

ANNUAL FINANCIAL REPORT
JEFFERSON COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2015



DIVISION OF LOCAL GOVERNMENT AUDIT



ANNUAL FINANCIAL REPORT
JEFFERSON COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2015

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

MARK TREECE, CPA, CGFM
Audit Manager

KRISTINE GALITZA, CPA
PHILIP TOBY, CGFM
AMY MOORE, CGFM
GREG BRUSH, CISA
State Auditors

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

JEFFERSON COUNTY, TENNESSEE

TABLE OF CONTENTS

	Exhibit	Page(s)
Summary of Audit Findings		6
<u>INTRODUCTORY SECTION</u>		7
Jefferson County Officials		8-9
<u>FINANCIAL SECTION</u>		10
Independent Auditor's Report		11-14
BASIC FINANCIAL STATEMENTS:		15
Government-wide Financial Statements:		
Statement of Net Position	A	16-17
Statement of Activities	B	18-19
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	20-22
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	23
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	24-25
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	26-27
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	C-5	28-30
Highway/Public Works Fund	C-6	31-32
Proprietary Funds:		
Statement of Net Position	D-1	33-34
Statement of Revenues, Expenses, and Changes in Net Position	D-2	35-36
Statement of Cash Flows	D-3	37-38
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	E-1	39
Index and Notes to the Financial Statements		40-126

	Exhibit	Page(s)
REQUIRED SUPPLEMENTARY INFORMATION:		127
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	F-1	128
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	F-2	129
Schedule of Contributions Based on Participation in the Teacher Retirement Plan of TCRS – Discretely Presented Jefferson County School Department	F-3	130
Schedule of Contributions Based on Participation in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Jefferson County School Department	F-4	131
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Jefferson County School Department	F-5	132
Schedule of Funding Progress – Other Postemployment Benefits Plans – Primary Government and Discretely Presented Jefferson County School Department	F-6	133
Notes to the Required Supplementary Information		134
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		135
Nonmajor Governmental Funds:		136
Combining Balance Sheet	G-1	137-140
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	141-144
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
Courthouse and Jail Maintenance Fund	G-3	145
Law Library Fund	G-4	146
Solid Waste/Sanitation Fund	G-5	147
Drug Control Fund	G-6	148
Other Special Revenue Fund	G-7	149
Major Governmental Funds:		150
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	H-1	151
General Capital Projects Fund	H-2	152
Fiduciary Funds:		153
Combining Statement of Fiduciary Assets and Liabilities	I-1	154
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	I-2	155-156
Component Unit:		
Discretely Presented Jefferson County School Department:		157-158
Statement of Activities	J-1	159
Balance Sheet – Governmental Funds	J-2	160-161
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	J-3	162
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	J-4	163-164

	Exhibit	Page(s)
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	J-5	165
Combining Balance Sheet – Nonmajor Governmental Funds	J-6	166-167
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds	J-7	168-171
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	J-8	172-173
School Federal Projects Fund	J-9	174
Central Cafeteria Fund	J-10	175
Proprietary Fund:		
Statement of Net Position	J-11	176
Statement of Revenues, Expenses, and Changes in Net Position	J-12	177
Statement of Cash Flows	J-13	178
Fiduciary Fund:		
Statement of Fiduciary Net Position	J-14	179
Statement of Changes in Fiduciary Net Position	J-15	180
Miscellaneous Schedules:		181
Schedule of Changes in Long-term Other Loans and Bonds	K-1	182
Schedule of Long-term Debt Requirements by Year	K-2	183-184
Schedule of Transfers – Primary Government and Discretely Presented Jefferson County School Department	K-3	185
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Jefferson County School Department	K-4	186
Schedule of Detailed Revenues – All Governmental Fund Types	K-5	187-198
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Jefferson County School Department	K-6	199-206
Schedule of Detailed Expenditures – All Governmental Fund Types	K-7	207-228
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Jefferson County School Department	K-8	229-242
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balances – City Agency Funds	K-9	243
 <u>SINGLE AUDIT SECTION</u>		 244
Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>		245-247
Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133		248-250
Schedule of Expenditures of Federal Awards and State Grants		251-253
Schedule of Audit Findings Not Corrected		254
Schedule of Findings and Questioned Costs		255-259
Auditee Reporting Responsibilities		260

Summary of Audit Findings

Annual Financial Report
Jefferson County, Tennessee
For the Year Ended June 30, 2015

Scope

We have audited the basic financial statements of Jefferson County as of and for the year ended June 30, 2015.

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. 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:

OFFICE OF COUNTY MAYOR

- ◆ A cash shortage of \$21,752 existed in the Planning and Zoning Office as of June 30, 2015.

JEFFERSON COUNTY

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

INTRODUCTORY SECTION

Jefferson County Officials

June 30, 2015

Officials

Alan Palmieri, County Mayor
Charles Tipton, Road Superintendent
Dr. Charles Edmonds, Director of Schools
Ginger Franklin, Trustee
Susan Gass, Assessor of Property
Frank Herndon, County Clerk
Penny Murphy, Circuit and General Sessions Courts Clerk
Nancy Humbard, Clerk and Master
Ed Stiner, Register of Deeds
Bud McCoig, Sheriff
Langdon Potts, Finance Director

Board of County Commissioners

Jimmy Carmichael, Chairman	John McGraw
Randy Bales	Rita Musick
Randy Baxley	John Neal Scarlett
Robert Beeler	David Seal
Robert Blevins	Tim Seals
Terry Dockery	Barbara Jean Sheets
Steve Douglas	Sammy Solomon
Ralph Eslinger	Donnie Tabor
David Gaut	Robert Tucker
Katy Fox Huffaker	Russell Turner
Todd Kesterson	

Board of Education

Bill Jarnigan, Chairman	Anne Marie Potts
Randall Bradley	Jonathan Rogers
Judy Cavanah	Jim Vines
Ralph Lowery	

Highway Commission

John Turner, Chairman	Wayne Elmore
Condon Batson	Bruce Frazier
David Cate	Joe Simpson
Paul Condry	

Jefferson County Officials (Cont.)

Financial Management Committee

John McGraw, Chairman
Katy Fox Huffaker
David Seal
Robert Tucker

Alan Palmieri, County Mayor
Dr. Charles Edmonds, Director of Schools
Charles Tipton, Road Superintendent

Audit Committee

Garry Jett, Chairman
Jimmy Carmichael
Joe Mack High

John McGraw
John Neal Scarlett

FINANCIAL SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7841

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jefferson County, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Jefferson County Nursing Home, which represent 9.9 percent, 3.7 percent, and 14.8 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. We also did not audit the financial statements of the Jefferson County Emergency Communications District, which represent 1.1 percent, 1.6 percent, and 1.3 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. 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 the Jefferson County Nursing Home and the Jefferson County Emergency

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

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jefferson County, Tennessee, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General and Highway/Public Works Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note V.C., Jefferson County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*; GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*; and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

Emphasis of Matter

We draw attention to Note I.D.11. to the financial statements, which describes a restatement decreasing the beginning Governmental Activities net position of the primary government by \$544,796, the beginning net position of the business-type activities of the primary government by 27,168, and the beginning net position of the discretely presented Jefferson County School Department by \$8,897,493. We draw attention to Notes VI.A.13 and VII.G. to the financial statements, which describe restatements decreasing the beginning net position of the discretely presented Jefferson County Nursing Home by \$238,541 and the discretely presented Jefferson County Emergency Communications District by \$61,291. These restatements were necessary

because of the transitional requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

We also draw attention to Note I.D.10 to the financial statements, which describes a prior-period adjustment increasing the beginning net position of the business-type activities and the beginning net position of the Solid Waste Disposal Fund by \$613,471. This adjustment was due to the overstatement of postclosure care expenses in prior years. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability and related ratios, schedule of county contributions, schedule of school's proportionate share of the net pension liability, and schedule of funding progress - other postemployment benefit plans on pages 128-134 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Jefferson County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, the General Debt Service Fund, and the General Capital Projects 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.

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

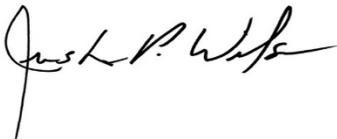
Capital Projects Fund, combining and individual fund financial statements of the Jefferson County School Department (a discretely presented component unit), and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2016, 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 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 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,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 10, 2016

JPW/kp

BASIC FINANCIAL STATEMENTS

Exhibit A

Jefferson County, Tennessee
Statement of Net Position
June 30, 2015

	Primary Government			Component Units		
	Governmental	Business-type	Total	Jefferson	Jefferson	Emergency
	Activities	Activities		School	Nursing	Communica-
				Department	Home	tions
						District
ASSETS						
Cash and Cash Equivalents	\$ 127,364	\$ 25	\$ 127,389	\$ 26,742	\$ 1,286,643	\$ 773,969
Equity in Pooled Cash and Investments	19,802,134	570,219	20,372,353	10,655,651	0	0
Inventories	0	0	0	0	24,944	0
Accounts Receivable	3,331,419	71,425	3,402,844	37,823	1,086,803	400
Allowance for Uncollectibles	(1,422,775)	(1,000)	(1,423,775)	0	(2,647)	0
Due from Other Governments	761,849	0	761,849	1,960,632	0	0
Due from Component Units	7,151,786	0	7,151,786	0	0	0
Internal Balances	14,039	(14,039)	0	0	0	0
Property Taxes Receivable	17,613,450	0	17,613,450	10,736,968	0	0
Allowance for Uncollectible Property Taxes	(820,489)	0	(820,489)	(500,160)	0	0
Prepaid Expenses	119,136	0	119,136	0	19,387	14,734
Cash Shortage	21,752	0	21,752	0	0	0
Unamortized Discount on Debt	399,079	0	399,079	0	0	0
Restricted Assets:						
Other Restricted Assets	0	0	0	0	120,471	0
Net Pension Asset - Agent Plan	647,641	32,297	679,938	707,509	283,572	0
Net Pension Asset - Cost-Sharing Plan	0	0	0	105,047	0	0
Capital Assets:						
Assets Not Depreciated:						
Land	1,527,216	461,930	1,989,146	1,492,550	7,181	0
Construction in Progress	77,342	114,252	191,594	26,929,881	0	0
Assets Net of Accumulated Depreciation:						
Landfill Facilities and Development	0	77,825	77,825	0	0	0
Buildings and Improvements	16,948,977	54,271	17,003,248	38,848,972	6,930,464	0
Machinery and Equipment	0	1,082,899	1,082,899	1,024,387	820,057	324,597
Other Capital Assets	3,123,117	0	3,123,117	2,689,941	4,700	0
Infrastructure	79,910,738	0	79,910,738	0	0	0
Total Assets	\$ 149,333,775	\$ 2,450,104	\$ 151,783,879	\$ 94,715,943	\$ 10,581,575	\$ 1,113,700
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Charge on Refunding	\$ 194,796	\$ 0	\$ 194,796	\$ 0	\$ 0	\$ 0
Pension Changes in Experience	38,397	1,915	40,312	296,973	0	0
Pension Contributions After Measurement Date	1,627,095	64,263	1,691,358	3,202,387	630,751	30,634
Pension Other Deferrals	0	0	0	71,019	0	0
Total Deferred Outflows of Resources	\$ 1,860,288	\$ 66,178	\$ 1,926,466	\$ 3,570,379	\$ 630,751	\$ 30,634
LIABILITIES						
Accounts Payable	\$ 300,826	\$ 11,522	\$ 312,348	\$ 196,805	\$ 305,644	\$ 0
Accrued Payroll	82,644	16,147	98,791	166,387	221,910	0
Accrued Interest Payable	211,942	182	212,124	0	20,665	0

(Continued)

Exhibit A

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

	Primary Government			Component Units		
	Governmental	Business-type	Total	Jefferson	Jefferson	Emergency
	Activities	Activities		School	County	Communications
				Department	Nursing Home	District
<u>LIABILITIES (CONT.)</u>						
Payroll Deductions Payable	\$ 182,558	\$ 0	\$ 182,558	\$ 2,017,908	\$ 35,966	\$ 0
Contracts Payable	0	0	0	704,668	0	0
Retainage Payable	0	0	0	37,088	0	0
Accrued Leave - Current	0	0	0	0	258,085	16,960
Claims and Judgments Payable	59,732	0	59,732	0	0	0
Due to Primary Government	0	0	0	76,786	7,075,000	0
Due to the State of Tennessee	29,458	8,383	37,841	0	0	0
Estimated Third-party Payor Settlements	0	0	0	0	44,111	0
Other Current Liabilities	0	0	0	0	94,202	0
Noncurrent Liabilities:						
Due Within One Year	4,659,788	115,414	4,775,202	222,195	0	0
Due in More Than One Year	81,912,742	4,576,833	86,489,575	10,288,316	0	36,890
Total Liabilities	\$ 87,439,690	\$ 4,728,481	\$ 92,168,171	\$ 13,710,153	\$ 8,055,583	\$ 53,850
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 16,310,509	\$ 0	\$ 16,310,509	\$ 9,942,710	\$ 0	\$ 0
Pension Changes in Experience	0	0	0	0	0	693
Pension Changes in Investment Earnings	1,586,354	79,110	1,665,464	10,388,174	677,779	35,959
Total Deferred Inflows of Resources	\$ 17,896,863	\$ 79,110	\$ 17,975,973	\$ 20,330,884	\$ 677,779	\$ 36,652
<u>NET POSITION</u>						
Net Investment in Capital Assets	\$ 91,799,767	\$ 1,703,050	\$ 93,502,817	\$ 70,985,731	\$ 788,402	\$ 324,597
Restricted for:						
General Government	369,941	0	369,941	0	0	0
Finance	124,181	0	124,181	0	0	0
Administration of Justice	461,362	0	461,362	0	0	0
Public Safety	281,554	0	281,554	0	0	0
Public Health and Welfare	485,882	0	485,882	0	0	0
Social, Cultural, and Recreational Services	56,998	0	56,998	0	0	0
Highway/Public Works	2,244,837	0	2,244,837	0	0	0
Education	0	0	0	1,981,704	0	0
Capital Projects	300,761	0	300,761	2,576,230	0	0
Other Purposes	647,641	32,297	679,938	0	251,315	0
Unrestricted	(50,915,414)	(4,026,656)	(54,942,070)	(11,298,380)	1,439,247	729,235
Total Net Position	\$ 45,857,510	\$ (2,291,309)	\$ 43,566,201	\$ 64,245,285	\$ 2,478,964	\$ 1,053,832

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, 2015

Functions/Programs	Net (Expense) Revenue and Changes in Net Position										
	Program Revenues				Primary Government			Component Units			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Jefferson County School Department	Jefferson County Nursing Home	Emergency Communications District	
Primary Government:											
Governmental Activities:											
General Government	\$ 2,851,264	\$ 534,642	\$ 19,696	\$ 0	\$ (2,296,926)	\$ 0	\$ (2,296,926)	\$ 0	\$ 0	\$ 0	
Finance	2,848,669	1,839,405	0	0	(1,009,264)	0	(1,009,264)	0	0	0	
Administration of Justice	1,938,359	1,149,545	7,000	0	(781,814)	0	(781,814)	0	0	0	
Public Safety	7,023,356	1,801,691	168,212	22,947	(5,030,506)	0	(5,030,506)	0	0	0	
Public Health and Welfare	6,499,078	4,238,526	146,427	300,361	(1,813,764)	0	(1,813,764)	0	0	0	
Social, Cultural, and Recreational Services	705,886	12,986	251,133	31,922	(409,845)	0	(409,845)	0	0	0	
Agriculture and Natural Resources	135,556	0	0	0	(135,556)	0	(135,556)	0	0	0	
Highways	5,495,146	51,478	1,792,607	999,860	(2,651,201)	0	(2,651,201)	0	0	0	
Education	8,315,808	0	0	0	(8,315,808)	0	(8,315,808)	0	0	0	
Support Services	450	0	0	0	(450)	0	(450)	0	0	0	
Interest on Long-term Debt	3,271,454	0	0	0	(3,271,454)	0	(3,271,454)	0	0	0	
Total Governmental Activities	\$ 39,085,026	\$ 9,628,273	\$ 2,385,075	\$ 1,355,090	\$ (25,716,588)	\$ 0	\$ (25,716,588)	\$ 0	\$ 0	\$ 0	
Business-type Activities:											
Solid Waste Disposal	\$ 1,303,283	\$ 1,735,609	\$ 0	\$ 0	\$ 0	\$ 432,326	\$ 432,326	\$ 0	\$ 0	\$ 0	
Total Business-type Activities	\$ 1,303,283	\$ 1,735,609	\$ 0	\$ 0	\$ 0	\$ 432,326	\$ 432,326	\$ 0	\$ 0	\$ 0	
Total Primary Government	\$ 40,388,309	\$ 11,363,882	\$ 2,385,075	\$ 1,355,090	\$ (25,716,588)	\$ 432,326	\$ (25,284,262)	\$ 0	\$ 0	\$ 0	
Component Units:											
Jefferson County School Department											
Department	\$ 58,923,654	\$ 1,133,434	\$ 7,497,009	\$ 7,810,990	\$ 0	\$ 0	\$ 0	\$ (42,482,221)	\$ 0	\$ 0	
Jefferson County Nursing Home											
Nursing Home	11,716,361	11,988,334	0	0	0	0	0	0	271,973	0	
Emergency Communications District											
Emergency Communications District	986,562	493,600	103,451	41,843	0	0	0	0	0	(347,668)	
Total Component Units	\$ 71,626,577	\$ 13,615,368	\$ 7,600,460	\$ 7,852,833	\$ 0	\$ 0	\$ 0	\$ (42,482,221)	\$ 271,973	\$ (347,668)	

(Continued)

Exhibit B

Jefferson County, Tennessee
Statement of Activities (Cont.)

		Net (Expense) Revenue and Changes in Net Position								
		Program Revenues			Primary Government			Component Units		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Jefferson County School Department	Jefferson County Nursing Home	Emergency Communications District
General Revenues:										
Taxes:										
Property Taxes Levied for General Purposes					\$ 14,713,566	\$ 0	\$ 14,713,566	\$ 10,362,971	\$ 0	\$ 0
Property Taxes Levied for Debt Service					2,335,571	0	2,335,571	0	0	0
Local Option Sales Taxes					1,221,857	0	1,221,857	5,505,180	0	0
Hotel/Motel Tax					288,878	0	288,878	0	0	0
Wheel Tax					1,131,689	0	1,131,689	0	0	0
Litigation Tax - General					111,232	0	111,232	0	0	0
Litigation Tax - Special Purpose					14,241	0	14,241	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse					188,134	0	188,134	0	0	0
Business Tax					362,596	0	362,596	0	0	0
Mixed Drink Tax					0	0	0	35,723	0	0
Adequate Facilities Tax					240,675	0	240,675	0	0	0
Wholesale Beer Tax					120,755	0	120,755	0	0	0
Interstate Telecommunications Tax					0	0	0	8,673	0	0
Grants and Contributions Not Restricted to Specific Programs					995,294	0	995,294	35,155,553	0	439,311
Unrestricted Investment Income					207,474	0	207,474	920	1,276	655
Pension Income					0	0	0	78,254	0	0
Miscellaneous					159,337	0	159,337	375,329	0	880
Insurance Recovery					68,139	1,950	70,089	0	0	0
Gain on Sale of Capital Assets					9,226	0	9,226	2,429	0	0
Change in Estimate of Landfill Postclosure Care Cost					0	203,686	203,686	0	0	0
Total General Revenues					\$ 22,168,664	\$ 205,636	\$ 22,374,300	\$ 51,525,032	\$ 1,276	\$ 440,846
Transfers					\$ (54,501)	\$ 54,501	\$ 0	\$ 0	\$ 0	\$ 0
Change in Net Position					\$ (3,602,425)	\$ 692,463	\$ (2,909,962)	\$ 9,042,811	\$ 273,249	\$ 93,178
Net Position, July 1, 2014					50,004,731	(3,570,075)	46,434,656	64,099,967	2,444,256	1,021,945
Prior-period Adjustment - Landfill Postclosure Care Costs (See Note I.D.10.)					0	613,471	613,471	0	0	0
Restatement - Pension Liability (See Note I.D.11.)					(544,796)	(27,168)	(571,964)	(8,897,493)	0	0
Restatement - Pension Liability (See Note V I.A.13.)					0	0	0	0	(238,541)	0
Restatement - Pension Liability (See Note VII.G.)					0	0	0	0	0	(61,291)
Net Position, June 30, 2015					\$ 45,857,510	\$ (2,291,309)	\$ 43,566,201	\$ 64,245,285	\$ 2,478,964	\$ 1,053,832

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, 2015

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Highway /	General	General	Other Govern- mental Funds	
		Public Works	Debt Service	Capital Projects		
<u>ASSETS</u>						
Cash	\$ 14,147	\$ 0	\$ 0	\$ 0	\$ 113,217	\$ 127,364
Equity in Pooled Cash and Investments	6,017,098	2,006,926	6,348,565	294,360	5,026,012	19,692,961
Accounts Receivable	3,309,521	10,733	4,181	0	3,057	3,327,492
Allowance for Uncollectibles	(1,422,775)	0	0	0	0	(1,422,775)
Due from Other Governments	164,539	372,610	219,700	0	5,000	761,849
Due from Other Funds	1,457	0	88,127	0	0	89,584
Due from Component Units	0	0	53,800	20,234	0	74,034
Property Taxes Receivable	10,495,687	2,412,801	2,641,844	253,517	1,809,601	17,613,450
Allowance for Uncollectible Property Taxes	(488,921)	(112,396)	(118,007)	(16,868)	(84,297)	(820,489)
Prepaid Items	0	0	119,136	0	0	119,136
Cash Shortage	8,876	0	12,876	0	0	21,752
Total Assets	\$ 18,099,629	\$ 4,690,674	\$ 9,370,222	\$ 551,243	\$ 6,872,590	\$ 39,584,358
<u>LIABILITIES</u>						
Accounts Payable	\$ 187,943	\$ 63,956	\$ 0	\$ 27,051	\$ 13,186	\$ 292,136
Accrued Payroll	600	67,470	0	0	14,574	82,644
Payroll Deductions Payable	182,558	0	0	0	0	182,558
Claims and Judgments Payable	59,732	0	0	0	0	59,732
Due to Other Funds	0	0	0	0	75,545	75,545
Due to State of Tennessee	28,922	0	0	0	536	29,458
Total Liabilities	\$ 459,755	\$ 131,426	\$ 0	\$ 27,051	\$ 103,841	\$ 722,073

(Continued)

Exhibit C -1

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Highway /	General	General	Other Govern- mental Funds	
		Public Works	Debt Service	Capital Projects		
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 9,719,277	\$ 2,234,316	\$ 2,457,748	\$ 223,431	\$ 1,675,737	\$ 16,310,509
Deferred Delinquent Property Taxes	232,724	53,499	53,499	10,700	40,125	390,547
Other Deferred/Unavailable Revenue	1,587,583	215,622	109,850	0	0	1,913,055
Total Deferred Inflows of Resources	<u>\$ 11,539,584</u>	<u>\$ 2,503,437</u>	<u>\$ 2,621,097</u>	<u>\$ 234,131</u>	<u>\$ 1,715,862</u>	<u>\$ 18,614,111</u>

FUND BALANCES

Nonspendable:						
Prepaid Items	\$ 0	\$ 0	\$ 119,136	\$ 0	\$ 0	\$ 119,136
Restricted:						
Restricted for General Government	28,325	0	0	0	341,616	369,941
Restricted for Finance	9,364	0	0	0	114,817	124,181
Restricted for Administration of Justice	454,942	0	0	0	6,420	461,362
Restricted for Public Safety	92,818	0	0	0	188,736	281,554
Restricted for Public Health and Welfare	10,645	0	0	0	441,267	451,912
Restricted for Social, Cultural, and Recreational Services	56,998	0	0	0	0	56,998
Restricted for Highways/Public Works	0	2,055,811	0	0	0	2,055,811
Restricted for Capital Projects	0	0	0	290,061	0	290,061
Committed:						
Committed for Public Health and Welfare	0	0	0	0	11,543	11,543
Committed for Other Operations	0	0	0	0	3,948,488	3,948,488
Committed for Debt Service	0	0	6,629,989	0	0	6,629,989
Assigned:						
Assigned for General Government	2,195	0	0	0	0	2,195
Assigned for Finance	23	0	0	0	0	23
Assigned for Administration of Justice	82	0	0	0	0	82

(Continued)

Exhibit C -1

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>FUND BALANCES (Cont.)</u>						
Assigned (Cont.):						
Assigned for Public Safety	\$ 39,236	\$ 0	\$ 0	\$ 0	\$ 0	\$ 39,236
Assigned for Public Health and Welfare	1,087	0	0	0	0	1,087
Assigned for Social, Cultural, and Recreational Services	170	0	0	0	0	170
Assigned for Support Services	20,673	0	0	0	0	20,673
Unassigned	5,383,732	0	0	0	0	5,383,732
Total Fund Balances	\$ 6,100,290	\$ 2,055,811	\$ 6,749,125	\$ 290,061	\$ 5,052,887	\$ 20,248,174
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 18,099,629	\$ 4,690,674	\$ 9,370,222	\$ 551,243	\$ 6,872,590	\$ 39,584,358

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, 2015

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)		\$ 20,248,174
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,527,216	
Add: construction in progress	77,342	
Add: buildings and improvements net of accumulated depreciation	16,948,977	
Add: other capital assets net of accumulated depreciation	3,123,117	
Add: infrastructure net of accumulated depreciation	<u>79,910,738</u>	101,587,390
(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.		107,162
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other loans payable	\$ (24,515,627)	
Less: bonds payable	(60,470,000)	
Add: bonds to be paid by Nursing Home for the primary government	7,075,000	
Add: deferred amount on refunding	194,796	
Less: unamortized premium on debt	(460,500)	
Add: unamortized discount on debt	399,079	
Less: accrued interest on bonds, capital leases, and other loans	(211,942)	
Less: compensated absences payable	(467,086)	
Less: other postemployment benefits liability	<u>(659,317)</u>	(79,115,597)
(4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 1,665,492	
Less: deferred inflows of resources related to pensions	<u>(1,586,354)</u>	79,138
(5) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		647,641
(6) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>2,303,602</u>
Net position of governmental activities (Exhibit A)		<u>\$ 45,857,510</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, 2015

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>						
Local Taxes	\$ 11,161,453	\$ 2,335,643	\$ 4,925,789	\$ 475,101	\$ 1,825,980	\$ 20,723,966
Licenses and Permits	351,546	0	0	0	0	351,546
Fines, Forfeitures, and Penalties	353,961	0	0	0	42,803	396,764
Charges for Current Services	3,501,079	35,972	0	0	845,533	4,382,584
Other Local Revenues	720,429	15,506	674,814	0	762,025	2,172,774
Fees Received from County Officials	1,592,946	0	0	0	0	1,592,946
State of Tennessee	1,797,490	2,088,163	0	0	0	3,885,653
Federal Government	631,027	0	442,418	0	49,477	1,122,922
Other Governments and Citizens Groups	233,572	0	0	0	2,000	235,572
Total Revenues	\$ 20,343,503	\$ 4,475,284	\$ 6,043,021	\$ 475,101	\$ 3,527,818	\$ 34,864,727
<u>Expenditures</u>						
Current:						
General Government	\$ 2,333,854	\$ 0	\$ 0	\$ 0	\$ 106,557	\$ 2,440,411
Finance	2,384,655	0	0	0	750,239	3,134,894
Administration of Justice	1,599,745	0	0	0	0	1,599,745
Public Safety	6,979,605	0	0	0	72,888	7,052,493
Public Health and Welfare	4,789,759	0	0	0	2,123,605	6,913,364
Social, Cultural, and Recreational Services	649,983	0	0	0	0	649,983
Agriculture and Natural Resources	143,715	0	0	0	0	143,715
Other Operations	1,142,057	0	0	0	373,200	1,515,257
Highways	0	4,401,878	0	0	0	4,401,878
Support Services	450	0	0	0	0	450
Debt Service:						
Principal on Debt	0	0	4,147,979	0	0	4,147,979
Interest on Debt	0	0	3,201,192	0	0	3,201,192

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>						
Debt Service (Cont.)						
Other Debt Service	\$ 0	\$ 0	\$ 88,773	\$ 0	\$ 0	\$ 88,773
Capital Projects	0	0	0	8,337,356	0	8,337,356
Total Expenditures	\$ 20,023,823	\$ 4,401,878	\$ 7,437,944	\$ 8,337,356	\$ 3,426,489	\$ 43,627,490
Excess (Deficiency) of Revenues						
Over Expenditures	\$ 319,680	\$ 73,406	\$ (1,394,923)	\$ (7,862,255)	\$ 101,329	\$ (8,762,763)
<u>Other Financing Sources (Uses)</u>						
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 6,790,000	\$ 0	\$ 6,790,000
Premiums on Debt Issued	0	0	0	68,441	0	68,441
Insurance Recovery	74,147	33,183	0	0	18,543	125,873
Transfers In	373,200	17,616	476,406	420,815	8,461	1,296,498
Transfers Out	(927,906)	0	0	(49,893)	(373,200)	(1,350,999)
Total Other Financing Sources (Uses)	\$ (480,559)	\$ 50,799	\$ 476,406	\$ 7,229,363	\$ (346,196)	\$ 6,929,813
Net Change in Fund Balances						
Fund Balance, July 1, 2014	\$ 6,261,169	\$ 1,931,606	\$ 7,667,642	\$ 922,953	\$ 5,297,754	\$ 22,081,124
Fund Balance, June 30, 2015	\$ 6,100,290	\$ 2,055,811	\$ 6,749,125	\$ 290,061	\$ 5,052,887	\$ 20,248,174

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, 2015

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)		\$ (1,832,950)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 1,546,406	
Less: current-year depreciation expense	<u>(2,450,865)</u>	(904,459)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase (decrease) net position.		
Add: assets donated and capitalized	\$ 633,000	
Less: book value of assets disposed	<u>(48,508)</u>	584,492
(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, 2015	\$ 2,303,602	
Less: deferred delinquent property taxes and other deferred June 30, 2014	<u>(2,131,592)</u>	172,010
(4) The issuance of long-term debt (e.g., bonds, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Less: bond proceeds	\$ (6,790,000)	
Add: change in unamortized discount on debt issues	30,662	
Less: change in unamortized premium on debt issues	(46,101)	
Add: principal payments on bonds	1,075,000	
Add: principal payments on other loans	3,072,979	
Less: change in deferred amount on refunding debt	(27,508)	
Less: contributions from Nursing Home for bond	<u>(210,000)</u>	(2,894,968)
(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	\$ (6,983)	
Change in compensated absences payable	66,884	
Change in other postemployment benefits liability	(31,683)	
Change in net pension liability/asset	1,192,437	
Change in deferred outflows related to pensions	1,665,492	
Change in deferred inflows related to pensions	<u>(1,586,354)</u>	1,299,793

(Continued)

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 (Cont.)

(6) An internal service fund is 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>\$ (26,343)</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ (3,602,425)</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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 11,161,453	\$ 0	\$ 0	\$ 11,161,453	\$ 10,883,500	\$ 10,883,500	\$ 277,953
Licenses and Permits	351,546	0	0	351,546	271,500	271,500	80,046
Fines, Forfeitures, and Penalties	353,961	0	0	353,961	392,900	408,900	(54,939)
Charges for Current Services	3,501,079	0	0	3,501,079	3,133,500	3,133,500	367,579
Other Local Revenues	720,429	0	0	720,429	67,200	552,494	167,935
Fees Received from County Officials	1,592,946	0	0	1,592,946	1,275,000	1,457,047	135,899
State of Tennessee	1,797,490	0	0	1,797,490	1,867,856	1,899,902	(102,412)
Federal Government	631,027	0	0	631,027	604,876	622,823	8,204
Other Governments and Citizens Groups	233,572	0	0	233,572	154,000	155,200	78,372
Total Revenues	\$ 20,343,503	\$ 0	\$ 0	\$ 20,343,503	\$ 18,650,332	\$ 19,384,866	\$ 958,637
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 229,513	\$ 0	\$ 0	\$ 229,513	\$ 261,163	\$ 296,863	\$ 67,350
Board of Equalization	750	0	0	750	3,000	3,000	2,250
County Mayor/Executive	231,273	0	15	231,288	260,306	261,320	30,032
Election Commission	313,878	(58)	950	314,770	348,174	350,488	35,718
Register of Deeds	188,819	0	455	189,274	47,907	194,354	5,080
Codes Compliance	112,709	(22)	0	112,687	112,463	113,910	1,223
County Buildings	856,814	(1,605)	0	855,209	795,237	858,953	3,744
Other Facilities	336,343	(77)	0	336,266	469,926	471,756	135,490
Other General Administration	58,250	0	0	58,250	2,500	60,750	2,500
Preservation of Records	5,505	0	774	6,279	10,100	11,300	5,021
<u>Finance</u>							
Accounting and Budgeting	910,126	(1,728)	0	908,398	692,296	949,002	40,604
Property Assessor's Office	474,388	(19)	0	474,369	484,079	492,096	17,727
County Trustee's Office	60,775	(20)	0	60,755	64,731	64,769	4,014
County Clerk's Office	161,997	0	0	161,997	119,483	165,668	3,671
Data Processing	115,803	(1,140)	23	114,686	129,208	129,780	15,094
Other Finance	661,566	0	0	661,566	696,748	700,777	39,211

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice</u>							
Circuit Court	\$ 737,384	\$ 0	\$ 0	\$ 737,384	\$ 764,327	\$ 770,890	\$ 33,506
General Sessions Court	301,116	(500)	0	300,616	303,388	303,772	3,156
Drug Court	31,898	0	0	31,898	25,650	31,650	(248)
Chancery Court	221,210	(1,307)	0	219,903	227,377	228,900	8,997
Juvenile Court	266,302	(154)	82	266,230	277,939	286,733	20,503
Other Administration of Justice	0	0	0	0	1,500	1,500	1,500
Victims Assistance Programs	41,835	0	0	41,835	32,500	42,500	665
<u>Public Safety</u>							
Sheriff's Department	3,601,488	(16,929)	18,557	3,603,116	3,737,547	3,879,849	276,733
Wheel Tax Officer	13,948	0	0	13,948	15,495	15,663	1,715
Administration of the Sexual Offender Registry	12,727	0	0	12,727	20,000	20,000	7,273
Jail	2,464,055	(16,883)	20,679	2,467,851	2,653,368	2,690,548	222,697
Workhouse	340,202	0	0	340,202	373,025	374,872	34,670
Inspection and Regulation	107,874	0	0	107,874	112,092	119,297	11,423
Public Safety Grants Program	0	0	0	0	67,000	67,000	67,000
Other Public Safety	439,311	0	0	439,311	433,600	439,311	0
<u>Public Health and Welfare</u>							
Local Health Center	221,238	(166)	0	221,072	222,901	258,420	37,348
Rabies and Animal Control	131,163	(1,000)	479	130,642	134,626	138,588	7,946
Ambulance/Emergency Medical Services	4,196,102	(3,522)	156	4,192,736	4,348,588	4,400,093	207,357
Sanitation Education/Information	70,257	(479)	453	70,231	67,018	73,340	3,109
Other Public Health and Welfare	170,999	(80)	0	170,919	178,035	179,760	8,841
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	213,227	(1,100)	0	212,127	214,468	216,739	4,612
Libraries	436,756	(654)	170	436,272	442,468	489,069	52,797
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	104,286	(200)	0	104,086	109,342	109,510	5,424
Soil Conservation	39,429	0	0	39,429	39,061	39,641	212

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Other Operations</u>							
Other Economic and Community Development	\$ 3,000	\$ 0	\$ 0	\$ 3,000	\$ 0	\$ 3,000	\$ 0
Veterans' Services	51,774	0	0	51,774	55,196	55,770	3,996
Contributions to Other Agencies	1,085,544	0	0	1,085,544	1,087,544	1,087,544	2,000
Employee Benefits	1,739	0	0	1,739	0	1,739	0
<u>Support Services</u>							
Other Programs	450	0	0	450	0	450	0
Total Expenditures	\$ 20,023,823	\$ (47,643)	\$ 42,793	\$ 20,018,973	\$ 20,441,376	\$ 21,450,934	\$ 1,431,961
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 319,680	\$ 47,643	\$ (42,793)	\$ 324,530	\$ (1,791,044)	\$ (2,066,068)	\$ 2,390,598
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 74,147	\$ 0	\$ 0	\$ 74,147	\$ 0	\$ 66,575	\$ 7,572
Transfers In	373,200	0	0	373,200	877,404	409,194	(35,994)
Transfers Out	(927,906)	0	0	(927,906)	(534,913)	(928,163)	257
Total Other Financing Sources	\$ (480,559)	\$ 0	\$ 0	\$ (480,559)	\$ 342,491	\$ (452,394)	\$ (28,165)
Net Change in Fund Balance	\$ (160,879)	\$ 47,643	\$ (42,793)	\$ (156,029)	\$ (1,448,553)	\$ (2,518,462)	\$ 2,362,433
Fund Balance, July 1, 2014	6,261,169	(47,643)	0	6,213,526	5,101,285	5,101,285	1,112,241
Fund Balance, June 30, 2015	\$ 6,100,290	\$ 0	\$ (42,793)	\$ 6,057,497	\$ 3,652,732	\$ 2,582,823	\$ 3,474,674

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
Highway/Public Works Fund
For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,335,643	\$ 0	\$ 0	\$ 2,335,643	\$ 2,288,600	\$ 2,288,600	\$ 47,043
Charges for Current Services	35,972	0	0	35,972	55,000	55,000	(19,028)
Other Local Revenues	15,506	0	0	15,506	0	15,506	0
State of Tennessee	2,088,163	0	0	2,088,163	1,784,208	1,784,208	303,955
Total Revenues	\$ 4,475,284	\$ 0	\$ 0	\$ 4,475,284	\$ 4,127,808	\$ 4,143,314	\$ 331,970
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 268,640	\$ (10)	\$ 0	\$ 268,630	\$ 277,778	\$ 276,174	\$ 7,544
Highway and Bridge Maintenance	2,449,347	0	0	2,449,347	2,299,051	2,458,421	9,074
Operation and Maintenance of Equipment	770,223	0	383	770,606	921,761	944,197	173,591
Quarry Operations	683,997	(14,523)	0	669,474	758,585	750,257	80,783
Asphalt Plant Operations	36,687	0	2,600	39,287	32,600	39,294	7
Other Charges	98,795	0	0	98,795	102,319	102,319	3,524
Employee Benefits	87,329	0	0	87,329	87,329	87,329	0
Capital Outlay	6,860	0	0	6,860	0	0	(6,860)
Total Expenditures	\$ 4,401,878	\$ (14,533)	\$ 2,983	\$ 4,390,328	\$ 4,479,423	\$ 4,657,991	\$ 267,663
Excess (Deficiency) of Revenues Over Expenditures	\$ 73,406	\$ 14,533	\$ (2,983)	\$ 84,956	\$ (351,615)	\$ (514,677)	\$ 599,633
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 33,183	\$ 0	\$ 0	\$ 33,183	\$ 0	\$ 0	\$ 33,183
Transfers In	17,616	0	0	17,616	0	17,616	0
Total Other Financing Sources	\$ 50,799	\$ 0	\$ 0	\$ 50,799	\$ 0	\$ 17,616	\$ 33,183

(Continued)

Exhibit C-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ 124,205	\$ 14,533	\$ (2,983)	\$ 135,755	\$ (351,615)	\$ (497,061)	\$ 632,816
Fund Balance, July 1, 2014	1,931,606	(14,533)	0	1,917,073	2,055,334	2,055,334	(138,261)
Fund Balance, June 30, 2015	\$ 2,055,811	\$ 0	\$ (2,983)	\$ 2,052,828	\$ 1,703,719	\$ 1,558,273	\$ 494,555

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, 2015

	Business-type Activities - Major Enterprise Fund	Governmental Activities - Internal Service Fund
	Solid Waste Disposal Fund	Employee Insurance - Dental and Vision Fund
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 25	\$ 0
Equity in Pooled Cash and Investments	570,219	109,173
Accounts Receivable	71,425	3,927
Allowance for Uncollectibles	(1,000)	0
Due from Other Funds	74,088	0
Due from Component Units	0	2,752
Total Current Assets	<u>\$ 714,757</u>	<u>\$ 115,852</u>
Noncurrent Assets:		
Net Pension Asset	\$ 32,297	\$ 0
Capital Assets:		
Assets Not Depreciated:		
Land	461,930	0
Construction in Progress	114,252	0
Assets Net of Accumulated Depreciation:		
Landfill Facilities and Development	77,825	0
Buildings and Improvements	54,271	0
Machinery and Equipment	1,082,899	0
Total Noncurrent Assets	<u>\$ 1,823,474</u>	<u>\$ 0</u>
Total Assets	<u>\$ 2,538,231</u>	<u>\$ 115,852</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred Outflows of Resources:		
Pension Changes in Experience	\$ 1,915	\$ 0
Pension Contributions After Measurement Date	64,263	0
Total Deferred Outflows of Resources	<u>\$ 66,178</u>	<u>\$ 0</u>
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts Payable	\$ 11,522	\$ 0
Claims Payable	0	8,690
Accrued Payroll	16,147	0
Accrued Interest Payable	182	0
Due to Other Funds	88,127	0
Due to the State of Tennessee	8,383	0
Current Portion of Long-term Liabilities	115,414	0
Total Current Liabilities	<u>\$ 239,775</u>	<u>\$ 8,690</u>

(Continued)

Exhibit D-1

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

Noncurrent Liabilities:		
Due in More Than One Year	\$ 4,576,833	\$ 0
Total Noncurrent Liabilities	\$ 4,576,833	\$ 0
Total Liabilities	\$ 4,816,608	\$ 8,690

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows of Resources:		
Pension Changes in Investment Earnings	\$ 79,110	\$ 0
Total Deferred Inflows of Resources	\$ 79,110	\$ 0

NET POSITION

Net Investment in Capital Assets	\$ 1,703,050	\$ 0
Net position - Restricted for Other Purposes	32,297	0
Net Position - Unrestricted	(4,026,656)	107,162
Total Net Position	\$ (2,291,309)	\$ 107,162

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, 2015

	Business-type Activities - Major Enterprise Fund	Governmental Activities - Internal Service Fund
	Solid Waste Disposal Fund	Employee Insurance - Dental and Vision Fund
<u>Operating Revenues</u>		
Tipping Fees	\$ 1,433,557	\$ 0
Lease/Rentals	56	0
Sale of Recycled Materials	237,532	0
Miscellaneous Refunds	11,723	0
State of Tennessee	52,741	0
Self-Insurance Premiums/Contributions	0	131,985
Total Operating Revenues	<u>\$ 1,735,609</u>	<u>\$ 131,985</u>
<u>Operating Expenses</u>		
<u>Cost of Sales and Services</u>		
Supervisor/Director	\$ 30,021	\$ 0
Accountants/Bookkeepers	32,586	0
Longevity Pay	8,450	0
Laborers	382,836	0
Board and Committee Members Fees	4,320	0
Social Security	27,946	0
Pensions	17,730	0
Life Insurance	858	0
Medical Insurance	114,430	0
Dental Insurance	962	0
Unemployment Compensation	926	0
Employer Medicare	6,553	0
Data Processing Services	4,730	0
Engineering Services	26,716	0
Evaluation and Testing	40,494	0
Janitorial Services	1,092	0
Maintenance Agreements	523	0
Maintenance and Repair Services - Equipment	103,210	0
Rentals	3,830	0
Travel	903	0
Other Contracted Services	25,153	0
Crushed Stone	24,995	0
Diesel Fuel	105,324	0
Fertilizer, Lime, and Seed	320	0
Gasoline	13,631	0
Lubricants	12,805	0

(Continued)

Exhibit D-2

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

	Business-type Activities - Major Enterprise Fund	Governmental Activities - Internal Service Fund
	Solid Waste Disposal Fund	Employee Insurance - Dental and Vision Fund
<u>Operating Expenses (Cont.)</u>		
<u>Cost of Sales and Services (Cont.)</u>		
Office Supplies	\$ 3,002	\$ 0
Pipe	1,142	0
Propane Gas	747	0
Small Tools	5,716	0
Tires and Tubes	2,999	0
Utilities	8,345	0
Chemicals	35	0
Other Supplies and Materials	13,723	0
Building and Contents Insurance	8,898	0
Liability Insurance	4,935	0
Trustee's Commission	14,437	0
Workers' Compensation Insurance	29,822	0
Depreciation	124,798	0
Surcharge	31,884	0
Other Charges	12,433	0
Office Equipment	898	0
Solid Waste Equipment	46,023	0
Handling Charges and Administrative Costs	0	15,244
Other Self-Insured Claims	0	143,084
Total Operating Expenses	<u>\$ 1,301,181</u>	<u>\$ 158,328</u>
Operating Income (Loss)	<u>\$ 434,428</u>	<u>\$ (26,343)</u>
<u>Nonoperating Revenues (Expenses)</u>		
Interest on Internal Loan	\$ (2,102)	\$ 0
Insurance Recovery	1,950	0
Gain from Reduction of Estimate of Landfill Postclosure Care Cost	203,686	0
Total Nonoperating Revenues (Expenses)	<u>\$ 203,534</u>	<u>\$ 0</u>
Income (Loss) Before Contributions and Transfers	\$ 637,962	\$ (26,343)
Transfers In	54,501	0
Change in Net Position	\$ 692,463	\$ (26,343)
Net Position, July 1, 2014	(3,570,075)	133,505
Prior-period Adjustment - Landfill Postclosure Care Costs (See Note I.D.10)	613,471	0
Restatement - Pension Liability (See Note I.D.11)	(27,168)	0
Net Position, June 30, 2015	<u>\$ (2,291,309)</u>	<u>\$ 107,162</u>

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

Exhibit D-3

Jefferson County, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015

	Business-type Activities - Major Enterprise Fund	Governmental Activities - Internal Service Fund Employee Insurance - Dental and Vision Fund
	<u>Fund</u>	<u>Fund</u>
<u>Cash Flows from Operating Activities</u>		
Receipts from Customers and Users	\$ 1,450,215	\$ 0
Receipts from Recycled Materials	237,532	0
Receipts from Other Operating Grants	52,741	0
Receipts from Recovery of Cash Shortage	11,898	0
Receipts for Self-Insurance Premiums	0	135,164
Payments to Employees and Board Members	(462,207)	0
Payments for Fringe Benefits	(215,938)	0
Payments to Suppliers	(332,550)	0
Payments to Others	(203,960)	0
Payments for Claims	0	(138,866)
Payments for Administrative Costs	0	(15,244)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 537,731</u>	<u>\$ (18,946)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>		
Acquisition and Construction of Capital Assets	\$ (111,044)	\$ 0
Transfer from Primary Government for Capital Asset Purchase	49,893	0
Insurance Recovery	1,950	0
Principal Paid on Internal Loan	(110,000)	0
Interest Paid on Internal Loan	(3,785)	0
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (172,986)</u>	<u>\$ 0</u>
<u>Cash Flows from Noncapital Financing Activities</u>		
Transfers from Other Funds	\$ 4,608	\$ 0
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 4,608</u>	<u>\$ 0</u>
Increase (Decrease) in Cash	\$ 369,353	\$ (18,946)
Cash, July 1, 2014	<u>200,891</u>	<u>128,119</u>
Cash, June 30, 2015	<u>\$ 570,244</u>	<u>\$ 109,173</u>

(Continued)

Exhibit D-3

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

	Business-type Activities - Major Enterprise Fund	Governmental Activities - Internal Service Fund
	Solid Waste Disposal Fund	Employee Insurance - Dental and Vision Fund
<u>Reconciliation of Net Operating Income (Loss)</u>		
<u>to Net Cash Provided By (Used In) Operating Activities</u>		
Operating Income (Loss)	\$ 434,428	\$ (26,343)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:		
Depreciation	124,798	0
Changes in Deferred Outflows for Pensions	(66,178)	0
Changes in Deferred Inflows for Pensions	79,110	0
Changes in Assets and Liabilities:		
(Increase) Decrease in Net Pension Asset/Liability	(59,465)	0
(Increase) Decrease in Accounts Receivable	17,593	5,931
Increase (Decrease) in Allowance for Uncollectibles	(31,000)	0
(Increase) Decrease in Due from Other Funds	18,286	0
(Increase) Decrease in Due from Component Units	0	(2,752)
(Increase) Decrease in Cash Shortage	11,898	0
Increase (Decrease) in Operating Accounts Payable	10,888	0
Increase (Decrease) in Claims Payable	0	4,218
Increase (Decrease) in Accrued Payroll	(2,459)	0
Increase (Decrease) in Due to State of Tennessee	1,367	0
Increase (Decrease) in Compensated Absences	(1,535)	0
Net Cash Provided By (Used In) Operating Activities	<u>\$ 537,731</u>	<u>\$ (18,946)</u>
<u>Reconciliation of Cash With Statement of Net Position</u>		
Cash Per Net Position	\$ 25	\$ 0
Equity in Pooled Cash and Investments Per Net Position	<u>570,219</u>	<u>109,173</u>
Cash, June 30, 2015	<u>\$ 570,244</u>	<u>\$ 109,173</u>

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

Exhibit E-1

Jefferson County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2015

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,520,960
Equity in Pooled Cash and Investments	4,970
Accounts Receivable	37,440
Due from Other Governments	879,152
Property Taxes Receivable	1,259,162
Allowance for Uncollectible Property Taxes	<u>(70,690)</u>
Total Assets	<u>\$ 3,630,994</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 2,072,594
Due to Litigants, Heirs, and Others	<u>1,558,400</u>
Total Liabilities	<u>\$ 3,630,994</u>

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

JEFFERSON COUNTY, TENNESSEE
Index of Notes to Financial Statements

Note	Page(s)
I. Summary of Significant Accounting Policies	
A. Reporting Entity	42
B. Government-wide and Fund Financial Statements	43
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	44
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	47
2. Receivables and Payables	48
3. Prepaid Items	49
4. Capital Assets	49
5. Deferred Outflows/Inflows of Resources	50
6. Compensated Absences	51
7. Long-term Obligations	51
8. Net Position and Fund Balance	52
9. Minimum Fund Balance Policy	54
10. Prior-period Adjustment	54
11. Restatement	54
E. Pension Plans	54
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	55
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	55
III. Stewardship, Compliance, and Accountability	
A. Budgetary Information	56
B. Net Position Deficit	56
C. Cash Shortage	57
D. Expenditures Exceeded Appropriations	57
IV. Detailed Notes on All Funds	
A. Deposits and Investments	57
B. Capital Assets	59
C. Construction Commitments	63
D. Interfund Receivables, Payables, and Transfers	63
E. Long-term Obligations	65
F. Pledges of Future Revenues	70
G. On-Behalf Payments	71
H. Internal Financing	71

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

Note	Page(s)
V. Other Information	
A. Risk Management	73
B. Risk Financing Activities	74
C. Accounting Changes	75
D. Subsequent Events	75
E. Contingent Liabilities	76
F. Changes in Administration	76
G. Landfill Closure/Postclosure Care Costs	76
H. Joint Ventures	77
I. Jointly Governed Organizations	78
J. Retirement Commitments	79
K. Other Postemployment Benefits (OPEB)	93
L. Termination Benefits	96
M. Office of Central Accounting, Budgeting, and Purchasing	96
N. Purchasing Law	96
VI. Other Notes - Discretely Presented Jefferson County Nursing Home	97
VII. Other Notes - Discretely Presented Jefferson County Emergency Communications District	116

JEFFERSON COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

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 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 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. Net debt issues totaling \$7,810,990 were contributed by the county to the School Department during the year ended June 30, 2015.

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, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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.

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

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

General Capital Projects Fund – This fund accounts for general capital expenditures of the county and, in the current year, includes debt issued by Jefferson County and contributed to the Jefferson County School Department for construction and renovation projects.

Jefferson County reports the following major proprietary fund:

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

Additionally, Jefferson County reports the following fund types:

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

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Jefferson County, the cities property taxes collected by the county trustee and forwarded to the Town of Dandridge and the City of Baneberry. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented 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.

Other Capital Projects Fund – JCHS – This fund is used to account for transactions related to the renovation of Jefferson County High School.

Other Capital Projects Fund – Building 8 – This fund is used to account for transactions related to the renovation of Jefferson County High School Building 8.

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

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

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.

Other Employee Benefit Trust Fund – The Flexible Benefits Fund is used to account for operations of the flexible benefits program for School Department employees. This fund has become inactive.

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

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

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

1. Deposits and Investments

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

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; 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 and Other Special Revenue funds. 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 fair value. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Accordingly, the pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. 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. All other investments are reported at fair value.

2. Receivables and Payables

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

All ambulance, property taxes, and solid waste receivables are shown with an allowance for uncollectibles. The ambulance and solid waste receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 2.45 percent of total taxes levied.

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

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

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

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

Most payables are disaggregated on the face of the financial statements. The Claims and Judgments payable account totaling \$59,732 is discussed in Note V.B. Risk Financing Activities.

Retainage payable in the School Department's funds 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.

3. Prepaid Items

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

4. 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 estimated fair market value at the date of donation.

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

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

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

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

5. Deferred Outflows/Inflows of Resources

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

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

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 is accrued when incurred in the government-wide financial statements. A liability for vacation and sick pay is reported in the governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements. The School Department offers teachers a financial incentive for accumulated sick leave. This incentive is available to all teachers who leave the School Department in good standing with at least ten consecutive years of service. The incentive amount is \$25 for each accumulated day of sick leave. During the 2014-15 year, eight employees received this incentive. The financial statements of this report reflect expenditures of \$31,340 in the General Purpose School Fund for the accumulated sick leave incentive payments.

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

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

withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

8. Net Position and Fund Balance

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

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

Restricted for Other Purposes on the Statement of Net Position for the primary government and the proprietary fund include \$647,641 and \$32,297, respectively, resulting from the recognition of net pension assets. Restricted for Education on the Statement of Net Position for the discretely presented School Department includes \$812,556 resulting from the recognition of net pension assets.

As of June 30, 2015, Jefferson County had \$75,020,627 in outstanding debt for capital purposes for the discretely presented Jefferson County School Department and the discretely presented Jefferson County Nursing Home. This debt is a liability of Jefferson County, but the capital assets acquired are reported in the financial statements of the component units. Therefore, Jefferson County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The County Commission 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 primarily of amounts assigned for encumbrances (\$42,793). Assigned fund balance in the School Department's General Purpose School Fund consists of amounts assigned for encumbrances (\$227,919), maintenance projects (\$46,177), and construction projects at the high school (\$23,805).

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other

funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

9. Minimum Fund Balance Policy

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

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

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

10. Prior-period Adjustment

A prior-period adjustment was recognized in the Statement of Revenues, Expenses, and Changes in Net Position for the Solid Waste Disposal Fund decreasing the beginning landfill postclosure care liability by \$613,471 due to a re-calculation of prior post closure care expenses. This adjustment was also made to beginning net position of the business-type activities in the government-wide Statement of Activities.

11. Restatement

In prior years, the government was not required to recognize a liability for its defined benefit pension plans. However, with the implementation of GASB Statement No. 68, government employers are required to recognize a net pension liability in their Statement of Net Position. Therefore, a restatement to decrease Jefferson County’s beginning net position totaling \$571,964 has been recognized on the Statement of Activities for the governmental activities (\$544,796) and the business-type activities (\$27,168). In addition, a restatement decreasing the discretely presented School Department’s beginning net position by \$8,897,493 has been recognized in the Statement of Activities for liabilities of the pension agent plan (\$595,158) and the pension cost-sharing plan (\$8,302,335).

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 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 Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

Discretely Presented 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.

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 (special revenue fund), which is not budgeted and the capital project funds (except for the General Capital Projects Fund), 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 differences between the budgetary basis and GAAP basis is presented on the face of each budgetary schedule.

B. Net Position Deficit

The county's Solid Waste Disposal Fund had a deficit of \$2,291,309 in total net position and a deficit of \$4,026,656 in unrestricted net position at June 30, 2015. Further details related to liabilities recorded in this fund are disclosed in Note V.G. Landfill Closure/Postclosure Care Costs.

C. Cash Shortage

On July 10, 2015, a Fraud Reporting Form was filed with the Comptroller of the Treasury alleging a cash shortage in the Planning and Zoning Office. An internal review of the receipts and deposits of the office by the county's finance director, with assistance from the Comptroller's Office, determined that \$21,752 in adequate facilities tax and building permit collections had not been remitted to the county trustee. These unaccounted collections were for the period September 2013 through June 2015. The entire amount of this cash shortage existed as of June 30, 2015, and is reported in the primary government's General Fund (\$8,876) and General Debt Service Fund (\$12,876). Details of this cash shortage are discussed in the Schedule of Findings and Questioned Costs in the Single Audit section of this report.

D. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations in certain major appropriation categories (the legal level of control) of the following funds:

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
Primary Government:	
General:	
Drug Court	\$ 248
Highway:	
Capital Outlay	6,860
General Capital Projects:	
Other General Government Projects	5,416

Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded from available fund balances and greater than anticipated revenues.

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. 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, 2015, Jefferson County had the following investments carried at fair value or amortized cost. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Jefferson County and the discretely

presented Jefferson County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturities (days)	Fair Value
State Treasurer's Investment Pool	3 to 139	\$ 268,626

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, 2015, Jefferson County's investment in the State Treasurer's Investment Pool was unrated.

B. Capital Assets

Capital assets activity for the year ended June 30, 2015, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	\$ 1,457,246	\$ 69,970	\$ 0	\$ 1,527,216
Construction in Progress	0	77,342	0	77,342
Total Capital Assets				
Not Depreciated	<u>\$ 1,457,246</u>	<u>\$ 147,312</u>	<u>\$ 0</u>	<u>\$ 1,604,558</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 21,863,331	\$ 449,769	\$ 0	\$ 22,313,100
Other Capital Assets	9,104,645	949,325	(81,970)	9,972,000
Infrastructure	116,160,627	633,000	(13,200)	116,780,427
Total Capital Assets				
Depreciated	<u>\$ 147,128,603</u>	<u>\$ 2,032,094</u>	<u>\$ (95,170)</u>	<u>\$ 149,065,527</u>

Governmental Activities (Continued):

	Balance		Balance	
	7-1-14	Increases	Decreases	6-30-15
Less Accumulated				
Depreciated For:				
Buildings and Improvements	\$ 4,809,947	\$ 554,176	\$ 0	\$ 5,364,123
Other Capital Assets	6,182,774	708,449	(42,340)	6,848,883
Infrastructure	35,685,771	1,188,240	(4,322)	36,869,689
Total Accumulated				
Depreciation	\$ 46,678,492	\$ 2,450,865	\$ (46,662)	\$ 49,082,695
Total Capital Assets				
Depreciated, Net	\$ 100,450,111	\$ (418,771)	\$ (48,508)	\$ 99,982,832
Governmental Activities				
Capital Assets, Net	\$ 101,907,357	\$ (271,459)	\$ (48,508)	\$ 101,587,390

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

Governmental Activities:

General Government	\$ 60,919
Finance	4,758
Administration of Justice	444,099
Public Safety	232,787
Public Health and Welfare	393,736
Social, Cultural, and Recreational Services	6,450
Highways/Public Works	1,308,116
Total Depreciation Expense - Governmental Activities	<u>\$ 2,450,865</u>

Business-type Activities:

	Balance 7-1-14	Increases	Balance 6-30-15
Capital Assets Not Depreciated:			
Land	\$ 461,930	\$ 0	\$ 461,930
Construction in Progress	94,347	19,905	114,252
Total Capital Assets Not Depreciated	<u>\$ 556,277</u>	<u>\$ 19,905</u>	<u>\$ 576,182</u>
Capital Assets Depreciated:			
Landfill Facilities and Development	\$ 458,228	\$ 0	\$ 458,228
Buildings and Improvements	289,940	49,893	339,833
Machinery and Equipment	3,434,499	41,246	3,475,745
Total Capital Assets Depreciated	<u>\$ 4,182,667</u>	<u>\$ 91,139</u>	<u>\$ 4,273,806</u>
Less Accumulated Depreciated For:			
Landfill Facilities and Development	\$ 375,439	\$ 4,964	\$ 380,403
Buildings and Improvements	284,398	1,164	285,562
Machinery and Equipment	2,274,176	118,670	2,392,846
Total Accumulated Depreciation	<u>\$ 2,934,013</u>	<u>\$ 124,798</u>	<u>\$ 3,058,811</u>
Total Capital Assets Depreciated, Net	<u>\$ 1,248,654</u>	<u>\$ (33,659)</u>	<u>\$ 1,214,995</u>
Business-type Activities Capital Assets, Net	<u>\$ 1,804,931</u>	<u>\$ (13,754)</u>	<u>\$ 1,791,177</u>

The business-type activities had no decreases in capital assets during the year. Depreciation expense totaling \$124,798 was charged to the Solid Waste Disposal Fund.

Discretely Presented Jefferson County School Department

Governmental Activities:

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	\$ 1,492,550	\$ 0	\$ 0	\$ 1,492,550
Construction in Progress	32,862,481	9,914,459	(15,847,059)	26,929,881
Total Capital Assets Not Depreciated	\$ 34,355,031	\$ 9,914,459	\$ (15,847,059)	\$ 28,422,431
Capital Assets Depreciated:				
Buildings and Improvements	\$ 48,097,723	\$ 16,165,236	\$ 0	\$ 64,262,959
Machinery and Equipment	2,745,544	41,551	(26,353)	2,760,742
Other Capital Assets	6,079,396	249,900	(291,842)	6,037,454
Total Capital Assets Depreciated	\$ 56,922,663	\$ 16,456,687	\$ (318,195)	\$ 73,061,155
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 23,918,743	\$ 1,495,244	\$ 0	\$ 25,413,987
Machinery and Equipment	1,563,566	199,142	(26,353)	1,736,355
Other Capital Assets	3,227,420	358,810	(238,717)	3,347,513
Total Accumulated Depreciation	\$ 28,709,729	\$ 2,053,196	\$ (265,070)	\$ 30,497,855
Total Capital Assets Depreciated, Net	\$ 28,212,934	\$ 14,403,491	\$ (53,125)	\$ 42,563,300
Governmental Activities Capital Assets, Net	\$ 62,567,965	\$ 24,317,950	\$ (15,900,184)	\$ 70,985,731

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

Governmental Activities:

Instruction	\$ 1,419,723
Support Services	531,321
Operation of Non-instructional Services	<u>102,152</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,053,196</u>

C. Construction Commitments

At June 30, 2015, Jefferson County had uncompleted construction contracts in the following funds for various construction and renovation projects.

School Department:		
Other Capital Projects - Jefferson County		
High School	\$	797,542
Other Capital Projects - Building 8		1,585,154

Funding has been received for these future expenditures in the current or subsequent year.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2015, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 1,457
General Debt Service	Solid Waste Disposal	88,127
Solid Waste Disposal	Nonmajor governmental	74,088

The amount due to the General Debt Service Fund from the Solid Waste Disposal Fund represents interfund loans that are to be repaid with a payment of \$88,127 in October 2017.

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

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General Debt Service	Component Unit: School Department: General Purpose Schools	\$ 53,800
General Capital Projects	Nonmajor governmental	20,234

The amount reflected as Due to Primary Government, General Debt Service from the discretely presented School Department represents an internal capital outlay note with a term of three years for the purchase of a

triple-wide trailer. Of that amount, \$31,408 is not expected to be received within one year.

The government-wide Statement of Net Position also reports \$7,075,000 as due from the discretely presented Jefferson County Nursing Home to the governmental activities of the primary government. This amount represents general obligation debt issued by the county, which is being retired by the nursing home. See Note VI.F. for further information about this debt.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2015, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		
	General Fund	General Debt Service Fund	Solid Waste Disposal Fund
General Fund	\$ 0	\$ 476,406	\$ 4,608
General Capital Projects	0	0	49,893
Nonmajor governmental funds	373,200	0	0
Total	<u>\$ 373,200</u>	<u>\$ 476,406</u>	<u>\$ 54,501</u>

Primary Government

Transfers Out	Transfers In		
	General Capital Projects Fund	Highway/ Public Works Fund	Nonmajor Governmental Funds
General Fund	\$ 420,815	\$ 17,616	\$ 8,461
Total	<u>\$ 420,815</u>	<u>\$ 17,616</u>	<u>\$ 8,461</u>

Discretely Presented Jefferson County School Department

Transfers Out	Transfers In			
	General Purpose School Fund	Other Capital Projects Fund - JCHS	Other Capital Projects Fund - Building 8	Nonmajor Governmental Funds
General Purpose School Fund	\$ 0	\$ 1,010,000	\$ 16,077	\$ 0
Other Capital Projects Fund - Building 8	0	4,087,996	0	200,640
Nonmajor governmental funds	129,930	0	703,744	1,116
Total	\$ 129,930	\$ 5,097,996	\$ 719,821	\$ 201,756

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

E. Long-term Obligations

Primary Government

General Obligation Bonds, Notes, and Other Loans

Jefferson County issues general obligation bonds and 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, general obligation bonds have been issued to refund other general obligation bonds, other loans, and notes. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds and other loans outstanding were issued for original terms of up to 30 years for bonds and up to 18 years for other loans. The county had no outstanding capital outlay notes at June 30, 2015. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and other loans included in long-term debt as of June 30, 2015, will be retired from the General Debt Service Fund.

General obligation bonds and other loans outstanding as of June 30, 2015, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-15
General Obligation Bonds	2.54 to 4.5 %	6-1-37	\$ 34,685,000	\$ 30,580,000
General Obligation Refunding Bonds	1.45 to 3.41	6-1-27	14,735,000	13,890,000
General Obligation - Recovery Zone Economic Development Bonds	3.69	6-1-40	16,000,000	16,000,000
Other Loans - Refunding	Variable	6-1-26	13,305,000	9,200,000
Other Loans - Refunding	4 to 5	6-1-19	13,740,000	5,355,000
Other Loans - Qualified School Construction Bonds	0 (1)	8-1-27	10,595,000	8,060,740
Other Loans - Energy Efficient Schools Initiative	2.5	3-1-24	2,506,325	1,899,887

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

In prior years, Jefferson County entered into loan agreements with the Sevier County Public Building Authority and the Blount County Public Building Authority. The following table summarizes those loan agreements outstanding as of June 30, 2015:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-15	Interest Type	Interest Rates as of 6-30-15	Other Fees on Variable Rate Debt
<u>Sevier County Public Building Authority</u>					
Local Government Public Improvement Bond - Refunding (V-G-1)					
	\$ 13,740,000	\$ 5,355,000	Fixed	4 to 5 %	N/A
Total		\$ 5,355,000			
<u>Blount County Public Building Authority</u>					
Local Government Public Improvement Bond - Refunding (E-3-D)					
	13,305,000	\$ 9,200,000	Variable	0.7	.25%
Total		\$ 9,200,000			
Total		\$ 14,555,000			

The variable rate Blount County Public Building Authority loan is repayable at an interest rate that is a tax-exempt variable rate determined monthly by the remarketing agent. In addition, the county pays various other fees

(trustee, debt remarketing, administrative, etc.) in connection with the variable rate loan. The annual requirements to amortize all general obligation bonds and other loans outstanding as of June 30, 2015, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2016	\$ 1,170,000	\$ 2,364,354	\$ 3,534,354
2017	1,225,000	2,330,654	3,555,654
2018	1,140,000	2,295,154	3,435,154
2019	2,585,000	2,264,604	4,849,604
2020	3,075,000	2,184,204	5,259,204
2021-2025	12,275,000	9,590,477	21,865,477
2026-2030	8,985,000	8,348,017	17,333,017
2031-2035	11,050,000	6,924,252	17,974,252
2036-2040	18,965,000	3,978,888	22,943,888
Total	<u>\$ 60,470,000</u>	<u>\$ 40,280,604</u>	<u>\$ 100,750,604</u>

Year Ending June 30	Other Loans			Total
	Principal	Interest	Other Fees	
2016	\$ 3,162,827	\$ 866,088	\$ 31,568	\$ 4,060,483
2017	3,262,795	788,044	29,798	4,080,637
2018	3,392,895	704,626	27,966	4,125,487
2019	2,043,127	610,890	26,008	2,680,025
2020	1,733,491	582,550	23,925	2,339,966
2021-2025	9,195,867	2,732,356	84,924	12,013,147
2026-2028	1,724,625	1,079,856	19,764	2,824,245
Total	<u>\$ 24,515,627</u>	<u>\$ 7,364,410</u>	<u>\$ 243,953</u>	<u>\$ 32,123,990</u>

There is \$6,749,125 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds and other loans totaled \$1,653, based on the 2010 federal census.

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2015, was as follows:

Governmental Activities:

	Bonds	Other Loans
Balance, July 1, 2014	\$ 54,755,000	\$ 27,588,606
Additions	6,790,000	0
Reductions	(1,075,000)	(3,072,979)
	<hr/>	<hr/>
Balance, June 30, 2015	\$ 60,470,000	\$ 24,515,627
	<hr/>	<hr/>
Balance Due Within One Year	\$ 1,170,000	\$ 3,162,827
	<hr/>	<hr/>

	Other Postemployment Benefits	Compensated Absences
Balance, July 1, 2014	\$ 627,634	\$ 533,970
Additions	71,646	467,087
Reductions	(39,963)	(533,971)
	<hr/>	<hr/>
Balance, June 30, 2015	\$ 659,317	\$ 467,086
	<hr/>	<hr/>
Balance Due Within One Year	\$ 0	\$ 326,961
	<hr/>	<hr/>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 86,112,030
Less: Balance Due Within One Year	(4,659,788)
Less: Unamortized Premium on Debt	460,500
	<hr/>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 81,912,742</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.

Defeasance of Prior Debt

In the prior year, Jefferson County defeased a portion of a general obligation issue (Nursing Home Bond) by placing a portion of a new bond into an irrevocable trust to provide for all future debt service payments on the old bond. The trustee is empowered and required to pay all principal and interest on the defeased bonds as originally scheduled. Accordingly, the trust accounts and the defeased bonds are not included in the county's financial statements.

At June 30, 2015, the refunded Nursing Home Bond (callable 6-1-16) totaling \$2,540,000 is considered defeased.

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, 2015, was as follows:

Business-type Activities:

	Compensated Absences	Closure/ Postclosure Care Costs
Balance, July 1, 2014	\$ 13,077	\$ 4,884,391 (1)
Additions	16,571	0
Reductions	(18,106)	(203,686)
Balance, June 30, 2015	<u>\$ 11,542</u>	<u>\$ 4,680,705</u>
Balance Due Within One Year	<u>\$ 2,959</u>	<u>\$ 112,455</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 4,692,247
Less: Balance Due Within One Year	<u>(115,414)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 4,576,833</u>

(1) This amount is net of a prior-period adjustment of \$613,471, which is discussed in Note I.D.10.

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, 2015, was as follows:

Governmental Activities:

	Compensated Absences	Termination Benefits
Balance, July 1, 2014	\$ 638,587	\$ 113,033
Additions	126,239	69,973
Reductions	(110,703)	(100,473)
Balance, June 30, 2015	<u>\$ 654,123</u>	<u>\$ 82,533</u>
Balance Due Within One Year	<u>\$ 162,987</u>	<u>\$ 59,208</u>

	Other Postemployment Benefits
Balance, July 1, 2014	\$ 8,617,300
Additions	1,959,879
Reductions	(803,324)
Balance, June 30, 2015	<u>\$ 9,773,855</u>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 10,510,511
Less: Balance Due Within One Year	<u>(222,195)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 10,288,316</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.

F. 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 \$67,945,627 at June 30, 2015. That debt carries the general obligation pledge of the government in addition to the specific pledge of the one-half cent sales tax revenue.

G. On-Behalf Payments

Primary Government

The State of Tennessee pays health insurance premiums for retired employees on-behalf of Jefferson County. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Medicare Supplement plan for the year ended June 30, 2015, were \$450. The county has recognized these on-behalf payments as revenues and expenditures in the General Fund.

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 and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2015, were \$187,447 and \$51,875, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

H. Internal Financing

In-lieu-of issuing debt with financial institutions, Jefferson County chose to internally finance various projects with idle county funds. During a previous year, the county loaned \$201,700 of idle funds under Bond Anticipation Note Series 2011A from the General Debt Service Fund to the Solid Waste Disposal Fund to purchase equipment. The balance of \$88,127 due on Bond Anticipation Note Series 2011A notes is reflected as Due from Other Funds in the General Debt Service Fund and as Due to Other Funds in the Solid Waste Disposal Fund.

Internally Reported Interfund Notes Receivable/Payable

	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date
<u>Due to General Debt Service</u>				
<u>Fund from Solid Waste</u>				
<u>Disposal Fund</u>				
Bond Anticipation				
Note - Series 2011A				
(Solid Waste)	\$ 201,700	1.25 %	10-4-11	10-4-17
			Paid and/or Matured	
	Outstanding 7-1-14	Issued During Period	During Period	Outstanding 6-30-15
<u>Due to General Debt Service</u>				
<u>Fund from Solid Waste</u>				
<u>Disposal Fund</u>				
Bond Anticipation				
Note - Series 2011A				
(Solid Waste)	\$ 198,127	\$ 0	\$ (110,000)	\$ 88,127
Total	\$ 198,127	\$ 0	\$ (110,000)	\$ 88,127

In a prior year, internally reported capital outlay notes of \$698,587 were also borrowed from the General Debt Service Fund to provide funds for construction costs of the discretely presented School Department. For external reporting, this transaction was recognized as a contribution to the School Department's Other Capital Projects – RZEDB Fund in the prior year. Repayment of the notes is being provided by annual transfers of tax credit bond rebate revenues from the General Fund. This internally reported notes receivable of the General Debt Service Fund that is to be retired from the General Debt Service Fund from tax credit bond rebate revenues is summarized below:

	Outstanding 7-1-14	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-15
School Department Improvements	\$ 590,977	\$ 0	\$ (471,974)	\$ 119,003
Total	\$ 590,977	\$ 0	\$ (471,974)	\$ 119,003

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 general liability, property, casualty, and workers' compensation coverage. 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 Comprehensive Annual 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 Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund.

Section 8-27-303, TCA, provides for the LEGIF to be self-sustaining through member premiums.

Jefferson County and the discretely presented School Department have chosen to establish Employee Insurance - Dental and Vision funds for risks associated with the employees' dental and vision plans. The Employee Insurance - Dental and Vision funds are accounted for as internal service funds where assets are set aside for claim settlements. The maximum liability is \$1,200 per employee per year for dental coverage only and \$1,500 per employee per year for dental and vision coverage. All full-time employees of Jefferson County and the School Department are eligible to participate. A premium charge is allocated to each fund that accounts for full-time employees. This charge is based on estimates of the amounts needed to pay claims. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The Employee Insurance - Dental and Vision funds established claims liabilities based on estimates of claims that have been incurred but not reported. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

Employee Insurance - Dental and Vision Funds

	Beginning of Fiscal Year Liability	Current-Year Claims and Estimates	Payments	Balance at Fiscal Year-end
<u>Primary Government</u>				
2013-2014	\$ 2,054	\$ 113,843	\$ 111,425	4,472
2014-2015	4,472	143,084	138,866	8,690
<u>Discretely Presented School Department</u>				
2013-2014	50,677	323,972	325,225	49,424
2014-2015	49,424	349,899	375,577	23,746

B. 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, 2015, Jefferson County has an outstanding assessment, which was due June 30, 2012, of \$59,732. 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.

C. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement No. 27*; Statement No. 69, *Government Combinations and Disposals of Government Operations*; and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an Amendment of GASB Statement No. 68* became effective for the year ended June 30, 2015.

GASB Statement No. 68, replaces the requirements of Statements No. 27 and No. 50 as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not covered by the scope of this statement. This statement establishes standards for measuring and recognizing liabilities, deferred outflows/inflows, and expenses/expenditures.

GASB Statement No. 69, establishes accounting and financial reporting standards related to government combinations and disposals of government operations such as mergers, acquisitions, and transfer of operations.

GASB Statement No. 71, addresses issues related to amounts of contributions made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

D. Subsequent Events

Subsequent to June 30, 2015, the Jefferson County Commission approved the allocation of up to \$1,035,000 from unassigned fund balance of the primary government's General Fund, along with \$1,000,000 from the unassigned fund balance of the discretely presented Jefferson County School Department's General Purpose School Fund, to fund renovations at White Pine School. As of the date of this report, no amounts have been paid from the county's General Fund due to questions relating to the legality of using General Fund monies for school purposes. Management expects to present an alternate funding plan to the County Commission regarding the funding of those renovations.

Subsequent to June 30, 2015, the county sought bids for the improvement of the Witt Road Bridge. A construction contract of approximately \$290,500 is expected to be executed in February 2016 for this project.

E. Contingent Liabilities

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.

F. Changes in Administration

On August 31, 2014, R.E. Farrar III left the Office of County Clerk and was succeeded by Frank Herndon. Darrell Helton resigned as Finance Director on December 31, 2014, and was succeeded by Langdon Potts.

G. 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 \$4,680,705 reported as landfill closure and postclosure care liability at June 30, 2015, represents the cumulative amount reported to date based on the use of 47 percent of the estimated capacity of the operating Patterson landfill site (\$3,424,526) and postclosure care costs for the Highway 92 landfill site, which closed in 1993 (\$1,256,179). The amounts reported as closure/postclosure liability at June 30, 2015, are based on what it would cost to perform all closure and postclosure care costs in 2015. The postclosure care liability includes a prior-period adjustment of \$613,471 as discussed in Note I.D. 10. 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 2032.

H. Joint Ventures

Primary Government

The county, along with Jefferson City, has participated in the operation of Jefferson Memorial Hospital, a health facility. Effective April 1, 1997, the county and city entered into an agreement to lease the hospital, including all assets and all outstanding liabilities, to a nonprofit corporation, Jefferson Memorial Hospital, Inc. (JMH, Inc.), of which obligations are guaranteed by St. Mary's Health Systems, Inc. Effective October 1, 2011, this lease was assigned by St. Mary's Health Systems, Inc., to Jefferson County HMA, LLC, of which, obligations are guaranteed by Knoxville HMA Holdings, LLC. The county and the city created a seven-member oversight board comprising the hospital's chief of staff, three appointees from the county, and three from the city. The board is responsible for administration of the lease and the hospital in the event of lease termination. The county reflects its share of any net revenues from the lease in the Other Special Revenue Fund. Currently, the county receives \$62,500 per month from the lease.

The Fourth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Fourth Judicial District; Sevier, Jefferson, Grainger, and Cocke counties and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Jefferson County made no contributions to the DTF for the year ended June 30, 2015, 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

I. 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 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.H. 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.

J. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Jefferson County, the discretely presented Jefferson County Nursing Home, and non-certified employees of the discretely presented Jefferson County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 40.69 percent, the Jefferson County Nursing Home employees comprise 16.97 percent, and the non-certified employees of the discretely presented School Department comprise 42.34 percent of the plan based on census data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

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

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in

the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2014, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	381
Inactive Employees Entitled to But Not Yet Receiving Benefits	434
Active Employees	725
Total	<u><u>1,540</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 non-contributory. Jefferson County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, employer contributions for Jefferson County were \$3,261,549 based on a rate of 15.63 percent of pensionable 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 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 Liability (Asset)

Jefferson County's net pension liability (asset) was measured as of June 30, 2014, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates were based on actual experience from the June 30, 2012, actuarial experience study, adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established 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 three percent. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	6.46 %	33 %
International Equity Emerging Market	6.26	17
International Equity Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income Real Estate	4.61	8
	0.98	29
	4.73	7
Short-term Securities	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Jefferson County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2013	\$ 60,544,602	\$ 56,099,575	\$ 4,445,027
Changes for the year:			
Service Cost	\$ 1,554,834	\$ 0	\$ 1,554,834
Interest	4,567,501	0	4,567,501
Differences Between Expected and Actual Experience	118,884	0	118,884
Contributions-Employer	0	3,039,363	(3,039,363)
Contributions-Employees	0	0	0
Net Investment Income	0	9,346,723	(9,346,723)
Benefit Payments, Including Refunds of Employee Contributions	(2,398,853)	(2,398,853)	0
Administrative Expense	0	(28,821)	28,821
Net Changes	\$ 3,842,366	\$ 9,958,412	\$ (6,116,046)
Balance, June 30, 2014	\$ 64,386,968	\$ 66,057,987	\$ (1,671,019)

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

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government 40.69%	\$ 26,199,057	\$ 26,878,995	\$ (679,938)
Nursing Home 16.97%	10,926,468	11,210,040	(283,572)
School Department 42.34%	27,261,443	27,968,952	(707,509)
Total	\$ 64,386,968	\$ 66,057,987	\$ (1,671,019)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Jefferson County calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it was

calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Jefferson County	6.5%	7.5%	8.5%

Net Pension Liability \$ 6,992,762 \$ (1,671,019) \$ (8,859,269)

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

Pension Expense. For the year ended June 30, 2015, Jefferson County recognized pension expense of \$917,301.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, Jefferson County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 99,070	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	4,093,054
Contributions Subsequent to the Measurement Date of June 30, 2014 (1)	3,261,549	N/A
Total	<u>\$ 3,360,619</u>	<u>\$ 4,093,054</u>

The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2014,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 1,731,670	\$ 1,665,464
Nursing Home	647,563	694,591
School Department	981,386	1,732,999
Total	<u>\$ 3,360,619</u>	<u>\$ 4,093,054</u>

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

Year Ending June 30	Amount
2016	\$ (1,003,449)
2017	(1,003,449)
2018	(1,003,449)
2019	(1,003,449)
2020	19,814
Thereafter	0

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

Discretely Presented Jefferson County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Jefferson County, the discretely presented Jefferson County Nursing Home, and non-certified employees of the discretely presented Jefferson County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 40.69 percent, employees of the discretely presented Jefferson County Nursing Home

comprise 16.97 percent, and the non-certified employees of the discretely presented School Department comprise 42.34 percent of the plan based on census data.

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 publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

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 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. Members of the Teachers Retirement Plan are entitled to receive unreduced service retirement benefits, which are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and

one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except for in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2015, to the Teacher Retirement Plan were \$41,900, which is four percent of pensionable payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities. Since the measurement date is June 30, 2014, which is prior to the July 1, 2014, inception of the Teacher Retirement Plan, there is no net pension liability to report at June 30, 2015.

Pension Expense. Since the measurement date is June 30, 2014, the Jefferson County School Department did not recognize any pension expense at June 30, 2015.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, the Jefferson County School Department reported deferred outflows of resources related to pensions from the following sources:

Deferred Outflows of Resources	Deferred Inflows of Resources
---	--

LEAs Contributions Subsequent to the Measurement Date of June 30, 2015	\$ 41,900	N/A
---	-----------	-----

The Jefferson County School Department’s employer contributions of \$41,900 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction of net pension liability in the year ending June 30, 2016.

Teacher Legacy Pension Plan

General Information About the Pension Plan

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

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

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. 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, 2015, to the Teacher Legacy Pension Plan were \$2,221,047, which is 9.04 percent of pensionable payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Assets. At June 30, 2015, the Jefferson County School Department reported an asset of \$105,047 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Jefferson County School Department's proportion of the net pension asset was based on the Jefferson County School Department's employer contributions to the pension plan during the year ended June 30, 2014, relative to the contributions of all participating LEAs for the year ended June 30, 2014. At the June 30, 2014, measurement date, the Jefferson County School Department's proportion was .646459 percent. The proportion as of June 30, 2013, was .641424 percent.

Pension Income. For the year ended June 30, 2015, the Jefferson County School Department recognized a pension income of \$78,254.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, the Jefferson County School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 255,027	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	8,655,175
Changes in Proportion of Net Pension Liability (Asset)	71,019	0
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	<u>2,221,047</u>	<u>N/A</u>
Total	<u>\$ 2,547,093</u>	<u>\$ 8,655,175</u>

The Jefferson County School Department's employer contributions of \$2,221,047 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2016	\$ (2,109,453)
2017	(2,109,453)
2018	(2,109,453)
2019	(2,109,453)
2020	54,341
Thereafter	54,341

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, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates are customized based on the June 30, 2012, actuarial experience study and some included adjustment for expected future improvements in life expectancy.

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established 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 three percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	%	Percentage Target Allocations	%
U.S. Equity Developed Market	6.46	%	33	%
International Equity Emerging Market	6.26		17	
International Equity Private Equity and Strategic Lending	6.40		5	
U.S. Fixed Income Real Estate	4.61		8	
	0.98		29	
	4.73		7	
Short-term Securities	0.00		1	
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the four factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 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 Jefferson County School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what Jefferson County School Department's proportionate share of the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
--	---------------------	-------------------------------	---------------------

Net Pension Liability \$ 17,717,304 \$ (105,047) \$ (14,860,021)

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 after July 1, 2014, by the discretely presented Jefferson County School Department are required to participate in a hybrid pension plan administered by the Tennessee Consolidated Retirement System. This hybrid pension plan requires that these teachers contribute five percent of their salaries into a deferred compensation plan managed by the hybrid plan pursuant to IRC Section 401(k). As part of their employment package, the Jefferson County School Department has assumed all costs of funding this program on-behalf of the plan participants. The Section 401(k) plan assets remain the property of the participating teachers and are not presented in the accompanying financial statements. IRC Section 401(k), establishes participation, contribution, and withdrawal provisions for the plans. During the year, the Jefferson County School Department contributed \$51,990 to the 401(k) portion of the hybrid pension plan on-behalf of the plan participants.

K. Other Postemployment Benefits (OPEB)

Plan Description

Jefferson County and the School Department participate in the state-administered Local Government Group Insurance Plan and the Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans.

Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated (TCA)*, for local education employees and Section 8-27-207, *TCA*, for local governments. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tn.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. During the year ended June 30, 2015, Jefferson County contributed \$39,963 for postemployment health care, and the Jefferson County School Department recognized contributions totaling \$803,324 for postemployment health care.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
ARC	\$ 1,951,000	\$ 71,000
Interest on the NOPEBO	344,692	25,105
Adjustment to the ARC	(335,813)	(24,459)
Annual OPEB cost	\$ 1,959,879	\$ 71,646
Amount of contribution	(803,324)	(39,963)
Increase/decrease in NOPEBO	\$ 1,156,555	\$ 31,683
Net OPEB obligation, 7-1-14	8,617,300	627,634
Net OPEB obligation, 6-30-15	<u>\$ 9,773,855</u>	<u>\$ 659,317</u>

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-13	Local Education Group	\$ 2,145,754	35 %	\$ 7,587,767
6-30-14	"	1,890,817	46	8,617,300
6-30-15	"	1,959,879	41	9,773,855
6-30-13	Local Government Group	141,888	18	569,283
6-30-14	"	68,586	15	627,634
6-30-15	"	71,646	56	659,317

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2013, was as follows:

	Local Education Group Plan	Local Government Group Plan
Actuarial valuation date	7-1-13	7-1-13
Actuarial accrued liability (AAL)	\$ 14,793,000	\$ 495,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 14,793,000	\$ 495,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 29,372,986	\$ 10,836,975
UAAL as a % of covered payroll	50.36%	4.57%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2013, actuarial valuation for the Local Government Plan and the Local Education Plan, the projected unit credit actuarial cost method was used and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of seven percent for the fiscal year 2015. The trend rate will decrease to 6.5 percent in fiscal year 2016 and then be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

L. Termination Benefits

The School Department offers an early retirement incentive program in accordance with contract provisions. Prior to March 1, 2013, this plan was available to employees who retired from the school system in the year they reached age 60 or had 30 years of creditable service with the Tennessee Consolidated Retirement System and had a minimum of ten years of employment with the School Department. Currently, the plan is available to employees who retire from the school system between the ages of 57 and 62, and have a minimum of ten years employment in the Jefferson County School System. Prior to March 1, 2013, the plan gave teachers who met the above requirements an option of receiving \$9,500 divided into two equal annual payments or \$10,500 divided into three equal annual payments. Currently, the plan gives teachers who have met the above requirements, \$5,000 divided into three equal annual payments for 10-20 years of service in the Jefferson County School System or \$10,000 divided into three equal annual payments for 21 or more years of service in the Jefferson County School System. During the 2014-15 year, 30 employees participated in the program. The financial statements of this report reflect expenditures of \$100,473 in the General Purpose School Fund for the retirement incentive payments. A nondiscounted long-term liability of \$82,533 is reflected on the government-wide Statement of Net Position for retirement incentives. Of that amount, \$59,208 is due within one year.

M. 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.

N. 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 \$10,000 for the Office of County Mayor, the discretely presented School Department, and the Office of Road Superintendent are required to be competitively bid.

VI. OTHER NOTES – DISCRETELY PRESENTED JEFFERSON COUNTY NURSING HOME

A. Summary of Significant Accounting Policies

Jefferson County Nursing Home is a political subdivision 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 Jefferson County financially accountable for the nursing home. Therefore, the nursing home is a discrete component unit of Jefferson County for financial reporting purposes.

1. Basis of Presentation

The nursing home utilizes the proprietary fund method of accounting whereby revenues and expenses are recognized on the accrual basis, which is an economic resources measurement focus approach to accounting. In December 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. In June 2011, GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflow of Resources, and Net Position*. GASB 62 and 63 were effective for periods beginning after December 15, 2011. GASB 62 makes the *Accounting Standards Codification* 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 assets limited as to use.

All of the nursing home's cash and cash equivalents are covered by federal depository insurance or collateralized by securities held by the financial institutions' trust department in the nursing home's name.

4. **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 a net pension asset of \$283,572 as of June 30, 2015, 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, 2015.

Financial Assets

The carrying amount of financial assets, consisting of cash and cash equivalents, patient accounts receivable, prepaid expenses, accounts payable, accrued expenses, and current portions of long-term debt approximate their fair value due to their relatively short maturities. Long-term debt 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, 2015, 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.

5. **Property and Equipment**

Property and equipment acquisitions are recorded at cost. The nursing home capitalizes purchases that cost a minimum of \$5,000 and have a

useful life greater than two years. Assets are depreciated on a straight-line basis over their estimated useful lives as follows: land improvements 10-12 years, buildings and improvements 10-40 years, equipment 4-20 years, and transportation equipment 5-7 years.

6. 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 \$82,000 for the year ended June 30, 2015.

7. Operating Activities

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

8. Pension Plan

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employee Retirement Plan in the Tennessee Consolidated Retirement System (TCRS) and addition to/deductions from the plan's 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 Public Employee Retirement Plan. Investments are reported at fair value.

9. 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 following table. Such days may be taken only after the employee

has earned them. There is no limit on the number of earned days that can be carried forward if not taken in the year earned. Such liabilities have been accrued in the accompanying Statement of Net Position.

<u>Years of Service</u>	<u>Days Earned Per Year</u>
1 - 10	10
11 - 20	15
20 or more	20

10. 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. The nursing home insures for employee health claims through a county plan administered by the State of Tennessee discussed in Note VI.H.

11. 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, 2015, the nursing home had restricted component of net position – expendable of \$236,544, relating to the net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pension benefits as well as restricted component of net position – expendable designated for employee scholarships as discussed in VI.B. As of June 30, 2015, 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.

12. 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.

13. Cumulative Effect Adjustment

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB No. 27* (GASB 68) and in November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB No. 68*. GASB 68 and 71 amend the accounting and financial reporting by state and local governments for pensions. Under these statements, state and local governments will recognize their specific pension amounts, which include net pension asset (liability), deferred outflows of resources, deferred inflows of resources, and pension income (expense). The nursing home adopted the provisions of these statements as of July 1, 2014, and incorporated the provisions of these statements to its financial statements through retrospective application to all periods presented and a cumulative effect adjustment to net position as of July 1, 2013.

The nursing home decreased net position by \$754,321 as of July 1, 2013, to reflect the cumulative effect of the adoption of GASB 68 and 71 and to record the initial net pension liability. The nursing home's proportionate share of the fiscal year 2014 contributions of \$515,780 were also recorded as a deferred outflow of resources and a reduction of employee benefit expense as of June 30, 2014. The difference between the nursing home's actual contributions and its proportionate share of the 2014 contributions of \$57,658 was recognized as pension expense for the year ended June 30, 2014. The cumulative adjustment to net position was (\$238,541).

14. Long-lived Assets

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

15. 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.

16. Performance Indicator

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

17. Adoption of New Accounting Pronouncements

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities and is effective for financial statements for fiscal years beginning after December 15, 2012. Therefore, the nursing home expects to adopt these standards at the beginning of fiscal year 2014.

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB No. 27*. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. The statement is effective for financial statements for fiscal years beginning after June 15, 2014. Therefore, the nursing home adopted this standard at the beginning of fiscal year 2015.

In January 2013, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. This statement relates to accounting and financial reporting for government combinations and disposals of government operations and is effective for financial statements for fiscal years beginning after December 15, 2013. Therefore the nursing home adopted these standards at the beginning of fiscal year 2015.

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement*

Date – an Amendment of GASB Statement No. 68. The primary objective of this statement is to address an issue regarding application of the transition provisions of Statement No. 68. This statement requires that at transition, an entity recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning of the net pension liability. The provisions of this statement are required to be applied simultaneously with the provision of Statement No. 68.

The adoption of these accounting standards, with the exception of Statement No. 68, did not have a material impact on the nursing home's financial statements. A cumulative adjustment was made to net position as of July 1, 2014. See Notes VI.A.13 and VI.G.

18. New Accounting Pronouncements

In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements and provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This standard is effective for fiscal years beginning after June 15, 2015. Therefore, the Nursing Home expects to adopt this standard at the beginning of fiscal year 2016.

In June 2015, the GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statement Nos. 67 and 68*. This statement is applicable to the nursing home with regard to clarification of certain provisions of Statement No. 68 including information that is required to be presented as notes to the ten-year schedules of required supplementary information. The requirements of this standard that are within the scope of Statement No. 68 are effective for fiscal years beginning after June 15, 2015. Therefore, the nursing home expects to adopt this standard at the beginning of fiscal year 2016.

In June 2015, the GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which amended Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This statement reduces the hierarchy of generally accepted accounting principles (GAAP) to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This statement is effective for fiscal years

beginning after June 15, 2015 and should be applied retroactively. Therefore, the nursing home expects to adopt this standard at the beginning of fiscal year 2016.

The nursing home is currently assessing the impact of adopting these accounting standards.

B. 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 \$2,000 scholarships to qualifying employees. Scholarships awarded are subject to board approval. No employee received a scholarship during the year ended June 30, 2015.

C. 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, 2015.

1. Medicare

The nursing home is paid for substantially all services rendered to Medicare program beneficiaries for skilled nursing care under prospectively determined case-mix rates. Those rates vary according to a classification system that is based on a medical assessment of the rehabilitation needed, extent of services needed, and other factors. 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 88 percent for such uncollected fees for the period July 1, 2013, through March 31, 2014, and reimbursed 76 percent of such uncollected fees for the period April 1, 2014, through March 31, 2015; and expects to be reimbursed 65% through March 31, 2016.

2. Medicaid

The Medicaid program reimburses the nursing home for the cost of skilled nursing or routine care services rendered to Medicaid

beneficiaries at a prospective rate, which is based on the lower of the reimbursable cost of services rendered or a reimbursement cap set by Medicaid for each level of service. The reimbursement cap is expressed as a per diem. Beginning in 2015, the nursing home also received additional payments from the state related to acuity (average facility case mix index scores) and quality scores which totaled \$386,171.

3. Commercial Payors

The nursing home has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the nursing home under these agreements includes prospectively 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, 2015, the nursing home had net receivables from the federal government (Medicare) of approximately \$384,000 and from Medicaid of approximately \$179,000. Medicare comprised 30 percent and Medicaid comprised 47 percent of net patient service revenue for the year ended June 30, 2015.

D. Inventories

A summary of inventories as of June 30, 2015, was as follows:

Food	\$ 11,118
Medical Supplies	7,950
Housekeeping Supplies	3,063
Maintenance Supplies	<u>2,813</u>
 Total	 <u><u>\$ 24,944</u></u>

E. Property and Equipment

The net investment in capital assets as of June 30, 2015, was as follows:

Property and Equipment, Net	\$ 7,757,702
Current Portion of Long-term Debt	(225,000)
Long-term Debt, Excluding Current Portion	(6,850,000)
Restricted Cash for Payment of Financed Interest	<u>105,700</u>
 Total	 <u><u>\$ 788,402</u></u>

The major classifications and changes in property and equipment as of and for the year ended June 30, 2015, are as follows:

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Land	\$ 7,181	\$ 0	\$ 0	\$ 7,181
Land Improvements	230,567	10,305	0	240,872
Building and Improvements	9,843,508	0	0	9,843,508
Machinery and Equipment	2,183,507	0	(1,696)	2,181,811
Transportation Equipment	100,166	0	0	100,166
Total	<u>\$ 12,364,929</u>	<u>\$ 10,305</u>	<u>\$ (1,696)</u>	<u>\$ 12,373,538</u>
Less Allowance for Depreciation and Amortization:				
Land Improvements	\$ (82,333)	\$ (14,214)	\$ 0	\$ (96,547)
Buildings and Improvements	(2,833,058)	(224,311)	0	(3,057,369)
Machinery and Equipment	(1,249,219)	(130,093)	1,454	(1,377,858)
Transportation Equipment	(68,270)	(15,792)	0	(84,062)
Total	<u>\$ (4,232,880)</u>	<u>\$ (384,410)</u>	<u>\$ 1,454</u>	<u>\$ (4,615,836)</u>
Total	<u>\$ 8,132,049</u>	<u>\$ (374,105)</u>	<u>\$ (242)</u>	<u>\$ 7,757,702</u>

F. 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, 2015, is as follows:

	Balance			Amounts	
	7-1-14	Additions	Reductions	Balance	Due Within
				6-30-15	One Year
General Obligation					
Bonds - 2007	\$ 4,525,000	\$ 0	\$ (180,000)	\$ 4,345,000	\$ 190,000
General Obligation				0	0
Refunding Bonds - 2014	2,760,000	0	(30,000)	2,730,000	35,000
Total	\$ 7,285,000	\$ 0	\$ (210,000)	\$ 7,075,000	\$ 225,000

Jefferson County issued \$8,000,000 in General Obligation Bonds, Series 2007 dated December 21, 2007, to fund a 25-bed addition to the nursing home. The bonds are direct general obligations of Jefferson County 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 is irrevocably pledged to pay principal, redemption premiums, if any, and interest on the bonds. However, because the debt was incurred specifically for the addition to the nursing home and the nursing home is expected to repay the debt in full, the bond transactions are reported on the nursing home's financial statements.

The Series 2007 coupon rates range from four percent to 4.4 percent with interest payable in semi-annual payments on June 1 and December 1 and remaining annual principal installments ranging from \$180,000 to \$480,000 each June 1. The final principal installment is due June 1, 2037.

Jefferson County issued \$4,285,000 General Obligation Refunding Bonds, Series 2014, dated May 15, 2014, to be used to call certain bond issuances outstanding by the county. The Series 2014 is also a direct general obligation of the county with a similar pledge as the 2007 Series. \$2,540,000 of the Series 2014 proceeds will be used to call a portion of the Series 2007 obligation on June 1, 2016. The \$2,540,000 is held in the name of the county in an escrow account; therefore, the \$2,540,000 transaction is reflected as a pre-funded debt retirement (non-cash activity) by the nursing home to the county towards the Series 2007 obligation and has reduced the remaining obligation to the county for the Series 2007 accordingly. \$220,000 of the Series 2014 proceeds will be used to finance the payment of interest on the \$2,540,000 portion of the Series 2007 debt through the June 1, 2016, call date. As of June 30, 2015, the remaining \$105,700 is also held in an escrow account in the name of the county. The \$105,700 reflected as an asset of the nursing home will be expensed as interest when the county uses the funds to pay the bond holders under Series 2007. The county utilized \$114,300 of the funds to pay the bond holders under series 2007 and is expensed as interested by the nursing home in 2015. The nursing home has recorded a liability to the county of \$2,760,000 related to the Series 2014 bond issue comprised of the \$2,540,000 and \$220,000 amounts discussed above. The balance has reduced to \$2,730,000 as of June 30, 2015, after a \$30,000

payment of principal during the year ended June 30, 2015. The remaining \$1,525,000 of proceeds from Series 2014 relate to county uses other than the nursing home.

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

A summary of future maturities and interest of long-term debt due to the county related to Series 2007 and Series 2014 bond obligations (excludes the \$2,540,000 pre-funded debt retirement to the county) as of June 30, 2015, is as follows:

Fiscal Year Ending June 30	Principal	Estimated Interest	Interest Pre-funded	Total Payments
2016	\$ 225,000	\$ 366,000	\$ (106,000)	\$ 485,000
2017	235,000	244,000	0	479,000
2018	240,000	235,000	0	475,000
2019	245,000	230,000	0	475,000
2020	245,000	225,000	0	470,000
2021-2025	1,340,000	1,045,000	0	2,385,000
2026-2030	1,595,000	849,000	0	2,444,000
2031-2035	2,010,000	480,000	0	2,490,000
2036-2037	940,000	62,000	0	1,002,000
Total	\$ 7,075,000	\$ 3,736,000	\$ (106,000)	\$ 10,705,000

G. Pension Plan

1. General information about the pension plan

Plan Description

Employees of the nursing home, as a component unit of Jefferson County, are provided a defined benefit pension plan through the Public Employee Retirement 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 the state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided

Tennessee Code Annotated (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 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 non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

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

Contributions

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees 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, 2015, employer contributions for the Nursing home were \$630,750 based on a rate of 15.63% 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 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.

2. Net Pension Asset

At June 30, 2015, the nursing home reported an asset of \$283,572 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The nursing home's proportion of the net pension asset was based on the nursing home's active participants as of June 30, 2014, relative to the active participants of all component units of Jefferson County as of June 30, 2014. At the June 30, 2014, measurement date, the nursing home's proportion was 16.97%.

Actuarial Assumptions

The total pension liability as of June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary Increases	Graded Salary Ranges from 8.97 to 3.71 Percent Based on Age, Including Inflation, Averaging 4.25 Percent
Investment Rate of Return	7.5 Percent, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5 Percent

Mortality rates were based on actual experience from the June 30, 2012 actuarial experience study adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period of July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan

investment expense and inflation) are developed for each major class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established 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 three percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	6.46	% 33
International Equity Emerging Market	6.26	17
International Equity Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income	4.61	8
Real Estate	.98	29
Short-term Securities	4.73	7
	0.00	1
Total		100

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount Rate

The discount rate that was used to measure the total pension liability was 7.5 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 component units of Jefferson County will be made at the actuarially determined contribution rate pursuant to the actuarial valuation in accordance with the pension funding policy of the TCRS Board of Trustees and as required 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.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, June 30, 2013	\$ 10,274,419	\$ 9,520,098	\$ 754,321
Changes for the year:			
Service Cost	\$ 263,855	\$ 0	\$ 263,855
Interest	775,105	0	775,105
Differences Between Expected and Actual Experience	20,174	0	20,174
Contributions - Employer	0	515,780	(515,780)
Net Investment Income	0	1,586,138	(1,586,138)
Benefit Payments, Including Refunds of Employee Contributions	(407,085)	(407,085)	0
Administrative Expense	0	(4,891)	4,891
Net Changes	\$ 652,049	\$ 1,689,942	\$ (1,037,893)
Balance, June 30, 2014	\$ 10,926,468	\$ 11,210,040	\$ (283,572)

Sensitivity of the Nursing Home's Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the nursing home's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what the nursing home's proportionate share of the net position liability (asset) would be if it was calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

	1%	Current	1%
	Decrease (6.5%)	Discount Rate (7.5%)	Increase (8.5%)
Nursing Home's Proportionate Share of the Net Position Liability (Asset)	\$ 1,186,672	\$ (283,572)	\$ (1,503,418)

Pension Plan Fiduciary Net Position

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

3. **Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

Pension Expense

For the year ended June 30, 2015, the nursing home recognized pension expense of \$155,666.

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2015, the nursing home reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 16,812	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	694,591
Nursing Home's Contributions Subsequent to the Measurement Date of June 30, 2014	577,784	0
Total	<u>\$ 594,596</u>	<u>\$ 694,591</u>

The amount shown above for "Contributions Subsequent to the Measurement Date of June 30, 2014," will be recognized as a reduction (increase) to net pension liability (asset) in the year ending June 30, 2016.

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

Year Ending June 30	Amount
2016	\$ (170,285)
2017	(170,285)
2018	(170,285)
2019	(170,285)
2020	3,361

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

4. Payable to the Pension Plan

At June 30, 2015, the nursing home reported a payable of \$74,767 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2015.

H. Commitments and Contingencies

The nursing home leases various equipment under short-term operating lease agreements. Rent expense totaled \$5,189 in 2015.

The nursing home is a member of 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*, all governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

Health Care Industry

The delivery of personal 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. Management intends to

maintain insurance coverages in the future. The nursing home could be involved in litigation arising in the ordinary course of business; however, management is of the opinion that insurance coverages are adequate to cover any future potential losses on asserted claims. Management is unaware of any incidents, which would ultimately result in a loss in excess of the nursing home's insurance coverages. The nursing home also maintains insurance for general liability, director and officer liability, and property.

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

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

The Centers for Medicare and Medicaid Services (CMS) have implemented a Recovery Audit Contractors (RAC) program. The purpose of the program is to reduce improper Medicare payments through the detection and recovery of overpayments. CMS has engaged subcontractors to perform these audits, and they are being compensated on a contingency basis based on the amount of overpayments that are recovered. While management believes that all Medicare billings are proper and adequate support is maintained, certain aspects of Medicare billing, coding, and support are subject to interpretation and may be viewed differently by the RAC auditors. As the amount of any recovery is unknown, management has not recorded any reserves related to the RAC audit at this time.

Health Care Reform

In March 2010, Congress adopted comprehensive health care insurance legislation, the Patient Care Protection and Affordable Care Act was signed into law, along with the Health Care and Education Reconciliation Act of 2010 (collectively, the Affordable Care Act). The passage of the Affordable Care Act has resulted in comprehensive reform legislation that is expected to

expand health care coverage to millions of currently uninsured people beginning in 2014 and provide for significant changes to the U.S. health care system over the next ten years. To help fund this expansion, the Affordable Care Act outlines certain reductions in Medicare reimbursements for various health care providers, as well as certain other changes in Medicare payment methodologies. This comprehensive health care legislation provides for extensive future rulemaking by regulatory authorities, and also may be altered or amended.

Due to the complexity of the Affordable Care Act's laws, lack of current implementation regulations and interpretive guidance, and response by participants in the health care industry to the choices available under the law, it is difficult for the nursing home to predict the full impact of the law on the nursing home's operations. Additionally, pending legislative proposals, which may be adopted may affect the nursing home. The provisions of the legislation and other regulations implementing the provisions of the Affordable Care Act is not yet fully known, changes to policies regarding reimbursement, universal health insurance and managed competition may materially impact the nursing home's operations.

I. Functional Expenses

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

	<u>2015</u>
Healthcare Services	\$ 9,268,619
General and Administrative	<u>2,075,322</u>
Total	<u>\$ 11,343,941</u>

VII. OTHER NOTES – DISCRETELY PRESENTED JEFFERSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

A. Summary of Significant Accounting Policies

The Jefferson County E-911 (the district) is a 911 service, which receives telephone requests for emergency services and provides for the dispatch of appropriate emergency service units. Jefferson County E-911 is a component unit of another governmental entity. Jefferson County, Tennessee, is the primary government in whose financial reporting entity Jefferson County E-911 is included. The district receives a significant portion of its income from the tax revenues of Jefferson County. Also, Jefferson County's legislative body approves board members, debt issues, telephone surcharge rate changes, and annual budgets of the Jefferson County E-911.

The criteria for including organizations as component units within a county's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the county appoints a voting majority of the organization's board
- the county is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the county
- there is a fiscal dependency by the organization on the county

1. Basis of Presentation

The financial statements of the district have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The district applies all Governmental Accounting Standards Board (GASB) pronouncements. The more significant accounting policies of the district are described below.

The entity is a proprietary fund type known as an enterprise fund. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs are financed through user charges.

Proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the Statement of Net Position. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position.

2. Method of Accounting

The full accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

3. Net Position

The district follows the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis –*

for State and Local Governments. It requires the classification of net position into three components – 1) net investment in capital assets, (2) restricted, and 3) unrestricted.

4. **Cash and Cash Equivalents**

For purposes of these financial statements, the district considers all highly liquid investments having original maturity dates of three months or less to be cash equivalents.

5. **Budgetary Principles**

Prior to the beginning of the fiscal year, the Board of Directors adopts an annual budget. All revisions must be approved by the board. All annual appropriations lapse at fiscal year end. Budgetary control is at the line-item level.

The district prepares its budget on a basis of accounting that differs from accounting principles generally accepted in the United States of America (GAAP). The major difference between the budgetary basis of accounting and GAAP is that encumbrances are recorded as the equivalent of expenditures (budget) as opposed to a restriction of fund balance (GAAP). At June 30, 2015, the district had no encumbrances.

6. **Capital Assets**

Capital assets owned by the district are recorded at cost, or if contributed property, at their fair market value at the time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. Depreciation has been calculated on each class of depreciable property using the straight-line method.

7. **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

8. **Operating and Nonoperating Revenues and Expenses**

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets.

Other revenues and expenses are classified as nonoperating in the financial statements.

9. Restricted and Unrestricted Resources

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

10. Pensions

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

B. Cash, Cash Equivalents, and Deposits

Cash consisted of the following at June 30, 2015:

Cash in Bank	\$ 773,969
--------------	------------

At June 30, 2015, all of the district's deposits were either insured by federal depository insurance or guaranteed by bank participation in the Tennessee Bank Collateral Pool. Investment policies of the district follow state law and bond requirements prohibiting investments that are not secured or insured by the U.S. Government.

C. Capital Assets

Capital assets activity for the fiscal year ended June 30, 2015, was as follows:

	Balance			Balance	Depreciation
	7-1-14	Increases	Decreases	6-30-15	Rates
Capital Assets Being Depreciated:					
Office Equipment and Furniture	\$ 8,064	\$ 4,758	\$ 0	\$ 12,822	14.3 - 33.3%
Operating Equipment	207,985	0	0	207,985	14.3 - 20%
Communication Equipment	366,538	7,409	(7,105)	366,842	14.3 - 20%
Software	63,302	39,907	0	103,209	14.3 - 20%
Vehicle	47,797	0	0	47,797	20%
Total Capital Assets Being Depreciated	\$ 693,686	\$ 52,074	\$ (7,105)	\$ 738,655	
Less Accumulated Depreciation for:					
Office Equipment and Furniture	\$ (6,374)	\$ (2,623)	\$ 0	\$ (8,997)	
Operating Equipment	(192,975)	(4,615)	0	(197,590)	
Communication Equipment	(104,868)	(48,647)	7,105	(146,410)	
Software	(8,349)	(14,922)	0	(23,271)	
Vehicle	(32,786)	(5,004)	0	(37,790)	
Total Accumulated Depreciation	\$ (345,352)	\$ (75,811)	\$ 7,105	\$ (414,058)	
Total Capital Assets Being Depreciated, Net	\$ 348,334	\$ (23,737)	\$ 0	\$ 324,597	
Total Net Capital Assets	\$ 348,334	\$ (23,737)	\$ 0	\$ 324,597	

Depreciation charged to expense totaled \$75,811 for the year ended June 30, 2015.

D. Compensated Absences

The vacation year is a calendar year beginning January 1 and ending December 31. Regular full-time employees accrue one day of vacation per month. After five years of service, employees accrue one and one-half days of vacation per month. Employees on vacation are paid at the regular rate of pay during such leave. Employees may accrue annual vacation leave up to a maximum of the days earned for the prior service year. Unpaid vacation leave totaled \$16,960 for the year ended June 30, 2015.

Sick leave is earned by regular full-time employees at the rate of one day per month. Employees may accumulate sick leave without a maximum. Accumulated sick leave does not vest for payment at termination; however, if the employee retires such accumulated sick leave counts as time of service under the district's participation in the TCRS Pension Plan.

E. Retirement Plan

General Information about the Plan

Plan Description

Employees of Jefferson County Emergency Communications District are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by 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 publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided

Tennessee Code Annotated (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 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

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

Employees Covered by Benefit Terms. At the measurement date of June 30, 2014, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	2
Inactive employees entitled to but not yet receiving benefits	20
Active employees	16
	<hr style="border-top: 1px solid black;"/>
	38
	<hr style="border-top: 1px solid black;"/>

Contributions

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5 percent of salary. Jefferson County Emergency Communications District makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, employer contributions for Jefferson County Emergency Communications District were \$30,634 based on a rate of 5.67 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Jefferson County Emergency Communications District's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined 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 Liability (Asset)

Jefferson County Emergency Communications District's net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability as of June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 Percent
Salary Increases	Graded Salary Ranges from 8.97 to 3.71 Percent Based on Age, Including Inflation, Averaging 4.25 Percent
Investment Rate of Return	7.5 Percent, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5 Percent

Mortality rates were based on actual experience from the June 30, 2012, actuarial experience study adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding inflation of 3 percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	6.46	% 33 %
International Equity Emerging Market	6.26	17
International Equity Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income	4.61	8
Real Estate	.98	29
Short-term Securities	4.73	7
	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount Rate

The discount rate used to measure the total pension liability was 7.5 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 Jefferson County Emergency Communications District 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 Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, June 30, 2013	\$ 563,706	\$ 473,832	\$ 89,874
Changes for the year:			
Service Cost	\$ 38,360	\$ 0	\$ 38,360
Interest	44,419	0	44,419
Differences Between Expected and Actual Experience	(780)	0	(780)
Contributions - Employer	0	28,583	(28,583)
Contributions - Employee	0	25,254	(25,254)
Net Investment Income	0	81,747	(81,747)
Benefit Payments, Including Refunds of Employee Contributions	(19,615)	(19,615)	0
Administrative Expense	0	(601)	601
Net Changes	\$ 62,384	\$ 115,368	\$ (52,984)
Balance, June 30, 2014	\$ 626,090	\$ 589,200	\$ 36,890

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of Jefferson County Emergency Communications District calculated using the

discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it was calculated using a discount rate that is 1 percentage-point lower (6.5 percent) or 1 percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Jefferson County Emergency Communications District's Net Pension Liability (Asset)	\$ 153,235	\$ 36,890	\$ (54,840)

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

Pension Expense

For the year ended June 30, 2015, Jefferson County Emergency Communications District recognized pension expense of \$12,251.

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2015, Jefferson County Emergency Communications District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 0	\$ 693
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	35,959
Contributions Subsequent to the Measurement Date of June 30, 2014	30,634	0
Total	<u>\$ 30,634</u>	<u>\$ 36,652</u>

The amount shown above for "Contributions Subsequent to the Measurement Date of June 30, 2014," will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

Year Ending June 30	Amount
2016	\$ (9,077)
2017	(9,077)
2018	(9,077)
2019	(9,077)
2020	(87)
Thereafter	(261)

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

Payable to the Pension Plan

At June 30, 2015, Jefferson County Emergency Communications District reported a payable of \$0 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2015.

F. Risk Management

The district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The district purchases commercial insurance for all of these risks of loss. There have been no claims in the prior three years.

G. Cumulative Effect of Change in Accounting Principle

The district restated its beginning net position by reporting a cumulative effect of change in accounting principle as of July 1, 2014, to record the net pension liability of \$89,874 and reduce net position by \$89,874 and to record employer contributions made during the year ended June 30, 2014, of \$28,583 and increase net position by \$28,583 in accordance with GASB 68 and GASB 71. The cumulative effect in this change in accounting principle totaled \$61,291.

**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 Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	<u>2014</u>
Total Pension Liability (Asset)	
Service Cost	\$ 1,554,834
Interest	4,567,501
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	118,884
Changes in Assumptions	0
Benefit Payments, Including Refunds of Employee Contributions	(2,398,853)
Net Change in Total Pension Liability (Asset)	<u>\$ 3,842,366</u>
Total Pension Liability (Asset), Beginning	<u>60,544,602</u>
Total Pension Liability, Ending (a)	<u>\$ 64,386,968</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 3,039,363
Contributions - Employee	0
Net Investment Income	9,346,723
Benefit Payments, Including Refunds of Employee Contributions	(2,398,853)
Administrative Expense	(28,821)
Net Change in Plan Fiduciary Net Position	<u>\$ 9,958,412</u>
Plan Fiduciary Net Position, Beginning	<u>56,099,575</u>
Plan Fiduciary Net Position, Ending (b)	<u>\$ 66,057,987</u>
Net Pension Liability (Asset), Ending (a - b)	<u><u>\$ (1,671,019)</u></u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	102.60%
Covered Employee Payroll	\$ 20,577,990
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	8.12%

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

Note: data presented is 40.69% primary government,
42.34% non-certified employees of the discretely presented School Department, and
16.97% discretely presented Jefferson County Nursing Home.

Exhibit F-2

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

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 3,039,363	\$ 3,261,549
Less Contributions in Relation to the Actuarially Determined Contribution	(3,039,363)	(3,261,549)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
 Covered Employee Payroll	 \$ 20,577,990	 \$ 24,045,493
 Contributions as a Percentage of Covered Employee Payroll	 14.77%	 13.56%

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

Note: data presented includes primary government, non-certified employees of the discretely presented School Department, and the discretely presented Jefferson County Nursing Home.

Exhibit F-3

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

	<u>2015</u>
Actuarially Determined Contribution	\$ 26,188
Less Contributions in Relation to the Actuarially Determined Contribution	(41,900)
Contribution Deficiency (Excess)	<u>\$ (15,712)</u>
 Covered Employee Payroll	 \$ 1,047,492
 Contributions as a Percentage of Covered Employee Payroll	 4.00%

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

Exhibit F-4

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

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 2,253,165	\$ 2,221,047
Less Contributions in Relation to the Actuarially Determined Contribution	(2,253,165)	(2,221,047)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
 Covered Employee Payroll	 \$ 25,373,474	 \$ 24,895,868
 Contributions as a Percentage of Covered Employee Payroll	 8.88%	 8.92%

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

Exhibit F-5

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

	<u>2014</u>
School Department's Proportion of the Net Pension Asset	0.646459%
School Department's Proportionate Share of the Net Pension Asset	\$ 105,047
Covered Employee Payroll	\$ 25,373,474
School Department's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Employee Payroll	0.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%

* The amounts presented were determined as of June 30 of the prior fiscal year.

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

Exhibit F-6

Jefferson County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Jefferson County School Department
June 30, 2015

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>PRIMARY GOVERNMENT</u>							
Local Government Group	7-1-10	\$ 0	\$ 1,383	\$ 1,383	0 %	\$ 10,289	13.4 %
"	7-1-11	0	936	936	0	10,343	9.1
"	7-1-13	0	495	495	0	10,837	4.6
<u>DISCRETELY PRESENTED JEFFERSON COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-10	0	13,949	13,949	0	28,319	49.3
"	7-1-11	0	16,205	16,205	0	28,415	57
"	7-1-13	0	14,793	14,793	0	29,373	50.4

JEFFERSON COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2015

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2015 were calculated based on the July 1, 2013, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Frozen Initial Liability
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	2 Years
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, 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	2.5%

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

Other Special Revenue Fund – The Other Special Revenue Fund is used to account for the county's share of revenues generated under the joint venture hospital lease.

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.

Jefferson County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

	<u>Special Revenue Funds</u>			
	<u>Courthouse and Jail Maintenance</u>	<u>Law Library</u>	<u>Solid Waste / Sanitation</u>	<u>Drug Control</u>
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	341,616	7,520	534,063	194,325
Accounts Receivable	0	0	0	0
Due from Other Governments	0	0	0	5,000
Property Taxes Receivable	0	0	1,809,601	0
Allowance for Uncollectible Property Taxes	0	0	(84,297)	0
Total Assets	<u>\$ 341,616</u>	<u>\$ 7,520</u>	<u>\$ 2,259,367</u>	<u>\$ 199,325</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 1,100	\$ 1,497	\$ 10,589
Accrued Payroll	0	0	14,574	0
Due to Other Funds	0	0	74,088	0
Due to State of Tennessee	0	0	536	0
Total Liabilities	<u>\$ 0</u>	<u>\$ 1,100</u>	<u>\$ 90,695</u>	<u>\$ 10,589</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 1,675,737	\$ 0
Deferred Delinquent Property Taxes	0	0	40,125	0
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,715,862</u>	<u>\$ 0</u>

(Continued)

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

FUND BALANCES

Restricted:

Restricted for General Government

Restricted for Finance

Restricted for Administration of Justice

Restricted for Public Safety

Restricted for Public Health and Welfare

Committed:

Committed for Public Health and Welfare

Committed for Other Operations

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

<u>Special Revenue Funds</u>			
<u>Courthouse and Jail Maintenance</u>	<u>Law Library</u>	<u>Solid Waste / Sanitation</u>	<u>Drug Control</u>
\$ 341,616	\$ 0	\$ 0	\$ 0
0	0	0	0
0	6,420	0	0
0	0	0	188,736
0	0	441,267	0
0	0	11,543	0
0	0	0	0
<u>\$ 341,616</u>	<u>\$ 6,420</u>	<u>\$ 452,810</u>	<u>\$ 188,736</u>
<u>\$ 341,616</u>	<u>\$ 7,520</u>	<u>\$ 2,259,367</u>	<u>\$ 199,325</u>

(Continued)

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

	<u>Special Revenue Funds</u> (Cont.)		
	<u>Other</u> <u>Special</u> <u>Revenue</u>	<u>Constitu -</u> <u>tional</u> <u>Officers -</u> <u>Fees</u>	<u>Total</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
<u>ASSETS</u>			
Cash	\$ 0	\$ 113,217	\$ 113,217
Equity in Pooled Cash and Investments	3,948,488	0	5,026,012
Accounts Receivable	0	3,057	3,057
Due from Other Governments	0	0	5,000
Property Taxes Receivable	0	0	1,809,601
Allowance for Uncollectible Property Taxes	0	0	(84,297)
Total Assets	<u>\$ 3,948,488</u>	<u>\$ 116,274</u>	<u>\$ 6,872,590</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 0	\$ 13,186
Accrued Payroll	0	0	14,574
Due to Other Funds	0	1,457	75,545
Due to State of Tennessee	0	0	536
Total Liabilities	<u>\$ 0</u>	<u>\$ 1,457</u>	<u>\$ 103,841</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 1,675,737
Deferred Delinquent Property Taxes	0	0	40,125
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,715,862</u>

(Continued)

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

FUND BALANCES

Restricted:

Restricted for General Government

Restricted for Finance

Restricted for Administration of Justice

Restricted for Public Safety

Restricted for Public Health and Welfare

Committed:

Committed for Public Health and Welfare

Committed for Other Operations

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

Special Revenue Funds (Cont.)			Total
Other Special Revenue	Constitu - tional Officers - Fees		
		Nonmajor Governmental Funds	
\$ 0	\$ 0	\$	341,616
0	114,817		114,817
0	0		6,420
0	0		188,736
0	0		441,267
0	0		11,543
3,948,488	0		3,948,488
<u>\$ 3,948,488</u>	<u>\$ 114,817</u>	<u>\$</u>	<u>5,052,887</u>
<u>\$ 3,948,488</u>	<u>\$ 116,274</u>	<u>\$</u>	<u>6,872,590</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, 2015

	Special Revenue Funds			
	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control
<u>Revenues</u>				
Local Taxes	\$ 55,025	\$ 14,241	\$ 1,756,714	\$ 0
Fines, Forfeitures, and Penalties	0	0	0	42,803
Charges for Current Services	0	0	0	0
Other Local Revenues	0	0	221	61
Federal Government	0	0	0	49,477
Other Governments and Citizens Groups	0	0	0	2,000
Total Revenues	\$ 55,025	\$ 14,241	\$ 1,756,935	\$ 94,341
<u>Expenditures</u>				
Current:				
General Government	\$ 0	\$ 0	\$ 0	\$ 0
Finance	527	0	0	0
Public Safety	0	13,019	0	59,869
Public Health and Welfare	0	0	2,123,605	0
Other Operations	0	0	0	0
Total Expenditures	\$ 527	\$ 13,019	\$ 2,123,605	\$ 59,869
Excess (Deficiency) of Revenues Over Expenditures	\$ 54,498	\$ 1,222	\$ (366,670)	\$ 34,472
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 0	\$ 0	\$ 892	\$ 0
Transfers In	0	3,518	4,943	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	\$ 0	\$ 3,518	\$ 5,835	\$ 0

(Continued)

Exhibit G-2

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

	Special Revenue Funds			
	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control
Net Change in Fund Balances	\$ 54,498	\$ 4,740	\$ (360,835)	\$ 34,472
Fund Balance, July 1, 2014	287,118	1,680	813,645	154,264
Fund Balance, June 30, 2015	<u>\$ 341,616</u>	<u>\$ 6,420</u>	<u>\$ 452,810</u>	<u>\$ 188,736</u>

(Continued)

Exhibit G-2

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

	Special Revenue Funds (Cont.)		Total Nonmajor Governmental Funds
	Other Special Revenue	Constitu - tional Officers - Fees	
<u>Revenues</u>			
Local Taxes	\$ 0	\$ 0	\$ 1,825,980
Fines, Forfeitures, and Penalties	0	0	42,803
Charges for Current Services	0	845,533	845,533
Other Local Revenues	760,938	805	762,025
Federal Government	0	0	49,477
Other Governments and Citizens Groups	0	0	2,000
Total Revenues	<u>\$ 760,938</u>	<u>\$ 846,338</u>	<u>\$ 3,527,818</u>
<u>Expenditures</u>			
Current:			
General Government	\$ 1,682	\$ 104,875	\$ 106,557
Finance	7,609	742,103	750,239
Public Safety	0	0	72,888
Public Health and Welfare	0	0	2,123,605
Other Operations	373,200	0	373,200
Total Expenditures	<u>\$ 382,491</u>	<u>\$ 846,978</u>	<u>\$ 3,426,489</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 378,447</u>	<u>\$ (640)</u>	<u>\$ 101,329</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 17,651	\$ 0	\$ 18,543
Transfers In	0	0	8,461
Transfers Out	(373,200)	0	(373,200)
Total Other Financing Sources (Uses)	<u>\$ (355,549)</u>	<u>\$ 0</u>	<u>\$ (346,196)</u>

(Continued)

Exhibit G-2

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

	Special Revenue Funds (Cont.)		
	Other Special Revenue	Constitu - tional Officers - Fees	Total Nonmajor Governmental Funds
Net Change in Fund Balances	\$ 22,898	\$ (640)	\$ (244,867)
Fund Balance, July 1, 2014	3,925,590	115,457	5,297,754
Fund Balance, June 30, 2015	<u>\$ 3,948,488</u>	<u>\$ 114,817</u>	<u>\$ 5,052,887</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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 55,025	\$ 51,500	\$ 51,500	\$ 3,525
Total Revenues	\$ 55,025	\$ 51,500	\$ 51,500	\$ 3,525
<u>Expenditures</u>				
<u>Finance</u>				
Other Finance	\$ 527	\$ 450	\$ 450	\$ (77)
Total Expenditures	\$ 527	\$ 450	\$ 450	\$ (77)
Excess (Deficiency) of Revenues Over Expenditures	\$ 54,498	\$ 51,050	\$ 51,050	\$ 3,448
Net Change in Fund Balance	\$ 54,498	\$ 51,050	\$ 51,050	\$ 3,448
Fund Balance, July 1, 2014	287,118	118,650	118,650	168,468
Fund Balance, June 30, 2015	\$ 341,616	\$ 169,700	\$ 169,700	\$ 171,916

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 14,241	\$ 9,000	\$ 9,535	\$ 4,706
Total Revenues	\$ 14,241	\$ 9,000	\$ 9,535	\$ 4,706
<u>Expenditures</u>				
<u>Finance</u>				
Other Finance	\$ 0	\$ 100	\$ 0	\$ 0
<u>Public Safety</u>				
Jail	13,019	12,418	13,053	34
Total Expenditures	\$ 13,019	\$ 12,518	\$ 13,053	\$ 34
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,222	\$ (3,518)	\$ (3,518)	\$ 4,740
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 3,518	\$ 3,518	\$ 3,518	\$ 0
Total Other Financing Sources	\$ 3,518	\$ 3,518	\$ 3,518	\$ 0
Net Change in Fund Balance	\$ 4,740	\$ 0	\$ 0	\$ 4,740
Fund Balance, July 1, 2014	1,680	0	0	1,680
Fund Balance, June 30, 2015	\$ 6,420	\$ 0	\$ 0	\$ 6,420

Exhibit G-5

Jefferson County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual and Budget
 Solid Waste/Sanitation Fund
 For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,756,714	\$ 1,718,000	\$ 1,718,000	\$ 38,714
Other Local Revenues	221	0	0	221
Total Revenues	<u>\$ 1,756,935</u>	<u>\$ 1,718,000</u>	<u>\$ 1,718,000</u>	<u>\$ 38,935</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Waste Pickup	\$ 2,123,605	\$ 1,796,991	\$ 2,163,826	\$ 40,221
Total Expenditures	<u>\$ 2,123,605</u>	<u>\$ 1,796,991</u>	<u>\$ 2,163,826</u>	<u>\$ 40,221</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (366,670)</u>	<u>\$ (78,991)</u>	<u>\$ (445,826)</u>	<u>\$ 79,156</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 892	\$ 0	\$ 892	\$ 0
Transfers In	4,943	0	4,943	0
Total Other Financing Sources	<u>\$ 5,835</u>	<u>\$ 0</u>	<u>\$ 5,835</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (360,835)	\$ (78,991)	\$ (439,991)	\$ 79,156
Fund Balance, July 1, 2014	<u>813,645</u>	<u>78,991</u>	<u>439,991</u>	<u>373,654</u>
Fund Balance, June 30, 2015	<u>\$ 452,810</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 452,810</u>

Exhibit G-6

Jefferson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control Fund
For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 42,803	\$ 0	\$ 42,803	\$ 39,800	\$ 39,800	\$ 3,003
Other Local Revenues	61	0	61	0	0	61
Federal Government	49,477	0	49,477	0	0	49,477
Other Governments and Citizens Groups	2,000	0	2,000	0	0	2,000
Total Revenues	\$ 94,341	\$ 0	\$ 94,341	\$ 39,800	\$ 39,800	\$ 54,541
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 59,869	\$ (4,413)	\$ 55,456	\$ 75,000	\$ 75,000	\$ 19,544
Total Expenditures	\$ 59,869	\$ (4,413)	\$ 55,456	\$ 75,000	\$ 75,000	\$ 19,544
Excess (Deficiency) of Revenues Over Expenditures	\$ 34,472	\$ 4,413	\$ 38,885	\$ (35,200)	\$ (35,200)	\$ 74,085
Net Change in Fund Balance	\$ 34,472	\$ 4,413	\$ 38,885	\$ (35,200)	\$ (35,200)	\$ 74,085
Fund Balance, July 1, 2014	154,264	(4,413)	149,851	35,200	35,200	114,651
Fund Balance, June 30, 2015	\$ 188,736	\$ 0	\$ 188,736	\$ 0	\$ 0	\$ 188,736

Exhibit G-7

Jefferson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other Special Revenue Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 760,938	\$ 754,000	\$ 755,682	\$ 5,256
Total Revenues	\$ 760,938	\$ 754,000	\$ 755,682	\$ 5,256
<u>Expenditures</u>				
<u>General Government</u>				
Other Facilities	\$ 1,682	\$ 0	\$ 1,682	\$ 0
<u>Finance</u>				
Other Finance	7,609	7,600	7,600	(9)
<u>Other Operations</u>				
Contributions to Other Agencies	373,200	0	373,200	0
Total Expenditures	\$ 382,491	\$ 7,600	\$ 382,482	\$ (9)
Excess (Deficiency) of Revenues Over Expenditures	\$ 378,447	\$ 746,400	\$ 373,200	\$ 5,247
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 17,651	\$ 0	\$ 0	\$ 17,651
Transfers Out	(373,200)	(746,400)	(373,200)	0
Total Other Financing Sources	\$ (355,549)	\$ (746,400)	\$ (373,200)	\$ 17,651
Net Change in Fund Balance	\$ 22,898	\$ 0	\$ 0	\$ 22,898
Fund Balance, July 1, 2014	3,925,590	0	0	3,925,590
Fund Balance, June 30, 2015	\$ 3,948,488	\$ 0	\$ 0	\$ 3,948,488

Major Governmental Funds

General Debt Service Fund

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

General Capital Projects Fund

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

Exhibit H-1

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 4,925,789	\$ 4,701,500	\$ 4,701,500	\$ 224,289
Other Local Revenues	674,814	597,721	610,696	64,118
Federal Government	442,418	0	442,418	0
Total Revenues	\$ 6,043,021	\$ 5,299,221	\$ 5,754,614	\$ 288,407
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,005,000	\$ 325,000	\$ 1,005,000	\$ 0
Education	3,142,979	1,604,474	3,144,712	1,733
<u>Interest on Debt</u>				
General Government	408,288	281,104	791,005	382,717
Education	2,792,904	2,006,076	2,796,540	3,636
<u>Other Debt Service</u>				
General Government	88,773	1,259,000	101,236	12,463
Education	0	1,888,522	0	0
Total Expenditures	\$ 7,437,944	\$ 7,364,176	\$ 7,838,493	\$ 400,549
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,394,923)	\$ (2,064,955)	\$ (2,083,879)	\$ 688,956
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 476,406	\$ 476,663	\$ 476,663	\$ (257)
Total Other Financing Sources	\$ 476,406	\$ 476,663	\$ 476,663	\$ (257)
Net Change in Fund Balance	\$ (918,517)	\$ (1,588,292)	\$ (1,607,216)	\$ 688,699
Fund Balance, July 1, 2014	7,667,642	7,431,337	7,431,337	236,305
Fund Balance, June 30, 2015	\$ 6,749,125	\$ 5,843,045	\$ 5,824,121	\$ 925,004

Exhibit H-2

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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 475,101	\$ 0	\$ 0	\$ 475,101	\$ 459,300	\$ 459,300	\$ 15,801
Total Revenues	\$ 475,101	\$ 0	\$ 0	\$ 475,101	\$ 459,300	\$ 459,300	\$ 15,801
<u>Expenditures</u>							
<u>Capital Projects</u>							
Other General Government Projects	\$ 394,748	\$ (208,453)	\$ 29,028	\$ 215,323	\$ 663,900	\$ 209,907	\$ (5,416)
Education Capital Projects	7,942,608	(1,070)	0	7,941,538	0	8,123,441	181,903
Total Expenditures	\$ 8,337,356	\$ (209,523)	\$ 29,028	\$ 8,156,861	\$ 663,900	\$ 8,333,348	\$ 176,487
Excess (Deficiency) of Revenues Over Expenditures	\$ (7,862,255)	\$ 209,523	\$ (29,028)	\$ (7,681,760)	\$ (204,600)	\$ (7,874,048)	\$ 192,288
<u>Other Financing Sources (Uses)</u>							
Bonds Issued	\$ 6,790,000	\$ 0	\$ 0	\$ 6,790,000	\$ 0	\$ 6,790,000	\$ 0
Premiums on Debt Issued	68,441	0	0	68,441	0	68,441	0
Transfers In	420,815	0	0	420,815	0	420,814	1
Transfers Out	(49,893)	0	0	(49,893)	0	(49,893)	0
Total Other Financing Sources	\$ 7,229,363	\$ 0	\$ 0	\$ 7,229,363	\$ 0	\$ 7,229,362	\$ 1
Net Change in Fund Balance	\$ (632,892)	\$ 209,523	\$ (29,028)	\$ (452,397)	\$ (204,600)	\$ (644,686)	\$ 192,289
Fund Balance, July 1, 2014	922,953	(209,523)	0	713,430	204,600	644,686	68,744
Fund Balance, June 30, 2015	\$ 290,061	\$ 0	\$ (29,028)	\$ 261,033	\$ 0	\$ 0	\$ 261,033

Fiduciary Funds

Agency Funds are used to account for assets held by the county in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Cities - Sales Tax Fund – The Cities - Sales Tax Fund is used to account for the second half of the sales tax revenues collected inside incorporated cities of the county. These revenues are received by the county from the State of Tennessee and forwarded to the various cities on a monthly basis.

Cities - Property Tax Fund – The Cities - Property Tax Fund is used to account for city property taxes levied by the Town of Dandridge 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 Town of Dandridge and the City of Baneberry monthly.

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk, circuit and general sessions courts clerk, clerk and master, register of deeds, and sheriff. Such collections include amounts due to other county funds, litigants, heirs, and others.

Exhibit I-1

Jefferson County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2015

	<u>Agency Funds</u>			
	Cities - Sales Tax	Cities - Property Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 1,520,960	\$ 1,520,960
Equity in Pooled Cash and Investments	0	4,970	0	4,970
Accounts Receivable	0	0	37,440	37,440
Due from Other Governments	879,152	0	0	879,152
Property Taxes Receivable	0	1,259,162	0	1,259,162
Allowance for Uncollectible Property Taxes	0	(70,690)	0	(70,690)
Total Assets	<u>\$ 879,152</u>	<u>\$ 1,193,442</u>	<u>\$ 1,558,400</u>	<u>\$ 3,630,994</u>
<u>LIABILITIES</u>				
Due to Other Taxing Units	\$ 879,152	\$ 1,193,442	\$ 0	\$ 2,072,594
Due to Litigants, Heirs, and Others	0	0	1,558,400	1,558,400
Total Liabilities	<u>\$ 879,152</u>	<u>\$ 1,193,442</u>	<u>\$ 1,558,400</u>	<u>\$ 3,630,994</u>

Exhibit I-2

Jefferson County, Tennessee
 Combining Statement of Changes in Assets and
 Liabilities - All Agency Funds
 For the Year Ended June 30, 2015

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 4,953,086	\$ 4,953,086	\$ 0
Due from Other Governments	846,345	879,152	846,345	879,152
Total Assets	\$ 846,345	\$ 5,832,238	\$ 5,799,431	\$ 879,152
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 846,345	\$ 5,832,238	\$ 5,799,431	\$ 879,152
Total Liabilities	\$ 846,345	\$ 5,832,238	\$ 5,799,431	\$ 879,152
<u>Cities - Property Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 9,207	\$ 1,136,237	\$ 1,140,474	\$ 4,970
Property Taxes Receivable	1,255,811	1,259,162	1,255,811	1,259,162
Allowance for Uncollectible Property Taxes	(29,708)	(70,690)	(29,708)	(70,690)
Total Assets	\$ 1,235,310	\$ 2,324,709	\$ 2,366,577	\$ 1,193,442
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,235,310	2,324,709	\$ 2,366,577	\$ 1,193,442
Total Liabilities	\$ 1,235,310	\$ 2,324,709	\$ 2,366,577	\$ 1,193,442
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,642,961	\$ 10,794,094	\$ 10,916,095	\$ 1,520,960
Accounts Receivable	31,659	5,781	0	37,440
Total Assets	\$ 1,674,620	\$ 10,799,875	\$ 10,916,095	\$ 1,558,400
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,674,620	\$ 10,799,875	\$ 10,916,095	\$ 1,558,400
Total Liabilities	\$ 1,674,620	\$ 10,799,875	\$ 10,916,095	\$ 1,558,400

(Continued)

Exhibit I-2

Jefferson County, Tennessee
 Combining Statement of Changes in Assets and
 Liabilities - All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,642,961	\$ 10,794,094	\$ 10,916,095	\$ 1,520,960
Equity in Pooled Cash and Investments	9,207	6,089,323	6,093,560	4,970
Accounts Receivable	31,659	5,781	0	37,440
Due from Other Governments	846,345	879,152	846,345	879,152
Property Taxes Receivable	1,255,811	1,259,162	1,255,811	1,259,162
Allowance for Uncollectible Property Taxes	(29,708)	(70,690)	(29,708)	(70,690)
Total Assets	<u>\$ 3,756,275</u>	<u>\$ 18,956,822</u>	<u>\$ 19,082,103</u>	<u>\$ 3,630,994</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,081,655	\$ 8,156,947	\$ 8,166,008	\$ 2,072,594
Due to Litigants, Heirs, and Others	1,674,620	10,799,875	10,916,095	1,558,400
Total Liabilities	<u>\$ 3,756,275</u>	<u>\$ 18,956,822</u>	<u>\$ 19,082,103</u>	<u>\$ 3,630,994</u>

Jefferson County School Department

This section presents combining and individual fund financial statements for the Jefferson County School Department, a discretely presented component unit. The School Department uses a General Fund, two Special Revenue Funds, four Capital Projects Funds, an Internal Service Fund, and an Employee Benefit Trust Fund.

General Purpose School Fund – The General Purpose School Fund is used to account for general operations of the School Department.

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

Central Cafeteria Fund – The Central Cafeteria Fund is used to account for the cafeteria operations in each of the schools.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for general building construction and renovations of the School Department.

Other Capital Projects Fund – RZEDB – The Education Capital Projects Fund – RZEDB is used to account for transactions related to the Recovery Zone Economic Development Bonds program.

Other Capital Projects Fund – JCHS – The Education Capital Projects Fund – JCHS is used to account for transactions related to the renovations at Jefferson County High School.

Other Capital Projects Fund – Building 8 – The Education Capital Projects Fund – Building 8 is used to account for transactions related to the renovations at Jefferson County High School Building 8.

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.

Employee Benefit Trust - Flexible Benefits Fund – The Employee Benefit Trust - Flexible Benefits Fund is used to account for assets held in a trustee capacity for the School Department employees' flexible benefits program.

Exhibit J-1

Jefferson County, Tennessee
Statement of Activities
Discretely Presented Jefferson County School Department
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 33,742,620	\$ 0	\$ 3,626,822	\$ 7,810,990	\$ (22,304,808)
Support Services	20,854,833	0	239,322	0	(20,615,511)
Operation of Non-instructional Services	4,326,201	1,133,434	3,630,865	0	438,098
Total Governmental Activities	<u>\$ 58,923,654</u>	<u>\$ 1,133,434</u>	<u>\$ 7,497,009</u>	<u>\$ 7,810,990</u>	<u>\$ (42,482,221)</u>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 10,362,971
Local Option Sales Taxes					5,505,180
Mixed Drink Tax					35,723
Interstate Telecommunications Tax					8,673
Grants and Contributions Not Restricted for Specific Programs					35,155,553
Pension Income					78,254
Unrestricted Investment Income					920
Miscellaneous					375,329
Gain on Sale of Capital Assets					2,429
Total General Revenues					<u>\$ 51,525,032</u>
Change in Net Position					\$ 9,042,811
Net Position, July 1, 2014					64,099,967
Restatement - Pension Liability (See Note I.D.11.)					<u>(8,897,493)</u>
Net Position, June 30, 2015					<u>\$ 64,245,285</u>

Exhibit J-2

Jefferson County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Jefferson County School Department
June 30, 2015

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	Other Capital Projects - JCHS	Other Capital Projects - Building 8	Other Governmental Funds	
<u>ASSETS</u>					
Equity in Pooled Cash and Investments	\$ 5,046,427	\$ 1,512,162	\$ 1,735,539	\$ 2,027,647	\$ 10,321,775
Accounts Receivable	16,337	0	0	21,486	37,823
Due from Other Governments	1,531,018	0	0	429,614	1,960,632
Property Taxes Receivable	10,736,968	0	0	0	10,736,968
Allowance for Uncollectible Property Taxes	(500,160)	0	0	0	(500,160)
Total Assets	\$ 16,830,590	\$ 1,512,162	\$ 1,735,539	\$ 2,478,747	\$ 22,557,038
<u>LIABILITIES</u>					
Accounts Payable	\$ 116,031	\$ 42,163	\$ 7,154	\$ 7,711	\$ 173,059
Accrued Payroll	577	0	0	165,810	166,387
Payroll Deductions Payable	1,717,633	0	0	300,275	2,017,908
Contracts Payable	0	334,773	369,895	0	704,668
Retainage Payable	0	17,620	19,468	0	37,088
Due to Primary Government	53,800	0	0	20,234	74,034
Total Liabilities	\$ 1,888,041	\$ 394,556	\$ 396,517	\$ 494,030	\$ 3,173,144
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 9,942,710	\$ 0	\$ 0	\$ 0	\$ 9,942,710
Deferred Delinquent Property Taxes	238,074	0	0	0	238,074
Other Deferred/Unavailable Revenue	553,636	0	0	0	553,636
Total Deferred Inflows of Resources	\$ 10,734,420	\$ 0	\$ 0	\$ 0	\$ 10,734,420

(Continued)

Exhibit J-2

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	Other Capital Projects - JCHS	Other Capital Projects - Building 8	Other Governmental Funds	
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Education	\$ 54,033	\$ 0	\$ 0	\$ 1,115,115	\$ 1,169,148
Restricted for Capital Projects	0	1,117,606	1,339,022	119,602	2,576,230
Committed:					
Committed for Education	237,325	0	0	750,000	987,325
Assigned:					
Assigned for Education	297,901	0	0	0	297,901
Unassigned	3,618,870	0	0	0	3,618,870
Total Fund Balances	<u>\$ 4,208,129</u>	<u>\$ 1,117,606</u>	<u>\$ 1,339,022</u>	<u>\$ 1,984,717</u>	<u>\$ 8,649,474</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 16,830,590</u>	<u>\$ 1,512,162</u>	<u>\$ 1,735,539</u>	<u>\$ 2,478,747</u>	<u>\$ 22,557,038</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, 2015

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)		\$	8,649,474
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,492,550	
Add: construction in progress		26,929,881	
Add: buildings and improvements net of accumulated depreciation		38,848,972	
Add: machinery and equipment net of accumulated depreciation		1,024,387	
Add: other capital assets net of accumulated depreciation		<u>2,689,941</u>	70,985,731
(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.			334,120
(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	\$	(654,123)	
Less: termination benefits		(82,533)	
Less: other postemployment benefits liability		<u>(9,773,855)</u>	(10,510,511)
(4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:			
Add: deferred outflows of resources related to pensions	\$	3,570,379	
Less: deferred inflows of resources related to pensions		<u>(10,388,174)</u>	(6,817,795)
(5) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			707,509
(6) Net pension assets of the cost-sharing plan are not current financial resources and therefore are not reported in the governmental funds.			105,047
(7) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>791,710</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>64,245,285</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, 2015

	Major Funds			Nonmajor	Total
	General Purpose School	Other Capital Projects - JCHS	Other Capital Projects - Building 8	Governmental Funds	
<u>Revenues</u>					
Local Taxes	\$ 15,888,943	\$ 0	\$ 0	\$ 0	\$ 15,888,943
Licenses and Permits	2,755	0	0	0	2,755
Charges for Current Services	243,754	0	0	889,680	1,133,434
Other Local Revenues	247,222	0	0	22,920	270,142
State of Tennessee	35,349,746	0	0	37,845	35,387,591
Federal Government	328,660	0	0	6,581,882	6,910,542
Other Governments and Citizens Groups	431,450	323,526	6,978,297	509,167	8,242,440
Total Revenues	<u>\$ 52,492,530</u>	<u>\$ 323,526</u>	<u>\$ 6,978,297</u>	<u>\$ 8,041,494</u>	<u>\$ 67,835,847</u>
<u>Expenditures</u>					
Current:					
Instruction	\$ 30,535,689	\$ 0	\$ 0	\$ 2,446,881	\$ 32,982,570
Support Services	20,020,515	0	0	1,426,891	21,447,406
Operation of Non-instructional Services	902,004	0	0	3,573,508	4,475,512
Capital Outlay	68,453	0	0	0	68,453
Capital Projects	0	7,364,494	2,070,460	643,617	10,078,571
Total Expenditures	<u>\$ 51,526,661</u>	<u>\$ 7,364,494</u>	<u>\$ 2,070,460</u>	<u>\$ 8,090,897</u>	<u>\$ 69,052,512</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 965,869</u>	<u>\$ (7,040,968)</u>	<u>\$ 4,907,837</u>	<u>\$ (49,403)</u>	<u>\$ (1,216,665)</u>
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 281,455	\$ 0	\$ 0	\$ 13,317	\$ 294,772
Transfers In	129,930	5,097,996	719,821	201,756	6,149,503
Transfers Out	(1,026,077)	0	(4,288,636)	(834,790)	(6,149,503)
Total Other Financing Sources (Uses)	<u>\$ (614,692)</u>	<u>\$ 5,097,996</u>	<u>\$ (3,568,815)</u>	<u>\$ (619,717)</u>	<u>\$ 294,772</u>

(Continued)

Exhibit J-4

Jefferson County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Jefferson County School Department (Cont.)

	Major Funds			Nonmajor	Total
	General Purpose School	Other Capital Projects - JCHS	Other Capital Projects - Building 8	Other Govern- mental Funds	
Net Change in Fund Balances	\$ 351,177	\$ (1,942,972)	\$ 1,339,022	\$ (669,120)	\$ (921,893)
Fund Balance, July 1, 2014	3,856,952	3,060,578	0	2,653,837	9,571,367
Fund Balance, June 30, 2015	\$ 4,208,129	\$ 1,117,606	\$ 1,339,022	\$ 1,984,717	\$ 8,649,474

Exhibit J-5

Jefferson County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Discretely Presented Jefferson County School Department
For the Year Ended June 30, 2015

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)		\$ (921,893)
(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	\$ 10,524,087	
Less: current-year depreciation expense	<u>(2,053,196)</u>	8,470,891
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value of capital assets disposed		(53,125)
(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, 2015	\$ 791,710	
Less: deferred delinquent property taxes and other deferred June 30, 2014	<u>(980,993)</u>	(189,283)
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	\$ (15,536)	
Change in termination benefits	30,500	
Change in other postemployment benefits liability	(1,156,555)	
Change in net pension liability/asset	9,710,049	
Change in deferred outflows related to pensions	3,570,379	
Change in deferred inflows related to pensions	<u>(10,388,174)</u>	1,750,663
(5) Internal service funds are used by management to charge the cost of employee dental and vision benefits to individual funds. The net revenue (expense) of certain activities of the internal service fund is reported with governmental activities in the statement of activities.		<u>(14,442)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 9,042,811</u>

Jefferson County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Jefferson County School Department
June 30, 2015

	<u>Special Revenue Funds</u>		<u>Capital Projects Funds</u>
	<u>Central Cafeteria</u>	<u>Total</u>	<u>Education Capital Projects</u>
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 1,184,743	\$ 1,908,045	\$ 2,840
Accounts Receivable	230	1,252	20,234
Due from Other Governments	0	429,614	0
Total Assets	\$ 1,184,973	\$ 2,338,911	\$ 23,074
<u>LIABILITIES</u>			
Accounts Payable	\$ 7,711	\$ 7,711	\$ 0
Accrued Payroll	0	165,810	0
Payroll Deductions Payable	62,147	300,275	0
Due to Primary Government	0	0	20,234
Total Liabilities	\$ 69,858	\$ 473,796	\$ 20,234
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 1,115,115	\$ 1,115,115	\$ 0
Restricted for Capital Projects	0	0	2,840
Committed:			
Committed for Education	0	750,000	0
Total Fund Balances	\$ 1,115,115	\$ 1,865,115	\$ 2,840
Total Liabilities and Fund Balances	\$ 1,184,973	\$ 2,338,911	\$ 23,074

(Continued)

Exhibit J-6

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

	<u>Capital Projects Funds (Cont.)</u>		
	Other Capital Projects - RZEDB	Total	Total Nonmajor Governmental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 116,762	\$ 119,602	\$ 2,027,647
Accounts Receivable	0	20,234	21,486
Due from Other Governments	0	0	429,614
Total Assets	<u>\$ 116,762</u>	<u>\$ 139,836</u>	<u>\$ 2,478,747</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 0	\$ 7,711
Accrued Payroll	0	0	165,810
Payroll Deductions Payable	0	0	300,275
Due to Primary Government	0	20,234	20,234
Total Liabilities	<u>\$ 0</u>	<u>\$ 20,234</u>	<u>\$ 494,030</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 0	\$ 0	\$ 1,115,115
Restricted for Capital Projects	116,762	119,602	119,602
Committed:			
Committed for Education	0	0	750,000
Total Fund Balances	<u>\$ 116,762</u>	<u>\$ 119,602</u>	<u>\$ 1,984,717</u>
Total Liabilities and Fund Balances	<u>\$ 116,762</u>	<u>\$ 139,836</u>	<u>\$ 2,478,747</u>

Exhibit J-7

Jefferson County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Jefferson County School Department
For the Year Ended June 30, 2015

	<u>Special Revenue Funds</u>			<u>Capital</u>
	<u>School</u> <u>Federal</u> <u>Projects</u>	<u>Central</u> <u>Cafeteria</u>	<u>Total</u>	<u>Projects Funds</u> <u>Education</u> <u>Capital</u> <u>Projects</u>
<u>Revenues</u>				
Charges for Current Services	\$ 0	\$ 889,680	\$ 889,680	\$ 0
Other Local Revenues	0	22,920	22,920	0
State of Tennessee	0	37,845	37,845	0
Federal Government	3,968,632	2,613,250	6,581,882	0
Other Governments and Citizens Groups	0	0	0	509,167
Total Revenues	\$ 3,968,632	\$ 3,563,695	\$ 7,532,327	\$ 509,167
<u>Expenditures</u>				
Current:				
Instruction	\$ 2,446,881	\$ 0	\$ 2,446,881	\$ 0
Support Services	1,426,891	0	1,426,891	0
Operation of Non-instructional Services	83,217	3,490,291	3,573,508	0
Capital Projects	0	0	0	641,784
Total Expenditures	\$ 3,956,989	\$ 3,490,291	\$ 7,447,280	\$ 641,784
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 11,643	\$ 73,404	\$ 85,047	\$ (132,617)

(Continued)

Exhibit J-7

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

	<u>Special Revenue Funds</u>			<u>Capital</u>
	<u>School</u> <u>Federal</u> <u>Projects</u>	<u>Central</u> <u>Cafeteria</u>	<u>Total</u>	<u>Projects Funds</u> <u>Education</u> <u>Capital</u> <u>Projects</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 0	\$ 13,317	\$ 13,317	\$ 0
Transfers In	0	0	0	201,756
Transfers Out	(42,751)	0	(42,751)	(790,923)
Total Other Financing Sources (Uses)	<u>\$ (42,751)</u>	<u>\$ 13,317</u>	<u>\$ (29,434)</u>	<u>\$ (589,167)</u>
Net Change in Fund Balances	\$ (31,108)	\$ 86,721	\$ 55,613	\$ (721,784)
Fund Balance, July 1, 2014	781,108	1,028,394	1,809,502	724,624
Fund Balance, June 30, 2015	<u>\$ 750,000</u>	<u>\$ 1,115,115</u>	<u>\$ 1,865,115</u>	<u>\$ 2,840</u>

(Continued)

Exhibit J-7

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

	<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
	Other Capital Projects - RZEDB	Total	
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 0	\$ 889,680
Other Local Revenues	0	0	22,920
State of Tennessee	0	0	37,845
Federal Government	0	0	6,581,882
Other Governments and Citizens Groups	0	509,167	509,167
Total Revenues	<u>\$ 0</u>	<u>\$ 509,167</u>	<u>\$ 8,041,494</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 0	\$ 0	\$ 2,446,881
Support Services	0	0	1,426,891
Operation of Non-instructional Services	0	0	3,573,508
Capital Projects	1,833	643,617	643,617
Total Expenditures	<u>\$ 1,833</u>	<u>\$ 643,617</u>	<u>\$ 8,090,897</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,833)</u>	<u>\$ (134,450)</u>	<u>\$ (49,403)</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 0	\$ 0	\$ 13,317
Transfers In	0	201,756	201,756
Transfers Out	(1,116)	(792,039)	(834,790)
Total Other Financing Sources (Uses)	<u>\$ (1,116)</u>	<u>\$ (590,283)</u>	<u>\$ (619,717)</u>

(Continued)

Exhibit J-7

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

	<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
	Other Capital Projects - RZEDB	Total	
Net Change in Fund Balances	\$ (2,949)	\$ (724,733)	\$ (669,120)
Fund Balance, July 1, 2014	119,711	844,335	2,653,837
Fund Balance, June 30, 2015	\$ 116,762	\$ 119,602	\$ 1,984,717

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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 15,888,943	\$ 0	\$ 0	\$ 15,888,943	\$ 15,158,193	\$ 15,158,193	\$ 730,750
Licenses and Permits	2,755	0	0	2,755	2,400	2,400	355
Charges for Current Services	243,754	0	0	243,754	246,154	246,154	(2,400)
Other Local Revenues	247,222	0	0	247,222	89,500	257,075	(9,853)
State of Tennessee	35,349,746	0	0	35,349,746	35,029,368	35,301,279	48,467
Federal Government	328,660	0	0	328,660	312,610	334,729	(6,069)
Other Governments and Citizens Groups	431,450	0	0	431,450	0	499,483	(68,033)
Total Revenues	\$ 52,492,530	\$ 0	\$ 0	\$ 52,492,530	\$ 50,838,225	\$ 51,799,313	\$ 693,217
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 25,538,496	\$ 0	\$ 0	\$ 25,538,496	\$ 25,622,851	\$ 25,652,133	\$ 113,637
Alternative Instruction Program	188,474	0	0	188,474	189,778	189,020	546
Special Education Program	3,139,471	0	0	3,139,471	3,166,998	3,164,998	25,527
Vocational Education Program	1,538,604	0	0	1,538,604	1,648,509	1,638,709	100,105
Adult Education Program	130,644	0	0	130,644	116,114	133,023	2,379
<u>Support Services</u>							
Attendance	145,015	0	0	145,015	150,923	147,423	2,408
Health Services	617,154	0	0	617,154	468,141	663,741	46,587
Other Student Support	1,779,024	0	2,526	1,781,550	1,863,177	1,880,615	99,065
Regular Instruction Program	1,520,754	(748)	0	1,520,006	1,772,289	1,583,293	63,287
Alternative Instruction Program	120,414	0	0	120,414	123,947	125,947	5,533
Special Education Program	438,253	0	0	438,253	449,432	444,249	5,996
Vocational Education Program	265,277	0	0	265,277	276,921	279,230	13,953
Adult Programs	86,168	0	0	86,168	93,236	92,847	6,679
Other Programs	239,322	0	0	239,322	0	239,322	0
Board of Education	660,453	0	0	660,453	599,033	670,191	9,738
Director of Schools	302,167	0	0	302,167	304,485	306,537	4,370
Office of the Principal	3,285,595	0	0	3,285,595	3,238,408	3,295,468	9,873
Fiscal Services	367,533	0	0	367,533	367,533	367,533	0

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Human Services/Personnel	\$ 126,518	\$ 0	\$ 0	\$ 126,518	\$ 132,934	\$ 132,176	\$ 5,658
Operation of Plant	4,439,539	0	0	4,439,539	4,376,608	4,467,978	28,439
Maintenance of Plant	1,641,223	(56,728)	200,483	1,784,978	1,479,456	1,816,297	31,319
Transportation	2,504,307	(25)	11,190	2,515,472	2,567,466	2,580,168	64,696
Central and Other	1,481,799	(43,493)	0	1,438,306	1,468,359	1,456,957	18,651
<u>Operation of Non-Instructional Services</u>							
Community Services	163,896	0	0	163,896	188,180	188,180	24,284
Early Childhood Education	738,108	0	13,720	751,828	762,104	762,102	10,274
<u>Capital Outlay</u>							
Regular Capital Outlay	68,453	0	0	68,453	0	68,453	0
Total Expenditures	\$ 51,526,661	\$ (100,994)	\$ 227,919	\$ 51,653,586	\$ 51,426,882	\$ 52,346,590	\$ 693,004
Excess (Deficiency) of Revenues Over Expenditures	\$ 965,869	\$ 100,994	\$ (227,919)	\$ 838,944	\$ (588,657)	\$ (547,277)	\$ 1,386,221
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 281,455	\$ 0	\$ 0	\$ 281,455	\$ 0	\$ 281,455	\$ 0
Transfers In	129,930	0	0	129,930	605,397	151,661	(21,731)
Transfers Out	(1,026,077)	0	0	(1,026,077)	0	(1,026,077)	0
Total Other Financing Sources	\$ (614,692)	\$ 0	\$ 0	\$ (614,692)	\$ 605,397	\$ (592,961)	\$ (21,731)
Net Change in Fund Balance	\$ 351,177	\$ 100,994	\$ (227,919)	\$ 224,252	\$ 16,740	\$ (1,140,238)	\$ 1,364,490
Fund Balance, July 1, 2014	3,856,952	(100,994)	0	3,755,958	2,456,133	2,456,133	1,299,825
Fund Balance, June 30, 2015	\$ 4,208,129	\$ 0	\$ (227,919)	\$ 3,980,210	\$ 2,472,873	\$ 1,315,895	\$ 2,664,315

Exhibit J-9

Jefferson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Jefferson County School Department
School Federal Projects Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 3,968,632	\$ 3,922,008	\$ 4,154,529	\$ (185,897)
Total Revenues	\$ 3,968,632	\$ 3,922,008	\$ 4,154,529	\$ (185,897)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,170,647	\$ 1,246,032	\$ 1,203,352	\$ 32,705
Special Education Program	1,190,557	1,143,246	1,263,417	72,860
Vocational Education Program	85,677	85,000	85,677	0
<u>Support Services</u>				
Other Student Support	189,597	205,893	207,646	18,049
Regular Instruction Program	879,834	807,800	902,840	23,006
Special Education Program	284,907	310,858	320,058	35,151
Vocational Education Program	1,758	1,958	1,758	0
Transportation	70,795	80,550	72,799	2,004
<u>Operation of Non-Instructional Services</u>				
Community Services	83,217	0	83,217	0
Total Expenditures	\$ 3,956,989	\$ 3,881,337	\$ 4,140,764	\$ 183,775
Excess (Deficiency) of Revenues Over Expenditures	\$ 11,643	\$ 40,671	\$ 13,765	\$ (2,122)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (42,751)	\$ (40,671)	\$ (44,873)	\$ 2,122
Total Other Financing Sources	\$ (42,751)	\$ (40,671)	\$ (44,873)	\$ 2,122
Net Change in Fund Balance	\$ (31,108)	\$ 0	\$ (31,108)	\$ 0
Fund Balance, July 1, 2014	781,108	31,108	31,108	750,000
Fund Balance, June 30, 2015	\$ 750,000	\$ 31,108	\$ 0	\$ 750,000

Jefferson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Jefferson County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 889,680	\$ 906,700	\$ 906,700	\$ (17,020)
Other Local Revenues	22,920	1,600	23,600	(680)
State of Tennessee	37,845	37,300	37,300	545
Federal Government	2,613,250	2,708,159	2,708,159	(94,909)
Total Revenues	<u>\$ 3,563,695</u>	<u>\$ 3,653,759</u>	<u>\$ 3,675,759</u>	<u>\$ (112,064)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 3,490,291	\$ 4,320,507	\$ 4,355,824	\$ 865,533
Total Expenditures	<u>\$ 3,490,291</u>	<u>\$ 4,320,507</u>	<u>\$ 4,355,824</u>	<u>\$ 865,533</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 73,404</u>	<u>\$ (666,748)</u>	<u>\$ (680,065)</u>	<u>\$ 753,469</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 13,317	\$ 0	\$ 13,317	\$ 0
Total Other Financing Sources	<u>\$ 13,317</u>	<u>\$ 0</u>	<u>\$ 13,317</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 86,721	\$ (666,748)	\$ (666,748)	\$ 753,469
Fund Balance, July 1, 2014	<u>1,028,394</u>	<u>666,748</u>	<u>666,748</u>	<u>361,646</u>
Fund Balance, June 30, 2015	<u>\$ 1,115,115</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,115,115</u>

Jefferson County, Tennessee
Statement of Net Position
Discretely Presented Jefferson County School Department
Proprietary Fund
June 30, 2015

Governmental
 Activities -
 Internal Service
 Fund

 Employee
 Insurance -
 Dental and
 Vision
 Fund

ASSETS

Current Assets:

Cash	\$ 26,742
Equity in Pooled Cash and Investments	333,876
Total Assets	<u>\$ 360,618</u>

LIABILITIES

Current Liabilities:

Accounts Payable	\$ 23,746
Due to Primary Government	2,752
Total Liabilities	<u>\$ 26,498</u>

NET POSITION

Net Position - Unrestricted	<u>\$ 334,120</u>
Total Net Position	<u><u>\$ 334,120</u></u>

Exhibit J-12

Jefferson County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position
Discretely Presented Jefferson County School Department
Proprietary Fund
For the Year Ended June 30, 2015

	Governmental Activities - Internal Service Fund
	<u>Employee Insurance - Dental and Vision Fund</u>
<u>Operating Revenues</u>	
Self-Insurance Premiums/Contributions	\$ 364,024
Total Operating Revenues	<u>\$ 364,024</u>
<u>Operating Expenses</u>	
Handling Charges and Administrative Costs	\$ 28,567
Other Self-Insured Claims	349,899
Total Operating Expenses	<u>\$ 378,466</u>
Operating Income (Loss)	<u>\$ (14,442)</u>
Changes in Net Position	\$ (14,442)
Net Position, July 1, 2014	<u>348,562</u>
Net Position, June 30, 2015	<u><u>\$ 334,120</u></u>

Exhibit J-13

Jefferson County, Tennessee
Statement of Cash Flows
Discretely Presented Jefferson County School Department
Proprietary Fund
For the Year Ended June 30, 2015

	Governmental Activities - Internal Service Fund
	Employee Insurance - Dental and Vision Fund
	<hr/>
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-Insurance Premiums	\$ 366,776
Payments for Claims	(375,577)
Payments for Administrative Costs	(28,567)
Net Cash Provided By (Used In) Operating Activities	<hr/> \$ (37,368)
Increase (Decrease) in Cash	\$ (37,368)
Cash, July 1, 2014	<hr/> 397,986
Cash, June 30, 2015	<hr/> <hr/> \$ 360,618
<u>Reconciliation of Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (14,442)
Adjustment to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Changes in Assets and Liabilities:	
Increase (Decrease) in Accounts Payable	(25,678)
Increase (Decrease) in Due to Primary Government	2,752
Net Cash Provided By (Used In) Operating Activities	<hr/> <hr/> \$ (37,368)
<u>Reconciliation of Cash With Statement of Net Position</u>	
Cash Per Net Position	\$ 26,742
Equity in Pooled Cash and Investments Per Net Position	<hr/> 333,876
Cash, June 30, 2015	<hr/> <hr/> \$ 360,618

Exhibit J-14

Jefferson County, Tennessee
Statement of Fiduciary Net Position
Discretely Presented Jefferson County School Department
Fiduciary Fund
June 30, 2015

	<u>Other Employee Benefit Trust Fund</u> <u>Flexible Benefits Fund</u>
<u>ASSETS</u>	
Equity in Pooled Cash and Investments	\$ 14,451
Total Assets	<u>\$ 14,451</u>
<u>NET POSITION</u>	
Funds Held in Trust for Employees	<u>\$ 14,451</u>
Total Net Position	<u><u>\$ 14,451</u></u>

Exhibit J-15

Jefferson County, Tennessee
Statement of Changes in Fiduciary Net Position
Discretely Presented Jefferson County School Department
Fiduciary Fund
For the Year Ended June 30, 2015

	<u>Other Employee Benefit Trust Fund</u> <u>Flexible Benefits Fund</u>
Change in Net Position	\$ 0
Net Position, July 1, 2014	<u>14,451</u>
Net Position, June 30, 2015	<u><u>\$ 14,451</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, 2015

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-14	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-15
<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	\$ 9,880,000	\$ 0	\$ 680,000	\$ 9,200,000
Local Government Public Improvement (V-G-1) - Refunding	13,740,000	4 to 5 %	12-10-08	6-1-19	6,895,000	0	1,540,000	5,355,000
Qualified School Construction Bonds	10,595,000	0 (1)	10-7-10	8-1-27	8,721,851	0	661,111	8,060,740
Energy Efficient Schools Initiative Loan, Series 2011	2,506,325	2.5	11-2-11	3-1-24	2,091,755	0	191,868	1,899,887
Total Payable through General Debt Service Fund					<u>\$ 27,588,606</u>	<u>\$ 0</u>	<u>\$ 3,072,979</u>	<u>\$ 24,515,627</u>
Total Other Loans Payable					<u>\$ 27,588,606</u>	<u>\$ 0</u>	<u>\$ 3,072,979</u>	<u>\$ 24,515,627</u>
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Nursing Home (To be Retired by Nursing Home Component Unit)	\$ 8,000,000	4 to 4.5	12-21-07	6-1-37	\$ 4,525,000	\$ 0	\$ 180,000	\$ 4,345,000
School Refunding Bonds - Series 2009	10,450,000	3.41	10-20-09	6-1-23	10,050,000	0	100,000	9,950,000
General Obligation Bonds - Series 2010- RZEDB	16,000,000	3.69	12-10-10	6-1-40	16,000,000	0	0	16,000,000
General Obligation Bonds - Series 2012	9,900,000	2.62	9-10-12	6-1-36	9,900,000	0	250,000	9,650,000
General Obligation Bonds - Series 2013	9,995,000	2.54	4-10-13	6-1-36	9,995,000	0	200,000	9,795,000
General Obligation Refunding Bonds - Series 2014	4,285,000	1.45	5-15-14	6-1-27	4,285,000	0	345,000	3,940,000
General Obligation Bonds - Series 2015	6,790,000	2.9	4-1-15	6-1-36	0	6,790,000	0	6,790,000
Total Payable through General Debt Service Fund					<u>\$ 54,755,000</u>	<u>\$ 6,790,000</u>	<u>\$ 1,075,000</u>	<u>\$ 60,470,000</u>
Total Bonds Payable					<u>\$ 54,755,000</u>	<u>\$ 6,790,000</u>	<u>\$ 1,075,000</u>	<u>\$ 60,470,000</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.

Exhibit K-2

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

Year Ending June 30	Other Loans			Total
	Principal	Interest (1)	Other Fees	
2016	\$ 3,162,827	\$ 866,088	\$ 31,568	\$ 4,060,483
2017	3,262,795	788,044	29,798	4,080,637
2018	3,392,895	704,626	27,966	4,125,487
2019	2,043,127	610,890	26,008	2,680,025
2020	1,733,491	582,550	23,925	2,339,966
2021	1,788,988	570,898	21,779	2,381,665
2022	1,844,628	558,741	19,507	2,422,876
2023	1,900,400	546,093	17,110	2,463,603
2024	1,895,739	533,043	14,588	2,443,370
2025	1,766,112	523,581	11,940	2,301,633
2026	936,112	515,625	9,166	1,460,903
2027	726,190	513,645	8,476	1,248,311
2028	62,323	50,586	2,122	115,031
Total	<u>\$ 24,515,627</u>	<u>\$ 7,364,410</u>	<u>\$ 243,953</u>	<u>\$ 32,123,990</u>

(Continued)

Exhibit K-2

Jefferson County, Tennessee
Schedule of Long-term Debt Requirements by Year (Cont.)

Year Ending June 30	Bonds		
	Principal	Interest	Total
2016	\$ 1,170,000	\$ 2,364,354	\$ 3,534,354
2017	1,225,000	2,330,654	3,555,654
2018	1,140,000	2,295,154	3,435,154
2019	2,585,000	2,264,604	4,849,604
2020	3,075,000	2,184,204	5,259,204
2021	3,160,000	2,088,029	5,248,029
2022	3,140,000	1,999,829	5,139,829
2023	3,235,000	1,908,498	5,143,498
2024	1,350,000	1,811,248	3,161,248
2025	1,390,000	1,782,873	3,172,873
2026	1,655,000	1,753,673	3,408,673
2027	1,710,000	1,716,555	3,426,555
2028	1,805,000	1,676,241	3,481,241
2029	1,865,000	1,627,087	3,492,087
2030	1,950,000	1,574,461	3,524,461
2031	2,035,000	1,516,248	3,551,248
2032	2,110,000	1,454,647	3,564,647
2033	2,200,000	1,389,887	3,589,887
2034	2,300,000	1,319,925	3,619,925
2035	2,405,000	1,243,545	3,648,545
2036	2,485,000	1,163,673	3,648,673
2037	3,530,000	1,081,120	4,611,120
2038	4,175,000	857,938	5,032,938
2039	4,325,000	581,344	4,906,344
2040	4,450,000	294,813	4,744,813
Total	\$ 60,470,000	\$ 40,280,604	\$ 100,750,604

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

Exhibit K-3

Jefferson County, Tennessee

Schedule of Transfers

Primary Government and Discretely Presented Jefferson County School Department

For the Year Ended June 30, 2015

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	General Debt Service	QSCB Tax Rebate	\$ 476,406
General	General Capital Projects	Capital Expenditures	420,815
General	Highway	To fund one-time bonuses	17,616
General	Solid Waste/Sanitation	To fund one-time bonuses	4,943
General	Solid Waste/Disposal	To fund one-time bonuses	4,608
General	Law Library	Operations	3,518
General Capital Projects	Solid Waste Disposal	Capital Outlay Purchase	49,893
Other Special Revenue	General	Operations	<u>373,200</u>
Total Transfers Primary Government			<u><u>\$ 1,350,999</u></u>
<u>DISCRETELY PRESENTED JEFFERSON COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	Other Capital Projects - JCHS	Capital Expenditures	\$ 1,010,000
General Purpose School	Other Capital Projects - Building 8	Capital Expenditures	16,077
Other Capital Projects - Building 8	Education Capital Projects	Capital Expenditures	200,640
Other Capital Projects - Building 8	Other Capital Projects - JCHS	Capital Expenditures	4,087,996
Education Capital Projects	General Purpose School	Capital Expenditures	87,179
Education Capital Projects	Other Capital Projects - Building 8	Insurance Reimbursement	703,744
Other Capital Projects - RZEDB	Education Capital Projects	Capital Expenditures	1,116
School Federal Projects	General Purpose School	Indirect Costs	<u>42,751</u>
Total Transfers Discretely Presented Jefferson County School Department			<u><u>\$ 6,149,503</u></u>

Exhibit K-4

Jefferson County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Jefferson County School Department
For the Year Ended June 30, 2015

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 88,771	\$ 100,000	Hartford Fire Insurance Company
Road Superintendent	Section 8-24-102, <i>TCA</i>	83,945	100,000	"
Director of Schools	State Board of Education and County Board of Education	107,500 (1)		(4)
Trustee	Section 8-24-102, <i>TCA</i>	76,313	2,465,195	Hartford Fire Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	76,313	50,000	"
Finance Director:				
Darrell Helton (7-1-14 through 12-31-14)	County Commission	45,680 (3)	100,000	Hartford Fire Insurance Company
Langdon Potts (1-1-15 through 6-30-15)	County Commission	41,820	100,000	"
County Clerk:				
R.E. Farrar, III (7-1-14 to 8-31-14)	Section 8-24-102, <i>TCA</i>	12,719	50,000	"
Frank Herndon (9-1-14 to 6-30-15)	Section 8-24-102, <i>TCA</i>	63,594	100,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	76,313	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i>	76,313	50,000	State Automobile Mutual Insurance Company
Register of Deeds	Section 8-24-102, <i>TCA</i>	76,313	100,000	Hartford Fire Insurance Company
Sheriff	Section 8-24-102, <i>TCA</i>	83,945 (2)	100,000	"
Employee Blanket Bonds				
Public Employee Dishonesty - County Departments			150,000	Tennessee Risk Management Trust
Public Employee Dishonesty - School Department			150,000	"

(1) Includes a CEO training supplement of \$1,000.

(2) Does not include a \$600 payment for a law enforcement training supplement.

(3) Includes a payment of \$3,860 for unused vacation time. Does not include a one-time bonus for all qualifying employees of \$312.

(4) Covered by the employee blanket bond.

Exhibit K-5

Jefferson County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2015

	Special Revenue Funds					Other Special Revenue
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 9,374,981	\$ 0	\$ 0	\$ 1,613,827	\$ 0	0
Trustee's Collections - Prior Year	415,821	0	0	77,966	0	0
Trustee's Collections - Bankruptcy	10,042	0	0	1,740	0	0
Circuit/Clerk and Master Collections - Prior Years	247,954	0	0	46,491	0	0
Interest and Penalty	55,794	0	0	9,743	0	0
Pickup Taxes	8,038	0	0	1,386	0	0
Payments in-Lieu-of Taxes - Local Utilities	18,403	0	0	3,173	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	0
Hotel/Motel Tax	288,878	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0
Litigation Tax - General	111,232	0	0	0	0	0
Litigation Tax - Special Purpose	0	0	14,241	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	133,101	55,025	0	0	0	0
Litigation Tax - Courthouse Security	8	0	0	0	0	0
Business Tax	362,596	0	0	0	0	0
Adequate Facilities/Development Tax	0	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	13,850	0	0	2,388	0	0
Wholesale Beer Tax	120,755	0	0	0	0	0
Total Local Taxes	\$ 11,161,453	\$ 55,025	\$ 14,241	\$ 1,756,714	\$ 0	0
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 1,378	\$ 0	\$ 0	\$ 0	\$ 0	0
Cable TV Franchise	88,273	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control	Other Special Revenue
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	\$ 1,425	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Building Permits	189,248	0	0	0	0	0
Other Permits	71,222	0	0	0	0	0
Total Licenses and Permits	<u>\$ 351,546</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 7,850	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	15,467	0	0	0	0	0
Drug Control Fines	0	0	0	0	13,569	0
Drug Court Fees	3,770	0	0	0	2,850	0
Jail Fees	4,773	0	0	0	0	0
DUI Treatment Fines	141	0	0	0	0	0
Data Entry Fee - Circuit Court	4,059	0	0	0	0	0
Courtroom Security Fee	17	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	57,399	0	0	0	0	0
Fines for Littering	162	0	0	0	0	0
Officers Costs	63,291	0	0	0	0	0
Game and Fish Fines	1,554	0	0	0	0	0
Drug Control Fines	0	0	0	0	19,834	0
Drug Court Fees	16,739	0	0	0	0	0
Jail Fees	70,006	0	0	0	0	0
DUI Treatment Fines	14,414	0	0	0	0	0
Data Entry Fee - General Sessions Court	20,740	0	0	0	0	0
Courtroom Security Fee	2,111	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control	Other Special Revenue
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$ 6,780	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	7,524	0	0	0	0	0
Data Entry Fee - Juvenile Court	1,256	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	766	0	0	0	0	0
Data Entry Fee - Chancery Court	4,232	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Victims Assistance Assessments	45,685	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	6,550	0
Other Fines, Forfeitures, and Penalties	5,225	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 353,961	\$ 0	\$ 0	\$ 0	\$ 42,803	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Other Employee Benefit Charges/Contributions	\$ 7,615	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Patient Charges	3,361,233	0	0	0	0	0
Other General Service Charges	2,450	0	0	0	0	0
<u>Fees</u>						
Copy Fees	1,442	0	0	0	0	0
Library Fees	12,986	0	0	0	0	0
Telephone Commissions	81,202	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Data Processing Fee - Register	16,566	0	0	0	0	0
Data Processing Fee - Sheriff	7,232	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control	Other Special Revenue
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Sexual Offender Registration Fee - Sheriff	\$ 9,450	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Data Processing Fee - County Clerk	903	0	0	0	0	0
Total Charges for Current Services	<u>\$ 3,501,079</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 61	\$ 4,514
Lease/Rentals	7,210	0	0	0	0	756,424
Commissary Sales	27,103	0	0	0	0	0
Sale of Maps	205	0	0	0	0	0
Sale of Recycled Materials	6,815	0	0	0	0	0
Miscellaneous Refunds	148,260	0	0	221	0	0
Expenditure Credits	2,861	0	0	0	0	0
<u>Nonrecurring Items</u>						
Sale of Property	159,337	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	368,638	0	0	0	0	0
Total Other Local Revenues	<u>\$ 720,429</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 221</u>	<u>\$ 61</u>	<u>\$ 760,938</u>
<u>Fees Received from County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 62,600	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Register	3,791	0	0	0	0	0
Trustee	659,000	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control	Other Special Revenue
<u>Fees Received from County Officials (Cont.)</u>						
<u>Fees in-Lieu-of Salary</u>						
Circuit Court Clerk	\$ 216,948	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
General Sessions Court Clerk	369,516	0	0	0	0	0
Clerk and Master	129,691	0	0	0	0	0
Juvenile Court Clerk	36,626	0	0	0	0	0
Register	95,054	0	0	0	0	0
Sheriff	19,720	0	0	0	0	0
Total Fees Received from County Officials	\$ 1,592,946	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 7,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Aging Programs	10,359	0	0	0	0	0
On-behalf Contributions for OPEB	450	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	26,400	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	92,696	0	0	0	0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	0	0
Litter Program	43,801	0	0	0	0	0
<u>Other State Revenues</u>						
Vehicle Certificate of Title Fees	21,399	0	0	0	0	0
Emergency Hospital - Prisoners	28,224	0	0	0	0	0
Contracted Prisoner Boarding	1,529,839	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Law Library	Solid Waste / Sanitation	Drug Control	Other Special Revenue
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Petroleum Special Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Registrar's Salary Supplement	11,373	0	0	0	0	0
Other State Grants	8,146	0	0	0	0	0
Other State Revenues	17,803	0	0	0	0	0
Total State of Tennessee	\$ 1,797,490	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Civil Defense Reimbursement	\$ 39,150	\$ 0	\$ 0	\$ 0	\$ 0	0
Law Enforcement Grants	14,551	0	0	0	0	0
Other Federal through State	72,959	0	0	0	5,000	0
<u>Direct Federal Revenue</u>						
Asset Forfeiture Funds	0	0	0	0	44,477	0
Tax Credit Bond Rebate	476,406	0	0	0	0	0
Other Direct Federal Revenue	27,961	0	0	0	0	0
Total Federal Government	\$ 631,027	\$ 0	\$ 0	\$ 0	\$ 49,477	0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 232,628	\$ 0	\$ 0	\$ 0	\$ 2,000	0
<u>Other</u>						
Other	944	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 233,572	\$ 0	\$ 0	\$ 0	\$ 2,000	0
Total	\$ 20,343,503	\$ 55,025	\$ 14,241	\$ 1,756,935	\$ 94,341	\$ 760,938

(Continued)

Exhibit K-5

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

	Special Revenue Funds (Cont.)		Debt Service Fund	Capital Projects Fund	Total
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 0	\$ 2,153,883	\$ 2,182,869	\$ 428,247	\$ 15,753,807
Trustee's Collections - Prior Year	0	98,757	69,771	25,989	688,304
Trustee's Collections - Bankruptcy	0	2,313	2,313	471	16,879
Circuit/Clerk and Master Collections - Prior Years	0	58,886	58,889	15,498	427,718
Interest and Penalty	0	12,541	12,541	3,045	93,664
Pickup Taxes	0	1,848	1,850	368	13,490
Payments in-Lieu-of Taxes - Local Utilities	0	4,231	4,231	846	30,884
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	1,217,777	0	1,217,777
Hotel/Motel Tax	0	0	0	0	288,878
Wheel Tax	0	0	1,131,689	0	1,131,689
Litigation Tax - General	0	0	0	0	111,232
Litigation Tax - Special Purpose	0	0	0	0	14,241
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	188,126
Litigation Tax - Courthouse Security	0	0	0	0	8
Business Tax	0	0	0	0	362,596
Adequate Facilities/Development Tax	0	0	240,675	0	240,675
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	3,184	3,184	637	23,243
Wholesale Beer Tax	0	0	0	0	120,755
Total Local Taxes	\$ 0	\$ 2,335,643	\$ 4,925,789	\$ 475,101	\$ 20,723,966
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,378
Cable TV Franchise	0	0	0	0	88,273

(Continued)

Exhibit K-5

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

	Special Revenue Funds (Cont.)		Debt Service Fund	Capital Projects Fund	Total
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Licenses and Permits (Cont.)</u>					
<u>Permits</u>					
Beer Permits	\$ 0	\$ 0	\$ 0	\$ 0	1,425
Building Permits	0	0	0	0	189,248
Other Permits	0	0	0	0	71,222
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	351,546
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	7,850
Officers Costs	0	0	0	0	15,467
Drug Control Fines	0	0	0	0	13,569
Drug Court Fees	0	0	0	0	6,620
Jail Fees	0	0	0	0	4,773
DUI Treatment Fines	0	0	0	0	141
Data Entry Fee - Circuit Court	0	0	0	0	4,059
Courtroom Security Fee	0	0	0	0	17
<u>General Sessions Court</u>					
Fines	0	0	0	0	57,399
Fines for Littering	0	0	0	0	162
Officers Costs	0	0	0	0	63,291
Game and Fish Fines	0	0	0	0	1,554
Drug Control Fines	0	0	0	0	19,834
Drug Court Fees	0	0	0	0	16,739
Jail Fees	0	0	0	0	70,006
DUI Treatment Fines	0	0	0	0	14,414
Data Entry Fee - General Sessions Court	0	0	0	0	20,740
Courtroom Security Fee	0	0	0	0	2,111

(Continued)

Exhibit K-5

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

	Special Revenue Funds (Cont.)		Debt Service Fund	Capital Projects Fund	Total
	Constitu - tional - Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Juvenile Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	6,780
Officers Costs	0	0	0	0	7,524
Data Entry Fee - Juvenile Court	0	0	0	0	1,256
<u>Chancery Court</u>					
Officers Costs	0	0	0	0	766
Data Entry Fee - Chancery Court	0	0	0	0	4,232
<u>Judicial District Drug Program</u>					
Victims Assistance Assessments	0	0	0	0	45,685
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0	0	6,550
Other Fines, Forfeitures, and Penalties	0	0	0	0	5,225
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	396,764
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Other Employee Benefit Charges/Contributions	\$ 0	\$ 0	\$ 0	\$ 0	7,615
Patient Charges	0	0	0	0	3,361,233
Other General Service Charges	0	35,972	0	0	38,422
<u>Fees</u>					
Copy Fees	0	0	0	0	1,442
Library Fees	0	0	0	0	12,986
Telephone Commissions	0	0	0	0	81,202
Constitutional Officers' Fees and Commissions	845,533	0	0	0	845,533
Data Processing Fee - Register	0	0	0	0	16,566
Data Processing Fee - Sheriff	0	0	0	0	7,232

(Continued)

Exhibit K-5

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

	Special Revenue Funds (Cont.)		Debt Service Fund	Capital Projects Fund	Total
	Constitu - tional - Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Sexual Offender Registration Fee - Sheriff	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,450
Data Processing Fee - County Clerk	0	0	0	0	903
Total Charges for Current Services	\$ 845,533	\$ 35,972	\$ 0	\$ 0	\$ 4,382,584
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 805	\$ 0	\$ 202,094	\$ 0	\$ 207,474
Lease/Rentals	0	0	0	0	763,634
Commissary Sales	0	0	0	0	27,103
Sale of Maps	0	0	0	0	205
Sale of Recycled Materials	0	15,506	0	0	22,321
Miscellaneous Refunds	0	0	0	0	148,481
Expenditure Credits	0	0	0	0	2,861
<u>Nonrecurring Items</u>					
Sale of Property	0	0	0	0	159,337
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	472,720	0	841,358
Total Other Local Revenues	\$ 805	\$ 15,506	\$ 674,814	\$ 0	\$ 2,172,774
<u>Fees Received from County Officials</u>					
<u>Excess Fees</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 62,600
Register	0	0	0	0	3,791
Trustee	0	0	0	0	659,000

(Continued)

Exhibit K-5

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

	Special Revenue Funds (Cont.)		Debt Service Fund	Capital Projects Fund	Total
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Fees Received from County Officials (Cont.)</u>					
<u>Fees in-Lieu-of Salary</u>					
Circuit Court Clerk	\$ 0	\$ 0	\$ 0	\$ 0	216,948
General Sessions Court Clerk	0	0	0	0	369,516
Clerk and Master	0	0	0	0	129,691
Juvenile Court Clerk	0	0	0	0	36,626
Register	0	0	0	0	95,054
Sheriff	0	0	0	0	19,720
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	1,592,946
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	7,000
Aging Programs	0	0	0	0	10,359
On-behalf Contributions for OPEB	0	0	0	0	450
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	26,400
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	0	0	92,696
<u>Public Works Grants</u>					
State Aid Program	0	366,860	0	0	366,860
Litter Program	0	0	0	0	43,801
<u>Other State Revenues</u>					
Vehicle Certificate of Title Fees	0	0	0	0	21,399
Emergency Hospital - Prisoners	0	0	0	0	28,224
Contracted Prisoner Boarding	0	0	0	0	1,529,839
Gasoline and Motor Fuel Tax	0	1,687,302	0	0	1,687,302

(Continued)

Exhibit K-5

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

	Special Revenue Funds (Cont.)		Debt Service Fund	Capital Projects Fund	
	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Petroleum Special Tax	\$ 0	\$ 34,001	\$ 0	\$ 0	\$ 34,001
Registrar's Salary Supplement	0	0	0	0	11,373
Other State Grants	0	0	0	0	8,146
Other State Revenues	0	0	0	0	17,803
Total State of Tennessee	\$ 0	\$ 2,088,163	\$ 0	\$ 0	\$ 3,885,653
<u>Federal Government</u>					
<u>Federal Through State</u>					
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$ 0	\$ 39,150
Law Enforcement Grants	0	0	0	0	14,551
Other Federal through State	0	0	0	0	77,959
<u>Direct Federal Revenue</u>					
Asset Forfeiture Funds	0	0	0	0	44,477
Tax Credit Bond Rebate	0	0	442,418	0	918,824
Other Direct Federal Revenue	0	0	0	0	27,961
Total Federal Government	\$ 0	\$ 0	\$ 442,418	\$ 0	\$ 1,122,922
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 234,628
<u>Other</u>					
Other	0	0	0	0	944
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 235,572
Total	\$ 846,338	\$ 4,475,284	\$ 6,043,021	\$ 475,101	\$ 34,864,727

Exhibit K-6

Jefferson County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Jefferson County School Department
For the Year Ended June 30, 2015

	General Purpose School	Special Revenue Funds		Capital Projects Funds		
		School Projects	Central Cafeteria	Education Capital Projects	Other Capital Projects - JCHS	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 9,706,823	\$ 0	\$ 0	\$ 0	\$ 0	
Trustee's Collections - Prior Year	295,660	0	0	0	0	
Trustee's Collections - Bankruptcy	10,278	0	0	0	0	
Circuit/Clerk and Master Collections - Prior Years	238,656	0	0	0	0	
Interest and Penalty	52,407	0	0	0	0	
Pickup Taxes	8,146	0	0	0	0	
Payments in-Lieu-of Taxes - T.V.A.	13,297	0	0	0	0	
Payments in-Lieu-of Taxes - Local Utilities	18,826	0	0	0	0	
<u>County Local Option Taxes</u>						
Local Option Sales Tax	5,486,285	0	0	0	0	
Mixed Drink Tax	35,723	0	0	0	0	
<u>Statutory Local Taxes</u>						
Bank Excise Tax	14,169	0	0	0	0	
Interstate Telecommunications Tax	8,673	0	0	0	0	
Total Local Taxes	\$ 15,888,943	\$ 0	\$ 0	\$ 0	\$ 0	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 2,755	\$ 0	\$ 0	\$ 0	\$ 0	
Total Licenses and Permits	\$ 2,755	\$ 0	\$ 0	\$ 0	\$ 0	
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Lunch Payments - Children	\$ 0	\$ 0	\$ 449,682	\$ 0	\$ 0	

(Continued)

Exhibit K-6

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

	Special Revenue Funds			Capital Projects Funds	
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Other Capital Projects - JCHS
<u>Charges for Current Services (Cont.)</u>					
<u>Education Charges (Cont.)</u>					
Lunch Payments - Adults	\$ 0	\$ 0	\$ 50,801	\$ 0	\$ 0
Income from Breakfast	0	0	59,231	0	0
A la carte Sales	0	0	323,112	0	0
Receipts from Individual Schools	42,732	0	0	0	0
Community Service Fees - Children	201,022	0	0	0	0
<u>Other Charges for Services</u>					
Other Charges for Services	0	0	6,854	0	0
Total Charges for Current Services	\$ 243,754	\$ 0	\$ 889,680	\$ 0	\$ 0
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 920	\$ 0	\$ 0
Sale of Recycled Materials	22,579	0	0	0	0
E-Rate Funding	69,463	0	0	0	0
Miscellaneous Refunds	113,224	0	0	0	0
<u>Nonrecurring Items</u>					
Damages Recovered from Individuals	308	0	0	0	0
Contributions and Gifts	41,400	0	22,000	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	248	0	0	0	0
Total Other Local Revenues	\$ 247,222	\$ 0	\$ 22,920	\$ 0	\$ 0

(Continued)

Exhibit K-6

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

	Special Revenue Funds			Capital Projects Funds	
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Other Capital Projects - JCHS
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 239,322	\$ 0	\$ 0	\$ 0	0
<u>State Education Funds</u>					
Basic Education Program	32,321,001	0	0	0	0
Early Childhood Education	762,095	0	0	0	0
School Food Service	0	0	37,845	0	0
Other State Education Funds	592,781	0	0	0	0
Career Ladder Program	171,243	0	0	0	0
Career Ladder - Extended Contract	59,770	0	0	0	0
<u>Other State Revenues</u>					
Income Tax	67,126	0	0	0	0
Beer Tax	18,055	0	0	0	0
Alcoholic Beverage Tax	73,997	0	0	0	0
State Revenue Sharing - T.V.A.	1,014,289	0	0	0	0
Other State Grants	30,067	0	0	0	0
Total State of Tennessee	\$ 35,349,746	\$ 0	\$ 37,845	\$ 0	0
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,809,296	\$ 0	0
USDA - Commodities	0	0	211,593	0	0
Breakfast	0	0	592,361	0	0
Adult Education State Grant Program	176,793	0	0	0	0
Vocational Education - Basic Grants to States	0	121,594	0	0	0
Title I Grants to Local Education Agencies	0	1,738,472	0	0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds			Capital Projects Funds	
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Other Capital Projects - JCHS
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
Special Education - Grants to States	\$ 24,854	\$ 1,493,413	\$ 0	\$ 0	0
Special Education Preschool Grants	0	52,104	0	0	0
English Language Acquisition Grants	0	26,127	0	0	0
Eisenhower Professional Development State Grants	0	313,531	0	0	0
Job Training Partnership Act	68,884	0	0	0	0
Race to the Top - ARRA	0	139,899	0	0	0
Other Federal through State	0	83,492	0	0	0
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	58,129	0	0	0	0
Total Federal Government	<u>\$ 328,660</u>	<u>\$ 3,968,632</u>	<u>\$ 2,613,250</u>	<u>\$ 0</u>	<u>0</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 431,450	\$ 0	\$ 0	\$ 509,167	\$ 323,526
Total Other Governments and Citizens Groups	<u>\$ 431,450</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 509,167</u>	<u>\$ 323,526</u>
Total	<u>\$ 52,492,530</u>	<u>\$ 3,968,632</u>	<u>\$ 3,563,695</u>	<u>\$ 509,167</u>	<u>\$ 323,526</u>

(Continued)

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

	<u>Capital Projects Fund (Cont.)</u>		
	<u>Other Capital Projects - Building 8</u>		<u>Total</u>
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	\$	0	\$ 9,706,823
Trustee's Collections - Prior Year		0	295,660
Trustee's Collections - Bankruptcy		0	10,278
Circuit/Clerk and Master Collections - Prior Years		0	238,656
Interest and Penalty		0	52,407
Pickup Taxes		0	8,146
Payments in-Lieu-of Taxes - T.V.A.		0	13,297
Payments in-Lieu-of Taxes - Local Utilities		0	18,826
<u>County Local Option Taxes</u>			
Local Option Sales Tax		0	5,486,285
Mixed Drink Tax		0	35,723
<u>Statutory Local Taxes</u>			
Bank Excise Tax		0	14,169
Interstate Telecommunications Tax		0	8,673
Total Local Taxes	\$	0	\$ 15,888,943
<u>Licenses and Permits</u>			
<u>Licenses</u>			
Marriage Licenses	\$	0	\$ 2,755
Total Licenses and Permits	\$	0	\$ 2,755
<u>Charges for Current Services</u>			
<u>Education Charges</u>			
Lunch Payments - Children	\$	0	\$ 449,682

(Continued)

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

	Capital Projects Fund (Cont.) Other Capital Projects - Building 8	Total
<u>Charges for Current Services (Cont.)</u>		
<u>Education Charges (Cont.)</u>		
Lunch Payments - Adults	\$ 0	\$ 50,801
Income from Breakfast	0	59,231
A la carte Sales	0	323,112
Receipts from Individual Schools	0	42,732
Community Service Fees - Children	0	201,022
<u>Other Charges for Services</u>		
Other Charges for Services	0	6,854
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 1,133,434</u>
<u>Other Local Revenues</u>		
<u>Recurring Items</u>		
Investment Income	\$ 0	\$ 920
Sale of Recycled Materials	0	22,579
E-Rate Funding	0	69,463
Miscellaneous Refunds	0	113,224
<u>Nonrecurring Items</u>		
Damages Recovered from Individuals	0	308
Contributions and Gifts	0	63,400
<u>Other Local Revenues</u>		
Other Local Revenues	0	248
Total Other Local Revenues	<u>\$ 0</u>	<u>\$ 270,142</u>

(Continued)

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

	Capital Projects Fund (Cont.)		Other Capital Projects - Building 8	Total
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$	0	\$	239,322
<u>State Education Funds</u>				
Basic Education Program		0		32,321,001
Early Childhood Education		0		762,095
School Food Service		0		37,845
Other State Education Funds		0		592,781
Career Ladder Program		0		171,243
Career Ladder - Extended Contract		0		59,770
<u>Other State Revenues</u>				
Income Tax		0		67,126
Beer Tax		0		18,055
Alcoholic Beverage Tax		0		73,997
State Revenue Sharing - T.V.A.		0		1,014,289
Other State Grants		0		30,067
Total State of Tennessee	\$	0	\$	35,387,591
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$	0	\$	1,809,296
USDA - Commodities		0		211,593
Breakfast		0		592,361
Adult Education State Grant Program		0		176,793
Vocational Education - Basic Grants to States		0		121,594
Title I Grants to Local Education Agencies		0		1,738,472

(Continued)

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

	Capital Projects Fund (Cont.)		Other Capital Projects - Building 8	Total
<hr/>				
<u>Federal Government (Cont.)</u>				
<u>Federal Through State (Cont.)</u>				
Special Education - Grants to States	\$	0	\$	1,518,267
Special Education Preschool Grants		0		52,104
English Language Acquisition Grants		0		26,127
Eisenhower Professional Development State Grants		0		313,531
Job Training Partnership Act		0		68,884
Race to the Top - ARRA		0		139,899
Other Federal through State		0		83,492
<u>Direct Federal Revenue</u>				
ROTC Reimbursement		0		58,129
Total Federal Government	<u>\$</u>	<u>0</u>	<u>\$</u>	<u>6,910,542</u>
 <u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	<u>\$</u>	<u>6,978,297</u>	<u>\$</u>	<u>8,242,440</u>
Total Other Governments and Citizens Groups	<u>\$</u>	<u>6,978,297</u>	<u>\$</u>	<u>8,242,440</u>
 Total	<u>\$</u>	<u>6,978,297</u>	<u>\$</u>	<u>67,835,847</u>

Jefferson County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2015

General FundGeneral GovernmentCounty Commission

Medical Personnel	\$	19,750	
Clerical Personnel		11,394	
Part-time Personnel		10,114	
Bonus Payments		156	
Board and Committee Members Fees		91,025	
Social Security		6,987	
Pensions		663	
Life Insurance		19	
Unemployment Compensation		214	
Employer Medicare		1,634	
Advertising		4,499	
Audit Services		15,422	
Dues and Memberships		6,314	
Legal Services		26,373	
Other Contracted Services		33,928	
Office Supplies		717	
Office Equipment		304	
Total County Commission			\$ 229,513

Board of Equalization

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

County Mayor/Executive

County Official/Administrative Officer	\$	88,771	
Longevity Pay		800	
Bonus Payments		623	
Other Salaries and Wages		64,612	
Social Security		9,309	
Pensions		24,192	
Life Insurance		180	
Medical Insurance		26,941	
Dental Insurance		450	
Unemployment Compensation		252	
Employer Medicare		2,177	
Communication		1,276	
Legal Services		5,000	
Pauper Burials		1,800	
Travel		96	
Gasoline		1,564	
Office Supplies		809	
Other Charges		2,421	
Total County Mayor/Executive			231,273

Election Commission

Supervisor/Director	\$	68,682	
Clerical Personnel		57,276	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Part-time Personnel	\$	5,552	
Longevity Pay		800	
Bonus Payments		779	
Election Commission		7,125	
Election Workers		41,625	
Social Security		9,588	
Pensions		18,835	
Life Insurance		206	
Medical Insurance		32,363	
Dental Insurance		450	
Unemployment Compensation		454	
Employer Medicare		2,242	
Advertising		5,969	
Communication		2,710	
Data Processing Services		8,000	
Dues and Memberships		4,075	
Maintenance Agreements		17,540	
Postal Charges		4,509	
Printing, Stationery, and Forms		1,570	
Travel		7,597	
Other Contracted Services		225	
Data Processing Supplies		365	
Office Supplies		2,915	
Other Charges		455	
Data Processing Equipment		11,971	
Total Election Commission			\$ 313,878

Register of Deeds

County Official/Administrative Officer	\$	44,516
Clerical Personnel		47,797
Part-time Personnel		21,958
Longevity Pay		1,800
Bonus Payments		779
Social Security		7,164
Pensions		12,649
Life Insurance		206
Medical Insurance		26,875
Dental Insurance		450
Unemployment Compensation		922
Employer Medicare		1,675
Communication		208
Data Processing Services		16,028
Dues and Memberships		435
Maintenance Agreements		818
Travel		609
Data Processing Supplies		1,734
Office Supplies		1,922

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Other Charges	\$	136	
Office Equipment		138	
Total Register of Deeds			\$ 188,819

Codes Compliance

Supervisor/Director	\$	46,261	
Clerical Personnel		27,323	
Longevity Pay		2,300	
Bonus Payments		623	
Social Security		4,696	
Pensions		11,861	
Life Insurance		138	
Medical Insurance		15,457	
Dental Insurance		300	
Unemployment Compensation		252	
Employer Medicare		1,098	
Communication		617	
Travel		100	
Gasoline		1,261	
Office Supplies		356	
Other Charges		66	
Total Codes Compliance			112,709

County Buildings

Supervisor/Director	\$	40,753	
Custodial Personnel		69,844	
Maintenance Personnel		73,583	
Longevity Pay		4,000	
Bonus Payments		1,557	
Social Security		11,618	
Pensions		26,990	
Life Insurance		440	
Medical Insurance		50,616	
Dental Insurance		812	
Unemployment Compensation		1,008	
Employer Medicare		2,717	
Communication		25,342	
Maintenance Agreements		92,396	
Maintenance and Repair Services - Buildings		199,945	
Pest Control		5,940	
Postal Charges		46,328	
Other Contracted Services		12,407	
Custodial Supplies		14,083	
Electricity		33,941	
Gasoline		6,072	
Natural Gas		14,330	
Office Supplies		1,875	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Uniforms	\$	4,145	
Water and Sewer		17,791	
Building and Contents Insurance		87,854	
Vehicle and Equipment Insurance		3,303	
Other Charges		5,341	
Office Equipment		1,033	
Other Equipment		750	
Total County Buildings			\$ 856,814

Other Facilities

Supervisor/Director	\$	39,598	
Mechanic(s)		61,049	
Longevity Pay		2,500	
Overtime Pay		840	
Bonus Payments		934	
In-service Training		488	
Social Security		6,249	
Pensions		16,206	
Life Insurance		206	
Medical Insurance		26,161	
Dental Insurance		300	
Unemployment Compensation		378	
Employer Medicare		1,461	
Communication		2,283	
Maintenance Agreements		84	
Maintenance and Repair Services - Equipment		1,041	
Other Contracted Services		1,728	
Electricity		348	
Gasoline		6,127	
Office Supplies		1,198	
Tires and Tubes		53,754	
Uniforms		4,190	
Utilities		7,349	
Vehicle Parts		97,495	
Other Charges		288	
Data Processing Equipment		1,406	
Office Equipment		784	
Other Equipment		1,898	
Total Other Facilities			336,343

Other General Administration

Contributions	\$	58,250	
Total Other General Administration			58,250

Preservation of Records

Maintenance and Repair Services - Office Equipment	\$	660	
Office Supplies		2,501	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Preservation of Records (Cont.)

Other Supplies and Materials	\$	1,327	
Data Processing Equipment		<u>1,017</u>	
Total Preservation of Records			\$ 5,505

Finance

Accounting and Budgeting

Assistant(s)	\$	41,820	
Supervisor/Director		87,500	
Deputy(ies)		47,500	
Part-time Personnel		12,159	
Longevity Pay		6,500	
Bonus Payments		2,803	
Other Salaries and Wages		228,419	
In-service Training		221	
Social Security		25,379	
Pensions		60,483	
Life Insurance		688	
Medical Insurance		87,307	
Dental Insurance		1,500	
Unemployment Compensation		1,413	
Employer Medicare		5,935	
Communication		2,672	
Maintenance Agreements		16,216	
Rentals		3,208	
Travel		1,000	
Other Contracted Services		12,098	
Data Processing Supplies		6,835	
Office Supplies		4,985	
Utilities		5,993	
Other Charges		983	
Data Processing Equipment		2,947	
Office Equipment		290	
Building Purchases		<u>243,272</u>	
Total Accounting and Budgeting			910,126

Property Assessor's Office

County Official/Administrative Officer	\$	76,313	
Assessment Personnel		212,011	
Longevity Pay		4,600	
Bonus Payments		1,869	
Social Security		17,367	
Pensions		45,599	
Life Insurance		482	
Medical Insurance		63,571	
Dental Insurance		900	
Unemployment Compensation		758	
Employer Medicare		4,062	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Audit Services	\$	10,189	
Data Processing Services		25,991	
Maintenance Agreements		4,005	
Postal Charges		101	
Travel		170	
Other Contracted Services		600	
Gasoline		2,366	
Office Supplies		889	
Other Supplies and Materials		980	
Other Charges		86	
Data Processing Equipment		278	
Furniture and Fixtures		580	
Office Equipment		621	
Total Property Assessor's Office			\$ 474,388

County Trustee's Office

Life Insurance	\$	182	
Medical Insurance		28,458	
Dental Insurance		450	
Unemployment Compensation		466	
Communication		1,690	
Data Processing Services		11,300	
Legal Notices, Recording, and Court Costs		448	
Maintenance Agreements		13,836	
Travel		920	
Gasoline		122	
Office Supplies		2,703	
Other Charges		200	
Total County Trustee's Office			60,775

County Clerk's Office

Life Insurance	\$	689	
Medical Insurance		80,323	
Dental Insurance		1,512	
Unemployment Compensation		1,264	
Communication		1,323	
Dues and Memberships		475	
Maintenance Agreements		18,200	
Travel		986	
Office Supplies		11,303	
Other Charges		40,242	
Data Processing Equipment		5,680	
Total County Clerk's Office			161,997

Data Processing

Supervisor/Director	\$	52,902	
Longevity Pay		500	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Data Processing (Cont.)

Bonus Payments	\$	311	
Social Security		3,360	
Pensions		8,347	
Life Insurance		69	
Medical Insurance		7,639	
Dental Insurance		150	
Unemployment Compensation		126	
Employer Medicare		786	
Communication		774	
Other Contracted Services		31,876	
Gasoline		615	
Office Supplies		214	
Other Supplies and Materials		1,105	
Other Charges		2,663	
Data Processing Equipment		616	
Other Equipment		3,750	
Total Data Processing			\$ 115,803

Other Finance

Other Contracted Services	\$	30,000	
Liability Insurance		87,726	
Premiums on Corporate Surety Bonds		17,847	
Trustee's Commission		255,273	
Workers' Compensation Insurance		131,522	
Liability Claims		2,000	
Tax Relief Program		137,198	
Total Other Finance			661,566

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	76,313	
Clerical Personnel		320,759	
Longevity Pay		9,700	
Bonus Payments		3,115	
Jury and Witness Expense		6,630	
Social Security		23,755	
Pensions		63,531	
Life Insurance		757	
Medical Insurance		96,901	
Dental Insurance		1,650	
Unemployment Compensation		1,260	
Employer Medicare		5,556	
Communication		2,724	
Legal Notices, Recording, and Court Costs		47	
Maintenance Agreements		26,949	
Postal Charges		5,174	
Travel		842	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Maintenance and Repair Services - Records	\$	2,010	
Other Contracted Services		46,500	
Data Processing Supplies		4,020	
Electricity		14,303	
Library Books/Media		35	
Natural Gas		4,966	
Office Supplies		18,510	
Other Charges		372	
Data Processing Equipment		1,005	
Total Circuit Court			\$ 737,384

General Sessions Court

County Official/Administrative Officer	\$	158,791	
Secretary(ies)		35,486	
Longevity Pay		1,500	
Bonus Payments		311	
Other Per Diem and Fees		19,296	
Social Security		12,054	
Pensions		24,395	
Life Insurance		132	
Medical Insurance		16,695	
Dental Insurance		262	
Unemployment Compensation		126	
Employer Medicare		2,819	
Dues and Memberships		555	
Maintenance Agreements		957	
Travel		2,153	
Electricity		16,090	
Library Books/Media		2,254	
Natural Gas		4,579	
Office Supplies		1,201	
Other Charges		562	
Office Equipment		898	
Total General Sessions Court			301,116

Drug Court

Contracts with Government Agencies	\$	31,898	
Total Drug Court			31,898

Chancery Court

County Official/Administrative Officer	\$	76,313	
Assistant(s)		35,896	
Deputy(ies)		34,267	
Longevity Pay		3,000	
Bonus Payments		623	
Jury and Witness Expense		1,748	
Social Security		8,972	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Pensions	\$	23,363	
Life Insurance		172	
Medical Insurance		22,431	
Dental Insurance		450	
Unemployment Compensation		378	
Employer Medicare		2,098	
Advertising		734	
Communication		214	
Dues and Memberships		360	
Maintenance Agreements		7,533	
Travel		809	
Office Supplies		1,138	
Office Equipment		711	
Total Chancery Court			\$ 221,210

Juvenile Court

Youth Service Officer(s)	\$	104,983	
Attendants		36,336	
Longevity Pay		4,800	
Bonus Payments		1,246	
In-service Training		600	
Social Security		8,637	
Pensions		22,839	
Life Insurance		275	
Medical Insurance		32,239	
Dental Insurance		450	
Unemployment Compensation		504	
Employer Medicare		2,020	
Communication		2,038	
Contracts with Government Agencies		9,415	
Dues and Memberships		105	
Legal Services		173	
Maintenance Agreements		5,610	
Postal Charges		86	
Travel		2,497	
Electricity		14,303	
Gasoline		1,130	
Library Books/Media		55	
Natural Gas		4,492	
Office Supplies		4,910	
Uniforms		125	
Other Supplies and Materials		6,244	
Other Charges		190	
Total Juvenile Court			266,302

Victim Assistance Programs

Remittance of Revenue Collected	\$	41,835	
Total Victim Assistance Programs			41,835

(Continued)

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

General Fund (Cont.)

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	83,945	
Assistant(s)		130,301	
Deputy(ies)		1,186,157	
Detective(s)		145,579	
Secretary(ies)		26,782	
Part-time Personnel		228,184	
Longevity Pay		22,300	
Overtime Pay		17,528	
Bonus Payments		15,730	
In-service Training		35,960	
Social Security		117,367	
Pensions		248,200	
Life Insurance		3,396	
Medical Insurance		400,492	
Dental Insurance		5,628	
Unemployment Compensation		9,433	
Employer Medicare		27,449	
Other Fringe Benefits		41,151	
Communication		57,447	
Contracts with Government Agencies		50	
Data Processing Services		480	
Dues and Memberships		2,921	
Maintenance Agreements		27,627	
Maintenance and Repair Services - Equipment		12,989	
Maintenance and Repair Services - Vehicles		26,715	
Postal Charges		2,355	
Rentals		2,810	
Travel		12,168	
Other Contracted Services		4,848	
Gasoline		175,857	
Instructional Supplies and Materials		1,433	
Library Books/Media		633	
Office Supplies		11,125	
Uniforms		32,156	
Liability Insurance		41,929	
Vehicle and Equipment Insurance		13,028	
Workers' Compensation Insurance		64,040	
Other Charges		6,169	
Data Processing Equipment		38,528	
Motor Vehicles		264,550	
Other Equipment		56,048	
Total Sheriff's Department			\$ 3,601,488

Wheel Tax Officer

Part-time Personnel	\$	11,935
Bonus Payments		156
Social Security		750

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Wheel Tax Officer (Cont.)

Unemployment Compensation	\$	127	
Employer Medicare		175	
Travel		36	
Office Supplies		609	
Office Equipment		160	
Total Wheel Tax Officer			\$ 13,948

Administration of the Sexual Offender Registry

Contracts with Government Agencies	\$	2,600	
Other Equipment		10,127	
Total Administration of the Sexual Offender Registry			12,727

Jail

Medical Personnel	\$	39,080	
Guards		931,993	
Cafeteria Personnel		52,212	
Part-time Personnel		46,047	
Longevity Pay		18,900	
Bonus Payments		11,369	
In-service Training		2,300	
Social Security		68,743	
Pensions		155,829	
Life Insurance		2,648	
Medical Insurance		303,447	
Dental Insurance		4,791	
Unemployment Compensation		6,056	
Employer Medicare		16,077	
Other Fringe Benefits		37,869	
Medical and Dental Services		109,189	
Custodial Supplies		52,559	
Electricity		134,518	
Food Supplies		324,494	
Natural Gas		42,108	
Uniforms		1,260	
Water and Sewer		44,559	
Building and Contents Insurance		25,281	
Other Charges		7,604	
Other Equipment		25,122	
Total Jail			2,464,055

Workhouse

Guards	\$	179,828	
Bonus Payments		1,557	
Social Security		11,675	
Pensions		23,403	
Life Insurance		542	
Medical Insurance		60,629	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Workhouse (Cont.)

Dental Insurance	\$	1,018	
Unemployment Compensation		1,402	
Employer Medicare		2,730	
Other Fringe Benefits		8,212	
Electricity		26,239	
Natural Gas		9,824	
Water and Sewer		13,143	
Total Workhouse			\$ 340,202

Inspection and Regulation

Supervisor/Director	\$	42,238	
Clerical Personnel		23,231	
Longevity Pay		300	
Bonus Payments		623	
Social Security		3,688	
Pensions		10,280	
Life Insurance		138	
Medical Insurance		21,054	
Dental Insurance		300	
Unemployment Compensation		252	
Employer Medicare		862	
Communication		681	
Dues and Memberships		405	
Gasoline		2,537	
Instructional Supplies and Materials		376	
Office Supplies		350	
Data Processing Equipment		559	
Total Inspection and Regulation			107,874

Other Public Safety

Contributions	\$	439,311	
Total Other Public Safety			439,311

Public Health and Welfare

Local Health Center

Clerical Personnel	\$	89,476	
Longevity Pay		800	
Bonus Payments		779	
Social Security		5,435	
Pensions		7,482	
Life Insurance		184	
Medical Insurance		21,527	
Dental Insurance		400	
Unemployment Compensation		715	
Employer Medicare		1,271	
Communication		3,606	
Contracts with Government Agencies		35,580	

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Travel	\$	2,312	
Other Contracted Services		22	
Drugs and Medical Supplies		844	
Instructional Supplies and Materials		10,961	
Utilities		19,682	
Other Charges		7,291	
Building Improvements		12,871	
Total Local Health Center			\$ 221,238

Rabies and Animal Control

Longevity Pay	\$	1,200	
Other Salaries and Wages		51,507	
Social Security		3,049	
Pensions		8,526	
Life Insurance		138	
Medical Insurance		19,199	
Dental Insurance		300	
Unemployment Compensation		252	
Employer Medicare		713	
Other Fringe Benefits		2,024	
Communication		2,216	
Gasoline		9,975	
Vehicle and Equipment Insurance		202	
Motor Vehicles		26,402	
Other Equipment		5,460	
Total Rabies and Animal Control			131,163

Ambulance/Emergency Medical Services

Assistant(s)	\$	140,633	
Supervisor/Director		59,236	
Clerical Personnel		76,469	
Attendants		1,540,012	
Part-time Personnel		208,175	
Longevity Pay		37,700	
Overtime Pay		96,020	
Bonus Payments		16,665	
Other Salaries and Wages		28,817	
In-service Training		17,200	
Social Security		138,399	
Pensions		313,607	
Life Insurance		3,130	
Medical Insurance		425,960	
Dental Insurance		5,067	
Unemployment Compensation		7,629	
Employer Medicare		32,368	
Other Fringe Benefits		73,459	
Communication		30,317	

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Data Processing Services	\$	2,548	
Maintenance Agreements		13,531	
Maintenance and Repair Services - Equipment		15,231	
Postal Charges		10,097	
Tuition		1,444	
Diesel Fuel		145,310	
Drugs and Medical Supplies		221,715	
Electricity		28,617	
Natural Gas		9,073	
Office Supplies		4,837	
Uniforms		17,032	
Water and Sewer		4,539	
Other Supplies and Materials		9,274	
Building and Contents Insurance		3,759	
Liability Insurance		17,926	
Refunds		16,163	
Vehicle and Equipment Insurance		9,436	
Workers' Compensation Insurance		107,368	
Other Charges		7,928	
Data Processing Equipment		17,040	
Furniture and Fixtures		4,105	
Motor Vehicles		242,916	
Other Equipment		35,350	
Total Ambulance/Emergency Medical Services			\$ 4,196,102

Sanitation Education/Information

Guards	\$	32,657	
Longevity Pay		1,200	
Bonus Payments		311	
Social Security		2,083	
Pensions		5,292	
Life Insurance		69	
Medical Insurance		13,206	
Dental Insurance		150	
Unemployment Compensation		126	
Employer Medicare		487	
Communication		505	
Gasoline		5,644	
Instructional Supplies and Materials		8,301	
Other Supplies and Materials		24	
Vehicle and Equipment Insurance		202	
Total Sanitation Education/Information			70,257

Other Public Health and Welfare

Supervisor/Director	\$	48,698	
Longevity Pay		3,100	
Bonus Payments		934	

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Public Health and Welfare (Cont.)

Other Salaries and Wages	\$	59,246	
Social Security		6,987	
Pensions		17,356	
Life Insurance		206	
Medical Insurance		22,496	
Dental Insurance		450	
Unemployment Compensation		378	
Employer Medicare		1,634	
Communication		1,965	
Postal Charges		296	
Travel		673	
Gasoline		3,756	
Office Supplies		553	
Chemicals		714	
Refunds		350	
Office Equipment		1,207	
Total Other Public Health and Welfare			\$ 170,999

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Assistant(s)	\$	88,751	
Supervisor/Director		32,559	
Salary Supplements		5,100	
Longevity Pay		5,400	
Bonus Payments		1,557	
Social Security		8,138	
Pensions		18,961	
Life Insurance		325	
Medical Insurance		44,810	
Dental Insurance		812	
Unemployment Compensation		753	
Employer Medicare		1,903	
Communication		504	
Maintenance Agreements		443	
Travel		2,214	
Office Supplies		593	
Vehicle and Equipment Insurance		404	
Total Senior Citizens Assistance			213,227

Libraries

Librarians	\$	181,733	
Part-time Personnel		59,876	
Longevity Pay		2,500	
Bonus Payments		2,336	
In-service Training		539	
Social Security		14,151	
Pensions		23,982	

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Life Insurance	\$	480	
Medical Insurance		72,365	
Dental Insurance		900	
Unemployment Compensation		1,756	
Employer Medicare		3,310	
Communication		2,506	
Maintenance and Repair Services - Equipment		937	
Travel		165	
Library Books/Media		13,138	
Periodicals		2,901	
Utilities		4,366	
Other Supplies and Materials		2,930	
Other Charges		44,410	
Other Equipment		1,475	
Total Libraries			\$ 436,756

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	58,436	
Part-time Personnel		14,068	
Bonus Payments		156	
Social Security		4,293	
Pensions		6,792	
Unemployment Compensation		139	
Employer Medicare		1,004	
Other Fringe Benefits		1,324	
Communication		4,898	
Data Processing Services		944	
Dues and Memberships		785	
Printing, Stationery, and Forms		397	
Travel		6,894	
Electricity		2,292	
Instructional Supplies and Materials		973	
Water and Sewer		402	
Other Charges		86	
Furniture and Fixtures		403	
Total Agricultural Extension Service			104,286

Soil Conservation

Secretary(ies)	\$	24,492	
Longevity Pay		500	
Bonus Payments		311	
Social Security		1,569	
Pensions		3,906	
Life Insurance		69	
Medical Insurance		7,339	
Unemployment Compensation		126	

(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation (Cont.)

Employer Medicare	\$	367	
Dues and Memberships		350	
Travel		400	
Total Soil Conservation			\$ 39,429

Other Operations

Other Economic and Community Development

Other Contracted Services	\$	3,000	
Total Other Economic and Community Development			3,000

Veterans' Services

Supervisor/Director	\$	33,585	
Longevity Pay		600	
Bonus Payments		311	
Social Security		2,099	
Pensions		5,323	
Life Insurance		69	
Medical Insurance		7,579	
Dental Insurance		150	
Unemployment Compensation		126	
Employer Medicare		491	
Communication		1,042	
Other Contracted Services		399	
Total Veterans' Services			51,774

Contributions to Other Agencies

Contributions	\$	1,085,544	
Total Contributions to Other Agencies			1,085,544

Employee Benefits

Workers' Compensation Insurance	\$	1,739	
Total Employee Benefits			1,739

Support Services

Other Programs

On-behalf Payments to OPEB	\$	450	
Total Other Programs			450

Total General Fund \$ 20,023,823

Courthouse and Jail Maintenance Fund

Finance

Other Finance

Trustee's Commission	\$	527	
Total Other Finance			\$ 527

Total Courthouse and Jail Maintenance Fund 527

(Continued)

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

Law Library Fund

Public Safety

Jail

Library Books/Media	\$	12,881	
Trustee's Commission		138	
Total Jail			\$ 13,019

Total Law Library Fund

\$ 13,019

Solid Waste/Sanitation Fund

Public Health and Welfare

Waste Pickup

Supervisor/Director	\$	30,576	
Part-time Personnel		26,918	
Longevity Pay		10,050	
Other Salaries and Wages		342,460	
Social Security		25,366	
Pensions		54,778	
Life Insurance		742	
Medical Insurance		106,624	
Dental Insurance		825	
Unemployment Compensation		1,071	
Employer Medicare		5,932	
Contracts with Private Agencies		13,650	
Maintenance and Repair Services - Vehicles		69,881	
Rentals		4,601	
Disposal Fees		802,196	
Diesel Fuel		52,586	
Gasoline		9,726	
Lubricants		9,075	
Office Supplies		214	
Tires and Tubes		27,084	
Utilities		17,843	
Other Supplies and Materials		8,127	
Building and Contents Insurance		90	
Trustee's Commission		35,085	
Vehicle and Equipment Insurance		12,457	
Workers' Compensation Insurance		33,347	
Other Charges		6,661	
Solid Waste Equipment		415,640	
Total Waste Pickup			\$ 2,123,605

Total Solid Waste/Sanitation Fund

2,123,605

Drug Control Fund

Public Safety

Drug Enforcement

Veterinary Services	\$	653	
Other Contracted Services		9,250	
Animal Food and Supplies		552	

(Continued)

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

Law Enforcement Supplies	\$	2,827	
Trustee's Commission		419	
Other Charges		5,994	
Other Equipment		40,174	
Total Drug Enforcement			\$ 59,869

Total Drug Control Fund \$ 59,869

Other Special Revenue Fund

General Government

Other Facilities

Utilities	\$	1,682	
Total Other Facilities			\$ 1,682

Finance

Other Finance

Trustee's Commission	\$	7,609	
Total Other Finance			7,609

Other Operations

Contributions to Other Agencies

Contributions	\$	373,200	
Total Contributions to Other Agencies			373,200

Total Other Special Revenue Fund 382,491

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$	104,875	
Total Register of Deeds			\$ 104,875

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	209,244	
Total County Trustee's Office			209,244

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	532,859	
Total County Clerk's Office			532,859

Total Constitutional Officers - Fees Fund 846,978

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	83,945	
--	----	--------	--

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Accountants/Bookkeepers	\$	45,002	
Clerical Personnel		26,586	
Longevity Pay		2,000	
Board and Committee Members Fees		17,520	
Social Security		10,895	
Pensions		24,525	
Life Insurance		206	
Medical Insurance		25,560	
Dental Insurance		150	
Unemployment Compensation		160	
Employer Medicare		2,541	
Communication		10,623	
Data Processing Services		688	
Dues and Memberships		2,851	
Legal Notices, Recording, and Court Costs		513	
Postal Charges		112	
Other Contracted Services		5,130	
Office Supplies		2,336	
Fines, Assessments, and Penalties		517	
Other Charges		6,487	
Office Equipment		293	
Total Administration			\$ 268,640

Highway and Bridge Maintenance

Laborers	\$	1,088,207	
Longevity Pay		31,700	
Social Security		68,950	
Pensions		165,794	
Life Insurance		2,214	
Medical Insurance		260,138	
Dental Insurance		3,537	
Unemployment Compensation		2,656	
Employer Medicare		16,125	
Rentals		8,542	
Asphalt - Liquid		718,009	
Other Road Materials		24,112	
Pipe - Metal		24,315	
Road Signs		22,996	
Salt		8,226	
Other Supplies and Materials		3,826	
Total Highway and Bridge Maintenance			2,449,347

Operation and Maintenance of Equipment

Mechanic(s)	\$	165,647
Longevity Pay		2,700
Social Security		12,177
Pensions		25,271

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Life Insurance	\$	338	
Medical Insurance		43,469	
Dental Insurance		345	
Unemployment Compensation		343	
Employer Medicare		2,383	
Maintenance and Repair Services - Equipment		198,187	
Diesel Fuel		59,479	
Gasoline		106,681	
Lubricants		21,590	
Natural Gas		78,447	
Tires and Tubes		33,208	
Water and Sewer		428	
Other Supplies and Materials		14,530	
Other Equipment		5,000	
Total Operation and Maintenance of Equipment			\$ 770,223

Quarry Operations

Laborers	\$	294,406	
Longevity Pay		3,900	
Social Security		18,278	
Pensions		45,339	
Life Insurance		590	
Medical Insurance		79,895	
Dental Insurance		825	
Unemployment Compensation		721	
Employer Medicare		4,274	
Explosive and Drilling Services		61,516	
Maintenance and Repair Services - Equipment		16,767	
Electricity		144,968	
Other Charges		12,518	
Total Quarry Operations			683,997

Asphalt Plant Operations

Maintenance and Repair Services - Equipment	\$	36,687	
Total Asphalt Plant Operations			36,687

Other Charges

Building and Contents Insurance	\$	7,975	
Liability Insurance		8,245	
Trustee's Commission		64,126	
Vehicle and Equipment Insurance		18,449	
Total Other Charges			98,795

Employee Benefits

Workers' Compensation Insurance	\$	87,329	
Total Employee Benefits			87,329

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay

Engineering Services	\$ 6,860	
Total Capital Outlay		\$ 6,860

Total Highway/Public Works Fund

\$ 4,401,878

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 325,000	
Principal on Other Loans	680,000	
Total General Government		\$ 1,005,000

Education

Principal on Bonds	\$ 750,000	
Principal on Other Loans	2,392,979	
Total Education		3,142,979

Interest on Debt

General Government

Interest on Bonds	\$ 313,003	
Interest on Other Loans	95,285	
Total General Government		408,288

Education

Interest on Bonds	\$ 1,926,608	
Interest on Other Loans	866,296	
Total Education		2,792,904

Other Debt Service

General Government

Trustee's Commission	\$ 74,198	
Other Debt Service	14,575	
Total General Government		88,773

Total General Debt Service Fund

7,437,944

General Capital Projects Fund

Capital Projects

Other General Government Projects

Trustee's Commission	\$ 9,503	
Building Improvements	374,445	
Maintenance Equipment	10,800	
Total Other General Government Projects		\$ 394,748

Education Capital Projects

Contributions	\$ 7,810,990	
Underwriter's Discount	59,118	
Other Debt Issuance Charges	72,500	
Total Education Capital Projects		7,942,608

Total General Capital Projects Fund

8,337,356

Total Governmental Funds - Primary Government

\$ 43,627,490

Jefferson County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Jefferson County School Department
For the Year Ended June 30, 2015

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	17,144,520	
Career Ladder Program		108,791	
Career Ladder Extended Contracts		40,000	
Educational Assistants		170,015	
Longevity Pay		6,973	
Other Salaries and Wages		101,518	
Certified Substitute Teachers		136,978	
Non-certified Substitute Teachers		270,270	
Social Security		1,043,860	
Pensions		1,581,021	
Life Insurance		29,333	
Medical Insurance		3,514,870	
Dental Insurance		66,487	
Employer Medicare		247,400	
Contributions		12,000	
Other Contracted Services		31,723	
Instructional Supplies and Materials		306,889	
Textbooks		571,848	
Fee Waivers		150,000	
Other Charges		4,000	
Total Regular Instruction Program			\$ 25,538,496

Alternative Instruction Program

Teachers	\$	116,237	
Educational Assistants		10,332	
Longevity Pay		285	
Social Security		7,177	
Pensions		12,167	
Life Insurance		278	
Medical Insurance		33,634	
Dental Insurance		800	
Employer Medicare		1,678	
Instructional Supplies and Materials		4,886	
Other Supplies and Materials		1,000	
Total Alternative Instruction Program			188,474

Special Education Program

Teachers	\$	1,743,444	
Career Ladder Program		6,845	
Career Ladder Extended Contracts		6,000	
Homebound Teachers		2,439	
Educational Assistants		122,774	
Speech Pathologist		349,332	
Other Salaries and Wages		2,419	
Social Security		131,091	
Pensions		207,328	

(Continued)

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Life Insurance	\$	4,285	
Medical Insurance		490,068	
Dental Insurance		10,219	
Employer Medicare		30,659	
Travel		1,611	
Instructional Supplies and Materials		9,255	
Other Supplies and Materials		6,468	
Other Charges		991	
Special Education Equipment		14,243	
Total Special Education Program			\$ 3,139,471

Vocational Education Program

Teachers	\$	1,098,606	
Career Ladder Program		5,502	
Certified Substitute Teachers		1,612	
Non-certified Substitute Teachers		4,320	
Social Security		65,662	
Pensions		98,857	
Life Insurance		1,672	
Medical Insurance		194,705	
Dental Insurance		3,296	
Employer Medicare		15,372	
Instructional Supplies and Materials		49,000	
Total Vocational Education Program			1,538,604

Adult Education Program

Teachers	\$	86,714	
Longevity Pay		348	
Other Salaries and Wages		21,791	
Social Security		5,323	
Pensions		8,411	
Life Insurance		69	
Dental Insurance		200	
Employer Medicare		1,575	
Instructional Supplies and Materials		6,213	
Total Adult Education Program			130,644

Support Services

Attendance

Supervisor/Director	\$	79,864	
Career Ladder Program		3,550	
Career Ladder Extended Contracts		2,000	
Other Salaries and Wages		37,965	
Social Security		5,193	
Pensions		7,672	
Life Insurance		69	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Attendance (Cont.)

Medical Insurance	\$	6,729	
Dental Insurance		200	
Employer Medicare		1,773	
Total Attendance			\$ 145,015

Health Services

Supervisor/Director	\$	56,491	
Medical Personnel		257,142	
Secretary(ies)		22,019	
Longevity Pay		4,038	
Other Salaries and Wages		15,185	
Social Security		20,985	
Pensions		46,663	
Life Insurance		982	
Medical Insurance		95,815	
Dental Insurance		1,775	
Employer Medicare		5,076	
Postal Charges		750	
Travel		4,427	
Other Contracted Services		1,425	
Other Supplies and Materials		77,866	
In Service/Staff Development		2,320	
Other Charges		2,395	
Health Equipment		1,800	
Total Health Services			617,154

Other Student Support

Career Ladder Program	\$	4,000	
Guidance Personnel		940,947	
Career Ladder Extended Contracts		1,000	
Assessment Personnel		56,185	
Longevity Pay		3,808	
Other Salaries and Wages		97,254	
Social Security		64,805	
Pensions		105,400	
Life Insurance		1,806	
Medical Insurance		221,985	
Dental Insurance		5,187	
Employer Medicare		15,156	
Other Fringe Benefits		3,990	
Evaluation and Testing		55,874	
Travel		12,120	
Other Contracted Services		134,346	
Other Supplies and Materials		11,320	
In Service/Staff Development		10,239	
Other Charges		13,777	
Other Equipment		19,825	
Total Other Student Support			1,779,024

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program

Supervisor/Director	\$	82,886	
Career Ladder Program		5,600	
Career Ladder Extended Contracts		1,000	
Librarians		551,102	
Materials Supervisor		8,984	
Assessment Personnel		146,364	
Secretary(ies)		78,083	
Clerical Personnel		45,267	
Longevity Pay		5,333	
Other Salaries and Wages		96,189	
Social Security		60,485	
Pensions		100,683	
Life Insurance		1,637	
Medical Insurance		181,903	
Dental Insurance		3,523	
Employer Medicare		14,154	
Communication		363	
Travel		7,542	
Other Contracted Services		1,416	
Other Supplies and Materials		13,883	
Indirect Cost		1	
In Service/Staff Development		72,636	
Other Charges		31,450	
Other Equipment		10,270	
Total Regular Instruction Program			\$ 1,520,754

Alternative Instruction Program

Supervisor/Director	\$	59,792	
Secretary(ies)		15,650	
Social Security		4,453	
Pensions		7,284	
Life Insurance		139	
Medical Insurance		15,463	
Dental Insurance		450	
Employer Medicare		1,041	
Communication		4,629	
Travel		600	
Other Contracted Services		1,763	
Office Supplies		1,995	
Other Charges		288	
Other Equipment		6,867	
Total Alternative Instruction Program			120,414

Special Education Program

Supervisor/Director	\$	80,017	
Career Ladder Program		2,000	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Assessment Personnel	\$	53,281	
Clerical Personnel		13,766	
Other Salaries and Wages		150,508	
Social Security		17,249	
Pensions		37,689	
Life Insurance		453	
Medical Insurance		54,375	
Dental Insurance		1,149	
Employer Medicare		4,034	
Maintenance and Repair Services - Equipment		220	
Travel		4,944	
Other Contracted Services		17,066	
Other Charges		1,502	
Total Special Education Program			\$ 438,253

Vocational Education Program

Supervisor/Director	\$	145,970	
Career Ladder Program		2,000	
Secretary(ies)		26,643	
Longevity Pay		1,240	
Social Security		10,096	
Pensions		17,734	
Life Insurance		207	
Medical Insurance		29,486	
Dental Insurance		599	
Employer Medicare		2,361	
Communication		1,240	
Travel		11,539	
Other Contracted Services		9,543	
Other Supplies and Materials		3,601	
Other Equipment		3,018	
Total Vocational Education Program			265,277

Adult Programs

Supervisor/Director	\$	60,125	
Social Security		3,668	
Pensions		5,435	
Life Insurance		67	
Medical Insurance		6,289	
Dental Insurance		194	
Employer Medicare		858	
Travel		763	
Other Contracted Services		3,013	
In Service/Staff Development		5,146	
Other Equipment		610	
Total Adult Programs			86,168

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Programs

On-behalf Payments to OPEB	\$ 239,322	
Total Other Programs		\$ 239,322

Board of Education

Board and Committee Members Fees	\$ 8,400	
Social Security	372	
Unemployment Compensation	26,854	
Employer Medicare	122	
Audit Services	13,000	
Dues and Memberships	18,399	
Legal Services	39,416	
Travel	4,521	
Other Contracted Services	3,250	
Trustee's Commission	332,806	
Workers' Compensation Insurance	205,126	
Liability Claims	7,500	
Other Charges	687	
Total Board of Education		660,453

Director of Schools

County Official/Administrative Officer	\$ 107,500	
Secretary(ies)	77,688	
Longevity Pay	2,700	
Social Security	11,875	
Pensions	30,239	
Life Insurance	114	
Medical Insurance	15,463	
Dental Insurance	400	
Employer Medicare	2,777	
Communication	14,295	
Postal Charges	6,976	
Travel	60	
Other Contracted Services	23,456	
Office Supplies	5,185	
Other Supplies and Materials	3,439	
Total Director of Schools		302,167

Office of the Principal

Principals	\$ 791,751	
Career Ladder Program	9,000	
Assistant Principals	700,189	
Secretary(ies)	573,580	
Clerical Personnel	120,944	
Longevity Pay	21,685	
Social Security	129,513	
Pensions	242,880	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Life Insurance	\$	3,760	
Medical Insurance		438,893	
Dental Insurance		9,054	
Employer Medicare		30,289	
Communication		65,000	
Travel		1,213	
Other Contracted Services		122,529	
Other Supplies and Materials		20,203	
Other Charges		5,112	
Total Office of the Principal			\$ 3,285,595

Fiscal Services

Other Charges	\$	367,533	
Total Fiscal Services			367,533

Human Services/Personnel

Supervisor/Director	\$	52,000	
Secretary(ies)		33,620	
Longevity Pay		700	
Social Security		4,824	
Pensions		13,492	
Life Insurance		138	
Medical Insurance		18,345	
Dental Insurance		400	
Employer Medicare		1,128	
Advertising		14	
Dues and Memberships		240	
Travel		160	
Other Supplies and Materials		930	
In Service/Staff Development		527	
Total Human Services/Personnel			126,518

Operation of Plant

Supervisor/Director	\$	75,296	
Guards		90,919	
Custodial Personnel		774,392	
Longevity Pay		28,220	
Other Salaries and Wages		9,800	
Social Security		58,178	
Pensions		140,069	
Life Insurance		3,027	
Medical Insurance		312,915	
Dental Insurance		6,448	
Employer Medicare		13,702	
Other Contracted Services		478,653	
Custodial Supplies		168,496	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Electricity	\$	1,470,387	
Natural Gas		262,267	
Water and Sewer		148,533	
Building and Contents Insurance		395,237	
Other Charges		3,000	
Total Operation of Plant			\$ 4,439,539

Maintenance of Plant

Supervisor/Director	\$	57,491	
Maintenance Personnel		369,498	
Longevity Pay		8,600	
Social Security		26,568	
Pensions		65,106	
Life Insurance		895	
Medical Insurance		76,531	
Dental Insurance		2,332	
Employer Medicare		6,213	
Communication		4,558	
Maintenance and Repair Services - Buildings		333,856	
Maintenance and Repair Services - Equipment		85,954	
Other Contracted Services		358,640	
Other Supplies and Materials		177,633	
Other Charges		22,663	
Maintenance Equipment		44,685	
Total Maintenance of Plant			1,641,223

Transportation

Supervisor/Director	\$	57,491	
Mechanic(s)		190,978	
Bus Drivers		1,082,878	
Clerical Personnel		26,447	
Longevity Pay		5,800	
Other Salaries and Wages		45,021	
Social Security		82,579	
Pensions		64,450	
Life Insurance		597	
Medical Insurance		73,088	
Dental Insurance		1,550	
Employer Medicare		20,235	
Contracts with Public Carriers		2,000	
Maintenance and Repair Services - Vehicles		60,116	
Medical and Dental Services		8,569	
Other Contracted Services		26,747	
Diesel Fuel		256,051	
Garage Supplies		3,344	
Gasoline		72,725	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Lubricants	\$	12,186	
Tires and Tubes		55,488	
Vehicle Parts		98,980	
Other Charges		7,992	
Transportation Equipment		248,995	
Total Transportation			\$ 2,504,307

Central and Other

Instructional Computer Personnel	\$	57,491	
Secretary(ies)		17,347	
Longevity Pay		4,562	
Other Salaries and Wages		298,159	
Social Security		22,586	
Pensions		56,981	
Life Insurance		619	
Medical Insurance		74,069	
Dental Insurance		1,799	
Employer Medicare		5,282	
Consultants		70,000	
Maintenance and Repair Services - Equipment		8,192	
Other Contracted Services		324,240	
Office Supplies		1,748	
Other Supplies and Materials		21,998	
In Service/Staff Development		10,265	
Administration Equipment		19,996	
Other Equipment		486,465	
Total Central and Other			1,481,799

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	71,501	
Longevity Pay		1,500	
Other Salaries and Wages		51,425	
Social Security		7,693	
Pensions		7,367	
Life Insurance		69	
Medical Insurance		6,729	
Dental Insurance		200	
Employer Medicare		1,799	
Communication		1,379	
Travel		80	
Food Supplies		8,333	
Other Supplies and Materials		4,237	
Other Charges		1,584	
Total Community Services			163,896

(Continued)

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education

Supervisor/Director	\$	8,983	
Teachers		283,193	
Assessment Personnel		3,000	
Clerical Personnel		5,020	
Educational Assistants		128,758	
Longevity Pay		4,767	
Other Salaries and Wages		495	
Non-certified Substitute Teachers		7,700	
Social Security		25,796	
Pensions		41,866	
Life Insurance		1,065	
Medical Insurance		100,306	
Dental Insurance		2,460	
Employer Medicare		6,034	
Contracts with Other Public Agencies		93,413	
Travel		313	
Instructional Supplies and Materials		17,395	
In Service/Staff Development		2,514	
Other Charges		2,778	
Other Equipment		2,252	
Total Early Childhood Education			\$ 738,108

Capital Outlay

Regular Capital Outlay

Other Charges	\$	420	
Building Purchases		68,033	
Total Regular Capital Outlay			68,453

Total General Purpose School Fund \$ 51,526,661

School Federal Projects Fund

Instruction

Regular Instruction Program

Educational Assistants	\$	547,768	
Longevity Pay		28,527	
Other Salaries and Wages		12,570	
Certified Substitute Teachers		7,500	
Social Security		33,038	
Pensions		87,674	
Life Insurance		3,198	
Medical Insurance		360,928	
Dental Insurance		6,681	
Employer Medicare		7,811	
Instructional Supplies and Materials		25,679	
Regular Instruction Equipment		49,273	
Total Regular Instruction Program			\$ 1,170,647

(Continued)

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

Teachers	\$	43,355	
Educational Assistants		530,981	
Other Salaries and Wages		25,758	
Non-certified Substitute Teachers		2,179	
Social Security		33,831	
Pensions		88,226	
Life Insurance		2,837	
Medical Insurance		314,918	
Dental Insurance		5,415	
Employer Medicare		7,914	
Other Contracted Services		39,934	
Instructional Supplies and Materials		75,708	
Other Supplies and Materials		15,331	
Other Charges		4,170	
Total Special Education Program			\$ 1,190,557

Vocational Education Program

Vocational Instruction Equipment	\$	85,677	
Total Vocational Education Program			85,677

Support Services

Other Student Support

Other Salaries and Wages	\$	81,396	
Social Security		5,047	
Pensions		12,118	
Life Insurance		205	
Medical Insurance		23,067	
Dental Insurance		600	
Employer Medicare		1,180	
Travel		35,478	
Other Contracted Services		4,333	
Other Supplies and Materials		7,487	
In Service/Staff Development		1,423	
Other Charges		14,447	
Other Equipment		2,816	
Total Other Student Support			189,597

Regular Instruction Program

Supervisor/Director	\$	71,868	
Clerical Personnel		39,635	
Other Salaries and Wages		487,633	
Certified Substitute Teachers		3,607	
Non-certified Substitute Teachers		6,650	
Social Security		32,577	
Pensions		50,730	
Life Insurance		623	

(Continued)

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Medical Insurance	\$	80,120	
Dental Insurance		1,799	
Employer Medicare		8,430	
Contracts with Private Agencies		11,995	
Travel		1,499	
Instructional Supplies and Materials		1,078	
Other Supplies and Materials		7,702	
In Service/Staff Development		55,512	
Other Charges		13,746	
Other Equipment		4,630	
Total Regular Instruction Program			\$ 879,834

Special Education Program

Psychological Personnel	\$	143,081	
Other Salaries and Wages		49,862	
Social Security		11,513	
Pensions		20,710	
Life Insurance		284	
Medical Insurance		31,995	
Dental Insurance		616	
Employer Medicare		2,693	
Travel		1,447	
Other Contracted Services		10,634	
In Service/Staff Development		12,072	
Total Special Education Program			284,907

Vocational Education Program

Travel	\$	1,758	
Total Vocational Education Program			1,758

Transportation

Bus Drivers	\$	46,167	
Other Salaries and Wages		15,187	
Social Security		3,804	
Pensions		4,747	
Employer Medicare		890	
Total Transportation			70,795

Operation of Non-Instructional Services

Community Services

Teachers	\$	34,306	
Educational Assistants		9,169	
Other Salaries and Wages		5,670	
Certified Substitute Teachers		75	
Non-certified Substitute Teachers		540	
Social Security		3,031	

(Continued)

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

School Federal Projects Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Pensions	\$	4,280	
Employer Medicare		713	
Food Supplies		4,780	
Instructional Supplies and Materials		17,310	
In Service/Staff Development		1,883	
Other Charges		1,460	
Total Community Services			\$ 83,217

Total School Federal Projects Fund \$ 3,956,989

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	47,050	
Accountants/Bookkeepers		66,561	
Cafeteria Personnel		935,865	
Longevity Pay		22,346	
Other Salaries and Wages		7,469	
In-service Training		1,692	
Social Security		63,154	
Pensions		103,329	
Life Insurance		2,467	
Medical Insurance		254,795	
Dental Insurance		5,548	
Employer Medicare		15,089	
Communication		7,697	
Maintenance and Repair Services - Equipment		43,550	
Transportation - Other than Students		6,579	
Travel		2,367	
Other Contracted Services		106,543	
Food Supplies		1,377,937	
Office Supplies		12,956	
USDA - Commodities		211,593	
Other Supplies and Materials		154,004	
In Service/Staff Development		8,464	
Food Service Equipment		33,236	
Total Food Service			\$ 3,490,291

Total Central Cafeteria Fund 3,490,291

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Other Contracted Services	\$	53,144	
Other Charges		336	

(Continued)

Exhibit K-8

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

<u>Education Capital Projects Fund (Cont.)</u>			
<u>Capital Projects (Cont.)</u>			
<u>Education Capital Projects (Cont.)</u>			
Other Equipment	\$	111,750	
Other Construction		<u>476,554</u>	
Total Education Capital Projects			\$ <u>641,784</u>
Total Education Capital Projects Fund			\$ 641,784
<u>Other Capital Projects Fund - RZEDB</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Other Construction	\$	<u>1,833</u>	
Total Education Capital Projects			\$ <u>1,833</u>
Total Other Capital Projects Fund - RZEDB			1,833
<u>Other Capital Projects Fund - JCHS</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Other Supplies and Materials	\$	90,135	
Other Equipment		711,815	
Other Construction		<u>6,562,544</u>	
Total Education Capital Projects			\$ <u>7,364,494</u>
Total Other Capital Projects Fund - JCHS			7,364,494
<u>Other Capital Projects Fund - Building 8</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Other Construction	\$	<u>2,070,460</u>	
Total Education Capital Projects			\$ <u>2,070,460</u>
Total Other Capital Projects Fund - Building 8			<u>2,070,460</u>
Total Governmental Funds - Jefferson County School Department			<u>\$ 69,052,512</u>

Exhibit K-9

Jefferson County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balances - City Agency Funds
For the Year Ended June 30, 2015

	Cities - Sales Tax	Cities - Property Tax	Total
<u>Cash Receipts</u>			
Current Property Taxes	\$ 0	\$ 1,027,872	\$ 1,027,872
Trustee's Collections - Prior Years	0	86,171	86,171
Circuit/Clerk and Master Collections - Prior Years	0	13,207	13,207
Interest and Penalty	0	8,987	8,987
Local Option Sales Tax	4,953,086	0	4,953,086
Total Cash Receipts	\$ 4,953,086	\$ 1,136,237	\$ 6,089,323
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 4,903,555	\$ 1,117,890	\$ 6,021,445
Trustee's Commission	49,531	22,584	72,115
Total Cash Disbursements	\$ 4,953,086	\$ 1,140,474	\$ 6,093,560
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ (4,237)	\$ (4,237)
Cash Balance, July 1, 2014	0	9,207	9,207
Cash Balance, June 30, 2015	\$ 0	\$ 4,970	\$ 4,970

SINGLE AUDIT SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7841

**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, 2015, and the related notes to the financial statements, which collectively comprise Jefferson County's basic financial statements, and have issued our report thereon dated February 10, 2016. Our report includes a reference to other auditors who audited the financial statements of the Jefferson County Nursing Home and the Jefferson County Emergency Communications District, as described in our report on Jefferson County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

the effectiveness of Jefferson County's internal control. Accordingly, we do not express an opinion on the effectiveness of Jefferson County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses: 2015-002 and 2015-003.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 2015-001.

Jefferson County's Responses to Findings

Jefferson County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Jefferson County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a prominent vertical stroke at the beginning.

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 10, 2016

JPW/kp



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7841

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 OMB Circular A-133

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Jefferson County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Jefferson County's major federal programs for the year ended June 30, 2015. Jefferson County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Jefferson County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and*

Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Jefferson County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Jefferson County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Jefferson County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Jefferson County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Jefferson County's internal control over compliance.

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

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

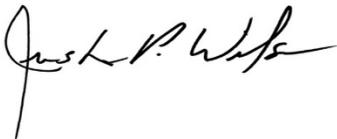
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

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, 2015, and the related notes to the financial statements, which collectively comprise Jefferson County's basic financial statements. We issued our report thereon dated February 10, 2016, 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 OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 10, 2016

JPW/kp

Jefferson County, Tennessee
 Schedule of Expenditures of Federal Awards and State Grants (1)
 For the Year Ended June 30, 2015

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	\$ 592,361
National School Lunch Program	10.555	N/A	1,809,296 (5)
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	211,593 (5)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	(2)	26,052
Total U.S. Department of Agriculture			<u>\$ 2,639,302</u>
U.S. Department of Justice:			
Direct Program:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	25323	\$ 14,551
Equitable Sharing Program	16.922	(3)	44,477
Passed-through Tennessee Bureau of Investigation:			
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	(2)	158
Total U.S. Department of Justice			<u>\$ 59,186</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	(4)	\$ 8,396
Total U.S. Department of Transportation			<u>\$ 8,396</u>
U.S. Institute of Museum and Library Services:			
Passed-through State Library and Archives:			
Grants to States	45.310	(2)	\$ 5,013
Total U.S. Institute of Museum and Library Services			<u>\$ 5,013</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(2)	\$ 165,373
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	1,738,795
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,519,006
Special Education - Preschool Grants	84.173	N/A	52,104
Career and Technical Education - Basic Grants to States	84.048	N/A	121,594
Twenty-first Century Community Learning Centers	84.287	N/A	83,510
English Language Acquisition Grants	84.365	N/A	26,127
Mathematics and Science Partnerships	84.366	N/A	53,781
Improving Teacher Quality State Grants	84.367	N/A	259,750

(Continued)

Jefferson County, Tennessee
 Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education (Cont.):			
Passed-through State Department of Education (Cont.):			
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	\$ 169,927
Total U.S. Department of Education			<u>\$ 4,189,967</u>
U.S. Department of Health and Human Services:			
Passed-through East Tennessee Human Resource Agency:			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	(2)	\$ 26,909
Title X Family Planning Services	93.217	(2)	4,273
HIV Prevention Activities - Health Department Based	93.940	(2)	1,026
Maternal and Child Health Services Block Grant to the States	93.994	(2)	6,290
Total U.S. Department of Health and Human Services			<u>\$ 38,498</u>
Executive Office of the President:			
Direct Program:			
High Intensity Drug Trafficking Areas Program	95.001	G-12-AP001A	\$ 13,003
Total Executive Office of the President			<u>\$ 13,003</u>
U.S. Department of Homeland Security:			
Passed-through State Department of the Military:			
Emergency Management Performance Grants	97.042	34101-05515	\$ 39,150
Total U.S. Department of Homeland Security			<u>\$ 39,150</u>
Total Expenditures of Federal Awards			<u>\$ 6,992,515</u>

(Continued)

Jefferson County, Tennessee
 Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
<u>State Grants</u>		<u>Contract Number</u>	
Health Department Programs - State Department of Health	N/A	GG-15-41555-00	\$ 92,695
Aging Program - East Tennessee Human Resource Agency	N/A	(2)	10,359
Diabetes Grant - State Department of Health	N/A	(2)	14,991
Litter Program - State Department of Transportation	N/A	(2)	43,801
Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	44,569
Adult Basic Education - State Department of Education	N/A	(2)	50,552
Early Childhood Education - State Department of Education	N/A	(2)	762,095
Coordinated School Health - State Department of Education	N/A	(2)	109,891
Internet Connectivity - Connect TN - State Department of Education	N/A	(2)	20,978
ACT Explore - State Department of Education	N/A	(2)	10,830
Student Ticket Subsidy - Tennessee Arts Commission through State Department of Education	N/A	(2)	5,112
Family Resource Center - State Department of Education	N/A	(2)	88,835
Safe Schools Act of 1998 - State Department of Education	N/A	(2)	31,450
Technology Grant - State Library and Archives	N/A	(2)	8,146
Total State Grants			<u>\$ 1,294,304</u>

CFDA = Catalog of Federal Domestic Assistance
 N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) 10-FBI-006009 (\$30,579); 10-FBI-006020 (\$6,443); 13-FBI-001935 (\$7,455).
- (4) Z-14-GHS178 (\$3,396); Z-15-GHS177 (\$5,000).
- (5) Total for CFDA No. 10.555 is \$2,020,889.

Jefferson County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2015

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Jefferson County, Tennessee, for the year ended June 30, 2014, which have not been corrected.

JEFFERSON COUNTY

Finding Number	Page Number	Subject
2014-008	231	The Solid Waste Disposal Fund had a deficit in unrestricted net position
2014-009	231	Jefferson County has a material recurring audit finding

JEFFERSON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2015

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Jefferson County is unmodified.
2. The audit of the financial statements of Jefferson County reported two deficiencies in internal control. Both of the deficiencies are considered to be material weaknesses.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of Jefferson County.
4. The audit reported no significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), the Special Education Cluster: Special Education Grants to States and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173), and the State Fiscal Stabilization Fund – Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Jefferson County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The finance director provided written responses on certain findings, which are paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICE OF COUNTY MAYOR

FINDING 2015-001 **A CASH SHORTAGE OF \$21,752 EXISTED IN THE PLANNING AND ZONING OFFICE AS OF JUNE 30, 2015**
(Noncompliance Under *Government Auditing Standards*)

On July 10, 2015, a Fraud Reporting Form was filed with the Comptroller of the Treasury alleging a cash shortage in the Planning and Zoning Office. A citizen had received a past-due notice for his adequate facilities tax. The citizen then presented paperwork from the Planning and Zoning Office, which reflected that his final payment had been made. The county's finance director, with assistance from the Comptroller's Office, performed an internal review of the receipts and deposits of the Planning and Zoning Office and determined that \$21,752 in adequate facilities tax and building permit collections had not been remitted to the county trustee. These unaccounted collections were for the period September 2013 through June 2015. The district attorney general was notified of the cash shortage, and the Tennessee Bureau of Investigations conducted an investigation. On January 11, 2016, the Jefferson County Grand Jury returned indictments charging a former employee of the Planning and Zoning Office with one count of theft over \$10,000, one count of theft over \$1,000, and four counts of official misconduct. The former employee was arrested on January 25, 2016.

The financial statements of this report reflect a cash shortage of \$8,876 in the General Fund and \$12,876 in the General Debt Service Fund. This deficiency is the result of the failure of management to segregate duties adequately.

RECOMMENDATION

Management should seek to recover the cash shortage and segregate duties adequately.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

Corrective action has been taken to segregate the duties in these departments. We are taking steps to recover the cash shortage.

JEFFERSON COUNTY

FINDING 2015-002

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

(Internal Control – Material Weakness Under *Government Auditing Standards*)

The Solid Waste Disposal Fund had a deficit of \$4,026,656 in unrestricted net position at June 30, 2015, a decrease of \$1,150,222 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. The \$4,680,705 reported as landfill closure and postclosure care liability at June 30, 2015, represents the cumulative amount reported to date based on 47 percent of the estimated capacity of the Patterson Landfill Site (\$3,424,525) and postclosure care costs of the Highway 92 Landfill Site (\$1,256,180). Generally accepted accounting principles and state statutes require that such costs be reflected in the financial statements. This deficiency exists due to the failure of management 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 – FINANCE DIRECTOR

The Finance Department and Audit Committee continue to work toward a resolution to this finding.

FINDING 2015-003

JEFFERSON COUNTY HAS A MATERIAL RECURRING AUDIT FINDING

(Internal Control – Material Weakness Under *Government Auditing Standards*)

Jefferson County has a material audit finding that has been reported in its annual reports for three or more consecutive years. This recurring material finding is listed below:

<u>Finding Numbers</u>	<u>Description</u>
2015-003, 2014-009, 2013-005	The Solid Waste Disposal Fund had a deficit in unrestricted net position

The recurring nature of the above-noted finding indicates that management is unable or unwilling to address the deficiency. Jefferson County has established an Audit Committee to address financial and other reporting practices, internal control, compliance with laws and regulations, and ethics.

RECOMMENDATION

County officials should work with its Audit Committee to correct the above-noted material weakness in internal control.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

The Finance Department and Audit Committee continue to work toward a resolution to this finding.

**PART III, FINDINGS AND QUESTIONED
COSTS FOR FEDERAL AWARDS**

There were no findings and questioned costs for federal programs.

**JEFFERSON COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2015**

There were no audit findings relative to federal awards presented in the prior- or current-years' Schedules of Findings and Questioned Costs.