$ | 64,669 |         |
| Part-time Personnel                   |    | 27,204 |         |
| Longevity Pay                         |    | 3,000  |         |
| Bonus Payments                        |    | 5,465  |         |
| Other Salaries and Wages              |    | 35,873 |         |
| Social Security                       |    | 8,452  |         |
| Pensions                              |    | 10,857 |         |
| Life Insurance                        |    | 120    |         |
| Medical Insurance                     |    | 18,288 |         |
| Dental Insurance                      |    | 456    |         |
| Unemployment Compensation             |    | 63     |         |
| Employer Medicare                     |    | 1,977  |         |
| Communication                         |    | 544    |         |
| Travel                                |    | 150    |         |
| Gasoline                              |    | 4,387  |         |
| Office Supplies                       |    | 682    |         |
| Chemicals                             |    | 363    |         |
| Refunds                               |    | 200    |         |
| Other Equipment                       |    | 866    |         |
| Total Other Public Health and Welfare |    |        | 183,616 |

Social, Cultural, and Recreational Services

Senior Citizens Assistance

|                           |    |         |  |
|---------------------------|----|---------|--|
| Assistant(s)              | \$ | 104,846 |  |
| Supervisor/Director       |    | 42,125  |  |
| Salary Supplements        |    | 3,800   |  |
| Bonus Payments            |    | 7,776   |  |
| Social Security           |    | 9,785   |  |
| Pensions                  |    | 13,728  |  |
| Life Insurance            |    | 354     |  |
| Medical Insurance         |    | 42,752  |  |
| Dental Insurance          |    | 684     |  |
| Unemployment Compensation |    | 171     |  |
| Employer Medicare         |    | 2,288   |  |
| Advertising               |    | 457     |  |
| Communication             |    | 776     |  |

(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.)Senior Citizens Assistance (Cont.)

|                                  |    |       |            |
|----------------------------------|----|-------|------------|
| Maintenance Agreements           | \$ | 173   |            |
| Travel                           |    | 14    |            |
| Vehicle and Equipment Insurance  |    | 1,387 |            |
| Other Charges                    |    | 377   |            |
| Office Equipment                 |    | 540   |            |
| Total Senior Citizens Assistance |    |       | \$ 232,033 |

Libraries

|                                      |    |         |         |
|--------------------------------------|----|---------|---------|
| Librarians                           | \$ | 270,732 |         |
| Part-time Personnel                  |    | 89,426  |         |
| Longevity Pay                        |    | 5,500   |         |
| Bonus Payments                       |    | 14,270  |         |
| Social Security                      |    | 22,560  |         |
| Pensions                             |    | 26,652  |         |
| Life Insurance                       |    | 586     |         |
| Medical Insurance                    |    | 78,108  |         |
| Dental Insurance                     |    | 1,596   |         |
| Unemployment Compensation            |    | 359     |         |
| Employer Medicare                    |    | 5,276   |         |
| Communication                        |    | 12,577  |         |
| Travel                               |    | 2,210   |         |
| Other Contracted Services            |    | 5,620   |         |
| Instructional Supplies and Materials |    | 3,237   |         |
| Library Books/Media                  |    | 29,197  |         |
| Office Supplies                      |    | 8,149   |         |
| Periodicals                          |    | 2,445   |         |
| Utilities                            |    | 3,919   |         |
| Software                             |    | 3,127   |         |
| Other Charges                        |    | 12,593  |         |
| Data Processing Equipment            |    | 8,111   |         |
| Other Equipment                      |    | 16,901  |         |
| Total Libraries                      |    |         | 623,151 |

Agriculture and Natural ResourcesAgricultural Extension Service

|                                 |    |        |  |
|---------------------------------|----|--------|--|
| Salary Supplements              | \$ | 85,022 |  |
| Social Security                 |    | 4,978  |  |
| Pensions                        |    | 12,879 |  |
| Medical Insurance               |    | 9,521  |  |
| Unemployment Compensation       |    | 45     |  |
| Employer Medicare               |    | 1,217  |  |
| Other Fringe Benefits           |    | 3,063  |  |
| Communication                   |    | 6,872  |  |
| Dues and Memberships            |    | 410    |  |
| Maintenance Agreements          |    | 1,635  |  |
| Printing, Stationery, and Forms |    | 1,000  |  |
| Travel                          |    | 10,656 |  |

(Continued)

## Exhibit K-8

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

General Fund (Cont.)Agriculture and Natural Resources (Cont.)Agricultural Extension Service (Cont.)

|                                      |    |       |            |
|--------------------------------------|----|-------|------------|
| Electricity                          | \$ | 2,937 |            |
| Instructional Supplies and Materials |    | 300   |            |
| Natural Gas                          |    | 1,456 |            |
| Water and Sewer                      |    | 517   |            |
| Workers' Compensation Insurance      |    | 143   |            |
| Other Charges                        |    | 418   |            |
| Total Agricultural Extension Service |    |       | \$ 143,069 |

Soil Conservation

|                           |    |        |        |
|---------------------------|----|--------|--------|
| Secretary(ies)            | \$ | 30,100 |        |
| Longevity Pay             |    | 700    |        |
| Bonus Payments            |    | 1,503  |        |
| Social Security           |    | 1,993  |        |
| Pensions                  |    | 3,230  |        |
| Life Insurance            |    | 73     |        |
| Medical Insurance         |    | 9,144  |        |
| Dental Insurance          |    | 228    |        |
| Unemployment Compensation |    | 21     |        |
| Employer Medicare         |    | 466    |        |
| Dues and Memberships      |    | 420    |        |
| Travel                    |    | 1,037  |        |
| Total Soil Conservation   |    |        | 48,915 |

Other OperationsTourism

|                                 |    |         |         |
|---------------------------------|----|---------|---------|
| Supervisor/Director             | \$ | 79,380  |         |
| Part-time Personnel             |    | 10,615  |         |
| Bonus Payments                  |    | 3,969   |         |
| Social Security                 |    | 5,606   |         |
| Pensions                        |    | 7,303   |         |
| Life Insurance                  |    | 73      |         |
| Medical Insurance               |    | 11,413  |         |
| Dental Insurance                |    | 228     |         |
| Unemployment Compensation       |    | 53      |         |
| Employer Medicare               |    | 1,311   |         |
| Advertising                     |    | 47,041  |         |
| Communication                   |    | 48,804  |         |
| Contracts with Private Agencies |    | 168,867 |         |
| Dues and Memberships            |    | 5,780   |         |
| Travel                          |    | 678     |         |
| Office Supplies                 |    | 363     |         |
| Other Charges                   |    | 1,841   |         |
| Total Tourism                   |    |         | 393,325 |

Veterans' Services

|                     |    |        |  |
|---------------------|----|--------|--|
| Supervisor/Director | \$ | 38,226 |  |
| Longevity Pay       |    | 600    |  |

(Continued)

## Exhibit K-8

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

General Fund (Cont.)Other Operations (Cont.)Veterans' Services (Cont.)

|                           |    |       |           |
|---------------------------|----|-------|-----------|
| Bonus Payments            | \$ | 1,911 |           |
| Social Security           |    | 2,526 |           |
| Pensions                  |    | 3,541 |           |
| Life Insurance            |    | 37    |           |
| Unemployment Compensation |    | 21    |           |
| Employer Medicare         |    | 591   |           |
| Communication             |    | 669   |           |
| Travel                    |    | 288   |           |
| Office Supplies           |    | 900   |           |
| Data Processing Equipment |    | 449   |           |
| Total Veterans' Services  |    |       | \$ 49,759 |

Contributions to Other Agencies

|                                       |    |           |           |
|---------------------------------------|----|-----------|-----------|
| Contributions                         | \$ | 1,153,564 |           |
| Total Contributions to Other Agencies |    |           | 1,153,564 |

American Rescue Plan Act Grant #4

|   |    |       |       |
|---|----|-------|-------|
| Library Books/Media                     | \$ | 2,326 |       |
| Total American Rescue Plan Act Grant #4 |    |       | 2,326 |

Total General Fund \$ 27,375,207

Courthouse and Jail Maintenance FundFinanceOther Finance

|                      |    |     |        |
|----------------------|----|-----|--------|
| Trustee's Commission | \$ | 509 |        |
| Total Other Finance  |    |     | \$ 509 |

Total Courthouse and Jail Maintenance Fund 509

Law Library FundFinanceOther Finance

|                      |    |     |        |
|----------------------|----|-----|--------|
| Trustee's Commission | \$ | 127 |        |
| Total Other Finance  |    |     | \$ 127 |

Public SafetyJail

|                     |    |        |        |
|---------------------|----|--------|--------|
| Library Books/Media | \$ | 12,330 |        |
| Total Jail          |    |        | 12,330 |

Total Law Library Fund 12,457

Solid Waste/Sanitation FundPublic Health and WelfareWaste Pickup

|                     |    |        |  |
|---------------------|----|--------|--|
| Supervisor/Director | \$ | 39,045 |  |
|---------------------|----|--------|--|

(Continued)



## Exhibit K-8

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Waste Pickup (Cont.)

|  |    |         |              |
|--|----|---------|--------------|
| Part-time Personnel                        | \$ | 61,329  |              |
| Longevity Pay                              |    | 8,950   |              |
| Overtime Pay                               |    | 33,201  |              |
| Bonus Payments                             |    | 22,639  |              |
| Other Salaries and Wages                   |    | 420,519 |              |
| Social Security                            |    | 35,948  |              |
| Pensions                                   |    | 49,972  |              |
| Life Insurance                             |    | 1,007   |              |
| Medical Insurance                          |    | 128,388 |              |
| Dental Insurance                           |    | 2,166   |              |
| Unemployment Compensation                  |    | 984     |              |
| Employer Medicare                          |    | 8,407   |              |
| Contracts with Private Agencies            |    | 10,050  |              |
| Maintenance and Repair Services - Vehicles |    | 75,787  |              |
| Rentals                                    |    | 7,875   |              |
| Travel                                     |    | 646     |              |
| Disposal Fees                              |    | 914,262 |              |
| Asphalt                                    |    | 16,750  |              |
| Diesel Fuel                                |    | 70,853  |              |
| Gasoline                                   |    | 4,932   |              |
| Lubricants                                 |    | 15,745  |              |
| Tires and Tubes                            |    | 27,712  |              |
| Uniforms                                   |    | 5,760   |              |
| Utilities                                  |    | 19,187  |              |
| Other Supplies and Materials               |    | 7,857   |              |
| Building and Contents Insurance            |    | 345     |              |
| Liability Insurance                        |    | 478     |              |
| Trustee's Commission                       |    | 37,106  |              |
| Vehicle and Equipment Insurance            |    | 29,969  |              |
| Workers' Compensation Insurance            |    | 20,138  |              |
| Other Charges                              |    | 6,083   |              |
| Solid Waste Equipment                      |    | 66,596  |              |
| Total Waste Pickup                         |    |         | \$ 2,150,686 |

Total Solid Waste/Sanitation Fund \$ 2,150,686

Drug Control Fund

Public Safety

Drug Enforcement

|                          |    |       |           |
|--------------------------|----|-------|-----------|
| Veterinary Services      | \$ | 3,249 |           |
| Animal Food and Supplies |    | 4,944 |           |
| Law Enforcement Supplies |    | 677   |           |
| Software                 |    | 288   |           |
| Trustee's Commission     |    | 116   |           |
| Other Charges            |    | 6,155 |           |
| Other Equipment          |    | 4,208 |           |
| Total Drug Enforcement   |    |       | \$ 19,637 |

Total Drug Control Fund 19,637

(Continued)

## Exhibit K-8

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

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

|   |    |         |            |
|---|----|---------|------------|
| Part-time Personnel                     | \$ | 2,145   |            |
| Social Security                         |    | 83      |            |
| Medical Insurance                       |    | 1,119   |            |
| Unemployment Compensation               |    | 1       |            |
| Employer Medicare                       |    | 19      |            |
| Contributions                           |    | 88,268  |            |
| Motor Vehicles                          |    | 191,452 |            |
| Other Equipment                         |    | 147,951 |            |
| Total American Rescue Plan Act Grant #1 |    |         | \$ 431,038 |

American Rescue Plan Act Grant #6

|   |    |        |        |
|---|----|--------|--------|
| Other Charges                           | \$ | 12,500 |        |
| Total American Rescue Plan Act Grant #6 |    |        | 12,500 |

Capital ProjectsAmerican Rescue Plan Act Grant #1

|   |    |           |           |
|---|----|-----------|-----------|
| Advertising                             | \$ | 275       |           |
| Architects                              |    | 43,440    |           |
| Building Construction                   |    | 1,283,080 |           |
| Total American Rescue Plan Act Grant #1 |    |           | 1,326,795 |

American Rescue Plan Act Grant #2

|   |    |           |           |
|---|----|-----------|-----------|
| Building Construction                   | \$ | 1,642,005 |           |
| Total American Rescue Plan Act Grant #2 |    |           | 1,642,005 |

Total Other General Government Special Revenue Fund \$ 3,412,338

Other Special Revenue FundFinanceOther Finance

|                      |    |       |          |
|----------------------|----|-------|----------|
| Trustee's Commission | \$ | 8,638 |          |
| Total Other Finance  |    |       | \$ 8,638 |

Total Other Special Revenue Fund 8,638

Constitutional Officers - Fees FundGeneral GovernmentRegister of Deeds

|   |    |     |        |
|---|----|-----|--------|
| Constitutional Officers' Operating Expenses | \$ | 356 |        |
| Total Register of Deeds                     |    |     | \$ 356 |

FinanceCounty Clerk's Office

|   |    |        |        |
|---|----|--------|--------|
| Special Commissioner Fees/Special Master Fees | \$ | 11,160 |        |
| Constitutional Officers' Operating Expenses   |    | 585    |        |
| Total County Clerk's Office                   |    |        | 11,745 |

(Continued)

## Exhibit K-8

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

Constitutional Officers - Fees Fund (Cont.)Administration of JusticeChancery Court

|   |          |          |
|---|----------|----------|
| Special Commissioner Fees/Special Master Fees | \$ 3,812 |          |
| Total Chancery Court                          |          | \$ 3,812 |

Total Constitutional Officers - Fees Fund \$ 15,913

Highway/Public Works FundHighwaysAdministration

|   |            |            |
|---|------------|------------|
| County Official/Administrative Officer    | \$ 106,901 |            |
| Accountants/Bookkeepers                   | 58,760     |            |
| Clerical Personnel                        | 31,759     |            |
| Longevity Pay                             | 1,900      |            |
| Bonus Payments                            | 4,533      |            |
| Board and Committee Members Fees          | 16,060     |            |
| Social Security                           | 13,636     |            |
| Pensions                                  | 20,174     |            |
| Life Insurance                            | 213        |            |
| Medical Insurance                         | 26,598     |            |
| Dental Insurance                          | 456        |            |
| Unemployment Compensation                 | 53         |            |
| Employer Medicare                         | 3,189      |            |
| Communication                             | 10,044     |            |
| Data Processing Services                  | 178        |            |
| Dues and Memberships                      | 3,504      |            |
| Legal Services                            | 279        |            |
| Legal Notices, Recording, and Court Costs | 434        |            |
| Postal Charges                            | 216        |            |
| Other Contracted Services                 | 5,878      |            |
| Office Supplies                           | 2,621      |            |
| Other Charges                             | 6,240      |            |
| Office Equipment                          | 323        |            |
| Total Administration                      |            | \$ 313,949 |

Highway and Bridge Maintenance

|                           |              |
|---------------------------|--------------|
| Laborers                  | \$ 1,165,594 |
| Longevity Pay             | 26,100       |
| Overtime Pay              | 122,156      |
| Bonus Payments            | 57,313       |
| Social Security           | 83,784       |
| Pensions                  | 125,831      |
| Life Insurance            | 2,129        |
| Medical Insurance         | 276,838      |
| Dental Insurance          | 4,696        |
| Unemployment Compensation | 809          |
| Employer Medicare         | 19,595       |
| Rentals                   | 1,583        |
| Asphalt - Liquid          | 638,602      |

(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.)

|                                      |    |        |              |
|--------------------------------------|----|--------|--------------|
| Other Road Materials                 | \$ | 50,981 |              |
| Pipe - Metal                         |    | 8,979  |              |
| Road Signs                           |    | 26,779 |              |
| Uniforms                             |    | 15,864 |              |
| Other Supplies and Materials         |    | 9,545  |              |
| Total Highway and Bridge Maintenance |    |        | \$ 2,637,178 |

Operation and Maintenance of Equipment

|  |    |         |           |
|--|----|---------|-----------|
| Mechanic(s)                                  | \$ | 213,565 |           |
| Longevity Pay                                |    | 3,600   |           |
| Overtime Pay                                 |    | 51,494  |           |
| Bonus Payments                               |    | 11,797  |           |
| Social Security                              |    | 17,331  |           |
| Pensions                                     |    | 26,746  |           |
| Life Insurance                               |    | 400     |           |
| Medical Insurance                            |    | 50,569  |           |
| Dental Insurance                             |    | 456     |           |
| Unemployment Compensation                    |    | 122     |           |
| Employer Medicare                            |    | 4,053   |           |
| Maintenance and Repair Services - Equipment  |    | 199,899 |           |
| Diesel Fuel                                  |    | 97,385  |           |
| Gasoline                                     |    | 134,750 |           |
| Lubricants                                   |    | 35,809  |           |
| Natural Gas                                  |    | 95,040  |           |
| Tires and Tubes                              |    | 19,914  |           |
| Water and Sewer                              |    | 508     |           |
| Other Supplies and Materials                 |    | 7,724   |           |
| Other Equipment                              |    | 699,945 |           |
| Total Operation and Maintenance of Equipment |    |         | 1,671,107 |

Quarry Operations

|   |    |         |         |
|---|----|---------|---------|
| Laborers                                    | \$ | 267,854 |         |
| Longevity Pay                               |    | 6,500   |         |
| Overtime Pay                                |    | 79,600  |         |
| Bonus Payments                              |    | 13,945  |         |
| Social Security                             |    | 21,489  |         |
| Pensions                                    |    | 33,423  |         |
| Life Insurance                              |    | 515     |         |
| Medical Insurance                           |    | 78,587  |         |
| Dental Insurance                            |    | 909     |         |
| Unemployment Compensation                   |    | 204     |         |
| Employer Medicare                           |    | 5,026   |         |
| Explosive and Drilling Services             |    | 111,180 |         |
| Maintenance and Repair Services - Equipment |    | 120,937 |         |
| Electricity                                 |    | 120,177 |         |
| Other Charges                               |    | 6,411   |         |
| Total Quarry Operations                     |    |         | 866,757 |

(Continued)

## Exhibit K-8

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Asphalt Plant Operations

|   |              |           |
|---|--------------|-----------|
| Maintenance and Repair Services - Equipment | \$ 27,873    |           |
| Other Contracted Services                   | <u>2,600</u> |           |
| Total Asphalt Plant Operations              |              | \$ 30,473 |

Other Charges

|                                 |               |         |
|---------------------------------|---------------|---------|
| Building and Contents Insurance | \$ 12,681     |         |
| Liability Insurance             | 13,111        |         |
| Trustee's Commission            | 77,158        |         |
| Vehicle and Equipment Insurance | <u>31,419</u> |         |
| Total Other Charges             |               | 134,369 |

Employee Benefits

|                                 |            |         |
|---------------------------------|------------|---------|
| Workers' Compensation Insurance | \$ 115,380 |         |
| Total Employee Benefits         |            | 115,380 |

Capital Outlay

|                      |          |              |
|----------------------|----------|--------------|
| Bridge Construction  | \$ 7,000 |              |
| Total Capital Outlay |          | <u>7,000</u> |

Total Highway/Public Works Fund \$ 5,776,213

General Debt Service FundPrincipal on DebtGeneral Government

|                          |                  |              |
|--------------------------|------------------|--------------|
| Principal on Bonds       | \$ 405,000       |              |
| Principal on Other Loans | <u>3,440,000</u> |              |
| Total General Government |                  | \$ 3,845,000 |

Education

|                          |                |           |
|--------------------------|----------------|-----------|
| Principal on Bonds       | \$ 2,665,000   |           |
| Principal on Other Loans | <u>895,400</u> |           |
| Total Education          |                | 3,560,400 |

Interest on DebtGeneral Government

|                          |               |         |
|--------------------------|---------------|---------|
| Interest on Bonds        | \$ 390,475    |         |
| Interest on Other Loans  | <u>77,292</u> |         |
| Total General Government |               | 467,767 |

Education

|                         |                |           |
|-------------------------|----------------|-----------|
| Interest on Bonds       | \$ 1,778,916   |           |
| Interest on Other Loans | <u>515,860</u> |           |
| Total Education         |                | 2,294,776 |

Other Debt ServiceGeneral Government

|                          |               |                |
|--------------------------|---------------|----------------|
| Trustee's Commission     | \$ 123,523    |                |
| Other Debt Service       | <u>19,436</u> |                |
| Total General Government |               | <u>142,959</u> |

Total General Debt Service Fund 10,310,902

(Continued)

## Exhibit K-8

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

General Capital Projects Fund

Capital Projects

Public Safety Projects

|                              |              |            |
|------------------------------|--------------|------------|
| Building Improvements        | \$ 124,629   |            |
| Data Processing Equipment    | <u>4,555</u> |            |
| Total Public Safety Projects |              | \$ 129,184 |

Public Health and Welfare Projects

|  |                   |         |
|--|-------------------|---------|
| Solid Waste Equipment                    | \$ <u>275,207</u> |         |
| Total Public Health and Welfare Projects |                   | 275,207 |

Other General Government Projects

|   |              |               |
|---|--------------|---------------|
| Trustee's Commission                    | \$ 11,470    |               |
| Building Improvements                   | <u>2,475</u> |               |
| Total Other General Government Projects |              | <u>13,945</u> |

|                                     |  |            |
|-------------------------------------|--|------------|
| Total General Capital Projects Fund |  | \$ 418,336 |
|-------------------------------------|--|------------|

Other Capital Projects Fund

Capital Projects

Public Safety Projects

|                              |                   |                   |
|------------------------------|-------------------|-------------------|
| Motor Vehicles               | \$ <u>553,395</u> |                   |
| Total Public Safety Projects |                   | <u>\$ 553,395</u> |

|                                   |  |                |
|-----------------------------------|--|----------------|
| Total Other Capital Projects Fund |  | <u>553,395</u> |
|-----------------------------------|--|----------------|

|   |  |                             |
|---|--|-----------------------------|
| Total Governmental Funds - Primary Government |  | <u><u>\$ 50,054,231</u></u> |
|---|--|-----------------------------|

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, 2023

General Purpose School Fund

Instruction

Regular Instruction Program

|                                      |               |               |
|--------------------------------------|---------------|---------------|
| Teachers                             | \$ 19,543,071 |               |
| Career Ladder Program                | 36,249        |               |
| Educational Assistants               | 306,054       |               |
| Longevity Pay                        | 5,405         |               |
| Other Salaries and Wages             | 17,898        |               |
| Certified Substitute Teachers        | 113,851       |               |
| Non-certified Substitute Teachers    | 675,340       |               |
| Social Security                      | 1,201,060     |               |
| Pensions                             | 1,579,457     |               |
| Life Insurance                       | 29,267        |               |
| Medical Insurance                    | 4,069,127     |               |
| Dental Insurance                     | 83,218        |               |
| Employer Medicare                    | 285,564       |               |
| Other Contracted Services            | 240,400       |               |
| Instructional Supplies and Materials | 346,477       |               |
| Textbooks - Electronic               | 107,107       |               |
| Textbooks - Bound                    | 1,190,904     |               |
| Uniforms                             | 83,939        |               |
| Other Supplies and Materials         | 1,948         |               |
| In Service/Staff Development         | 537           |               |
| Fee Waivers                          | 254,927       |               |
| Other Charges                        | 13,991        |               |
| Regular Instruction Equipment        | 641,949       |               |
| Total Regular Instruction Program    |               | \$ 30,827,740 |

Alternative Instruction Program

|                                       |           |         |
|---------------------------------------|-----------|---------|
| Teachers                              | \$ 99,700 |         |
| Social Security                       | 6,129     |         |
| Pensions                              | 8,664     |         |
| Life Insurance                        | 144       |         |
| Medical Insurance                     | 6,863     |         |
| Dental Insurance                      | 244       |         |
| Employer Medicare                     | 1,433     |         |
| Instructional Supplies and Materials  | 1,647     |         |
| Other Supplies and Materials          | 1,234     |         |
| Other Equipment                       | 76        |         |
| Total Alternative Instruction Program |           | 126,134 |

Special Education Program

|                        |           |
|------------------------|-----------|
| Supervisor/Director    | \$ 54,340 |
| Teachers               | 1,938,494 |
| Career Ladder Program  | 2,000     |
| Educational Assistants | 214,921   |
| Speech Pathologist     | 436,000   |
| Longevity Pay          | 2,820     |
| Social Security        | 154,079   |

(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.)

|                                      |    |         |              |
|--------------------------------------|----|---------|--------------|
| Pensions                             | \$ | 231,118 |              |
| Life Insurance                       |    | 4,465   |              |
| Medical Insurance                    |    | 589,633 |              |
| Dental Insurance                     |    | 13,100  |              |
| Employer Medicare                    |    | 36,035  |              |
| Instructional Supplies and Materials |    | 14,760  |              |
| Other Charges                        |    | 621     |              |
| Special Education Equipment          |    | 29,713  |              |
| Total Special Education Program      |    |         | \$ 3,722,099 |

Career and Technical Education Program

|  |    |           |           |
|--|----|-----------|-----------|
| Teachers                                     | \$ | 1,473,032 |           |
| Career Ladder Program                        |    | 1,000     |           |
| Educational Assistants                       |    | 16,794    |           |
| Other Salaries and Wages                     |    | 22,421    |           |
| Certified Substitute Teachers                |    | 2,145     |           |
| Non-certified Substitute Teachers            |    | 9,608     |           |
| Social Security                              |    | 89,035    |           |
| Pensions                                     |    | 132,952   |           |
| Life Insurance                               |    | 2,036     |           |
| Medical Insurance                            |    | 268,140   |           |
| Dental Insurance                             |    | 6,184     |           |
| Employer Medicare                            |    | 20,828    |           |
| Maintenance and Repair Services - Equipment  |    | 424       |           |
| Travel                                       |    | 6,743     |           |
| Instructional Supplies and Materials         |    | 97,304    |           |
| Vocational Instruction Equipment             |    | 243,732   |           |
| Total Career and Technical Education Program |    |           | 2,392,378 |

Support ServicesAttendance

|                              |    |         |         |
|------------------------------|----|---------|---------|
| Supervisor/Director          | \$ | 85,110  |         |
| Other Salaries and Wages     |    | 143,230 |         |
| Social Security              |    | 9,384   |         |
| Pensions                     |    | 15,637  |         |
| Life Insurance               |    | 220     |         |
| Medical Insurance            |    | 35,759  |         |
| Dental Insurance             |    | 504     |         |
| Employer Medicare            |    | 3,077   |         |
| Travel                       |    | 1,274   |         |
| Other Contracted Services    |    | 1,400   |         |
| Other Supplies and Materials |    | 244     |         |
| In Service/Staff Development |    | 1,559   |         |
| Total Attendance             |    |         | 297,398 |

(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

|                                   |    |        |            |
|-----------------------------------|----|--------|------------|
| Supervisor/Director               | \$ | 51,626 |            |
| Medical Personnel                 |    | 6,328  |            |
| Longevity Pay                     |    | 7,017  |            |
| Other Salaries and Wages          |    | 12,881 |            |
| Non-certified Substitute Teachers |    | 1,050  |            |
| Social Security                   |    | 4,811  |            |
| Pensions                          |    | 5,745  |            |
| Life Insurance                    |    | 73     |            |
| Medical Insurance                 |    | 8,068  |            |
| Dental Insurance                  |    | 428    |            |
| Employer Medicare                 |    | 1,274  |            |
| Postal Charges                    |    | 400    |            |
| Travel                            |    | 2,138  |            |
| Other Supplies and Materials      |    | 26,737 |            |
| In Service/Staff Development      |    | 1,973  |            |
| Other Charges                     |    | 750    |            |
| Health Equipment                  |    | 23,907 |            |
| Other Equipment                   |    | 798    |            |
| Total Health Services             |    |        | \$ 156,004 |

Other Student Support

|                              |    |           |           |
|------------------------------|----|-----------|-----------|
| Career Ladder Program        | \$ | 1,000     |           |
| Guidance Personnel           |    | 1,002,305 |           |
| Longevity Pay                |    | 188       |           |
| Bonus Payments               |    | 207,850   |           |
| Other Salaries and Wages     |    | 13,682    |           |
| Social Security              |    | 71,206    |           |
| Pensions                     |    | 98,075    |           |
| Life Insurance               |    | 1,409     |           |
| Medical Insurance            |    | 200,201   |           |
| Dental Insurance             |    | 4,698     |           |
| Employer Medicare            |    | 16,700    |           |
| Evaluation and Testing       |    | 34,228    |           |
| Travel                       |    | 3,126     |           |
| Other Contracted Services    |    | 281,378   |           |
| Other Supplies and Materials |    | 12,501    |           |
| In Service/Staff Development |    | 5,937     |           |
| Other Charges                |    | 11,402    |           |
| Other Equipment              |    | 32,964    |           |
| Total Other Student Support  |    |           | 1,998,850 |

Regular Instruction Program

|                                  |    |         |
|----------------------------------|----|---------|
| Supervisor/Director              | \$ | 185,200 |
| Librarians                       |    | 569,100 |
| Instructional Computer Personnel |    | 44,635  |
| Secretary(ies)                   |    | 28,135  |

(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.)

|                                   |    |         |              |
|-----------------------------------|----|---------|--------------|
| Clerical Personnel                | \$ | 56,347  |              |
| Longevity Pay                     |    | 5,498   |              |
| Other Salaries and Wages          |    | 329,386 |              |
| Social Security                   |    | 72,199  |              |
| Pensions                          |    | 107,485 |              |
| Life Insurance                    |    | 1,887   |              |
| Medical Insurance                 |    | 233,998 |              |
| Dental Insurance                  |    | 3,444   |              |
| Employer Medicare                 |    | 16,152  |              |
| Communication                     |    | 880     |              |
| Travel                            |    | 5,145   |              |
| Other Contracted Services         |    | 32,837  |              |
| Other Supplies and Materials      |    | 12,955  |              |
| In Service/Staff Development      |    | 48,660  |              |
| Other Charges                     |    | 5,310   |              |
| Other Equipment                   |    | 8,164   |              |
| Total Regular Instruction Program |    |         | \$ 1,767,417 |

Alternative Instruction Program

|                                       |    |        |        |
|---------------------------------------|----|--------|--------|
| Secretary(ies)                        | \$ | 21,706 |        |
| Longevity Pay                         |    | 646    |        |
| Social Security                       |    | 1,383  |        |
| Pensions                              |    | 2,235  |        |
| Life Insurance                        |    | 73     |        |
| Medical Insurance                     |    | 8,068  |        |
| Employer Medicare                     |    | 34     |        |
| Other Contracted Services             |    | 1,327  |        |
| Office Supplies                       |    | 1,997  |        |
| Other Equipment                       |    | 489    |        |
| Total Alternative Instruction Program |    |        | 37,958 |

Special Education Program

|                                 |    |         |  |
|---------------------------------|----|---------|--|
| Supervisor/Director             | \$ | 83,550  |  |
| Psychological Personnel         |    | 59,760  |  |
| Medical Personnel               |    | 108,264 |  |
| Assessment Personnel            |    | 58,800  |  |
| Longevity Pay                   |    | 2,083   |  |
| Other Salaries and Wages        |    | 45,981  |  |
| Social Security                 |    | 20,825  |  |
| Pensions                        |    | 33,381  |  |
| Life Insurance                  |    | 427     |  |
| Medical Insurance               |    | 60,916  |  |
| Dental Insurance                |    | 1,470   |  |
| Employer Medicare               |    | 4,870   |  |
| Communication                   |    | 880     |  |
| Contracts with Private Agencies |    | 40,675  |  |

(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.)

Special Education Program (Cont.)

|                                 |    |        |            |
|---------------------------------|----|--------|------------|
| Travel                          | \$ | 6,726  |            |
| Other Contracted Services       |    | 41,088 |            |
| Total Special Education Program |    |        | \$ 569,696 |

Career and Technical Education Program

|  |    |         |         |
|--|----|---------|---------|
| Supervisor/Director                          | \$ | 166,054 |         |
| Career Ladder Program                        |    | 1,000   |         |
| Social Security                              |    | 10,076  |         |
| Pensions                                     |    | 14,437  |         |
| Life Insurance                               |    | 128     |         |
| Medical Insurance                            |    | 15,926  |         |
| Dental Insurance                             |    | 441     |         |
| Employer Medicare                            |    | 2,357   |         |
| Communication                                |    | 1,628   |         |
| Maintenance and Repair Services - Equipment  |    | 1,100   |         |
| Travel                                       |    | 21,054  |         |
| Other Contracted Services                    |    | 5,999   |         |
| Food Supplies                                |    | 1,474   |         |
| Instructional Supplies and Materials         |    | 2,498   |         |
| Other Supplies and Materials                 |    | 6,737   |         |
| In Service/Staff Development                 |    | 2,655   |         |
| Other Charges                                |    | 28      |         |
| Other Equipment                              |    | 3,381   |         |
| Total Career and Technical Education Program |    |         | 256,973 |

Technology

|                                  |    |         |           |
|----------------------------------|----|---------|-----------|
| Instructional Computer Personnel | \$ | 81,394  |           |
| Secretary(ies)                   |    | 13,529  |           |
| Longevity Pay                    |    | 4,800   |           |
| Other Salaries and Wages         |    | 365,785 |           |
| Social Security                  |    | 27,579  |           |
| Pensions                         |    | 43,391  |           |
| Life Insurance                   |    | 723     |           |
| Medical Insurance                |    | 91,079  |           |
| Dental Insurance                 |    | 2,426   |           |
| Employer Medicare                |    | 6,450   |           |
| Communication                    |    | 880     |           |
| Internet Connectivity            |    | 106,574 |           |
| Other Contracted Services        |    | 18,644  |           |
| Software                         |    | 235,460 |           |
| Other Supplies and Materials     |    | 40,623  |           |
| In Service/Staff Development     |    | 2,607   |           |
| Other Equipment                  |    | 230,835 |           |
| Total Technology                 |    |         | 1,272,779 |

(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.)Other Programs

|                            |    |         |            |
|----------------------------|----|---------|------------|
| On-behalf Payments to OPEB | \$ | 259,947 |            |
| Total Other Programs       |    |         | \$ 259,947 |

Board of Education

|                                  |    |         |         |
|----------------------------------|----|---------|---------|
| Board and Committee Members Fees | \$ | 25,400  |         |
| Social Security                  |    | 1,339   |         |
| Unemployment Compensation        |    | 13,336  |         |
| Employer Medicare                |    | 365     |         |
| Audit Services                   |    | 29,281  |         |
| Dues and Memberships             |    | 23,658  |         |
| Legal Services                   |    | 19,108  |         |
| Travel                           |    | 7,608   |         |
| Other Contracted Services        |    | 4,993   |         |
| Trustee's Commission             |    | 398,268 |         |
| Workers' Compensation Insurance  |    | 234,521 |         |
| In Service/Staff Development     |    | 3,958   |         |
| Other Charges                    |    | 1,465   |         |
| Total Board of Education         |    |         | 763,300 |

Director of Schools

|  |    |         |         |
|--|----|---------|---------|
| County Official/Administrative Officer | \$ | 145,561 |         |
| Career Ladder Program                  |    | 1,000   |         |
| Secretary(ies)                         |    | 45,247  |         |
| Longevity Pay                          |    | 2,885   |         |
| Overtime Pay                           |    | 390     |         |
| Social Security                        |    | 11,671  |         |
| Pensions                               |    | 16,716  |         |
| Life Insurance                         |    | 146     |         |
| Medical Insurance                      |    | 32,357  |         |
| Dental Insurance                       |    | 756     |         |
| Employer Medicare                      |    | 2,729   |         |
| Communication                          |    | 17,873  |         |
| Postal Charges                         |    | 4,843   |         |
| Travel                                 |    | 4,923   |         |
| Other Contracted Services              |    | 29,155  |         |
| Office Supplies                        |    | 1,179   |         |
| Other Supplies and Materials           |    | 953     |         |
| In Service/Staff Development           |    | 3,185   |         |
| Total Director of Schools              |    |         | 321,569 |

Office of the Principal

|                       |    |         |  |
|-----------------------|----|---------|--|
| Principals            | \$ | 911,967 |  |
| Career Ladder Program |    | 3,333   |  |
| Assistant Principals  |    | 861,173 |  |
| Secretary(ies)        |    | 662,660 |  |
| Clerical Personnel    |    | 141,091 |  |

(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.)

|                               |    |         |              |
|-------------------------------|----|---------|--------------|
| Longevity Pay                 | \$ | 21,592  |              |
| Other Salaries and Wages      |    | 6,750   |              |
| Social Security               |    | 150,718 |              |
| Pensions                      |    | 229,931 |              |
| Life Insurance                |    | 4,153   |              |
| Medical Insurance             |    | 536,499 |              |
| Dental Insurance              |    | 12,795  |              |
| Employer Medicare             |    | 35,863  |              |
| Communication                 |    | 35,821  |              |
| Travel                        |    | 1,246   |              |
| Other Contracted Services     |    | 126,000 |              |
| Office Supplies               |    | 442     |              |
| Other Supplies and Materials  |    | 12,446  |              |
| Total Office of the Principal |    |         | \$ 3,754,480 |

Fiscal Services

|                       |    |         |         |
|-----------------------|----|---------|---------|
| Other Charges         | \$ | 479,000 |         |
| Total Fiscal Services |    |         | 479,000 |

Human Services/Personnel

|                                |    |        |         |
|--------------------------------|----|--------|---------|
| Supervisor/Director            | \$ | 71,510 |         |
| Secretary(ies)                 |    | 33,926 |         |
| Longevity Pay                  |    | 1,500  |         |
| Social Security                |    | 6,014  |         |
| Pensions                       |    | 10,694 |         |
| Life Insurance                 |    | 143    |         |
| Medical Insurance              |    | 21,295 |         |
| Dental Insurance               |    | 494    |         |
| Employer Medicare              |    | 1,406  |         |
| Advertising                    |    | 200    |         |
| Dues and Memberships           |    | 279    |         |
| Other Contracted Services      |    | 14,606 |         |
| Other Supplies and Materials   |    | 422    |         |
| In Service/Staff Development   |    | 892    |         |
| Total Human Services/Personnel |    |        | 163,381 |

Operation of Plant

|                          |    |         |  |
|--------------------------|----|---------|--|
| Guards                   | \$ | 88,422  |  |
| Secretary(ies)           |    | 13,529  |  |
| Custodial Personnel      |    | 804,321 |  |
| Longevity Pay            |    | 24,463  |  |
| Other Salaries and Wages |    | 31,099  |  |
| Social Security          |    | 56,297  |  |
| Pensions                 |    | 93,633  |  |
| Life Insurance           |    | 2,506   |  |
| Medical Insurance        |    | 317,612 |  |

(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.)

|                                 |    |           |              |
|---------------------------------|----|-----------|--------------|
| Dental Insurance                | \$ | 7,731     |              |
| Employer Medicare               |    | 13,166    |              |
| Other Contracted Services       |    | 544,751   |              |
| Custodial Supplies              |    | 204,336   |              |
| Electricity                     |    | 1,578,694 |              |
| Natural Gas                     |    | 221,466   |              |
| Water and Sewer                 |    | 129,681   |              |
| Building and Contents Insurance |    | 464,787   |              |
| In Service/Staff Development    |    | 1,571     |              |
| Other Charges                   |    | 3,710     |              |
| Plant Operation Equipment       |    | 20,037    |              |
| Total Operation of Plant        |    |           | \$ 4,621,812 |

Maintenance of Plant

|   |    |         |           |
|---|----|---------|-----------|
| Supervisor/Director                         | \$ | 64,000  |           |
| Secretary(ies)                              |    | 19,105  |           |
| Maintenance Personnel                       |    | 420,935 |           |
| Longevity Pay                               |    | 10,200  |           |
| Social Security                             |    | 30,136  |           |
| Pensions                                    |    | 46,027  |           |
| Life Insurance                              |    | 941     |           |
| Medical Insurance                           |    | 90,410  |           |
| Dental Insurance                            |    | 2,577   |           |
| Employer Medicare                           |    | 7,315   |           |
| Communication                               |    | 10,110  |           |
| Contributions                               |    | 40,000  |           |
| Maintenance and Repair Services - Buildings |    | 101,002 |           |
| Maintenance and Repair Services - Equipment |    | 185,090 |           |
| Travel                                      |    | 1,463   |           |
| Other Contracted Services                   |    | 124,026 |           |
| Other Supplies and Materials                |    | 212,255 |           |
| In Service/Staff Development                |    | 500     |           |
| Other Charges                               |    | 5,177   |           |
| Maintenance Equipment                       |    | 19,856  |           |
| Motor Vehicles                              |    | 36,031  |           |
| Total Maintenance of Plant                  |    |         | 1,427,156 |

Transportation

|                          |    |           |  |
|--------------------------|----|-----------|--|
| Supervisor/Director      | \$ | 47,325    |  |
| Mechanic(s)              |    | 161,234   |  |
| Bus Drivers              |    | 1,084,494 |  |
| Secretary(ies)           |    | 32,074    |  |
| Longevity Pay            |    | 900       |  |
| Other Salaries and Wages |    | 48,028    |  |
| Social Security          |    | 80,713    |  |
| Pensions                 |    | 39,342    |  |

(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.)

|  |    |         |              |
|--|----|---------|--------------|
| Life Insurance                             | \$ | 496     |              |
| Medical Insurance                          |    | 63,291  |              |
| Dental Insurance                           |    | 1,627   |              |
| Employer Medicare                          |    | 20,417  |              |
| Communication                              |    | 2,526   |              |
| Contracts with Public Carriers             |    | 2,000   |              |
| Maintenance and Repair Services - Vehicles |    | 37,848  |              |
| Medical and Dental Services                |    | 4,534   |              |
| Travel                                     |    | 121     |              |
| Other Contracted Services                  |    | 29,331  |              |
| Diesel Fuel                                |    | 339,562 |              |
| Garage Supplies                            |    | 1,469   |              |
| Gasoline                                   |    | 94,615  |              |
| Lubricants                                 |    | 13,849  |              |
| Tires and Tubes                            |    | 40,349  |              |
| Vehicle Parts                              |    | 173,783 |              |
| Other Supplies and Materials               |    | 4,115   |              |
| In Service/Staff Development               |    | 2,381   |              |
| Other Charges                              |    | 1,242   |              |
| Motor Vehicles                             |    | 177,867 |              |
| Transportation Equipment                   |    | 2,970   |              |
| Total Transportation                       |    |         | \$ 2,508,503 |

Operation of Non-Instructional Services

Food Service

|                     |    |        |        |
|---------------------|----|--------|--------|
| Cafeteria Personnel | \$ | 32,483 |        |
| Social Security     |    | 2,014  |        |
| Pensions            |    | 2,061  |        |
| Employer Medicare   |    | 471    |        |
| Total Food Service  |    |        | 37,029 |

Community Services

|                              |    |         |         |
|------------------------------|----|---------|---------|
| Supervisor/Director          | \$ | 32,140  |         |
| Other Salaries and Wages     |    | 141,129 |         |
| Social Security              |    | 16,098  |         |
| Pensions                     |    | 10,987  |         |
| Life Insurance               |    | 137     |         |
| Medical Insurance            |    | 19,057  |         |
| Dental Insurance             |    | 473     |         |
| Employer Medicare            |    | 3,765   |         |
| Communication                |    | 952     |         |
| Food Supplies                |    | 8,383   |         |
| Other Supplies and Materials |    | 4,143   |         |
| Other Charges                |    | 2,096   |         |
| Other Equipment              |    | 218     |         |
| Total Community Services     |    |         | 239,578 |

(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.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education

|                                      |    |         |            |
|--------------------------------------|----|---------|------------|
| Teachers                             | \$ | 404,371 |            |
| Educational Assistants               |    | 183,381 |            |
| Longevity Pay                        |    | 4,700   |            |
| Social Security                      |    | 34,761  |            |
| Pensions                             |    | 43,136  |            |
| Life Insurance                       |    | 1,063   |            |
| Medical Insurance                    |    | 127,186 |            |
| Dental Insurance                     |    | 2,968   |            |
| Employer Medicare                    |    | 8,305   |            |
| Instructional Supplies and Materials |    | 4,437   |            |
| In Service/Staff Development         |    | 125     |            |
| Other Charges                        |    | 680     |            |
| Total Early Childhood Education      |    |         | \$ 815,113 |

Capital Outlay

Regular Capital Outlay

|                              |    |           |                  |
|------------------------------|----|-----------|------------------|
| Building Improvements        | \$ | 1,543,623 |                  |
| Land                         |    | 125,000   |                  |
| Total Regular Capital Outlay |    |           | <u>1,668,623</u> |

Total General Purpose School Fund \$ 60,484,917

School Federal Projects Fund

Instruction

Regular Instruction Program

|                                      |    |           |              |
|--------------------------------------|----|-----------|--------------|
| Teachers                             | \$ | 655,580   |              |
| Educational Assistants               |    | 1,020,472 |              |
| Longevity Pay                        |    | 26,609    |              |
| Other Salaries and Wages             |    | 861,097   |              |
| Social Security                      |    | 141,225   |              |
| Pensions                             |    | 198,896   |              |
| Life Insurance                       |    | 6,639     |              |
| Medical Insurance                    |    | 783,807   |              |
| Dental Insurance                     |    | 16,901    |              |
| Employer Medicare                    |    | 34,282    |              |
| Instructional Supplies and Materials |    | 52,327    |              |
| Textbooks - Bound                    |    | 163,305   |              |
| Software                             |    | 411,506   |              |
| Other Supplies and Materials         |    | 7,907     |              |
| Regular Instruction Equipment        |    | 434,703   |              |
| Total Regular Instruction Program    |    |           | \$ 4,815,256 |

Special Education Program

|                        |    |         |  |
|------------------------|----|---------|--|
| Teachers               | \$ | 133,041 |  |
| Educational Assistants |    | 762,263 |  |
| Speech Pathologist     |    | 33,337  |  |

(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.)Special Education Program (Cont.)

|                                      |    |         |              |
|--------------------------------------|----|---------|--------------|
| Longevity Pay                        | \$ | 15,618  |              |
| Non-certified Substitute Teachers    |    | 3,759   |              |
| Social Security                      |    | 54,418  |              |
| Pensions                             |    | 67,402  |              |
| Life Insurance                       |    | 2,998   |              |
| Medical Insurance                    |    | 341,075 |              |
| Dental Insurance                     |    | 6,237   |              |
| Employer Medicare                    |    | 12,990  |              |
| Instructional Supplies and Materials |    | 179,743 |              |
| Other Supplies and Materials         |    | 14,672  |              |
| Special Education Equipment          |    | 97,291  |              |
| Total Special Education Program      |    |         | \$ 1,724,844 |

Career and Technical Education Program

|  |    |        |         |
|--|----|--------|---------|
| Teachers                                     | \$ | 24,200 |         |
| Social Security                              |    | 1,484  |         |
| Pensions                                     |    | 1,905  |         |
| Life Insurance                               |    | 30     |         |
| Medical Insurance                            |    | 3,319  |         |
| Dental Insurance                             |    | 105    |         |
| Employer Medicare                            |    | 347    |         |
| Instructional Supplies and Materials         |    | 21,566 |         |
| Other Supplies and Materials                 |    | 36,555 |         |
| Other Charges                                |    | 5,210  |         |
| Vocational Instruction Equipment             |    | 69,698 |         |
| Total Career and Technical Education Program |    |        | 164,419 |

Support ServicesHealth Services

|                           |    |         |         |
|---------------------------|----|---------|---------|
| Supervisor/Director       | \$ | 54,144  |         |
| Medical Personnel         |    | 363,167 |         |
| Other Salaries and Wages  |    | 60,180  |         |
| Social Security           |    | 28,538  |         |
| Pensions                  |    | 42,686  |         |
| Life Insurance            |    | 1,029   |         |
| Medical Insurance         |    | 140,018 |         |
| Dental Insurance          |    | 2,722   |         |
| Employer Medicare         |    | 6,674   |         |
| Other Contracted Services |    | 100,000 |         |
| Total Health Services     |    |         | 799,158 |

Other Student Support

|                          |    |         |  |
|--------------------------|----|---------|--|
| Bus Drivers              | \$ | 2,321   |  |
| Longevity Pay            |    | 1,620   |  |
| Other Salaries and Wages |    | 802,143 |  |
| Social Security          |    | 46,177  |  |

(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.)Other Student Support (Cont.)

|                              |    |         |              |
|------------------------------|----|---------|--------------|
| Pensions                     | \$ | 66,943  |              |
| Life Insurance               |    | 906     |              |
| Medical Insurance            |    | 126,982 |              |
| Dental Insurance             |    | 2,899   |              |
| Employer Medicare            |    | 11,083  |              |
| Travel                       |    | 14,434  |              |
| Other Contracted Services    |    | 107,209 |              |
| Other Supplies and Materials |    | 23,015  |              |
| In Service/Staff Development |    | 375,720 |              |
| Other Charges                |    | 16,234  |              |
| Other Equipment              |    | 5,856   |              |
| Total Other Student Support  |    |         | \$ 1,603,542 |

Regular Instruction Program

|                                   |    |         |         |
|-----------------------------------|----|---------|---------|
| Supervisor/Director               | \$ | 256,522 |         |
| Clerical Personnel                |    | 18,218  |         |
| Other Salaries and Wages          |    | 148,614 |         |
| Social Security                   |    | 21,355  |         |
| Pensions                          |    | 32,059  |         |
| Life Insurance                    |    | 366     |         |
| Medical Insurance                 |    | 48,842  |         |
| Dental Insurance                  |    | 861     |         |
| Employer Medicare                 |    | 6,070   |         |
| Other Contracted Services         |    | 174,215 |         |
| Other Supplies and Materials      |    | 197     |         |
| In Service/Staff Development      |    | 24,044  |         |
| Total Regular Instruction Program |    |         | 731,363 |

Special Education Program

|                                      |    |         |         |
|--------------------------------------|----|---------|---------|
| Psychological Personnel              | \$ | 126,747 |         |
| Medical Personnel                    |    | 51,930  |         |
| Clerical Personnel                   |    | 20,436  |         |
| Longevity Pay                        |    | 723     |         |
| Other Salaries and Wages             |    | 25,113  |         |
| Social Security                      |    | 13,468  |         |
| Pensions                             |    | 15,641  |         |
| Life Insurance                       |    | 298     |         |
| Medical Insurance                    |    | 36,571  |         |
| Dental Insurance                     |    | 567     |         |
| Employer Medicare                    |    | 3,150   |         |
| Contracts with Other Public Agencies |    | 3,400   |         |
| Contracts with Private Agencies      |    | 55,787  |         |
| Evaluation and Testing               |    | 13,140  |         |
| Travel                               |    | 320     |         |
| In Service/Staff Development         |    | 12,851  |         |
| Total Special Education Program      |    |         | 380,142 |

(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.)Career and Technical Education Program

|  |          |          |
|--|----------|----------|
| In Service/Staff Development                 | \$ 3,232 |          |
| Total Career and Technical Education Program |          | \$ 3,232 |

Technology

|                          |           |        |
|--------------------------|-----------|--------|
| Other Salaries and Wages | \$ 39,721 |        |
| Social Security          | 2,463     |        |
| Employer Medicare        | 576       |        |
| Total Technology         |           | 42,760 |

Fiscal Services

|                           |           |        |
|---------------------------|-----------|--------|
| Other Contracted Services | \$ 30,170 |        |
| Total Fiscal Services     |           | 30,170 |

Operation of Plant

|                          |            |         |
|--------------------------|------------|---------|
| Custodial Personnel      | \$ 205,015 |         |
| Social Security          | 11,425     |         |
| Pensions                 | 18,603     |         |
| Life Insurance           | 567        |         |
| Medical Insurance        | 77,340     |         |
| Dental Insurance         | 1,590      |         |
| Employer Medicare        | 2,672      |         |
| Total Operation of Plant |            | 317,212 |

Transportation

|                          |           |         |
|--------------------------|-----------|---------|
| Bus Drivers              | \$ 42,456 |         |
| Other Salaries and Wages | 42,458    |         |
| Social Security          | 5,260     |         |
| Pensions                 | 1,656     |         |
| Employer Medicare        | 1,230     |         |
| Gasoline                 | 261       |         |
| Transportation Equipment | 157,800   |         |
| Total Transportation     |           | 251,121 |

Operation of Non-Instructional ServicesCommunity Services

|                          |           |        |
|--------------------------|-----------|--------|
| Supervisor/Director      | \$ 50,417 |        |
| Other Salaries and Wages | 43,073    |        |
| Total Community Services |           | 93,490 |

Capital OutlayRegular Capital Outlay

|                              |            |           |
|------------------------------|------------|-----------|
| Architects                   | \$ 312,456 |           |
| Consultants                  | 72,600     |           |
| Building Construction        | 259,925    |           |
| Building Improvements        | 4,209,876  |           |
| Total Regular Capital Outlay |            | 4,854,857 |

Total School Federal Projects Fund \$ 15,811,566

(Continued)

## Exhibit K-9

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

Central Cafeteria FundOperation of Non-Instructional ServicesFood Service

|   |           |              |
|---|-----------|--------------|
| Supervisor/Director                         | \$ 53,972 |              |
| Accountants/Bookkeepers                     | 54,131    |              |
| Cafeteria Personnel                         | 1,248,108 |              |
| Longevity Pay                               | 16,660    |              |
| Other Salaries and Wages                    | 1,591     |              |
| In-service Training                         | 267       |              |
| Social Security                             | 80,320    |              |
| Pensions                                    | 80,351    |              |
| Life Insurance                              | 2,634     |              |
| Medical Insurance                           | 306,126   |              |
| Dental Insurance                            | 6,384     |              |
| Employer Medicare                           | 19,300    |              |
| Communication                               | 4,511     |              |
| Contracts with Other Public Agencies        | 37,780    |              |
| Maintenance and Repair Services - Equipment | 141,658   |              |
| Transportation - Other than Students        | 17,051    |              |
| Travel                                      | 1,707     |              |
| Other Contracted Services                   | 260,166   |              |
| Food Supplies                               | 1,830,947 |              |
| Office Supplies                             | 9,983     |              |
| USDA - Commodities                          | 283,171   |              |
| Other Supplies and Materials                | 210,429   |              |
| In Service/Staff Development                | 9,060     |              |
| Food Service Equipment                      | 117,492   |              |
| Total Food Service                          |           | \$ 4,793,799 |

Total Central Cafeteria Fund \$ 4,793,799

Internal School FundOperation of Non-Instructional ServicesCommunity Services

|                          |              |              |
|--------------------------|--------------|--------------|
| Other Charges            | \$ 2,479,801 |              |
| Total Community Services |              | \$ 2,479,801 |

Total Internal School Fund 2,479,801

Education Capital Projects FundCapital OutlayRegular Capital Outlay

|                              |              |              |
|------------------------------|--------------|--------------|
| Building Improvements        | \$ 2,805,410 |              |
| Total Regular Capital Outlay |              | \$ 2,805,410 |

Total Education Capital Projects Fund 2,805,410

Total Governmental Funds - Jefferson County School Department \$ 86,375,493

## **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, 2023, 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 January 5, 2024. 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 the following deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be significant deficiencies: 2023-001, 2023-002, and 2023-003(A).

### **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 2023-003(B).

### **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 and 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 the responses.

## 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

January 5, 2024

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 identified as subject to audit 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, 2023. 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 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, 2023.

***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, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Jefferson County's 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.

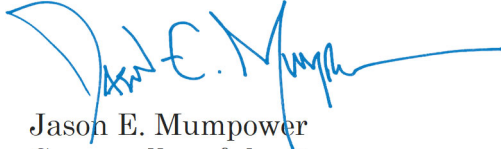
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## 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, 2023, and the related notes to the financial statements, which collectively comprise Jefferson County's basic financial statements. We issued our report thereon dated January 5, 2024, 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

January 5, 2024

JEM/tg

Jefferson County, Tennessee, and the Jefferson County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (6) (8)  
For the Year-Ended June 30, 2023

| Federal/Pass-Through Agency/State<br>Grantor Program Title                 | Federal<br>Assistance<br>Listing<br>Number | Pass-through<br>Entity<br>Identifying<br>Number | Expenditures         |
|--|--|---|----------------------|
| U.S. Department of Agriculture:  |  |   |                      |
| Passed-through State Department of Education:                              |  |   |                      |
| Child Nutrition Cluster: (4)   |  |   |                      |
| School Breakfast Program   | 10.553                                     | N/A   | \$ 990,709           |
| National School Lunch Program  | 10.555                                     | N/A   | 3,295,422 (5)        |
| National School Lunch Program (Supply Chain Assistance Fund)               | 10.555                                     | N/A   | 212,220 (5)          |
| Passed-through State Department of Agriculture:                            |  |   |                      |
| Child Nutrition Cluster: (4)   |  |   |                      |
| National School Lunch Program (Commodities - Noncash Assistance)           | 10.555                                     | N/A   | 283,171 (5)          |
| Passed Through State Department of Health:                                 |  |   |                      |
| Special Supplemental Nutrition Program for Women, Infants, and Children    | 10.557                                     | GG-23-75720                                     | 48,869 (7)           |
| Total U.S. Department of Agriculture                                       |  |   | <u>\$ 4,830,391</u>  |
| U.S. Department of Housing and Urban Development:                          |  |   |                      |
| Passed-through State Department of Economic and Community Development:     |  |   |                      |
| Community Development Block Grants/ State's Program                        | 14.228                                     | (3)   | \$ 553,395           |
| Passed-through Tennessee Housing Development Agency:                       |  |   |                      |
| Home Investment Partnership Program  | 14.239                                     | (3)   | 103,459              |
| Total U.S. Department of Housing and Urban Development                     |  |   | <u>\$ 656,854</u>    |
| U.S. Department of Justice:  |  |   |                      |
| Direct Program:  |  |   |                      |
| Public Safety Partnership and Community Policing Grants                    | 16.710                                     | N/A   | \$ 72,156            |
| Passed-through State Department of Finance and Administration:             |  |   |                      |
| Crime Victim Assistance  | 16.575                                     | (3)   | 45,079               |
| Total U.S. Department of Justice   |  |   | <u>\$ 117,235</u>    |
| U.S. Department of Transportation:   |  |   |                      |
| Passed-through State Department of Transportation:                         |  |   |                      |
| Alcohol Open Container Requirements  | 20.607                                     | (3)   | \$ 7,910             |
| Interagency Hazardous Materials Public Sector Training and Planning Grants | 20.703                                     | 34101-38521                                     | 18,432               |
| Total U.S. Department of Transportation                                    |  |   | <u>\$ 26,342</u>     |
| U.S. Department of Treasury:   |  |   |                      |
| Direct Program:  |  |   |                      |
| COVID 19 - Coronavirus State and Local Fiscal Recovery Funds               | 21.027                                     | N/A   | <u>\$ 10,572,225</u> |
| Total U.S. Department of Treasury  |  |   | <u>\$ 10,572,225</u> |
| U.S. Institute of Museum and Library Services:                             |  |   |                      |
| Passed-through State Library and Archives:                                 |  |   |                      |
| Grants to States   | 45.310                                     | (3)   | \$ 9,381             |
| Total U.S. Institute of Museum and Library Services                        |  |   | <u>\$ 9,381</u>      |

(Continued)

Jefferson County, Tennessee, and the Jefferson County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (6) (8) (Cont.)

| Federal/Pass-Through Agency/State<br>Grantor Program Title   | Federal<br>Assistance<br>Listing<br>Number | Pass-through<br>Entity<br>Identifying<br>Number | Expenditures         |
|--|--|---|----------------------|
| U.S. Department of Education:  |  |   |                      |
| Passed-through State Department of Education:  |  |   |                      |
| Title I Grants to Local Educational Agencies   | 84.010                                     | N/A   | \$ 2,454,166         |
| Special Education Cluster: (4)   |  |   |                      |
| Special Education - Grants to States   | 84.027                                     | N/A   | 1,916,276 (5)        |
| COVID 19 - Special Education - Grants to States (ARP)  | 84.027                                     | 84.027X   | 284,024 (5)          |
| Special Education - Preschool Grants   | 84.173                                     | N/A   | 56,092 (5)           |
| COVID 19 - Special Education - Preschool Grants (ARP)  | 84.173                                     | 84.173X   | 12,835 (5)           |
| Title I Grants to Local Educational Agencies   | 84.010                                     | N/A   | 2,454,166            |
| Career and Technical Education - Basic Grants to States  | 84.048                                     | N/A   | 196,700              |
| English Language Acquisition State Grants  | 84.365                                     | N/A   | 38,077               |
| Student Support and Academic Enrichment Program  | 84.424                                     | N/A   | 100,992              |
| COVID 19 - Education Stabilization Fund Program - Elementary<br>and Secondary School Emergency Relief Fund (ESSER Planning)                                  | 84.425D                                    | (3)   | 175,000 (5)          |
| COVID 19 - Education Stabilization Fund Program - Elementary and Secondary<br>School Emergency Relief Fund (ESSER II)  | 84.425D                                    | (3)   | 2,522,443 (5)        |
| COVID 19 - Education Stabilization Fund Program - Elementary and Secondary<br>School Emergency Relief Fund - Early Literacy Network Grant (ESSER II)         | 84.425D                                    | (3)   | 71,905 (5)           |
| COVID 19 - Education Stabilization Fund Program - Elementary and Secondary<br>School Emergency Relief Fund - Fiscal Pre-Monitoring Supports Grant (ESSER II) | 84.425D                                    | (3)   | 30,170 (5)           |
| COVID 19 - Education Stabilization Fund Program - Elementary and Secondary<br>School Emergency Relief Fund - Math Implementation Support Grant (ESSER II)    | 84.425D                                    | (3)   | 71,250 (5)           |
| COVID 19 - Education Stabilization Fund Program - Elementary and Secondary<br>School Emergency Relief Fund - (TN All Corps Grant)                            | 84.425D                                    | (3)   | 482,786 (5)          |
| COVID 19 - Education Stabilization Fund Program - Elementary and Secondary<br>School Emergency Relief Fund (ESSER ARP)                                       | 84.425U                                    | (3)   | 6,418,772 (5)        |
| COVID 19 - Education Stabilization Fund Program - Elementary and Secondary<br>School Emergency Relief Fund - Homeless Children and Youth (ESSER ARP)         | 84.425W                                    | (3)   | 17,469 (5)           |
| Total U.S. Department of Education   |  |   | <u>\$ 17,303,123</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,<br>Grants for Supportive Services and Senior Centers  | 93.044                                     | (3)   | \$ 64,357            |
| Passed-through State Department of Health:   |  |   |                      |
| Injury Prevention and Control Research and State and Community Based Program   | 93.136                                     | GG-23-75720                                     | 404 (7)              |
| Mental Health Disaster Assistance and Emergency Mental Health  | 93.982                                     | (3)   | 3,662                |
| Medicaid Cluster: (4)  |  |   |                      |
| Medical Assistance Program   | 93.778                                     | GG-23-75720                                     | 6,449 (7)            |
| Maternal and Child Health Services Block Grant to the States   | 93.994                                     | GG-23-75720                                     | 16,234 (7)           |
| Passed-through State Department of Education:  |  |   |                      |
| COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)  | 93.323                                     | (3)   | 927,443              |
| COVID 19 - Cooperative Agreement for Emergency Response - Public Health<br>Crisis Response   | 93.354                                     | (3)   | 100,000              |
| Temporary Assistance for Needy Families  | 93.558                                     | (3)   | 208,541              |
| Passed-through State Department of Human Services:   |  |   |                      |
| CCDF Cluster: (4)  |  |   |                      |
| COVID 19 - Child Care and Development Block Grant - ARP  | 93.575                                     | (3)   | 93,490               |
| Total U.S. Department of Health and Human Services   |  |   | <u>\$ 1,420,580</u>  |
| U.S. Department of Homeland Security:  |  |   |                      |
| Passed-through State Department of Military:   |  |   |                      |
| Disaster Grants - Public Assistance  | 97.036                                     | (3)   | \$ 17,371            |
| Total U.S. Department of Homeland Security   |  |   | <u>\$ 17,371</u>     |
| Total Expenditures of Federal Grants   |  |   | <u>\$ 34,953,502</u> |

(Continued)

Jefferson County, Tennessee, and the Jefferson County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (6) (8) (Cont.)

|   |     | Contract<br>Number | Expenditures        |
|---|-----|--------------------|---------------------|
| <u>State Grants</u>   |     |                    |                     |
| Juvenile Justice - State Commission on Children and Youth   | N/A | (3)                | \$ 18,000           |
| Aging Program - East Tennessee Human Resource Agency  | N/A | (3)                | 27,105              |
| Law Enforcement Training - State Department of Safety   | N/A | (3)                | 36,000              |
| Health Department Program - State Department of Health  | N/A | GG-23-75720        | 98,399 (7)          |
| Litter Program - State Department of Transportation   | N/A | (3)                | 33,410              |
| Waste Tire Grant - State Department of Environment and Conservation   | N/A | (3)                | 18,358              |
| Safe Baby Grant Program - Administrative Office of the Courts   | N/A | (3)                | 100,917             |
| Coordinated School Health Program - State Department of Education   | N/A | (3)                | 119,769             |
| Family Resource Centers - State Department of Education   | N/A | (3)                | 88,835              |
| Safe Schools Act - State Department of Education  | N/A | (3)                | 136,952             |
| Early Childhood Education - State Department of Education   | N/A | (3)                | 768,739             |
| Summer Learning Camps - State Department of Education   | N/A | (3)                | 526,270             |
| Innovative School Models - State Department of Education  | N/A | (3)                | 239,310             |
| Governor's Early Literacy Foundation - State Department of Education  | N/A | (3)                | 4,000               |
| Training Opportunities for the Public (TOP) Grant - Department of Economic and<br>and Community Development | N/A | (3)                | 3,775               |
| Total State Grants  |     |                    | <u>\$ 2,219,839</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 \$4,781,522; Special Education Cluster total \$2,269,227; Aging Cluster total \$64,357;  
Medicaid Cluster total \$6,449; CCDF Cluster total \$93,490.  
(5) FAL Totals: FAL No. 10.555 \$3,790,813; FAL No. 84.027 \$2,200,300; FAL No. 84.173 \$68,927; FAL No. 84.425 \$9,789,795.  
(6) No amounts (\$0) were passed through to subrecipients.  
(7) Total for federal GG-23-75720 is \$71,956. Total state and federal is \$170,355.  
(8) CONSOLIDATED ADMINISTRATION

The following amounts were consolidated for administration purposes:

| Program Title  | FAL<br>Number | Amount<br>Provided to<br>Consolidated<br>Administration |
|--|---------------|---|
| Title I Grants to Local Educational Agencies           | 84.010        | \$ 146,214  |
| Student Support and Academic Enrichment Program        | 84.424        | 1,164   |
| Total amounts consolidated for administration purposes |               | <u>\$ 147,378</u>                                       |

Jefferson County, Tennessee  
Summary Schedule of Prior-year Findings  
For the Year Ended June 30, 2023

*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, 2023.

***Prior-year Financial Statement Findings***

| Fiscal<br>Year  | Page<br>Number | Finding<br>Number | Title of Finding  | FAL<br>Number | Current Status  |
|---|----------------|-------------------|---|---------------|---|
| <b><u>JEFFERSON COUNTY</u></b>                        |                |                   |   |               |   |
| 2022  | 295            | 2022-001          | The Solid Waste Disposal Fund had a deficit in unrestricted net position. | N/A           | Not Corrected - See Explanation on Corrective Action Plan |
| <b><u>OFFICE OF FINANCE DIRECTOR</u></b>              |                |                   |   |               |   |
| 2022  | 296            | 2022-002          | Competitive bids were not solicited for roofing projects.                 | N/A           | Corrected   |
| <b><u>OFFICES OF FINANCE DIRECTOR AND SHERIFF</u></b> |                |                   |   |               |   |
| 2022  | 296            | 2022-003          | The offices had purchasing deficiencies.                                  | N/A           | Corrected   |

***Prior-year Federal Awards Findings***

There were no prior-year federal award findings to report.



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**JEFFERSON COUNTY, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2023**

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**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? **NO**

**Federal Awards:**

4. Internal Control Over Major Federal Programs:
  - \* Material weakness identified? **NO**
  - \* Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
  - \* Assistance Listing Number: 21.027 COVID 19 - Coronavirus State and Local Fiscal Recovery Funds
  - \* Assistance Listing Number: 84.010 Title I Grants to Local Educational Agencies
  - \* Assistance Listing Number: 84.425 COVID 19 - Education Stabilization Fund
  - \* Assistance Listing Number: 93.323 COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$1,048,605**
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 2023-001**

#### **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 \$13,353 in unrestricted net position at June 30, 2023. The deficit in unrestricted net position decreased \$106,878 from the previous year. 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 \$214,038 from the sale of recycled materials to the Solid Waste/Sanitation Fund. The \$3,345,832 reported as landfill closure and postclosure care liability at June 30, 2023, represents the cumulative amount reported to date based on 19.68 percent of the estimated capacity of the Patterson Landfill Site (\$2,924,730) and postclosure care costs of the Highway 92 Landfill Site (\$421,102). 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 COUNTY MAYOR**

### **FINDING 2023-002**

#### **INTERNAL CONTROL WEAKNESSES WERE NOTED IN THE OPERATIONS OF THE JEFFERSON COUNTY SENIOR CENTERS**

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

As a result of a fraud reporting form filed with the Comptroller's Office, we reviewed operations and internal controls of the Jefferson County Office on Aging. The Director of the Office on Aging reports directly to the county mayor. The Director of the Office on Aging oversees the five senior citizen centers in Jefferson County. The Director of the Office on Aging and each of the center directors are county employees.

During our audit, we discovered that the Director of the Office on Aging and the senior citizen directors maintained multiple bank accounts. These bank accounts were used to account for funds received from the local United Way, transportation collections, donations, fundraisers, grants, and American Rescue Plan Act (ARPA) funds. Some of these funds and accounts related to non-profits, including the Jefferson County Senior Citizens Inc., and the Dandridge Area Senior Citizens Inc. The bank accounts are used by the senior center's directors to account for operations of the centers. The directors have check writing privileges and perform bank reconciliations for these accounts. The Director on Aging also completed various non-profit reports for the Tennessee Secretary of State and the annual 990 form for the Internal Revenue Service. Since county employees are handling funds and completing non-profit reports, it is unclear as to whether the senior centers are operating as county programs or as non-profits.

The process of allowing county employees to disburse funds through these outside bank accounts violates Section 5-9-401, *Tennessee Code Annotated*. This statute states that "All funds from whatever source derived, ... that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies. Jefferson County also operated under the County Financial Management System of 1981. This act establishes that the finance director is responsible for installing and maintaining a purchasing, payroll, budgeting, accounting, and cash financial management system for the county. The finance director also serves as the purchasing agent for Jefferson County. The 1981 Act requires the county purchasing agent to make all purchases for the various county departments. Since the operations of the senior centers are comingled between the county and the non-profits, the non-profit purchases made by the county employed senior center directors are in violation of the 1981 Act. This deficiency resulted from management not establishing policies and procedures to clearly set parameters and distinctions between county operations and operations of the non-profits.

### **RECOMMENDATION**

The county should remove the senior center directors from the non-profit bank accounts. The county should establish a clear understanding through policy and procedures whether the senior centers are to be operated as a county program or as a non-profit program. County

employees should not be handling non-profits funds and should not be making purchases outside the normal purchasing and accounting system established by the financial management committee and finance director.

#### MANAGEMENT'S RESPONSE – COUNTY MAYOR

We concur with this finding. I have worked together with the finance director and senior center director to strengthen the internal controls for the operations of the Jefferson County Senior Centers by implementing several things but not limited to the those listed in our Corrective Action Plan.

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#### OFFICES OF TRUSTEE AND FINANCE DIRECTOR

##### FINDING 2023-003

##### **THE OTHER CAPITAL PROJECTS FUND HAD A DEFICIT IN UNRESTRICTED FUND BALANCE AND A CASH OVERDRAFT, AND THE TRUSTEE PAID CHECKS FROM THE FUND THAT EXCEEDED AVAILABLE FUNDS**

(A.– Internal Control – Significant Deficiency Under *Government Auditing Standards*; B. – Noncompliance Under *Government Auditing Standards*)

We noted the following deficiencies related to the Other Capital Projects Fund:

- A. The Other Capital Projects Fund is used to account for the revenue and expenditures related to a Community Development Block Grant. The fund had a deficit of \$393,300 in unrestricted fund balance and a cash overdraft for three months during the year. The fund deficit and cash overdraft resulted from the issuance of checks exceeding cash on deposit with the county trustee and not providing adequate funding for the purchases until grant funds are received. Sound business practices dictate that expenditures be held within available funds.
- B. The trustee paid checks issued from the Other Capital Projects Fund that exceeded the available cash on deposit. Section 8-11-104(5), *Tennessee Code Annotated (TCA)*, prohibits the trustee from paying a check if sufficient funds are not available. Additionally, Section 5-8-210, *TCA* requires the trustee to verify the department's fund balance and certify that funds are available. When the county trustee has certified that funds are available, the total amount certified shall be charged to the fund on which the check or checks are drawn on at least a daily basis so that a current balance is maintained.

These deficiencies exist because the finance department issued checks exceeding cash on deposit with the trustee, and the trustee paid the checks that exceeded available cash. The trustee cash overdraft was liquidated as of June 30, 2023, with an interfund loan issued from the general fund. As of the opinion letter date, the grant funds have not been received and the fund deficit still exists.

## RECOMMENDATION

The finance department should request grant funds expended in a timely manner. The finance department should monitor the cash balance and should not issue checks exceeding cash on deposit with the county trustee. The county trustee should not pay checks that exceed available cash as required by state statute.

## MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

We concur with this finding. Steps and checks have been implemented to prevent future issues as followed but not limited to:

- If any special funds are used for reimbursable grants, funds must be moved from General Fund or other funds prior to any payments for cash flow until reimbursements are issued.
- Correspond with the trustee's office to ensure funds/cash are available prior to any payments made. The trustee's office has also given the finance department access to their software to have the capability for verification of funds and revenue when needed.
- Cash balances in special funds are followed weekly within the finance department.
- Grant reimbursements are followed up monthly between the finance department and the project administrator handling the grant for the county. Timely reimbursements through the project administrator will be enforced.

## MANAGEMENT'S RESPONSE – TRUSTEE

No formal management's response was submitted. However, an explanation to the finding 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, 2023.

**Jefferson County, Tennessee**  
**Management's Corrective Action Plan**  
**For the Year Ended June 30, 2023**

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<br>Number | Title of Finding | Corrective Action<br>Plan Page Number |
|-------------------|------------------|---------------------------------------|
|-------------------|------------------|---------------------------------------|

**OFFICE OF SOLID WASTE DIRECTOR**

|          |   |     |
|----------|---|-----|
| 2023-001 | The Solid Waste Disposal Fund had a deficit in unrestricted net position. | 296 |
|----------|---|-----|

**OFFICE OF COUNTY MAYOR**

|          |  |     |
|----------|--|-----|
| 2023-002 | Internal control weaknesses were noted in the operations of the Jefferson County Senior Centers. | 297 |
|----------|--|-----|

**OFFICE OF TRUSTEE**

|          |   |     |
|----------|---|-----|
| 2023-003 | The trustee paid checks from the Other Capital Projects Fund that exceeded available funds. | 298 |
|----------|---|-----|

**OFFICE OF FINANCE DIRECTOR**

|          |  |     |
|----------|--|-----|
| 2023-003 | The Other Capital Projects Fund had a deficit in unrestricted fund balance and a cash overdraft. | 299 |
|----------|--|-----|



**JEFFERSON COUNTY SANITATION DEPARTMENT**  
**P.O. BOX 127, DANDRIDGE, TN 37725**



*December 06, 2023*

*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 deficit has been greatly reduced but the adjustment did not eliminate the deficit yet.

**Planned Corrective Action:**  
The balance of the deficit should be overcome with continued cash growth. We are currently in the process of closing a portion of the Class I cell that should result in a significant reduction of closure liability.

Signature:





# JEFFERSON COUNTY

## FINANCE DEPARTMENT

1244 Gay Street  
PO Box 1749  
Dandridge, TN 37725  
Phone (865) 397-4922  
Fax (865) 397-4537

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### Corrective Action Plan

**FINDING:** INTERNAL CONTROL WEAKNESSES WERE NOTED IN THE OPERATIONS OF THE JEFFERSON COUNTY SENIOR CENTERS

**Response and Corrective Action Plan Prepared by:**  
Mark Potts, County Mayor

**Person Responsible for Implementing the Corrective Action:**  
Mark Potts, County Mayor

**Anticipated Completion Date of Corrective Action:**  
Corrective Action taken after meeting with Andrew Way, Auditor, on August 2, 2023

**Repeat Finding:**  
No

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

**Planned Corrective Action:**

Action implemented:

- United Way Grant Funds are deposited into one bank account and dispersed to each Senior Center. Each bank account is reconciled by Senior Center Director then reviewed by Finance Director each month.
- Senior Center employees were removed from bank accounts.
- Policy implemented that Senior Center employees are not allowed to handle any non-profit funds including donations. These are handled by the non-profit treasurer.
- Gasoline is budgeted through County Senior Center budget now to eliminate Senior Center employees collecting funds.
- All Senior Center funds other than United Way Grant Funds have been moved to the Senior Center budget handled by Jefferson County Finance Department.
- Job Description for Senior Center Director has been adjusted to allow the Director to report non-profits to IRS and to pursue grants.

Signature: \_\_\_\_\_

*Mark Potts*



**JENNIFER BOLING HALL**  
TRUSTEE OF JEFFERSON COUNTY  
P.O. BOX 38  
DANDRIDGE, TN 37725

TELEPHONE: (865) 397-2101  
FAX: (865) 484-9006  
trustee@jeffersoncountyttn.gov

**Corrective Action Plan**

**FINDING:** THE TRUSTEE PAID CHECKS FROM THE OTHER  
CAPITAL PROJECTS FUND THAT EXCEEDED  
AVAILABLE FUNDS

**Response and Corrective Action Plan Prepared by:**  
Jennifer Boling Hall, Jefferson County Trustee

**Person Responsible for Implementing the Corrective Action:**  
Jennifer Boling Hall, Jefferson County Trustee

**Anticipated Completion Date of Corrective Action:**  
October 5, 2023

**Repeat Finding:**  
No

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

**Planned Corrective Action:**  
I have allowed the Finance Department access to read only the Trustee's office software.  
Finance will verify fund balances before issuing checks.

Signature: \_\_\_\_\_

*Jennifer Boling Hall*



# 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 OTHER CAPITAL PROJECTS FUND HAD A DEFICIT IN UNRESTRICTED FUND BALANCE AND A CASH OVERDRAFT

**Response and Corrective Action Plan Prepared by:**  
Jessica Elder, Finance Director

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

**Anticipated Completion Date of Corrective Action:**  
Corrective Action taken prior to June 30, 2023

**Repeat Finding:**  
No

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

**Planned Corrective Action:**  
To cover the deficit in cash, an interfund loan was approved by the County Commission to increase cash prior to June 30, 2023, since the grant reimbursement was not going to be received within FY 22-23.

Correspondence with the Trustee's Office and the Finance Department will ensure cash availability prior to any transactions in Special Funds (Grants). The Trustee's Office has also given the Finance Department access to their software to have the capability for verification of funds and revenue when needed.

Signature:



Jessica Elder, Finance Director